



# SOUTH AUSTRALIAN TOURISM TRENDS

Overview  
 Summary  
**At a Glance**

**SUMMARY OF VISITOR ORIGIN – YEAR ENDED December 2008**

	Visitors	Nights
International	7%	27%
Interstate	34%	36%
Intrastate	59%	37%
Total*	100%	100%

Estimates may not add to 100% because of rounding

**INTERNATIONAL – YEAR ENDED December 2008**

	Visitors	Nights
Performance	Down 2% to 356,100 visitors	Little change ↓ 0.2% to 6,838,000 nights
Market Share	Down marginally from 7.0 % to <b>6.9 %</b>	Down from 4.3% to <b>4.1%</b>

**INTERSTATE – YEAR ENDED December 2008**

	Visitors	Nights
Performance	Down 10% to 1,818,000	Down 5% to 9,111,000
Market Share	Down from 8.3 % to <b>7.6%</b>	Rose from 7.2% to <b>7.4 %</b>

**INTRASTATE – YEAR ENDED December 2008**

	Visitors	Nights
Performance	Down 7% to 3,173,000	Up 1% to 9,543,000
Market Share	Down marginally from 6.9% to <b>6.8%</b>	Up from 6.1% to <b>6.4 %</b>

## Performance

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Over time, tourism activity is characterised by short-term fluctuations around a longer-term growth trend.

- It is clear that **international** markets both to South Australia and the rest of Australia suffered post September 11, 2001. The prevailing sense of uncertainty on many fronts (economic, political, social, environmental), ongoing international security issues, persistently weak global economy, the war in Iraq, SARS and concerns about potential pandemics all acted to dampen demand for travel world-wide and to Australia.
- However, 2004 saw arrivals to Australia bounce back, with growth fuelled by pent up demand, resulting in arrivals numbers to Australia surpassing the previous all-time high achieved just prior to S11.
- For South Australia, it took until 2006 for visitor numbers to surpass the previous high in 2001.
- South Australia was heavily affected in 2002 by the Ansett collapse and by the reluctance of international travellers to make long-haul flights. Unlike the eastern seaboard, our major markets are the long-haul markets of UK, Europe and North America (they accounted for nearly 74% of our visitors in 2001, compared to 36% nationally). In 2002, South Australia recorded its biggest falls in these markets.
- International visitor numbers to South Australia generally declined until June 2004, experienced strong growth June 2004 to March 2005. This recovery stalled in the June and September quarters 2005 but from December 2005 to June 2006 South Australia out performed the national average increase in visitor numbers in six of the seven quarters. Visitor numbers peaked at 275,200 in the 12 months ended June 2007.
- International visitor numbers to SA have generally declined in the last 18 months. Over the period to September 2008, a range of factors including the on-going appreciation of the \$A, oil price rises, translating into increased fuel surcharges, increasing concern related to carbon emissions and global economic uncertainty acted to make Australia less affordable and attractive in the face of increasing competition from attractive alternate destinations.
- In the last 3 months of 2008 and first months of 2009, a new set of factors such as the stock market crash, uncertainty in the global economy with the credit crunch (from the sub prime lending) and global recession balanced against a falling Australian dollar and falling oil prices began influencing international travel patterns.
- By the end of 2000, in our **domestic** markets, performance was above forecast. Adelaide Festival and Adelaide Fringe and the filling of Lake Eyre acted to boost demand. The year also saw some complex interactions such as the Olympics; GST & tax

## Performance

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reform implementation (from July 2000); new airline entrants; weakness of the \$A; the economy & consumer confidence all combining to affect domestic travel patterns and timing of travel.

- However, 2001 saw a downturn in domestic travel activity in South Australia (again not unexpected, when compared with the very strong performance for SA throughout most of 2000). Factors influencing performance in 2001 included no Adelaide Festival and Adelaide Fringe, effects of rising petrol prices in some areas of SA, GST, September 11 terrorist attacks, Ansett collapse and consequent disruption to air travel, consumer reaction to uncertain times.
- Our domestic markets in 2002 saw some mixed results for South Australia, although overall the performance was positive.
- In 2003, in line with national trends, intrastate travel was down in SA, however the year 2003 saw interstate visitors spending longer in SA with interstate nights spent in the state at all time high levels.
- Growth in interstate nights continued in the first quarter 2004 and at 11.5 million for the year ending March 2004, it was the first time SA broke the 11 million mark for interstate nights. SA recorded a particularly soft June quarter 2004 in terms of interstate nights and a poor September quarter in terms of both interstate visitors and nights, while interstate visitors and nights lifted in the December 2004 quarter on the mediocre December 2003 quarter.
- Calendar year 2005 saw a decline in travel activity. For South Australia the decline in total travel reflected the national experience, where a combination of factors, including high petrol prices, impacted negatively on travel in Australia. All States recorded decreases in overall visitors and nights in the 12 months ended December 2005.
- Factors contributing to the decline in overall domestic travel both nationally and in South Australia include higher levels of personal and household debt; changing household consumption patterns; Australians travelling outbound more; increased overall costs of domestic travel reducing affordability and competitiveness; changes in the labour market making travel more difficult; the growth in low cost air carriers; the price of petrol.
- There was some recovery nationally and in South Australia in domestic travel in 2006 and the first nine months of 2007 on the low results reported in the NVS in 2005 but this recovery generally stalled in the December quarter 2007. All states and territories recorded negative growth in 2008, in terms of overall domestic nights, compared with the previous year.

## Performance

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- Domestic overnight travel activity was extremely weak in 2008, with competition from outbound travel, high fuel prices and declining consumer confidence amongst the many increased barriers influencing domestic travel over most of the period.
- It is still unclear how the changed (from September 2008) operating environment will impact on domestic travel behaviour. Although any weakening in the domestic economy will act to reduce domestic travel, consumers may substitute a domestic holiday for overseas travel and in the current uncertain climate, holidaying close to home is attractive. The previously declining drive tourism market could be stimulated by interest rate decreases, a halt to the rise in fuel prices and a lower exchange rate.

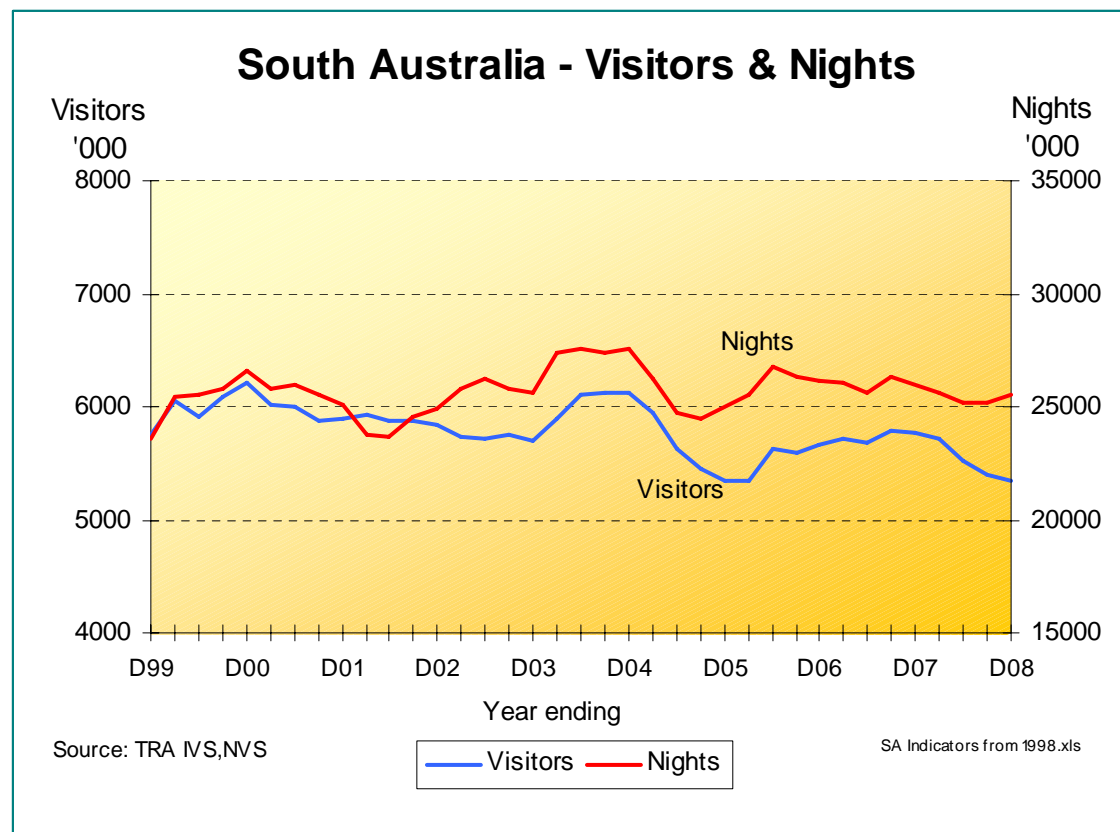
Industry Indicator  
Overall Tourism Industry Indicator  
**Performance Overall**

**Short term**

- In the 12 months ended December 2008, South Australia received around 5.3 million 'visitors' and 25.5 million 'nights'.
- Overall total visitors were down 7% (international and domestic both down).
- Overall total visitor nights were down 2% (international nights down marginally 0.2%, interstate nights down 5%, intrastate nights up 0.5%).
- South Australians travelling in their own State accounted for 37% of the nights, visitors from interstate 36% and international visitors 27% of the nights.

**Long Term**

- Over the period 1999 to December 2008, the average annual growth in visitors to/within SA was -0.8% compared with the national average annual growth of -0.2%.
- Over the same period, average annual growth in visitor nights nationally was 1.2 % and in SA was 0.9%.
- Our share of all visitors to/within the State fell from 7.5% in 1999 to 7.1% in the 12 months ended December 2008 and overall nights' share fell from 6.0% to 5.8%.



## Industry Indicator

### Overall Tourism Industry Indicator

# Markets –International

### Short term

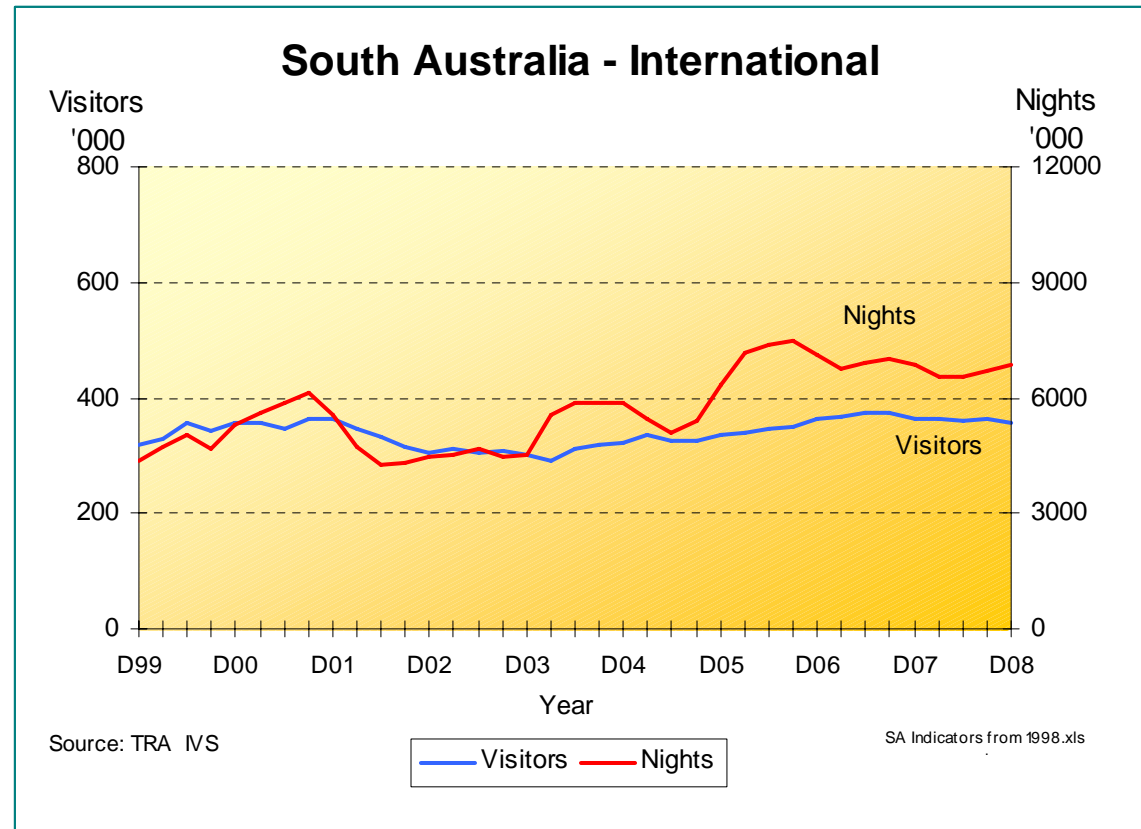
- Latest figures for 12 months ending December 2008 show that South Australia attracted 356,100 international visitors and around 6.8 million international visitor nights.
- This was a fall of 2% in numbers and a very small decrease of 0.2% in nights on the 12 months ended December 2007 result.
- Our 'market share' (the proportion of overseas visitors to Australia who visit SA) was 6.9 %; our share of nights was 4.1 %.

### Most recent

- Visitor numbers have fallen in the last two December quarters (07 and 08), compared to the December quarter in 2006. Prior to Sept qtr 2007, SA out performed the national average increase in visitor numbers in 6 of the previous 7 qtrs. Nights increased in the last two quarters of 2008 on the equivalent quarters of the previous year.

### Long Term

- Over the period 1999 to 2008, the average annual growth rate in visitor numbers to SA was 1.2% p.a., lagging the national growth rate of 2.5% and the average annual growth in nights at 5.2% p.a. was just below the national growth of 5.7% pa.



Update March 2009  
Data released 11<sup>th</sup> March 2009

## Industry Indicator

### Overall Tourism Industry Indicator

## Markets –Interstate

### Short term

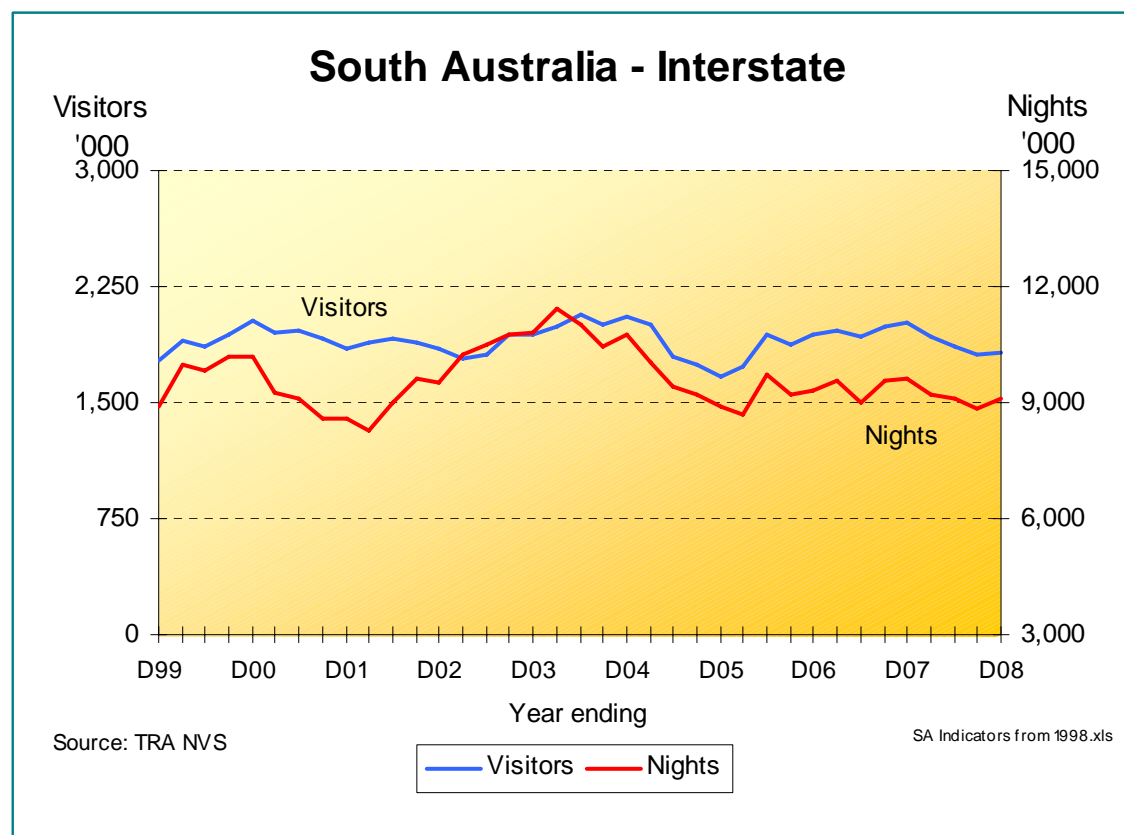
- In the 12 months to December 2008, SA received 1.8 million (1,818,000) interstate visitors spending 9.1 million (9,111,000) nights in the state.
- This was a decrease of 10% in interstate visitor numbers (compared with a 3% fall nationally).
- Interstate nights declined 5% for SA compared with an 8% fall nationally.

### Most recent

- Vic, SA, NT and ACT recorded increased interstate visitors in the December 2008 quarter compared with the December quarter 2007. SA recorded the highest increase (12%) in interstate nights in the December quarter 2008 over the December quarter 2007.

### Long Term

- Interstate travel demand (in terms of nights) peaked in South Australia in the 12 months ended March 2004.
- From 1999 to December 2008 the average annual growth rate in interstate visitors to SA was 0.2% (nationally 1.4%) and average annual growth in interstate nights in SA was 0.3%, compared with a decline in the national average annual growth rate of -0.1%.



Update: March 2009  
Data released 18<sup>th</sup> March 2009

## Industry Indicator

### Overall Tourism Industry Indicator

## Markets - Intrastate

### Short term

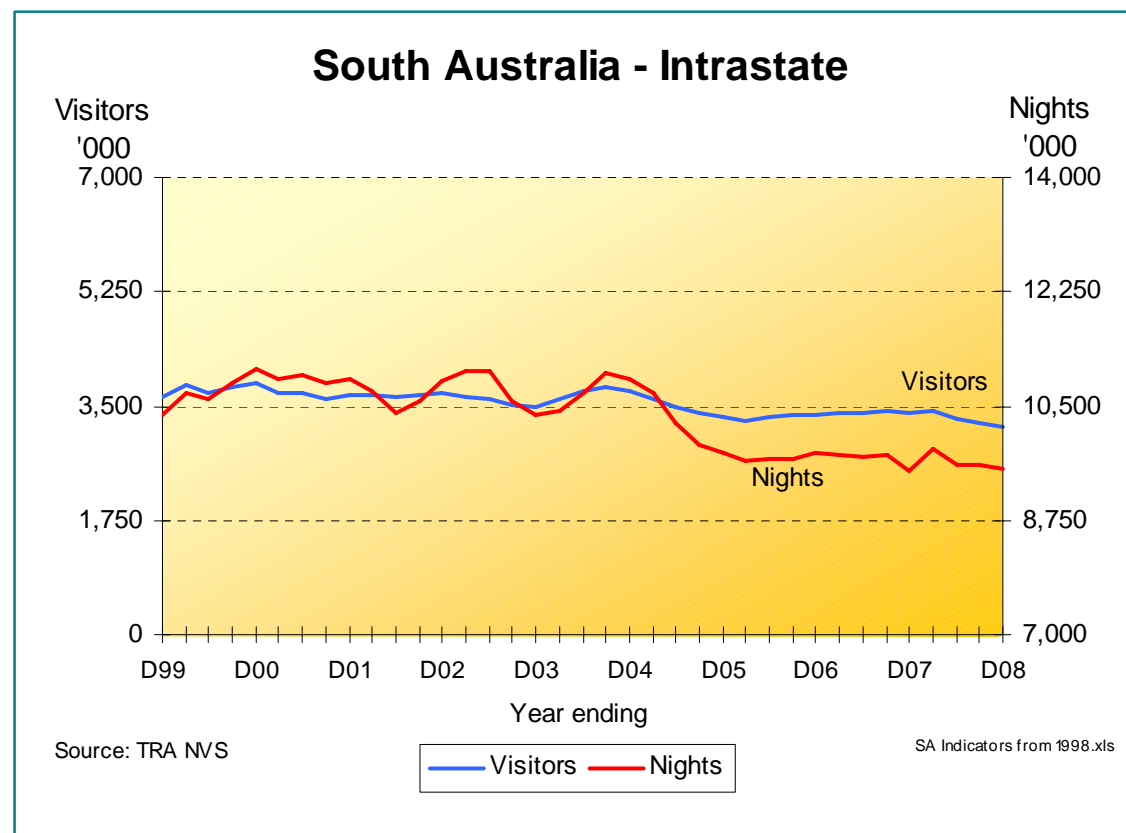
- In the 12 months ending December 2008, intrastate markets generated 3.2 million (3,173,000) 'visitors' in South Australia spending 9.5 million (9,543,000) nights in the State.
- SA intrastate 'visitors' were down 7% compared with a 5% decline nationally.
- Intrastate nights were up 1% in South Australia, compared with a fall of 4% nationally.

### Most recent

- SA intrastate visitors were down 7% in the December quarter 2008 over the December quarter 2007 and nights fell 3%.
- All states (except Qld) recorded falls in intrastate visitors and nights in the December quarter 2008 over December quarter 2007.

### Long Term

- Over the period 1999 to December 2008 the average annual growth rate for intrastate visitors in SA was minus 1.5% (nationally minus 1.2%). The average annual growth rate for nights was minus 0.9% in SA and minus 1.5% pa nationally.
- The number of intrastate visitors and nights was lower in the 12 months ended December 2008 than in 1999 for all the States.



Update: March 2009  
Data released 18<sup>th</sup> March 2009

## Industry Indicator

### Overall Tourism Industry Indicator

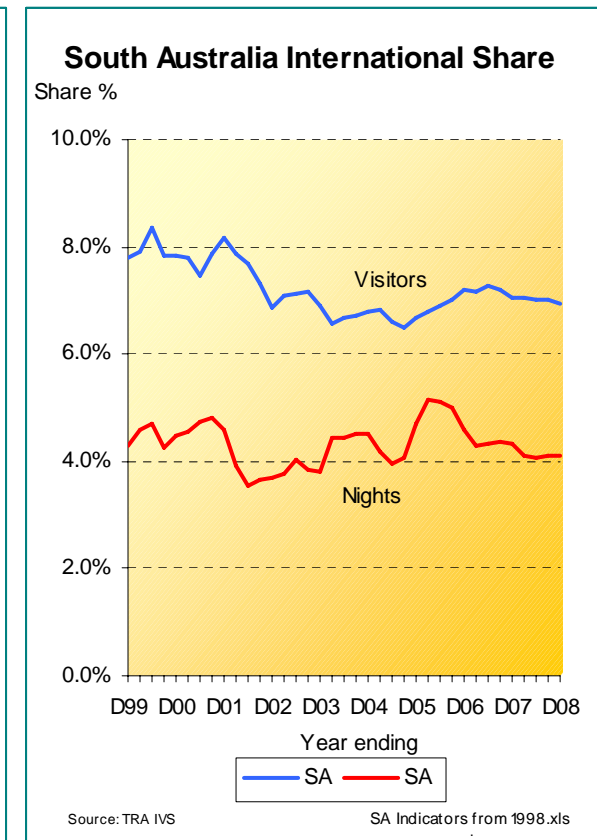
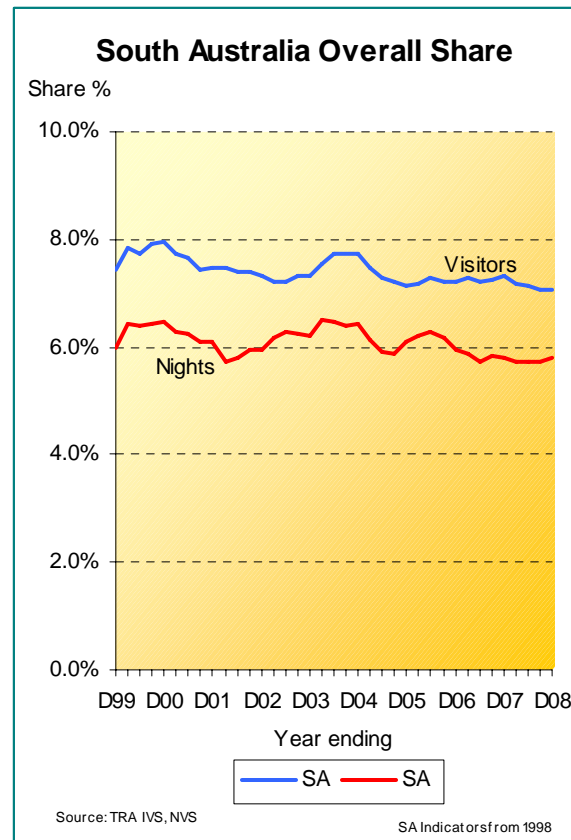
# Share – Overall and International

#### Short term

- **Overall** share of visitors was 7.1% for the year ended December 2008. Share of nights was 5.8% over the same period.
- “Share” of **international** visitors was 6.9% in the 12 months ended December 2008, down from 7.0% December 2007. Share of nights was 4.1% in December 2008, down from 4.3% in the 12 months ended December 2007.

#### Long Term

- Since 1999, SA's **overall** share of visitors has ranged from 7.2% in early 1999 to 7.9% at the end of 2000. Our overall share of nights has ranged from 6.5% in early 2000 and again in mid 2004, to 5.7% in early 2002 and currently 5.8%.
- Since 1999, our **international** visitor “share” has generally declined. In 1999 our nights’ share was 4.3%, this rose to 4.8% in the 12 months ended Sept 2001, declined to 3.6% in 2001-02 and rose again to a high of 5.2% in 12 months ended March 2006. It has since declined to 4.1% in 2008.



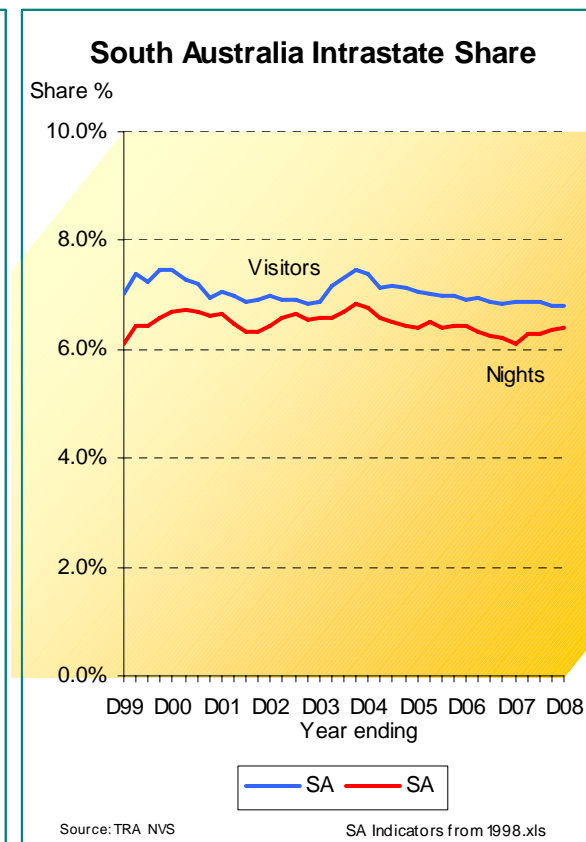
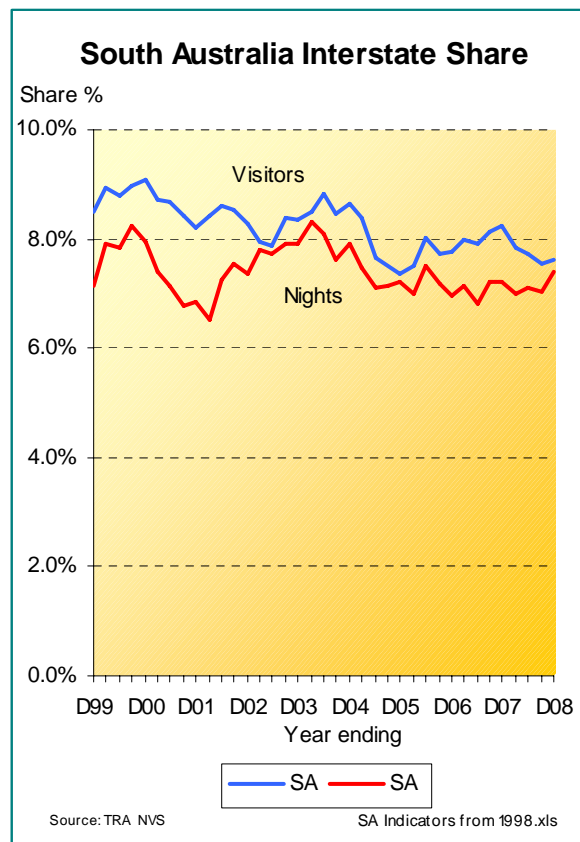
Industry Indicator  
Overall Tourism Industry Indicator  
**Share - Domestic**

**Short term**

- Share of **interstate** visitors was 7.6% in the 12 months ended December 2008, down from 8.3% the 12 months ended December 2007. Share of nights was 7.4% up from 7.2% last year.
- Share of **intrastate** visitors was 6.8%, just down from 6.9%. Share of intrastate visitor nights was 6.4%, up from 6.1% in 2007.

**Long Term**

- **Interstate** share of visitors was 8.5% in 1999. Our share of visitors trended up to the end of 2000 (9.1%), generally trended down to mid 2003 (7.9%) before trending up to mid 2004. After a slump in 2005 a small upward lift to 2007 but falling again in 2008.
- In 1999, our share of interstate nights was 7.2%. Our share of nights lifted in 2000, then declined throughout 2001. Nights' share recovered from June 2002 until March 2004, however, generally trending until mid 2007.
- **Intrastate** share of visitors was 7.0% in 1999. Intrastate share trended up to the end of 2000 (7.5%), then declined to end 2003 (6.9%) & recovered to Sept 2004 (7.5%), decline since.
- Intrastate nights share generally trended up from 6.1% in 1999 to 6.7% in mid 2001, then downturn to mid 2002, recovery to Dec 2004. Decline to 6.1% in 2005 currently 6.4%.



Update: March 2009  
Data released 18<sup>th</sup> March 2009

## Industry Indicator

### Overall Tourism Industry Indicator

# Purpose of Visit - International

## Short term

Comparing international nights spent in SA by stopover reason for visit for the 12 months ended December 2008 with the previous year:

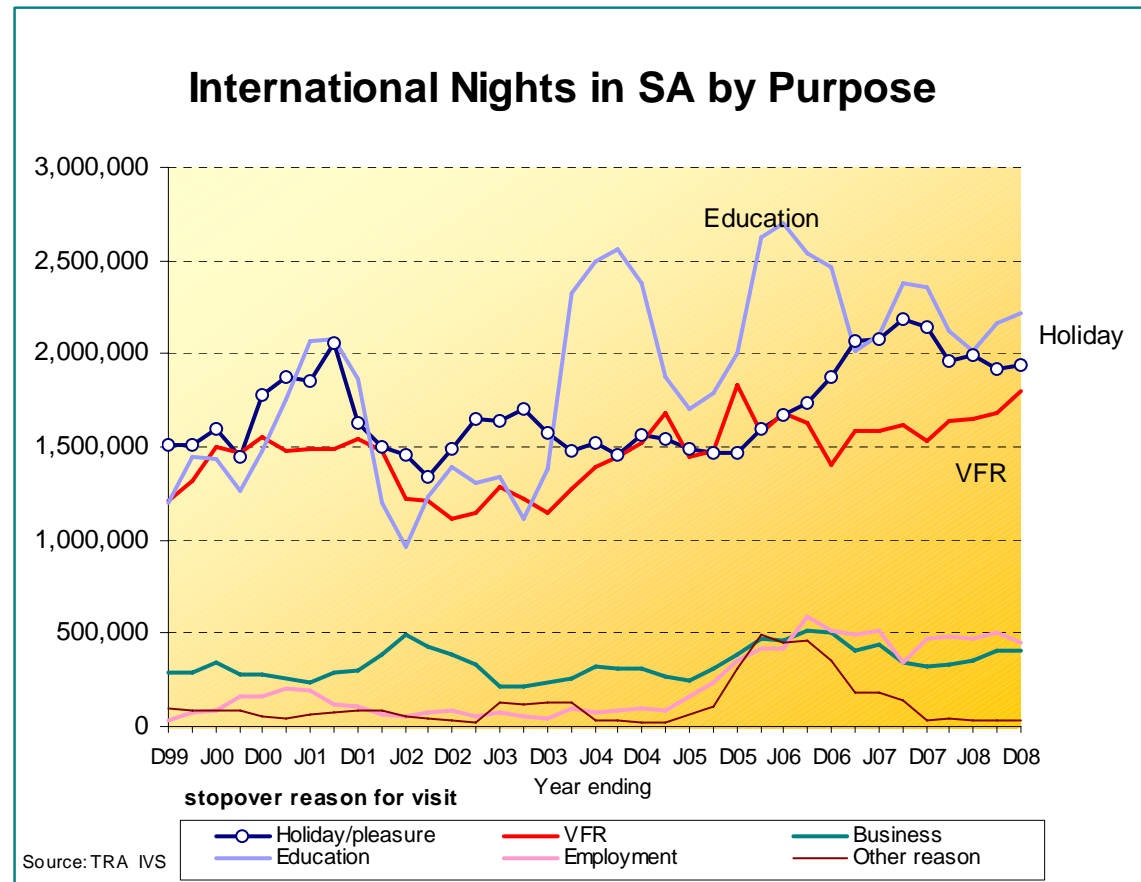
- Overall, international nights in South Australia were down 0.2% compared with a 6% rise nationally.
- Holiday\* purpose nights in SA were down 9%, VFR nights were up 17%, business nights up 27%. Education nights down 6%.

## Long Term

- The number of nights spent in SA by holiday purpose visitors first peaked in the 12 months ended Sept '01. Steady recovery from March 2006 to a new peak in 2007, but declined since. VFR nights declined throughout 2002, recovery to 2005 but decline/flat to 2007, lifting in 2008.
- Education\*\* nights fell from a high in the year ending June 2001 to a low in the 12 months to June 2002. Rose again until the year ended September 2004 result, then fall until a strong 'recovery' Sept 05 to June 2006, followed by a fall and small recovery to Sept 07. Erratic since.

\*caution should be exercised in quoting % changes by individual purpose.

\*\*Education nights show lumpy changes as long stayers and nights allocated to quarter leave Australia – overall upward trend.



Update: March 2009  
Data released 11<sup>th</sup> March 2009

## Industry Indicator

### Overall Tourism Industry Indicator

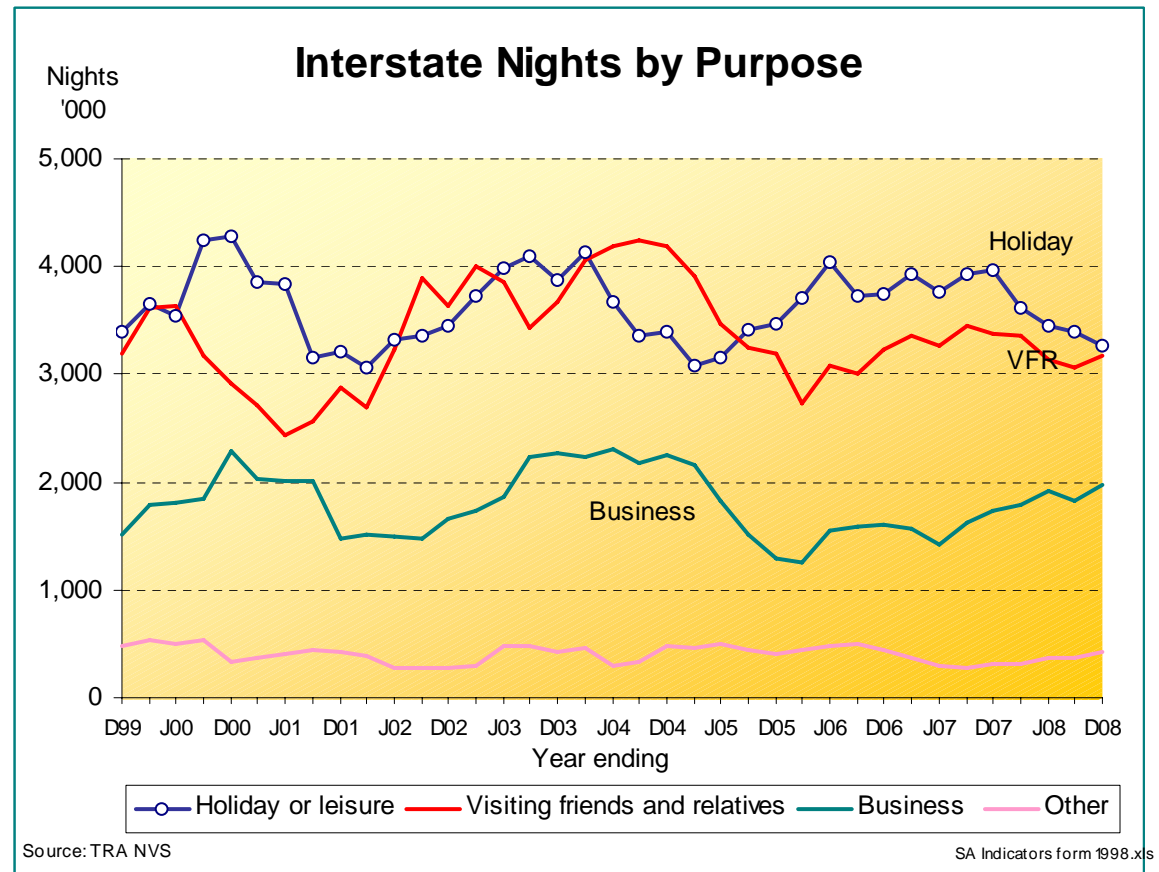
# Purpose of Visit - Interstate

## Short term

Year ended December 2008 compared with year ending December 2007.

- Overall, interstate nights were down 5% in South Australia compared with a fall of 8% nationally.
- Interstate holiday/leisure visitors to SA were down 21%, nights down 18%.
- Interstate VFR visitors down 5%, nights down 6% on a year ago.
- Interstate business visitors to SA were down 1% and nights were up 14%
- Other purpose visitors were down and nights were up.
- Purpose of visit not asked (21 or more stopovers) visitors were down and nights were up (representing the extended touring market).

\* caution should be exercised in quoting % changes by individual purpose.



Update: March 2009  
Data released 18<sup>th</sup> March 2009

## Industry Indicator

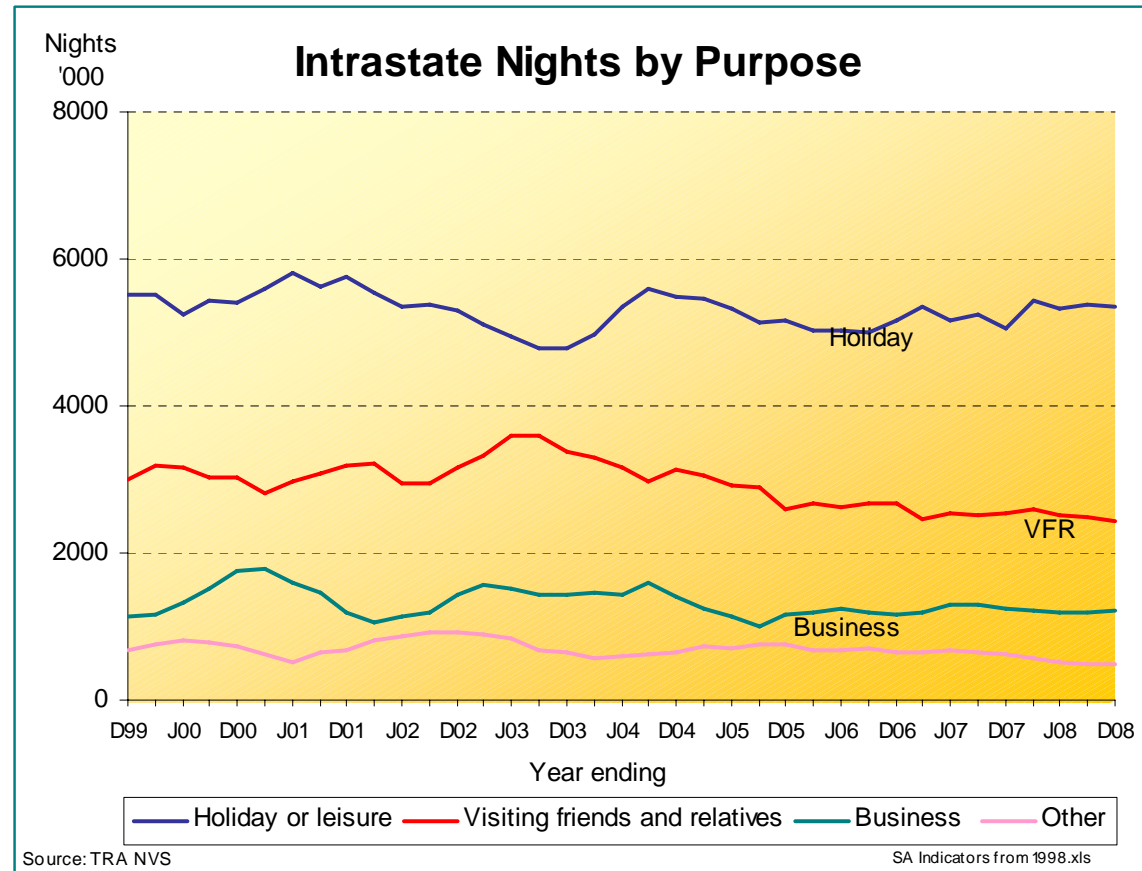
Overall Tourism Industry Indicator

# Purpose of visit - Intrastate

### Short term

Year ended December 2008 compared with year ended December 2007.

- Overall intrastate nights in SA were up 1%, while nationally down 4%.
- Intrastate holiday/leisure visitors in SA down 2% and nights up 5%.
- Intrastate VFR visitors down 8% and nights in SA down 4%.
- Intrastate business visitors down 13% and nights in SA down 2%.
- Other purpose visitors were down and nights down.
- Purpose of visit not asked (21 or more stopovers) visitors and nights up.

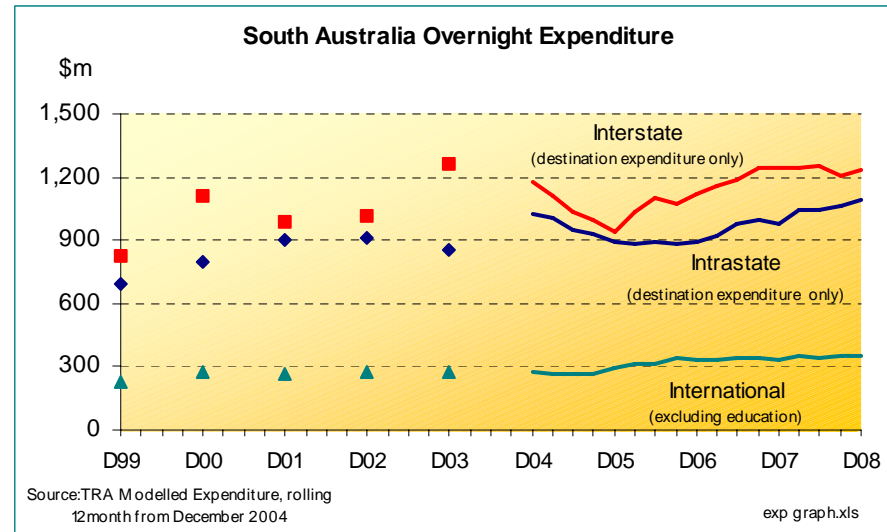
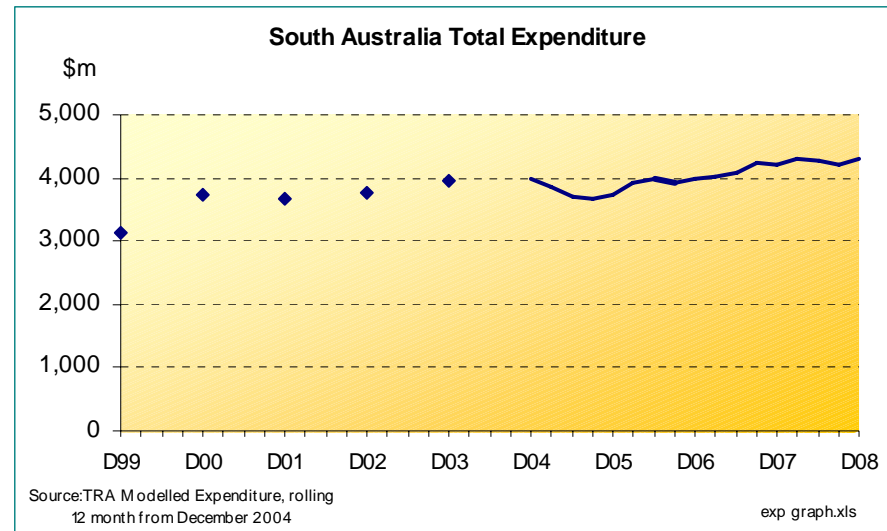


Industry Indicator  
Overall Tourism Industry Indicator  
**Expenditure**

**Short term**

- Total travel expenditure in South Australia for the 12 months ended December 2008 was \$4.3 billion, up 2% on the previous year.
- Domestic overnight expenditure was \$2.9 billion up 3% on a year ago. Domestic day trip expenditure was \$893 million, down 2% on the previous 12-month period.
- Intrastate (destination only expenditure) increased 11% and interstate (destination only expenditure) declined 1% on the previous year respectively.
- Expenditure by international visitors accounted for 12% of total travel expenditure in SA in 2008.
- International expenditure (including education) rose 9%
- Expenditure by international visitors (excluding education purpose visitors) was up 4%.

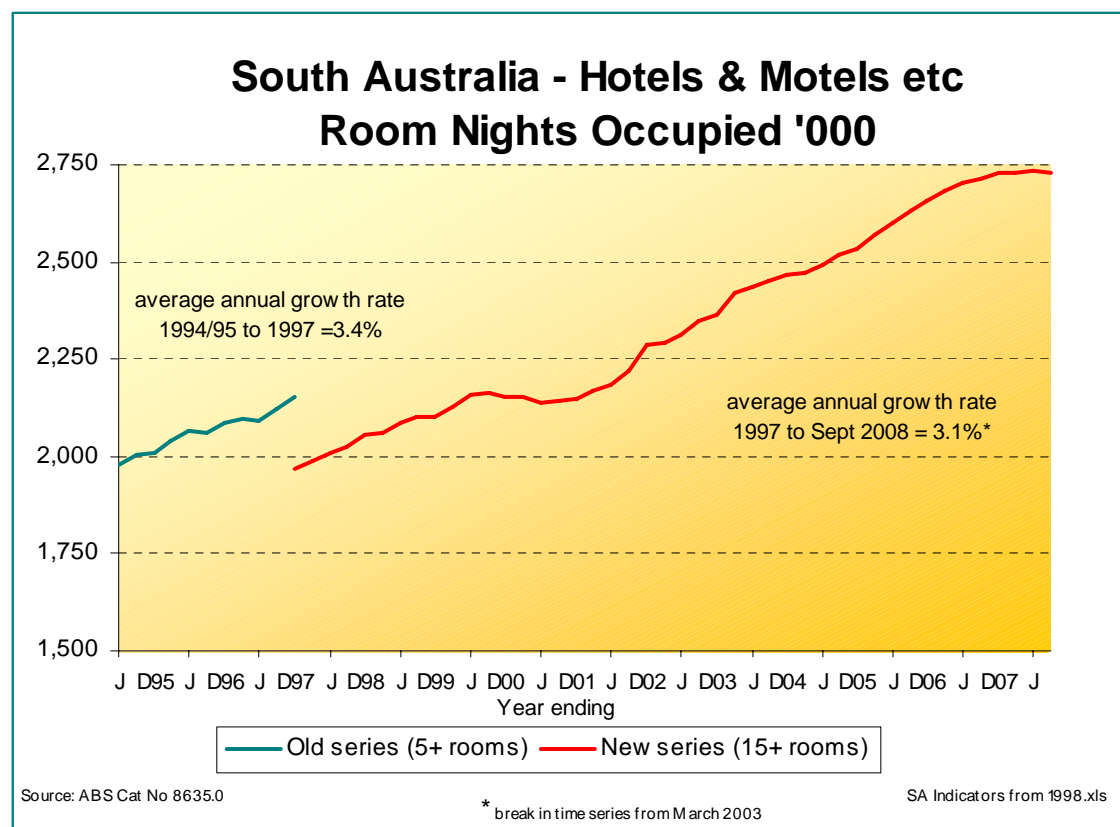
Total expenditure includes domestic and international overnight expenditure plus domestic day visitor expenditure. International expenditure includes package spend; domestic spend includes airfares and long distance transport costs. Destination only expenditure excludes airfares, long distance transport costs and home region expenditure



Industry Indicator  
Overall Tourism Industry Indicator  
**Accommodation**

**12 Months ended September 2008 compared with September 2007.**

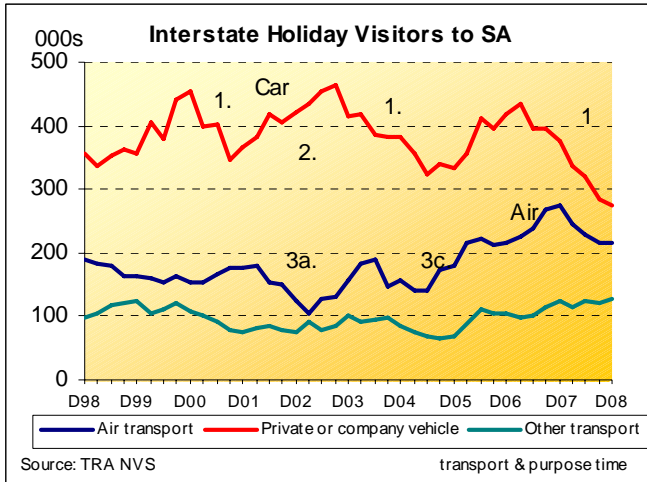
- Overall demand (room nights occupied) for the combined hotel, motel and serviced apartment sector (15+ rooms) rose 0.6 % in SA compared with a 1.1% increase nationally.
- All States/Territories (except ACT & Qld) recorded increased demand. Room nights occupied were up 5.1% in NT, Tasmania up 3.2%, NSW & WA up 1.9%, Victoria up 1.2%, SA up 0.6%, Queensland down 0.1% and ACT down 4.2%.
- In SA, overall occupancy rate was down from 64.0% in the 12 months ended September 2007 to 63.3% in the 12 months ended September 2008 (down 0.7 of a percentage point).
- This compares with a decrease in the average occupancy rate for Australia as a whole from 65.7% to 64.8 % over the same period (down 0.9 of a percentage point).
- Only NT and Tasmania recorded a rise in their average annual occupancy rates.
- Takings from accommodation rose 8.7% in South Australia compared with a 7.5% increase nationally for 12 months ended September 2008 compared with 12 months ended September 2007.



Industry Indicator

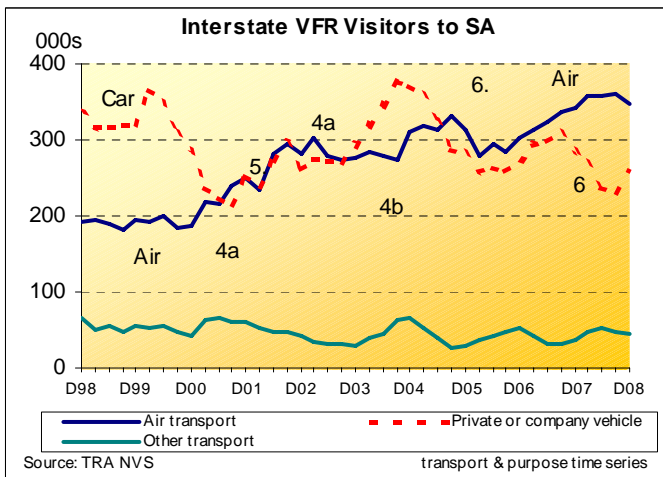
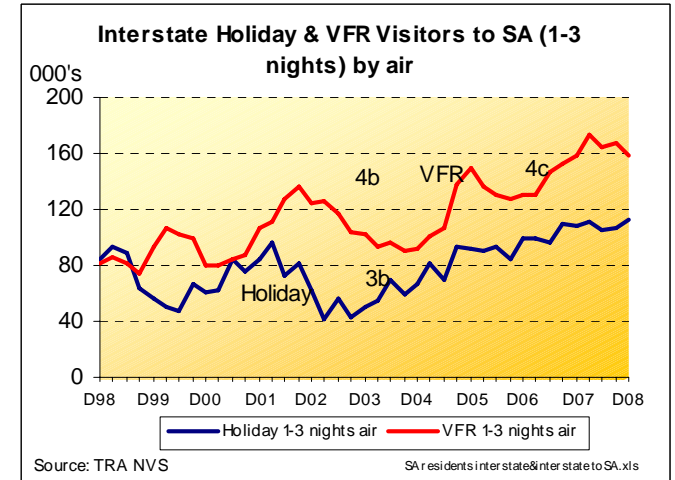
Special focus

# Transport Used – Interstate to SA



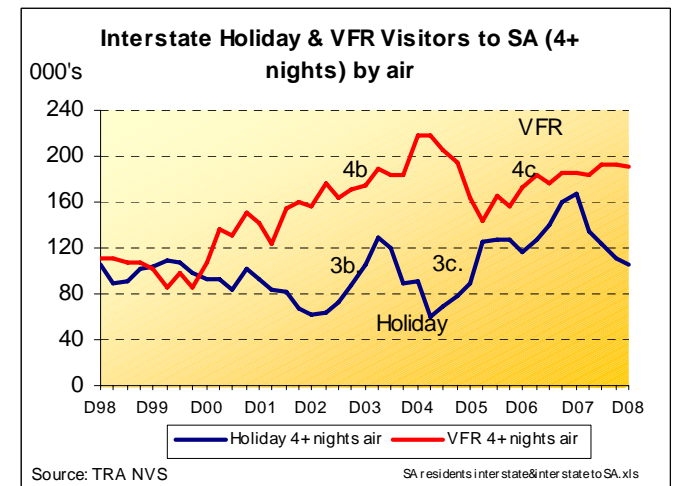
Holiday

1. Interstate drive market declined in the first nine months of 2001 and again late 2003 to mid 2005, and Jun 2007 to date partly as a result of increased petrol prices.  
 2. Post Sept 11 saw a rapid increase in the Decline to 2005.  
 3.a) Mid 2002 to March 2003 saw a decline in interstate holiday visitor's use of air transport. b) Mid 2003 uplift interstate holiday visitors use of air transport (both short and longer stays) – cheap fares.  
 c) Sharp decline Sept 04 – first full qtr Jetstar to eastern seaboard, due to a decline in longer stays. Trended up again from mid 2005 to mid 2006. Flat then some lift 2007. Holiday air fell in 2008.



Visiting Friends & Relatives (VFR)

4a) Interstate VFR visitor's use of air transport lifted steadily from the end of 2000 to early 2003, possibly as a result of cheap domestic fares. b) Flat since, due to fall in short stay VFR air use counteracting the strong upward trend in longer stay VFR visitors use of air transport evident 2000 - 04. c) Trend reversed in 2005, with some recovery since.  
 5. Lift in VFR use of private vehicle since Sept 11. From September 2001 to September 2003 similar numbers of interstate VFR visitors chose to fly as drive  
 6. The number of VFR visitors choosing to use private vehicle out stripped air from S03 to S04. Sharp decline in drive D04 to S06, and again in first half of 2008.



### Providers

ABS	Australian Bureau of Statistics
BTR	Bureau of Tourism Research (now TRA)
SATC	South Australian Tourism Commission
TRA	Tourism Research Australia

### Sources

DTM	Domestic Tourism Monitor (replaced by the NVS in 1998 – results can not directly be compared to the NVS)
IVS	International Visitor Survey
NVS	National Visitor Survey
OAD	Overseas Arrivals and Departures
STA	Survey of Tourist Accommodation

### General

- The ABS publishes the STA and OAD data.
- The TRA (formerly BTR) co-ordinates the IVS and NVS.

Note:

- ✓ Both the IVS and NVS are funded by the Commonwealth, State and Territory (STO's) governments.
- ✓ Results from the surveys are published quarterly and annually.

### International Visitor Survey (IVS)

- A national survey of international visitors aged 15 or over as they depart from major Australian airports.
- Between 1998 and 2004, interviews were conducted with around 20,000 short-term international visitors. From 1 January 2005 interviews conducted with around 40,000 short-term international visitors, making it the most comprehensive source of information available on the travel patterns of visitors to Australia.
- Only comprehensive source of the number, characteristics and travel behaviour of international visitors to South Australia.

### National Visitor Survey (NVS)

- A new survey replacing the DTM. Implemented in January 1998.
- Between 1998 and 2004, interviews conducted with approximately 80,000 Australian residents aged 15 and over. From 1 January 2005 interviews conducted with around 120,000 respondents on an annual basis.
- Details of all travel in Australia – both overnight and day trips- and trips by Australians abroad.