

CHINA STRATEGY 2030

STAFF SESSION

NOVEMBER 2019



INTRODUCTION

- Welcome Everyone
- Introductions
- Recent performance, opportunity and market deep dive
- China opportunity and challenges.
- Establish the top line themes
- Discussion of the above themes
- Wrap up of discussion and summary
- Next Steps



THE SA VISITOR ECONOMY | DRIVING DEMAND



Source: Tourism Research Australia, International Visitor Survey, National Visitor Survey year to June 2019 (latest available)

THE SA VISITOR ECONOMY | DRIVING DEMAND

38,900

JOB

↑ 7,700

18,000

BUSINESSES

INTERNATIONAL RESULTS JUNE 2019



CHINA

Visits +19% to 66,000
Expenditure -9% to \$378m



NORTH AMERICA

Visits -14% to 61,000
Expenditure -17% to \$80m



UNITED KINGDOM

Visits -16% to 60,000
Expenditure -13% to \$78m



SINGAPORE & MALAYSIA

Visits +0% to 27,000
Expenditure +14% to \$100m



CENTRAL EUROPE

Visits +5% to 38,000
Expenditure +12% to \$52m



NEW ZEALAND

Visits -10% to 39,000
Expenditure -26% to \$43m



FRANCE

Visits -2% to 15,000
Expenditure +40% to \$20m



ITALY

Visits +38% to 17,000
Expenditure +137% to \$24m



INDIA

Visits +69% to 19,000
Expenditure +66% to \$43m

EAST

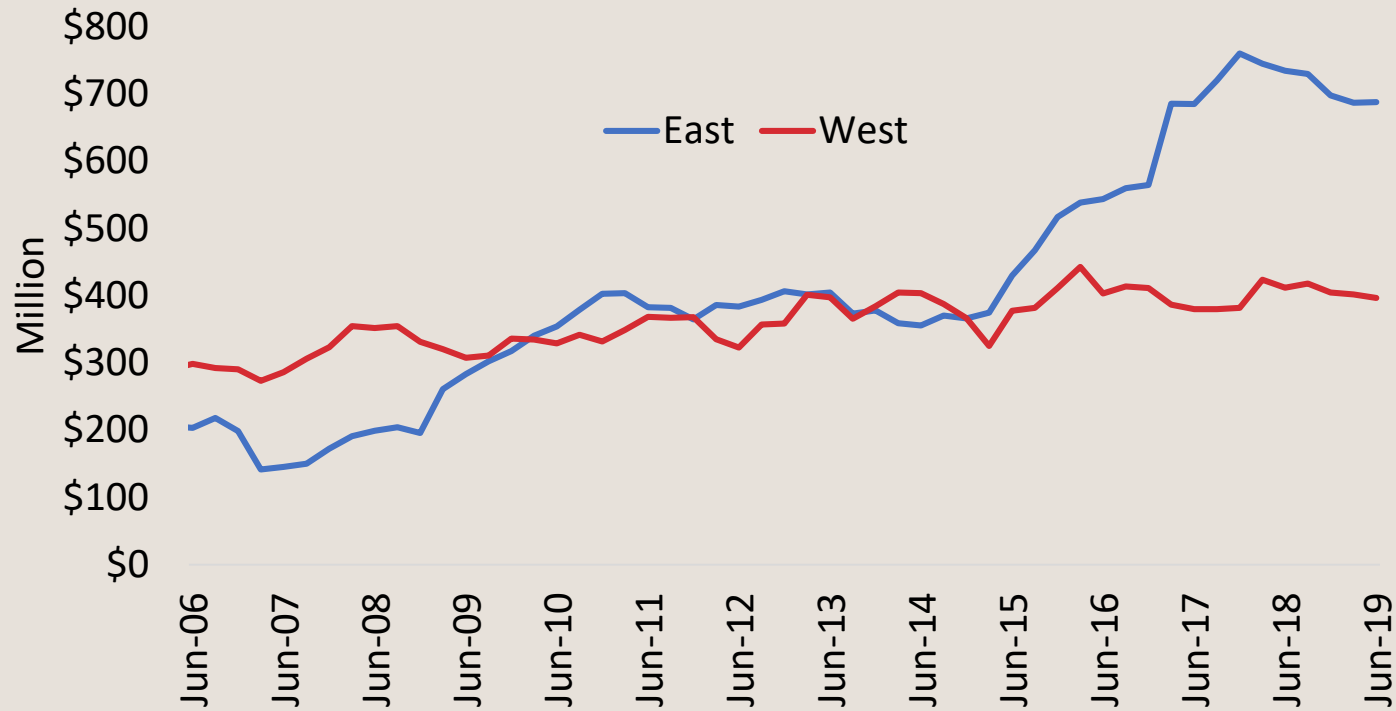
Visits +19% to 182,000
Expenditure -6% to \$687m

WEST

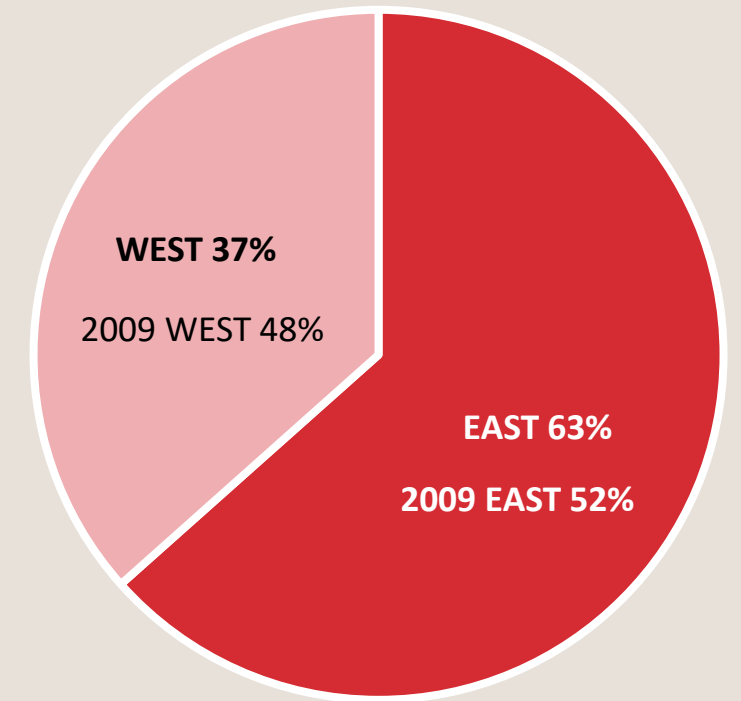
Visits -8% to 286,000
Expenditure -4% to \$396m

INTERNATIONAL RESULTS

EXPENDITURE OF THE EAST VERSUS THE WEST
2005 - 2019



SHARE OF EXPENDITURE BETWEEN
THE WEST AND THE EAST JUNE 2019



VISITOR ECONOMY SECTOR PLAN 2030

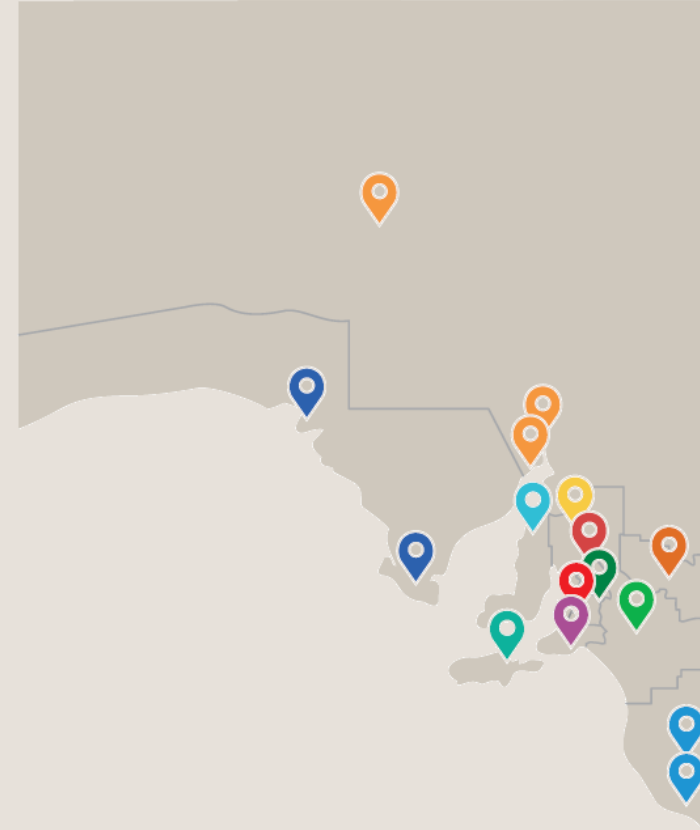
THE SOUTH AUSTRALIAN VISITOR ECONOMY SECTOR PLAN 2030

TOURISM.SA.GOV.AU



- Extensive consultation, as with the 2020 Plan.
- 700 stakeholders involved
- \$12.8b in visitor expenditure by 2030, ambitious 5.3% annual growth rate proposed
- Updates on the SATC Corporate Website.

WORKSHOP LOCATIONS



THE SA VISITOR ECONOMY SECTOR PLAN 2030 | PRIORITY ACTION AREAS

MARKETING



EXPERIENCE & SUPPLY DEVELOPMENT



COLLABORATION



INDUSTRY CAPABILITY



LEISURE & BUSINESS EVENTS



PROMOTING THE VALUE OF TOURISM



THE SA VISITOR ECONOMY | DRIVING DEMAND

\$12.8B

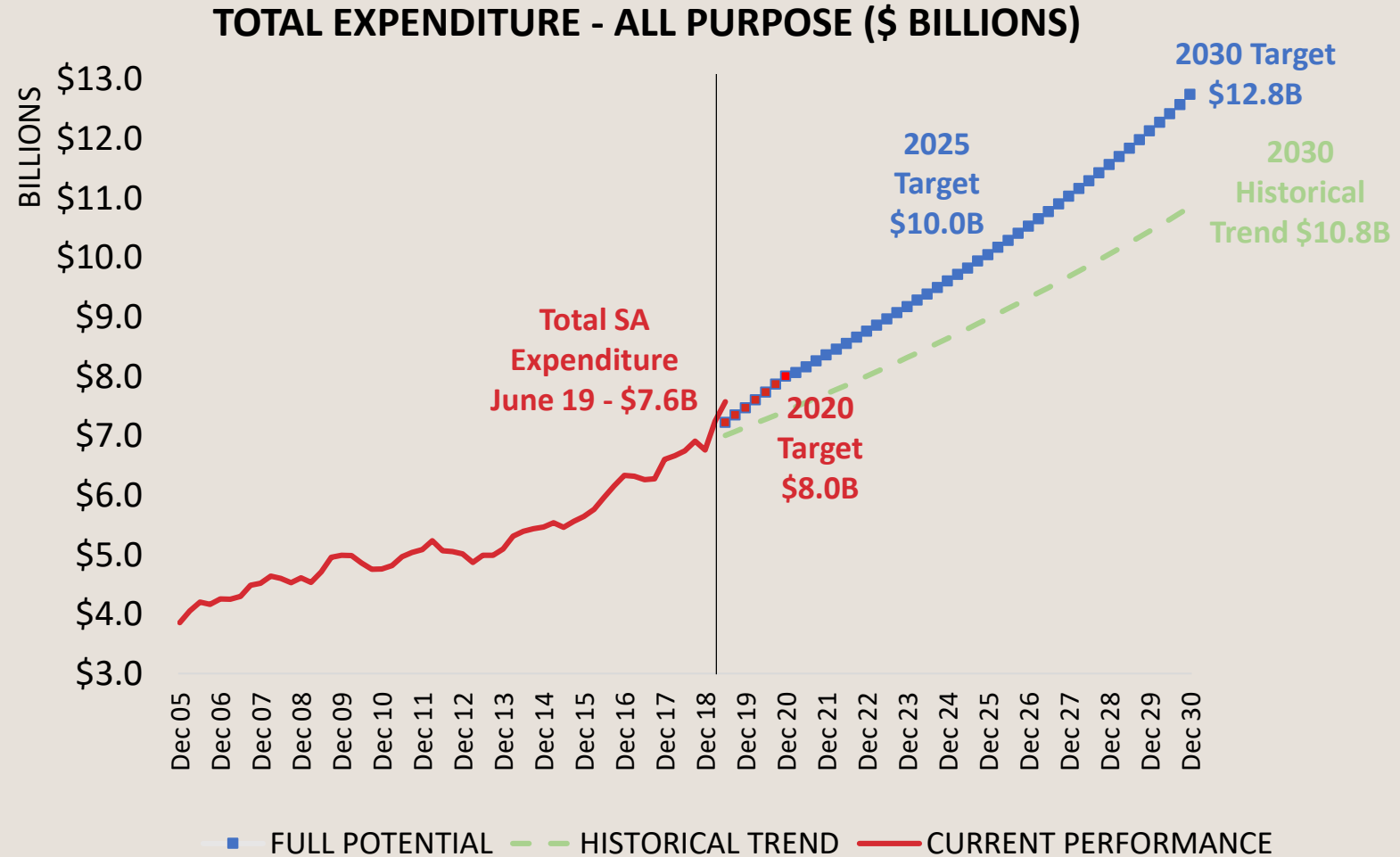
EXPENDITURE
TARGET BY 2030

16,000

ADDITIONAL JOBS

PROGRESS TO 2030 GOAL | JUNE 2019

- 2020 target \$8.0B
- June 2019 target \$7.2B
- Currently at \$7.6B
- Excellent Growth, ahead of June 2019 target
- 2030 target of \$12.8B
- 2025 target \$10.0B
- 16,000 jobs

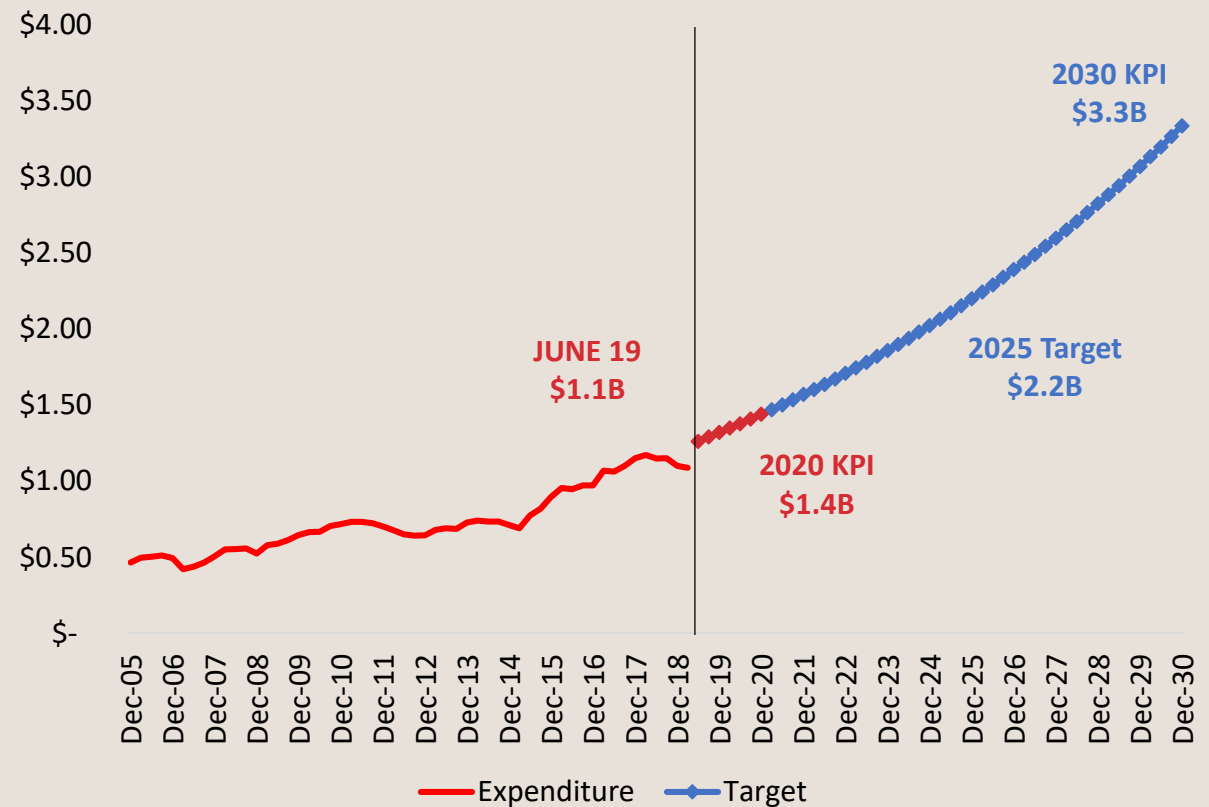


INTERNATIONAL PROGRESS TO 2030 GOAL

JUNE 2019

- 2020 Target \$1.4B
- June 2019 target \$1.2B
- Currently at \$1.1B
- Growth slowed, below the 2020 target
- 2030 target \$3.3B

INTERNATIONAL EXPENDITURE
SOUTH AUSTRALIA



CHINA



CHINA 2020

- 2020 Target \$375 - \$450M
- Currently \$378M
- Visitation target 57,000
- Currently at 66,000
- Currently number 1 international market for visits, nights and expenditure
- Growth rate for China from when the plan was set in 2013
 - Visitation 20 per cent per year
 - Expenditure 23 per cent per year (prediction was 16 per cent)



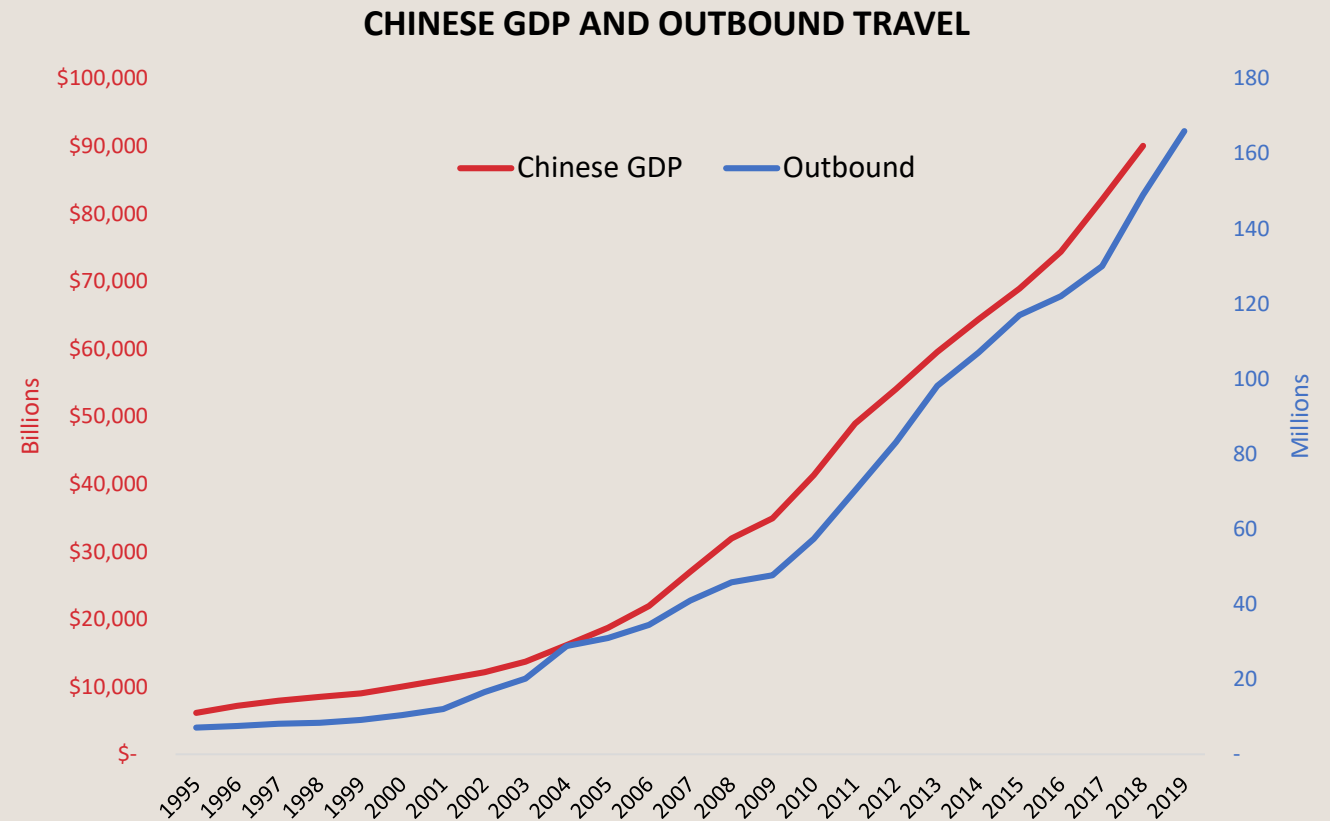
South Australian Tourism Commission
ACTIVATING CHINA - 2020



southaustralia.com

CHINA | ECONOMIC GROWTH

- Growth in GDP
- Population growth
- Urbanisation of the population
- Growing in wealth of Chinese middle class
- China is the largest source of outbound tourism expenditure



Data Source: Ministry of Culture and Tourism of People's Republic of China

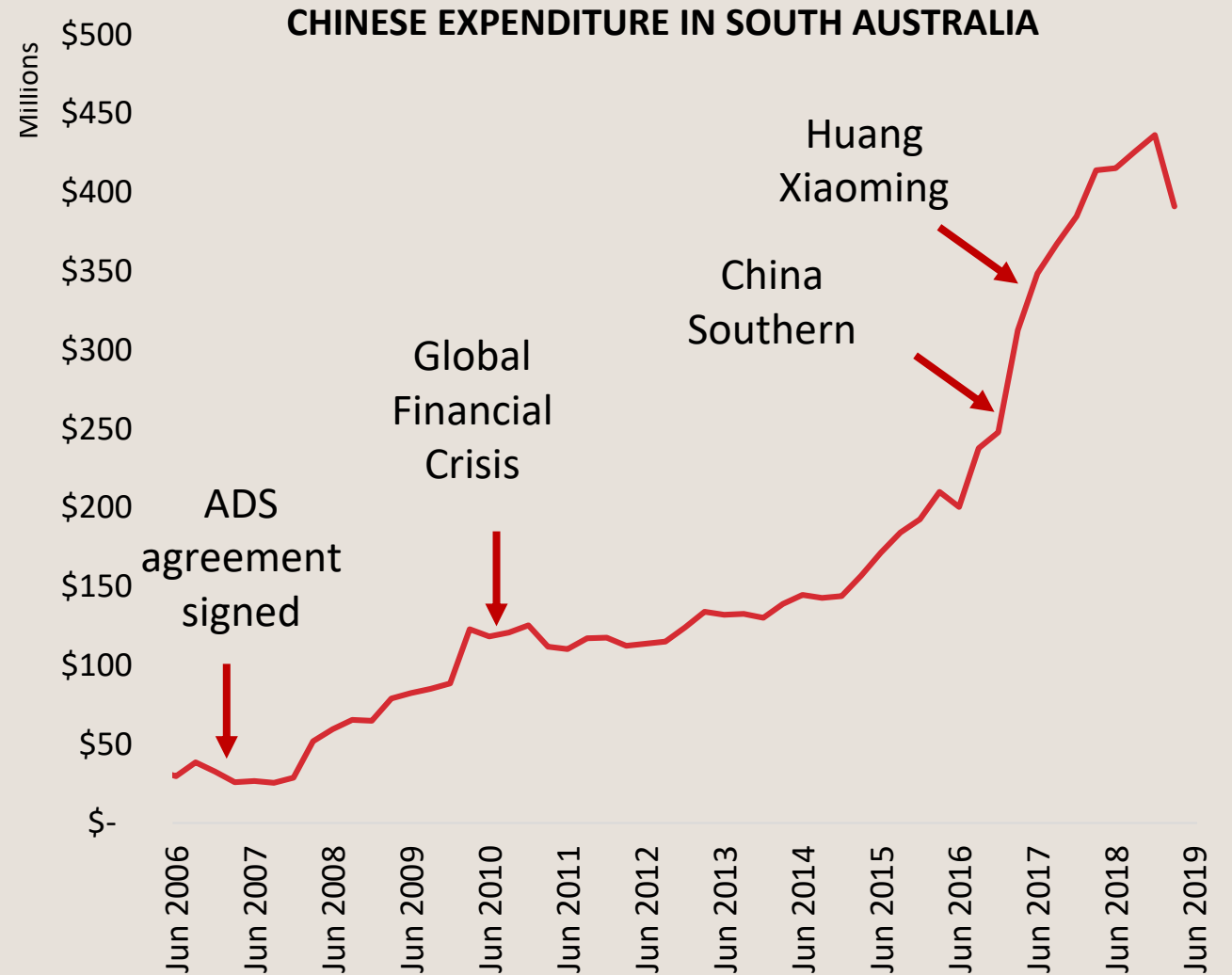
CHINA | OUTBOUND TRAVEL

- China is the largest source of outbound tourists in the world
- 10 years ago China accounted for 6 per cent of world wide tourism spend
- Today China accounts for 22 per cent of word wide tourism spend
- By 2030 this is predicated to rise to 30 per cent
- In 2011 30 per cent of outbound trips were out of region, now closer to 50 per cent



CHINA | EXPENDITURE

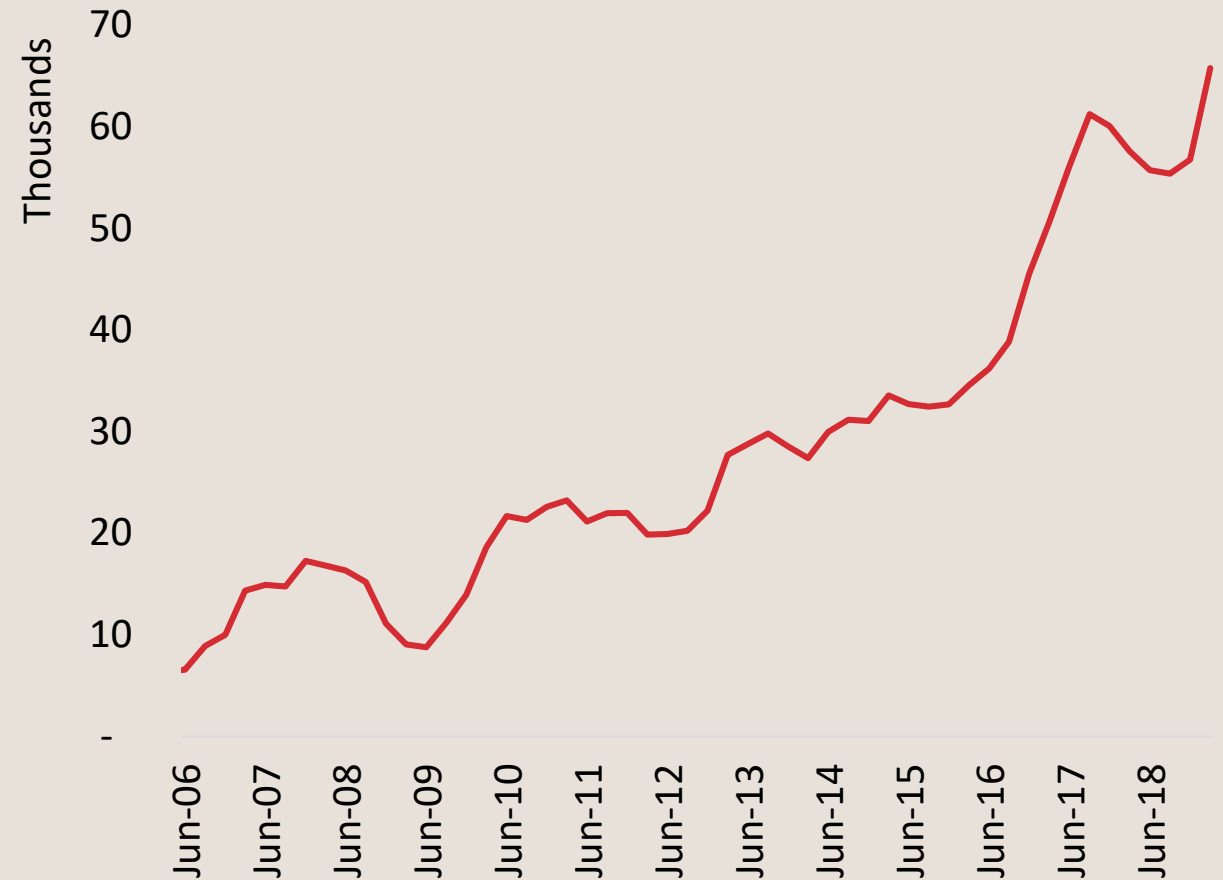
- Ongoing strong growth
- Not just Holiday visitors, but also Visiting Friends and Relatives, Business and Education purpose
- Our number 1 market
- Growth of 28 per cent per annum since 2005



CHINA | VISITATION

- Ongoing strong growth
- Our number 1 market
- Overtaken the United Kingdom as our number 1 market for all metrics
- Growth in leisure visitors
- Growth of 25 per cent per annum since 2005
- Big opportunity, but tailored product is critical

CHINESE VISITATION TO SOUTH AUSTRALIA

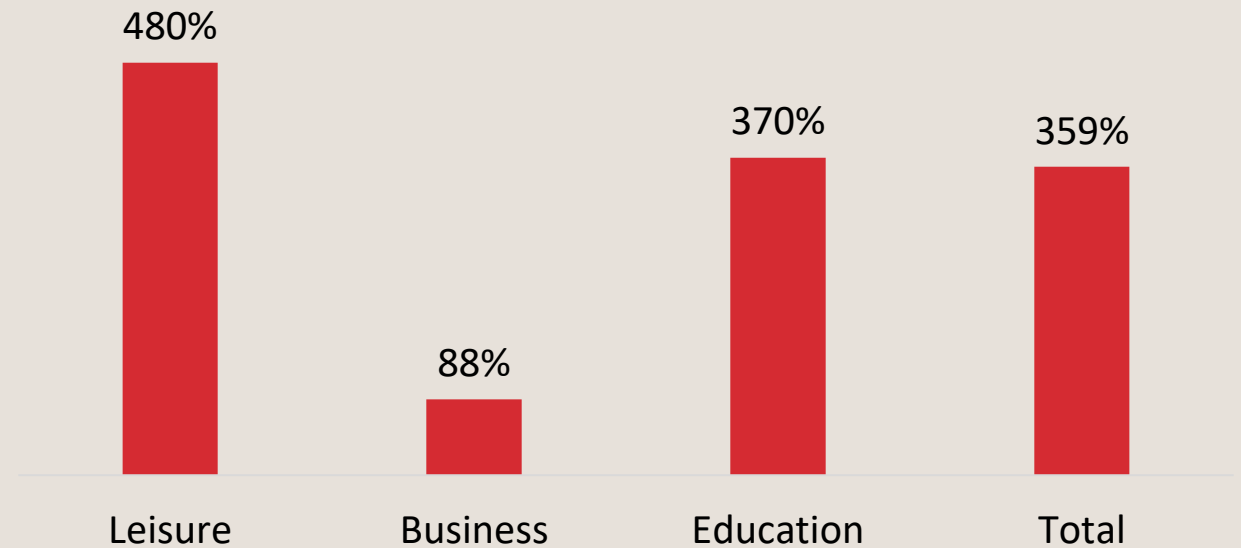


CHINA | PURPOSE

10 year growth rates

- Leisure expenditure has grown by 480 per cent
- Leisure visits up 1,300 per cent
- Over three quarters of visitors are here for leisure
- Education expenditure up 370 per cent
- Education visits up 216 per cent

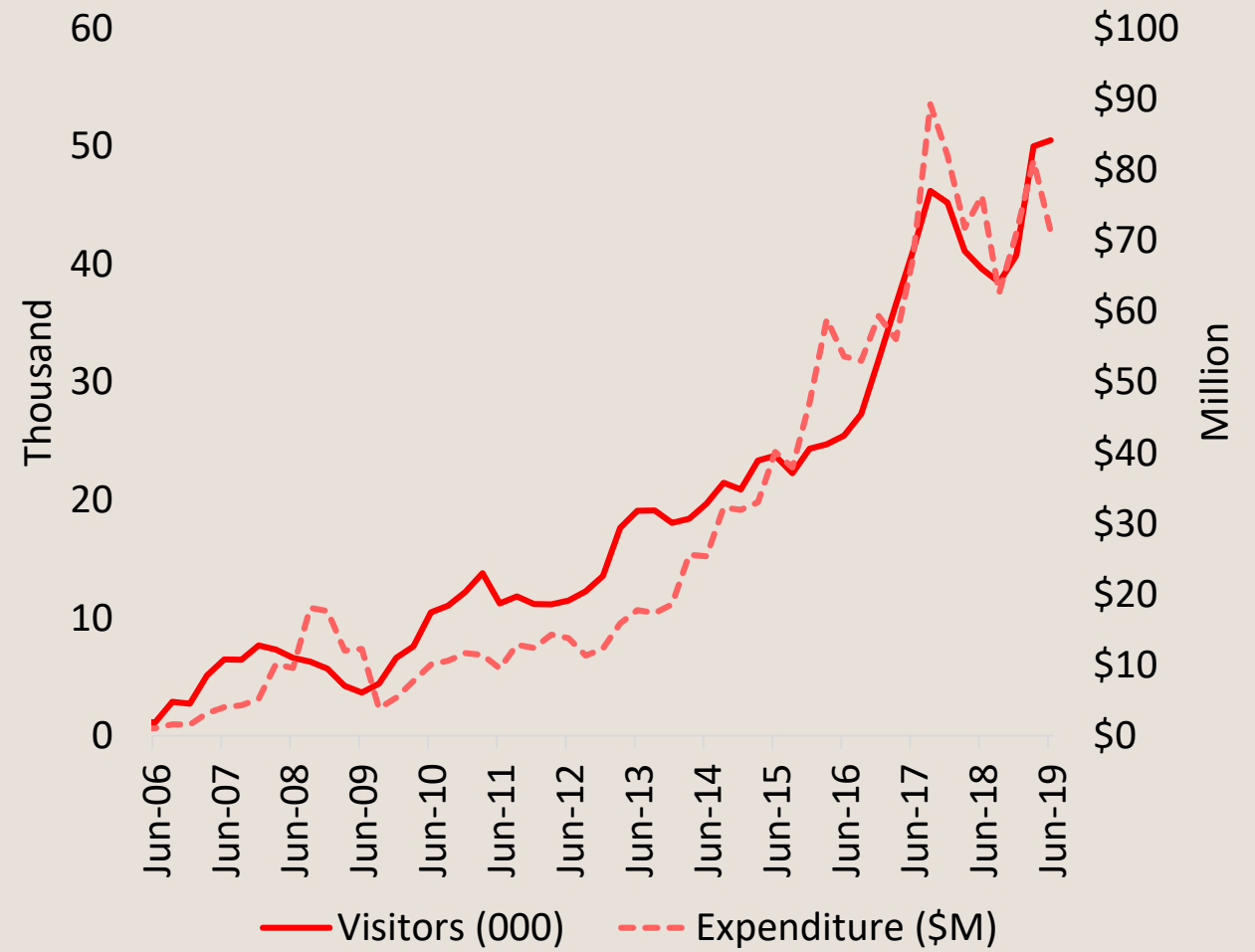
10 year expenditure growth by purpose
2009 - 2019



CHINA | LEISURE

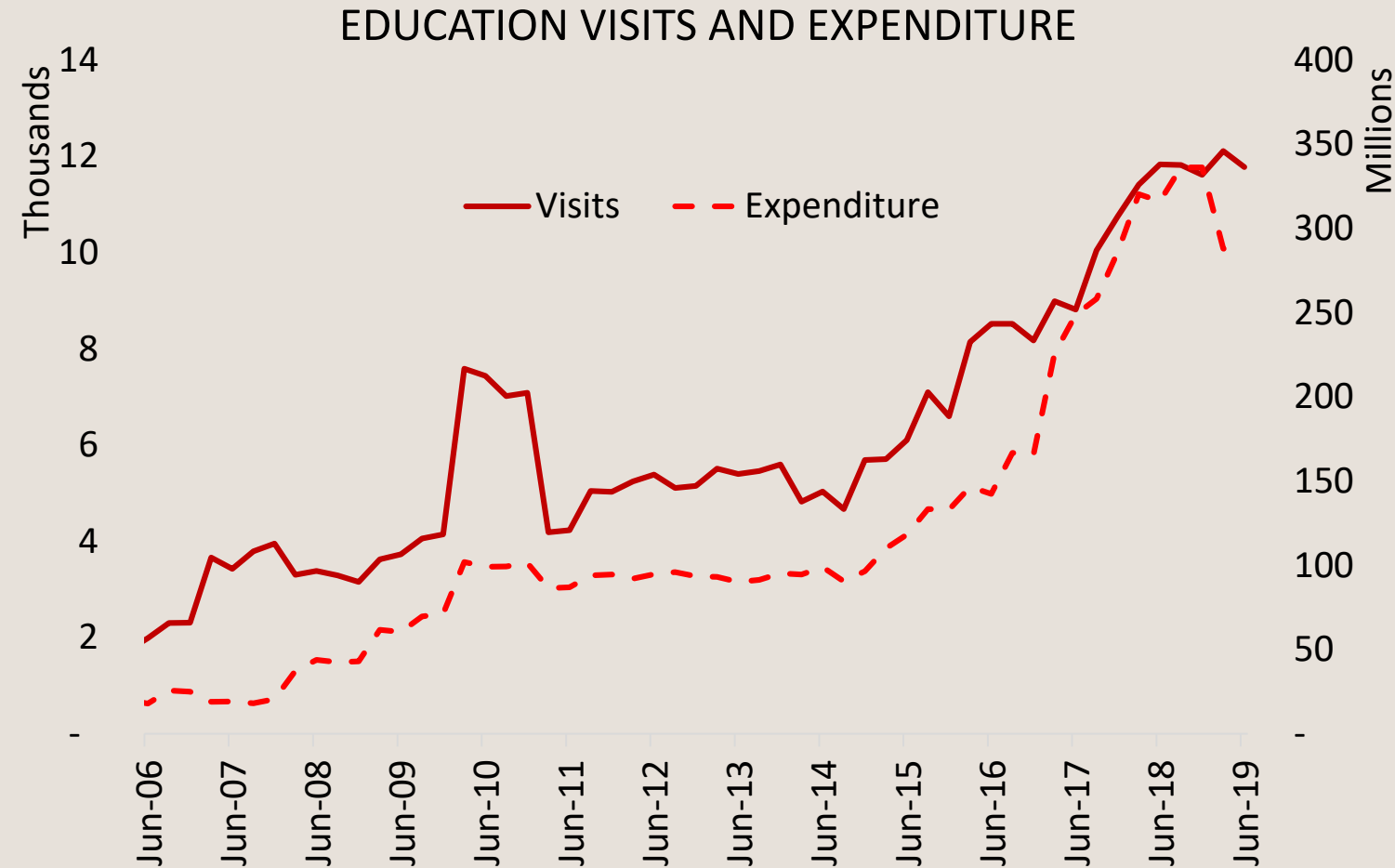
Leisure Visitation and Expenditure

- Strong growth
- Leisure expenditure has grown by 480 per cent
- Leisure visits up 1300 per cent
- Annual growth rate of 27 per cent for expenditure and 29 per cent for visits



CHINA | EDUCATION

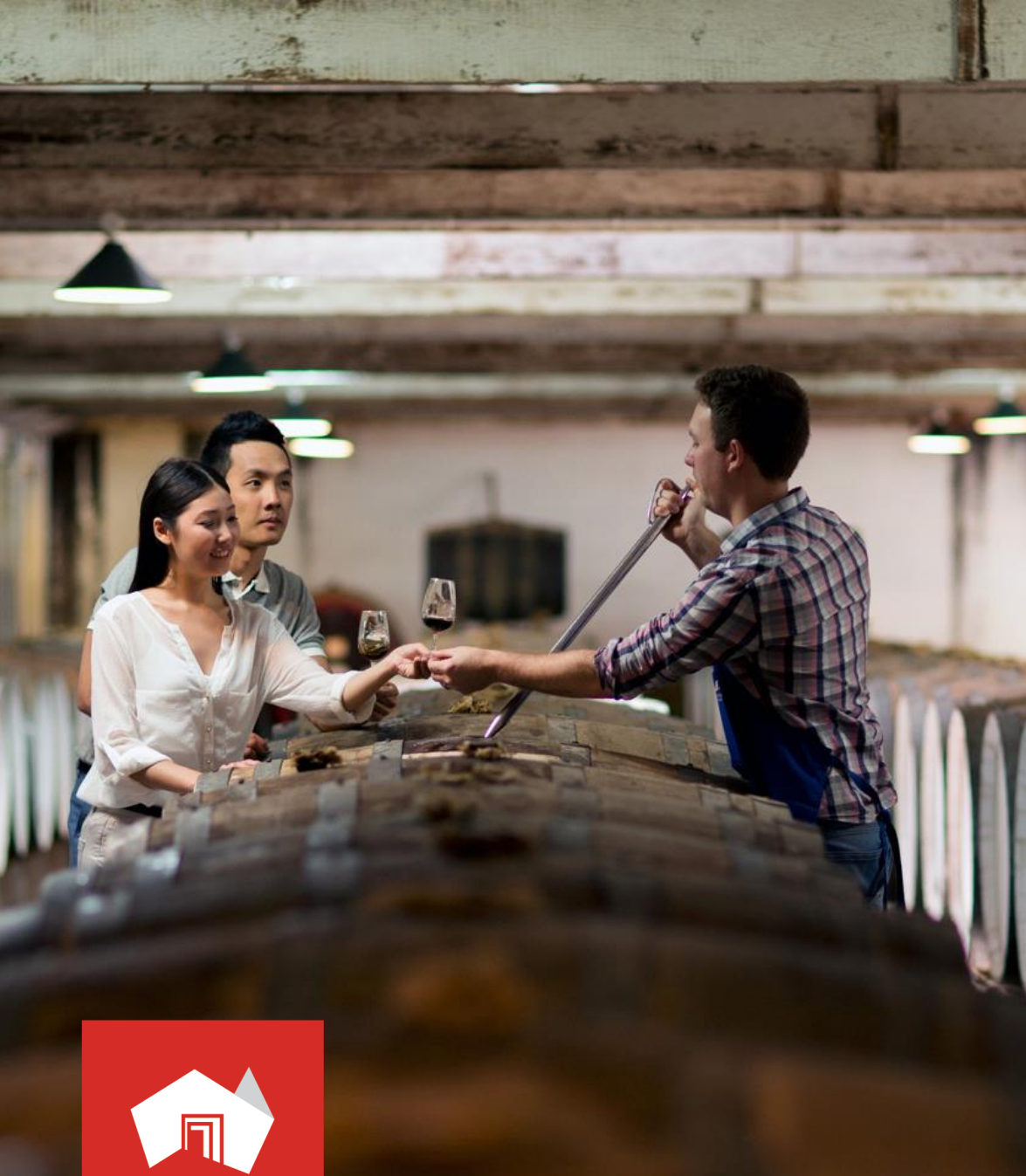
- 2009 43% of visits and 73% of expenditure
- 2019 18% visits and 75% of expenditure
- Decrease in education visitors
- Increase in yield per visitor
- Drop in less expensive Vocational Education and Training (VET) courses
- Increase in expensive university and post graduate courses



CHINA | ORIGIN

- 49 per cent Chinese visitors come from the Tier one cities of
 - Guangdong
 - Shanghai
 - Beijing
- 29 per cent come from Tier two cities
- 21 per cent from the Tier three cities





CHINA | DISPERSAL

- Low dispersal
- 96 per cent of Chinese visit Adelaide
- 22 per cent disperse into the regions
- 6 per cent to Kangaroo Island and 6 per cent to the Limestone Coast
- In 2009 99 per cent visited Adelaide, 11 per cent went into regions
- East prefer capital cities
- West more experienced traveller with greater dispersal

Growth rates to 2020

- International 8 per cent per annum from when the South Australian Tourism Plan 2020 was set
- China prediction was 16 per cent per annum
- Chinas actual growth rate was 20 per cent per annum

Growth rate to 2030

- International 8.8 per cent per annum
- China 12 per cent per annum to 2030

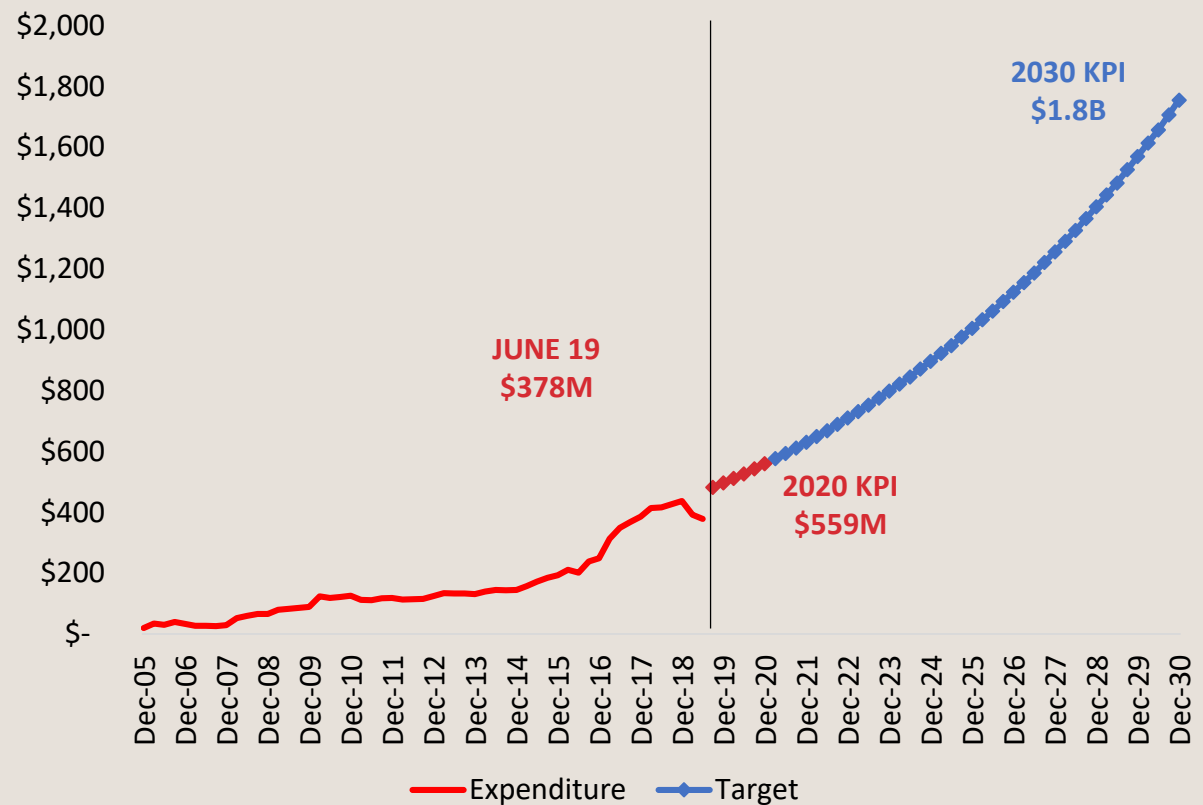


CHINESE PROGRESS TO 2030 GOAL

JUNE 2019

- Target 2020 \$559M
- Target June 2019 \$466M
- Currently at \$378M
- Growth has slowed
- Proposed 2025 target \$1.0B
- Proposed 2030 target \$1.8B

CHINESE EXPENDITURE
SOUTH AUSTRALIA



WORKSHOP

CHINA | SCHEDULE

KEY DATES

- October - 2019 Industry Forum
- November 2019 - Government and Internal Consultations
- February 2020 - Draft Document for Industry review
- May 2020 - Submitted to SATC Board for approval
- June 2020 - Launch of the China Strategy





SOUTH
AUSTRALIA