

# Australia

Australia has been a growth market in terms of arrivals and spending for the United States. It has the potential to have a greater impact on the United States due to its citizens' longer stays and tendency to visit multiple destinations while they are here. Furthermore, its higher use of leisure activities and transport while within the country also means its impact will spread to more U.S. businesses than happens with several of the other top markets. To attract an increasing number of visitors from Australia, the private sector should ensure that Australian traveler preferences and growth segments match up with U.S. products and work with the U.S. Government in market to increase coordination work through a travel and tourism country plan.

Overall  
Rank

10

Australians are well-known throughout the world for their adventurous spirit and love of traveling. In 2013, the number of Australians visiting locations outside Australia totaled 8.77 million travelers, nearly 0.8 percent of all global outbound travel. According to Brand USA research data that asked "what countries did you visit on your last international holiday in the past two years," the United States was the top place visited by Australian travelers. This was followed by New Zealand, Thailand, and the United Kingdom.

In 2013, travelers from Australia spent \$28.5 billion when traveling abroad, an increase of almost 345 percent since 2000.<sup>viii</sup> At that time, Australia was the 16<sup>th</sup> top outbound spending market in the world, and has since moved up to eighth in 2013, accounting for more than 2.4 percent of global tourism expenditures. Over the past two years, spending by Australian travelers increased by only three percent, which was considerably slower than the 20 percent or higher growth it had seen in four of the last five years.

Much of the growth in outbound travel in recent years has been due to two factors: 1) the high Australian dollar, which has made it more affordable for Australians to go on an overseas holiday, and 2) the mining boom, which boosted real per capita household disposable income and contributed to a large appreciation of the Australian dollar. With the Australian dollar likely to remain below parity with the U.S. dollar over the next several years, and with the mining boom having peaked, both factors are likely to fade, although the growth in 2013 occurred despite a depreciation of the Australian dollar. Still, growth of travel from Australia to the United States may slow considerably if the United States does not take advantage of other opportunities.

## Market Overview

The United States welcomed a record 1.2 million visitors from Australia in 2013, an increase of seven percent when compared to the previous year. In fact, 2013 marked the 10<sup>th</sup> straight year of growth in visitation from Australia, and the ninth year of record arrivals.<sup>ix</sup> Since 2004, arrivals from Australia have increased by 197 percent, the fourth fastest growth rate among the top 10 arrivals markets for the United States. Australia is now the 10<sup>th</sup> largest visitor market for the country, with arrivals surpassing the one million mark for the last three years.

As an export market, Australia ranked 10<sup>th</sup> in terms of 2013 total travel and tourism-related spending in the United States. Like the growth in arrivals, spending by Australian travelers has also grown tremendously over the past decade (181 percent). In 2013, Australian travel and tourism exports totaled a record \$6.8 billion, a seven percent increase over the previous year and a 55 percent increase over 2009. This translates into roughly \$19 million a day<sup>x</sup> being injected into local economies around the country, supporting more than 39,700 U.S. jobs.<sup>xi</sup>

U.S. travel and tourism exports now account for nearly 36 percent of all U.S. services exports and more than 15 percent of total exports to Australia. Travel and tourism has enjoyed a positive trade surplus with Australia for decades—a surplus that totaled nearly \$4.4 billion in 2013.

## Understanding the “Typical” Traveler from Australia

The National Travel and Tourism Office’s Survey of International Air Travelers provides key insights into travelers from Australia:

**Purpose of Trip**— Most Australian visitors to the United States come for leisure activities. As to the main purpose of their trip, the majority of arrivals from Australia were on vacation/holiday (75 percent), followed by visiting friends and relatives (13 percent), convention/conference/trade show (six percent), and business (four percent). When considering all purposes of their trip (multiple responses), the net purpose of business and leisure totaled 11 percent and 91 percent, respectively.

**Ports of Entry**—The top U.S. ports of entry used by Australian travelers were Los Angeles, California (52 percent), Honolulu, Hawaii (22 percent), San Francisco, California (six percent), New York, New York (six percent), and Dallas/Ft. Worth, Texas (five percent).

**Number of States Visited**—45 percent of Australian travelers visited one state during their stay in the United States; over 19 percent visited two U.S. states; and 36 percent of Australian travelers visited three or more states. This makes Australia one of the most adventurous markets in terms of the number of states visited.

**U.S. Destinations Visited: States/Territories and Cities**—The top U.S. states visited included California (47 percent), Hawaii (44 percent), New York (33 percent), Nevada (29 percent), Florida (11 percent), Texas (six percent), Illinois (five percent), and Arizona (five percent). Australian visitors favored Honolulu, Hawaii (36 percent), followed by New York City, New York (33 percent), Los Angeles-Long Beach, California (32 percent), Las Vegas, Nevada, (28 percent), San Francisco, California (20 percent), Anaheim, California (nine percent), Washington, DC (six percent), San Diego, California (six percent), Miami, Florida (six percent), Chicago, Illinois, (five percent), and Orlando, Florida (five percent).

**Leisure Activities**—The top leisure activities of Australian visitors were shopping (95 percent), sightseeing (91 percent), visiting national parks and monuments (58 percent), taking guided tours (56 percent), traveling to historical locations (51 percent), experiencing fine dining (50 percent), traveling to small towns/countryside (49 percent), visiting art

galleries/museums (39 percent), visiting amusement/theme parks (35 percent), attending concerts/plays/musicals (34 percent), visiting cultural/ethnic heritage sites (29 percent), and going to casinos/gambling (27 percent).

**Transportation Used in the United States**—The mode of travel most popular with Australian visitors while in the United States was the use of air travel between U.S. cities (67 percent), followed by using a taxicab/limousine (53 percent), city subway/tram/bus (45 percent), private or company auto (37 percent), rented auto (35 percent), and bus between cities (24 percent). Just over 11 percent used the U.S. rail system between cities.

**Accommodations and Nights in the United States**— The overwhelming majority of Australian visitors stayed in hotels (89 percent), while 24 percent stayed in private homes. The average number of nights Australian visitors stayed in the United States was 20 nights, with 20 percent staying 15 to 21 nights and 17 percent staying 11 to 14 nights.

**Income**—The average income of visitors from Australia was \$133,282 in 2013, with 18 percent of Australian visitors making \$200,000 or more a year and, of that, six percent making \$300,000 or more. Over 47 percent made less than \$100,000 in annual income.

## Export Opportunities

Currently, Australia is the 10<sup>th</sup> largest travel and tourism export market for the United States. While arrivals have increased every year for the last 10 years, travel exports have also increased nine straight years, up 55 percent over 2009 and 181 percent since 2004. The U.S. share of total Australian outbound travel spending in 2013 was 22.7 percent, up from 20.4 percent in the previous year. The U.S. share of Australian outbound travel has increased in three of the past five years, but had been down the last two years.

The 1.2 million visitors the United States welcomed from Australia in 2013 account for 13.7 percent of total Australian outbound travelers. The U.S. share of total Australian outbound travel was 11.5 percent in 2009. It had increased each year until 2012, when it reached 13.7 percent. In 2013, the percentage of Australian travelers that visited the United States as a percentage of Australia’s total population was small (0.5 percent), demonstrating clear opportunity for growth.

The National Travel and Tourism Office Forecast for International Travel anticipates a compound annual increase of more than 3.8 percent for Australia, culminating in 1.5 million arrivals from Australia in 2019, a 25 percent increase over the 2013 visitation level. Australia will remain the 10<sup>th</sup> largest arrivals market for the country and will see the fifth fastest growth among the top 10 arrivals markets for the United States. To increase growth from Australia, the United States must take advantage of, and develop, opportunities to create greater demand.

The foundation on which to create greater demand is already in place. Australia has been part of the Visa Waiver Program since 1996 and has had an Open Skies agreement with the United States since 2008. Air capacity between Australia and the United States is increasing. Qantas Airways recently started flying A380s between Sydney and Dallas/Fort Worth and United Airlines launched a new non-stop Melbourne to Los Angeles service, six times weekly.

Australians stay longer (an average of 20 days) and spend more money than many other international visitors to the United States. The United States is the top long-haul destination for Australian travelers, and Australians travel throughout the United States, not just to primary cities and states.

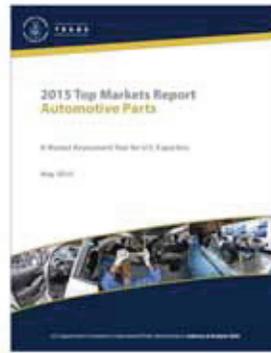
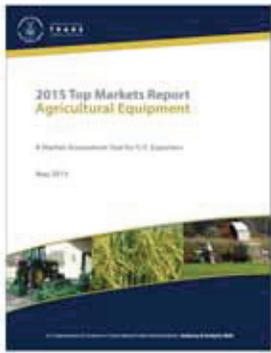
Brand USA Australia began operating in market in June 2013. Since then, the team has established and implemented a range of promotional and development initiatives to stand up Brand USA's presence and enhance consumer and trade perception of the breadth and diversity of the United States as a destination.

### **Challenges & Barriers**

Australia continues to be a top market for the United States with limited challenges:

- **Exchange Rate.** The U.S. dollar has strengthened significantly against the Australian dollar, which could cause Australians to adjust their length of stay and spending in the United States (cheaper accommodation, less expensive dining options, less shopping). However, it is widely-believed in market that Australians will continue to travel to the United States due to strong interest and competitive airfares.

Although growth in visitation and spending in 2013 occurred despite a depreciation of the Australian dollar, growth of travel from Australia to the United States may slow considerably if the United States does not take advantage of other opportunities.



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