

Steering Ideas to Success

# STAYING THE COURSE

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Australian Cruise Association, September 2024



# Story in three parts.



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## On track?

- Tracking recovery globally and in Australia
- A look at segments and markets

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## Deterred?

- Is travel lagging in response to cost-of-living pressures? Who is still travelling?

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## Charting the course.

- Where is demand for cruising?

# Global story

Global tourism arrivals, 2019 to 2023

**2019** 1.5 billion

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**2020** 400 million

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**2021** 455 million

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**2022** 960 million

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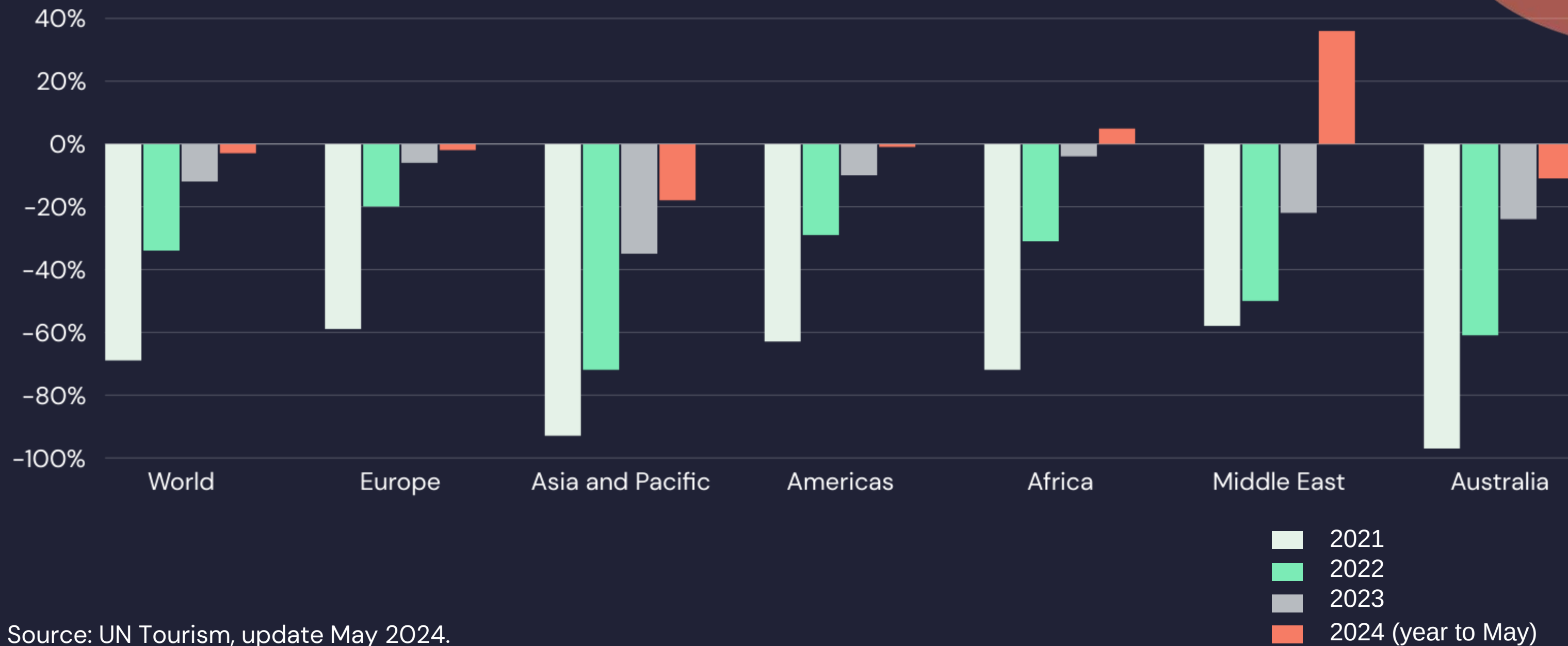
**2023** 1.3 billion

Source: UN Tourism, update May 2024.

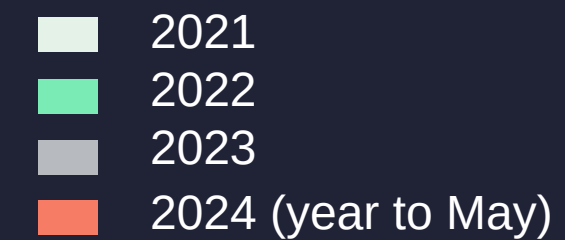
- Good progress on tourism recovery globally
  - International tourism reached 97% of pre-pandemic levels in the first quarter of 2024
  - Positive prospects for May–August period, though economic and geopolitical headwinds continue to pose challenges to the complete recovery of international tourism and confidence levels.
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# Gap is closing

Global tourist arrivals, % change from 2019



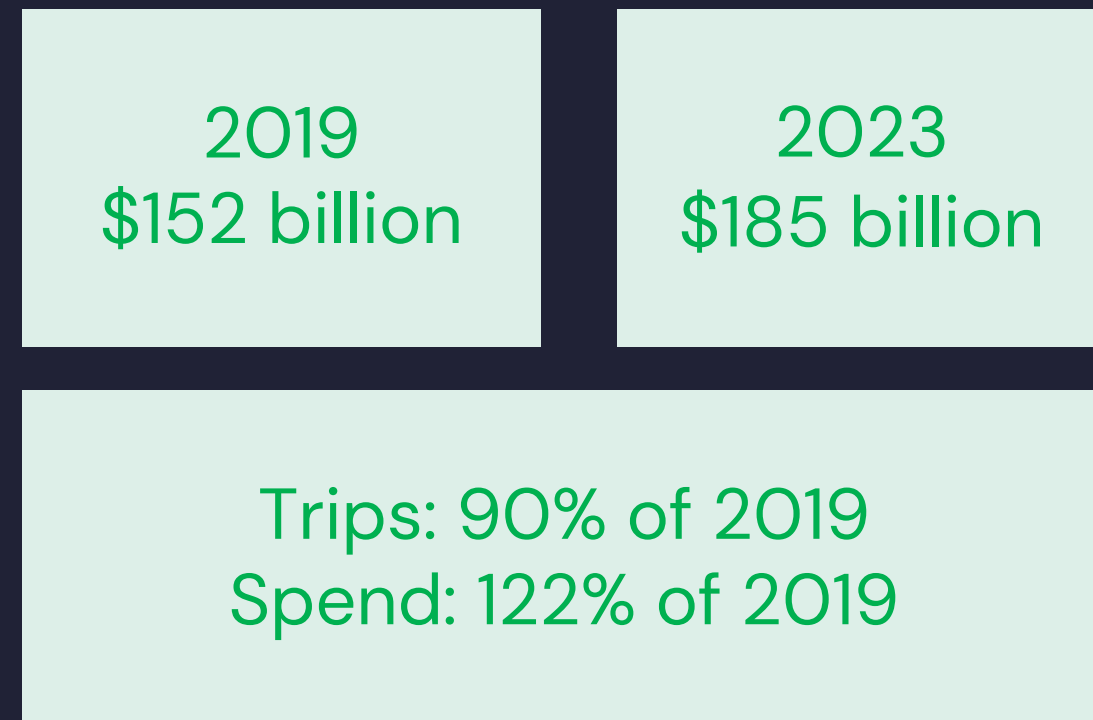
Source: UN Tourism, update May 2024.  
2024 data for Australia to June.



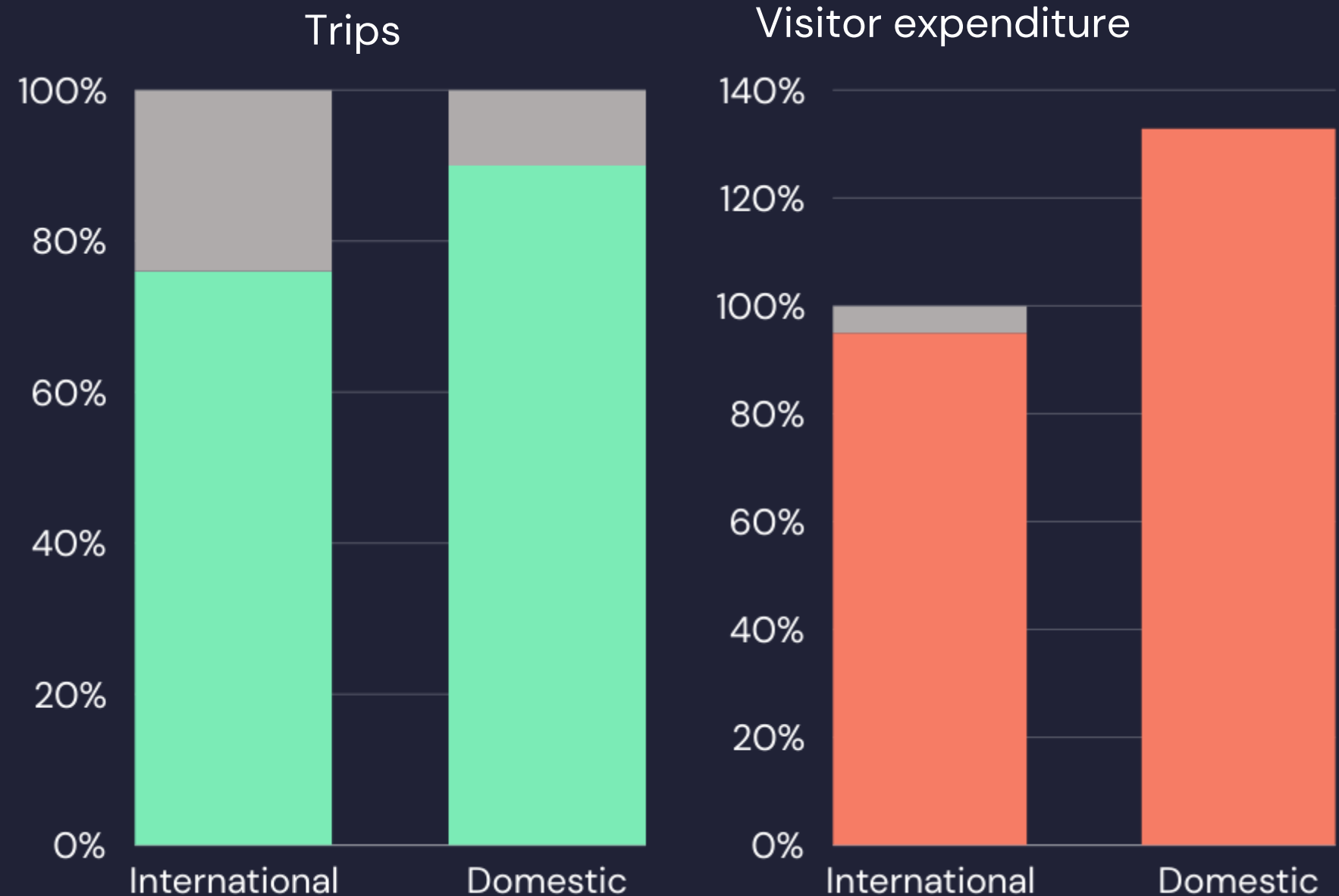
# Recovered? Not quite.

Softening recovery of the domestic market is being offset by the still recovering international market.

## Australian tourism recovery



International  
vs domestic  
Relative to 2019

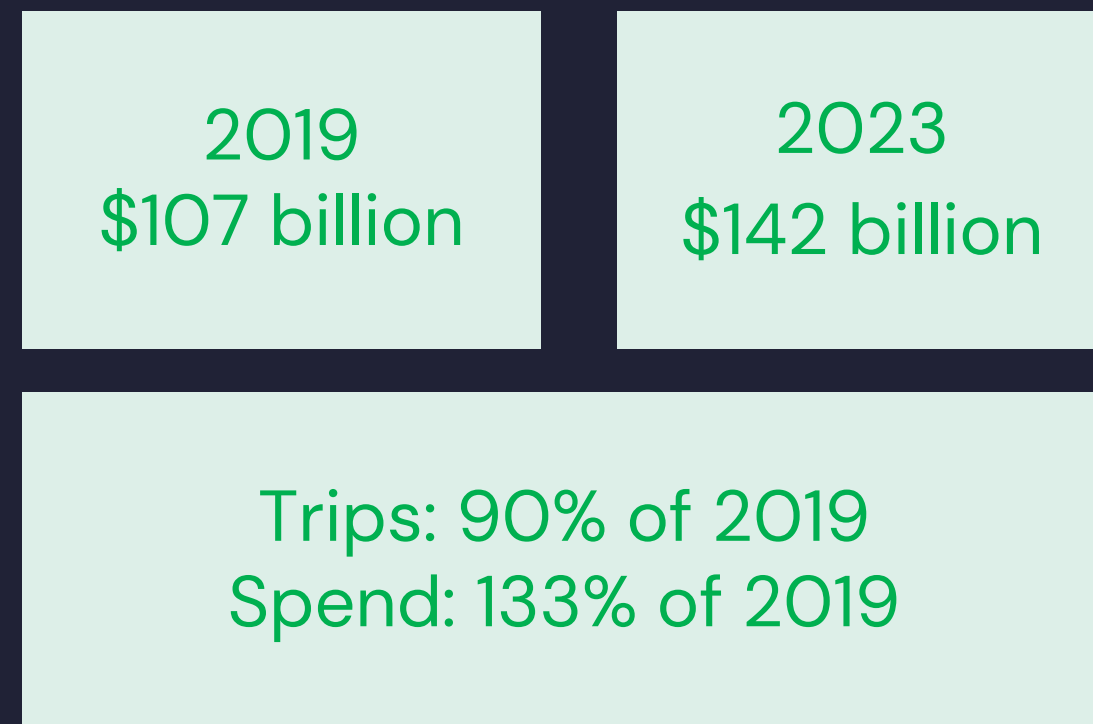


Source: Tourism Research Australia, *International Visitor Survey and National Visitor Survey*  
Comparison is based on 12 months ending December 2023 vs December 2019

# Spend camouflaging lagging volume.

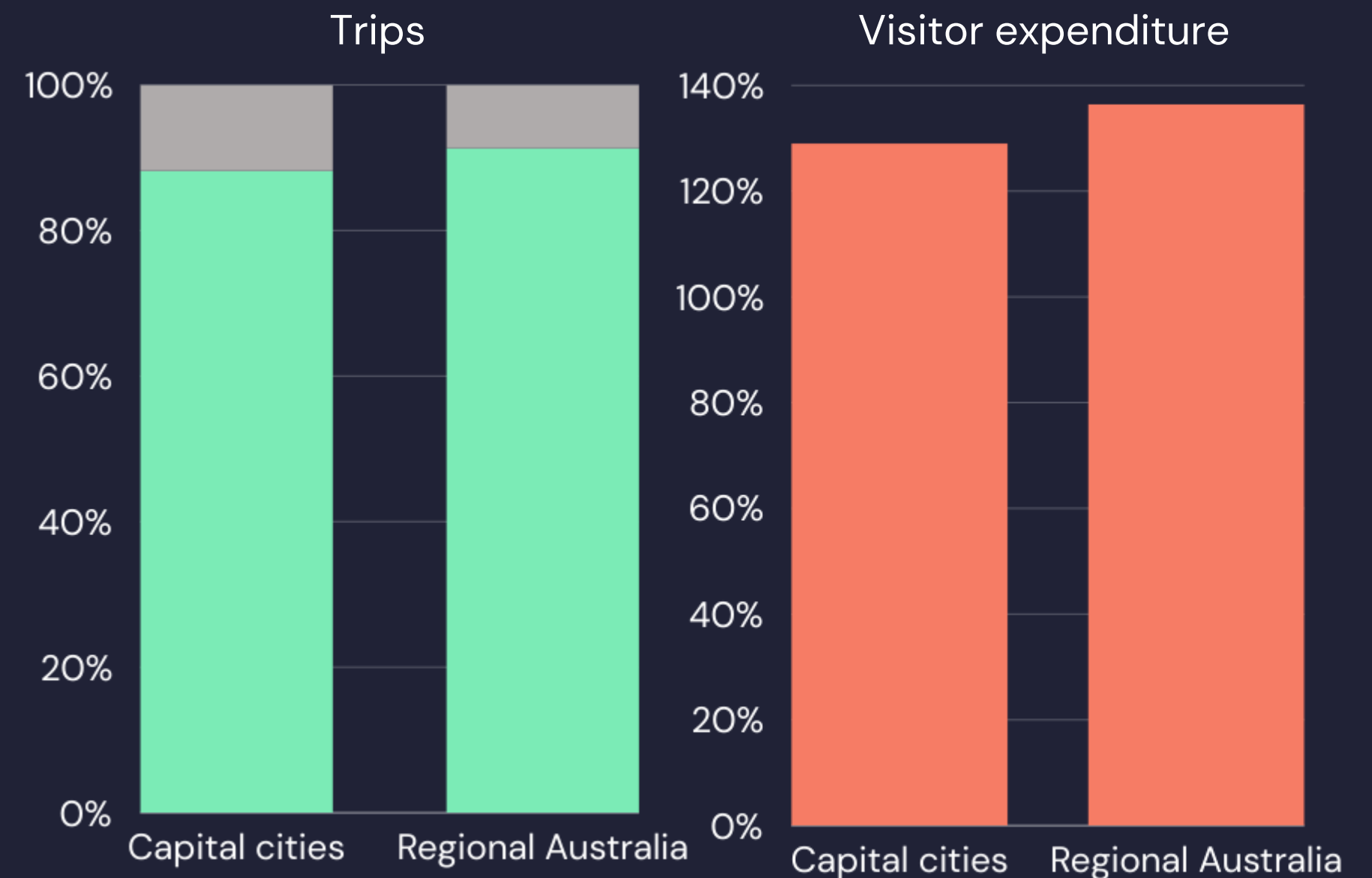
Trips still 10% down on pre-pandemic levels across capital cities and regional destinations.

Australian domestic tourism recovery



Capital cities vs regions

Relative to 2019



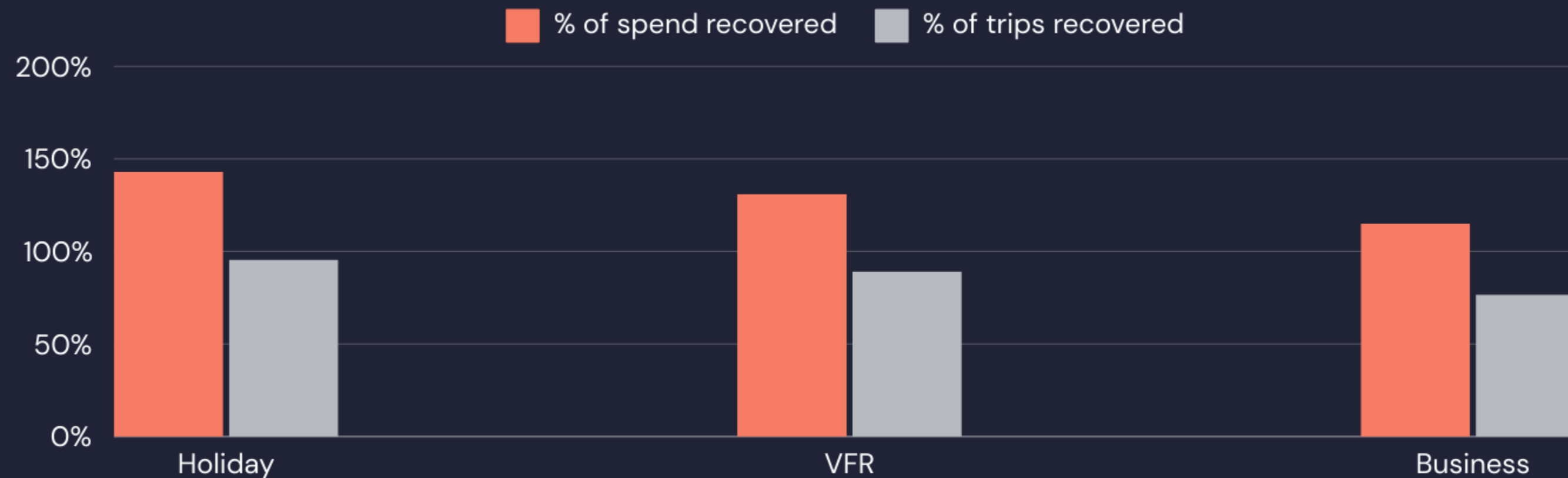
Source: Tourism Research Australia, *National Visitor Survey*  
Comparison is based on 12 months ending December 2023 vs December 2019

# Who's travelling?

Holiday leading the recovery (after earlier VFR sprint) and business still lagging.

- Holiday share increased to 46% of trips, VFR constant at 30% and business trips down to 14%

Domestic tourism recovery by segment



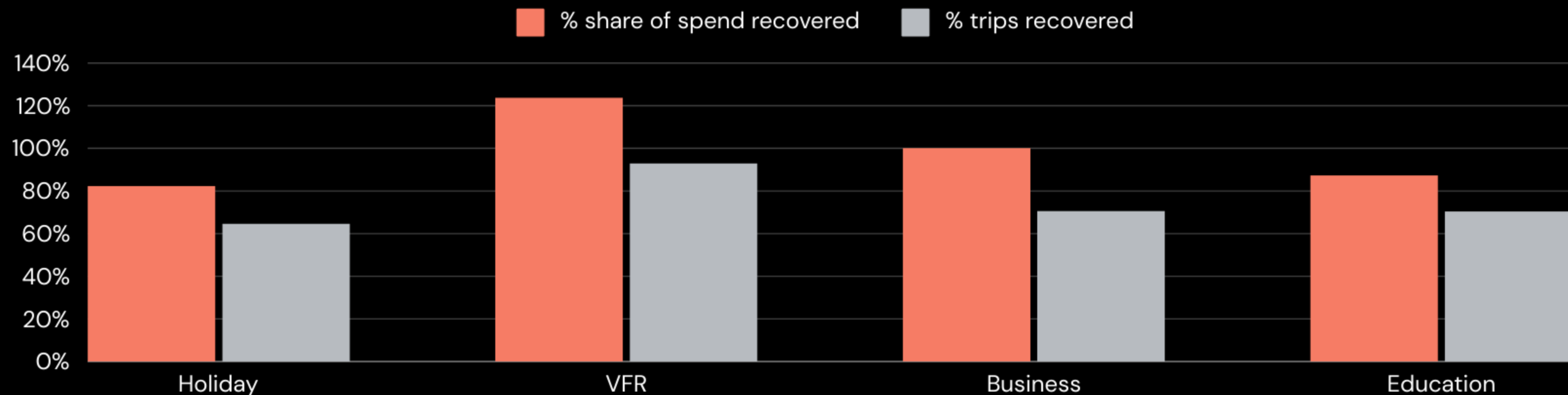
Source: Tourism Research Australia, *National Visitor Survey*  
Comparison is based on 12 months ending December 2023 vs December 2019

# Who's travelling?

Unlike the domestic market, the holiday segment is lagging when it comes to the international segment

- Holiday now 39% of arrivals versus 46% prior to the pandemic, with VFR share at 37%

International tourism recovery by segment



Source: Tourism Research Australia, *International Visitor Survey*  
Comparison is based on 12 months ending December 2023 vs December 2019

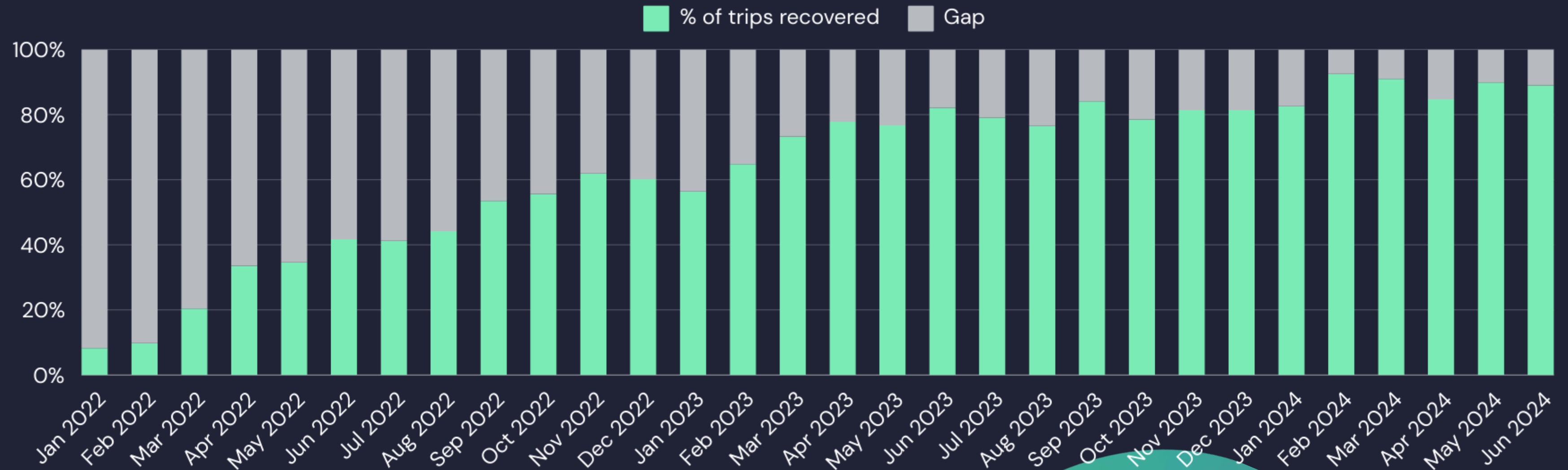


# Are they back?

International arrivals have pushed past the 80% plateau of second half of 2023

- Arrivals still ~ 10% down on pre-pandemic levels

International visitor arrivals, % of 2019 levels

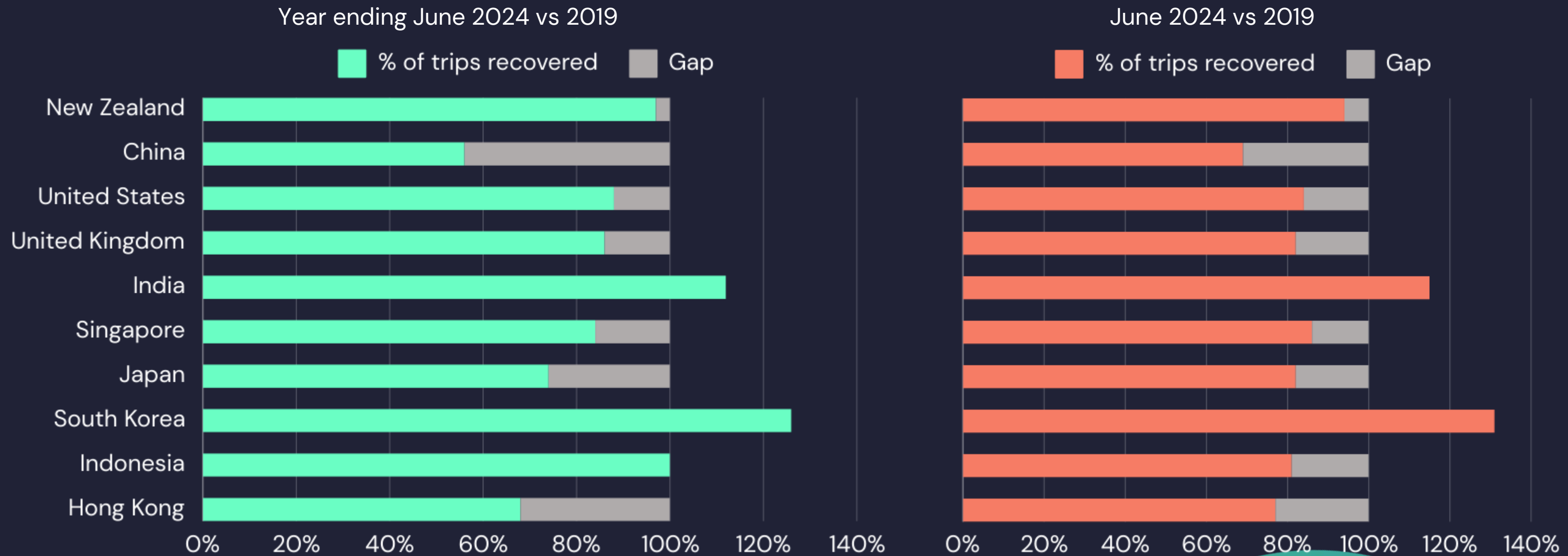


Source: Australian Bureau of Statistics, *Overseas Arrivals and Departures*

# Mixed bag.

- South Korea and India surprise on the upside while gap remains in some of our traditional markets
- Chinese arrivals gaining ground – over 60% in recent quarter and 69% in June.

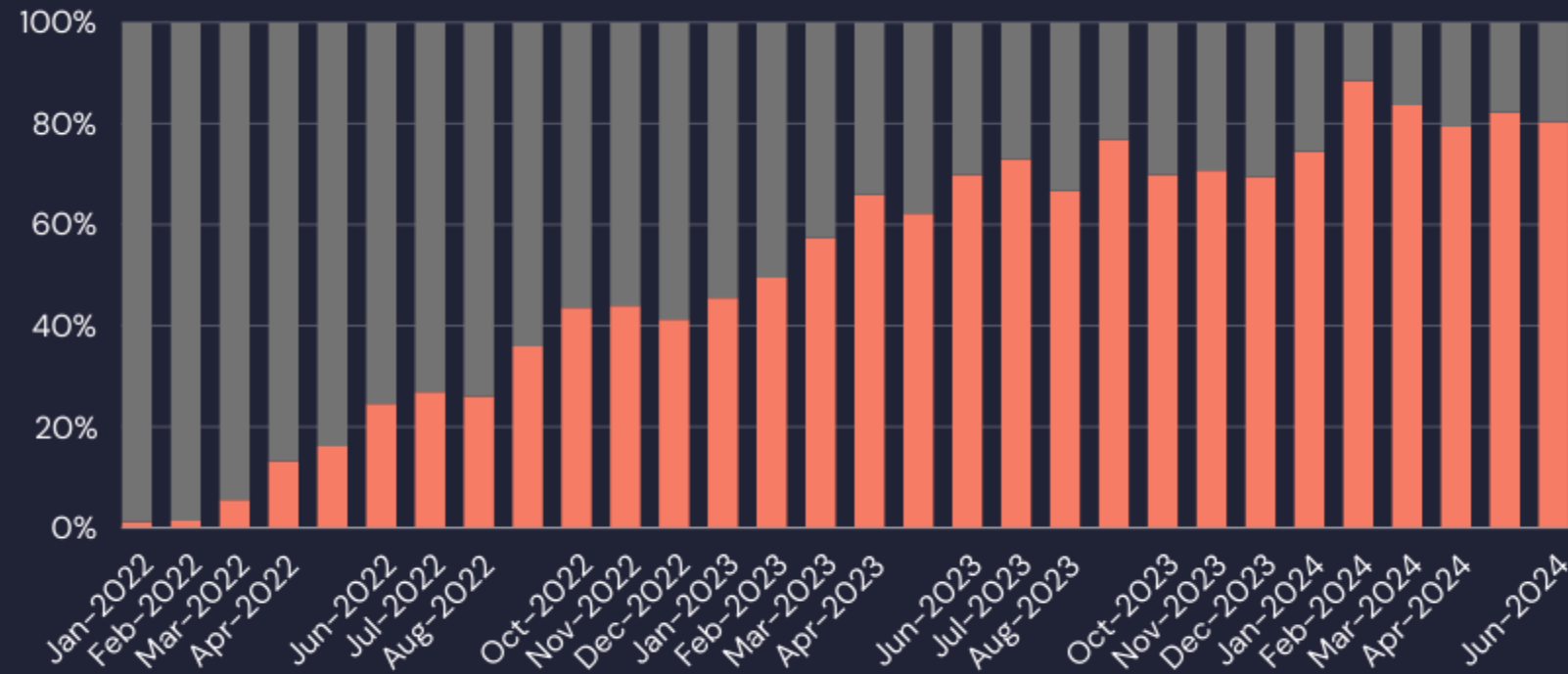
International visitor arrivals by market, % of 2019 levels



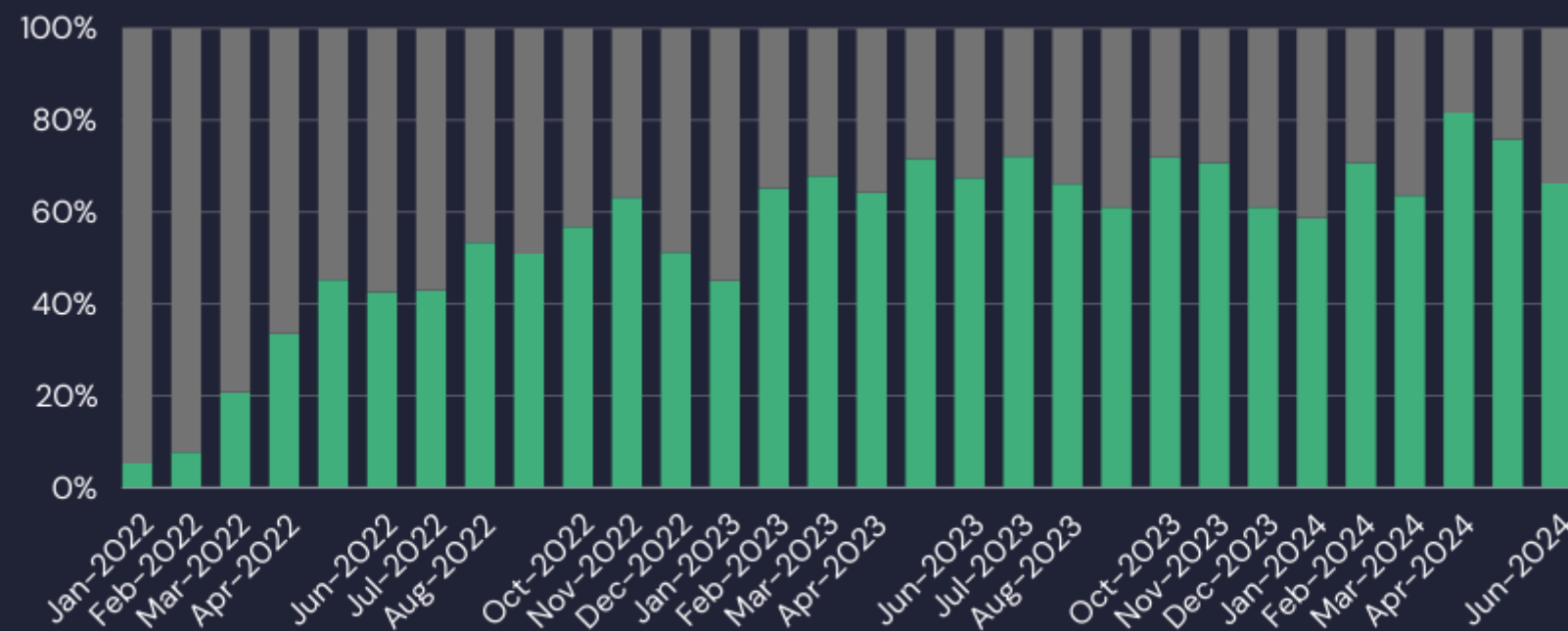
Source: Australian Bureau of Statistics, *Overseas Arrivals and Departures*

# Mixed bag.

## Holiday

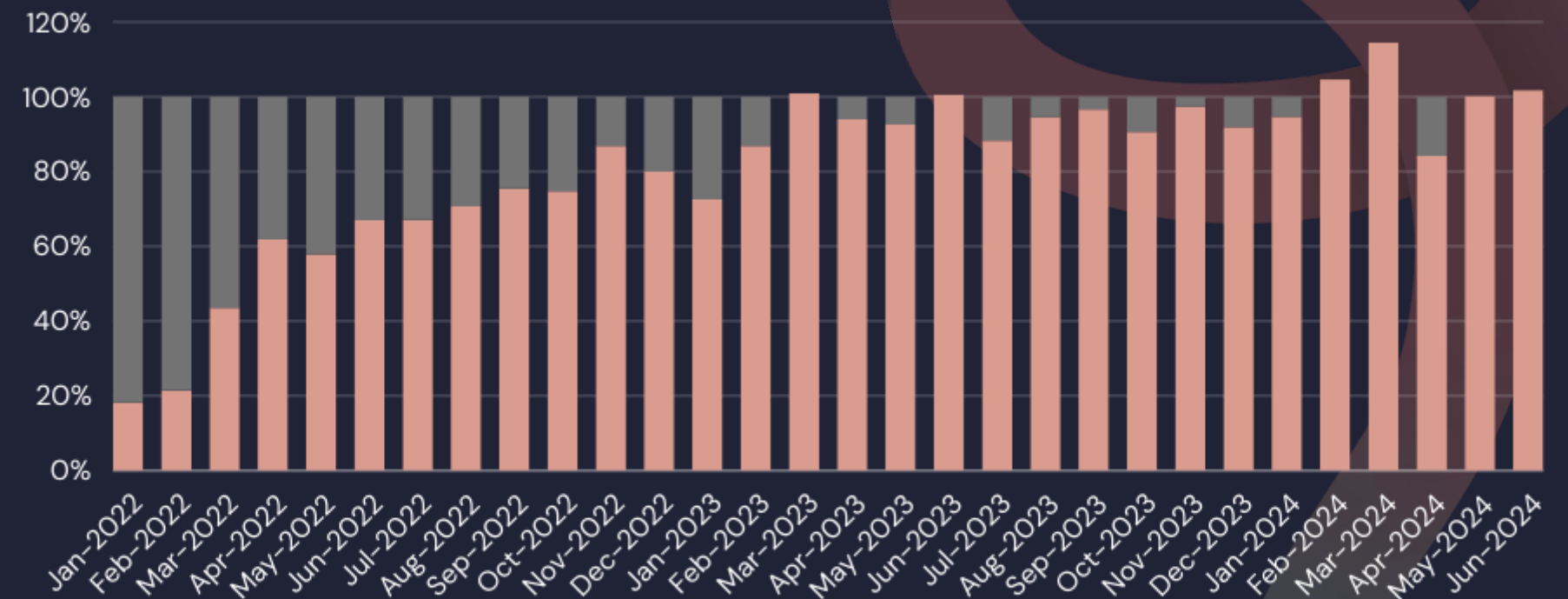


## Business

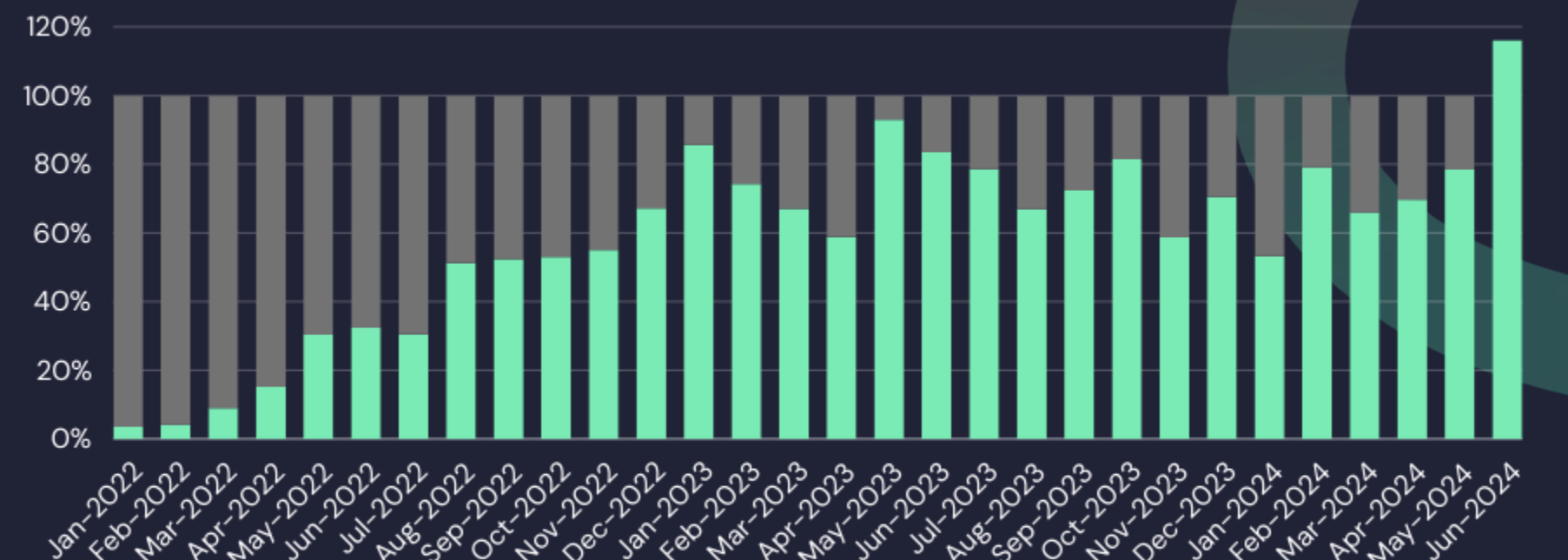


## International visitor arrivals by segment, % of 2019 levels

### Visiting friends and relatives



### Convention

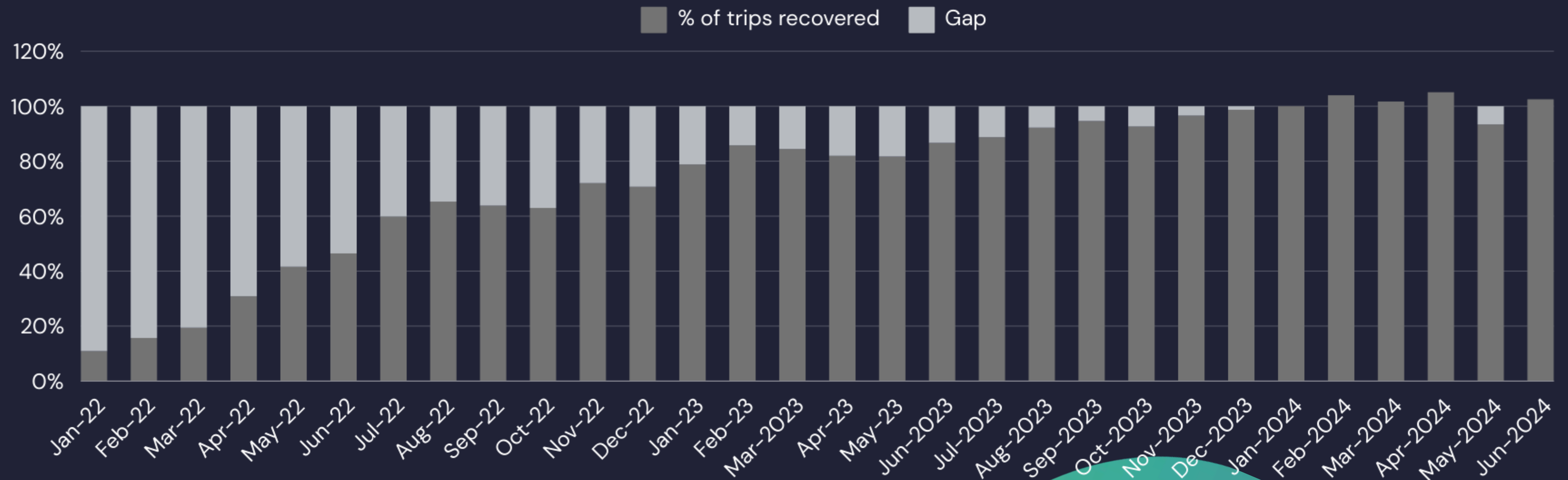


# Australians' wanderlust is strong.

Australians were quick to return to overseas travel

- Outbound travel at 2019 levels for the last six months, except for May

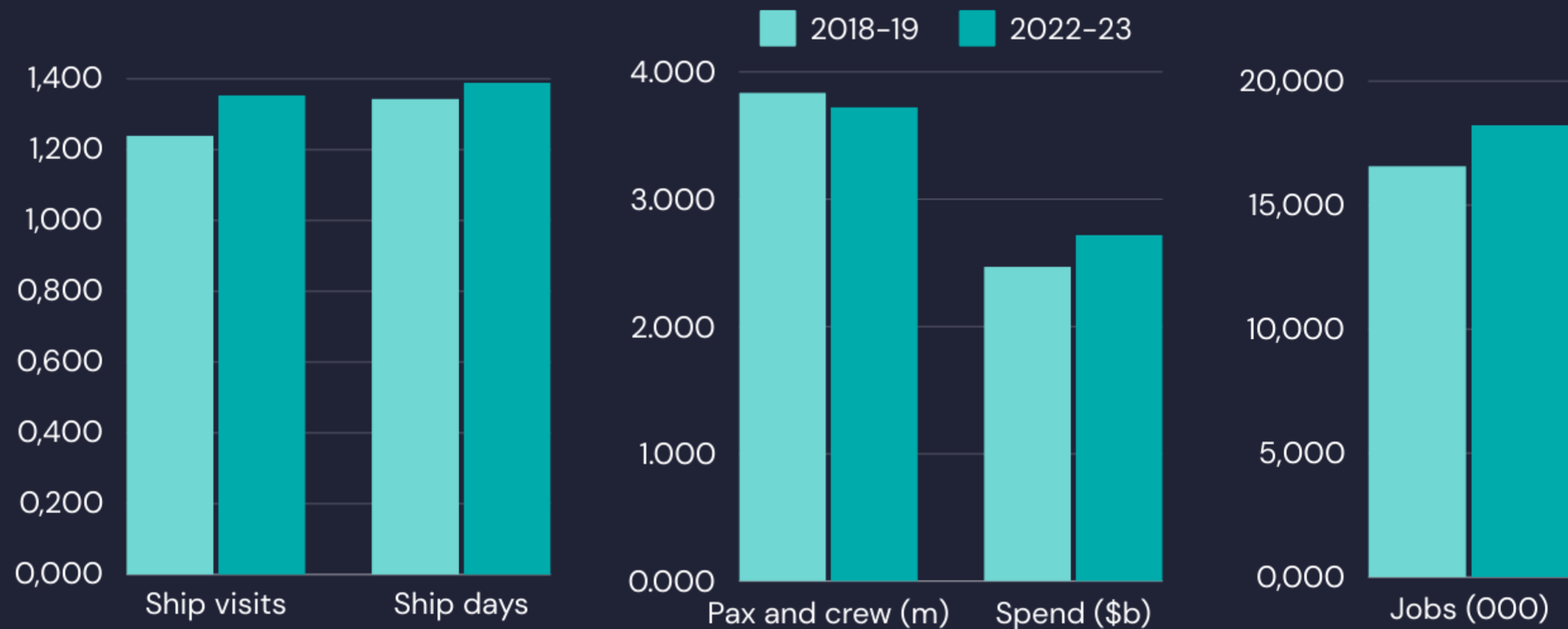
Australian resident departures, % of 2019 levels



Source: Australian Bureau of Statistics, *Overseas Arrivals and Departures*

# Cruising recovery ahead of sector.

Australian cruise tourism statistics



Source: Cruise Lines International Association Australasia and Australian Cruise Association, *The Value of Cruise Tourism*, Oct 2023

# Nation of travellers.

## Domestic trips

The average Australian took

12

**domestic trips**

4 overnight trips  
and 8 daytrips



23% by air  
77% by road



10 trips in own state  
and 2 interstate

Per capita,  
Australians spent

**\$4,126**

On domestic overnight  
tourism + \$1,300 on  
daytrips

## International trips

2 in 5 Australians took  
an overseas trip

10.0M

trips overseas



5.7m holidays  
2.9m VFR trips  
600K business trips  
800K trips other reasons



15 days  
on average

Per capita  
Australians spent

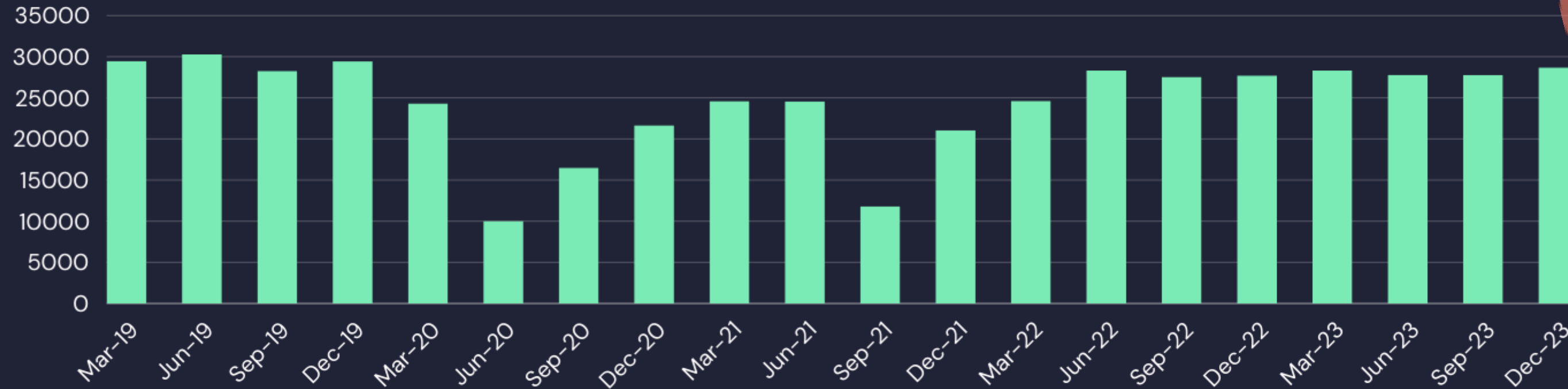
**\$2,800**

on overseas travel

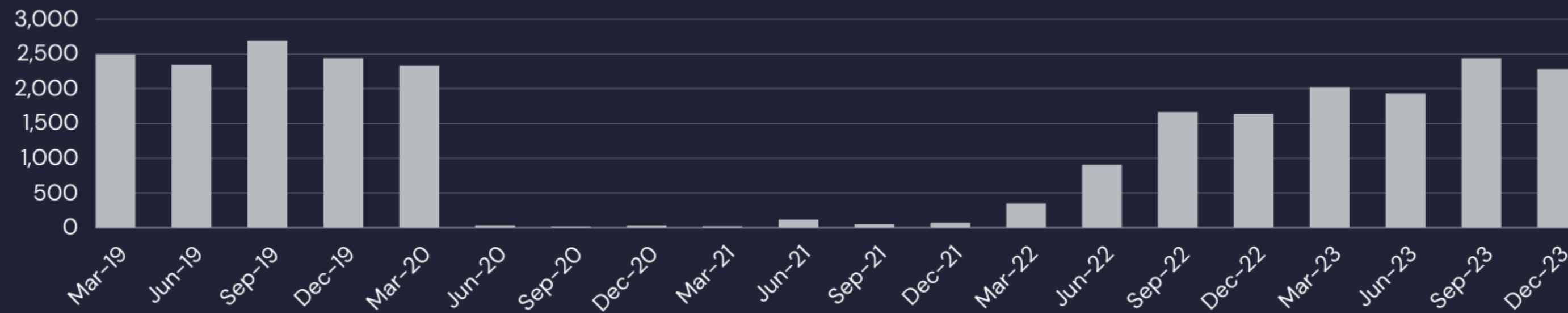
# Domestic still on.

Domestic travel continues to hold strong despite overseas wanderlust.

Domestic overnight trips (000)



Overseas trips by Australians

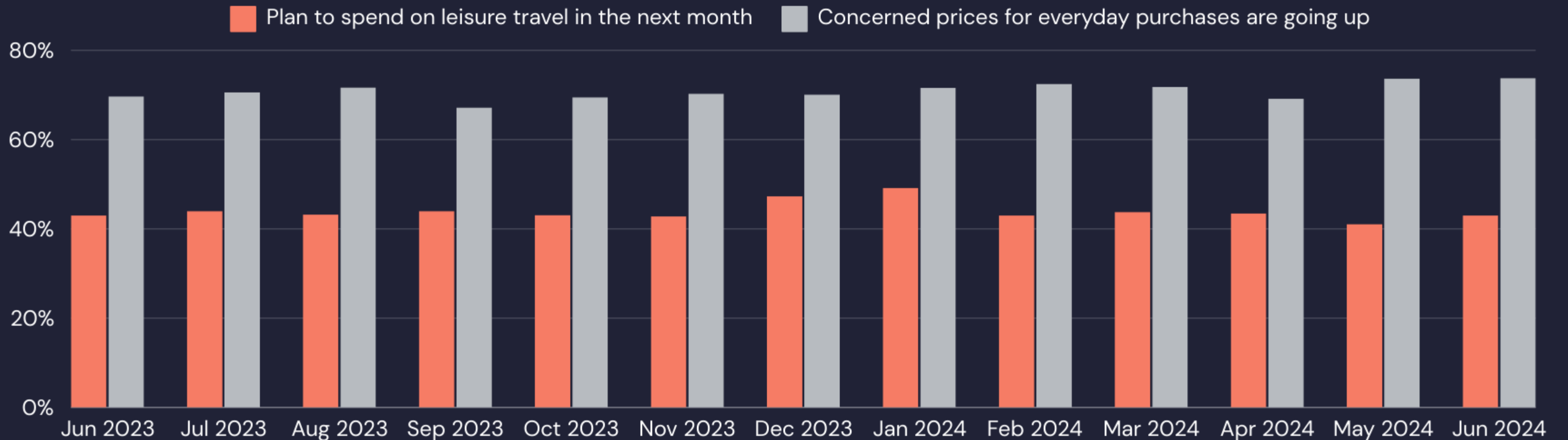


Source: Tourism Research Australia, *National Visitor Survey*

# Having it both ways.

Despite longstanding concern about prices, share of people intending to spend on travel remains steady.

Australian consumer intention to spend on travel vs. concerns about price of everyday purchases



Source: Deloitte Consumer Signals, June 2024

Question: To what extent do you agree or disagree with the following statements? "I am concerned that prices for the things I buy often will go up".

Over the next month, roughly how much do you expect to spend on the following? "Leisure travel"

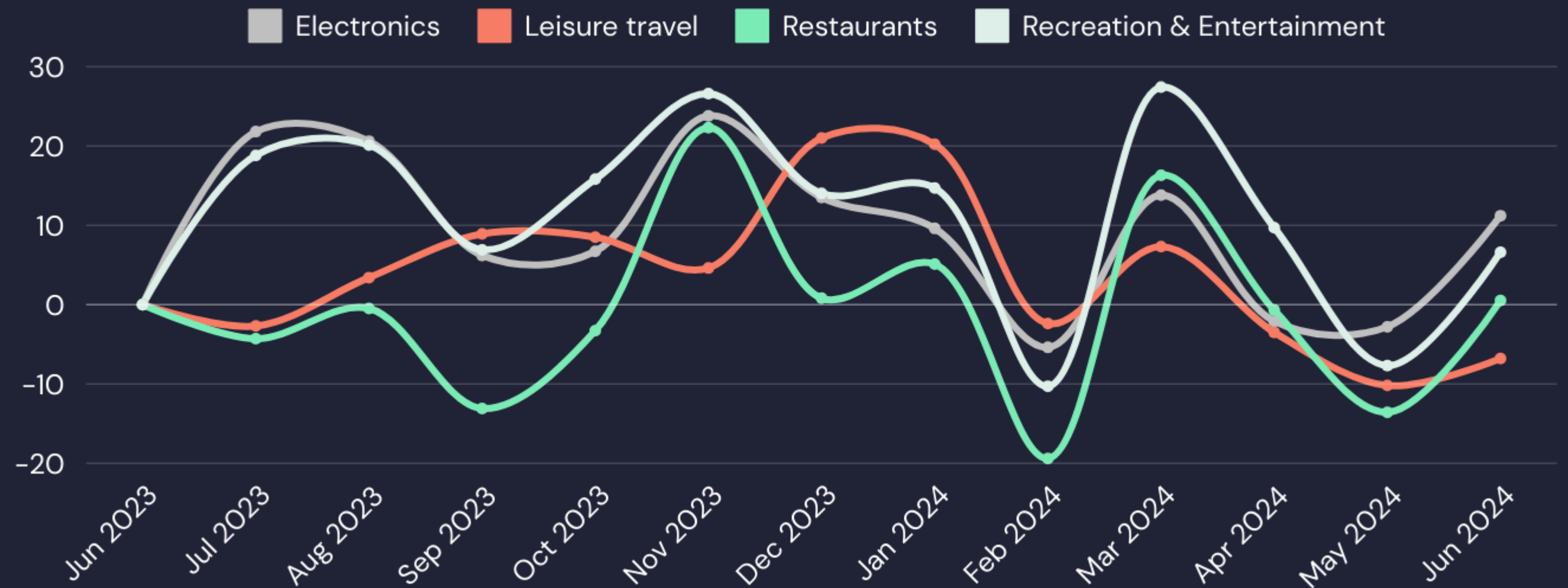


# Travel dips over last three months.

Expectations around leisure travel spend stayed above June 2023 levels until Feb 2024

- Rebound in March but April to June subdued

Australian spending intentions across leisure sectors, indexed to June 2023



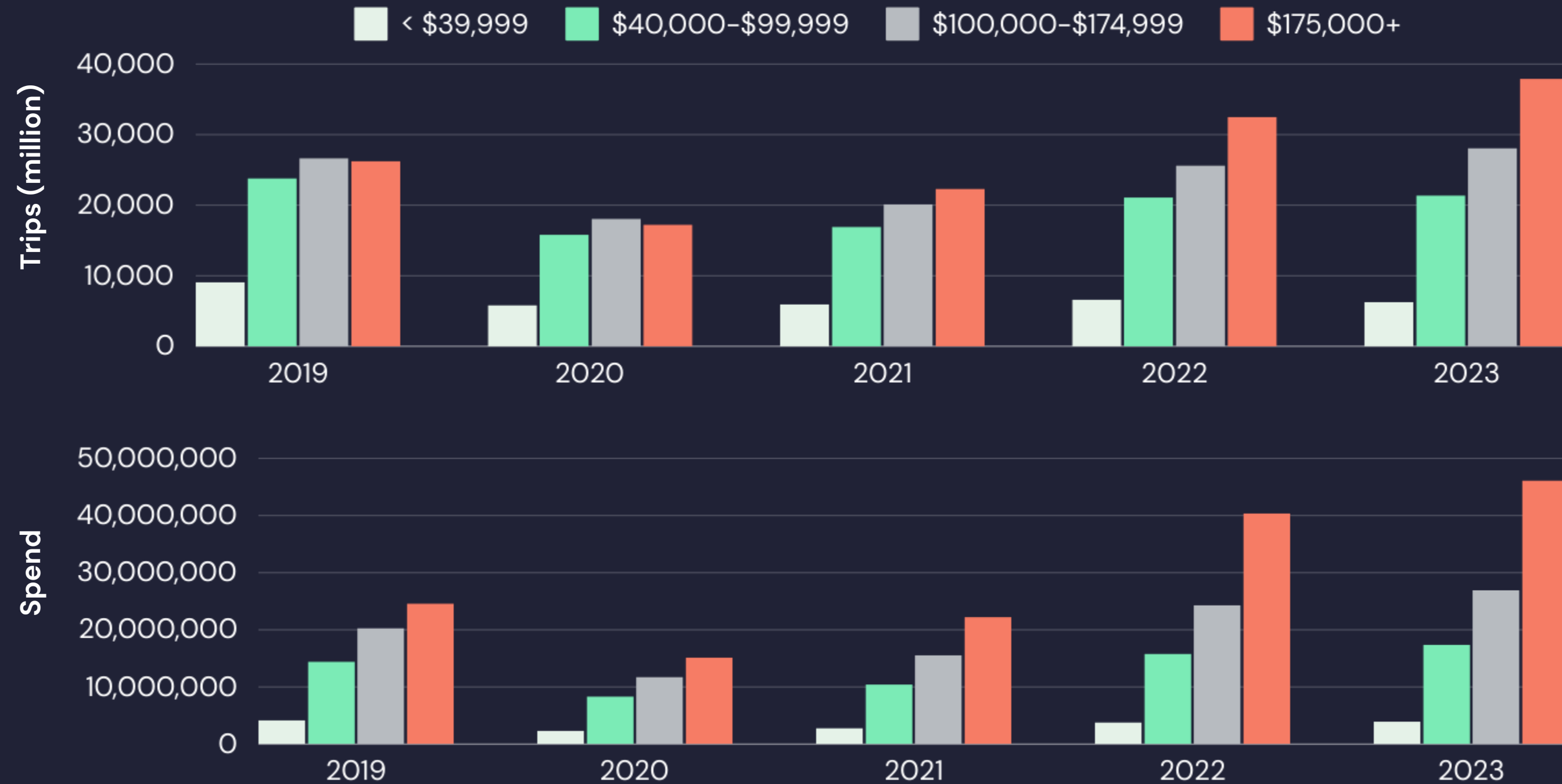
Source: Deloitte Consumer Signals, June 2024

Question: Over the next month, roughly how much do you expect to spend on the following?

# Shift in travel shares.

Higher income households represent an increasing share of trips and spending.

Domestic overnight trips and spend by household income



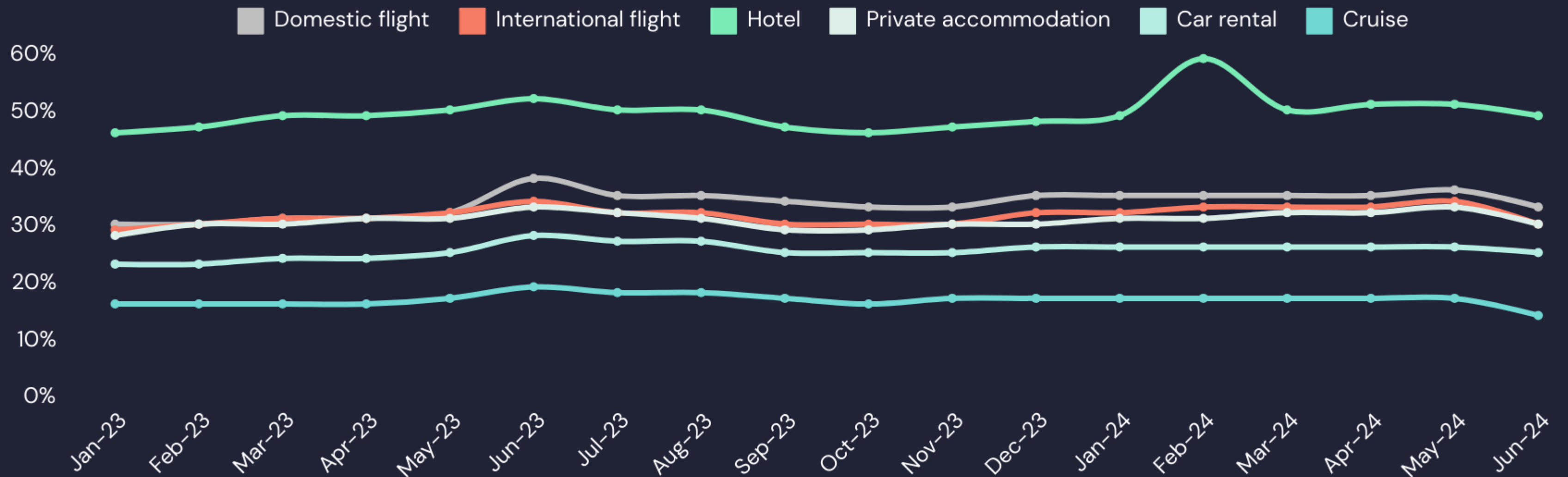
Source: Tourism Research Australia, *National Visitor Survey*



# Travel intentions soften a little.

Travel intentions steady... with a dip in June.

Global respondents' likelihood to travel for leisure in the next three months



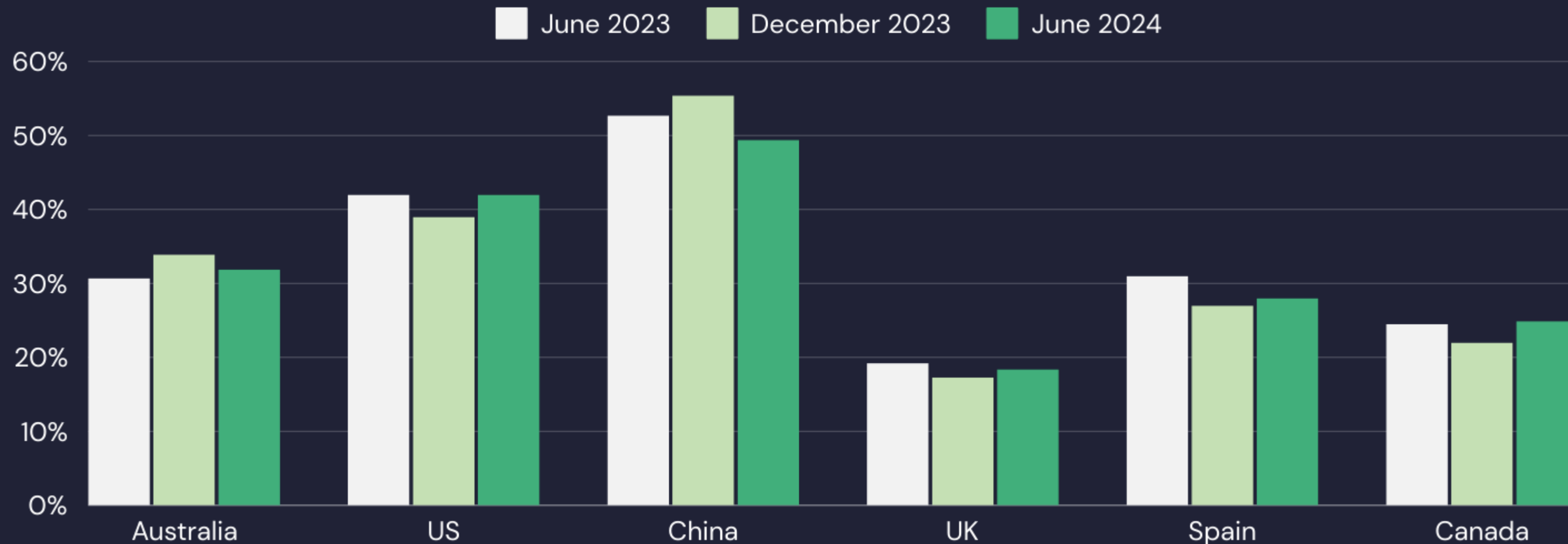
Source: Deloitte Consumer Signals, June 2024

Question: How likely are you to do the following for leisure travel [category] in the next three months (% Very likely/Somewhat likely)?

# Domestic travel steady.

Domestic travel intentions hold up in Australia and key markets, with some moderation in China.

Global respondents' likelihood to take a domestic leisure flight in the next three months



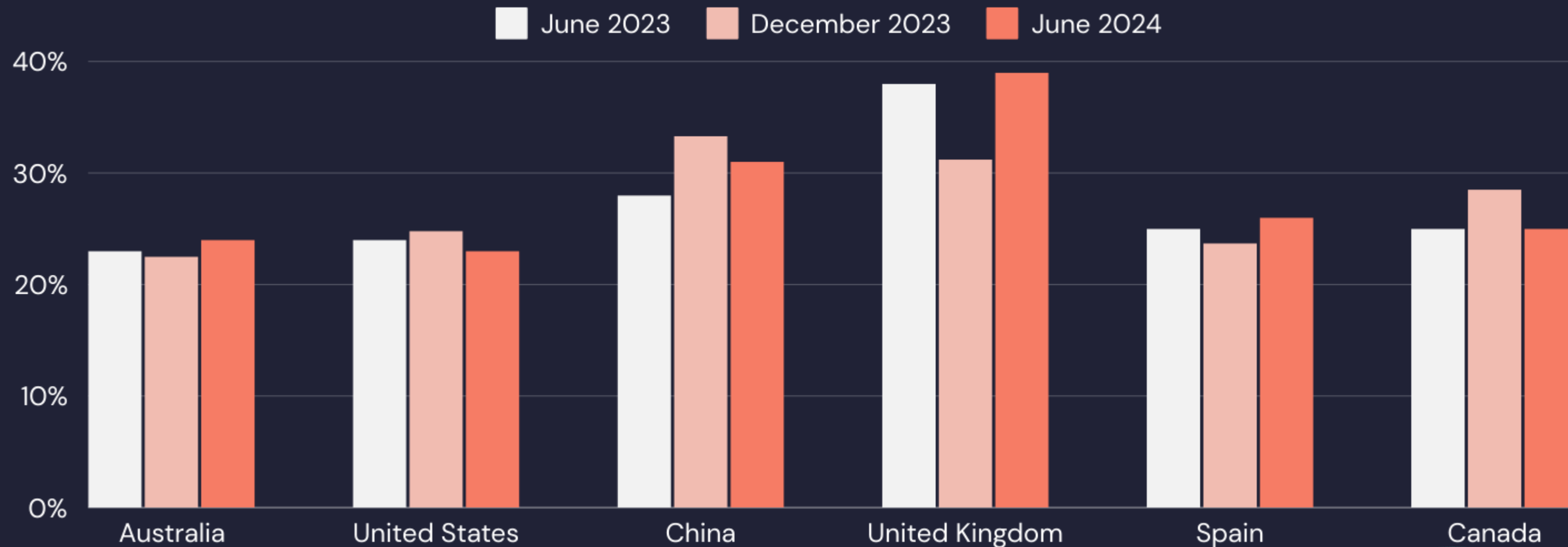
Source: Deloitte Consumer Signals, June 2024

Question: How likely are you to do the following for leisure travel [domestic leisure flight] in the next three months (% Very likely/Somewhat likely)?

# Interest in overseas travel maintained.

Some modest movements in intention across key markets .. however, 1 in 5 with overseas travel on horizon is still a remarkable result.

Global respondents' likelihood to take an international leisure flight in the next three months

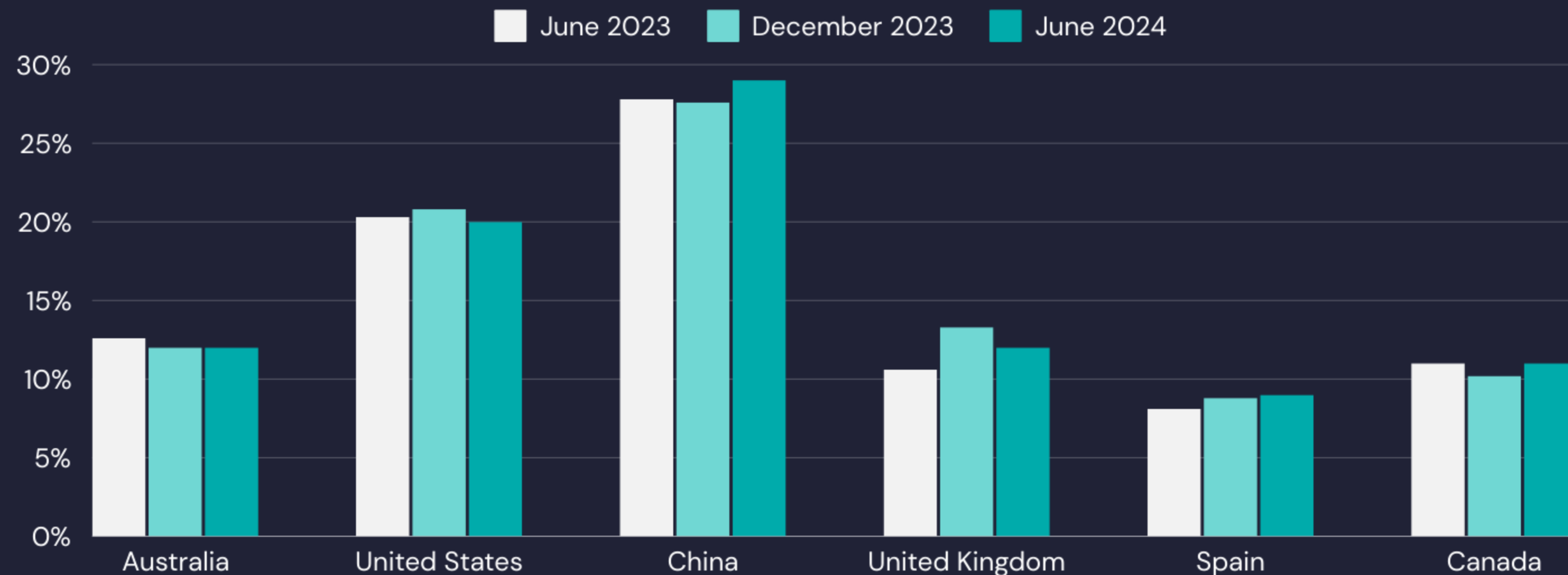


Source: Deloitte Consumer Signals, June 2024

Question: How likely are you to do the following for leisure travel [international leisure flight] in the next three months (% Very likely/Somewhat likely)?

# Cruising remains on the cards.

Global respondents' likelihood to take a cruise in the next three months

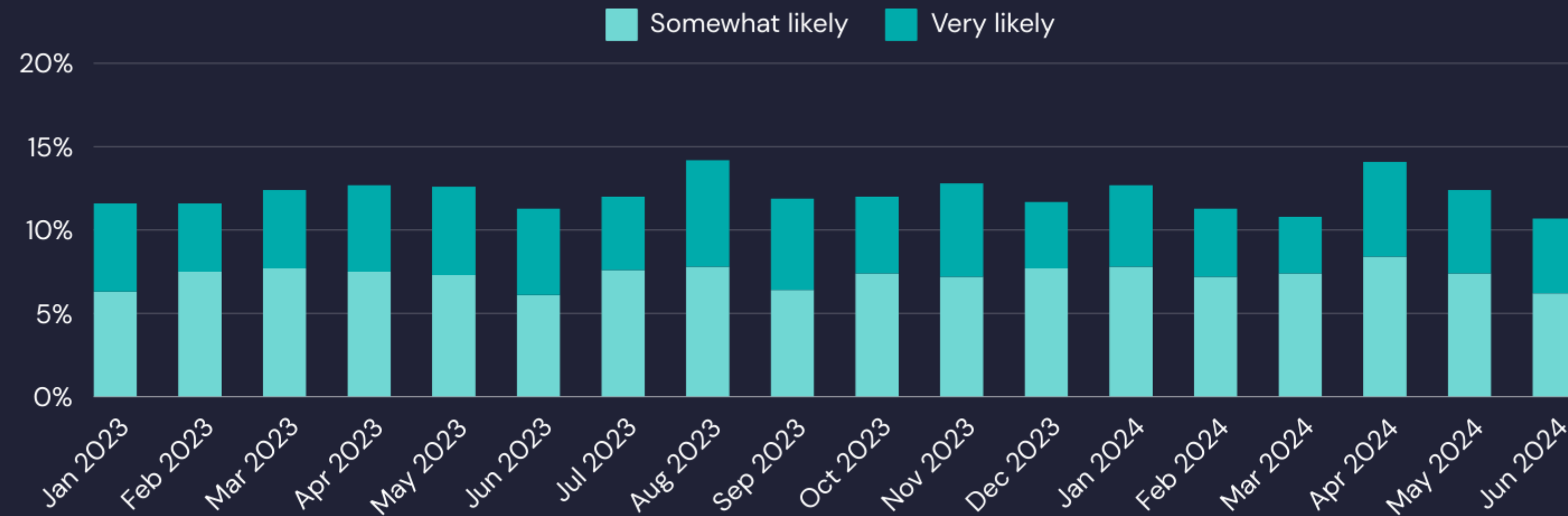


Source: Deloitte Consumer Signals, June 2024

Question: How likely are you to do the following for leisure travel [cruise] in the next three months (% Very likely/Somewhat likely)?

# Cruising remains on the cards – for Australians too.

Australians' likelihood to take a cruise in the next three months

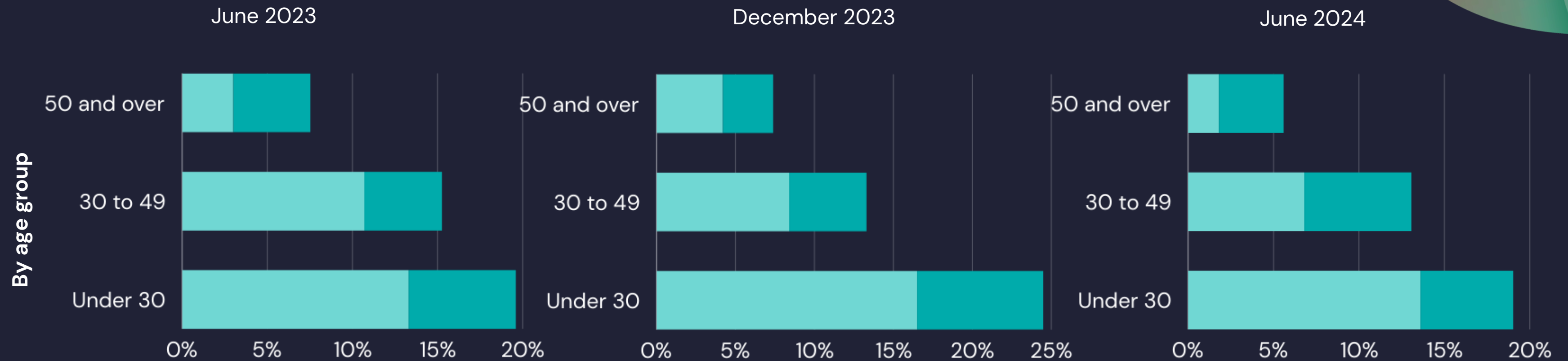


Source: Deloitte Consumer Signals, June 2024

Question: How likely are you to do the following for leisure travel [cruise] in the next three months (% Very likely/Somewhat likely)?

# Younger cohorts are intrigued with cruising.

Australians' likelihood to take a cruise in the next three months by age group



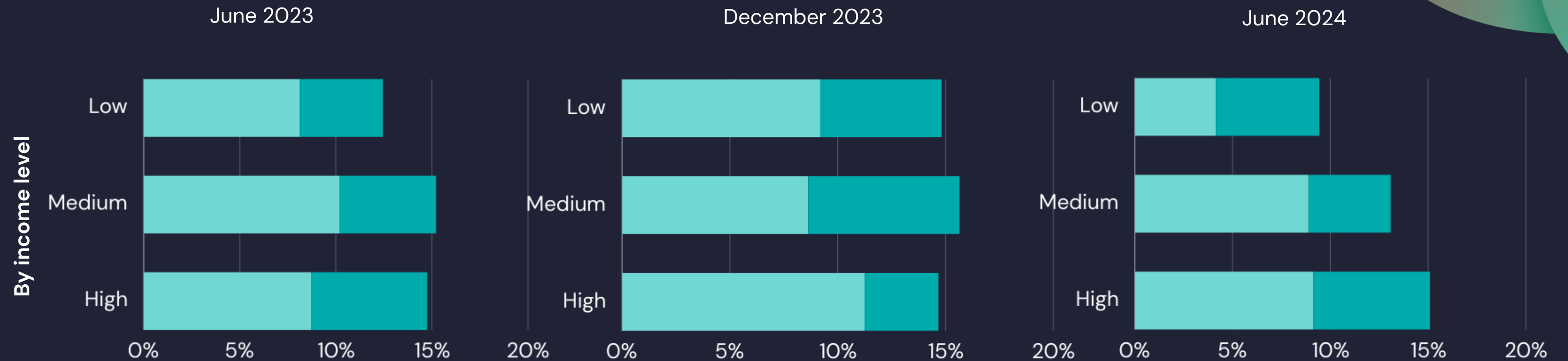
Source: Deloitte Consumer Signals, June 2024

Question: How likely are you to do the following for leisure travel [cruise] in the next three months (% Very likely/Somewhat likely)?



# A cruise for everyone?

Australians' likelihood to take a cruise in the next three months by household income



Source: Deloitte Consumer Signals, June 2024

Question: How likely are you to do the following for leisure travel [cruise] in the next three months (% Very likely/Somewhat likely)?

# Are cruisers different?

Cruise travellers are focused on experiences than the average traveller.

How are Australian consumers thinking about their next leisure trip?



Source: Deloitte Consumer Signals, June 2024

Question: Thinking about your next leisure trip, which statements best describe how you are thinking about different aspects of your trip?



# THANK YOU!

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