

SOUTH AUSTRALIA











The Value of Tourism

Pondalowie Bay, Yorke Peninsula

ADELAIDE
SOUTH AUSTRALIA

Government
of South Australia
South Australian
Tourism Commission

Year ending June 2024 — Date: 25th September 2024

\$	\$9.9b	Tourism Expenditure
	9.5k	International seats into Adelaide each week
	451k	International visitors
	84.5k	Domestic seats into Adelaide each week
	3.0M	Interstate visitors
	4.6M	Intrastate trips
	13.3M	Domestic day trips
	18.2k	Hotel rooms
	20k	Tourism business across the state
	\$246k	In tourism expenditure = 1 directly employed
	40.6K	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 2022-23, Tourism Research Australia, Canberra; Accommodation data sourced from STR for 10+ rooms, August 2024, 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>

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Total for year to June 2024

Expenditure (\$)	South Australia				Australia		
	Year Ending Jun-23	Year Ending Jun-24	Change %	Market Share	Year Ending Jun-23	Year Ending Jun-24	Change %
International	\$1.1b	\$1.3b	↑ 22%	4.0%	\$22b	\$32b	↑ 45%
Interstate	\$3.5b	\$3.6b	↑ 2%	7.4%	\$49b	\$48b	↓ -1%
Intrastate	\$3.2b	\$3.1b	↓ -2%	5.0%	\$59b	\$61b	↑ 4%
Day Trips	\$2.2b	\$1.9b	↓ -14%	6.0%	\$33b	\$32b	↓ -1%
Total Expenditure	\$10.0b	\$9.9b	⇒ -1%	5.7%	\$163b	\$174b	↑ 7%

Total South Australian visitor expenditure for the year end June 2024 combining International and Domestic expenditure was \$9.9 billion, down one per cent on the year-end June 2023 \$10.0 billion. South Australia's decline of 1 per cent was behind the national growth rate of 7 percent.

The difference to national performance relates to the more severe experience of COVID in NSW and Victoria that was still affecting the comparison period (year to June 2023), and as such their growth in the latest period is stronger as conditions normalise. We expect this trend to continue in the coming year. These figures should not be interpreted as weaker performance in South Australia, but rather reflect our faster COVID recovery.

The small decline in spend in the visitor economy over the year has been on the back of tough economic conditions, with reduced discretionary spending due to the rising cost of living. Even with this the \$9.9 billion was still above the predicted result of \$9.2 billion.

Even with total expenditure down 1 per cent we have seen growth from the International and interstate markets, up 22 per cent and 2 per cent, respectively. Across the year international expenditure increased by \$230 million and interstate by \$65 million. In contrast to this we saw intrastate spend decrease 2 per cent to \$3.1 billion and Day trip spend decrease 14 per cent to \$1.9 billion. The decline in day trips has been evenly spread across Adelaide and Regional South Australia, down 11 per cent and 13 per cent respectively.

Overall Regional South Australia has been hardest hit, with expenditure down 15 per cent across the year. This compares to Adelaide with growth of 12 per cent, driven by events and the return of international visitors.

By the end of 2022, expenditure in South Australia surpassed pre-COVID levels, but this growth hasn't been matched by visitation. International, intrastate, and day trip visitation has yet to

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recover to pre-pandemic levels. Only the interstate market has edged above pre-COVID figures, hitting a record 3.0 million visitors at June 2024.

National Visitor Survey June 2024

Interstate

Expenditure (\$)	South Australia				Australia		
	Year Ending Jun-23	Year Ending Jun-24	Change %	Market Share	Year Ending Jun-23	Year Ending Jun-24	Change %
Interstate	\$3.5b	\$3.6b	↑ 2%	7.4%	\$49b	\$48b	↓ -1%
Intrastate	\$3.2b	\$3.1b	↓ -2%	5.0%	\$59b	\$61b	↑ 4%
Day Trips	\$2.2b	\$1.9b	↓ -14%	6.0%	\$33b	\$32b	↓ -1%
Total Expenditure	\$8.9b	\$8.6b	↓ -4%	5.7%	\$141b	\$142b	→ 1%

The interstate market has seen growth over the year of \$65 million and now sits at \$3.6 billion. The \$3.6 billion in spend was above the \$3.4 billion predicted in our forecast model.

Visitation has reached a record high 3.0 million, marginally above the pre COVID high for this market.

The growth in expenditure across the year has primarily come from the Victorian market, up \$61 million on the year end June 2023.

Intrastate

The Intrastate market has fallen by \$76 million to \$3.1 billion for the year end June 2024, down on the record high December 2023 result of \$3.3 billion. The \$3.1 billion in spend was still above the \$2.9 billion predicted in our forecast model and well above pre-COVID levels.

In line with the decline in spend, we have also seen Intrastate visitation 1 per cent down on June 2023 and still below pre-COVID levels.

Day Trips

Day Trip expenditure across the year fell to \$1.9 billion, down 14 per cent on the year end June 2023. The \$1.9 billion in spend is in line with the \$1.9 billion predicted in our forecast model and well above pre-COVID levels

The number of Day trips have fallen 13 per cent from 15.2 million to 13.3 million for the year end June 2024. This is well below pre-COVID levels, but on par with the longer-term position up to and including 2018.

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Nationally there was also a decline, although less severe, with the number of Day Trips down 7 per cent over the year and also well below pre-COVID levels.

While there is no straightforward reason for the decline in Day Trips, key drivers are likely to include cost of living pressures, with travellers prioritising overnight interstate and overseas travel and economising on travel within their own state.

The decrease in day trips has been evenly distributed between Adelaide (-11 per cent for trips, -14 per cent for spend) and Regional South Australia (-13 per cent for trips, -14 per cent for spend).

In contrast to this Day trips have fallen 5 per cent from 14.8 million to 14.0 million for the year end June 2024.

Regional South Australia

Regional visitor expenditure (including by international visitors) fell 15 per cent to \$4.0 billion, down on the June 2023 record high of \$4.7 billion.

The decline has come from the interstate market, down 36 per cent on June 2023 and the day trips market down 14 percent.

Regions had been performing strongly, however since June 2023 we have seen regional spend decline each quarter, an indication that interstate visitors to South Australia are taking up the option to fly directly into Adelaide instead of the popular drive holiday throughout COVID.

In contrast to this Adelaide has seen expenditure grow by \$610 million to \$6.0 billion, up 12 per cent on June 2023. The main source of growth for Adelaide has been the international and interstate markets up \$190 million and \$533 million respectively. A key driver of this has been major events like the AFL Gather Round, LIV Golf and Tasting Australia.

International Visitor Survey June 2024

	South Australia				Australia		
	Year Ending Jun-23	Year Ending Jun-24	Change (%)	Market Share	Year Ending Jun-23	Year Ending Jun-24	Change (%)
Visits (000s)	365	451	↑ 24%	6.1%	5,427	7,353	↑ 35%
Nights (000s)	9,675	14,342	↑ 48%	5.2%	193,020	278,169	↑ 44%
Expenditure (\$m)	1,054	1,284	↑ 22%	4.0%	21,865	31,713	↑ 45%

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The latest results to June 2024 show that international expenditure grew by \$230 million to \$1.28 billion.

The state saw 451,000 International visitors, up 24 per cent on June 2023, yet still 8 per cent down on the 2019 peak of 488,000. Even with this strong growth, visitation continues to trail behind spend.

The Holiday market has seen strong growth across the year, with 203,000 visitors, 2.2 million nights and spend of \$282 million. This is the first time post-COVID that Holiday visitation has risen above VFR visitation. The Visiting Friends and Relatives market was also strong, growing to 202,000 visits, 7.0 million nights and spend of \$349 million for the year.

Future Conditions Index

The Future Conditions Index produced by the SATC predicts that conditions through to November 2024 are still considered to be “Weak”, a downgrade from the “Neutral” rating in early 2024.

While still in negative territory, it is encouraging to see that four of the six indicators strengthened from October to November.

The most significant growth has come from forward hotel bookings and leads to sa.com. Additionally, there has been an improvement in consumer confidence from Roy Morgan.

However, aviation seats have declined from this time last year, but as this is primarily due to reduced services to Bali this is not a concern for inbound visitation.

The October to November growth is encouraging, and consumer drivers include the commencement of Stage 3 tax cuts. Counterbalancing this are remaining concerns of domestic cost-of-living pressures, inflation, and increasing outbound travel options.