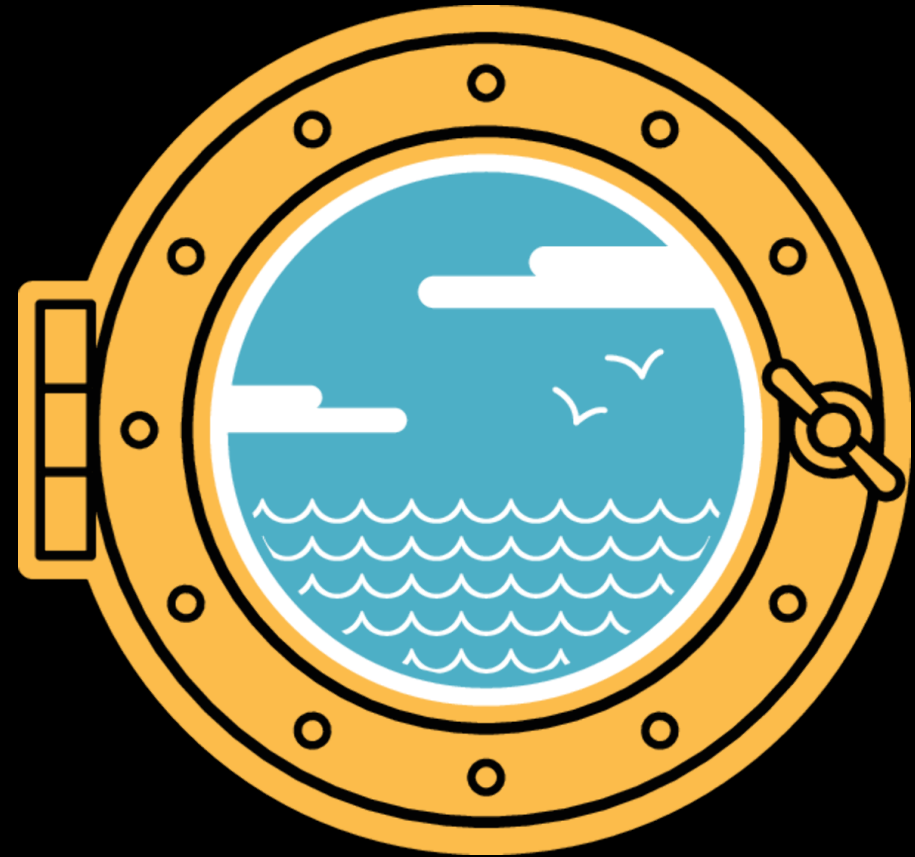


Full Steam Ahead

2023 Australian Cruise Association Conference

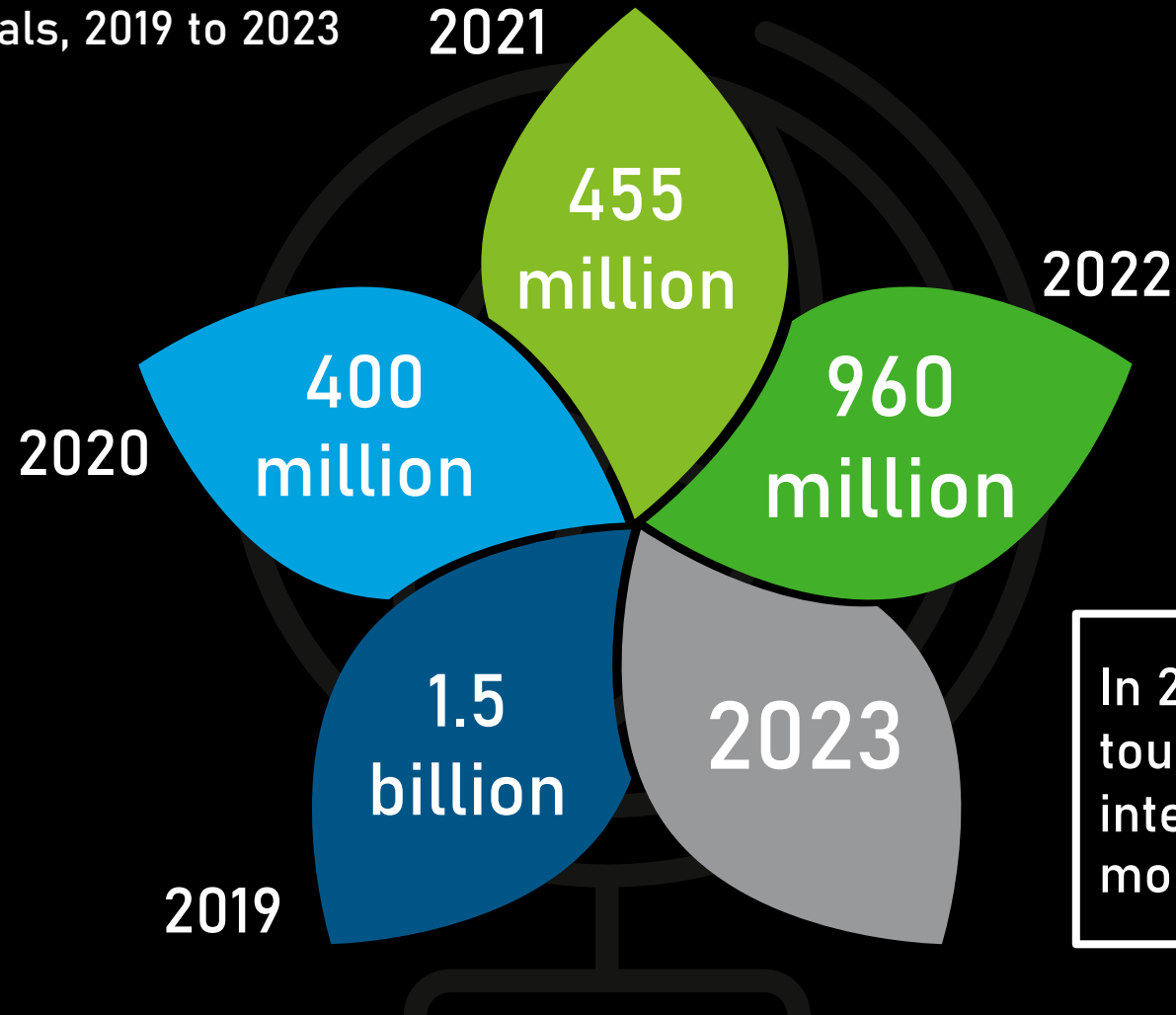
Adele Labine-Romain

National Travel, Hospitality and Leisure Sector Leader
August 2023



Good progress on tourism recovery globally.

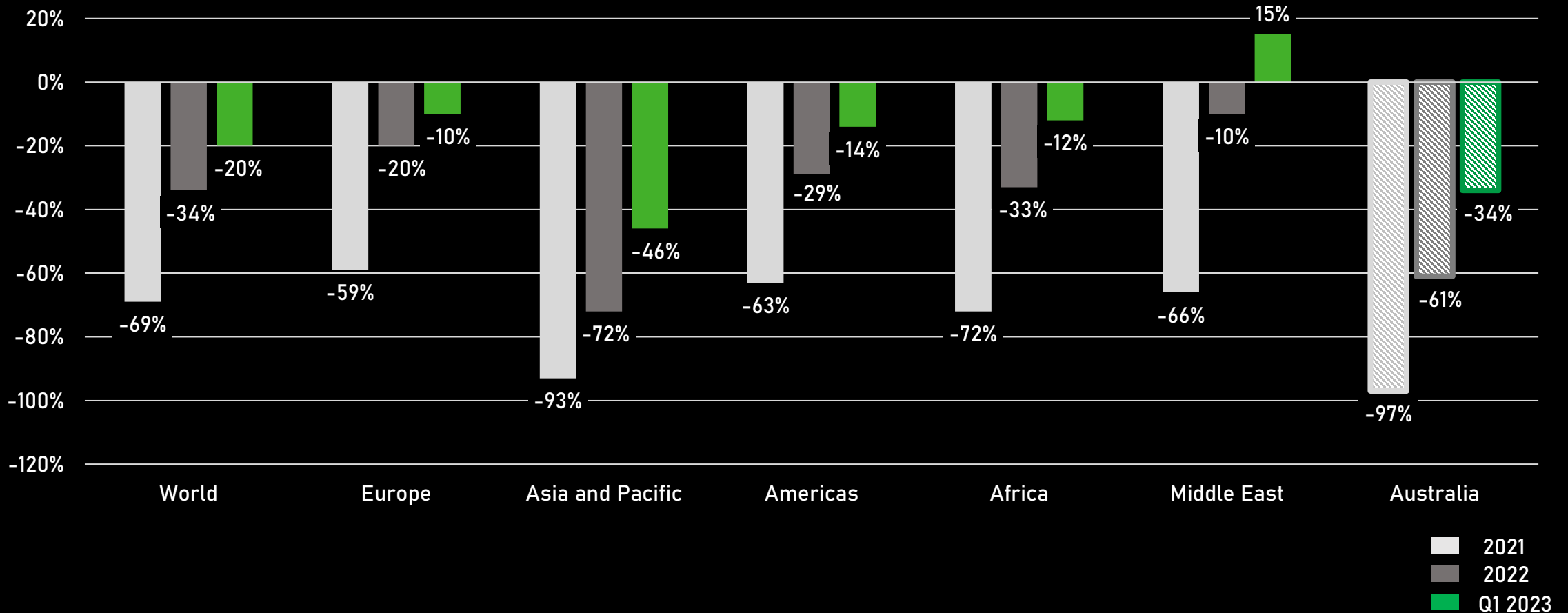
Global tourist arrivals, 2019 to 2023



In 2023, around 235 million tourists travelled internationally in the first three months, 80% of 2019 levels

Recovery accelerating across all regions.

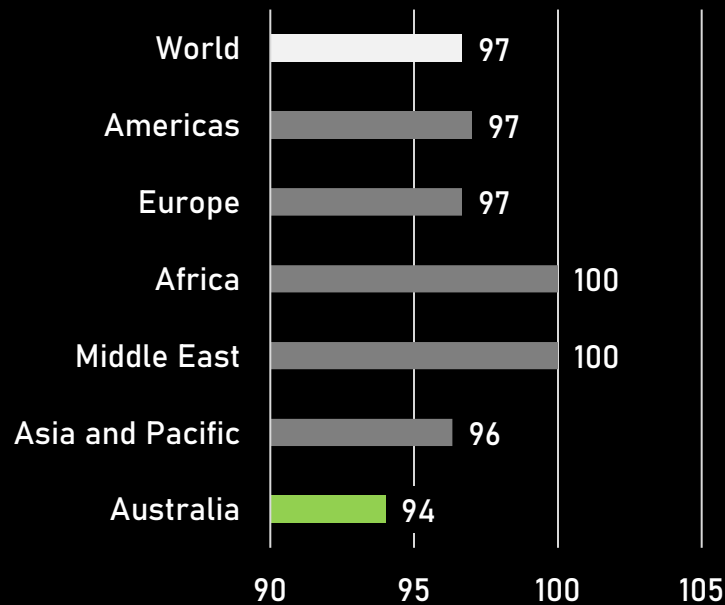
International tourist arrivals, % change from 2019 level



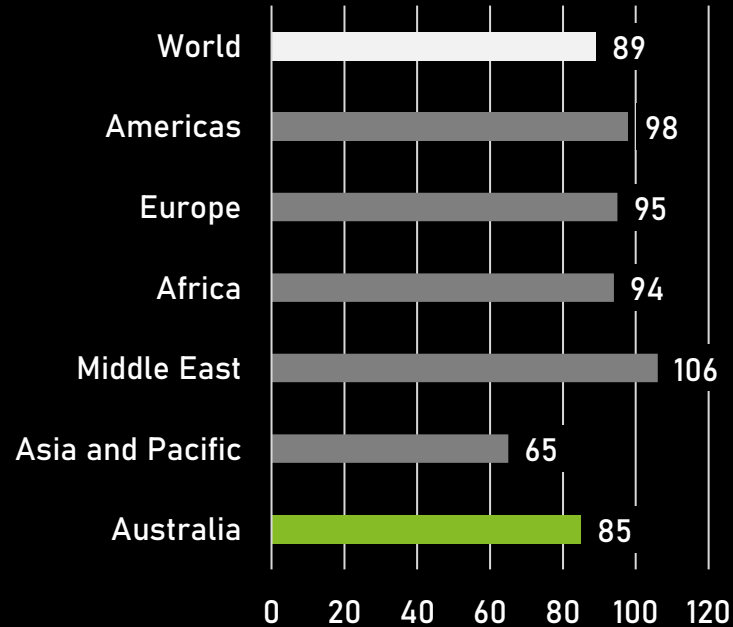
Source: United Nations World Tourism Organization (UNWTO), May 2023

How's recovery in supply tracking across the regions?

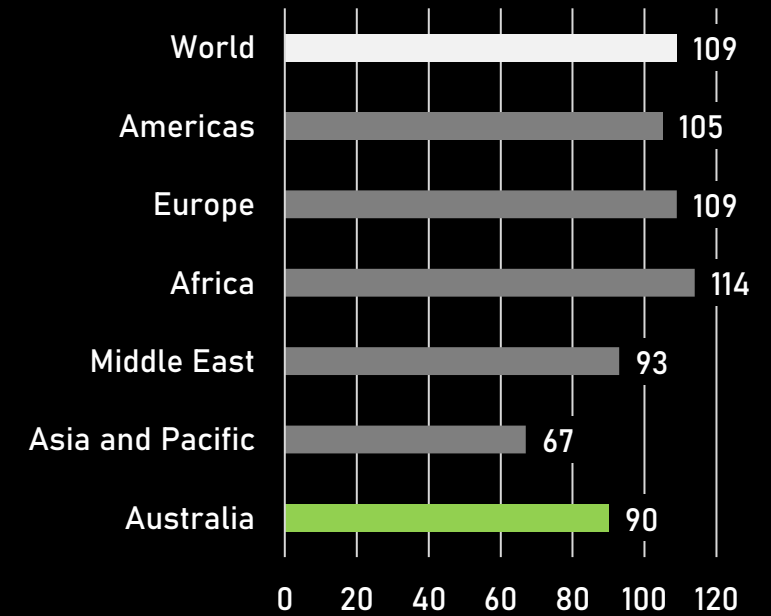
Hotel occupancy rates (Apr - Jun 23)
Indexed to 2019



International seat capacity (May 2023)
% of 2019



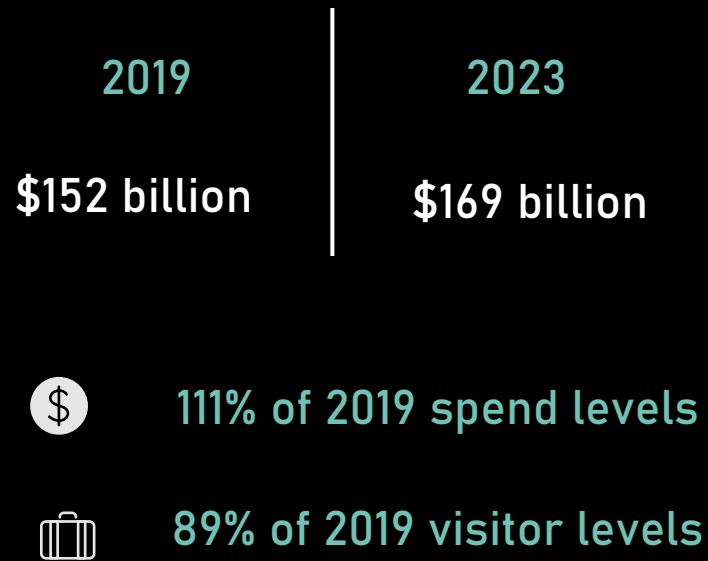
Domestic seat capacity (May 2023)
% of 2019 level



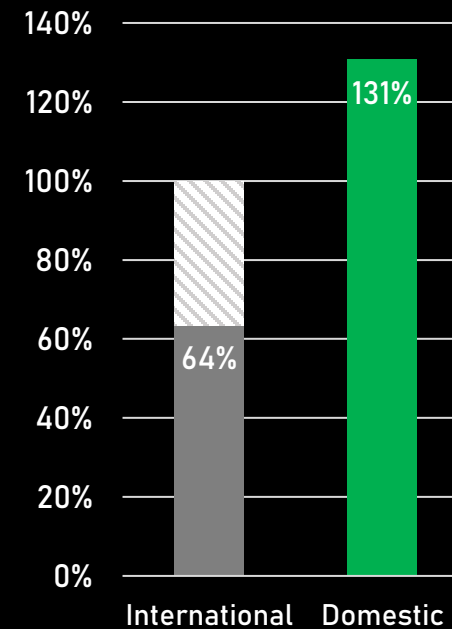
Sources: Aviation data from United Nations World Tourism Organisation (UNWTO), *Recovery Tracker*; Bureau of Infrastructure and Transport Research Economics, *Domestic aviation activity*; International capacity data for Australia is sourced from Tourism Australia webinar; STR Global for Australia's hotel occupancy.

Here at home, recovery of tourism is well and truly underway.

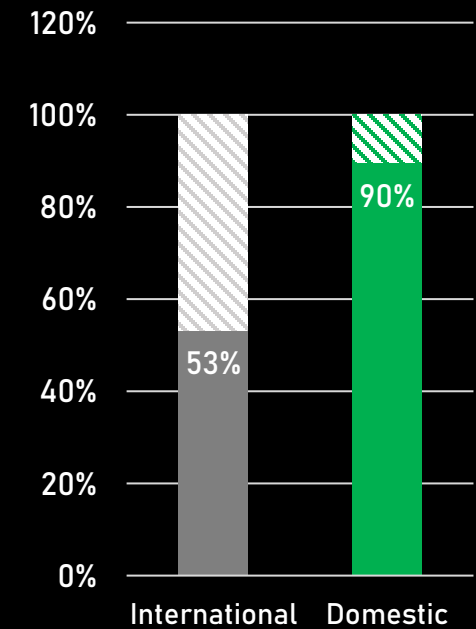
Total (international and domestic)



Visitor expenditure



Trips





Domestic visitor expenditure has grown strongly...

Domestic (overnight and daytrips)

2019
\$107 billion

2023
\$140 billion

 130% of 2019 levels

 90% of 2019 levels

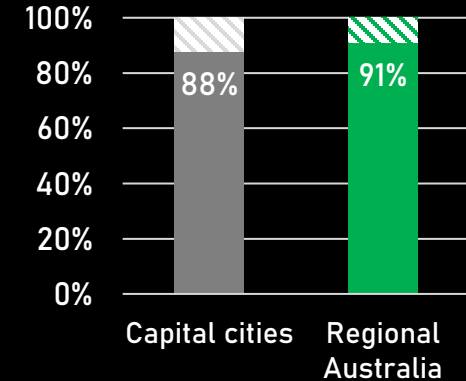
By capital cities
vs regions

Relative to 2019

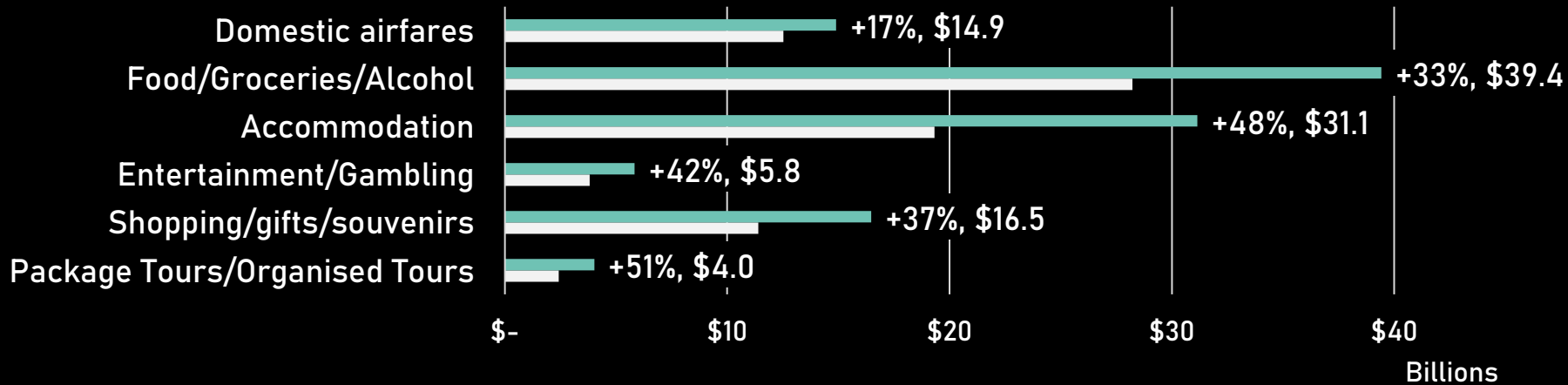
Visitor expenditure



Trips



Select domestic expenditure



Source: Tourism Research Australia, *International Visitor Survey and National Visitor Survey, March 2023*

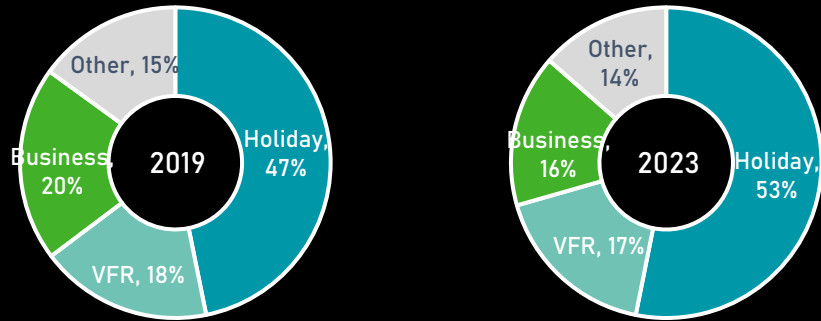
Note: Capital cities include Gold Coast

... though the recovery is uneven across segments.

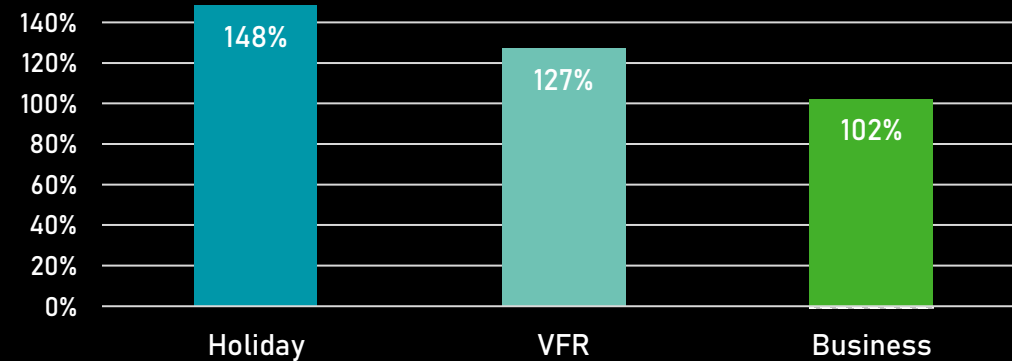
Visitor expenditure in Australia, March 2023

Domestic

Share by purpose of visit

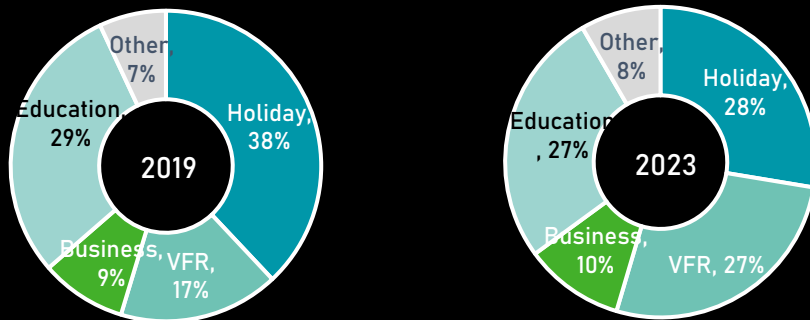


Share recovered

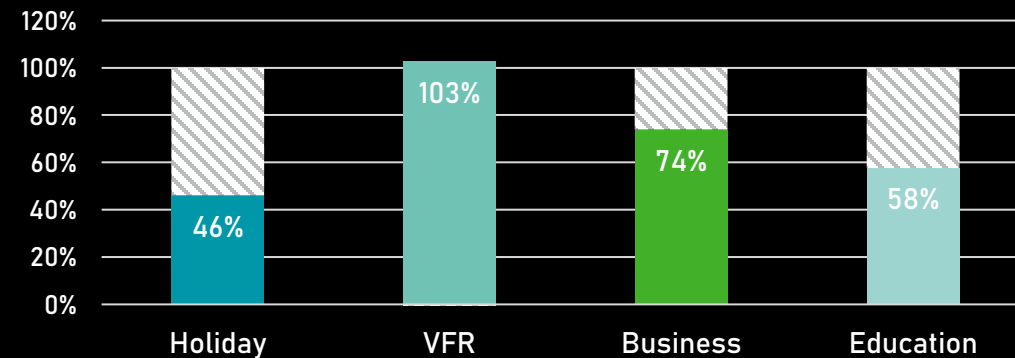


International

Share by purpose of visit

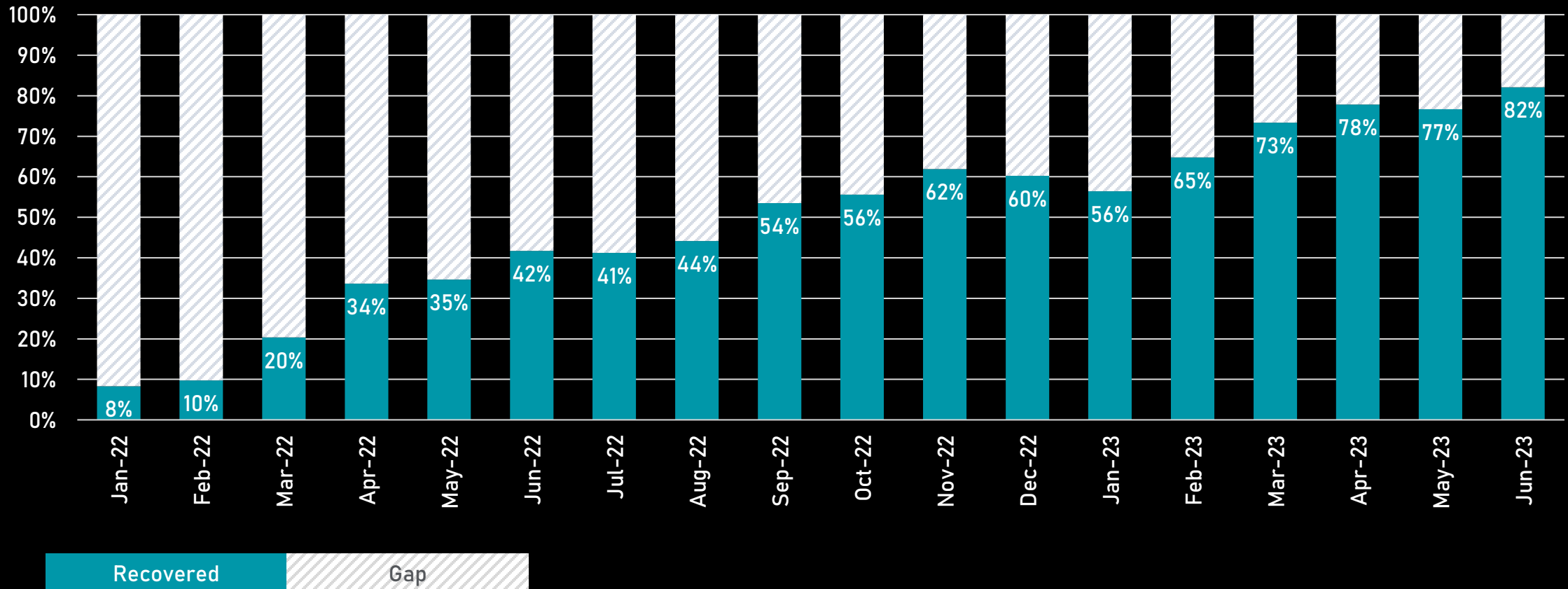


Share recovered



International visitors are returning with a recent plateau.

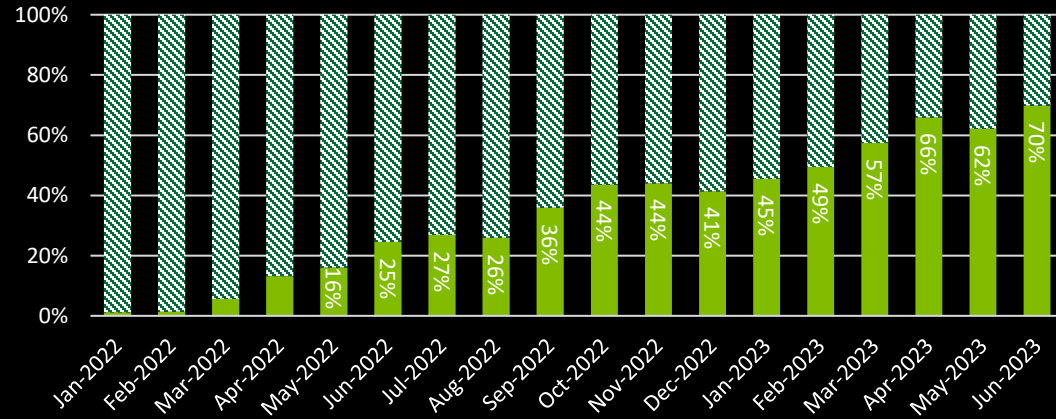
International visitor arrivals, share of 2019 level



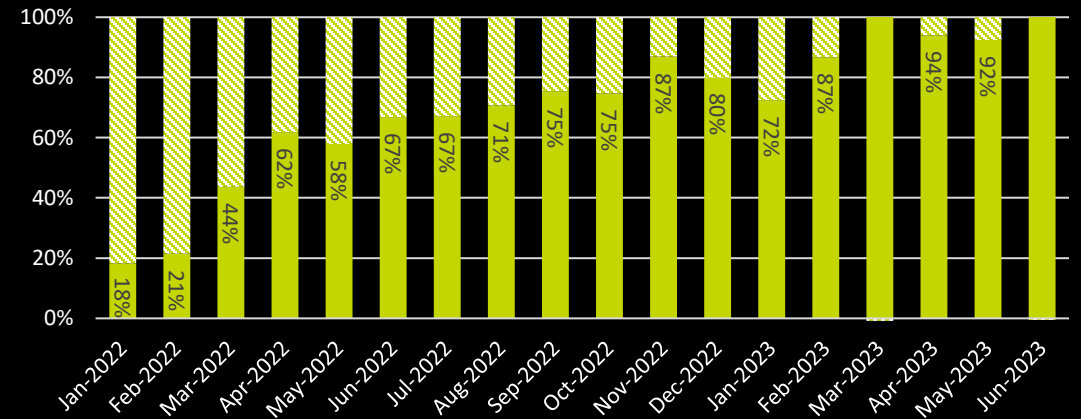
Source: Australian Bureau of Statistics, *Overseas Arrivals and Departures*

Holidaymakers are catching up after early lead in family reunions.

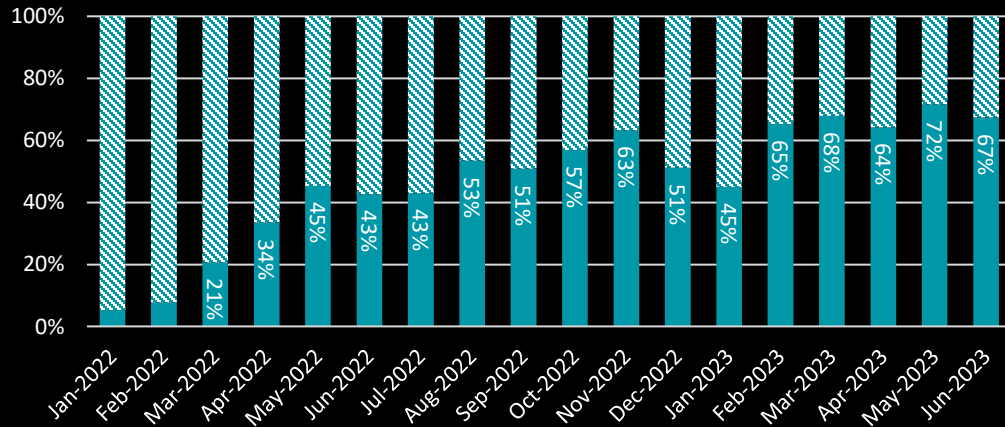
Holiday



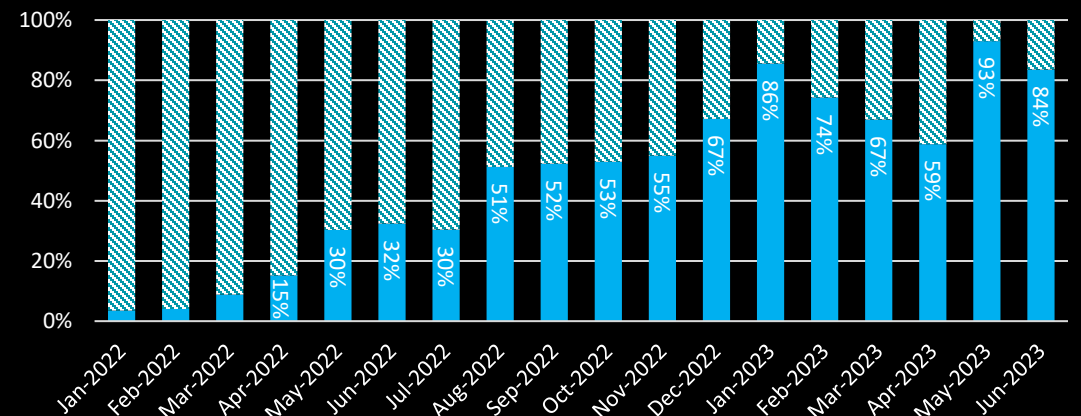
Visiting friends and relatives



Business



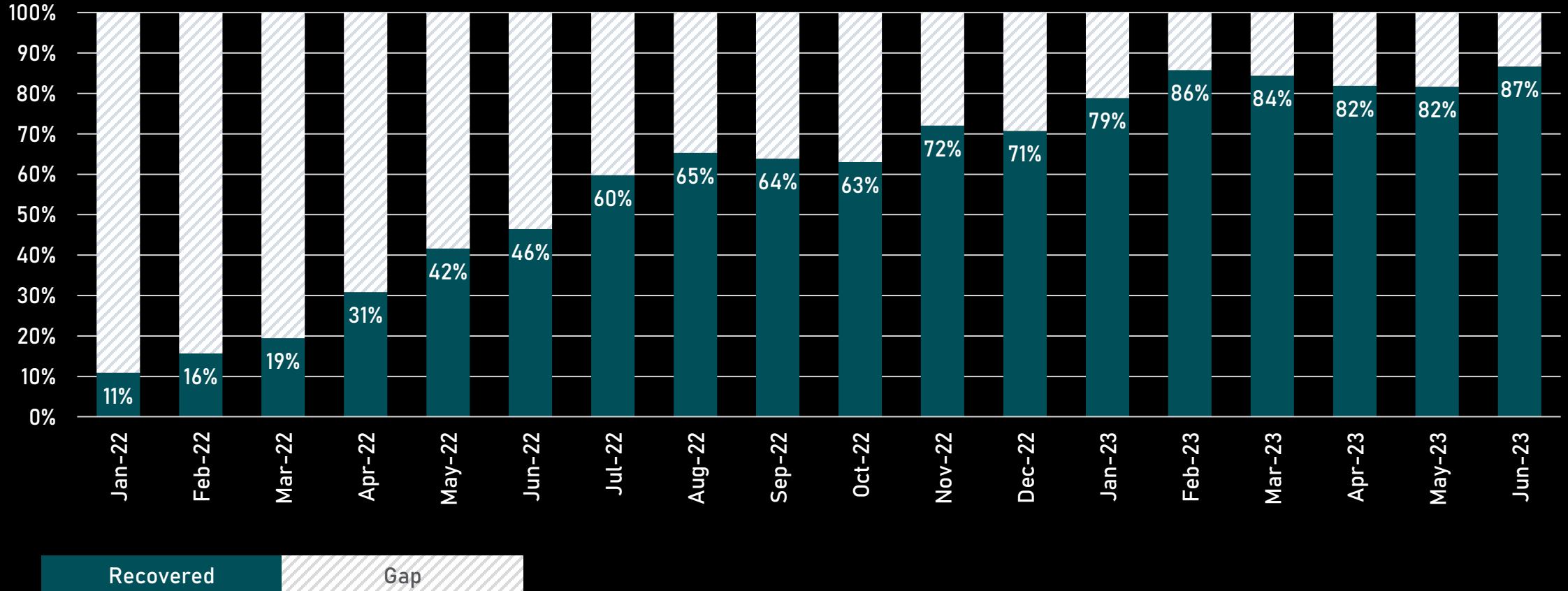
Convention



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

....outbound travel is slightly ahead but not much.

Outbound departures, share of 2019 level



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

Domestic travel intentions remain strong.

Likelihood to take a domestic flight for leisure travel in the next three months

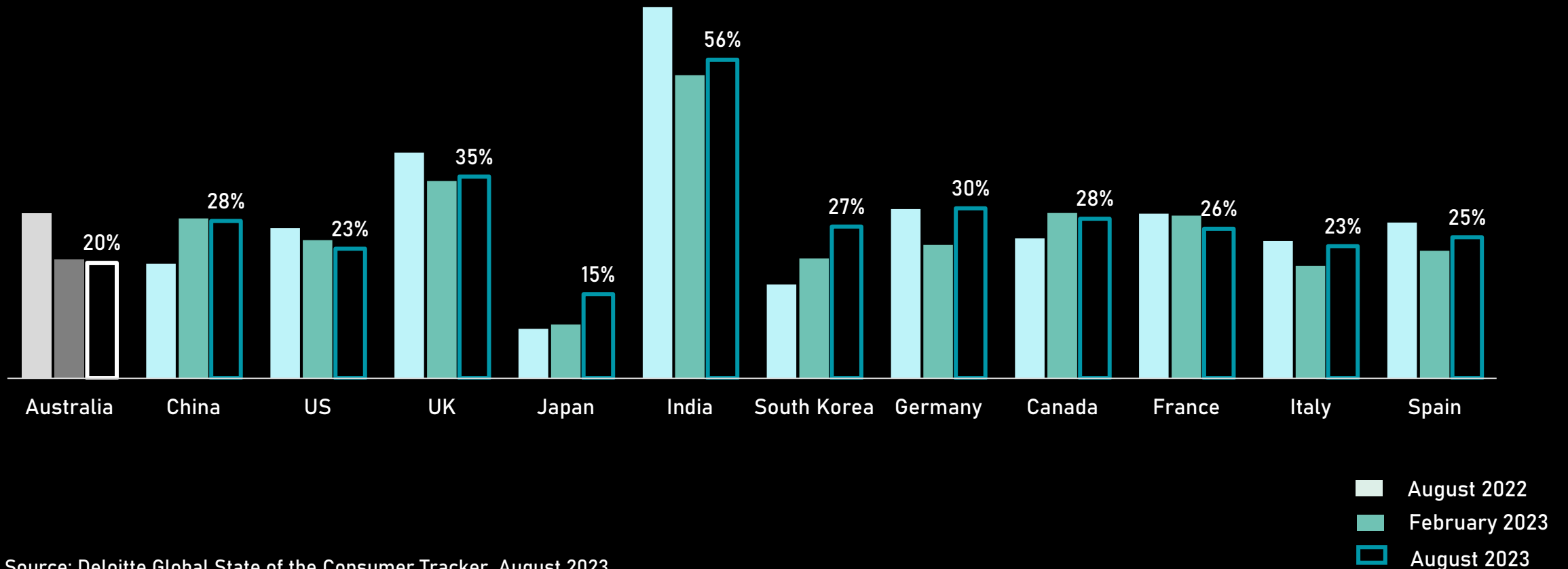


Source: Deloitte Global State of the Consumer Tracker, August 2023

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

Overseas travel intentions are strong and stable.

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

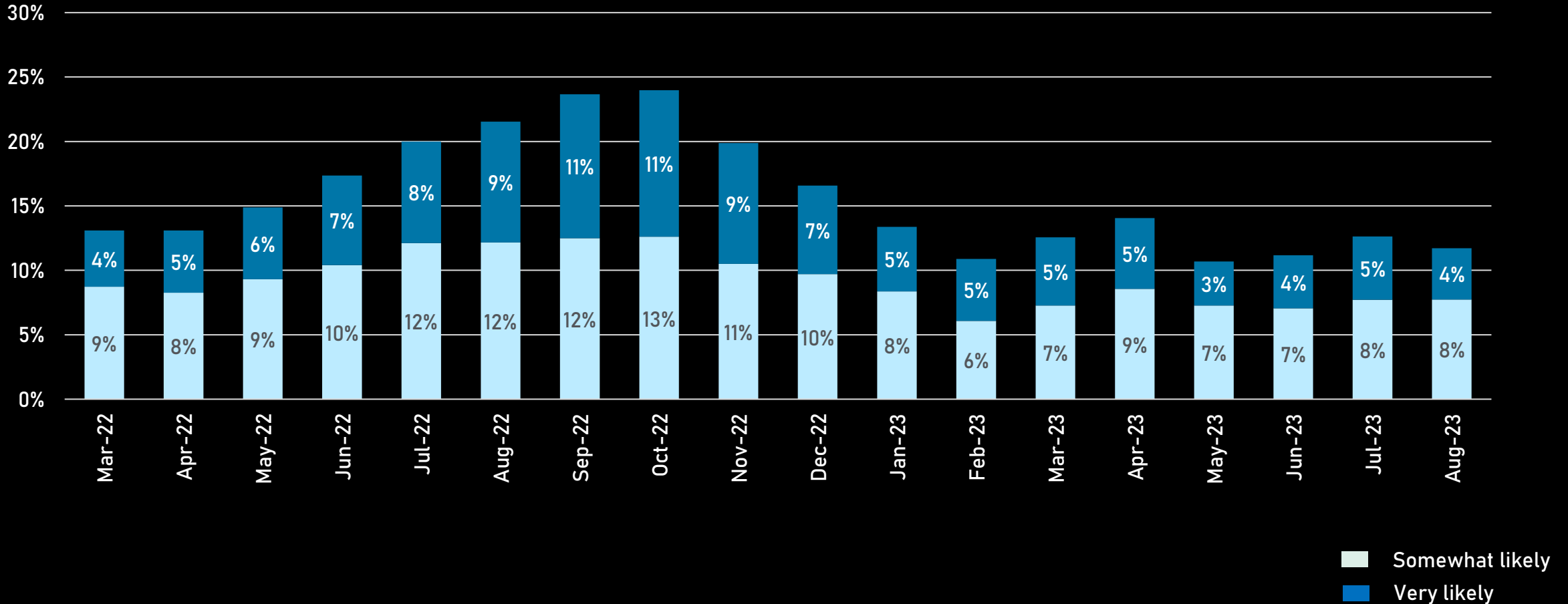


Source: Deloitte Global State of the Consumer Tracker, August 2023

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)?

Cruising market intentions moderating to a realistic level.

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

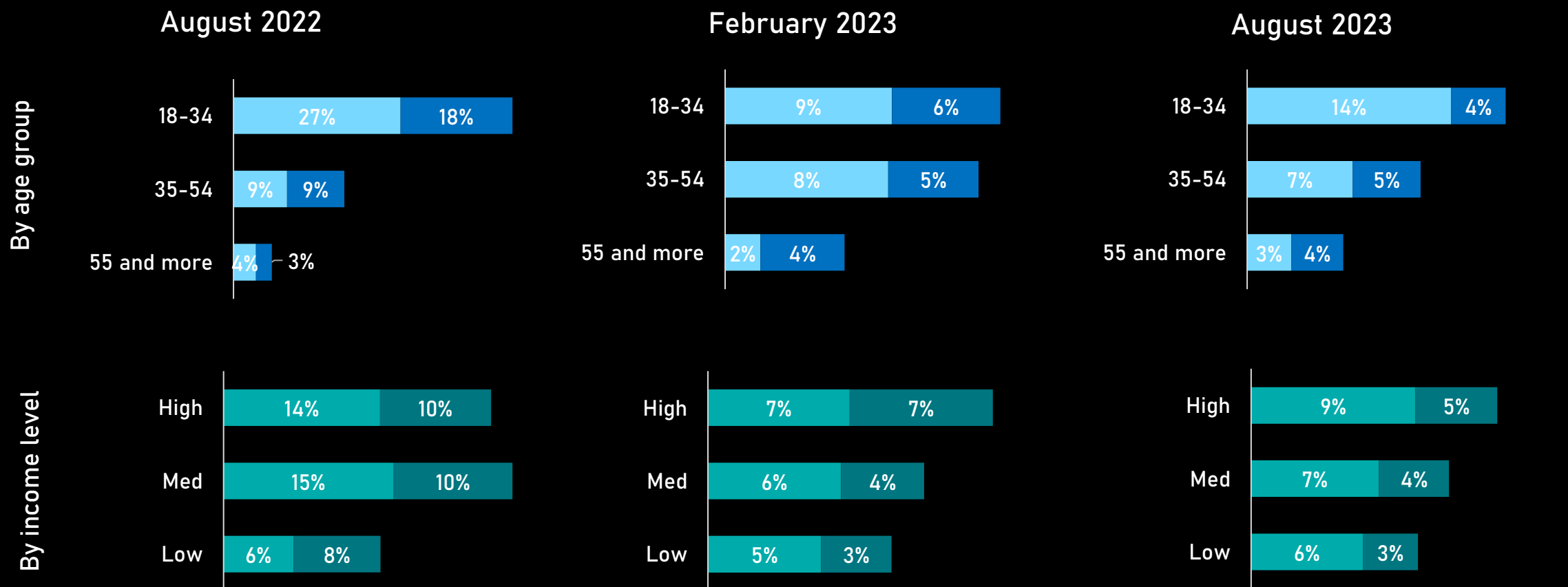


Source: Deloitte Global State of the Consumer Tracker, August 2023

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

Strong intentions across cruising segments.

Australians' likelihood to take a cruise in the next three months, age group and income

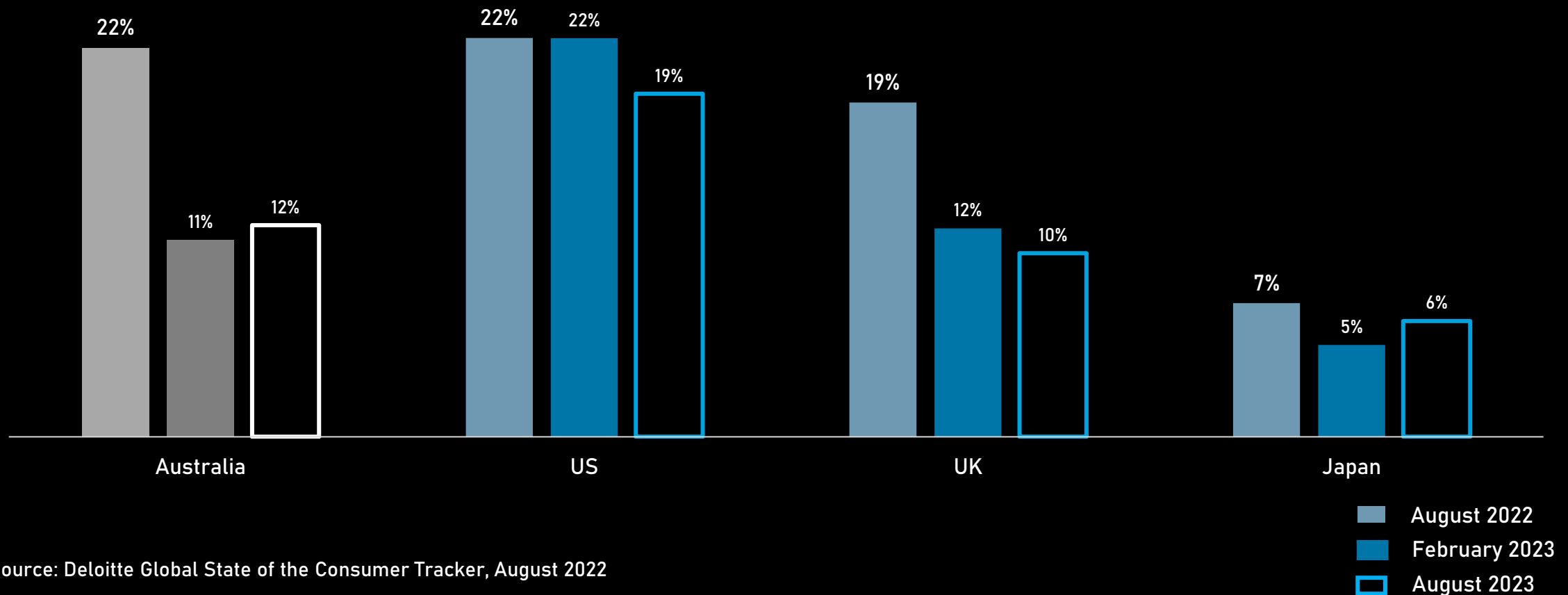


Source: Deloitte Global State of the Consumer Tracker, August 2023



Headwinds starting to surface in key cruise source markets.

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)?

Cruising intentions remain upbeat.

2022

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



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

The Washington Post
Democracy Dies in Darkness

The New York Times
Coronavirus Pandemic > | Map and Cases | Living With Covid Now | New C.D.C. Guidelines, Explains
The Cruise Industry Stages a Comeback

Travel & Tourism
AAA: Cruising is making a strong comeback

2023

Are Cruises 'Cornny'? Some First-Time Passengers Looking for a Deal Say Maybe Not.
Younger generations of passengers are venturing onto ships for the first time. And with sky-high airfares and expensive hotels on land, many are saving money.

NEWS
Exclusive: Survey reveals Australian cruising will this year be on top of the world

NSW far south coast cruise season is breaking records — and the locals want to keep the ships coming

Huge winter cruise season expected as industry bounces back from COVID-19

Cruise tourism is rebounding faster than international tourism, with the global passenger count forecast to reach 106% of 2019 levels in 2023, or 31.5m, according to Cruise Lines International Association.

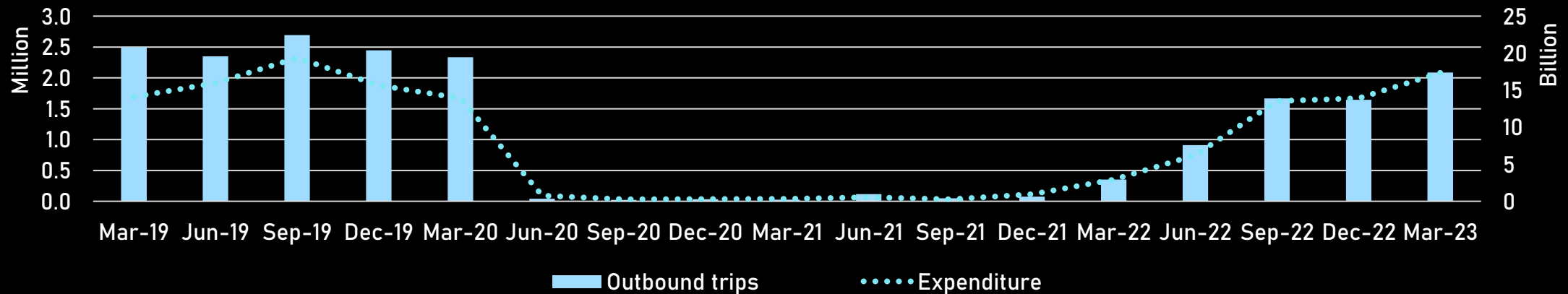
The Cruise Industry Is Back—and Breaking Pre-Pandemic Travel Records

Will domestic travel demand dip as we start travelling overseas?

Domestic overnight trips and expenditure



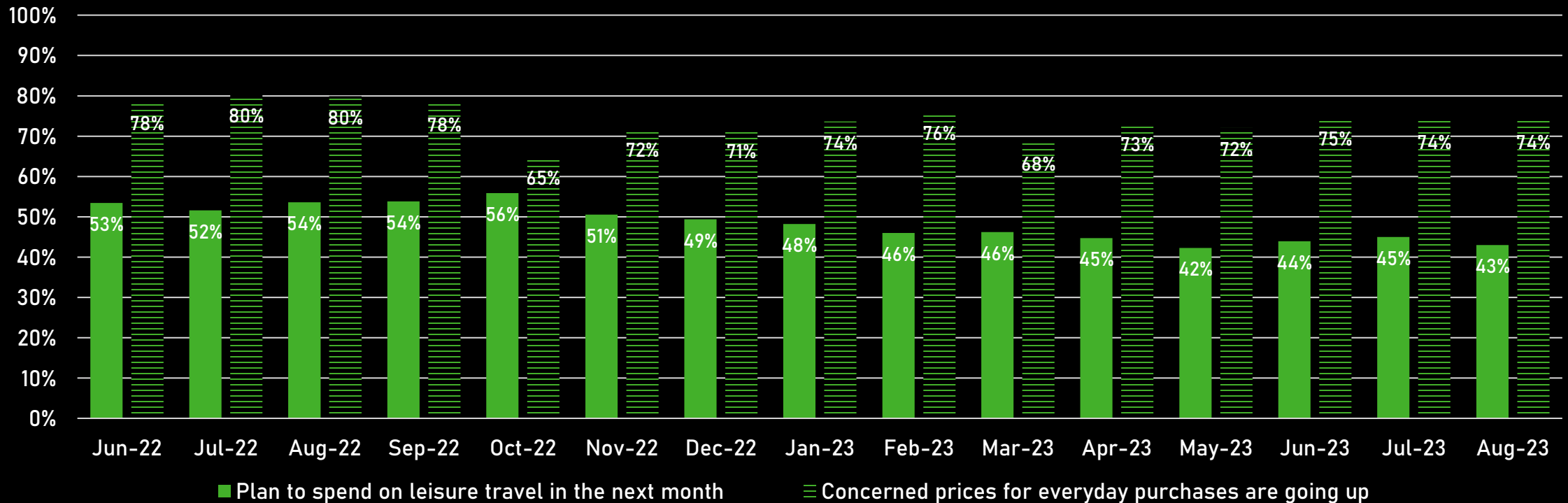
Outbound trips and expenditure



Source: Tourism Research Australia, *National Visitor Survey*. Outbound expenditure for Mar 2023 is an estimate.

Will travel need to compete with other essential spending?

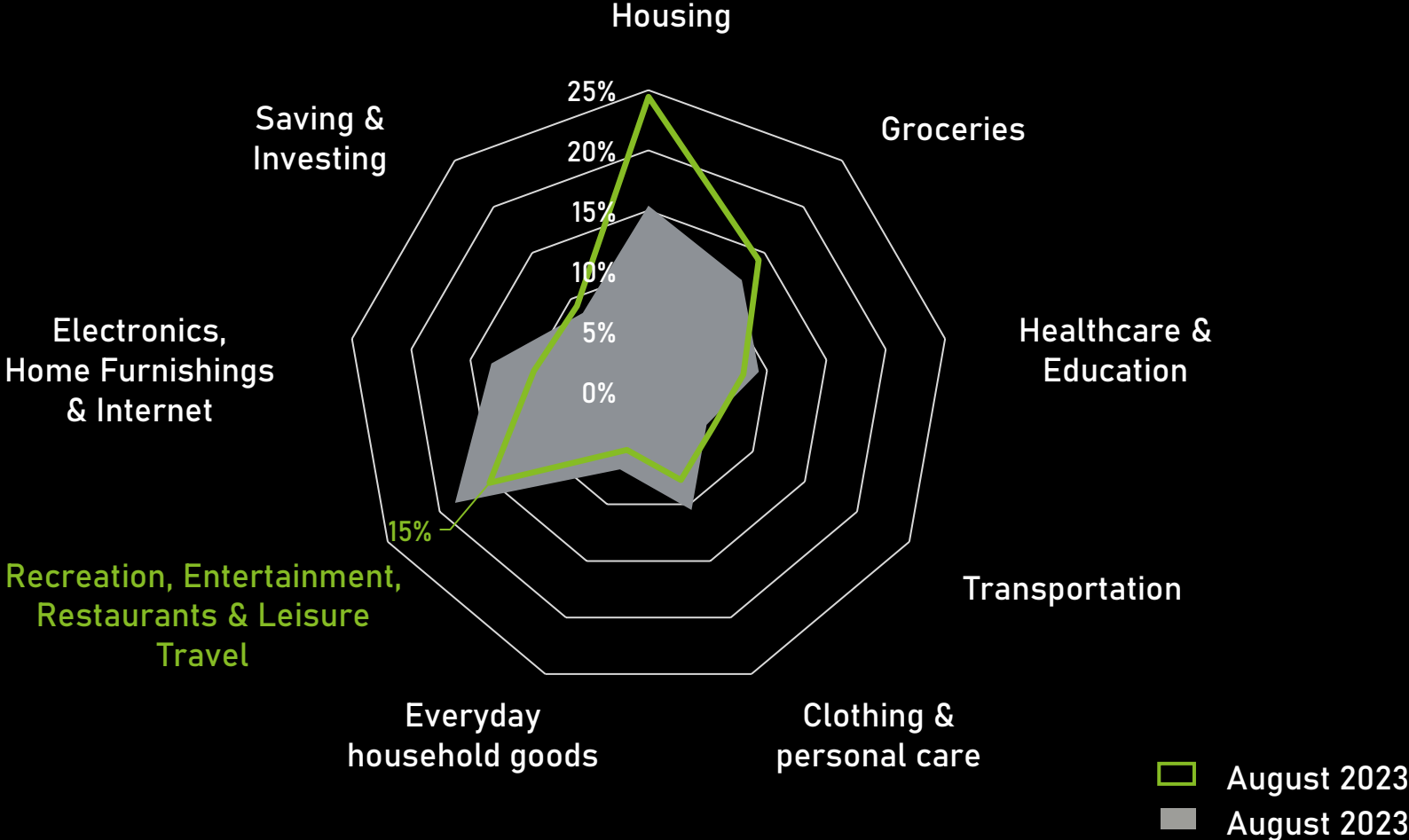
Australians' intention to spend on travel vs concerns over price increases for everyday purchases



Source: Deloitte Global State of the Consumer Tracker, August 2023

[Still] remarkable resilience in travel spending intentions.

Australia



Source: Deloitte Global State of the Consumer Tracker, August 2023

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

Travel spending increasing among higher income households.

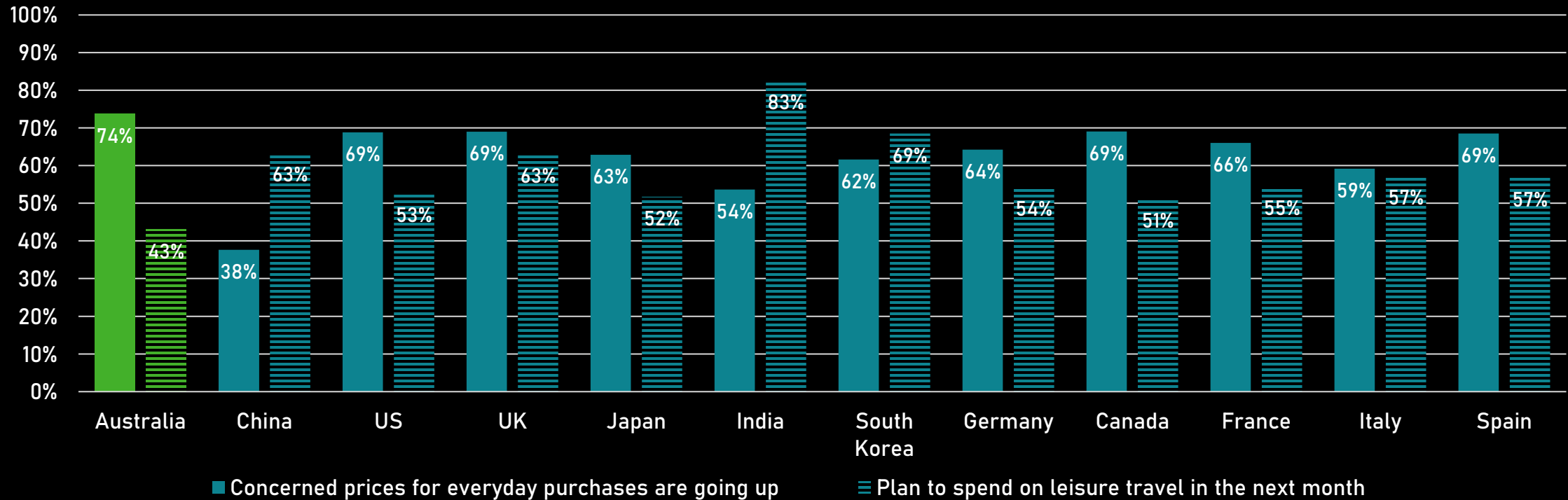
Domestic overnight trips by annual household income, year ending March



Source: Tourism Research Australia, *National Visitor Survey*. Percentages represent change from 2019.

Will travel need to compete with other essential spending?

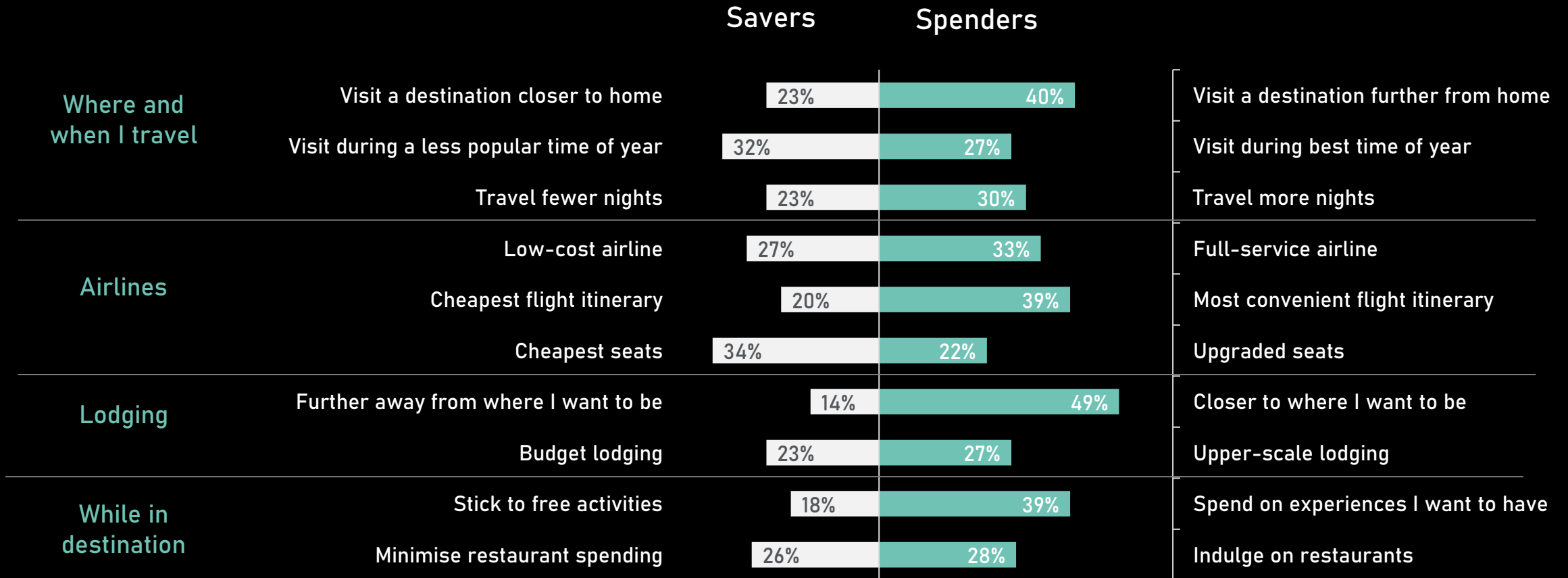
Consumer intention to spend on travel vs concerns over price increases for everyday purchases



Source: Deloitte Global State of the Consumer Tracker, August 2023

Will we be travelling differently in this cost of living crisis period?

How are Australians thinking about their next leisure trip?

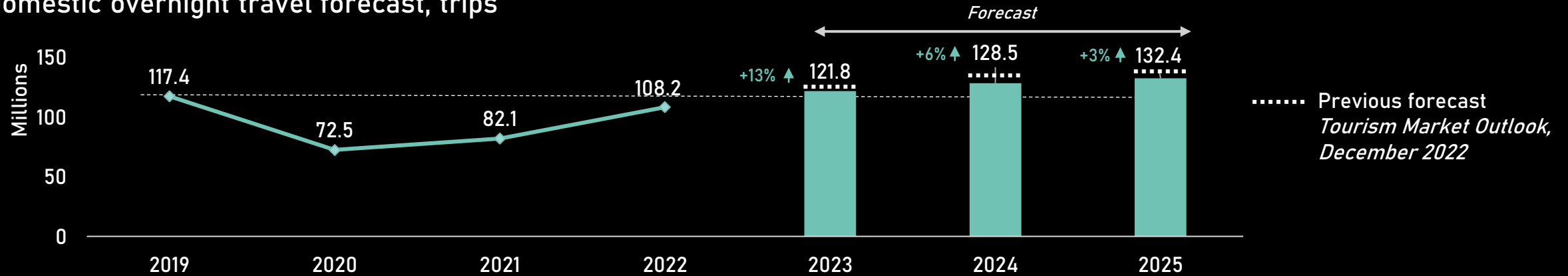


Source: Deloitte Global State of the Consumer Tracker, August 2023

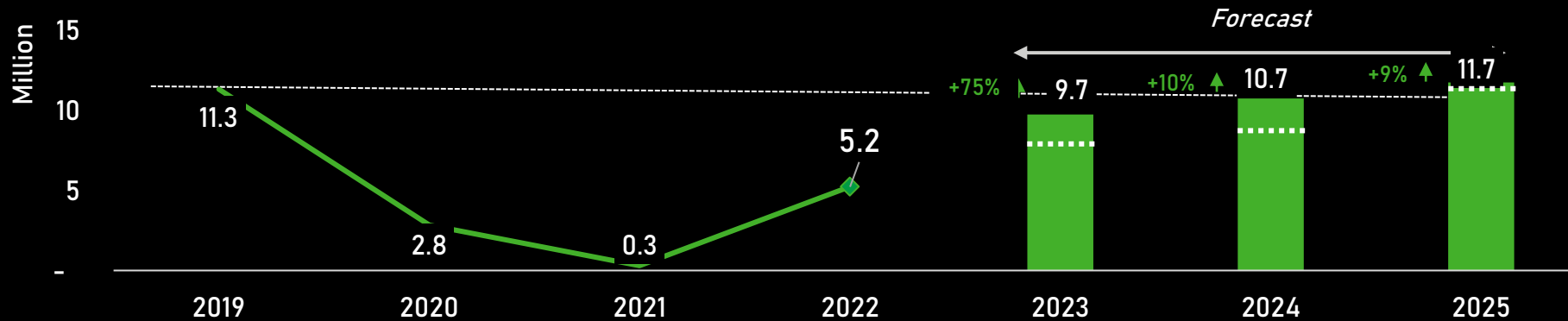
Questions: Thinking about your next leisure trip, which statements best describe how you are thinking about different aspects of your trip?

What is the outlook for tourism from here?

Domestic overnight travel forecast, trips

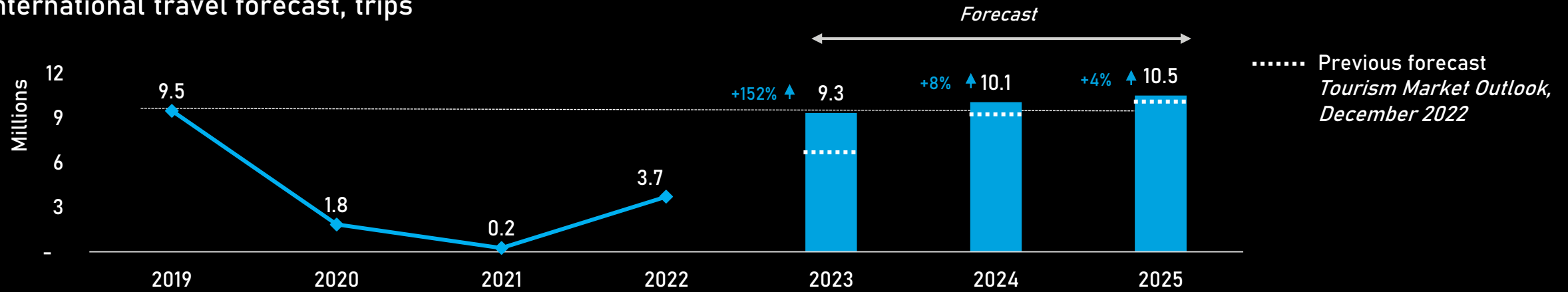


Outbound travel forecast, trips



What is the outlook for tourism from here?

International travel forecast, trips



In closing

Travel is recovering, though uneven across segments

Travel is proving more resilient than some would think

Cruising intentions remain decidedly upbeat

The outlook for travel is positive, though the economic headwinds will shape some parts of the sector

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 a blue kayak and one in a white kayak. The sky is not visible, and the overall scene is bright and clear.

Thank you.

Adele Labine-Romain

National Travel, Hospitality and Leisure Sector Leader

Partner, Deloitte Access Economics

Contact: alabine-romain@deloitte.com.au

Deloitte