

OCTOBER 2019

# AUSTRALIANS on HOLIDAY

INTERNATIONAL LEISURE TRAVEL TRENDS 2018



A report by  
**CATO**

Council of Australian Tour Operators



## EXECUTIVE SUMMARY

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### *Australians are renowned as passionate and adventurous travellers, but what really makes them tick?*

The **Council of Australian Tour Operators'** (CATO) *Australians on Holiday – International Leisure Travel Trends* report is designed to help key stakeholders – including travel professionals, government bodies and media – understand just that.

Drawing on information compiled from the Australian Bureau of Statistics for 2018 and an independent consumer survey<sup>1</sup>, the report provides fresh insights into the scale, nature, contribution and potential of Australia's outbound leisure market.

The inaugural report shows that in 2018, Australian holidaymakers:

- **took 6.3 million overseas leisure trips (representing a market penetration of 25.1%)<sup>2</sup>**
- **spent more than AUD\$46 billion in total and an average of AUD\$7,300 per person**
- **visited an average 3.4 countries per trip**
- **enjoyed an average journey length of 22 days.**

It also shows that South East Asia was by far the most popular region for a break, accounting for 35% of all holiday departures – more than the combined total of the next two most popular destinations, Oceania (16%) and Europe (16%).

In terms of most popular countries, Indonesia sat head-and-shoulders above the competition as the primary choice of destination, attracting 55% more holiday visitors than the United States, which placed second, and more than double that of third-placed New Zealand. Overall, Asian destinations filled nine of the top 15 holiday destinations in 2018.

Future reports, using comparative data, will reveal holiday trends across all key areas, but in 2018 we can already identify interesting differences between age groups. In particular, a greater tendency for older travellers (51+ years) to operate with larger holiday budgets, take longer breaks and explore long-haul destinations such as Europe.

At the same time, the report highlights a propensity for travellers who have entered retirement - a group set to expand significantly over the next decade - to gradually take fewer (albeit longer) overseas trips.

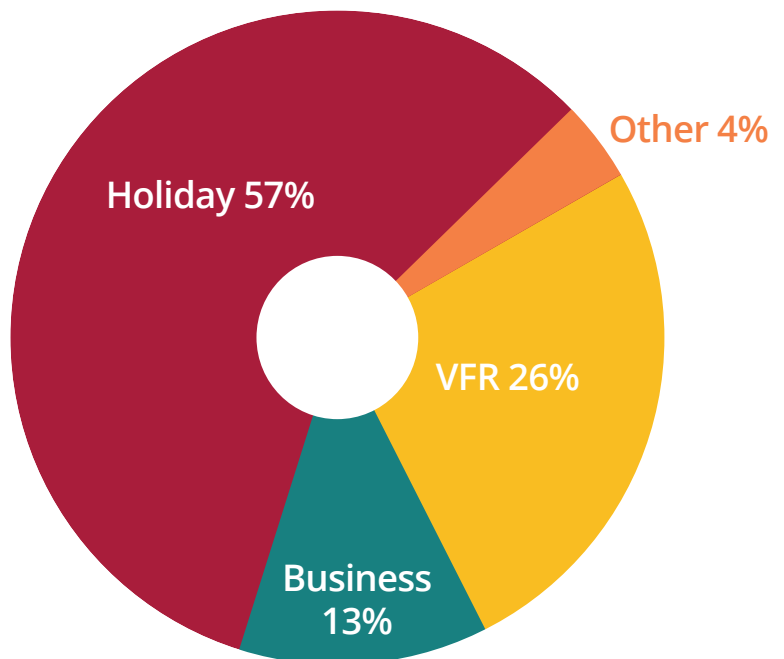
*Australian holidaymakers enjoyed a total of 6.3 million overseas leisure trips<sup>3</sup> in 2018, representing 57% of all outbound departures.*

While Australians aged 18-35 years were the most active travellers in 2018, the appeal of an overseas holiday was strong across almost all age groups.

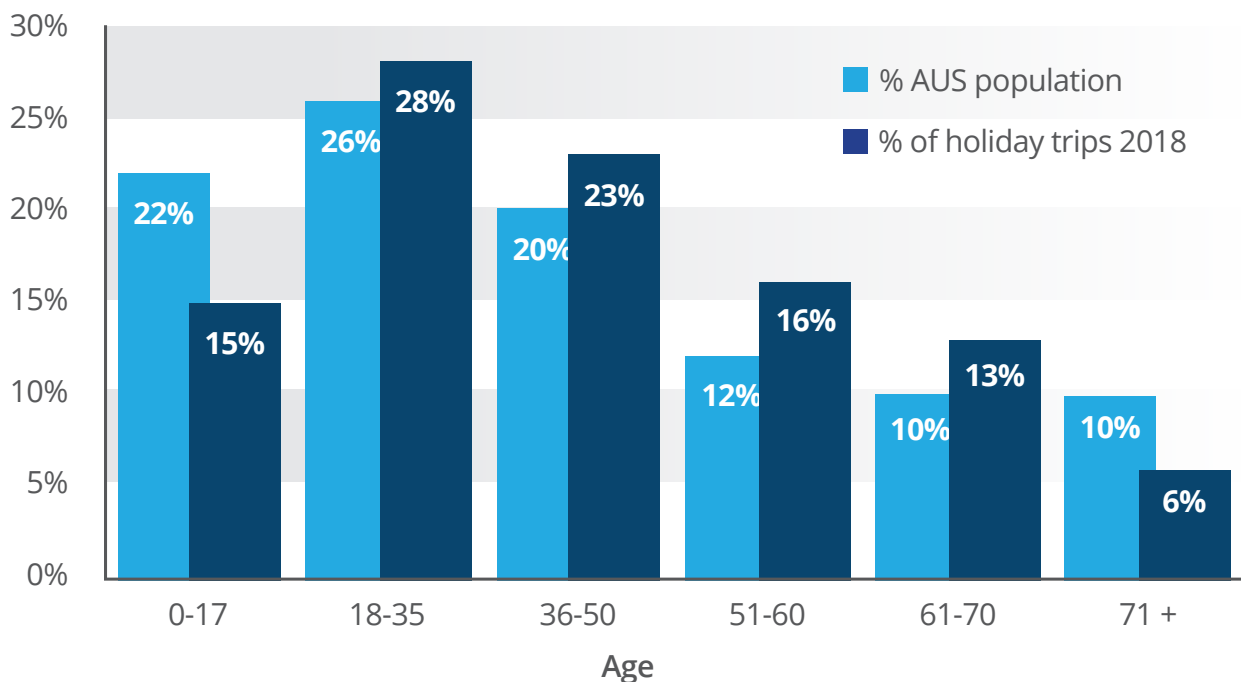
With the exception of children aged 17 years and younger, each age category's share of total leisure trips correlated to its share of the total Australian population.

Demand only began to taper off once travellers moved into the 71+ age bracket.

## Outbound travel 2018



## Holidaymakers by age





# FAVOURITE HOLIDAY HAUNTS

Asia accounted for half of all Australian holiday breaks in 2018.

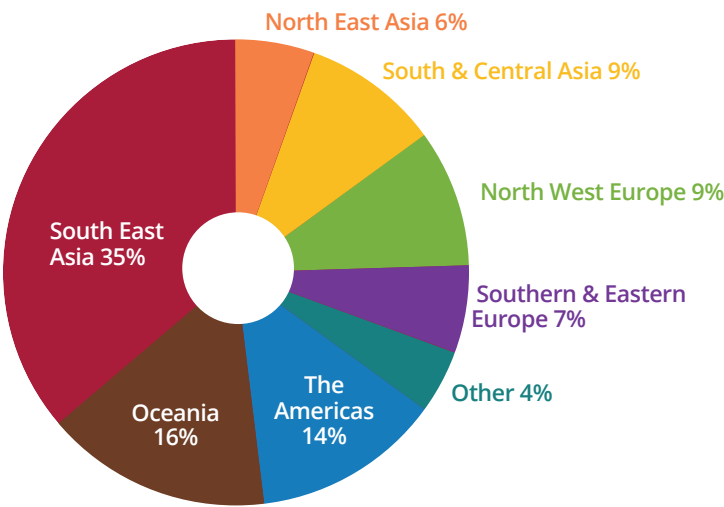
South-East Asia was by far the most popular region, welcoming 35% of all leisure trips – more than the combined total of the next two most popular destinations, Oceania (16%) and Europe (combined 16%).

Australian travellers’ affinity with Bali helped Indonesia comfortably secure top spot as the most popular country for a holiday<sup>4</sup>, followed by the USA and NZ.

As expected, short and medium-haul countries across Asia and the Pacific dominated.

Holiday preferences were fairly consistent across all age groups with two exceptions: South East Asia and Europe.

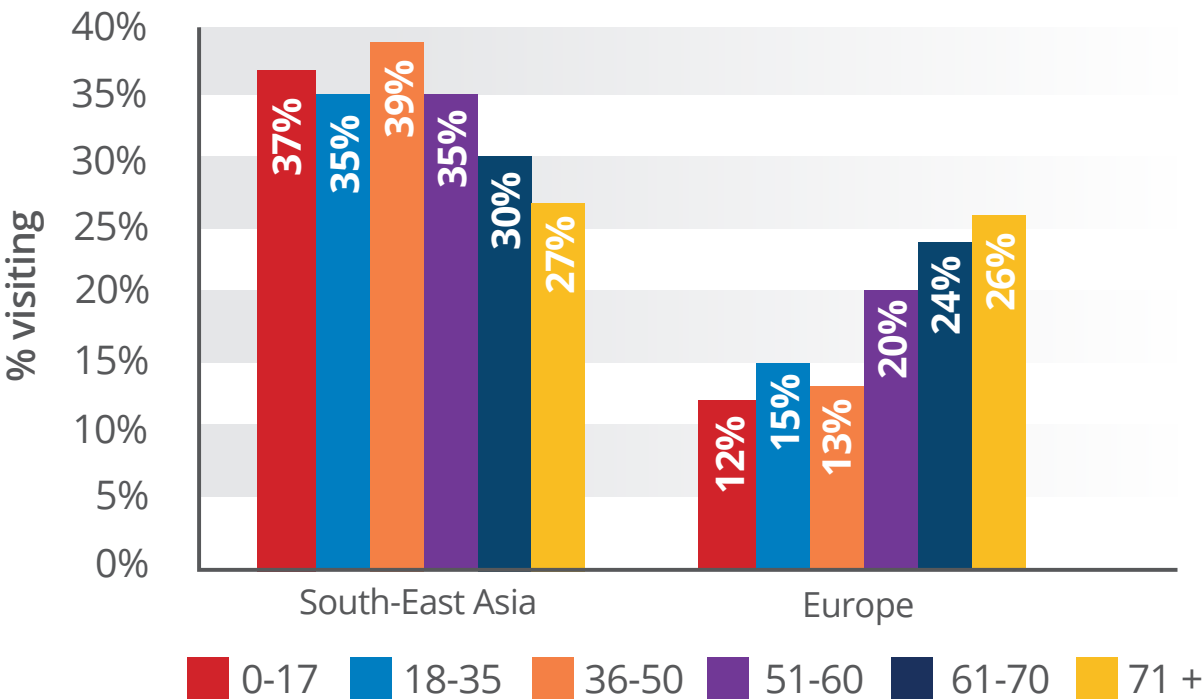
Holiday market share by regions



South East Asia’s allure steadily waned once Australians passed the 50 year marker, while Europe’s appeal intensified. With European holidays generally requiring more travel time and

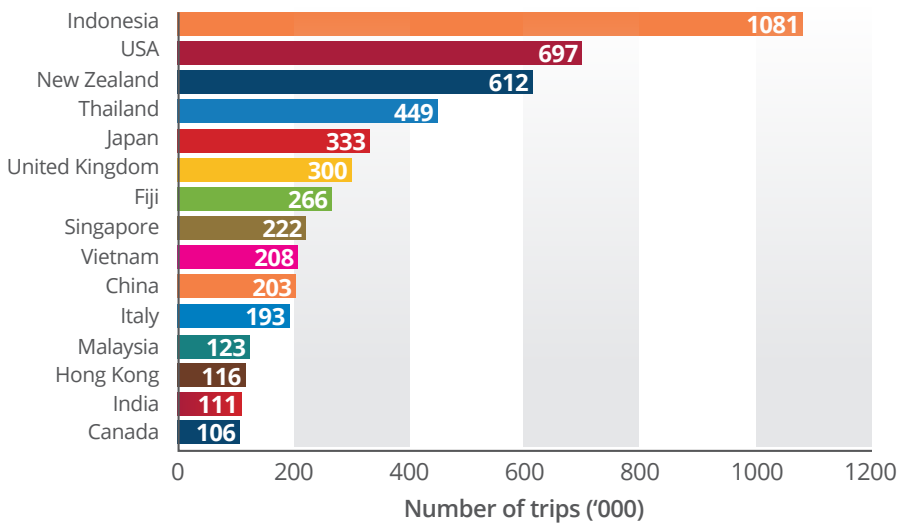
larger budgets, it seems natural it would draw older Australians less likely to be burdened by family dependents and financial debt.

Destination region by age



## FAVOURITE HOLIDAY HAUNTS

### Top 15 holiday destinations by country\*



\* Ranked by primary destination (country in which traveller spent most time)

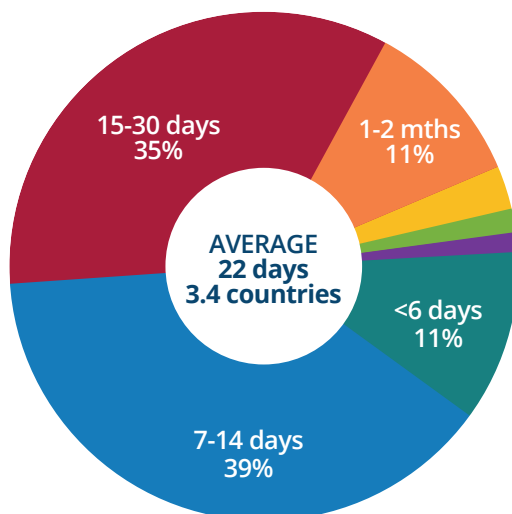
## TIME & MONEY

Australia's distance from most overseas destinations translated to relatively long holiday breaks with the average overseas trip lasting 22 days. With the exception of a dip for Australians aged 36-50 years,

holiday length steadily increased in line with age category.

The most significant jump occurred once travellers moved into the 51-60 year age group.

### Holiday duration



Australians visited an average of 3.4 countries per trip in 2018. Older travellers (51-70 years) tended to focus on fewer countries than those aged 18-35 years. Given they also spent longer on holiday, the findings suggest more

mature travellers preferred a slower pace, with more time allotted to fewer destinations. Based on the findings, older travellers appeared more likely to be returning to favourite countries to pursue more in-depth exploration.

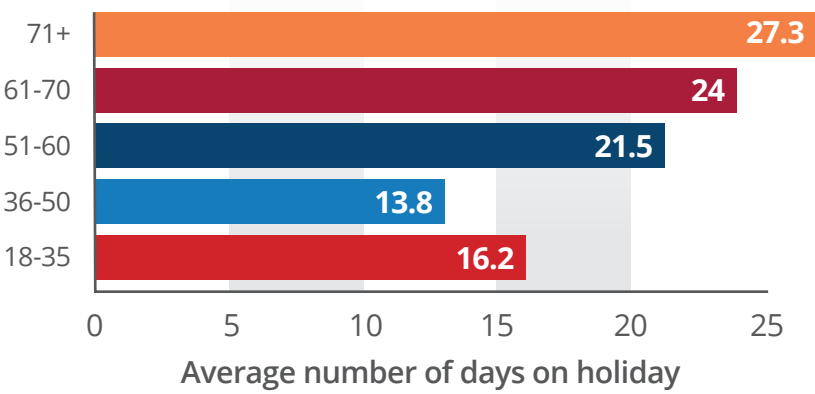
*More mature travellers preferred a slower pace, with more time allotted to fewer destinations*

*In total, Australians spent just over \$46 billion on overseas holidays, with the average traveller spending just over \$7,300 per trip.*

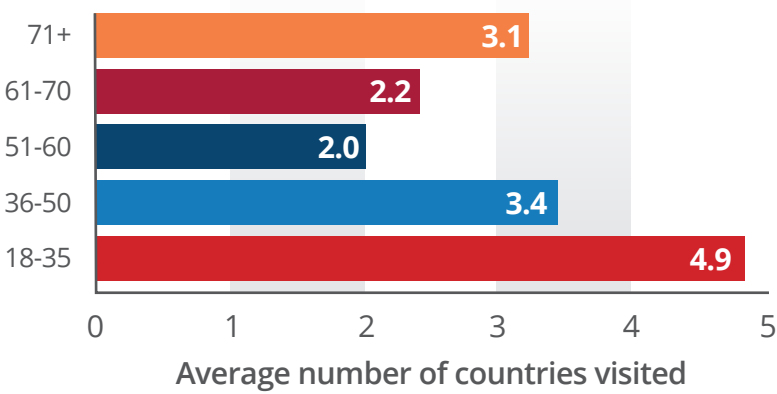
This figure includes airfares, accommodation and transport, along with additional expenses prior to departure and while travelling.

The biggest spenders were those aged 51-60 years and 18-35 years. Holiday expenditure dipped significantly for travellers aged 36-50 years in line with social trends that imply peak financial pressures, young family commitments and time constraints.

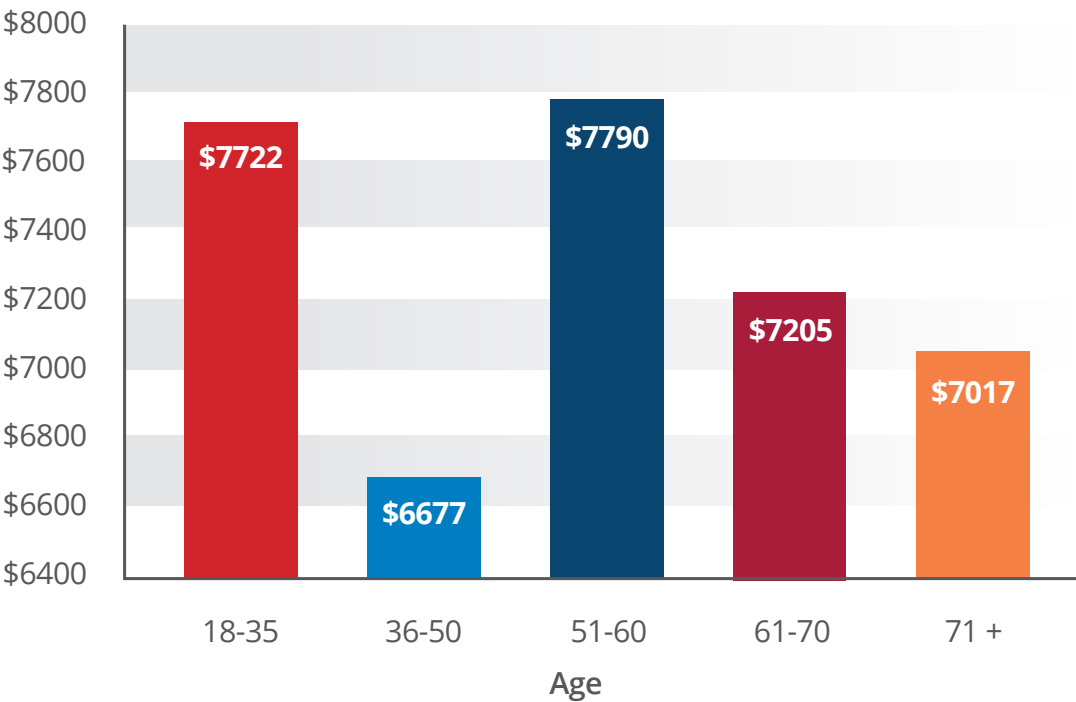
Holiday duration by age group



Number of countries visited (per trip)



Average spend (per person)



# ON THE MOVE

Australians utilised multiple forms of land-based holiday transport<sup>5</sup> last year, including rental vehicles, rail journeys, coach tours and bus trips.

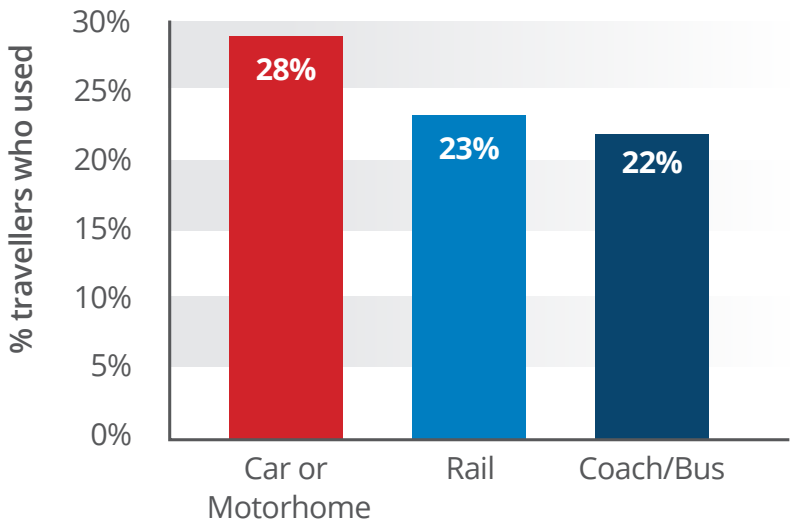
The average traveller reported using 1.6 different modes of land-based travel during their overseas leisure break.

Travellers in the 18-35 year group were most likely to travel by coach/ bus, with 36% including an element in their international itinerary.

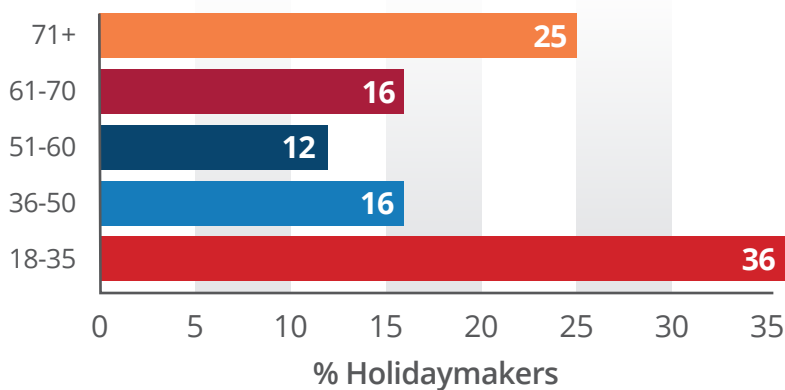
However, these travellers took shorter duration trips, suggesting a skew towards more point-to-point travel.

Travellers aged 61-70 years embarked on considerably longer coach/bus excursions (14 days, almost double the average).

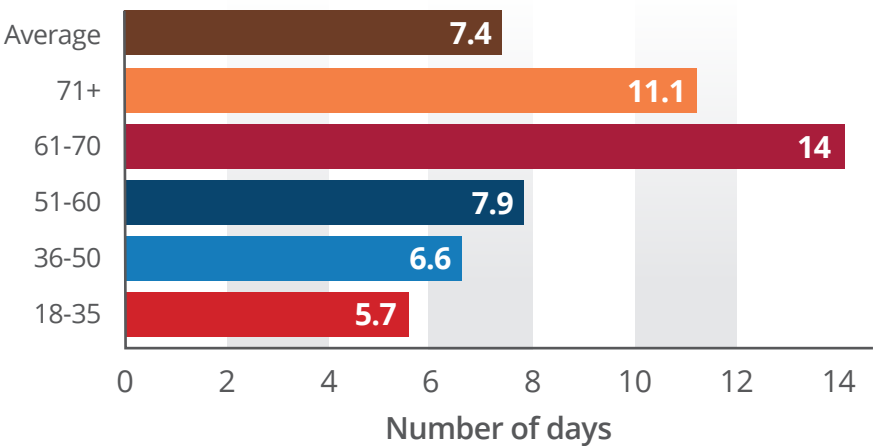
## Land-based transport



## Coach/Bus travel by age group



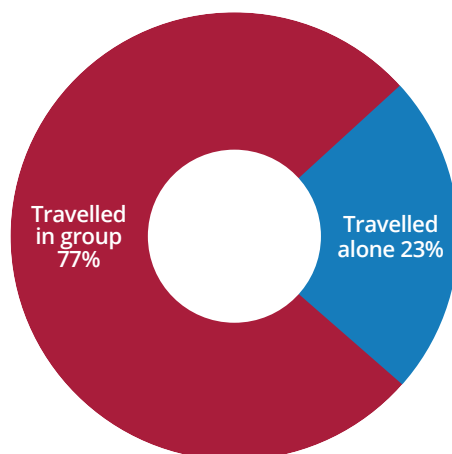
## Coach/Bus travel: average number of days



## ON THE MOVE

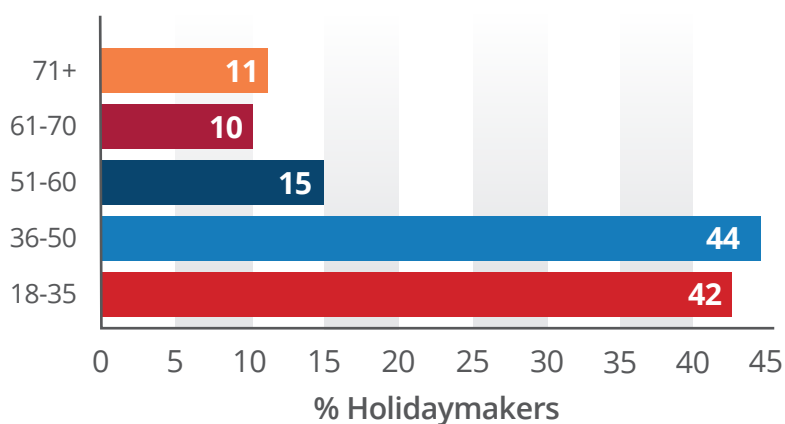
Almost a quarter of Australians travelled alone on a holiday in 2018, while the remainder holidayed with a spouse, partner, friend or in a family group.

### Travel: solo versus group



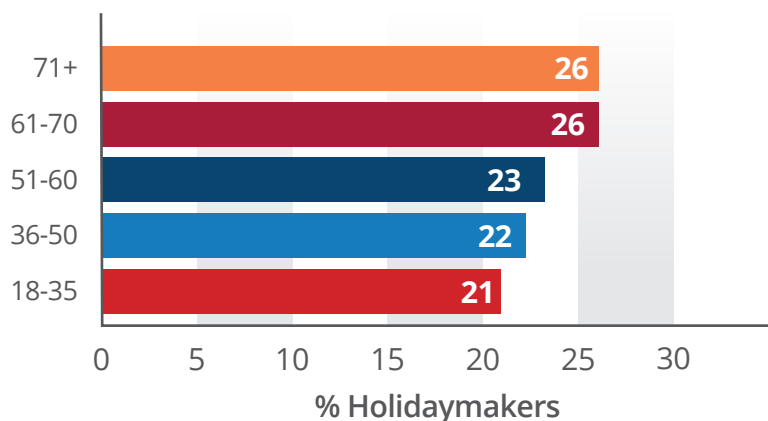
As expected, family travel peaked for those aged 18 to 50 years of age, with a dramatic decline once Australians moved into their 50s.

### Family travel



By comparison, the percentage of Australians travelling by themselves on an overseas sojourn remained consistent across all age groups.

### Solo travellers



*Solo travellers accounted for 23% of all holidaymakers in 2018*

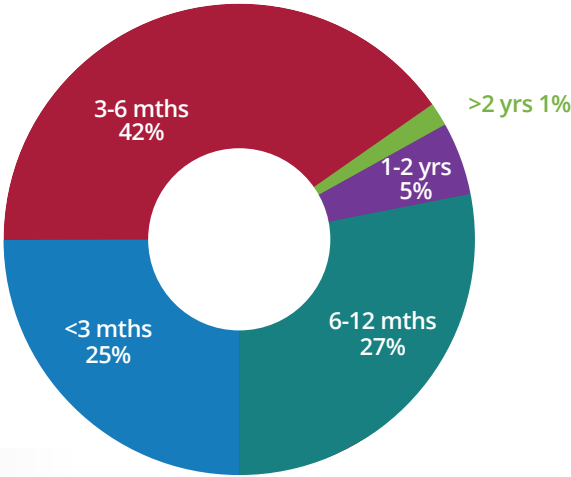


# PLANNING & BOOKING

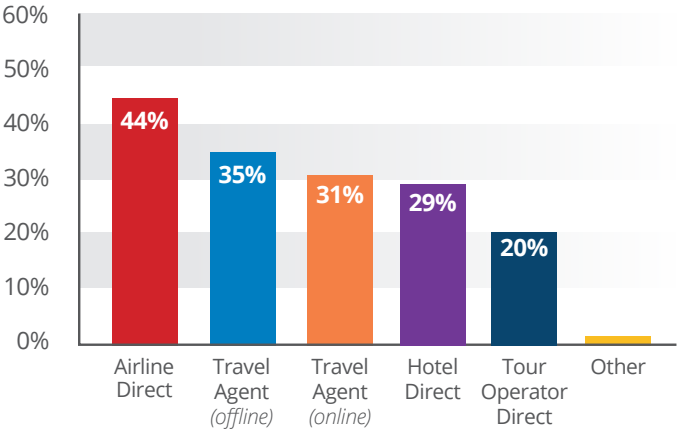
Just over 40% of Australian international holidaymakers started planning their break between three and six months prior to departure, with a quarter beginning the process less than three months before their trip began.

Considering the cost, duration and distances travelled, the number of travellers who started planning their overseas journey more than 12 months in advance was surprisingly small at just 6%.

## Time planning commenced prior to departure



## Booking channels



On average, Australians used 1.6 different distribution channels to book their trip, with 66% booking at least some of their overseas holiday through a traditional ‘bricks-and-mortar’ travel agent or an online travel agent, and just 20% booking direct with a tour operator<sup>6</sup>.

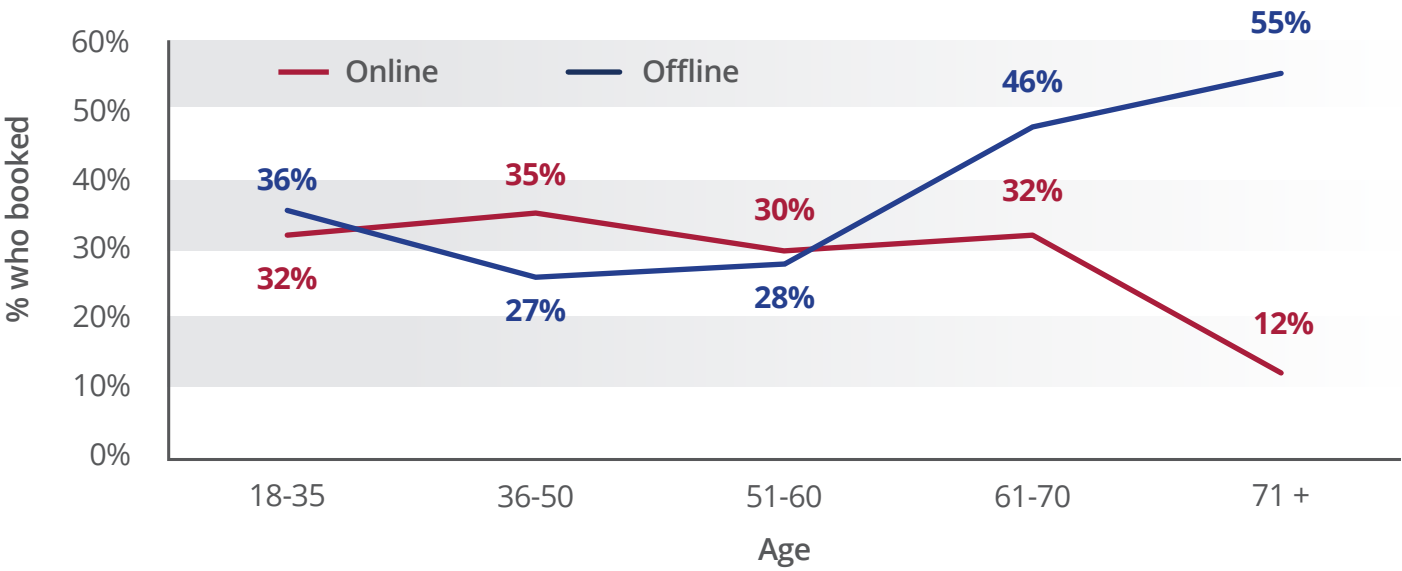


# PLANNING & BOOKING

*Travellers aged 61 years and older were more likely to book through off-line travel agents rather than their online rivals.*

For all other age categories, the split between online and off-line retailers was fairly even, with Australians aged 36-50 years - a group that in 2018 operated with smaller holiday budgets, took shorter holidays and favoured medium-haul destinations - the most likely to favour OTAs.

Booking trends: travel agents



## WHERE NEXT?

*When asked to name the regions they were considering for their next holiday, Oceania was a clear favourite, followed by South East Asia, Europe and North East Asia.*

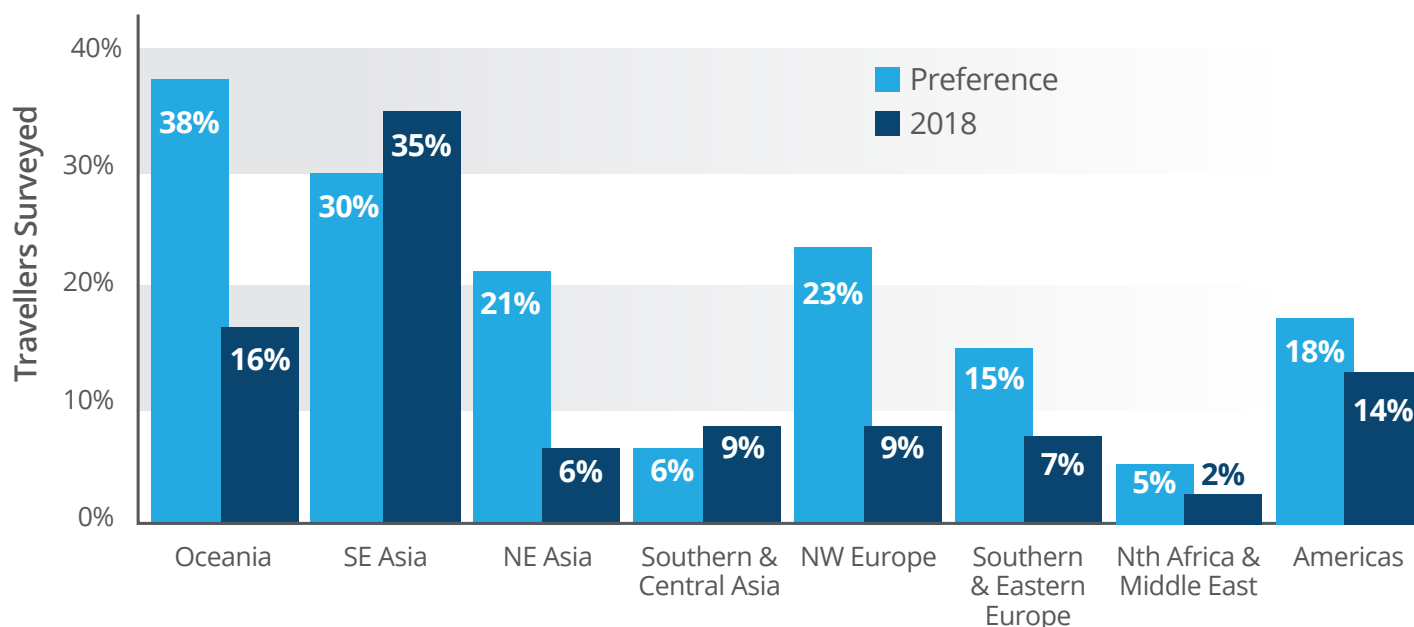
With the exception of South East Asia, these preferences far exceeded the proportion of visitors these regions attracted in 2018.

While the results may reflect travellers' aspirations, rather than firm plans, they may also suggest that Oceania, Europe and North Asia were poised for growth in 2019.

Only two regions recorded preferences below their 2018 results: South East Asia and Southern & Central Asia.

This may signpost a drift in Asia-bound holiday traffic from established SEA holiday spots towards emerging destinations in North East Asia, including China, Japan and South Korea.

## Where would you like to go next?



## THE COUNCIL OF AUSTRALIAN TOUR OPERATORS

The Council of Australian Tour Operators (CATO) is the representative body for Australian-based ATAS accredited tour operators and wholesalers. CATO members work with hoteliers, airlines and other suppliers to assemble and sell through travel agents

and direct to Australian consumers – domestic and international travel packages. CATO's activities on behalf of its members cover a wide range of services, including advocacy, research, events, marketing, networking and industry awards.

1: Results quoted in the 2018 report are based on a combination of ABS visitor research, and consumer surveys involving more than 3,000 Australians who took an overseas holiday in 2018.

Findings were also cross-referenced with data from Tourism Research Australia.

2: Based on Australia's population of 25.2 million (per ABS) as at 31 December, 2018.

3: Tourism Research Australia also tracks Australian outbound holiday traffic, however, its figures do not include leisure journeys taken by Australians aged 15 years or younger, resulting in a lower total figure.

4: The ranking reflects holiday traffic only and not the total number of short-term departures to each destination.

5: Rail and coach/bus categories incorporate a variety of travel options, including point-to-point journeys, multi-day excursions, sightseeing day tours and extended coach journeys.

Future research will explore these options in more depth.

6: Tour operators include any travel intermediary that creates packaged tour products.

# LOCATION GUIDE

AFRICA		
NORTH	Algeria	
	Egypt	
	Libya	
	Morocco	
	Sudan	
	Tunisia	
	West. Sahara	
	Sth. Sudan	
	Benin	
	Burkina Faso	
CENTRAL & WEST	Cameroon	
	Cabo Verde	
	Chad	
	Cote d'Ivoire	
	Equator. Guinea	
	Gabon	
	Gambia	
	Ghana	
	Guinea	
	Guinea-Bissau	
	Liberia	
	Mali	
	Mauritania	
	Niger	
	Nigeria	
	Senegal	
	Sierra Leone	
	Togo	
SOUTH & EAST	Angola	
	Botswana	
	Burundi	
	Comoros	
	Djibouti	
	Eritrea	
	Ethiopia	
	Kenya	
	Lesotho	
	Madagascar	
	Malawi	
	Mauritius	
	Mayotte	
	Mozambique	
	Nambia	
	Reunion	
	Rwanda	
	St Helena	
	Seychelles	

AFRICA		
SOUTH & EAST	Somalia	
	South Africa	
	Swaziland	
	Tanzania	
	Uganda	
	Zambia	
	Zimbabwe	
ASIA		
OCEANIA		
OCEANIA	Sth Pacific Is.	
	New Zealand	
	Antarctica	

AMERICAS		
NTH	USA	
	Canada	
	Bermuda	
	Argentina	
	Bolivia	
	Brazil	
	Chile	
	Columbia	
	Ecuador	
	Falklands Is.	
SOUTH	French Guiana	
	Guyana	
	Paraguay	
	Peru	
	Suriname	
	Uruguay	
	Venezuela	
CENTRAL	Bahamas	
	Belize	
	Caribbean Is.	
	Cayman Is.	
	Costa Rica	
	Cuba	
	El Salvador	
	Guatemala	
	Honduras	
	Mexico	
MIDDLE EAST		
MIDDLE EAST	Bahrain	
	Iran	
	Iraq	
MIDDLE EAST	Israel	
	Jordan	
	Kuwait	
	Lebanon	
	Oman	
	Qatar	
	Saudi Arabia	
	Syria	
	Turkey	
	Unit. Arab Em.	
	Yemen	

EUROPE		
NORTH WEST	England	
	Scotland	
	Wales	
	Ireland	
	Channel Is.	
	Isle of Man	
	Austria	
WESTERN	Belgium	
	France	
	Germany	
	Liechtenstein	
	Luxembourg	
	Monaco	
	Netherlands	
NORTH	Switzerland	
	Denmark	
	Finland	
	Greenland	
	Iceland	
	Norway	
	Sweden	
SOUTH	Gibraltar	
	Italy	
	Malta	
	Portugal	
	Spain	
	Albania	
	Bosnia	
SOUTH EAST	Bulgaria	
	Croatia	
	Cyprus	
	Greece	
	Moldova	
	Romania	
	Slovenia	
EAST	Montenegro	
	Serbia	
	Kosovo	
	Belarus	
	Czech Republic	
	Estonia	
	Hungary	
EAST	Latvia	
	Lithuania	
	Poland	
	Russia	
	Slovakia	
EAST	Ukraine	





# CATO

Council of Australian Tour Operators

WITH THANKS TO OUR PARTNERS COMPILING THIS REPORT:



**Australian  
Bureau of  
Statistics**



**StollzNow**  
Research & Insights Advisory

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**FOR FURTHER INFORMATION**

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