



Tourism on the other side

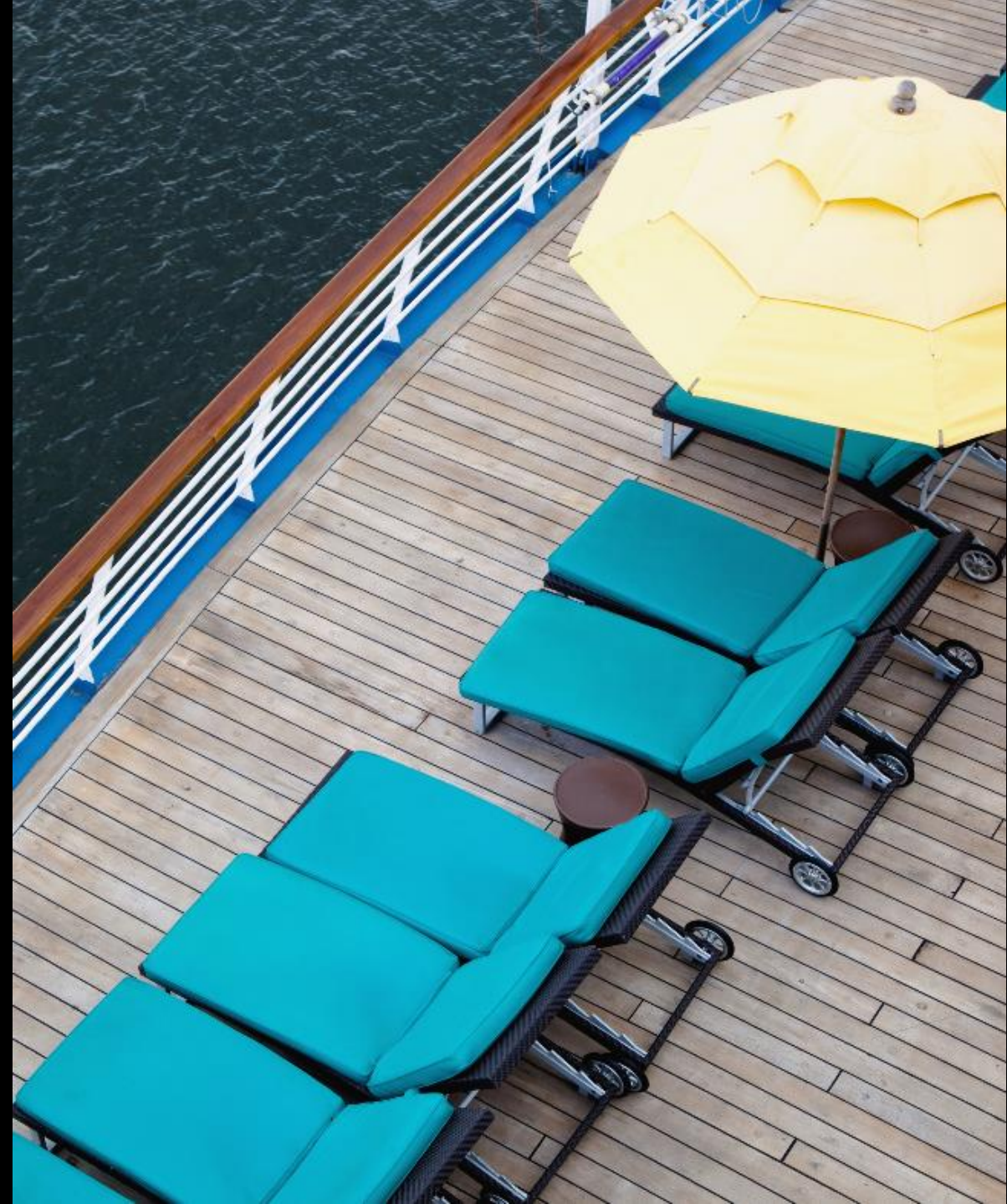
Adele Labine-Romain

National Travel, Hospitality and Leisure Sector Leader

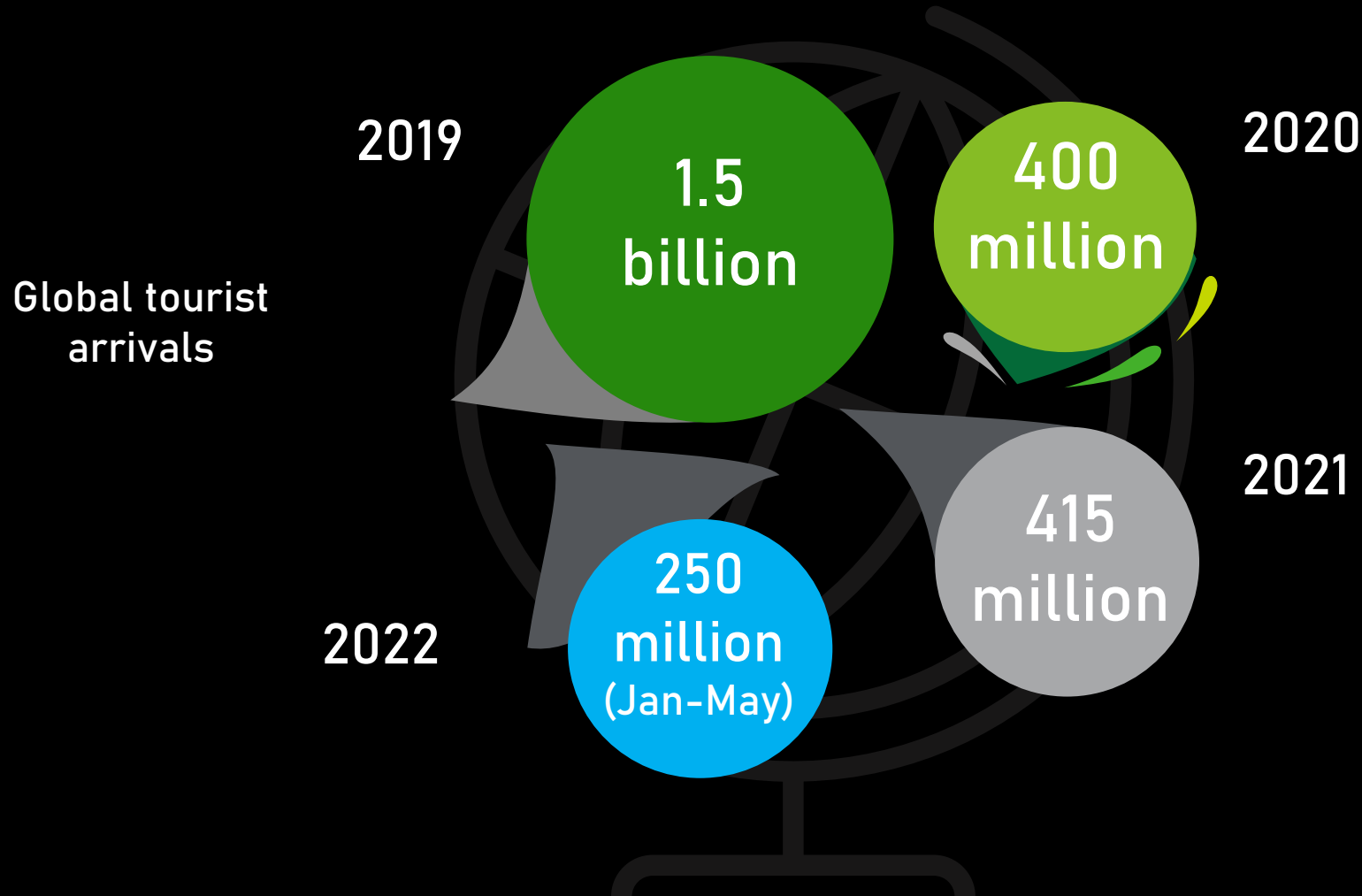
Charting the Future

2022 Australian Cruise Association Conference

September 2022



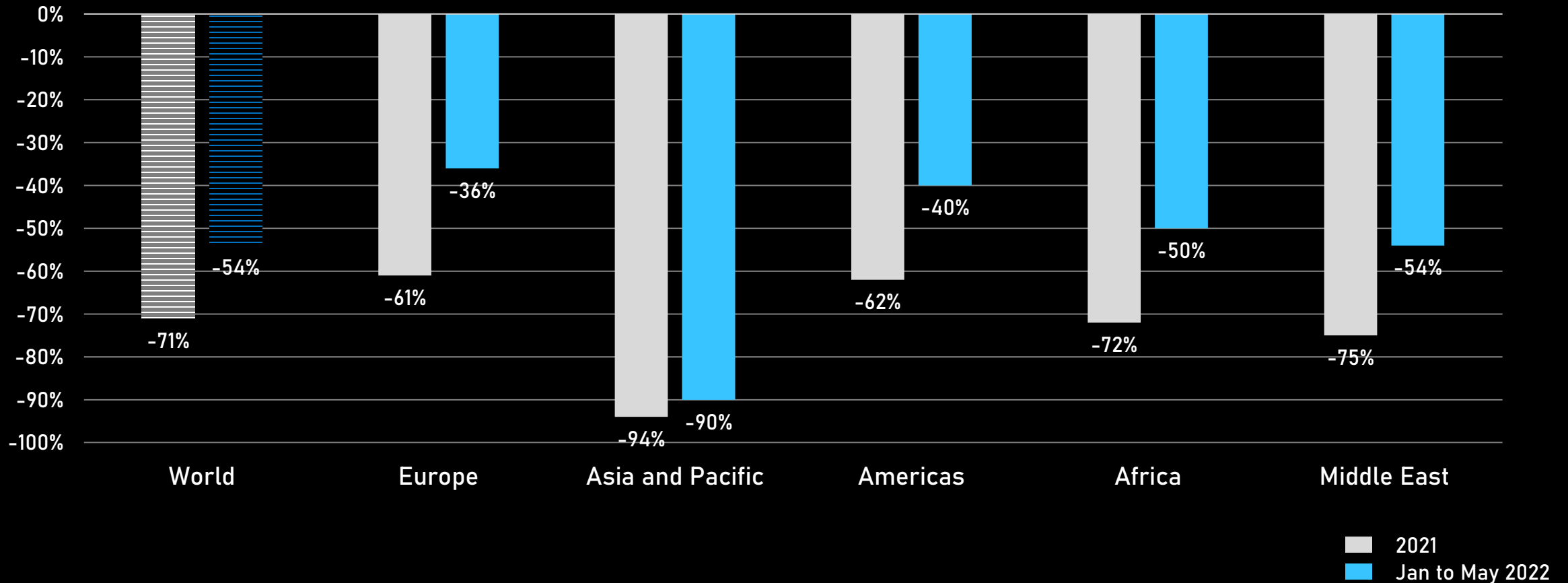
Where is global tourism at?



- 83% UNWTO panel of experts see **better prospects for 2022**, though still only 50-60% of pre-pandemic level
- Greater optimism around recovery of international arrivals (**48% expect international arrivals to return to 2019 levels in 2023** – compared to 32% in January)

How is recovery tracking around the world?

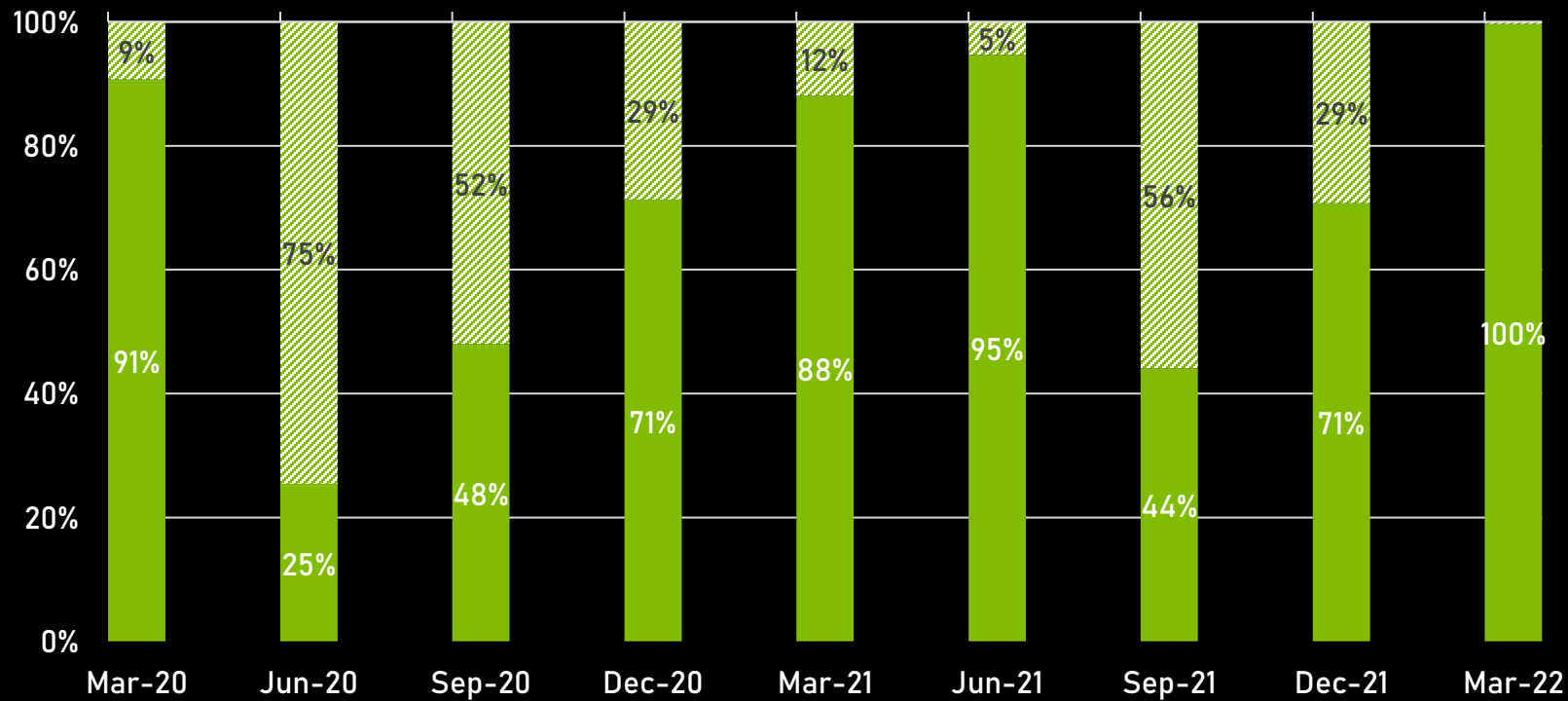
International tourist arrivals (% change vs 2019)



Source: United Nations World Tourism Organization (UNWTO), July 2022.

Tourism recovery in Australia

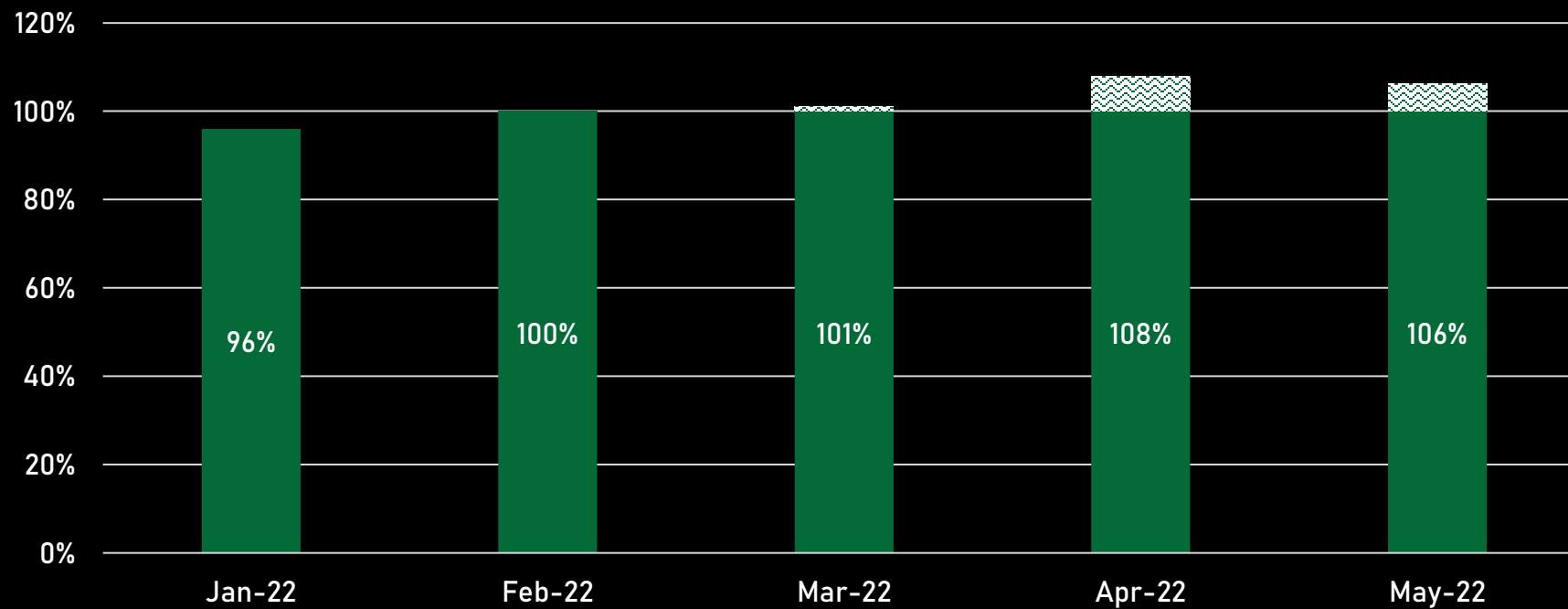
Domestic travel expenditure – relative to same quarter in 2019



Source: Tourism Research Australia.

Tourism recovery in Australia

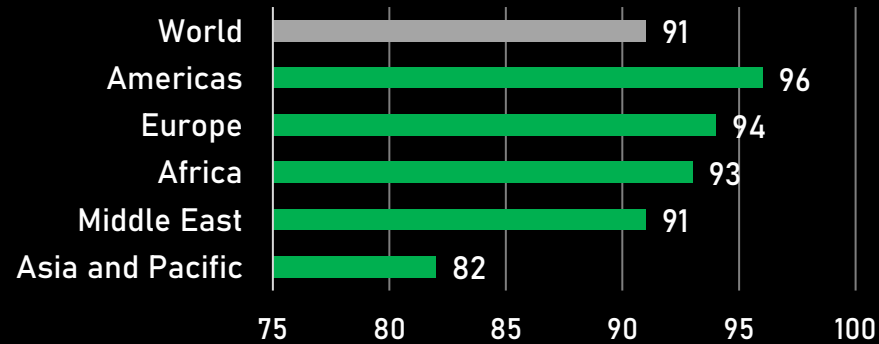
Domestic travel expenditure – relative to same month in 2019



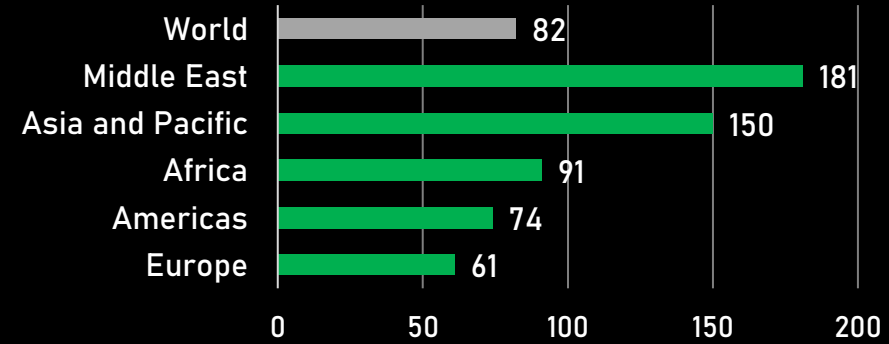
How are key segments doing?



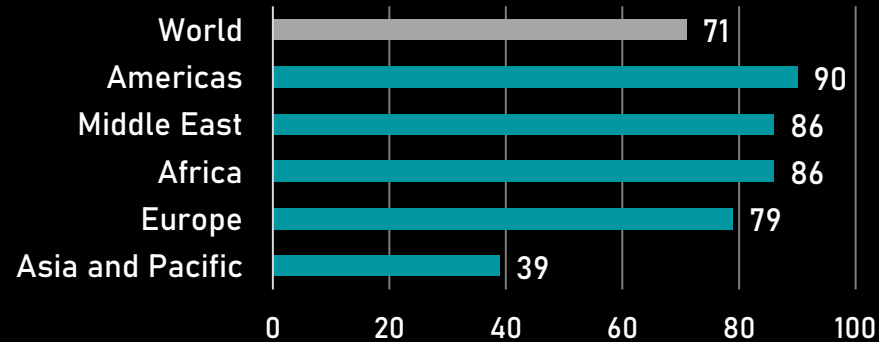
Hotel occupancy rates (June 2022)



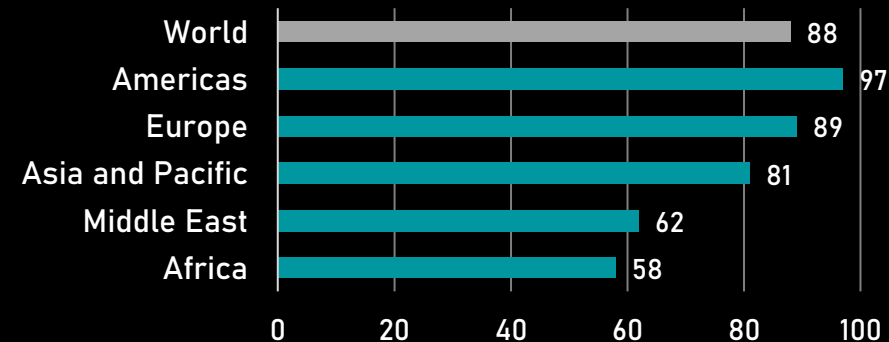
Hotel searches (July 2022)



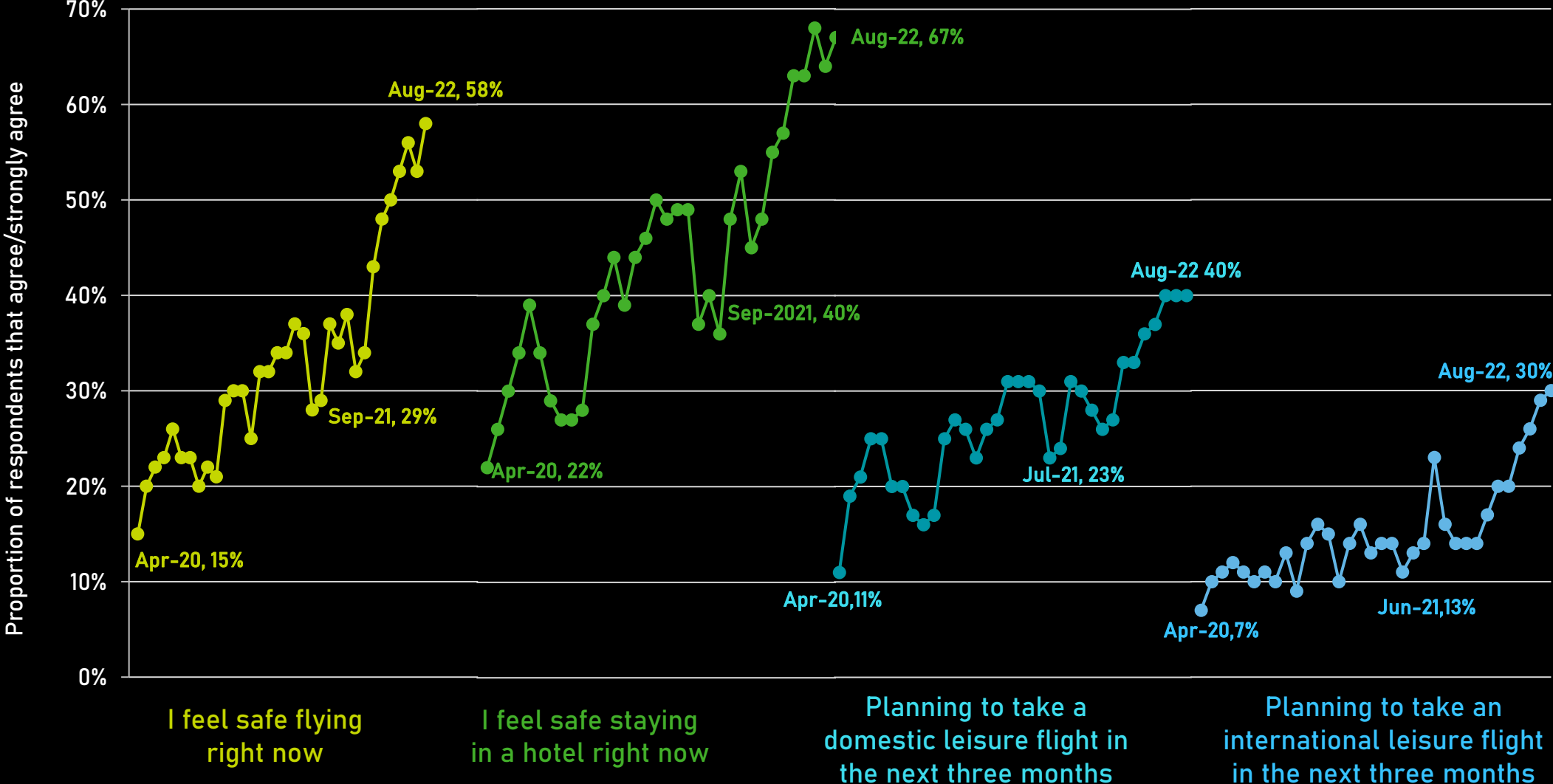
Seat capacity – international (July 2022)



Seat capacity – domestic (July 2022)




Pent-up demand moderated by [some] travel hesitancy.

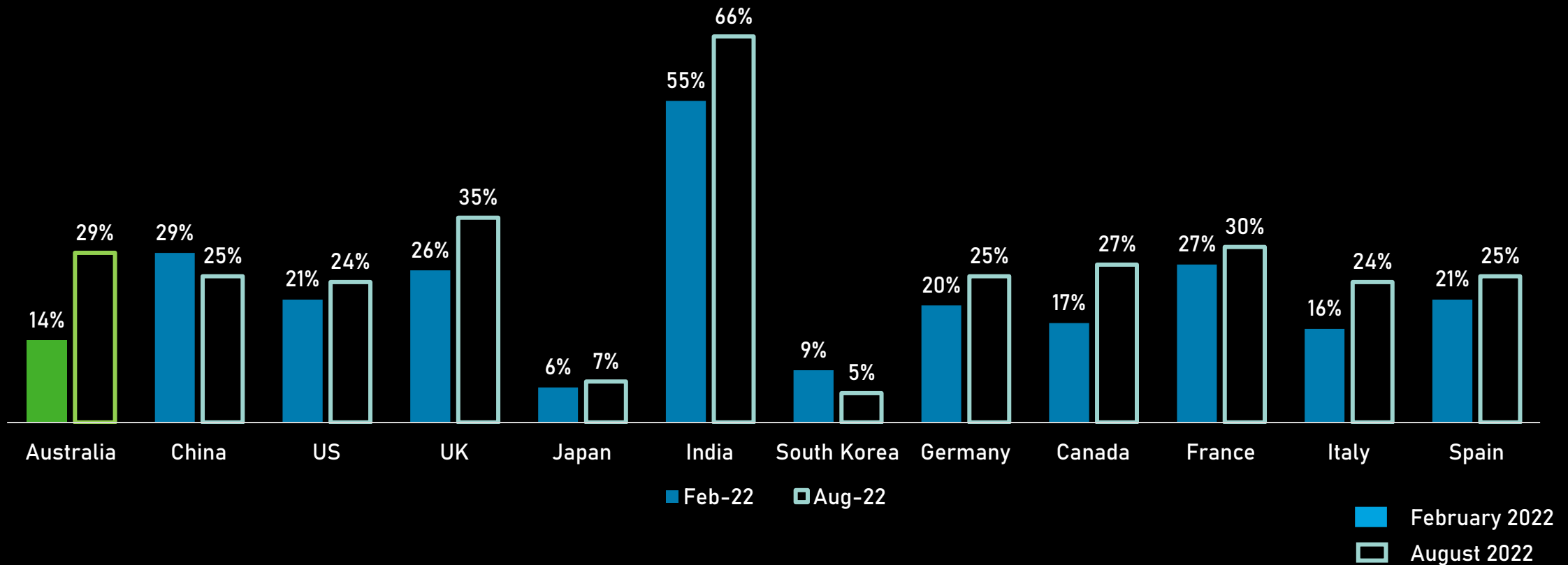


Source: Deloitte Global State of the Consumer Tracker, August 2022 [Australian residents]

Intentions continue to strengthen in the leisure market.

Likelihood to take an international flight for leisure travel in the next three months

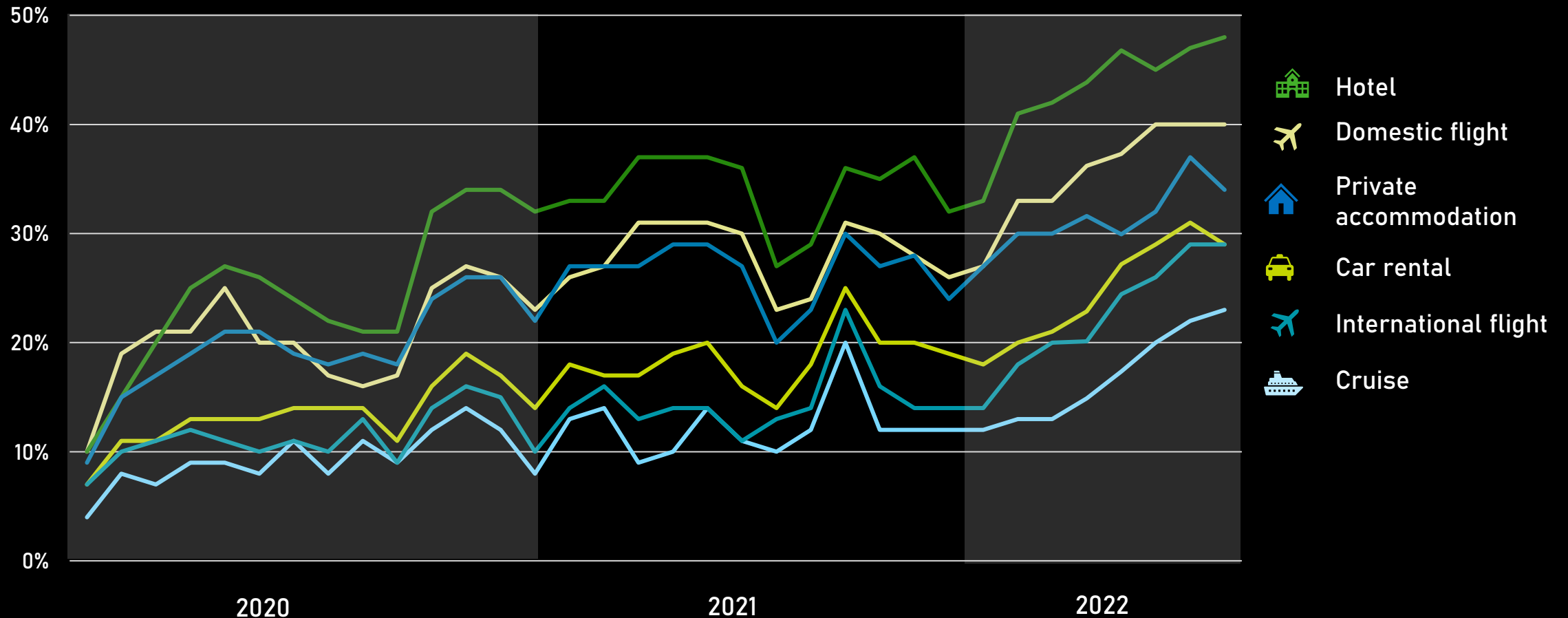
 International flight



Source: Deloitte Global State of the Consumer Tracker, July 2022

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

Intentions continue to strengthen in the leisure market.

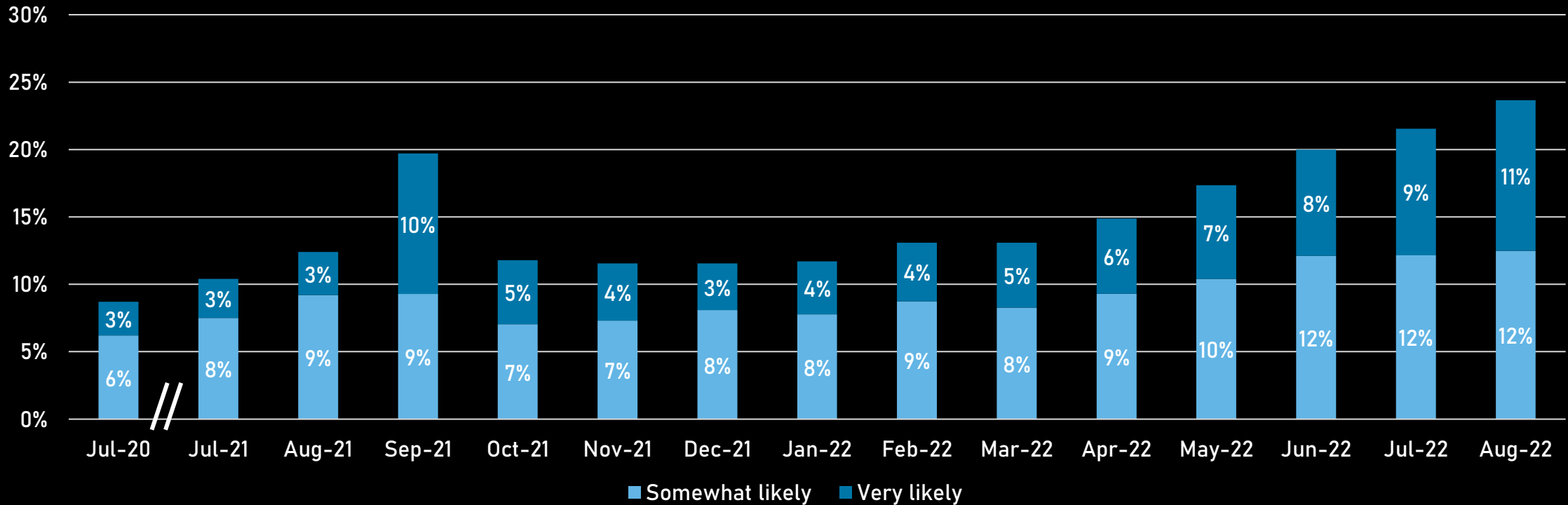


Source: Deloitte Global State of the Consumer Tracker, April 2020 to August 2022 [Australian residents]

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

Strong intentions in the cruising market.

Likelihood to take a cruise in the next three months – Australian residents

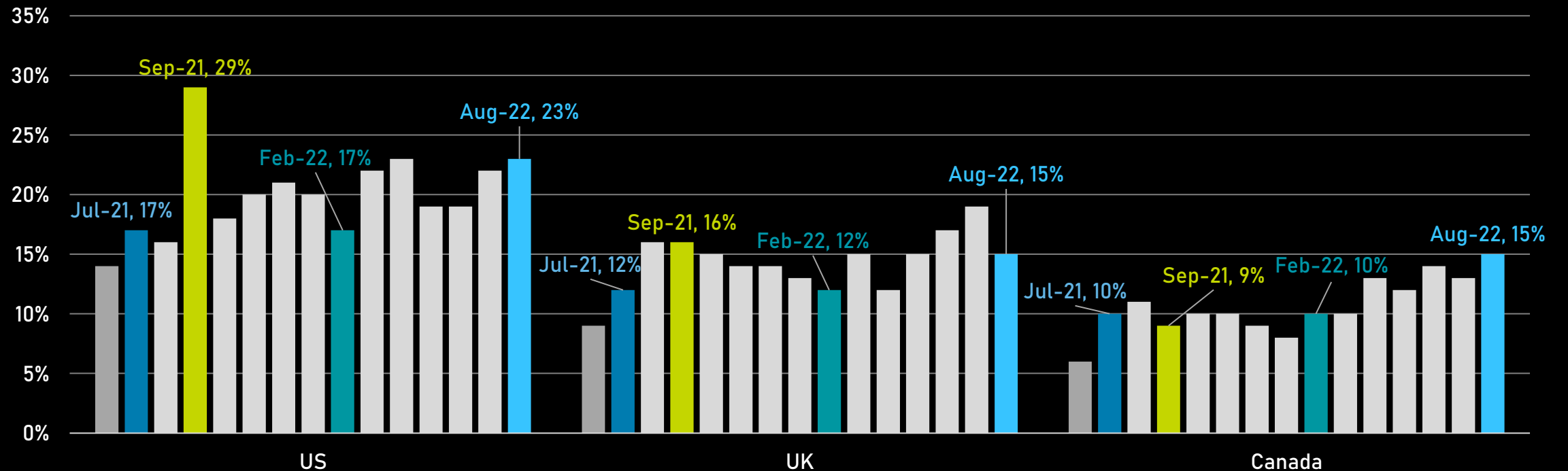


Source: Deloitte Global State of the Consumer Tracker, August 2022

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

Strong intentions in the cruising market.

Likelihood to take a cruise in the next three months – key source markets

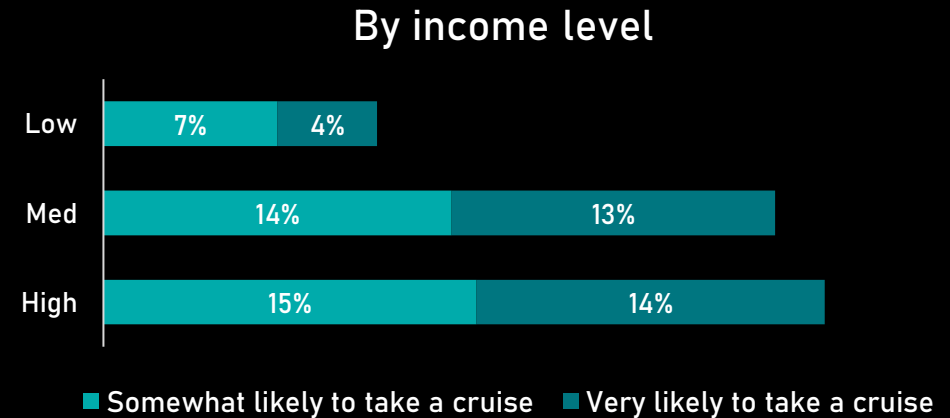
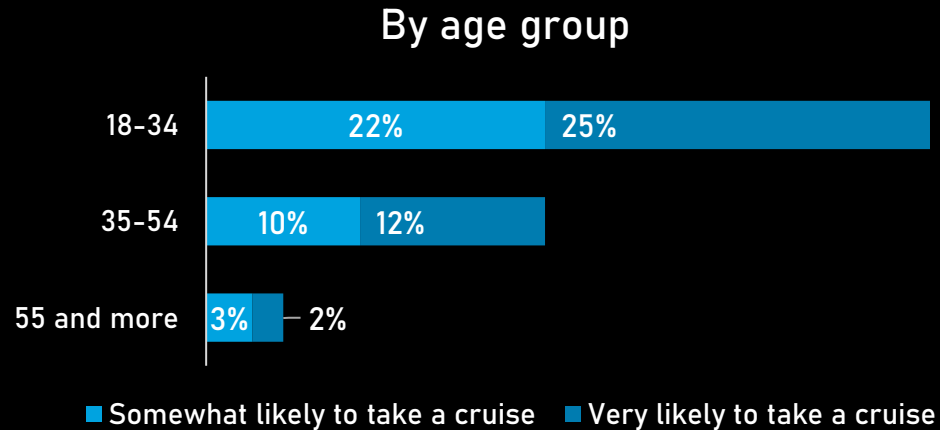


Source: Deloitte Global State of the Consumer Tracker, August 2022

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

Strong intentions in the cruising market.

Likelihood to take a cruise in the next three months – by age group and income



	18-34	35-54	55 and more	Low	Med	High
Planning to spend on leisure travel	75%	52%	38%	36%	57%	62%
Likely to visit a destination they can plan last minute	36%	29%	27%	23%	31%	34%
Likely to visit a destination that they can work from	25%	8%	4%	7%	15%	12%

Source: Deloitte Global State of the Consumer Tracker, August 2022 [Australian residents]

The recovery of cruising

USA TODAY

PLUS-SIZE POLICY Inconsistent rules

SAFETY CONCERNS Travelers skip the US

HIDDEN GEMS Crowded secret spots

FAMILY VACATIONS How much is it?

News Sports Entertainment Life Money Tech [Travel] Opinion

CRUISES

Is the cruise industry coming back? After more than 2 years under a COVID cloud, the answer is yes.

TRAVEL WEEKLY ASIA
MAKING A DIFFERENCE

News & Destinations Cruises Magazines & Events Hotel & Cruise Search

CRUISE
The swift rebound in passenger volumes may mean cruising will soon surpass 2019 figures by end of 2023.

Watch out world, cruising is back, bigger and better than ever

By Travel Weekly Asia | Apr 29, 2022

The New York Times

The Coronavirus Pandemic > | Map and Cases | Living With Covid Now | New C.D.C. Guidelines, Explained | Covid F.A.

The Cruise Industry Stages a Comeback

After watching thousands of passengers get ill and more than a year of devastating financial losses, the global cruise industry is coming back to life. And it says it knows how to deal with the coronavirus.

CRUISES

Royal Caribbean's Rebound Continues as Passengers Splurge on the Extras

Praveen Paramasivam and Doyinsola Oladipo, Reuters
July 29th, 2022 at 2:30 PM EDT

SKIFT Travel

Jodie reckons a cruise is as COVID-safe as her local supermarket, and she's among thousands who can't wait for their return

By business reporter Sue Lannin
Posted Wed 13 Apr 2022 at 7:26am, updated Wed 13 Apr 2022 at 7:49am

The Washington Post
Democracy Dies in Darkness

Cruises are smashing records despite covid on board: 'Life goes on'

The coronavirus continues to pop up on cruises, but that isn't stopping fans from taking them

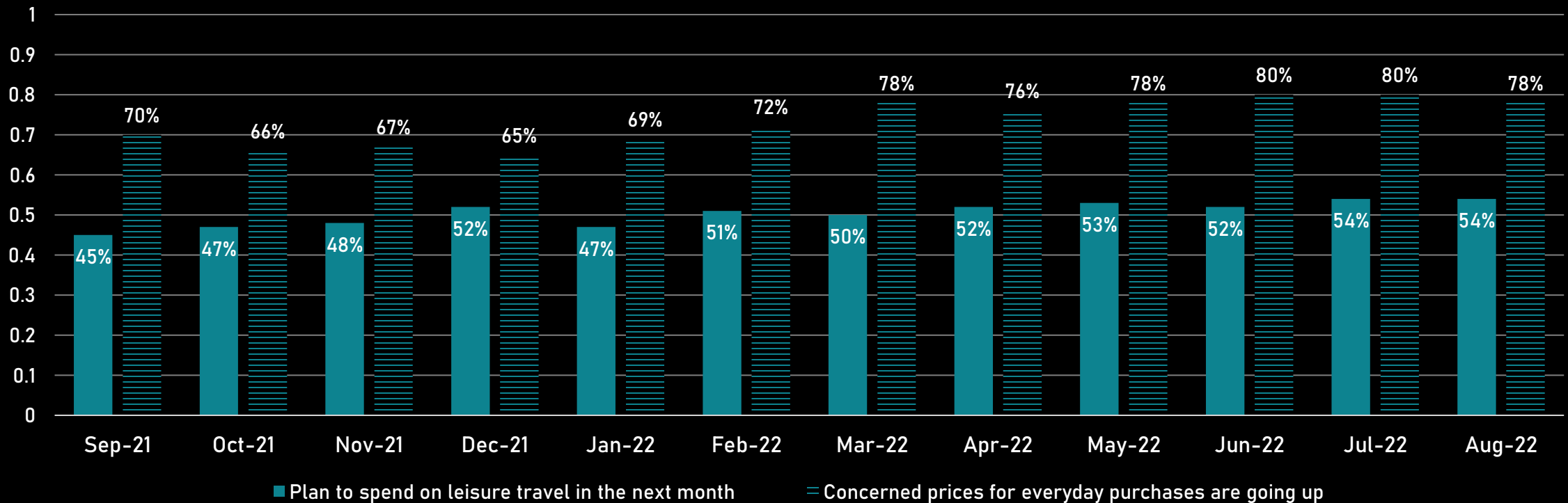
Travel & Tourism

AAA: Cruising is making a strong comeback



Are financial concerns likely to impact travel?

Australians' intention to spend on travel vs concerns over price increases for everyday purchases – Australian residents

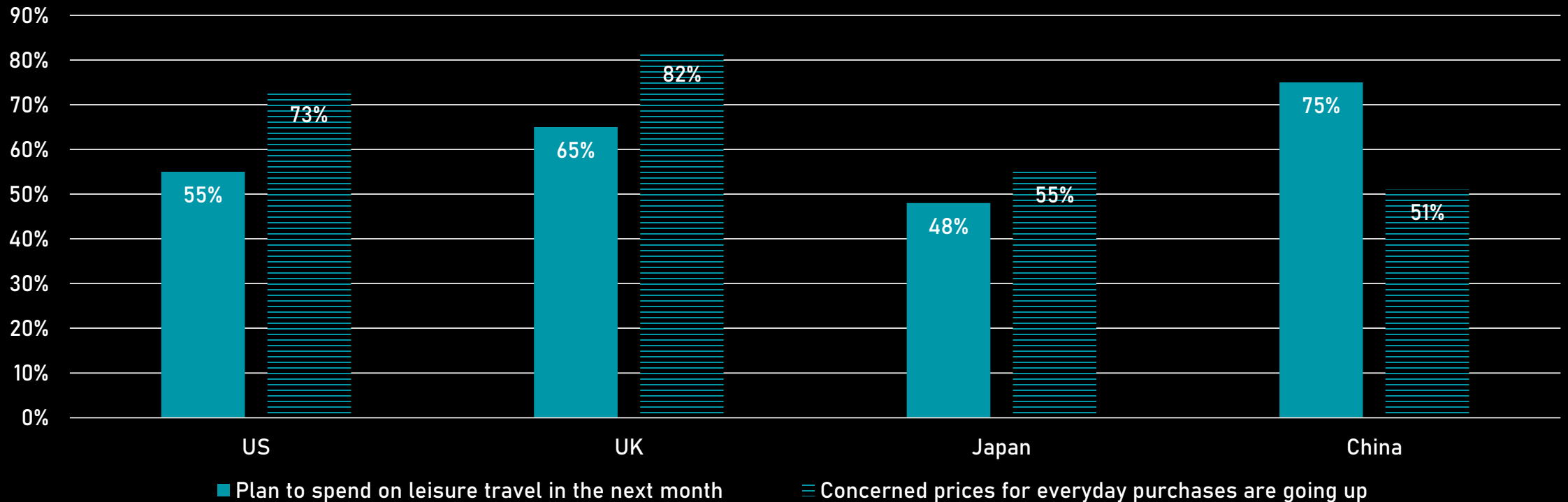


Source: Deloitte Global State of the Consumer Tracker, August 2022

Questions: Over the next month, roughly how much do you expect to spend on the following [travel]? 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.”

Are financial concerns likely to impact travel?

Intention to spend on travel vs concerns over price increases for everyday purchases



Source: Deloitte Global State of the Consumer Tracker, August 2022

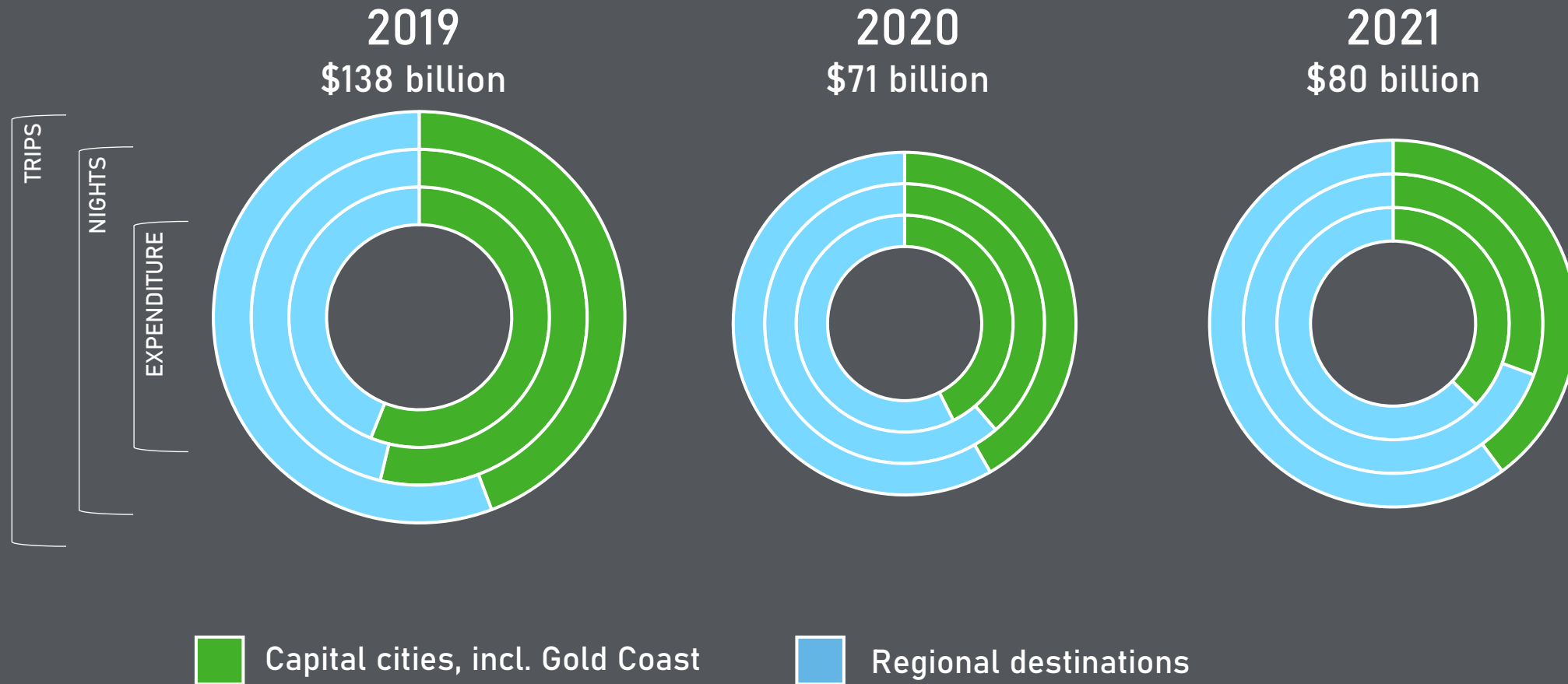
Questions: Over the next month, roughly how much do you expect to spend on the following [travel]? To what extent do you agree or disagree with the following statements?
“I am concerned that prices for the things I buy often will go up (agree/strongly agree).”



Will we travel differently?

The shift in Australian major cities and regions

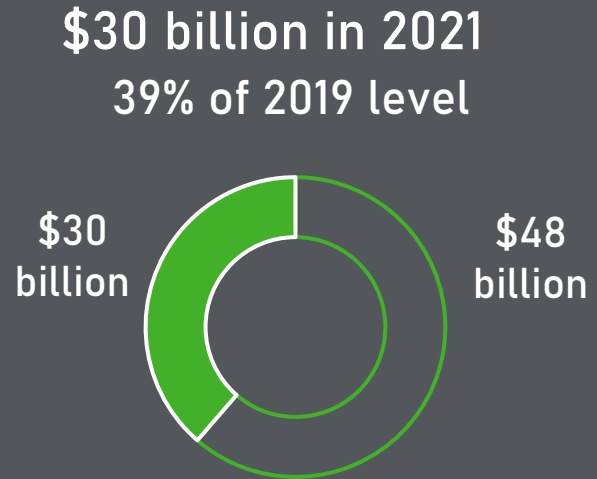
Shift in visitation and expenditure across capital cities and regional destinations, 2019-2021



Source: Tourism Research Australia.

Different pace of recovery across major cities and regions

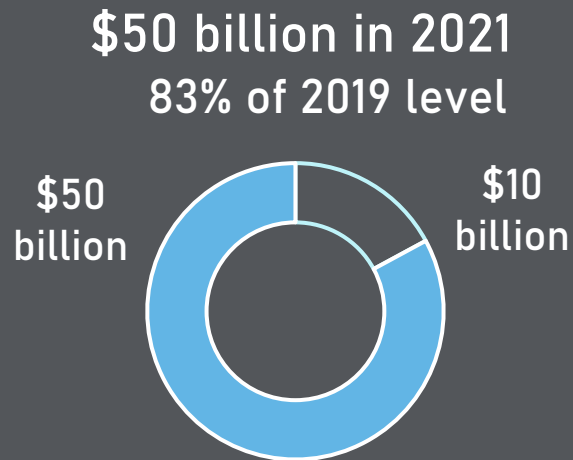
Capital cities, incl Gold Coast



\$13 billion in March quarter 2022
57% of March quarter 2019 level



Regional destinations



\$18 billion in March quarter 2022
92% of March quarter 2019 level



Source: Tourism Research Australia.

Travel outside major centres

Why regional? – international travellers

Quality time with friends and family



Bucket list holiday



Nature & outdoor



Visit family and friends



Why regional? – domestic travellers

Easy to travel to



Quality time with friends and family



Affordability



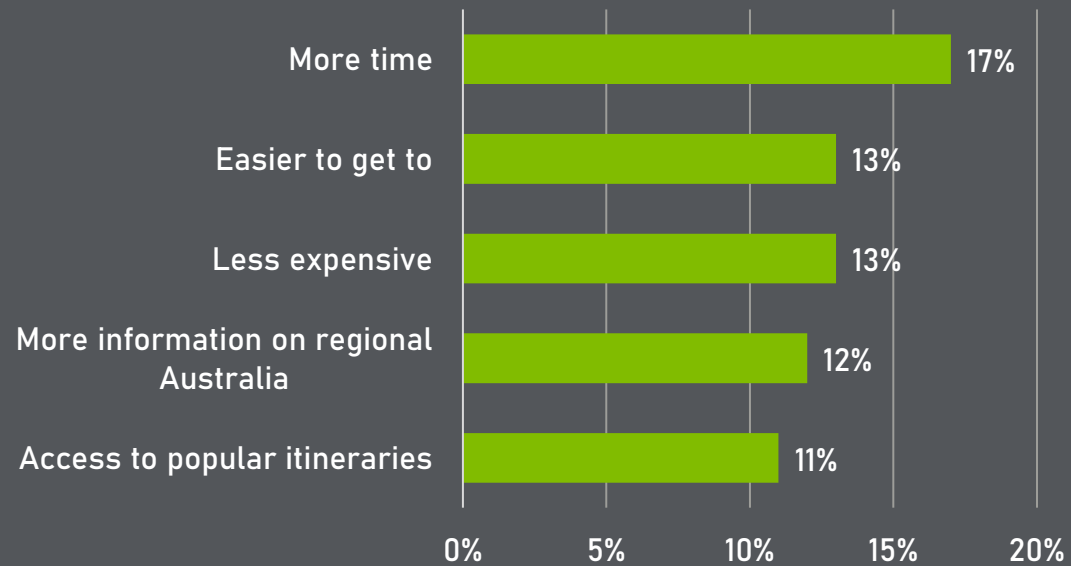
Visit family and friends



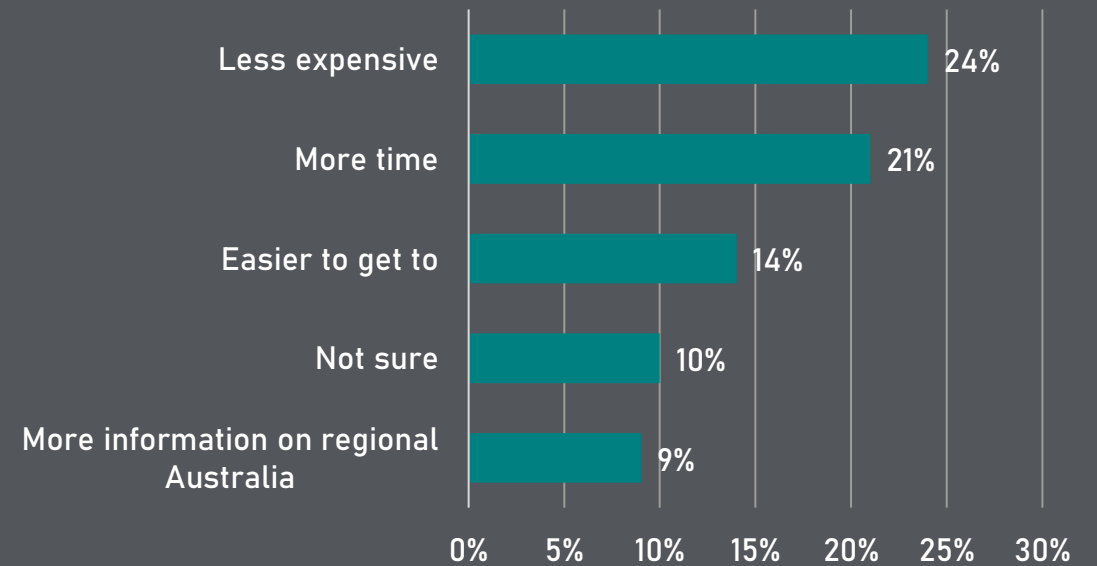
Source: Tourism Research Australia, *Understanding visitor regional dispersal in Australia, 2019*.

Travel outside major centres

What would influence you to visit regional Australia? – international

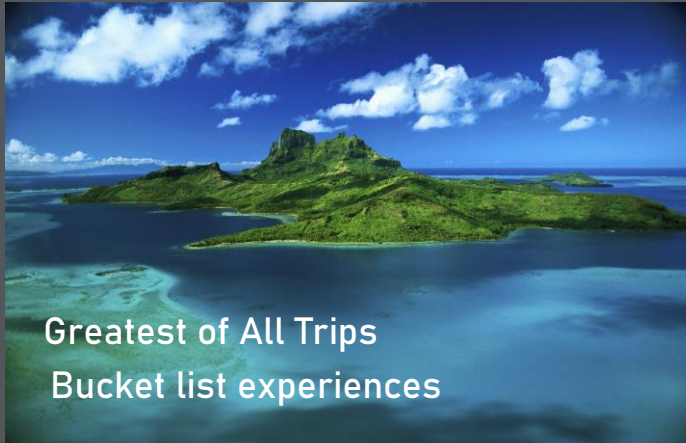


What would influence you to visit regional Australia? – domestic



Source: Tourism Research Australia, *Understanding visitor regional dispersal in Australia, 2019*.

Emerging travel trends and behaviours



In closing

Have confidence in the return of travel, and travellers.

There will be bumps in the road, keep a reserve of resilience.

We have changed, our traveller has changed. And, our industry is changed.

Travel is resilient, and needed.

An aerial photograph of a rocky coastline. The water is a vibrant turquoise color, and the rocks are large, grey, and jagged. Two people are kayaking in the water, one in the foreground and one further back. The sky is not visible, as the image is oriented vertically.

Thank you.

Adele Labine-Romain

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Partner, Deloitte Access Economics

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Deloitte