

# SOUTH AUSTRALIA











## The Value of Tourism

Pondalowie Bay, Yorke Peninsula

ADELAIDE  
SOUTH AUSTRALIA

Government  
of South Australia  
South Australian  
Tourism Commission

Year ending June 2023 — Date: 27<sup>th</sup> September 2023

\$	\$9.9b	Tourism Expenditure
	11.5k	International seats into Adelaide each week
	357k	International visitors
	90K	Domestic seats into Adelaide each week
	2.8M	Interstate visitors
	4.6M	Intrastate trips
	15.2M	Domestic day trips
	17.6K	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, August 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 June 2023 — Date: 27<sup>th</sup> September 2023

## Total for year to June 2023

Expenditure (\$)	South Australia				Australia		
	Year Ending Mar-23	Year Ending Jun-23	Change %	Market Share	Year Ending Mar-23	Year Ending Jun-23	Change %
International	\$0.81b	\$1.0b	24%	4.6%	\$18.3b	\$21.9b	20%
Interstate	\$3.5b	\$3.5b	0%	7.2%	\$49.6b	\$49.1b	-1%
Intrastate	\$3.0b	\$3.2b	5%	5.3%	\$58.5b	\$59.2b	1%
Day Trips	\$2.0b	\$2.2b	11%	6.9%	\$31.8b	\$32.7b	3%
<b>Total Expenditure</b>	<b>\$9.4b</b>	<b>\$9.9b</b>	<b>6%</b>	<b>6.1%</b>	<b>\$158.1b</b>	<b>\$162.8b</b>	<b>3%</b>

Total South Australian visitor expenditure for the year end June 2023 combining International and Domestic expenditure reached a record high \$9.9 billion, up six per cent on the year-end March 2023 and ahead of the national growth of three per cent.

In the last 12 months the annual value of the visitor economy in South Australia has grown from \$6.1 billion to \$9.9 billion, an increase of \$3.8 billion, driven by strong growth in interstate and international expenditure after the full opening of borders and the recovery from the Omicron wave.

The \$9.9 billion at June 2023 year end was well above the predicted result of \$7.6 billion. With conditions normalising, the growth experienced in recent data releases has slowed as performance is no longer driven by rapid recovery from COVID-affected periods.

Despite this strong expenditure result, all source markets (international, interstate, intrastate and day trips) remain below their pre-COVID levels in terms of number of visitors. While domestic is nearing recovery on a visitor arrivals basis, international visitors, remain down considerably on pre-COVID volumes (-27%), and total visitation to the Adelaide Tourism Region remains down 16%.

The core driver of this is inflation, with the Consumer Price Index (CPI) up 15% over the last 3.5 years, and holiday travel and accommodation have been well ahead of the underlying inflation rate.

Adjusting for inflation using the CPI and expressed in 2019 dollars, this expenditure is \$8.6 billion in real terms, a record expenditure for the South Australian Visitor.

# Value of Tourism in South Australia

Year ending June 2023 — Date: 27<sup>th</sup> September 2023

## National Visitor Survey June 2023

Expenditure (\$m)	Australia			South Australia			
	Year Ending Mar-23	Year Ending Jun-23	Change (%)	Year Ending Mar-23	Year Ending Jun-23	Change (%)	Market Share
Interstate (\$m)	\$49,618	\$49,119	-1%	\$3,522	\$3,528	0%	7.2%
Intrastate (\$m)	\$58,486	\$59,176	1%	\$3,007	\$3,165	5%	5.3%
Day Trips (\$m)	\$31,753	\$32,689	3%	\$2,022	\$2,243	11%	6.9%
<b>Total Domestic</b>	<b>\$139,856</b>	<b>\$140,984</b>	<b>1%</b>	<b>\$8,551</b>	<b>\$8,937</b>	<b>5%</b>	<b>6.3%</b>

### Interstate

The interstate market remains steady at a record high expenditure of \$3.5 billion at year end June 2023, the same results as March 2023. The stable result this quarter is in stark contrast to the boom in this market throughout 2022.

Despite interstate spend at record levels, the number of visitors is still 5 per cent behind 2019 levels, displaying the expenditure growth has been driven by yield per visitor through the increased costs associated with travel and travellers choosing higher quality experiences.

### Intrastate

Intrastate overnight expenditure grew five per cent on March 2023, a record high expenditure of \$3.2 billion for the 12 months to June 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 yet reverted to pre-COVID levels as was expected.

Even with the growth in expenditure we still saw visitation down two per cent on the year end March 2023 results, another example of growth being fuelled by yield through the increased cost of travel and travellers choosing higher quality experiences.

### Day Trips

Day Trip visits and expenditure grew three per cent and 11 per cent respectively on March 2023, with a record high expenditure of \$2.2 billion for the 12 months to June 2023.

Day trip expenditure was expected to be strong throughout the pandemic and the current \$2.2 billion is above the \$1.9 billion June 2023 target.

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In the last quarter, this market has strengthened as a sense of normality comes back into travel, as well as potential substitution of overnight travel to day trips as cost-of-living pressures begin to be felt.

### Regional South Australia

Regional visitor expenditure (including by international visitors) came to a record high \$4.7 billion, up five per cent on the March 2023 and above the 2025 Regional Visitor Strategy target of \$4.0 billion. Regions have been performing strongly, driven by the intrastate market and the re-emerging international market.

Adelaide performed in line with regions, where expenditure has reached a record high \$5.3 billion, up seven per cent on March 2023. In the latest three months Adelaide has seen expenditure rise by \$354 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 47 per cent. With the interstate and international borders open this gap is returning to pre-COVID levels.

### International Visitor Survey June 2023

	Australia			South Australia			
	Year Ending Mar-23	Year Ending Jun-23	Change (%)	Year Ending Mar-23	Year Ending Jun-23	Change (%)	Market Share
Visits (000s)	4,643	5,427	17%	286	357	25%	6.6%
Nights (000s)	170,971	193,315	13%	8,217	9,717	18%	5.0%
Expenditure (\$m)	18,287	21,856	20%	814	1,011	24%	4.6%

The latest results to June 2023 show that international expenditure in the last quarter has grown from \$814 million to \$1.0 billion, well above the target of \$560 million but below the record high \$1.2 billion at December 2019.

The growth in international visitation has come from both the Holiday sector and the Visiting Friends and Relatives market, with visitation and expenditure up on March 2023. We have also seen growth in the Education sector with visits and expenditure up 19 per cent and 27 per cent respectively from the March year end to the June year end.

International visitation has rebounded to 357,000, which is 27 per cent down on the 2019 peak of 488,000. Even with this strong growth, visitation continues to trail behind spend.

#### **South Australian market share of visitation and expenditure**

In addition to visitation and expenditure, we can also assess South Australia's performance by examining its share of the national tourism results.

The latest results to June 2023 show that our national share of expenditure has grown from 5.8 per cent in December 2019 (when both visits and expenditure were at record highs) to 6.1 per cent in the latest results. Growth in expenditure gains have come from the international, interstate and day trip markets.

Overnight visitation has experienced a slight decrease in share, dropping from 6.8 percent in December 2019 to 6.7 percent in June 2023. This decline primarily stems from the intrastate market, where share has decreased from 6.3 percent to 5.9 percent. In contrast, both the international and interstate markets have witnessed an increase in their respective shares over the same timeframe.

#### **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 this information is detailed in separate briefings provided to your office. The monthly data allows us to investigate recent performance that forms part of the \$9.9 billion result outlined above.

April, May and June saw a strong resurgence recovering to 43 per cent, 21 per cent and 35 per cent above the same months in 2019.

This growth was led by the intrastate and international markets with willingness to travel continuing to grow, despite more recent cost of living concerns. We have also seen growth in the leisure events market off the back of LIV Golf, the AFL Gather Round and the Rugby State of Origin driving visitation and hotel occupancy in Adelaide. As outlined above, overall interstate visitor expenditure declined over these months as the post-COVID surge abated.

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