

Why Do Australians Travel?

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Abstract

This paper exploits the dynamic panel data cointegration technique to determine the demand elasticity of short term international departures from Australia with respect to changes in income, real exchange rate, migration and the cost of domestic air travel. The data utilised are from 1991 to 2008 for 47 destinations. The results confirm those of previous studies in showing that income is the single most important determinants of departure from Australia in the short run and in the long run. 61 percent of Australian travellers tend to repeat their visit. Increasing migrations from particular countries has a positive effect on departure to these nations. Real exchange rate is insignificant in explaining departures from Australia. International crisis occurring in year 2002 and 2003 affected departures from Australia in a negative way.

Keywords

Outbound Tourism, Australia, Dynamic Panel Data, Panel Cointegration.