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Business travel down after mining boom

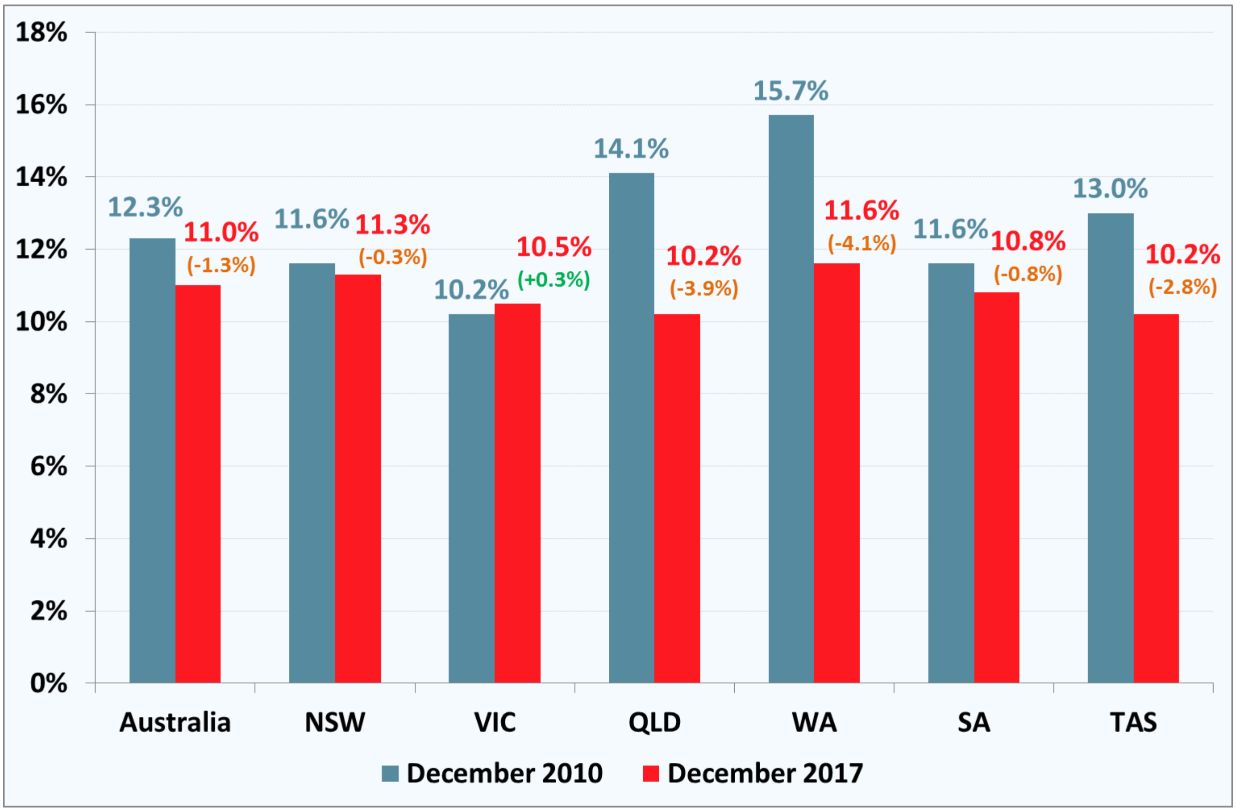
The end of the mining boom has reduced business air travelers in Australia in recent years despite continued broader economic growth with the two key mining states of Western Australia and Queensland experiencing substantial drops.

2.2 million Australians travelled by air for business purposes in 2017 equivalent to 11 per cent of the population, however this was down a significant 1.3 percentage points since the height of the mining boom in 2010.

This might seem a surprise in an economy that has experienced strong economic growth over the past seven years however deeper analysis by State reveals a substantial part of this fall has been concentrated in the mining states of WA in which 11.6 per cent of the population were business air travelers last year down 4.1 percentage points since 2010 and Queensland in which business air travel is down 3.9 percentage points to 10.2 per cent.

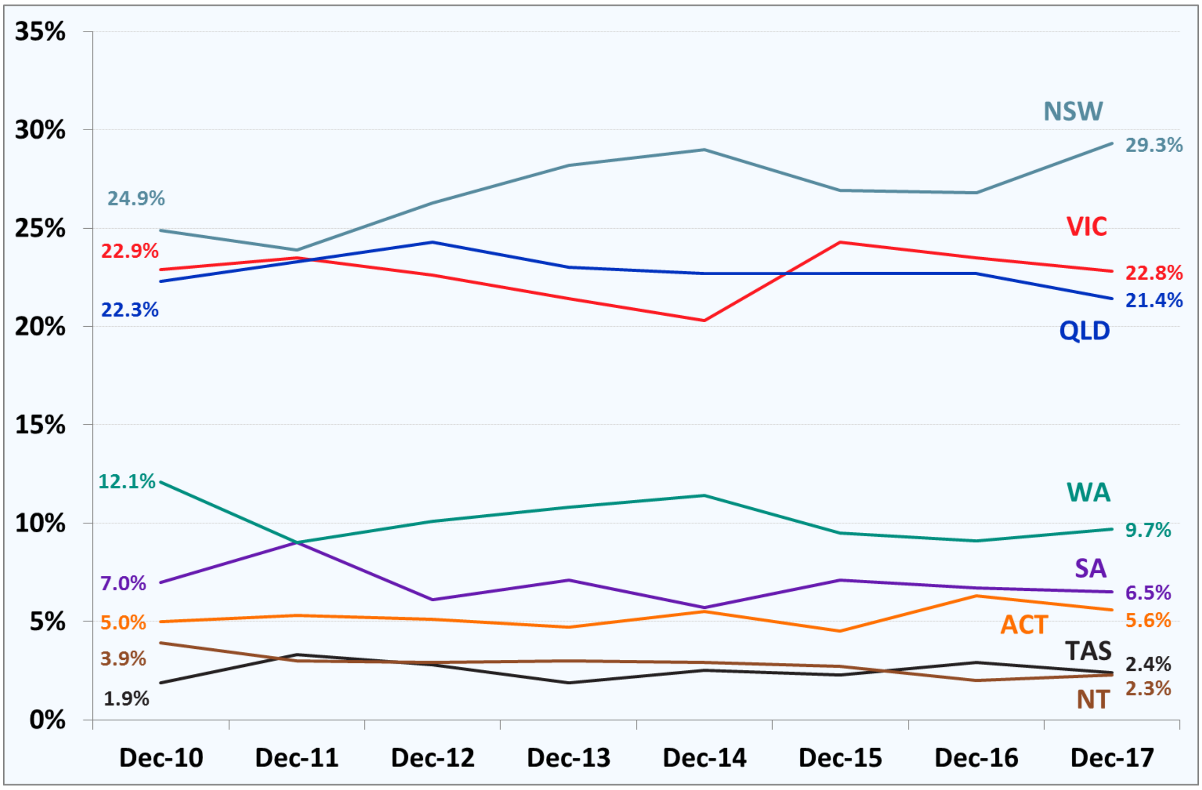
The prevalence of so-called “FIFO” workers (Fly-In-Fly-Out) in the mining industry has clearly fallen significantly over the last few years as big mining projects have been completed and the workforce required to maintain operations is invariably lower than required to ‘kick-start’ a new project to begin with.

Business Air Travelers by State (2010 v 2017)



***Source**: Roy Morgan Single Source, January – December 2010, sample = 18,817 and January – December 2017 sample = 15,169 Australians aged 14+.*

Business Air Travelers Destinations by State/Territory (2010 - 2017)



Source: *Roy Morgan Single Source, January – December 2010 through to January – December 2017 sample per year averages 17,298 Australians aged 14+.*

Analysing the destinations for business air travelers over the past seven years shows that New South Wales has gained a significantly greater share of business air travelers now at 29.3 per cent of business air travelers by destination up 4.4 percentage points since 2010.

However, although Western Australia is down the most, by 2.4 percentage points to 9.7 per cent of business air travelers in 2017, other States including Victoria, Queensland and South Australia have all fallen over the past seven years by lesser amounts.

Michele Levine, CEO, Roy Morgan, says the end of the mining boom hit many industries hard and the drop in 'FIFO' workers employed at resource projects in Western Australia has provided a definite 'hit' to airlines flying to WA not fully made up elsewhere:

> *"Detailed analysis of trends in business travel in Australia show total business air travelers remained relatively static over the past seven years despite the significant increase in Australia's overall population.*
>
> *"In 2017 11% of Australians, or 2.2 million people, traveled by air for business down from a high of 12.3% in 2010-11, equivalent to 2.24 million people, at the height of the mining boom. WA business air travelers, which includes the so-called 'FIFO' workers, led the drop, down 4.1 percentage points to 11.6%, from a high of 15.7% in 2010.*
>
> *"Other States also dropped during the period by lesser amounts with Victoria the only State to experience an increase in business air travelers, up 0.3 percentage points to 10.5% - a figure still significantly below the national average.*
>
> *"Although the overall number of business air travelers around Australia was relatively unchanged over the past seven years far more business air travelers, now 29.3 per cent up 4.4 percentage points, are heading to NSW. The rise of NSW as a business destination hasn't only come at the expense of WA with Victoria, Queensland and South Australia all losing ground as destinations since 2010."*

To learn more about Roy Morgan's air travel and technology research contact

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ROY MORGAN

About Roy Morgan

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 75 years' experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	**Percentage Estimate**			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2