

SOUTH AUSTRALIA











The Value of Tourism

Pondalowie Bay, Yorke Peninsula

ADELAIDE
SOUTH AUSTRALIA

Government
of South Australia
South Australian
Tourism Commission

Year ending June 2022 — Date: 27th September 2022

\$	\$6.2b	Tourism Expenditure
	8.2k	International seats into Adelaide each week
	56k	International visitors
	72K	Domestic seats into Adelaide each week
	1.6M	Interstate visitors
	4.4M	Intrastate trips
	12.0M	Domestic day trips
	16k	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 August 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

Year ending June 2022 — Date: 27th September 2022

Total for year to June 2022

Expenditure (\$)	South Australia				Australia		
	Year Ending Dec-19	Year Ending Jun-22	Change %	Market Share	Year Ending Dec-19	Year Ending Jun-22	Change %
International (\$m)	1,206	272	-77%	3.6%	31,438	7,539	-76%
Interstate (\$m)	2,656	1,902	-28%	7.8%	37,405	24,453	-35%
Intrastate (\$m)	2,555	2,526	-1%	5.7%	43,287	44,596	3%
Day Trips (\$m)	1,660	1,517	-9%	7.4%	26,338	20,446	-22%
Total Expenditure (\$m)	8,077	6,216	-23%	6.4%	138,469	97,034	-30%

As has been standard for some time, the comparison period is the pre COVID December 2019 to better understand the full effect of the pandemic.

Total South Australian visitor expenditure for the year end June 2022 combining International and Domestic expenditure, came to \$6.2 billion, down 23 per cent on the year-end December 2019. While down, it was still ahead of the National result where expenditure has fallen 30 per cent, and also well ahead of the COVID low point of \$4.4 billion in the year to March 2021, showing that recovery is well and truly underway.

The \$6.2 billion at June year end was above the predicted result of \$6.1 billion due to stronger than expected conditions in late 2021, a strong recovery from Omicron and increased international spend since the borders opened in February 2022.

Intrastate expenditure continues to be strong even though slightly down on December 2019. This small decline was predicted by the SATC's COVID prediction model as South Australians look to travel interstate.

With the borders open we have seen interstate travel start to grow, reaching a new post-COVID high of \$1.9 billion. It remains down 28 per cent on the \$2.7 billion pre-COVID performance and ahead of national results where interstate spend is down 35 per cent.

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National Visitor Survey June 2022

Expenditure (\$m)	Australia			South Australia			
	Year Ending Dec-19	Year Ending Jun-22	Change (%)	Year Ending Dec-19	Year Ending Jun-22	Change (%)	Market Share
Interstate (\$m)	\$ 37,405	\$ 24,453	-35%	\$ 2,656	\$ 1,902	-28%	7.8%
Intrastate (\$m)	\$ 43,287	\$ 44,596	3%	\$ 2,555	\$ 2,526	-1%	5.7%
Day Trips (\$m)	\$ 26,338	\$ 20,446	-22%	\$ 1,660	\$ 1,517	-9%	7.4%
Total Domestic	\$ 107,030	\$ 89,495	-16%	\$ 6,871	\$ 5,944	-13%	6.6%

Interstate

Interstate overnight expenditure was down 28 per cent on December 2019, with expenditure reaching a post COVID high of \$1.9 billion for the 12 months to June 2022.

Even though interstate expenditure was down on December 2019 it was well ahead of our COVID impact model prediction of \$1.5 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 June 2022 conditions were uninterrupted with favourable travel conditions for this market.

As such, we have seen the market grow to a post COVID high on the back of the Great State Voucher initiative and the April School Holidays.

Intrastate

Intrastate overnight expenditure was down 1 per cent on December 2019, with expenditure of \$2.5 billion for the 12 months to June 2022.

As has been the case throughout the pandemic, Intrastate expenditure has fared much better in South Australia, however with the option to travel interstate we have seen a slight decline in this market which has now fallen just below the ambitious prediction of \$2.6 billion from the COVID Impact Model.

With the opening of interstate and international borders leading to a more competitive travel environment, intrastate travel is easing back from the all-time record of \$2.7 billion experienced in 2021. This trend has been anticipated and factored into our modelling.

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Day Trips

There were 12.0-million-day trip visitors with expenditure of \$1.5 billion in the year to June 2022, down 30 per cent and 9 per cent respectively on December 2019.

Day trip expenditure of \$1.5 billion was behind the COVID Impact Model prediction of \$1.8 billion.

Weakness in this market is potentially due to a consumer preference for overnight stays as a safer way to manage COVID risk.

Regional South Australia

Regional visitor expenditure (including international) came to \$3.4 billion, down 5 per cent on the record setting pre-COVID December 2019. Regions have been performing strongly, driven by the intrastate market.

This is in stark contrast to Adelaide where expenditure was down 38 per cent to \$2.8 billion. Prior to COVID, regions contributed 44 per cent of overall visitor expenditure and now contribute 55 per cent.

It is important to note that not all sectors of regional visitor economies have experienced these strong conditions, most notably tour and transport operators and experiences previously focussed on the international market.

International Visitor Survey June 2022

	Australia			South Australia			
	Year Ending Dec-19	Year Ending Jun-22	Change (%)	Year Ending Dec-19	Year Ending Jun-22	Change (%)	Market Share
Visits (000s)	8,709	1,105	-87%	488	56	-88%	5.1%
Nights (000s)	274,477	80,735	-71%	10,938	2,826	-74%	3.5%
Expenditure (\$m)	31,438	7,539	-76%	1,206	272	-77%	3.6%

There has been limited international visitation to South Australia in the 12 months to June 2022 with borders closed for all but 4 months of that period. This compares to the year end results for December 2019 where international expenditure reached a record high of \$1.2 billion.

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Since the international borders reopened in February, the international market has grown to \$272 million, up \$122 million on the March 2022 year end results of \$150 million. While this sharp increase shows there is an appetite to visit South Australia, international expenditure is still 77 per cent below pre-COVID levels.

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 Education market return to SA with visitation doubling from the March year end to the June year end.

As recovery to the international market has only just begun, it is 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, which you have already received as a separate briefing in early September.

As outlined in that briefing, April, May and June saw a strong resurgence recovering to 95 per cent, 97 per cent and 90 per cent of the same months in 2019. May was the strongest month since COVID began and if international expenditure was included it would have exceeded 2019 levels.

This has been driven by the Great State Voucher Rounds 7 and 8, strong interstate visitation, as well as Easter and the April school holidays.