

# TOURISM - KEEPING PACE WITH GROWTH



Tourism is a super-growth sector and an economic priority for South Australia, with sights set firmly on an \$8 billion visitor economy by 2020. We are currently at a record \$6.3 billion and have achieved a jobs growth of 5,400 - the second highest jobs growth rate in Australia.

International visitors crossed the \$1b expenditure mark for the first time. Chinese travellers continue to be the fastest growing inbound market for South Australia, with visitor numbers up 49 per cent and spending more than \$315 million a year- our 2020 target for Chinese visitor expenditure is \$450 million.

To put the numbers in perspective- the primary nationally recognised metric for the health of tourism in South Australia is visitor expenditure. This is the centrepiece of the South Australian Tourism Plan 2020 and the Premier's Economic Priority #5- To make South Australia a growing destination of choice for domestic and international visitors. Visitor expenditure in SA has grown by 47% since 2007, exactly in line with the national average, which has also grown by 47% (\$73.8b June 2007 to \$108.6b March 2017).

The SA Tourism Plan 2020 has a strategic focus on attracting high yield experience seekers which maximises the flow on economic impact of visitors to the state and the results we have achieved for the state corroborate the merit in that focus. Our objective is to target visitors who stay longer, visit our regions and spend money on our tourism experiences and other related services when here. South Australia has been particularly strong over the last few years, up 9.6% for expenditure in the latest annual figures vs 6.3% for the national average. This is the 14th period of consecutive growth for visitor expenditure in South Australia.

Direct air access to Adelaide has grown significantly in the last



Adelaide Airport, Adelaide

two years alone, with three new international airlines commencing direct flights. In May 2016, Qatar Airways commenced direct services to Adelaide, in December 2016, China Southern Airlines began direct flights from Guangzhou while in June 2017, Fiji Airways began direct flights from Nadi. From October 2017, Air New Zealand will start flying the new Dreamliner aircraft offering an additional 400 seats into Adelaide per week and improved links between Adelaide and the West Coast of the United States of America.

As at 1 July 2017, international flights to Adelaide were at 46 per week which equates to 11,518 international seats each week and this will increase to 11,800 in October once Air New Zealand starts flying its larger Dreamliner on the route.

Domestically, Australia's national carrier, Qantas will offer direct flights to Kangaroo Island, one of the state's premier tourism destinations from Adelaide and Melbourne in December 2017.

South Australia is celebrating a surge in cruise ship demand, exceeding the State Government's 2020 target (43 port arrivals) three years early - with no signs of slowing down. The last cruise ship season closed with a record 49 cruise ship visits and a passenger and crew capacity of just over 106,000. The 2017/18 season will begin in October with a record 67 cruise ship visits scheduled and a total capacity of around 160,000 passengers and crew.

The investment made by the State Government in marketing both internationally and domestically has been critical to our success and growth in expenditure we have witnessed in the last few years. In markets like China we have recognised the importance of social media platforms like Weibo and WeChat and have invested in

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Adelaide Oval, Adelaide

growing our presence- as of 30 June 2017, SATC's official accounts have 39,555 WeChat followers and 266,676 Weibo followers. We have also played a role in facilitating the introduction of Union Pay through local bank terminals to enable easy payment options for Chinese visitors.

Our Facebook audience has grown to over 1 million fans ranking number three among Australian State Tourism organisations and our consumer website southaustralia.com has recorded 3.75 million visits, an increase of 120 percent on the previous year.

Beyond marketing, our focus has also been on our tourism operators, who are critical to delivering the experience to our visitors. As we open our doors to visitors from around the world, we need to be able to deliver a nuanced service that ensures visitors feel welcome.

This is particularly important when we consider markets like China. That's why we implemented an Understanding China development project which is the result of a review of our visitor economy and involved the delivery of over 50 industry workshops and stakeholder meetings to more than 850 participants. The project was all about helping to get industry willing, ready and able to cater for the growth in Chinese visitor numbers to South Australia and maximise the opportunity. Similarly we have invested in Service Excellence, which is a key pillar for the tourism industry. Working with the South Australian Tourism Industry Council, we have commissioned and supported the delivery of over 29 workshops on service excellence attended by over 500 industry stakeholders so far.

We cannot underestimate the role of events as a trigger for visitation. Again, the State Government has continued its investment in an events bid fund to attract more business and leisure events to our state. This is in addition to the \$400 million investment in the redevelopment of the Convention Centre. As of July 2017, the Convention Bid Fund has secured 72 business events which will attract around 88,000 visitors to our state resulting in an economic benefit of over \$427 million.

On the other hand, the Events Bid Fund has secured 38 events which are forecast to inject more than \$126 million into the state's economy.

Add to this the success of existing events like the Santos Tour Down Under, Tasting Australia, Adelaide 500, Credit Union Christmas Pageant, The Adelaide Fashion Festival, WOMA Adelaide, Adelaide Festival and Fringe, world class concerts and sporting events at venues like the Adelaide Oval, the Adelaide Convention Centre and the Adelaide Entertainment Centre and you have created several triggers for visitation and an opportunity for millions of visitors to come to our state.

*The Convention Bid Fund has secured 72 conventions and conferences*

We remain committed to transforming South Australia and to building the reputation of the state as a must visit destination. We know tourism is more than just visitors coming to our state and spending money in our state for benefit to tourism operators. It creates thousands of jobs, sustains local and regional communities and provides an international shop window to support many sections of our economy. Growing the visitor economy is important because the more visitors we attract, the more money they spend which flows into other industries such as wine, agriculture, transport and retail.



Cleland Wildlife Park, Adelaide Hills

We look forward to continuing to work with our tourism industry to grow tourism to \$8 billion and deliver an additional 10,000 jobs by 2020 for the people of South Australia. ■

**Rodney Harrex is Chief Executive of the SATC.**

