

SOUTH AUSTRALIA











The Value of Tourism

Pondalowie Bay, Yorke Peninsula

ADELAIDE
SOUTH AUSTRALIA

Government of South Australia
South Australian Tourism Commission

Year ending September 2022 — Date: 21st December 2022

\$	\$7.3b	Tourism Expenditure
	9.6k	International seats into Adelaide each week
	95k	International visitors
	75K	Domestic seats into Adelaide each week
	2.2M	Interstate visitors
	4.6M	Intrastate trips
	13.0M	Domestic day trips
	16.5k	Hotel rooms
	19k	Tourism business across the state
	\$155k	In tourism expenditure = 1 directly employed
	37.3K	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 2020-21, Tourism Research Australia, Canberra; Accommodation data sourced from STR for 10+ rooms, for the Year to October 2022, 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

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Total for year to September 2022

Expenditure (\$)	South Australia				Australia		
	Year Ending Dec-19	Year Ending Sept-22	Change %	Market Share	Year Ending Dec-19	Year Ending Sept-22	Change %
International (\$m)	1,206	307	-75%	3.5%	31,438	8,756	-72%
Interstate (\$m)	2,656	2,598	-2%	7.3%	37,405	35,683	-5%
Intrastate (\$m)	2,555	2,694	5%	5.2%	43,287	51,849	20%
Day Trips (\$m)	1,660	1,695	2%	6.7%	26,338	25,122	-5%
Total Expenditure (\$m)	8,077	7,294	-10%	6.0%	138,469	121,410	-12%

Total South Australian visitor expenditure for the year end September 2022 combining International and Domestic expenditure came to \$7.3 billion, down 10 per cent on the year-end December 2019. Even though still down on 2019, expenditure has grown \$1.2 billion from the year end June 2022 to the year-end September 2022, bringing expenditure in the South Australian visitor economy ever closer to the pre-COVID high of \$8.1 billion.

The latest results are well ahead of the COVID low point of \$4.4 billion in the year to March 2021 and show that the pace of recovery is well above expectations.

The \$7.3 billion at September year end was above the predicted result of \$6.4 billion due to an exceptionally strong September quarter. It needs to be remembered that the same quarter in 2021 was heavily affected by the Delta wave of COVID with interstate and international borders closed. These results also include stronger than expected conditions in late 2022, a strong recovery from Omicron and increased international spend since the borders opened in February 2022.

The strong recent growth has been driven by the interstate market with expenditure of \$2.6 billion at year end September 2022, up \$700 million on the June 2022 year end and only \$58 million behind the pre-COVID record high of \$2.7 billion in December 2019. This result is well above the forecast model prediction of \$1.8 billion for interstate expenditure.

Intrastate expenditure continues to be strong, reaching a record high \$2.7 billion, up \$168 million on the June 2022 year end. This result was also above the \$2.6 billion predicted in the SATC forecast model.

These results display 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.

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National Visitor Survey September 2022

Expenditure (\$m)	Australia			South Australia			
	Year Ending Dec-19	Year Ending Sept-22	Change (%)	Year Ending Dec-19	Year Ending Sept-22	Change (%)	Market Share
Interstate (\$m)	\$ 37,405	\$ 35,683	-5%	\$ 2,656	\$ 2,598	-2%	7.3%
Intrastate (\$m)	\$ 43,287	\$ 51,849	20%	\$ 2,555	\$ 2,694	5%	5.2%
Day Trips (\$m)	\$ 26,338	\$ 25,122	-5%	\$ 1,660	\$ 1,695	2%	6.7%
Total Domestic	\$ 107,030	\$ 112,654	5%	\$ 6,871	\$ 6,987	2%	6.2%

Interstate

Interstate overnight expenditure was down 2 per cent on December 2019, with expenditure reaching a post COVID high of \$2.6 billion for the 12 months to September 2022.

Interstate expenditure is almost back to pre-COVID December 2019 and well ahead of our COVID impact model prediction of \$1.8 billion. While performance improved with the opening of interstate borders in November 2021, this market was then affected by the Omicron wave in early 2022. From March through to September 2022 conditions were uninterrupted and has largely been performing at levels above pre-COVID.

While expenditure has been strong, the same cannot be said for interstate visitation, down 27 per cent on the year end 2019, displaying the expenditure growth has been driven by yield per visitor through the increased costs associated with travel.

The expenditure growth has been led by visitors from Victoria, NSW and Queensland, with expenditure from NSW and Queensland now above pre-COVID levels.

Intrastate

Intrastate overnight expenditure was up 5 per cent on December 2019, with a record high expenditure of \$2.7 billion for the 12 months to September 2022.

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 11 per cent on the year end 2019 results, another example of growth being fuelled by yield, through the increased cost of travel.

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We should start to see this market ease as South Australians feel more comfortable with interstate and international travel.

Day Trips

There were 13.0-million-day trip visitors with expenditure of \$1.7 billion in the year to September 2022. The number of day trips were down 24 per cent, however expenditure was up 2 per cent on December 2019, showing yet again the yield is driving growth

As day trip expenditure was expected to be strong throughout the pandemic of the current \$1.7 billion is behind the ambitious COVID Impact Model prediction of \$1.8 billion.

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

Regional South Australia

Regional visitor expenditure (including by international visitors) came to a record high \$3.8 billion, up 6 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 was still down 22 per cent on pre-COVID levels to \$3.5 billion. Adelaide in the latest quarter has seen expenditure rise by \$816 million.

Prior to COVID, regions contributed 44 per cent of overall visitor expenditure and now contribute 52 per cent. At the peak of COVID this was 65 per cent due to very weak results from Adelaide, but with the interstate and international borders open we're starting to see this shift back to pre-COVID levels.

International Visitor Survey September 2022

	Australia			South Australia			
	Year Ending Dec-19	Year Ending Sept-22	Change (%)	Year Ending Dec-19	Year Ending Sept-22	Change (%)	Market Share
Visits (000s)	8,709	2,051	-76%	488	95	-81%	4.6%
Nights (000s)	274,477	88,186	-68%	10,938	3,902	-64%	4.4%
Expenditure (\$m)	31,438	8,756	-72%	1,206	307	-75%	3.5%

The international border has now been open for a full seven months through to September, and with this we have seen strong growth in this market. The latest results to September

2022 show that international expenditure has grown from near zero to \$307 million, well above the recovery forecast of \$216 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. Along with this we have started to see the Business and Education market return to SA with visitation more than doubling from the June year end to the September year end.

While the pace of recovery to the international market is encouraging, it is still anticipated that recovery of annual results to pre-COVID levels will be achieved in 2025.

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.

July, August and September saw a strong resurgence recovering to 97 per cent, 114 per cent and 126 per cent of the same months in 2019. This growth was led by the interstate market with willingness to travel continuing to grow and household savings maintaining a high level after extended periods of lockdown, despite more recent cost of living concerns. Along with the initial growth in the interstate leisure market, we are starting to see growth in the Conference and Business purpose visitor as seen by the resumption in large conferences and the growth in accommodation occupancy in Adelaide.

A range of tourism indicators, including Hotels data, Conference data and Commonwealth Bank transaction data point to a strong October. As such, we expect October results to continue to be above pre-COVID levels, but not to the same level as September.