

## Canada

### **Key Market Message**

*A successful Australia Week Canada was held from 12 to 16 May with travel trade, consumer and media events taking place across downtown Toronto. This was in addition to four trade and policy events conducted by Austrade and The Australian High Commission – a significant increase in their partnership over 2007's Australia Week program.*

*The first quarter 2009 reflects the impact of the Global Financial Crisis as it took full effect in the last quarter of 2008, suppressing vacation planning. This decline however is off a very strong first quarter 2008 which grew by 11 per cent. Anecdotal feedback is indicating that our key operators are reasonably positive with the business for Australia going forward.*

### **1. Key Market Results and Achievements**

- Tourism Australia's Australia Week activity saw significant gains in partner engagement with the first-ever North American partnership with Emirates with their sponsorship of the *Come Walkabout* Media Luncheon on 13 May.
- In addition to these events that attracted some 1,400 consumer and travel trade participants, national media and advertising campaigns are currently taking place. The first ever advertising campaign targeting the Canadian under 30 demographic with messaging about the Working Holiday Visa was deployed.
- Another first for Canada was the Road Show held from 20 to 23 May in conjunction with the auto associations of Alberta and British Columbia. The Road Show included trade training and consumer nights in Alberta, Edmonton, Victoria (BC) and Vancouver. Over 400 consumers attended and 35 sales consultants were updated on Australia. Partners supporting the Road Show included Tourism Tasmania, Rail Australia, AAT Kings, Qantas, Air New Zealand and Australian Pacific Touring. The Road Show was conducted as a precursor to an extended partnership with both of these membership organisations that will be developed and deployed in September 2009.
- The Canadian dollar continued to trade stronger against the Australian dollar and as a result competitive airfares were released into the market by Qantas, Air Canada, Emirates and Delta.

## **2. Australian Travel Market**

### **2.1 Market Performance**

- Canadian visitor arrivals in March were 12,100 a decrease of four per cent relative to March 2008. In the year ending March 2009, there were 122,400 arrivals, an increase of three per cent relative to the previous twelve months.
- The first quarter 2009 reflects the impact of the GFC as it took full effect in the last quarter of 2008, suppressing vacation planning. This decline however is off a very strong first quarter 2008. Anecdotal feedback is indicating that our key operators are reasonably positive with the business for Australia, going forward.
- Canadian arrivals in April were 8,500, a decrease of three per cent relative to April 2008. For the four months to April, visitor arrivals were 47,500, a decrease of five per cent relative to the same period in 2008. For the year ending April 2009, there were 122,200 arrivals, an increase of two per cent relative to the previous 12 months.

### **2.2 Airline Issues/Changes**

- After a shaky first quarter on the Australia route, Air Canada is expecting that the route will show stronger sales in the Canadian summer.
- Emirates will commence the first A380 service from Canada on 1 June and is enjoying a load factor of 80-90 per cent from Toronto.
- V Australia has made approaches into the Canadian market and is expected to have fares available by July 2009. Representatives met with key Australian operators in May.

### **2.3 Trade Information Summary (including Business Events)**

- Sears Travel will build greater focus on long haul destinations, a decision driven by increasing lower margins to short haul sun destinations. Sears Travel will deploy an Australia campaign in September/October in conjunction with Boomerang Tours including recruitment and training of their agents into the Aussie Specialist Program.
- Transat Holidays will increase its focus on selling Australia with recruitment of their agents into the Aussie Specialist Program as well as product development with Boomerang Tours. A familiarisation trip for select Marlin Travel and Club Voyage both of whom Transat owns, will participate in the visit to Australia in August.
- Wholesaler Goway Travel has developed a significant amount of business for the World Masters Games in Sydney later this year with Canada showing one of the largest blocks of participant registrations. Goway will be placing an increased focus on events such as this going forward.
- Trek Escapes in association with Peregrine Tours ran a familiarisation trip to Australia for 10 of their sales consultants. The program included Sydney and Tasmania. Trek is owned by TUI and has offices in Toronto, Calgary, Edmonton and Vancouver.

- Aussie Specialist Program - Canada, as at April 2009 there were:
  - 593 Qualified Agents
  - 18 Premier Agents
  - 295 Trainee Agents

### 3. Current and Upcoming Activities in Market.

#### 3.1 Consumer Marketing:

| Dates                | Project / Event   | Partners  |
|----------------------|---|---|
| May 2009             | <b>Self Drive Campaign and Snowbirds / Experience Luxury Campaign:</b> <ul style="list-style-type: none"> <li>• In conjunction with the Canadian Automobile Association Travel (Alberta and British Columbia) and Boomerang Travel Road Show.</li> <li>• Dreamscapes Magazine – National Landscapes focus.</li> <li>• Travel Week trade feature on Indigenous Experiences.</li> </ul> | Boomerang<br>Qantas<br>Air New Zealand<br>AAT Kings<br>Rail Australia<br>Tourism Tasmania<br>Australian Pacific<br>Touring                                  |
| May 2009 – June 2009 | <b>Youth / Working Holiday Visa Campaign</b>  | SWAP Working<br>Holidays Canada<br>Qantas   |
| May 2009             | <b>Australia Week: G'day Canada:</b> <ul style="list-style-type: none"> <li>• Australia Week: G'day Toronto was held 12 to 15 May 2009 in partnership with Austrade and the High Commission.</li> <li>• Advertising campaign continues beyond Australia Week events</li> </ul>  | Austrade<br>Tourism NSW<br>Tourism Tasmania<br>AAT Kings<br>Goway Travel<br>Rail Australia<br>Voyages<br>Emirates<br>Tourism Victoria<br>Tourism Queensland |
| May - June 2009      | <b>Project Fox DVD promotions:</b> <ul style="list-style-type: none"> <li>• To continue to leverage off the buzz generated around the movie <i>Australia</i> targeting the retail agent segment.</li> </ul>   |   |

#### 3.2 Trade Marketing:

| Dates             | Project / Event  | Partners  |
|-------------------|--|---|
| June 2009         | <ul style="list-style-type: none"> <li>• Pre-ATE Famil with AAT Kings</li> </ul> | AAT Kings   |
| 7 – 9 August 2009 | <ul style="list-style-type: none"> <li>• OzTalk North America</li> </ul>         | North American<br>Trade & Australian<br>Experiences |

#### 4. Media Environment

- Tales of the economic downturn are beginning to subside with more detailed analysis revealing some optimism for the Canadian economy. However the continued turmoil in the automotive and manufacturing industries is still receiving coverage.
- One impact of the current economic climate is an increase in stories on “how to shop for a bargain” or “how to save money.” “Travel on a budget” stories are common place.
- Airline tickets to Australia have reached record lows and deals are flooding the market as Qantas and V Australia vie for traffic. Air Canada and Emirates have also been offering deals direct from Canadian gateways.
- Tourism Queensland’s ‘Best Job in the World’ received significant publicity particularly as the winner’s girlfriend was Canadian.
- Declining revenue in the media business has forced layoffs at the media empires in record numbers. While these news bulletins are regularly reported on even by the affected media themselves, Twitter users can receive up to the minute news on Canadian Media Layoffs simply by ‘following’ @CanMediaLayoffs.

For more information on Tourism Australia’s publicity, International Media Hosting Program (IMHP) and results, please visit [www.publicity.australia.com](http://www.publicity.australia.com)

Alternatively for general media information visit [www.media.australia.com](http://www.media.australia.com)

#### 5. General Travel Outlook

##### 5.1 Political and Economic Outlook

- Canada is paying the price for its open economy and its relatively heavy exposure to the deeply troubled energy, mining, automotive and forestry industries. Weak US demand and depressed commodity prices have hit these sectors severely, and the impact has increasingly filtered through to domestic demand. Although the banking and financial system are in far better shape than in the US, Canadian lenders have become more risk averse. The fall in the stockmarket since mid-2008 has also contributed to consumers’ nervousness. These factors have combined to produce an expectedly deep recession.

Source: EIU Viewswire, May 2009

- As at the 28 May 2009, the exchange rate for Australian dollar to Canadian dollar was at AUD\$1 to CAD\$ 0.875.

Source: x-rates.com

##### 5.2 Outbound Travel

- The Canadian Conference Board online survey in May reported that for most Canadians the media frenzy in April and May over the spread of H1N1 (swine flu)

virus appears to be of little concern. Whether planning a summer vacation trip or not, few Canadians indicated that they were concerned about the H1N1 virus. In fact, more Canadians indicated that they plan to take a vacation trip this summer than in our April survey which was conducted prior to the H1N1 scare.

- Latest intelligence from the Conference Board of Canada in May 2009 has reported that while health and environmental issues may not be a concern for summer travellers, the economy and the cost of travel are impediments to outbound travel. Of Canadians intending to take a summer trip, 67 per cent (down 1 per cent from the April survey) plan to spend their longest trip in Canada. Only 30 per cent of travellers expect to travel outside the country this summer compared with 41 per cent in last year's survey.
- The April and May summer travel intention surveys both pointed to a slowdown in travel to Europe.
- Travel to Mexico was positive in the first quarter of 2009, with Canadian arrivals to Mexico growing by 23 per cent during the first quarter. The more favourable rates made Mexico an attractive alternative for Canadians who had seen the dollar drop by as much as 20 per cent against the US dollar.
- Of the 13 destinations tracked by the Conference Board of Canada, latest intelligence in the Asia/Pacific region, only three have reported an increase in arrivals from Canada (Australia, Malaysia and South Korea).
- Leisure visits to Australia and New Zealand are forecast to grow by 3.1 per cent this year to reach 165,000 (5,000 more leisure visits than was estimated to have been made in 2008).

*Source: Canadian Conference Board, Outbound Canada report, May 2009*

- Air Canada and Star Alliance partner Spanair have entered a codeshare agreement that expands their networks between popular business and leisure destinations in Canada and Spain. This follows Air Canada's recent re-introduction of flights between Toronto and Madrid.

*Source: Travelpress.com, 20 May 2009*

## 6. Next 60 Days

| CANADA        |                   |             |  |                                      |                       |  |
|---------------|-------------------|-------------|--|--------------------------------------|-----------------------|--|
| START DATE    | END DATE          | MARKET      | PROJECT/EVENT  | TARGET AUDIENCE                      | LOCATION              | PARTNERS   |
| 1 May 2009    | 30 June 2009      | Canada      | <ul style="list-style-type: none"> <li>Working Holiday Visa Campaign</li> </ul>                  | Under 30 Canadian Youth ES           | National              | State Tourism Organisations / Key wholesalers / Youth product suppliers. |
| 18 May 2009   | 30 June 2009      | Canada      | <ul style="list-style-type: none"> <li>Self Drive Campaign</li> </ul>                            | Experience Seekers                   | National              | Qantas.  |
| 1 June 2009   | 30 July 2009      | Canada      | <ul style="list-style-type: none"> <li>Transat Holidays Aussie Specialist Development</li> </ul> | Marlin Travel and Club Voyage agents | National via Webinar. | Boomerang Tours  |
| 1 July 2009   | 30 August 2009    | Canada      | <ul style="list-style-type: none"> <li>Go Abroad Fairs</li> </ul>                                | Student Market                       | Toronto, Vancouver    | AEI / TravelCUTS / Qantas  |
| 7 August 2009 | 9 August 2009     | Canada / US | <ul style="list-style-type: none"> <li>OzTalk North America</li> </ul>                           | Wholesaler Sales Staff               | Los Angeles           | Various Australian suppliers and State Tourism Organisations             |
| 1 August 2009 | 30 September 2009 | Canada / US | <ul style="list-style-type: none"> <li>Corroboree North America</li> </ul>                       | Aussie Specialists                   | Adelaide              | Various suppliers.   |