NSW Family Travel Market

June 2015

INTRODUCTION

This document profiles **NSW families and their travel behaviour in relation to their trips within Australia and overseas**. It makes comparisons of Sydney and Regional NSW families in terms where they go for their domestic travel, where they stay, their main activities and sources of information. This document also provides insights from research into the Australian consumer travel mindset, with a specific focus on families.

The *Australian Bureau of Statistics 2009-2010 Family Characteristics Survey* reported the changing patterns of family and household composition. Of the 6.3 million families in Australia in 2009-2010, 84% (5.4 million) were couple families and 14% (879,000) were one parent families.

Other key findings included:

- Couple families with resident children (2.8 million families) outnumbered those families without resident children (2.5 million families).
- Since the *1997 Family Characteristics Survey*, the proportion of couple families without resident children increased with each survey cycle: 35% of families in 1997, 38% in 2003 and 40% in 2009-2010. In obvious contrast, the proportion of couple families with children living in the household has been slightly declining: 48% of families in 1997, 46% in 2003 and 44% in 2000-2010.
- Of the 2.8 million couple families in Australia with resident children, 31% live in NSW (0.9 million families).

The changing family composition has implications for the tourism industry in terms of catering to the travel needs of families, the type of travel undertaken, and the products and services wanted by families.

AUSTRALIAN FAMILY TRAVEL MINDSET

The market research company TNS Australia conducts an annual syndicated study *Domesticate* that looks into the Australian travel market, their mindset, attitudes to travel and outlook.

Domesticate reported that domestic travel fulfils a key role in busy family lives by offering a chance for families to reconnect, recharge and have a break from normal routine. A domestic holiday is often a weekend break or a short break (2 to 4 days) providing an opportunity for families to relax and to open lines of communication between adults and children without time pressures. They are often a mix of planned and spontaneous trips, spread across the calendar to provide milestones to look forward to, and are often undertaken for social reasons such as visiting family and friends. The research identified road trips as providing a perfect opportunity for families to bond as a family unit.

The study reported that the key drivers for domestic travel by families in Australia focus around ease and convenience. Key attributes of destinations include:

- Somewhere relaxed and easy with beautiful surroundings (e.g. scenery and beaches), in the same time zone, which have familiar restaurants, healthcare and amenities.
- Accessible locations particularly for short breaks, often only a few hours' drive from home. This allows freedom and comfort for young families to travel in their own car, for disabled travellers and for older teens who want to travel separately but desire to be part of a "family" holiday.

The study also reported that international travel continues to be aspirational and Australians seek to take their main holiday overseas, motivated by a desire to experience cultural differences and new locations. In the recent past, Australians have embraced the opportunities afforded by overseas all-inclusive travel deals and promotions and often a more favourable exchange rate.

Cruising is also growing in popularity among families with their all-inclusive package, high quality accommodation and facilities, variety of dining, entertainment and activity options for the whole family. A survey commissioned by Destination NSW on Sydney Cruise Passengers in 2013-2014 reported that 28% of cruise passengers who live in Sydney were family groups.

Domesticate highlighted the following opportunities for boosting domestic family travel in Australia:

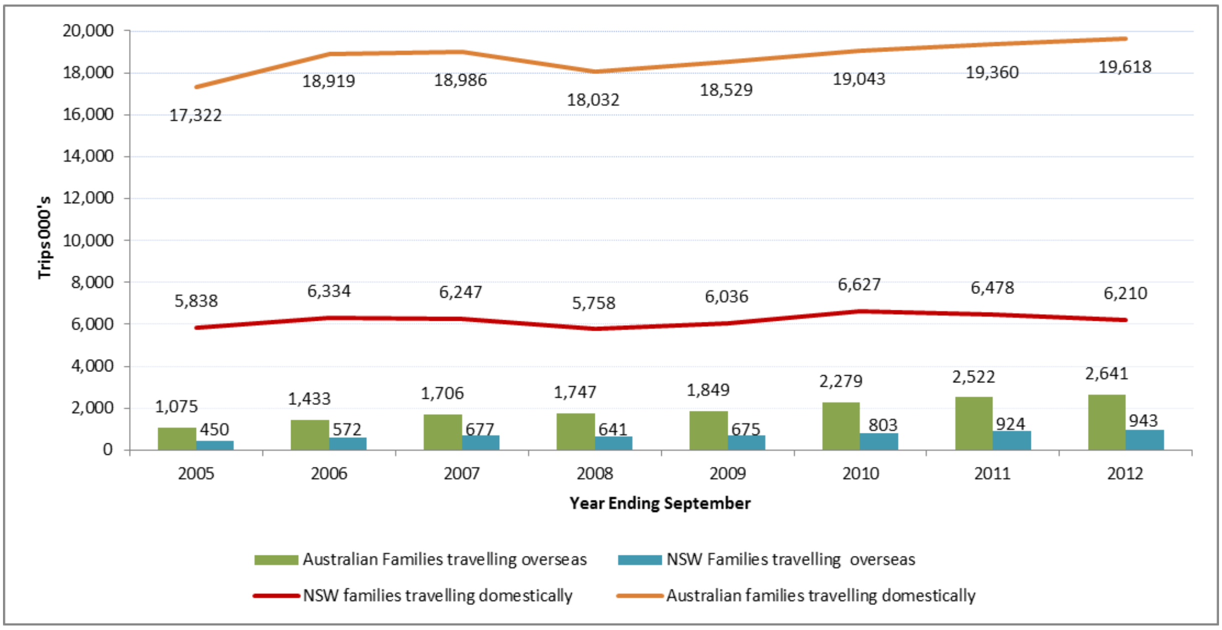
- Create the imagery for "family reconnections". These are not always overt opportunities sought out by families; rather they can be intangible benefits of a family holiday such as tapping into the emotions of re-connecting. Boost the appeal of road trips via nostalgia imagery to tap into the desire to "re-connect".
- Cater to the needs of the entire travel party and that may include kids, teenagers, elderly or disabled family members, and the family pets. This means availability of a range of accommodation and dining options, entertainment and activities, technology devices and a Wi-Fi connection at the destination.
- Promote the value of domestic holidays by offering all-inclusive travel packages (e.g. accommodation, meals, and activities). Packages have a strong appeal as they offer ease and convenience, transparency and they also provide a sense of urgency for travel.
- Motivate families to travel now and to take short breaks during off-peak periods (for example, to attend a major event or a local festival). The need for immediacy and spontaneity is one that only domestic travel can offer. *Domesticate* reported that authentic food and wine experiences, and events and festivals can generate the desire to travel.
- Make domestic holiday travel an easy experience. This includes availability and easy access to comprehensive information on accommodation, transport, food, shopping, tours and attractions, ease of booking and availability of a wide range of services.

MARKET SIZE AND TREND

Family travel is dominated by domestic travel, despite the growth in families travelling overseas. Overseas travel remains aspirational for families. The chart below shows the trend in Australian and NSW families' travel within Australia and overseas from 2005 to 2012.

In the year ended September 2012[1], there were 6.2 million domestic overnight trips undertaken by NSW families versus 0.9 million NSW families who took overseas trips. The Australian family overseas travel to domestic travel ratio is 1:7, that is, for every Australian family travelling overseas, there are seven Australian families travelling locally. The same ratio applies among NSW families. NSW families accounted for 32% of Australian family domestic travel (19.6 million) and 36% of Australian family overseas travel (2.6 million).

Chart 1: Domestic Overnight Travel versus Outbound Travel of Families



Source: National Visitor Survey, Year Ending September

Definition and Notes

Figures for the following analysis were derived from Tourism Research Australia's National Visitor Survey for the year ending September 2014, unless stated otherwise.

*For the domestic travel market, the National Visitor Survey defines the 'Family' as **residents whose 'travel party' included a family with children or friends and relatives travelling with children**. **They will be referred to in this document as families or family travellers.***

*For domestic outbound travel, the National Visitor Survey defines the 'Family' in terms of life cycle as a parent with the youngest child aged 15 years or less still living at home. **They will be referred to in this document as families or family travellers.***

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[1] The life cycle question was asked of outbound travellers from the National Visitor Survey only from 2005 to 2012. Hence, for the purpose of comparisons, family trip analysis was undertaken of domestic travel within Australia and overseas from 2005 to 2012.

Australian Outbound Travel

The **Australian outbound family travel market** has been increasing steadily since 2005, with a dip in growth in 2008 and 2009 and a strong recovery in 2010. Families have increased their incidence of overseas travel lured with increases driven by increased air capacity, entry of low cost carriers, competitive airfares, favourable exchange rates, relative affordability of luxury accommodation, all-inclusive bundling of overseas trips components (i.e. airfares, meals, activities), and the increasing popularity of the cruise market. There was a slight slowing of the growth in the number of NSW families travelling overseas from 2011 – 2012.

The total growth in the outbound Australian travel from year ending (YE) September 2005 to YE Sep 2012 was 146%. The average annual growth from YE September 2005 to YE September 2012 was 14%.

While the **NSW outbound family travel** market increased from YE September 2005 to YE September 2012 (110%), its growth was not as strong as the Australian family outbound travel market (146%). The average annual growth for NSW outbound family travel from YE September 2005 to YE September 2012 was 11%.

Domestic Overnight Travel in Australia

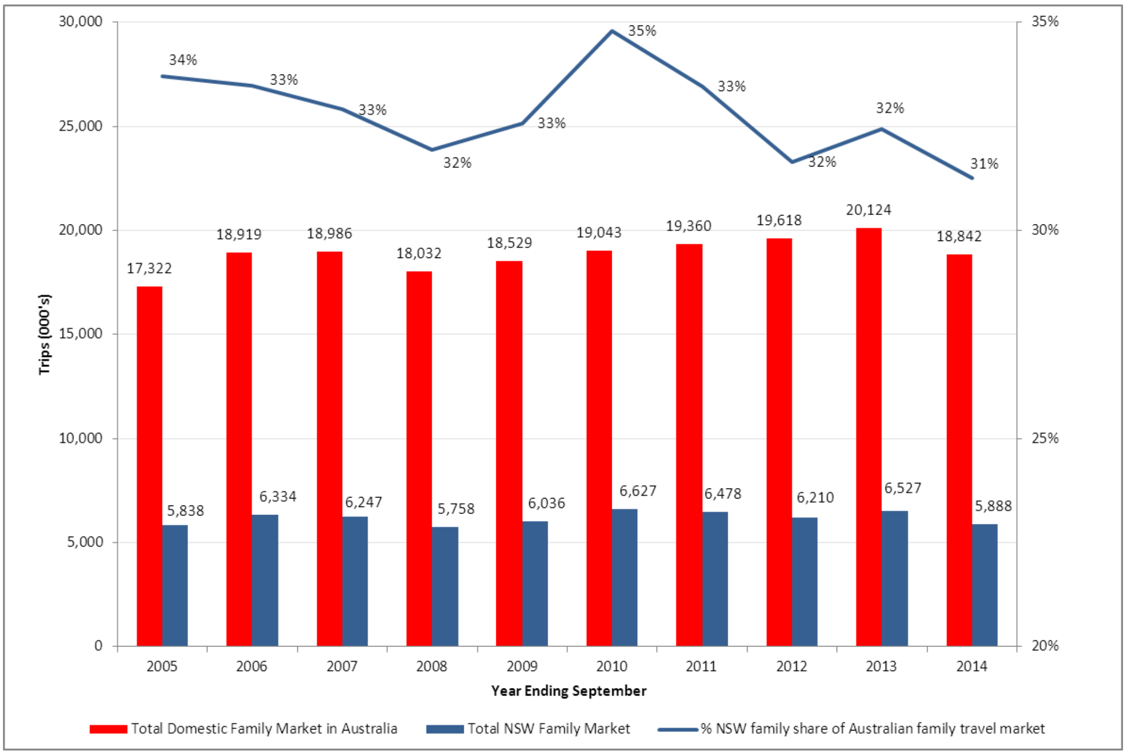
In the year ended September 2014, there were 18.8 million domestic overnight trips undertaken by Australians who travelled with their families**.** They stayed 75.5 million nights and spent $14.5 billion. The share of Australian family travellers to all Australian domestic travellers is 25%.

- There were more NSW family travellers (5.9 million) in YE September 2014 as compared to Victorian family travellers (4.7 million) and Queensland family travellers (4.2 million).
- **NSW** family travellers' share of the family travel market in Australia is around 31%.
- **Victoria** family travellers' share of the family travel market in Australia is 25%. **Queensland**'s share is 22%.

In the year ended September 2014, there were 5.9 million domestic overnight trips undertaken by NSW residents who travelled with their families. They stayed 22.4 million nights and spent $4.5 billion. The share of NSW family travellers to NSW resident domestic travellers is 23%.

- There were 3.2 million **family travellers who live in Regional NSW** or a 55% share of the NSW family travel market. There were 2.7 million **family travellers from Sydney** (45% share).
- Australian family travellers spent $767 per person which was similar to the average spend of NSW family travellers of $761 per person. Please note that these average spend figures could include expenditure for all or some of the family members. Tourism Research Australia's National Visitor Survey has not included a question on the number of persons in the travel party since 2005.

Chart 2: The Family Domestic Overnight Travel Market – Australia and NSW



Source: National Visitor Survey, Year Ending September

The **Australian** domestic overnight family travel market had grown from 2005 to 2013 (17.3 million family travellers in YE September 2005 to 20.1 million in YE September 2013) and slightly declined in the year ended September 2014 in comparison to the same period in 2013 (18.8 million, down 6%).

- While the market grew by 9% from 2005 to 2014, the average annual growth in the Australian domestic family travel from YE September 2005 to YE September 2014 was 0.9%.

The **NSW** domestic overnight family travel market increased from 2005 to 2013 (5.8 million family travellers in YE September 2005 to 6.5 million in YE September 2013, up 12%) but decreased in year ended September 2014 compared to year ended September 2013 (5.9 million, down 10%).

VISITOR PROFILE

Travel Duration

The table below indicates that NSW families tend to travel intrastate more than the overall NSW resident travel market (76% vs. 70%). The average trip duration of NSW families tend to be longer than NSW resident travellers, for both interstate and intrastate visitation.

There is slight difference in travel patterns of families residing in Sydney with those in Regional NSW in terms of their interstate and intrastate visitation. There was slightly higher interstate visitation by Sydney families (30%) than Regional NSW families (26%). The latter had a slightly higher intrastate visitation (77%) than Sydney families (74%).

Sydney families tended to stay longer than Regional NSW families in both their interstate and intrastate visitation.

Table 1: Duration of Travel of NSW Residents

	Sydney Families	Regional NSW Families	Total NSW Families	Total NSW Residents
Interstate Visit	**30%**	**26%**	**28%**	**33%**
AVE LENGTH OF STAY	5.17	4.66	4.91	4.40
Intrastate Visit	**74%**	**77%**	**76%**	**70%**
AVE LENGTH OF STAY	3.50	3.02	3.23	3.02

Source: National Visitor Survey, Year Ending September 2014

Destination

The most popular interstate destination for Sydney and Regional families was Queensland (44%), with 62% of NSW families travelling to Queensland for Holiday and 32% for Visiting friends and relatives.

Victoria was the second top destination for Regional NSW families while the ACT was the second most popular destination for Sydney families.

Regional NSW families visited Victoria for Holiday (51%), followed by Visiting Friends and Relatives (35%). On the other hand, Sydney families travelled to the ACT to visit Friends and Relatives (48%), closely followed by Holiday (44%).

Table 2: Interstate Destinations of NSW Residents

	Sydney Families	Regional NSW Families	Total NSW Families	Total NSW Residents
Queensland	44%	44%	44%	36%
Victoria	21%	32%	27%	36%
ACT	23%	14%	18%	16%
South Australia	6%	5%	5%	6%
Western Australia	4%	3%	3%	4%
Northern Territory	1%	4%	3%	2%
Tasmania	2%	1%	2%	3%

Source: National Visitor Survey, Year Ending September 2014

The top four intrastate destinations for NSW families were Sydney, the North Coast, South Coast and the Hunter Valley. There was a slightly lower incidence of NSW families visiting Sydney than the overall NSW resident travellers (18% Vs 25%).

NSW families appear to be more attracted to coastal destinations than the overall NSW resident travel market. Popular destinations for Sydney families were the South Coast (24%) and the North Coast (18%) followed the Hunter (16%) and the Central Coast (12%). Top destination for Regional NSW families was Sydney (26%), followed by the North Coast (19%).

Table 3: Intrastate Destinations amongst NSW Residents and Families

	Sydney Families	Regional NSW Families	Total NSW Families	Total NSW Residents
Sydney	8%	26%	18%	25%
North Coast NSW	18%	19%	18%	16%
South Coast	24%	13%	18%	14%
Hunter	16%	11%	13%	14%
Central NSW	7%	9%	8%	9%
Central Coast	12%	4%	7%	6%
Capital Country	6%	5%	5%	6%
New England North West	2%	7%	4%	4%
Snowy Mountains	4%	3%	4%	3%
Blue Mountains	4%	3%	3%	4%
Riverina	1%	2%	2%	3%
The Murray	1%	2%	1%	2%
Outback NSW	0%	2%	1%	1%

Source: National Visitor Survey, Year Ending September 2014

Purpose of Visit

More than half of NSW families travelled for Holiday or leisure purposes (54%), followed by travel for Visiting Friends and Relatives (39%). In contrast, NSW resident travellers equally travelled for Holiday or leisure and Visiting Friends and Relatives (both at 39%).

Sydney families travelled more for Holiday or leisure (63%) than families living in Regional NSW who divided their trips more evenly between Holiday (47%) and Visiting Friends and Relatives (43%).

Table 4: Purpose of Visit for Domestic Travel

	Sydney Families	Regional NSW Families	Total NSW Families	Total NSW Residents
Holiday or leisure	63%	47%	54%	39%
Visiting friends and relatives	35%	43%	39%	39%
Business	2%	3%	3%	19%
Other	3%	9%	6%	6%

Source: National Visitor Survey, Year Ending September 2014

Activities

Almost nine in ten NSW resident travellers and family groups participated in social activities on their last trip away. These activities include visiting friends and relatives, sightseeing, shopping, eating out or attending an event.

Families had a higher participation rate in outdoor or nature activities (52%) than NSW resident travellers, and this was stronger amongst Sydney families (63%) than families in Regional NSW (43%). Participating in sporting activities was also more common amongst Sydney families (38%) as was visiting local/tourist attractions (32%) than Regional NSW families (29% and 22%, respectively).

*Domesticate r*eported the travel needs of families for activities at destination where the whole family can participate together as well as activities suitable for each member of the family and for children of various ages.

Table 5: Main Activities Undertaken For Domestic Travel

	Sydney Families	Regional NSW Families	Total NSW Families	Total NSW Residents
Social activities	92%	92%	92%	90%
Outdoor or nature activities	63%	43%	52%	35%
Sports or active outdoor activities	38%	29%	33%	22%
Local attractions or tourist activities	32%	22%	27%	20%
Arts / heritage / festival activities	20%	18%	19%	17%

Source: National Visitor Survey, Year Ending September 2014

Information Sources and Bookings

One third of NSW domestic travellers, irrespective of whether they travelled with their families or not, did not seek any information prior to their trip. NSW resident travellers and NSW families primarily relied on the internet and knowledge from previous visits to plan their domestic travel trips.

Sydney families had higher usage of the internet as information source (40%) than families from regional areas. Families from Regional NSW were slightly more likely to rely on friends and relatives for information (20%) than Sydney families (17%).

Table 6: Main Information Sources for Domestic Travel

	Sydney Families	Regional NSW Families	Total NSW Families	Total NSW Residents
Internet	40%	34%	37%	36%
Previous Visit	31%	33%	32%	32%
Friends or relatives	17%	20%	18%	15%
Did not get any information about trip	34%	35%	34%	33%

Source: National Visitor Survey, Year Ending September 2014

Of the NSW resident travellers and family groups who used the internet to book their travel arrangement, the main items booked were accommodation (68%) and airfares (42%).

There was a higher incidence of accommodation booked online by Regional NSW families (84%) than by Sydney families (74%). Sydney families had a higher incidence of booking airfares (35%) than Regional NSW families (17%) as Sydney families were more likely to travel interstate (30%) than Regional NSW families (26%).

Families living in Regional NSW were more likely to book activities and entertainment (16%) and attractions (7%) on the internet than families living in Sydney (13% and 3%, respectively).

Table 7: Main Items Booked On the Internet for Domestic Travel

	Sydney Families	Regional NSW Families	Total NSW Families	Total NSW Residents
Accommodation	74%	84%	79%	68%
Airfare	35%	17%	26%	42%
Activities and Entertainment (including dining)	13%	16%	14%	13%
Rental Car	12%	8%	10%	9%
Attractions	3%	7%	5%	2%
An organised tour	1%	0%	1%	1%
Other transport (including a cruise)	1%	3%	2%	5%
Other	2%	3%	2%	3%

Source: National Visitor Survey, Year Ending September 2014

Accommodation

Domesticate highlighted the desire amongst families for a broader range of accommodation styles (e.g. 2, 3 or 4 bedroom accommodation) with living spaces that allow separate areas for adults and children.

Preferred accommodation choices amongst NSW resident travellers included staying with family/friends (39%) and staying in a hotel/resort/motel (27%). As expected, the NSW Family market typically stayed in friends or relatives property (38%), particularly among NSW families living in regional areas (41%). Only one fifth of NSW families reported using hotel/resort/motel accommodation (22%) lower than for NSW resident travellers (27%).

Sydney families had a higher incidence of utilising rented accommodation (18%) than families in Regional NSW (11%). Commercial and non-commercial caravan accommodation were utilised more by families living in Regional NSW (15% and 6%, respectively) as compared to Sydney families (12% and 2%, respectively). There was a higher proportion of Sydney families staying in their holiday house (7%) than families in regional areas (2%).

Table 8: Main Accommodation Types Used for Domestic Travel (nights)

	Sydney Families	Regional NSW Families	Total NSW Families	TOTAL NSW Residents
Friends or relatives property	35%	41%	38%	39%
Hotel, resort, motel or motor inn	22%	21%	22%	27%
Rented house, apartment, flat or unit	18%	11%	14%	9%
Caravan park or commercial camping ground	12%	15%	13%	10%
Own property (e.g. holiday house)	7%	2%	5%	3%
Caravan or camping near road or on private property	2%	6%	4%	4%
Guest house or B&B	1%	1%	1%	1%
Other	4%	4%	4%	7%

Source: National Visitor Survey, Year Ending September 2014

Transport

Domesticate reported the importance of road trips in connecting families, allowing them to bond as a family unit.

As expected, car travel dominated transport choices amongst NSW families (85%) more so than for NSW resident travellers (72%) as NSW families were more likely to travel intrastate than NSW resident travellers. Families from Regional NSW were more likely to choose car travel (90%) than Sydney families (80%) as families in regional areas were more likely travel intrastate than interstate.

Compared to Regional NSW families, the use of air transport was much higher amongst Sydney families (17% Vs 8%), driven by their proximity to Sydney airport, and the wider choice of interstate and intrastate air services.

Table 9: Main Transport Types Used for Domestic Travel

	Sydney Families	Regional NSW Families	Total NSW Families	Total NSW Residents
Private or company vehicle	80%	90%	85%	72%
Air transport	17%	8%	12%	21%
Other transport	5%	5%	5%	10%

Source: National Visitor Survey, Year Ending September 2014

CONCLUSIONS

This document provided the travel profile of NSW Families and insights into the Australian family travel mindset. There are many opportunities to further increase the travel of NSW families.

- In 2009-2010, almost a third of Australian couple families with resident children live in NSW. The proportion of this type of family to all Australia families has slightly been declining.
- Family travel is still dominated by domestic travel despite the growth in outbound travel by Australian families in recent years.
- NSW family travellers lead the Australian domestic overnight family travel market, accounting for almost a third of this market, followed by Victorian families. More than half of NSW family travellers in Australia live in Regional NSW.
- Three quarters of NSW families travel within NSW. Their top four intrastate include Sydney, the North Coast, the South Coast and the Hunter regions. On average, NSW families travelled longer than NSW resident travellers for both interstate and intrastate visitation.
- While Sydney families travel more for Holiday, families in Regional NSW divided their trips almost evenly between Holiday and Visiting Friends and Relatives. Nine in ten of NSW families participate in social activities that include sightseeing, shopping, eating out. This was true of both Sydney and Regional NSW families.
- The internet and knowledge from previous visits are the main information sources for domestic travel for both NSW families and NSW resident travellers.
- Family holiday time is precious and the needs of the entire travel party must be met. The provision of a wide range of accommodation options, a variety of family friendly social and outdoor activities, local attractions and offering all-inclusive travel packages will increase the appeal of domestic holidays.
- Families need to be motivated to travel especially with a sense of immediacy of travelling now. Boosting the appeal of local events and festivals, and food and wine experiences have the potential to generate excitement and interest to travel now and to travel during off-peak periods.
- With a higher proportion of NSW families travelling intrastate than NSW resident travellers, NSW families travelled by car more than NSW resident travellers. Boosting the appeal of family holidays and family road trips via nostalgic imagery taps into family desire towards reconnection.

MORE INFORMATION

For more information and statistics about tourism in NSW, see the *Tourism – Facts & Figures* page on the Destination NSW Corporate website at http://www.destinationnsw.com.au/.