

Australians Forgo Holidays to Pay Off Debt in Blow to Tourism - Survey

May 31, 2006

Almost half of those surveyed by Australia's leading holiday destination website say they would pay off debt rather than spend a cash windfall on travel, the first major poll on the issue has revealed.

The result indicates that increasing financial pressure on households from soaring fuel costs and a 0.25% interest rate is harming the domestic tourism industry which is facing stagnant growth.

The survey, involving more than 2900 respondents and conducted by totaltravel.com, asked if you received an unexpected windfall of \$1000, how would you spend it? Despite having logged on to a travel website, only 51% said they would put the money towards a holiday with 40% saying they would use it to pay off loans or credit card debt.

The remaining 9% said they would use the money to purchase household appliances.

The survey was conducted from the start of May after the Reserve Bank lifted interest rates by 0.25%.

Paul Fisher, spokesman for totaltravel.com - ranked the number one site for Australians seeking information about destinations - said the survey result indicated how price sensitive consumers were becoming.

"Given those answering the survey were clearly interested in travel, it is amazing to see that almost half wouldn't use a cash windfall to help pay for a holiday," Mr Fisher said.

"I suspect that in the broader community, holidays and travel are far from a number one priority for Australians as they face bigger mortgage payments and increased fuel bills."

Mr Fisher said the result backed up an earlier totaltravel.com survey which showed more than 80% of respondents had changed or abandoned their travel plans because of higher petrol prices.

totaltravel.com currently has up to 48,000 visitors a day and is now bigger than Lonely Planet, AAA Tourism and all the State Tourism Authority sites such as Tourism Qld for Australians seeking information about destinations.

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Launched in 2002, totaltravel.com delivers both a travel guide and a place to find accommodation, activities, transport, restaurants and other visitor information.

Users can seek information about a destination and then be directed to a local business in the area.

The site now offers more than 250,000 pages with contact details for more than 100,000 Australian businesses.

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