

SOUTH AUSTRALIA











The Value of Tourism

Pondalowie Bay, Yorke Peninsula

ADELAIDE
SOUTH AUSTRALIA

Government
of South Australia
South Australian
Tourism Commission

Year ending September 2024 — Date: 18th December 2024

\$	\$9.6b	Tourism Expenditure
	13.2k	International seats into Adelaide each week
	439k	International visitors
	87.1k	Domestic seats into Adelaide each week
	3.0M	Interstate visitors
	4.6M	Intrastate trips
	12.7M	Domestic day trips
	18.3k	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, November 2024. All 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 June 2024

Expenditure (\$)	South Australia				Australia		
	Year Ending Sep-23	Year Ending Sep-24	Change %	Market Share	Year Ending Sep-23	Year Ending Sep-24	Change %
International	\$1.3b	\$1.3b	↑ 1%	4.0%	\$26b	\$32b	↑ 26%
Interstate	\$3.6b	\$3.4b	↓ -4%	7.0%	\$49b	\$49b	→ 0%
Intrastate	\$3.2b	\$3.1b	↓ -4%	5.0%	\$60b	\$61b	↑ 2%
Day Trips	\$2.2b	\$1.8b	↓ -19%	5.9%	\$34b	\$31b	↓ -9%
Total Expenditure	\$10.3b	\$9.6b	↓ -7%	5.5%	\$168b	\$173b	↑ 3%

Total South Australian visitor expenditure for the year end September 2024 combining International and Domestic expenditure was \$9.6 billion, down seven per cent on the year-end September 2023 \$10.3 billion. South Australia's decline of 7 per cent was well behind the national growth rate of 3 per cent.

The 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 \$9.6 billion was still above the predicted result of \$9.3 billion, and even when adjusting for inflation the value of the visitor economy remains above 2019 levels.

Despite a 7 per cent decline in total expenditure, international spending held steady at \$1.3 billion, reflecting a modest 1 per cent growth compared to September 2023. In contrast, both interstate and intrastate spending decreased by 4 per cent, representing declines of \$161 million and \$116 million, respectively. Day trips experienced a sharper decline, down 19 per cent or \$424 million over the year. Nationally, international spend grew by 26 per cent on the back of strong growth out of China, interstate spend remained unchanged, intrastate spend increased by 2 per cent, and day trips spend declined by 9 per cent.

Although spending declined, international, interstate, and intrastate visitation all saw growth over the year, with only day trip visitation showing a decrease. The decline in spend has been the result of visitors opting for shorter stays, with the average length of stay decreasing by 7 per cent for interstate visitors and 9 per cent for intrastate visitors. In comparison, nationally the length of stay for interstate travellers has declined by 7 per cent, while intrastate travellers have seen a smaller decrease of 2 per cent.

Regional South Australia across the year has been hardest hit, with significant declines in both overnight trips and spending, as well as day trips and day trip spending. Over the year, regional expenditure fell by 17 per cent, in stark contrast to Adelaide, which saw a 2 per cent increase driven by events and the return of international visitors.

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National Visitor Survey June 2024

Expenditure	Australia			South Australia			
	Year Ending Sep-23	Year Ending Sep-24	Change (%)	Year Ending Sep-23	Year Ending Sep-24	Change (%)	Market Share
Interstate	\$49b	\$49b	→ 0%	\$3.6b	\$3.4b	↓ -4%	7.0%
Intrastate	\$60b	\$61b	↑ 2%	\$3.2b	\$3.1b	↓ -4%	5.0%
Day Trips	\$34b	\$31b	↓ -9%	\$2.2b	\$1.8b	↓ -19%	5.9%
Total Domestic	\$142b	\$141b	↓ -1%	\$9.0b	\$8.3b	↓ -8%	5.9%

Interstate

The interstate market has seen a decline over the year of \$161 million and now sits at \$3.4 billion but remains in line with our forecast model.

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

The decline in expenditure across the year has primarily come from the Western Australian and Tasmanian markets, down \$95 million and \$60 million, respectively.

Intrastate

The Intrastate market has fallen by \$116 million to \$3.1 billion for the year end September 2024, down on the record high December 2023 result of \$3.3 billion. The \$3.1 billion in spend was still above the \$3.0 billion predicted in our forecast model and well above pre-COVID levels.

In contrast to this we have seen Intrastate visitation 1 per cent up on September 2023, however still below pre-COVID levels.

Day Trips

Day Trip expenditure across the year fell to \$1.8 billion, down 19 per cent on the year end September 2023.

The number of Day trips have fallen 16 per cent from 15.1 million to 12.7 million for the year end September 2024. This is below pre-COVID levels, but on par with the longer-term average up to and including 2019.

Nationally there was also a significant decline with the number of Day Trips down 11 per cent over the year and also well below pre-COVID levels.

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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 decline in day trips is unevenly distributed, with Adelaide experiencing an 8 per cent drop in trips and a 5 per cent decrease in spending, while Regional South Australia faced a more substantial decline of 20 per cent in trips and 27 per cent decline in spend.

Regional South Australia

Regional visitor expenditure (including by international visitors) fell 17 per cent to \$3.9 billion, down on the \$4.7 billion at September 2023.

The decline has come from the day trip market, down 27 per cent and the interstate market, down 22 per cent on September 2023.

Regions had been consistently performing strongly throughout the COVID period, with demand well above that of Adelaide. However, since September 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 \$123 million to \$5.7 billion, up 2 per cent on September 2023. The main source of growth for Adelaide has been the intrastate and interstate markets up \$80 million and \$97 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

	Australia			South Australia			
	Year Ending Sept-23	Year Ending Sept-24	Change (%)	Year Ending Sept-23	Year Ending Sept-24	Change (%)	Market Share
Visits (000s)	6,111	7,476	↑ 22%	415	439	↑ 6%	5.9%
Nights (000s)	221,237	286,986	↑ 30%	12,020	14,035	↑ 17%	4.9%
Expenditure (\$m)	25,697	32,307	↑ 26%	1,269	1,281	↑ 1%	4.0%

The latest results to September 2024 show that international expenditure grew by \$13 million to \$1.28 billion, above the recovery forecast of \$1.0 billion and just below the previous record high of \$1.33 billion at December 2023.

The state saw 439,000 International visitors, up 6 per cent on September 2023, yet still 10 per cent down on the 2019 peak of 488,000. Even with this strong growth, visitation continues to trail behind spend.

Future Conditions Index

While current conditions are challenging, there are indications that these negative conditions will ease in the medium term. The SATC Future Conditions Index has maintained a “Neutral” rating through to February 2025, indicating a positive outlook for consumer and economic conditions in the near future. This improvement is primarily driven by a significant rise in the TiCSA Business Outlook and an increase in total seats along with strong forward booking for Adelaide. However, consistent with weak regional demand, forward hotel bookings in regional areas remain the weakest aspect of the index. While Roy Morgan Consumer Confidence has shown slight improvement, it continues to remain in negative territory.

The growth through to February is encouraging, with consumer drivers including the impact of the commencement of Stage 3 tax cuts and electricity subsidies. However, this positive outlook is tempered by ongoing concerns about domestic cost-of-living pressures, inflation, and the rise of outbound travel options.