



Australian Government

Austrade



TOURISM RESEARCH AUSTRALIA

TRAVEL BY AUSTRALIANS

YEAR ENDING JUNE 2020



JUNE QUARTER 2020



Results for 2019-20 show a year impacted firstly by bushfires, then dominated by COVID-19. This saw domestic overnight spend fall by 19% to \$63.0 billion on the back of a 19% reduction in overnight trips to 92.0 million.

Domestic travel started to weaken in March quarter 2020 with trips down 18% and spend 10%. However, it was the June quarter 2020 where the full impacts of the COVID-19 pandemic became apparent. Spend fell 80% to \$3.9 billion (losses of \$15.8 billion) following a drop in domestic overnight trips of 67% to 10.0 million.

COVID-19 not only reduced travel volumes significantly in June quarter 2020 but changed the profile of domestic overnight travel. Border closures negatively impacted the lucrative interstate market, while social distancing measures limited the capacity for travellers to go on holiday and/or undertake a range of activities. Capital cities also had much greater losses in domestic overnight visitation than regional areas. Due to these factors, average overnight trip spend was just \$385 per person in June quarter 2020, well down on the \$648 for the same quarter in 2019.

Year to date (January – June 2020) losses for domestic overnight travel amount to \$17.7 billion. Adding to this, losses of \$4.0 billion for domestic day travel sees a total loss of \$21.7 billion for domestic tourism when compared to the same period in 2019 (Table 1).

TABLE 1: DOMESTIC TRAVEL, JANUARY TO JUNE

	SPEND (\$ BILLIONS)		
	2019	2020	CHANGE
OVERNIGHT	39.4	21.8	▼ 45%
DAY TRIP	12.4	8.4	▼ 32%
TOTAL	51.9	30.2	▼ 42%
	VISITORS (MILLIONS)		
	2019	2020	CHANGE
OVERNIGHT	59.8	34.3	▼ 43%
DAY TRIP	123.8	82.0	▼ 34%
TOTAL	183.6	116.4	▼ 37%

PURPOSE OF VISIT

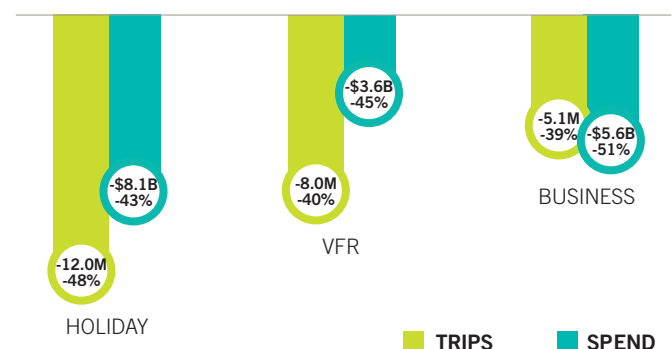
The impacts of COVID-19 have been significant across all reasons for travel. However, holiday was hit hardest across the June quarter 2020 with overnight trips down 78% to 2.6 million and spend down 87% to \$1.1 billion.

The falls were not as large for those visiting friends and relatives (VFR) or travelling on business in June quarter 2020. VFR trips were down 63% to 3.8 million and spend was down 81% to \$729 million. The number of business trips fell 60% to 2.9 million and spend 73% to \$1.7 billion.

Uncharacteristically, the relative impacts of COVID-19 not only led to Australians taking more overnight trips but spending more nights away for business and VFR than holiday in June quarter 2020. Business related visitor nights numbered 14.2 million (down 44%) and VFR nights 11.4 million (down 61%) compared with 8.3 million for holiday (down 79%).

During the January to June 2020 period domestic overnight spend fell 45% or \$17.7 billion to \$21.8 billion. This included losses of 43% or \$8.1 billion for holiday, 45% or \$3.6 billion for VFR and 51% or \$5.6 billion for business travel (see Figure 1). This substantially outweighed the solid growth recorded by each purpose of visit across the first half of 2019-20.

FIGURE 1: CHANGE IN DOMESTIC OVERNIGHT TRIPS AND SPEND, JANUARY TO JUNE 2020





OVERNIGHT TRIP SPEND

The majority of the loss in overnight spend for the January to June 2020 period was recorded in the June quarter where spend was down \$15.8 billion. Not only did overnight spend fall dramatically but the profile of visitor spending patterns was impacted by COVID-19 restrictions.

Most notably, the share of total overnight spend accounted for by fuel (up from 11% to 19%) and groceries for self-catering (up from 5% to 12%) increased in June quarter 2020. In contrast, the contribution made by domestic airfares (down from 16% to 6%) and takeaway and restaurant meals (down from 17% to 14%) fell considerably.

There were also some spend categories that had close to 100% falls in June quarter 2020. These included:

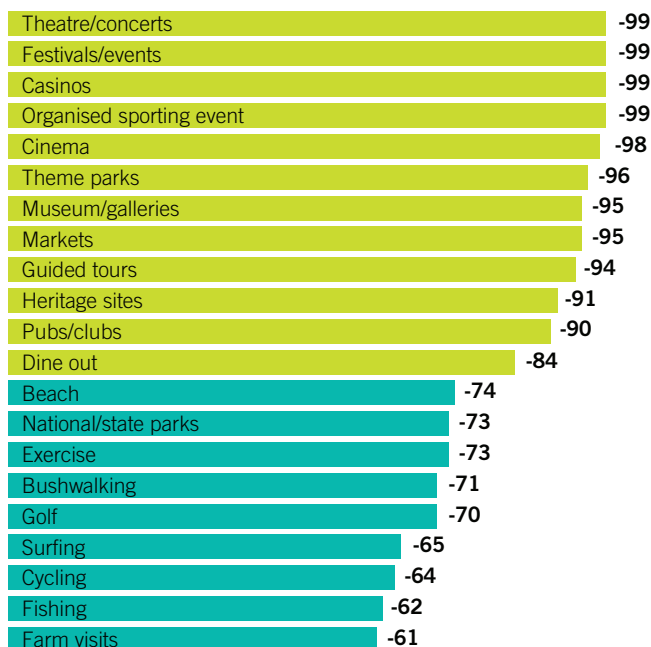
- Convention and conference fees (down 99%)
- Organised tours (down 98%)
- Gambling (down 98%)
- Entertainment (down 97%)
- Taxis (down 95%).

These changes in the spend profile are consistent with current travel behaviour where travel is dominated by private vehicle and activities are limited by COVID-19 restrictions.

ACTIVITIES

COVID-19 restrictions had less impact on some travel activities than others in June quarter 2020. In relative terms, overnight trips involving nature and other outdoor activities fared better. The decline ranged between 60% and 75% for trips with visits to farms, national parks, the beach, and/or with bushwalking, cycling, surfing, fishing and golf.

FIGURE 2: PERCENTAGE CHANGE IN OVERNIGHT TRIP ACTIVITIES, JUNE QUARTER 2020



In contrast, overnight trips involving arts and heritage and/or social activities such as visits to museums, galleries, heritage buildings, festivals and events, theme parks, pubs/clubs, casinos and organised sporting events fell by more than 90%. Those including guided tours, organised tours and excursions also fell by as much while trips with eating out and dining at restaurants were down by 84% (Figure 2).

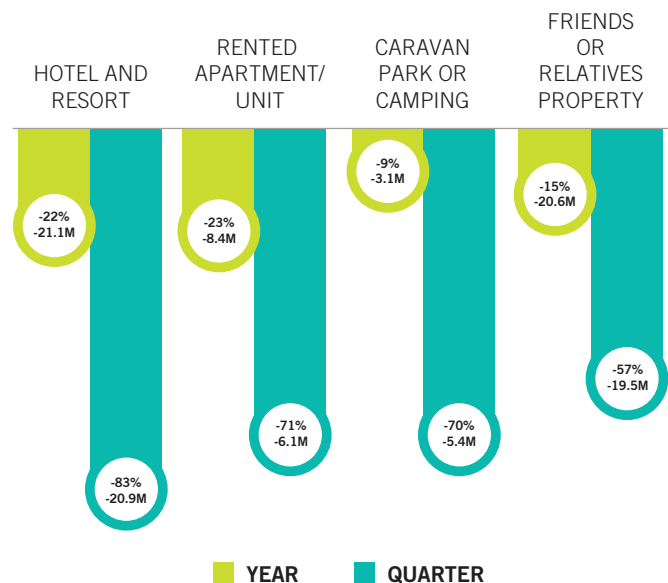
ACCOMMODATION

With visitor nights falling by 15% for the year ending June 2020 and 62% or 64.0 million for the June quarter 2020, most types of accommodation have seen significant declines. However, these falls were much larger for the commercial accommodation sector in June quarter 2020.

Hotel, motel and resort style accommodation saw an 83% or 20.9 million fall in nights to just 4.4 million for the June quarter 2020. Similarly, nights spent in rented apartments and units were down 71% or 6.1 million to 2.5 million and those in caravan parks and commercial camping grounds fell 70% or 5.4 million to 2.3 million. Whilst also down 57%, nights spent at the property of a friend or relative fared better (Figure 3).

Overall, the significant loss in patronage at commercial establishments saw overnight trip spend on accommodation down 78% to \$1.1 billion in June quarter 2020.

FIGURE 3: CHANGE IN NIGHTS, YEAR ENDING JUNE AND JUNE QUARTER 2020





INTERSTATE AND INTRASTATE TRAVEL

Under business as usual conditions in 2019, interstate travel made up 33% of all domestic overnight trips and 56% of spend. The average trip spend for interstate travel was \$1,173 per person compared to \$452 for intrastate travel.

State border closures due to COVID-19 saw interstate trips fall 88% to just 1.1 million in June quarter 2020. The equivalent decline for intrastate trips was 57% to 8.9 million. As a result interstate travel accounted for just 11% of all overnight trips in June quarter 2020, down from 31% in June quarter 2019.

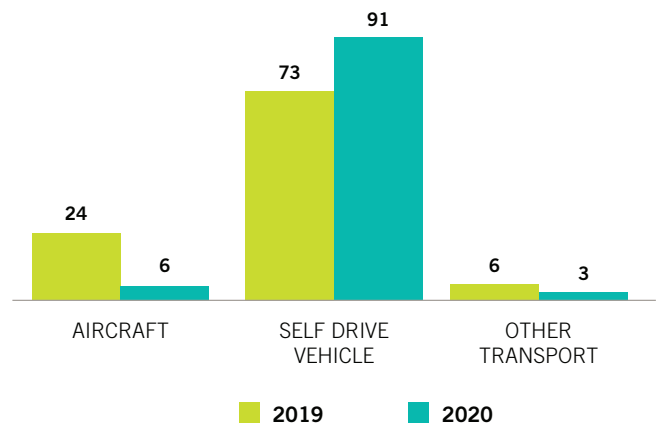
Not only has the interstate market fallen significantly, but the profile has changed. The lucrative holiday sector accounted for just 11% of interstate trips in June quarter 2020. Business (41%) and VFR (36%) instead dominated interstate travel. Interstate visits for VFR saw average trip spend per person of \$417, less than half the \$1,035 spent on holiday travel in the June quarter 2020.

TRAVEL MODE

The June quarter 2020 has seen a significant change in the travel modes used for domestic overnight trips when compared with the same period in 2019 (Figure 4). Travel by self-drive vehicle accounted for over 90% (9.2 million) of all domestic overnight trips, up from 73% on the June quarter 2019. In contrast, domestic overnight trips including air travel fell from 24% to 6% (573,000).

This pattern is consistent with travel propensity favouring regional drive trips over visits to capital cities. Overall, capital cities saw a far more significant fall in domestic overnight visitation (78%) than regional areas (61%) in June quarter 2020.

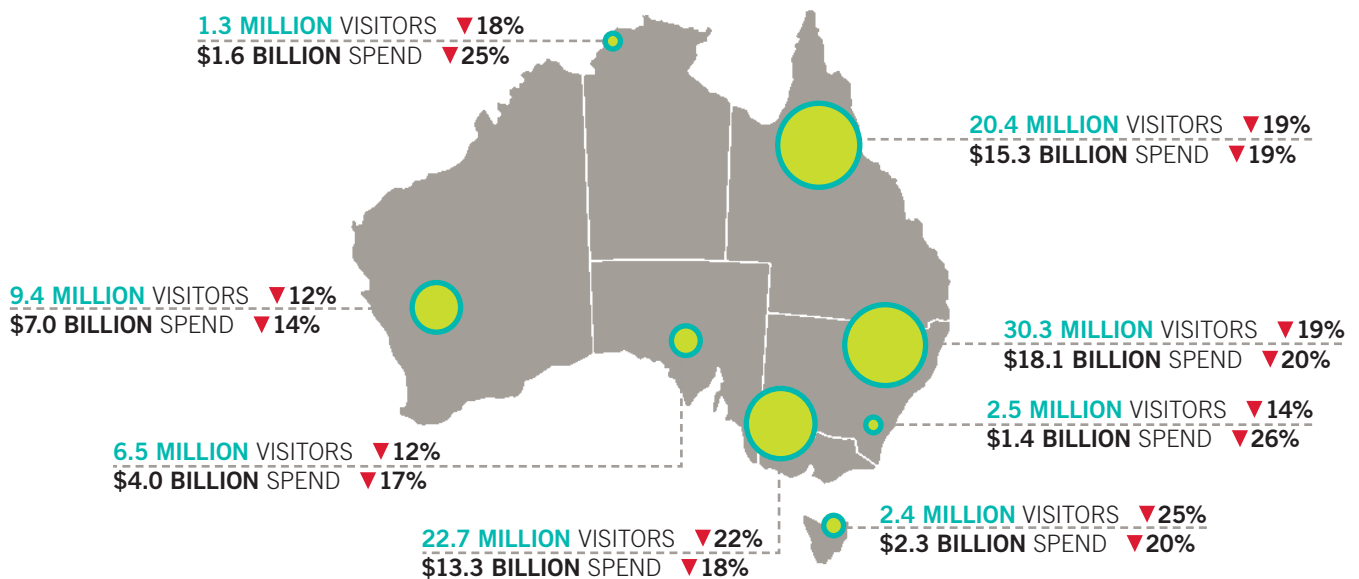
FIGURE 4: PER CENT SHARE OF DOMESTIC OVERNIGHT TRIPS, JUNE QUARTER 2019 AND 2020



STATES AND TERRITORIES

With COVID-19 effects from March 2020 onwards, all states and territories had a fall in overnight visitors and spend for the year ending June 2020 (Figure 5).

FIGURE 5: OVERNIGHT TRIPS AND SPEND BY STATE, YE JUNE 2020¹



¹ The sum of the total number of visitors for each state will be greater than the total number of visitors for Australia due to individuals who visited more than one state