


The Future of Travel Report

New Zealand 2025



 scti.co.nz



**Southern Cross
Travel Insurance**

With you

We're with
travellers of all
ages to help them
travel, carefree.

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About the research

The *Future of Travel* explores New Zealanders' attitudes to travel. It is commissioned by Southern Cross Travel Insurance in partnership with research agency YouGov.

The cost of living, the 'brain drain' and travellers' safety concerns are standout issues in our fourth annual *Future of Travel* survey results – and will most certainly help shape the way we respond to customer needs as we look ahead.

The generational divide caused by the cost-of-living crisis and housing affordability, a desire to work overseas and growing concerns about worldwide conflict and climate change, are the major themes in the fourth edition of the *Future of Travel* research report.

New Zealanders' appetite for travel remains undimmed, though results show the number of trips they may take in 2025 could reduce a little. As a nation we continue to prioritise travel, and perhaps, depending on life stage, we're doing this even above investing in the Kiwi dream of owning a home.

As an insurer, we're seeing an increase in the volume and cost of claims for New Zealanders on the go who, despite their best laid plans, are falling ill, suffering injury, being affected by weather and global unrest or just the general chaos of international travel.

The report reinforces the love affair New Zealanders have with travel and reveals how we are still keen to pursue adventure, authentic experiences and relaxation.

The study was designed for the New Zealand market and was conducted in November 2024. The research surveyed a robust and nationally representative sample of 1,002 New Zealanders aged 18 years and above via an online survey.

Data analysis of the research has exposed shifting New Zealand attitudes towards a broad range of travel elements and how these considerations will impact consumer travel behaviour.

We're with travellers of all ages to help them travel, carefree.

The cost-of-living crisis bites hard

The Bank of Mum and Dad, or Nana and Pop, is standing ready to help younger family members get on the property ladder. They are putting some of their own travel plans on hold, while their children and grandkids are seemingly walking away from home-owning plans, to live their best lives travelling instead.

There's a strong generational divide where nearly two in three (65%) parents aged 45 years and above are spending less on travel because they are financially supporting or planning to leave some inheritance for their children or grandchildren to help them buy a home.

With house prices higher than any other region¹, it's not surprising the Aucklanders surveyed are more likely than other North Island residents to agree they are spending less on travel than they would like to (54% compared to 39%).

However, for more than half of New Zealanders aged 18-44 years there's another issue. They agree buying a home is out of reach for them so they are spending more on travel and other experiences. In fact, one in five (21%) strongly agree. Young people have always wanted to travel but it appears that many are prioritising adventure and experience in the short term.



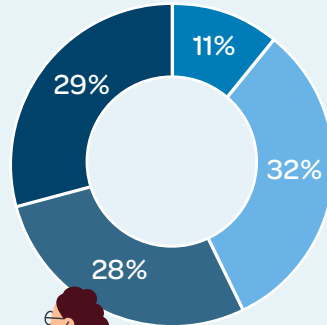
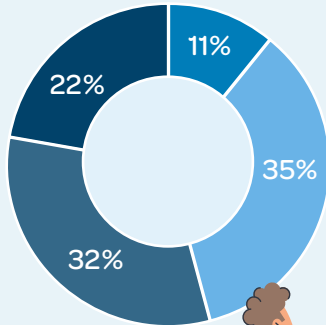
65%
of parents over 44 are spending less on travel to support or leave inheritance for children or grandchildren to help buy a home.

¹ <https://www.statista.com/statistics/1028580/new-zealand-median-house-prices-by-region/>

Impact on New Zealand parents aged 45 and over supporting children/grandchildren financially on travel spend

I am spending less on travel than I would like to, to make sure I leave some inheritance for my children/grandchildren to be able to afford a home

I have already supported my children/grandchildren financially in helping them get established or to buy a home and this has left me with less money for travel

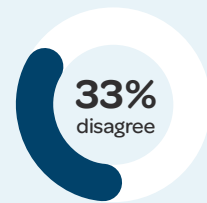
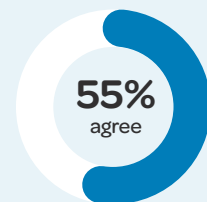
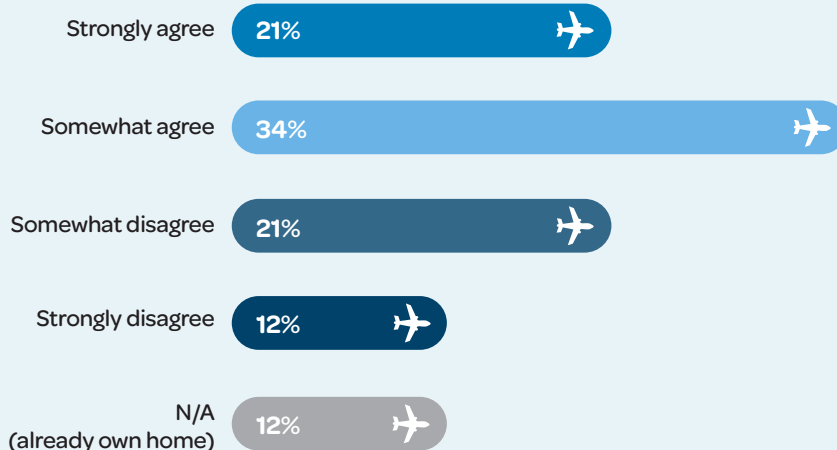


KEY:

- Strongly agree
- Somewhat agree
- Somewhat disagree
- Strongly disagree

Impact of housing prices on young New Zealanders aged 18-44

Buying a home is out of reach for me so I am spending more on travel and other experiences to still live my best life





New Zealanders are 10% more likely than Australians to think about living and working overseas for three months or more.

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Young New Zealanders are keen to work overseas

Southern Cross Travel Insurance is seeing steady growth in sales of its Working Overseas policy. It's ideal for New Zealanders who want the assurance of support if things go wrong when they are working abroad for an extended period.

The survey indicated New Zealand men aged 18-44 are more likely to consider working overseas than women (79% compared to 70%). There is a generational split too with Gen Z more likely than Millennials (81% compared to 73%) to say they would consider living and working overseas for three or more months.

New Zealanders also sit at 75%, 10% ahead of their Australian counterparts at 65%, when it comes to thinking about living and working overseas for three months or more.

It's important to understand that even in countries like Australia and the UK where New Zealanders enjoy reciprocal rights for some healthcare, they may not be covered for the same things they may access 'at home'.

Healthcare costs can be astronomical in North America. A recent case with an SCTI customer resulted in a claim in excess of \$467,500.

- SCTI data shows 80% of Working Overseas policies are taken out by customers aged 18-40 with 11-12 months the most popular duration.
- Customers can purchase an extension to a one-year policy to cover them for up to 24 months. This offers additional assurance when they are far away from whānau, the comforts of home and a familiar medical system.

80%

of New Zealanders aged 18-40 have taken out a SCTI Working Overseas policy in the last year with a duration of 11-12 months being the most popular.



Relax, road trip, and restore your sense of adventure

In 2025, the top three holiday experiences New Zealanders are planning include a beach holiday to relax and unwind (45%), a road trip to discover scenic routes and be spontaneous (39%) and an authentic travel experience (27%).

Among those planning to travel in the next 12 months, women are more likely than men to prefer a beach holiday to relax and unwind as one of their next top three holiday experiences.

Older New Zealanders are more likely than Gen Z to say they would prefer a trip back to nature, while younger New Zealanders are more likely than Baby Boomers to book an adventure holiday in their top three next holiday experiences.



27%

of New Zealanders are planning an authentic travel experience.

2025 top holiday experience plans from survey

45%



BEACH HOLIDAY
Relax and unwind

39%



ROAD TRIP
Discover scenic routes

27%



AUTHENTIC EXPERIENCE
Culture, food, location

24%



EVENT
Concert, sport, festival

13%



ADVENTURE
Something daring or exhilarating

18%



CRUISE
Carefree travel

21%



LUXURY HOLIDAY
Pamper and indulge

22%



BACK TO NATURE
Escape the city

10%



SELF DISCOVERY
Travelling alone

8%



HEALTH RETREAT
Meditation, exercise, clean eating

8%



BACKPACKING
Exploring on a budget, freedom travel

6%



SKI/SNOW
Winter resorts

4%



WORKING REMOTELY
From one or multiple locations

CASE STUDY 1:

Expert help is essential to success

Lucinda Harding and her family were visiting her father who lives in Spain in a small and very friendly village. Lucinda tries to stay active wherever she is and wanted to use the local gym but she wasn't eligible to join – even if temporarily. So, she decided to run each day instead.

For five days, she ran without incident around the village, but on day six it all went a bit pear-shaped. Lucinda is a dog owner and is used to them being unpredictable, but when she quietly passed a barking dog which hadn't bothered other pedestrians, the dog attacked her and bit her, quite badly. Her husband came to the rescue when he heard her calls for help, but unfortunately not before the dog had come back a second, third and fourth time. The dog even tried to have a go at her husband.

Lucinda is a nurse and knew dog bites could be dangerous. She was also concerned about rabies and wanted to get treatment as quickly as she could. Her husband drove her straight to the local medical centre.

Language was always going to be an issue, but this was compounded by hospital staff telling her they couldn't treat her unless she had a Spanish health insurance number, despite her having travel insurance. As it was clear she needed help, they started to treat her. Her husband called their insurer, Southern Cross Travel Insurance (SCTI), who answered at 2am NZ time. The emergency assistance team member was calm and reassuring, giving Lucinda and her husband clear instructions on what to do and what to ask for.

Lucinda got all the medical treatment she needed in Spain, and was very happy with the support she received from SCTI. She only had to pay a minimal amount for some antibiotics, so she chose not to make a claim for any medical costs. But Lucinda believes if she hadn't been



able to contact the SCTI team, who responded immediately, then it would have been very difficult to get the outcome she did.

Lucinda says when she was telling her friend about her experience, she didn't need to say it was SCTI that she was insured with – her friend interrupted her to ask "Was it SCTI? They are amazing."

She had wondered about whether she should book travel insurance before the trip but Lucinda says she's so glad she did and will certainly take out travel insurance again with SCTI in the future.

The locals in her father's village felt terrible and gave her a free gym membership for the remainder of her stay. There's always a silver lining!

CASE STUDY 2:

Ding, ding - when rental car excess is excessive!

Phillipa Chirnside and her husband were travelling in Scotland, covering a LOT of ground (Highlands, Islands and everything in between including Loch Ness) and had hired a rental car to do this at their own pace and in comfort. A car rental enabled them to see so much more.

Despite the distance covered and narrow country lanes, (a feature in Scotland) they never once had a ding or an accident they were aware of.

When they picked up their car they hadn't noticed any marks on the vehicle, however a couple of days into the drive they noticed two small dings on the driver's door, but thought they were too small to worry about. They assumed they had already been there. The marks looked like they could have been made by another driver or car in a supermarket carpark or similar.

When they returned their car, the rental car company 'connected the two small dings' and said they had caused an indentation over 15 cm which would 'qualify' to charge them excess. Unfortunately this is all too common. Phillipa felt the rental car representative was quite assertive and unhelpful.

Thankfully, the SCTI International Comprehensive policy they had purchased covered them for rental car excess, so Phillipa contacted the SCTI team and told them what had happened. SCTI immediately said they would take care of the excess, asking for paperwork and receipts to process a claim. Phillipa and her husband were really pleased with the way the issue was handled and would definitely use SCTI again. She said she would never travel without insurance.

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That SCTI is a New Zealand company, gives you confidence that they will come through for you.

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- Phillipa Chirnside



Crunching the numbers

No *Future of Travel* report would be complete without a look at what New Zealanders did over the last year of travel and what they are planning to do in the next 12 months. Here are the key stats.

In the 12 months to November 2024, the survey results indicated the number of New Zealanders travelling overall remained consistent compared to the previous year, however, there has been a drop in the average number of both domestic and international trips taken.

The intention to travel domestically over the next 12 months remains stable compared to the previous year's travel intentions, with 82% of the New Zealanders surveyed planning to head away. But the number of planned trips among these New Zealanders has fallen slightly on average within this period.

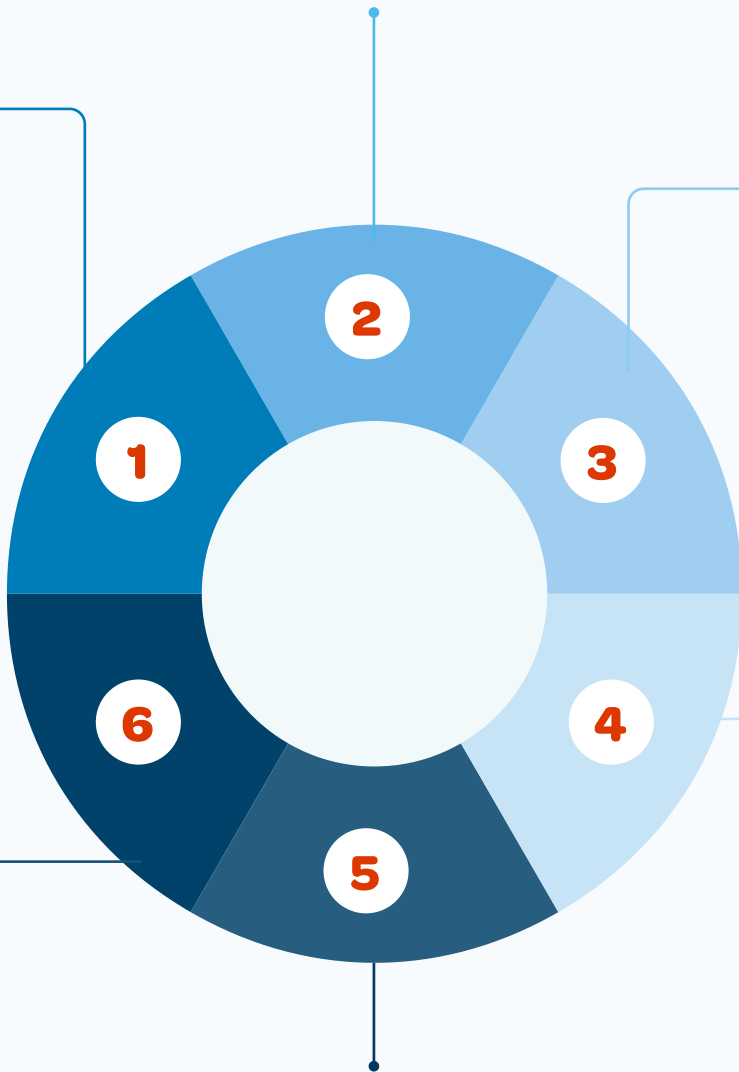


New Zealanders' appetite for overseas travel has increased noticeably with nearly half (49%) of those surveyed travelling overseas compared to 44% for the same period in 2023. But there was a slight dip in the number of overseas trips with an average 1.62 trips taken in the last 12 months compared to an average of 1.74 trips taken in 2023.

When it comes to exploring our own backyard, nearly 80% have travelled domestically over the last 12 months. However, survey results indicated a decline in the number of domestic trips with an average 2.33 trips taken in 2024 compared to the 2.44 average trips participants took when surveyed in 2023.

Despite the pressure on household incomes, New Zealanders' appetite for travel remains high, with 87% planning to travel in the next 12 months.

The intention to travel overseas remains stable with three in five New Zealanders (59%) planning an international adventure in the next 12 months. That said, the number of planned trips among these New Zealanders looks to be decreasing at 1.5 overseas trips on average compared to 1.57 the previous year.



Travel insurance matters to flying Kiwis

Travel insurance attitudes have remained consistent for international travel with nearly four in five New Zealanders (78%) saying that travel insurance is a high priority now (compared to 76% the previous year).

Interestingly, increasing global conflict is encouraging travellers to seek insurance cover for their adventures. In fact 73% of New Zealanders agree they are feeling less secure, and more inclined to pack a policy. There are some regional differences, with Christchurch residents (81%) significantly more likely than Aucklanders (71%) to agree, however it's a clearly a common concern. Outbreaks of violence can happen where and when you least expect it.

It is important to note that travel insurers generally carve out destinations which are experiencing conflict – and will not offer cover for these destinations. Currently for SCTI, these include Israel, Syria, Sudan, Iran and Iraq. If conflict breaks out and is well-publicised before a traveller sets off on their journey, it's unlikely a related claim would be successful. In the event that a traveller has left New Zealand on their journey, and their destination subsequently and unexpectedly becomes involved in conflict, their insurance policy will likely provide cover.

The study also showed nearly three in four New Zealanders agree travel insurance is more important now that climate change has made weather patterns unpredictable and natural disasters more likely.

SCTI is increasingly seeing travellers affected by climate change, for example:

- 1,425 customers' plans were affected by Auckland Anniversary floods
- 722 customers were disrupted by Cyclone Gabrielle
- 24 were affected by severe winter storms in the USA.

When it comes to domestic travel, New Zealanders have ACC to cover medical costs, or the public health system should they fall ill. But ACC and Health NZ will not cover cancelled travel for a Great Walk or domestic cruise due to sickness, injury, family bereavement or a host of other reasons.

One of SCTI's most expensive claims in 2024 was \$11,000 which was paid to a customer who was injured while hiking in New Zealand.

With SCTI's International Comprehensive and Working Overseas policies, travellers can add extra cover for certain activities, for example, skiing, cruises, moped/motorbike hire, while (depending on the policy) many other benefits are automatically included such as cover for cancellation of special events, changes to journey, childcare and medical treatment.



New Zealanders agree travel insurance is more important now that climate change has made weather patterns unpredictable and natural disasters more likely.



For more information visit scti.co.nz.

The *Future of Travel* survey was conducted online from 12 to 15 November 2024, comprising a nationally representative sample of 1,002 New Zealanders aged 18 years and above. It is weighted by age, gender and region to represent the broader New Zealand population using the latest population estimates from Stats NZ. All figures, unless otherwise stated, are from YouGov.

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