

# SOUTH AUSTRALIA











## The Value of Tourism

Pondalowie Bay, Yorke Peninsula

ADELAIDE  
SOUTH AUSTRALIA

Government  
of South Australia  
South Australian  
Tourism Commission

Year ending December 2022 — Date: 5th April 2023

\$	\$8.3b	Tourism Expenditure
	11.5k	International seats into Adelaide each week
	181k	International visitors
	82K	Domestic seats into Adelaide each week
	2.6M	Interstate visitors
	4.5M	Intrastate trips
	13.5M	Domestic day trips
	16.8k	Hotel rooms
	20k	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 2021-22, Tourism Research Australia, Canberra; Accommodation data sourced from STR for 10+ rooms, for the Year to February 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 December 2022 — Date: 5<sup>th</sup> April 2023

### Total for year to December 2022

Expenditure (\$)	South Australia				Australia		
	Year Ending Dec-19	Year Ending Dec-22	Change %	Market Share	Year Ending Dec-19	Year Ending Dec-22	Change %
International (\$m)	1,206	519	↓-57%	4.1%	31,438	12,742	↓-59%
Interstate (\$m)	2,656	3,237	↑22%	7.1%	37,405	45,560	↑22%
Intrastate (\$m)	2,555	2,805	↑10%	5.0%	43,287	55,698	↑29%
Day Trips (\$m)	1,660	1,774	↑7%	6.1%	26,338	29,024	↑10%
<b>Total Expenditure (\$m)</b>	<b>8,077</b>	<b>8,336</b>	<b>↑3%</b>	<b>5.8%</b>	<b>138,469</b>	<b>143,024</b>	<b>↑3%</b>

Total South Australian visitor expenditure for the year end December 2022 combining International and Domestic expenditure reached a record high \$8.3 billion, up 3 per cent on the year-end December 2019. In the last 6 months the visitor economy in South Australia has grown from \$6.2 billion to \$8.3 billion, an increase of \$2.1 billion, driven by strong growth in interstate and international expenditure.

The latest results are exceptional and has meant South Australia has returned to pre-COVID levels 12 months ahead of our prediction of December 2023.

The \$8.3 billion at December year end was well above the predicted result of \$6.8 billion due to an exceptionally strong December quarter. These results also include 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 \$3.2 billion at year end December 2022, up \$581 million ahead of the pre-COVID record high of \$2.7 billion in December 2019. This result is well above the forecast model prediction of \$2.0 billion for interstate expenditure. Intrastate expenditure continues to be strong, reaching a record high \$2.8 billion and above the \$2.7 billion predicted in the SATC forecast model.

Along with the interstate and intrastate markets we have also seen growth in the international market. In only 3 months from the year end September 2022 to the year-end December 2022 this market grew from \$307m to \$519m, above the recovery year end December 2022 forecast of \$314 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.

## Value of Tourism in South Australia

Year ending December 2022 — Date: 5<sup>th</sup> April 2023

### National Visitor Survey December 2022

Expenditure (\$m)	Australia			South Australia			
	Year Ending Dec-19	Year Ending Dec-22	Change (%)	Year Ending Dec-19	Year Ending Dec-22	Change (%)	Market Share
Interstate (\$m)	\$ 37,405	\$ 45,560	↑ 22%	\$ 2,656	\$ 3,237	↑ 22%	7.1%
Intrastate (\$m)	\$ 43,287	\$ 55,698	↑ 29%	\$ 2,555	\$ 2,805	↑ 10%	5.0%
Day Trips (\$m)	\$ 26,338	\$ 29,024	↑ 10%	\$ 1,660	\$ 1,774	↑ 7%	6.1%
<b>Total Domestic</b>	<b>\$ 107,030</b>	<b>\$ 130,282</b>	<b>↑ 22%</b>	<b>\$ 6,871</b>	<b>\$ 7,816</b>	<b>↑ 14%</b>	<b>6.0%</b>

### Interstate

Interstate overnight expenditure was up 22 per cent on December 2019, with expenditure reaching a record high of \$3.2 billion for the 12 months to December 2022.

Interstate expenditure is well ahead of pre-COVID December 2019 and our COVID impact model prediction of \$2.0 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 June through to December 2022 conditions have been exceptionally strong with performance above pre-COVID.

While expenditure has been strong, the same cannot be said for interstate visitation, down 12 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 and now exceed pre-COVID levels. In the last quarter alone, SA saw an extra 214,000 visitors from Victoria and 132,000 from NSW.

### Intrastate

Intrastate overnight expenditure was up 10 per cent on December 2019, with a record high expenditure of \$2.8 billion for the 12 months to December 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 12 per cent on the year end 2019 results, another example of growth being fuelled by yield through the increased cost of travel.

This market will ease as South Australians feel more comfortable with interstate and international travel. This trend has been anticipated and factored into the COVID Impact Model.

### **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.

## Value of Tourism in South Australia

Year ending December 2022 — Date: 5<sup>th</sup> April 2023

### International Visitor Survey December 2022

	Australia			South Australia			
	Year Ending Dec-19	Year Ending Dec-22	Change (%)	Year Ending Dec-19	Year Ending Dec-22	Change (%)	Market Share
Visits (000s)	8,709	3,415	↓-61%	488	181	↓-63%	5.3%
Nights (000s)	274,477	126,098	↓-54%	10,938	5,526	↓-49%	4.4%
Expenditure (\$m)	31,438	12,742	↓-59%	1,206	519	↓-57%	4.1%

The international border has now been open for ten months through to December, and with this we have seen strong growth in this market. The latest results to December 2022 show that international expenditure in the last quarter has grown from \$307m to \$519 million, well above the recovery forecast of \$314 million but below the record high \$1.2 billion at December 2019. While 57 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 September 2019. We have also seen growth in the Business market, with visits and expenditure more than doubling from the September year end to the December 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

As outlined in those briefings, October, November and December saw a strong resurgence recovering to 125 per cent, 109 per cent and 112 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, 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 Adelaide 500, the Harvest Rock Festival and the T20 Cricket World Cup, driving visitation and hotel occupancy in Adelaide.

A range of tourism indicators, including Hotels data and Conference data point to a strong January and February 2023 as results continue to be above pre-COVID levels.