

# SOUTH AUSTRALIA











## The Value of Tourism

Pondalowie Bay, Yorke Peninsula

ADELAIDE  
SOUTH AUSTRALIA

Government  
of South Australia  
South Australian  
Tourism Commission

Year ending March 2023 — Date: 28<sup>th</sup> June 2023

\$	\$9.4b	Tourism Expenditure
	11.5k	International seats into Adelaide each week
	286k	International visitors
	84K	Domestic seats into Adelaide each week
	2.8M	Interstate visitors
	4.7M	Intrastate trips
	14.8M	Domestic day trips
	17.5K	Hotel rooms
	20k	Tourism business across the state
	\$180k	In tourism expenditure = 1 directly employed
	34.0K	Directly employed, (to grow direct employment by 16,000 jobs by 2030)

**Sources:** International and National Visitor Survey, Tourism Research Australia, Canberra; State Tourism Satellite Accounts 2021-22, Tourism Research Australia, Canberra; Accommodation data sourced from STR for 10+ rooms, for the Year to May 2023, Airline data is based on seasonal schedules and is subject to change without notice.

**Notes:** For details of the NVS methodology changes in this release please refer to <https://www.tra.gov.au/domestic/domestic-tourism-results>

## Value of Tourism in South Australia

Year ending March 2023 — Date: 28<sup>th</sup> June 2023

### Total for year to March 2023

Expenditure (\$)	South Australia				Australia		
	Year Ending Dec-19	Year Ending Mar-23	Change %	Market Share	Year Ending Dec-19	Year Ending Mar-23	Change %
International	\$1.2b	\$0.8b	-32%	4.50%	\$31b	\$18b	-42%
Interstate	\$2.7b	\$3.5b	33%	7.10%	\$37b	\$50b	33%
Intrastate	\$2.6b	\$3.0b	18%	5.10%	\$43b	\$58b	35%
Day Trips	\$1.7b	\$2.0b	22%	6.40%	\$26b	\$32b	21%
<b>Total Expenditure</b>	<b>\$8.1b</b>	<b>\$9.4b</b>	<b>16%</b>	<b>5.90%</b>	<b>\$138b</b>	<b>\$158b</b>	<b>14%</b>

Total South Australian visitor expenditure for the year end March 2023 combining International and Domestic expenditure reached a record high \$9.4 billion, up 16 per cent on the year-end December 2019 and ahead of the national growth of 14 per cent. In the last 9 months the annual value of the visitor economy in South Australia has grown from \$6.1 billion to \$9.4 billion, an increase of \$3.3 billion, driven by strong growth in interstate and international expenditure.

It needs to be remembered that January and February 2022 were affected by Omicron and are no longer included in the data. These results provide the first full years' worth of uninterrupted travel and includes a strong recovery from Omicron in early 2022, increased international spend since the borders opened in February 2022 and, most significantly the resurgence in interstate spend throughout the year.

The interstate market reached a record high expenditure of \$3.5 billion at year end March 2022, up \$865 million on the pre-COVID December 2019 \$2.7 billion and up on the previous December 2022 record high of \$3.2 billion. Intrastate expenditure continues to be strong, reaching a record high \$3.0 billion.

We have also seen growth in the international market. In 13 months since the opening of international borders, this market has grown from virtually zero to \$814 million, but still below the record high \$1.2 billion at December 2019.

These results show that current conditions are extremely strong, but also reflect that travel is more expensive, driven by inflationary pressures, and workforce driven shortages driving prices and thus increased spend per visitor.

While inflation has been a significant contributor to this result, it is still an outstanding result. Expressed in 2019 dollars, this expenditure is \$8.2 billion, which is still a record expenditure for the South Australian Visitor Economy.

# Value of Tourism in South Australia

Year ending March 2023 — Date: 28<sup>th</sup> June 2023

## National Visitor Survey March 2023

Expenditure (\$m)	Australia			South Australia			
	Year Ending Dec-19	Year Ending Mar-23	Change (%)	Year Ending Dec-19	Year Ending Mar-23	Change (%)	Market Share
Interstate	\$37b	\$50b	33%	\$2.7b	\$3.5b	33%	7.1%
Intrastate	\$43b	\$58b	35%	\$2.6b	\$3.0b	18%	5.1%
Day Trips	\$26b	\$32b	21%	\$1.7b	\$2.0b	22%	6.4%
<b>Total Domestic</b>	<b>\$107b</b>	<b>\$140b</b>	<b>31%</b>	<b>\$6.9b</b>	<b>\$8.6b</b>	<b>24%</b>	<b>6.1%</b>

### Interstate

Interstate overnight expenditure was up 33 per cent on December 2019, with expenditure reaching a record high of \$3.5 billion for the 12 months to March 2023.

Interstate expenditure is well ahead of the pre-COVID December 2019 result of \$2.7 billion. This market has now seen a full year worth of results unaffected by COVID. From June through to March 2023 conditions have been exceptionally strong with performance well above pre-COVID.

While expenditure has been strong, the same cannot be said for interstate visitation, down 6 per cent when compared to the same period, displaying the expenditure growth has been driven by yield per visitor through the increased costs associated with travel and travellers choosing higher quality experiences.

The expenditure growth has been led by visitors from Victoria, New South Wales, Western Australia and Queensland and now exceed pre-COVID levels.

### Intrastate

Intrastate overnight expenditure was up 18 per cent on December 2019, with a record high expenditure of \$3.0 billion for the 12 months to March 2023.

As has been the case throughout the pandemic, Intrastate expenditure has fared much better in South Australia. Even with the opening of borders providing the option to travel interstate and overseas, the intrastate market has not suffered the expected downturn and continues to perform above pre-COVID levels.

Even with the strong growth in expenditure we still saw visitation down 9 per cent on the year end 2019 results, another example of growth being fuelled by yield through the increased cost of travel and travellers choosing higher quality experiences.

## Value of Tourism in South Australia

Year ending March 2023 — Date: 28<sup>th</sup> June 2023

It has been expected for some time that this market will ease as South Australians feel more comfortable with interstate and international travel. While we have yet to see concrete signs, anecdotal evidence from regional operators indicates it may have begun. This trend has been anticipated and factored into our forecast.

### Day Trips

There were 14.8-million-day trip visitors with a record expenditure of \$2.0 billion in the year to March 2023. The number of day trips were down 13 per cent, however expenditure was up 22 per cent on December 2019, showing yet again that yield is driving growth.

In the last quarter this market has strengthened as a sense of normality comes back into travel.

### Regional South Australia

Regional visitor expenditure (including by international visitors) came to a record high \$4.47 billion, up 25 per cent on the pre-COVID December 2019. Regions have been performing strongly, driven by the intrastate market and the re-emerging interstate market, led by the growth from Victoria.

This compares to Adelaide, where expenditure has reached a record high, up 8 per cent on pre-COVID to \$4.9 billion. In the latest 6 months Adelaide has seen expenditure rise by \$1.3 billion.

Prior to COVID, regions contributed 44 per cent of overall visitor expenditure. This peaked at 65 per cent during the worst of the pandemic and has now reverted to 48 per cent. With the interstate and international borders open this gap is returning to pre-COVID levels.

### International Visitor Survey March 2023

	Australia			South Australia			
	Year Ending Dec-19	Year Ending Mar-23	Change (%)	Year Ending Dec-19	Year Ending Mar-23	Change (%)	Market Share
Visits (000s)	8,709	4,643	-47%	488	286	-41%	6.2%
Nights (000s)	274,477	170,971	-38%	10,938	8,217	-25%	4.8%
Expenditure (\$m)	31,438	18,287	-42%	1,206	814	-32%	4.5%

The international border has now been open for over 13 months through to March 2023, and with this we have seen strong growth in this market. The latest results to March 2023 show that international expenditure in the last quarter has grown from \$519 million to \$814

million, but still below the record high \$1.2 billion at December 2019. While 32 per cent behind the pre COVID 2019 result, we are seeing a strong recovery ahead of expectations.

The growth in international visitation has come from both the Holiday sector and the Visiting Friends and Relatives market, with visitation and expenditure well up on December 2022. We have also seen growth in the Education sector with the start of the new year, with visits and expenditure up 43 per cent and 71 per cent respectively from the December year end to the March year end.

While the pace of recovery to the international market is encouraging, due to uncertainty surrounding several markets and global economic conditions, it is still anticipated that recovery of annual results to pre-COVID levels will not be as swift as the domestic recovery.

### **Recent Conditions and Future Forecasts**

Separate to the above detailed year end results, the SATC also receives headline figures on a monthly basis released by Tourism Research Australia, and these are separate briefings provided to your office. The monthly data allows us to investigate more granular recent performance that forms part of the \$9.4 billion result outlined above.

January, February and March saw a strong resurgence recovering to 103 per cent, 111 per cent and 131 per cent of the same months in 2019.

This growth was led by the interstate market with willingness to travel continuing to grow, despite more recent cost of living concerns. Along with the initial growth in the interstate leisure market, we have also seen growth in the leisure events market on the back of the Tour Down Under in January, the Adelaide Fringe and the Festival in February and March, and the Ed Sherran concert and WOMADelaide in mid-March driving visitation and hotel occupancy in Adelaide.

A range of tourism indicators, including Hotels data and Conference data point to April and May results continuing to be above pre-COVID levels.