



Value of South Australia's National Parks and Reserves

Study 1: Economic contribution of nature-based tourism in parks summary report





Definition of nature-based tourism

Nature-based tourism is a leisure travel undertaken largely or solely for the purpose of enjoying natural attractions and engaging in a variety of nature-based activities – from scuba diving and bushwalking to simply going to the beach.

First Nations acknowledgment

The Department for Environment and Water acknowledges Aboriginal people as the First Peoples and Nations of the lands and waters we live and work upon and we pay our respects to their Elders past, present and emerging. We acknowledge and respect the deep spiritual connection and the relationship that Aboriginal and Torres Strait Islander people have to Country.

The Department works in partnership with the First Peoples of South Australia and supports their Nations to take a leading role in caring for their Country.



Introduction

Our state's parks and reserves are central to the lives of South Australians and the experience of our visitors. Protecting our natural places helps conserve our ecosystems and wildlife now and into the future, and provides improved landscape resilience in the face of a changing climate.

These special places are not only spectacular destinations, but are the cornerstone of conserving our state's biodiversity, they bolster regional economies, and help to make South Australia great.

The report quantifies for the first time, how South Australia's National Parks and Reserves contribute to our economy. The pre-COVID-19 benchmark identifies in excess of \$374 million to the state economy, including in excess of \$358 million in flow-on economic benefits and 1211 private sector jobs to regional communities. However, we know this is a conservative estimate only, as many parks visitors stay in other regional accommodation not included in this study.

The economic contribution represents only a portion of the full value of our parks to the state's economy. Our parks also provide health and well-being benefits and ecosystem services that both contribute economic benefit.

This work provides South Australia with valuable insights. We know we are seeing a strong post-COVID recovery in nature-based tourism and this study will enable us to track that economic contribution in future years.



Our parks network
is made up of



Parks in
South Australia cover



21.1
million
hectares



Covering

21.6%
of the state's
landmass.

Our parks cover



31%
of the state's
coastline



99%*

of South Australians
say parks are
important to them



75%*

South Australians have
visited a national park
in 2018-19*

Source: 2019 South Australian Parks Visitation Survey (Macgregor Tan Research)

The study

This report draws on the first-ever in-depth study of the economic contribution of South Australia's parks network from nature-based tourism and establishes a pre-COVID benchmark to track the economic contribution in future years.

South Australia's national parks and reserves under the *National Parks and Wildlife Act 1972* are a highly valued and frequented part of our natural landscape. They provide invaluable benefits to our state, including protection for flora, fauna, habitats and ecosystems, safeguarding culturally important sites, enhancing health and wellbeing, all of which benefit the state's economy.

Our national parks offer experiences and destinations that are a drawcard for interstate, international, and local visitors and are central to the state's nature-based tourism industry, particularly in our regions where tourism opportunities create employment and drive economic growth, jobs and regional development.

The Department for Environment and Water (DEW) and the University of Adelaide have undertaken research into both 'direct' and 'indirect' economic value provided by visitation to our parks to the South Australian economy. This study establishes an important pre-COVID benchmark (2018-19) so we can track the economic contribution back in future years.

The study provides both an indicative and conservative estimate of the economic contribution of South Australia's parks from nature-based tourism. We know the \$374 million in total parks economic value presented in this study represents only a portion of the actual value of parks to the South Australia's economy and must be considered a conservative estimate.

Our parks also support private sector leases and other tourism operators, and the economic contribution from these has not been included in this study.

The South Australian Government has recently made significant investment in South Australia's parks, as part of Parks 2025, to improve the visitor facilities in parks across the state. The impact of this will be reflected in future studies.

Snapshot: Economic value of SA's Parks and Reserves



\$374M
to the SA economy¹



\$358M
flow on benefits to regional
economies²

1:23

**For every \$1 a visitor
spends** in a park, a further
\$23 is injected into the
SA regional economy³

1:10

Every **\$1 spent**
on park management,
a **\$10 benefit**
is realised in the
economy⁴



Supports
1211
private sector **jobs**⁵

¹ Indirect benefit is a conservative estimate.

² Total indirect benefit only.

³ Figure estimated by dividing total GSP benefit by indirect benefit by direct benefit.

⁴ Estimated by dividing total GSP by benefit by SA NPWS budget for management of parks during 2018-19

⁵ Number of jobs supported estimated through RISE modelling. For further details see Part 2 of Technical Report.



© South Australian Tourism Commission, Adelaide Hills

A conservative estimate

The findings presented in this study are conservative and do not capture our parks' total economic contribution. South Australia has 5.2 million overnight visitors in our regional areas, and our National Parks and Reserves are a major drawcard.

Some of our parks visitors chose to stay off-park in other regional accommodation offerings. In addition, not all our parks charge entry, and revenue made by our parks tour operators has not been included in this study. The contribution from all of these visitors benefit regional economies, supporting local regional businesses.

The approach

This study considers the economic value provided by South Australian parks and reserves - primarily to the state's six regional economies - from nature-based tourism. It provides valuable insights into patterns of visitation, and the economic activity of visitors at state, park regions, and individual park scales. The findings presented are conservative and do not capture our parks' full nature-based tourism value.

The study is based on the 57 regional revenue-generating SA parks. Two metropolitan sites: Cleland Wildlife Park and Mount Lofty Summit were assessed for direct economic contributions only. The study also includes a focus on our iconic sites, such as the Kangaroo Island Wilderness Trail (which is included as a case study in this summary).

This report provides, for the first time, an overarching picture of the direct value (primary parks revenue) and indirect value (secondary flow-on spending) of parks visitation to the South Australian economy. A quantitative assessment of indirect parks visitation value has not been undertaken previously and gives us greater insight into the broader economic benefit to the regional South Australian economy and jobs. The total value is the sum of the direct and indirect values.

This study was undertaken in two parts. Part 1 examines direct economic contribution driven by parks visitation with a focus on identifying the origin of visitor revenue. Part 1 was undertaken by DEW. For more information see the technical report: *Value of South Australia's National Parks and Reserves. Study 1: Economic value of nature-based tourism. Part 1. Primary economic value.*



Part 2 examines the indirect economic contribution driven by South Australia's parks visitation using the Regional Industry Structure and Employment (RISE) Model to estimate the flow-on economic benefits.

Part 2 was undertaken by the University of Adelaide's (UoA) Centre for Global Food and Resources, School of Economics and Public Policy. Two modelling approaches were used to estimate indirect value. First, the Travel Cost Approach (TCA), which estimates expenditure from visitors on travel, accommodation and food etc, that contribute to regions as they travel to a park. For more information see the technical report: *Value of South Australia's National Parks and Reserves. Study 1: Economic value of nature-based tourism. Part 2. Secondary economic value.*

An external peer review of the entire study was undertaken by Hon A/Professor Thilak Mallawaarachchi from the University of Queensland School of Economics.

What is 'indirect' value?

The indirect (or secondary flow-on spending) economic value is the economic contribution of SA parks visitors to the state economy through additional money spent during their visit. For example, expenditure from visitors on travel, accommodation, food, and other recreational activities, that contribute to regions as they travel to and from a park.

What is 'direct' value?

The direct (or primary parks revenue) economic value is all revenue collected through fees and charges and the tourism economy across the park network. For example, revenue collected for accommodation, camping fees, tours, and retail purchases from parks information centres.

Pre-COVID-19 benchmark

This study establishes an important pre-COVID benchmark of visitors to our parks and will enable us to track visitors in future years.

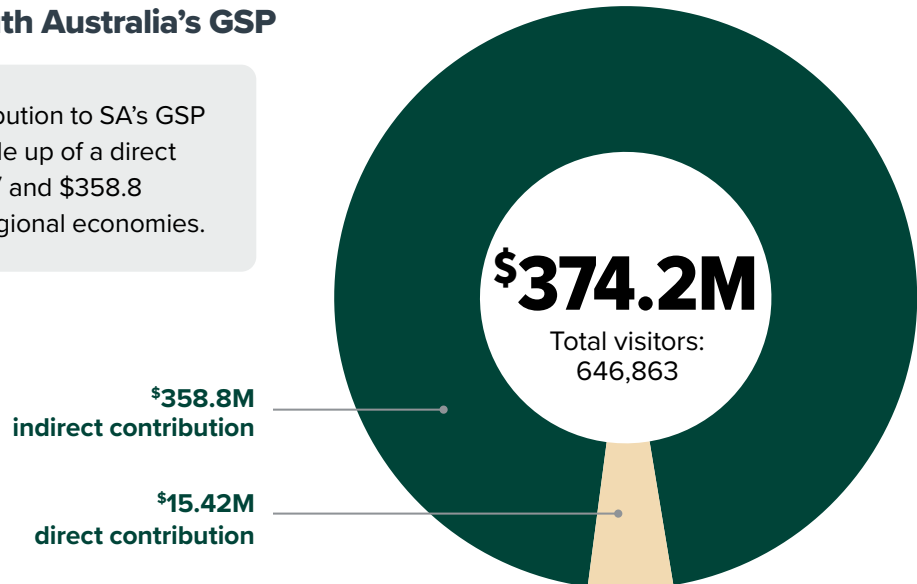
The 2018-19 financial year was selected as it provides a picture of visitation before the impact of both COVID-19 the 2020 summer bushfires. Both events had a significant impact on nature-based tourism.

State-wide findings

The positive impact of visitor spending to the South Australian economy is generation of Gross State Product (GSP) and employment.

Total contribution to South Australia's GSP

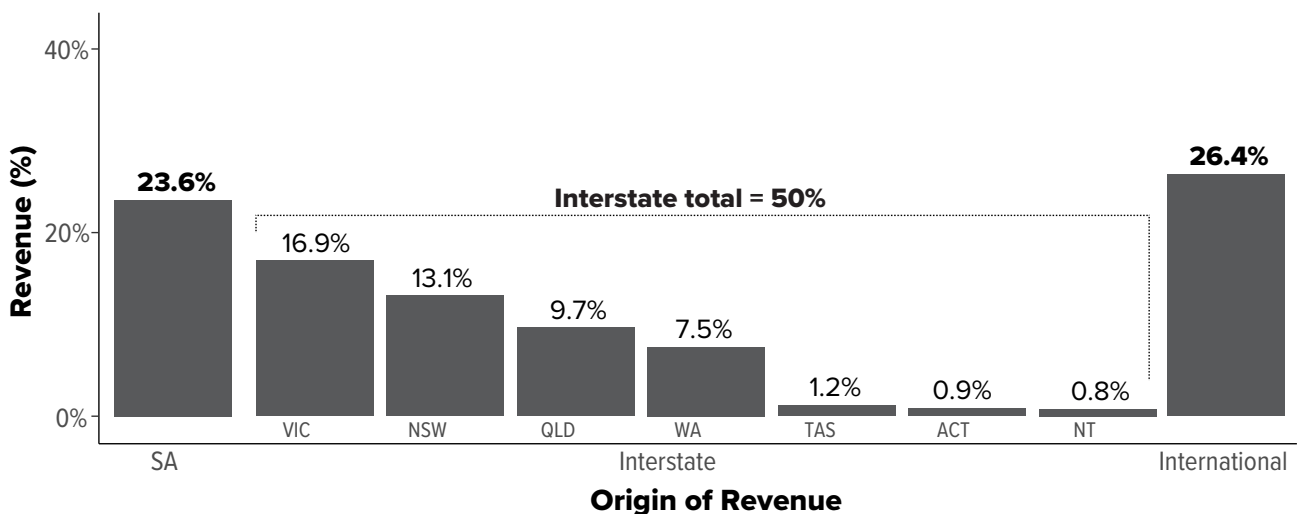
The total conservative contribution to SA's GSP is \$374.2 million⁶. This is made up of a direct contribution of \$15.42 million⁷ and \$358.8 million⁸ indirect flow-on to regional economies.



Where is visitor revenue coming from?

Patterns of revenue by individual visitor origin⁹ differ among regions. Across the visitor market, the largest proportion of visitor revenue to parks regions was from interstate. Statewide, bookings by interstate and international visitors generated 76% of all revenue, boosting SA's regional economic activity.

The highest proportion of interstate visitor revenue was from Victoria. Visitors from Victoria, NSW, and Queensland generated a total of 31% of parks revenue. For more information see *Value of South Australia's National Parks and Reserves. Study 1: Economic value of nature-based tourism. Part 1. Primary economic value.*



⁶ Total indirect benefit plus direct benefit. The indirect benefit figure is a conservative estimate.

⁷ Direct contribution is revenue generated by SA parks visitation. For further details see Part 1 of Technical Report.

⁸ Indirect contribution only. For further details see Part 2 of Technical Report.

⁹ Total economic contribution of origin groups. Calculated by summing total indirect contribution (by origin) plus total direct contribution (by origin) for all regions.



1211
jobs
in the private sector¹⁰

© Tourism Australia, Flinders Ranges & Outback



What is the return on investment to South Australia?

South Australia's parks provide economic benefits far more than the cost of maintaining and operating them.

For every **\$1 spent** on management dollar a **\$10¹¹** benefit is realised in the economy.



What is the benefit to regions per visitor dollar spent?

For every visitor dollar spent in a park, a further **\$23¹²** is injected into South Australia's regional economy through spending on accommodation, transport, tours, food and beverage purchases.



¹⁰ Number of jobs supported estimated through RISE modelling. For further details see Part 2 of Technical Report.

¹¹ Estimated by dividing total GSP benefit by SA NPWS budget for management of parks during 2018-19.

¹² Figure estimated by dividing Total GSP benefit by direct benefit.

Regional findings

South Australia's parks are important for local jobs and income and are a substantial driver of economic growth – particularly in regional areas.

The South Australian parks network offer unique experiences that are a drawcard for local, interstate, and international visitors. The parks network also includes world renowned iconic nature-based tourism sites.

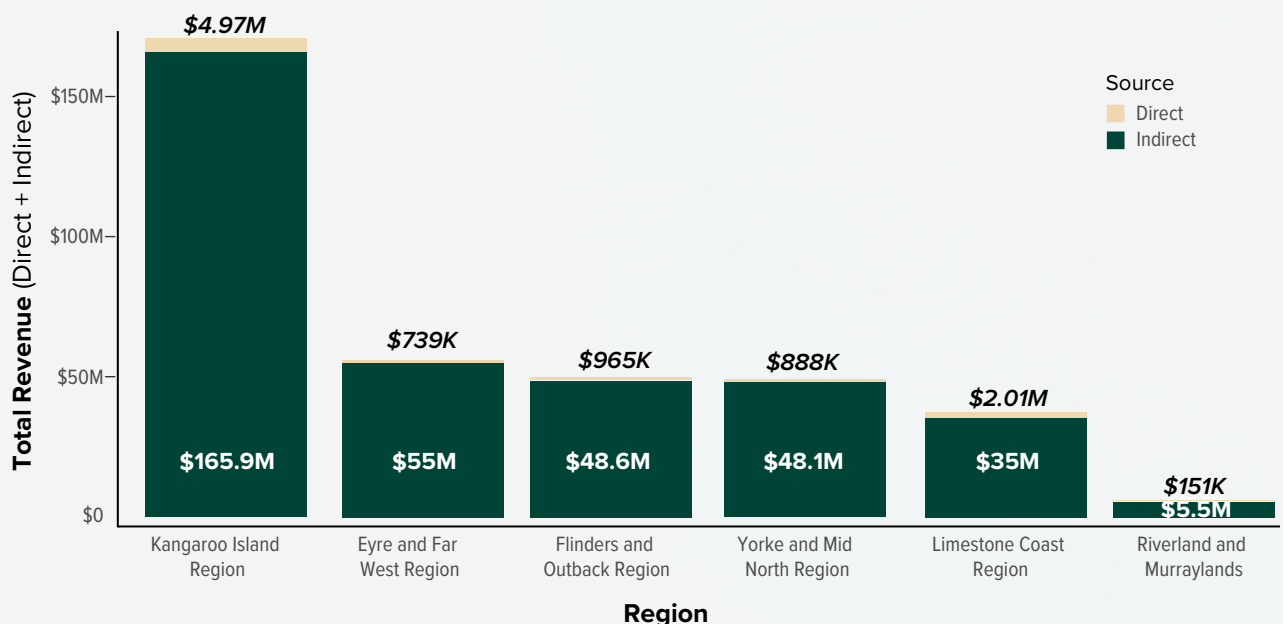
Interstate, international, and local visitors are central to the state's nature-based tourism industry, particularly in our regions where tourism opportunities create employment and drive economic growth, jobs and regional development.

The economic value of our six SA park regions is illustrated below. The Adelaide Mount Lofty region is not included.

Regional contribution to GSP*

\$368 million GSP (\$358 million in indirect flow-on economic benefits). The indirect benefit of parks visitation far outweigh direct revenue.

Our iconic sites (such as Cleland Wildlife Park) provide 66% of our direct revenue while our regional parks contribute 34%. However 66% of the indirect value to the state economy is generated by these regional parks.



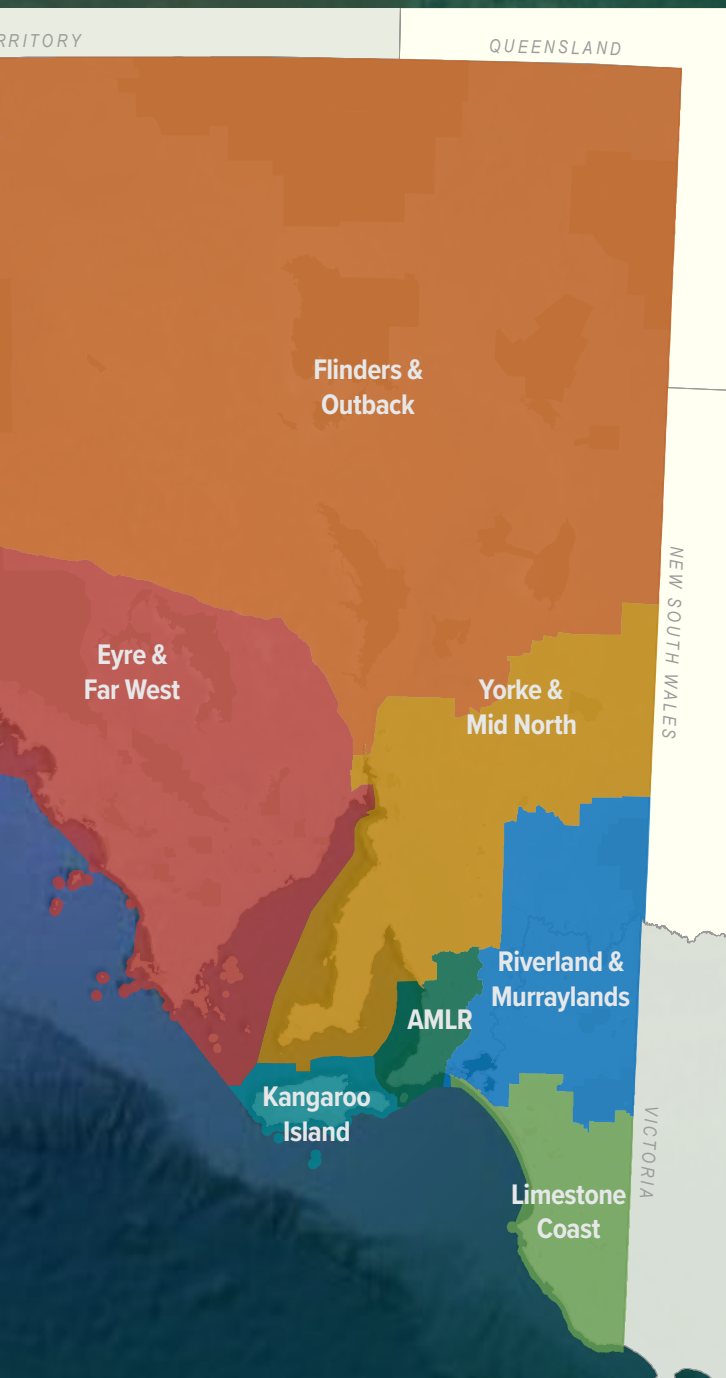
Note: The AMLR region is not featured in this figure. It is important to note, however, that Cleland Wildlife Park is a significant source of direct revenue across the parks network, generating a total of \$3.66M.

* Total indirect benefit plus direct benefit. For further details see Part 2 of Technical Report.

** Indirect contribution only. For further details see Part 2 of Technical Report.

Estimated through RISE modelling. For further details see Part 2 of Technical Report.

Estimated by adding Proportion of indirect benefit generated by this park to its direct benefit.



Flinders and Outback

- 18 parks over 10,409,637 ha
- **\$49.66M GSP*** (\$48.69M** to regional economies)
- **170 jobs** supported in private sector[#]
- Largest contributor park in the region: Ikara-Flinders NP contributes \$35.5M^{##} (73% of the region's total).

Yorke and Mid North

- 45 parks over 168,226 ha
- **\$49.06M GSP*** (\$48.18M** to regional economies)
- **143 jobs** supported in private sector[#]
- Largest contributor park in the region: Dhillba Guuranda-Innes NP; contributes \$34.8M^{##} (71% of the region's total).

Riverland and Murraylands

- 47 parks over 729,320 ha
- **\$5.74M GSP*** (\$5.59M** to regional economies)
- **18 jobs** supported in private sector[#]
- Largest contributor park in the region: Murray River NP; contributes \$2.3M^{##} (40% of the region's total).

Limestone Coast

- 67 parks over 117,462 ha
- **\$37.36M GSP*** (\$35.35M** to regional economies)
- **117 jobs** supported in private sector[#]
- Largest contributor park in the region: Naracoorte Caves NP; contributes \$17.7M^{##} (47% of the region's total).

Eyre and Far West

- 100 parks over 9,624,158 ha
- **\$55.75M GSP*** (\$55.01M** to regional economies)
- **146 jobs** supported in private sector[#]
- Largest contributor park in the region: Coffin Bay NP; contributes \$22.6M^{##} (40% of the region's total).

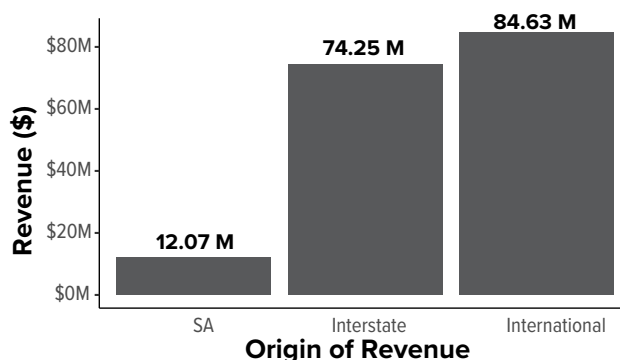
Kangaroo Island

- 26 parks over 126,700 ha
- **\$170.94M GSP*** \$165.97M** to regional economies)
- **616 jobs** supported in private sector[#]
- Largest contributor park in the region: Flinders Chase National Park; contributes \$89M^{##} (53% of the region's total).

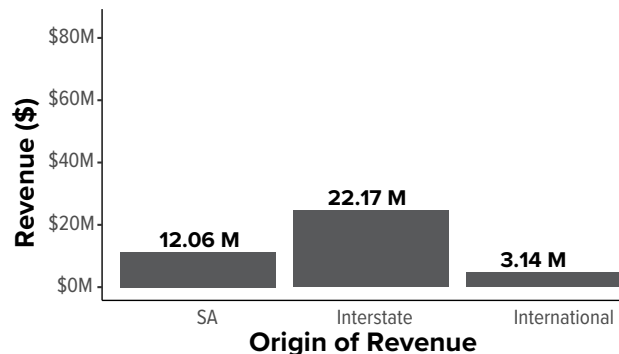
Regional contribution by visitor origin¹³

Although South Australians visit our parks in high proportions, interstate visitors add more revenue to regional economies due to increased travel expenditure, and international visitors spend more on travel accommodation.

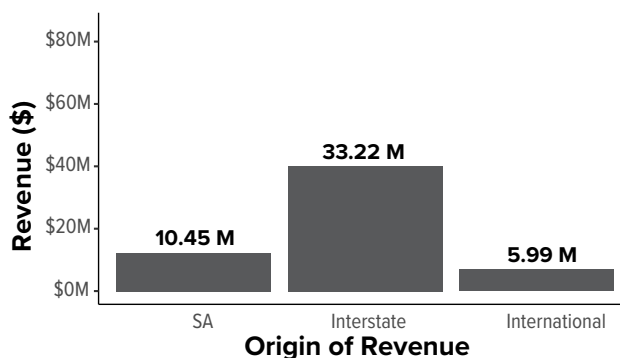
Kangaroo Island



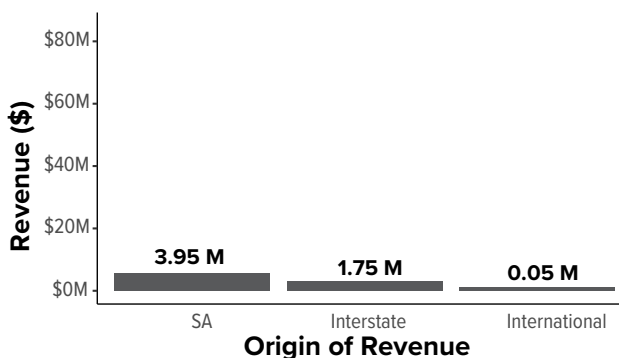
Limestone Coast



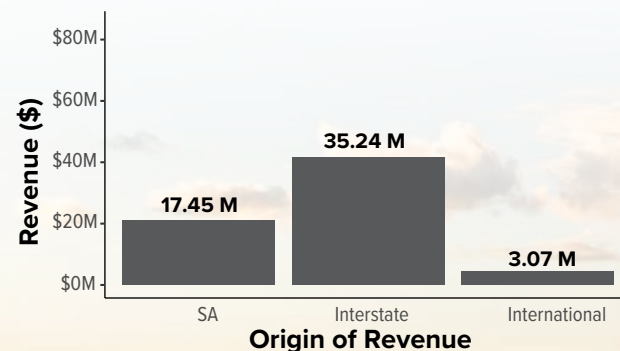
Flinders and Outback



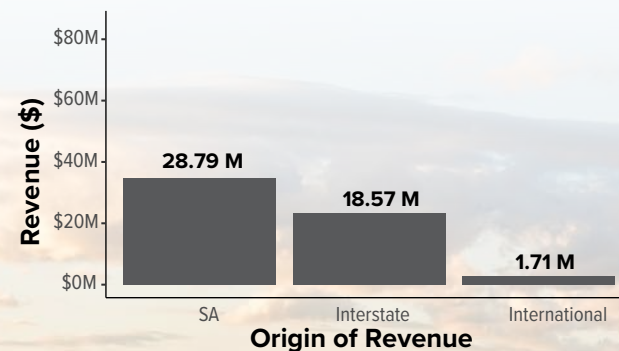
Riverland and Murraylands



Eyre and Far West



Yorke and Mid North



¹³ Total economic contribution of origin groups per region. Calculated by summing total indirect contribution (by origin) plus total direct contribution (by origin) for each region.

Key iconic sites:



Seal Bay:

Economic benefit: \$65.9M

Indirect: \$63M to regional economies.

Direct: \$2.9M

Visitors: 121,819



Naracoorte caves:

Economic benefit: \$17.6M

Indirect: \$16.2M to regional economies.

Direct: \$1.4M

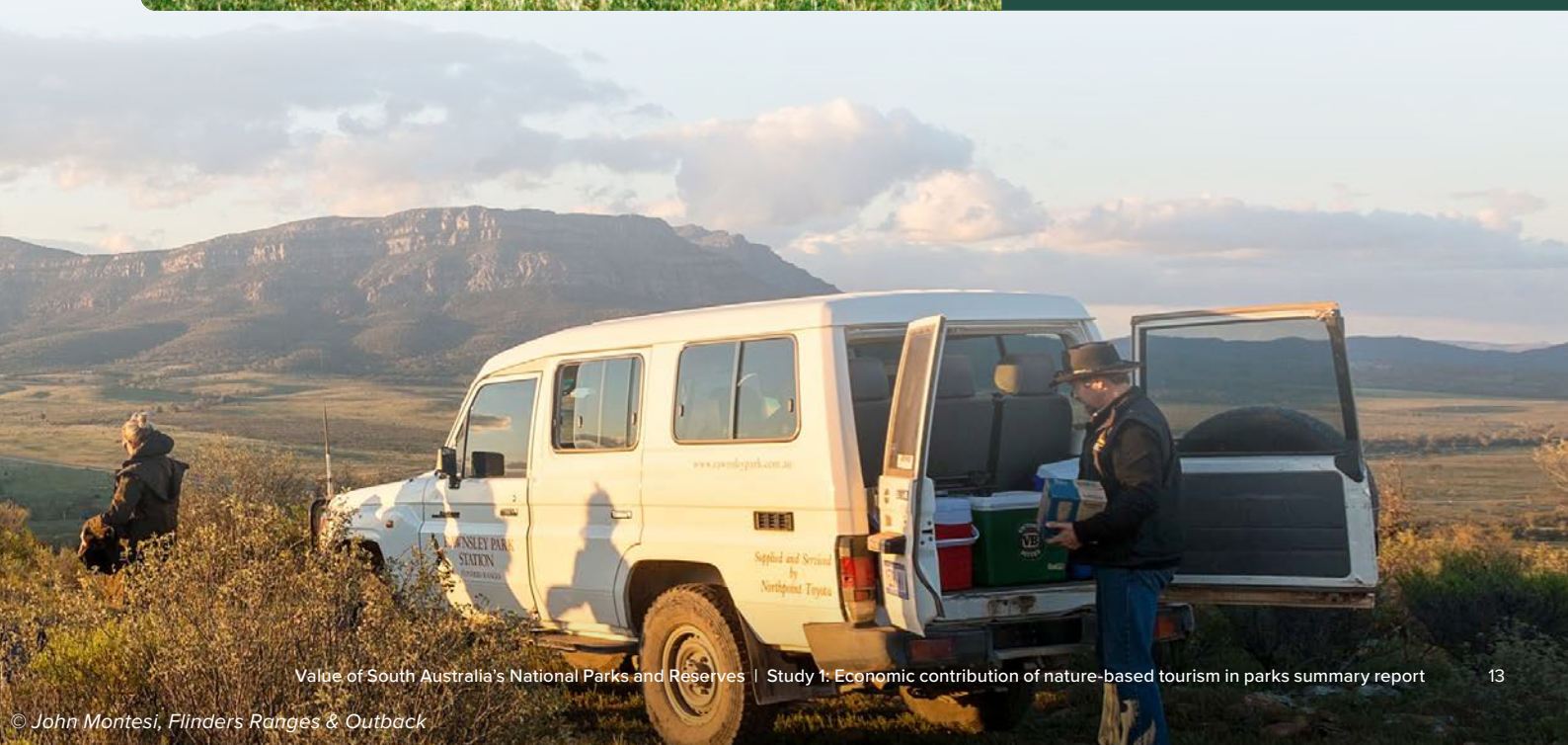
Visitors: 55,512



Cleland Wildlife Park:

Economic benefit: \$3.66M in direct revenue. (NB: Cleland Wildlife Park was assessed as is the state's key icon site, particularly for international visitors. It was assessed for direct economic contributions only.)

Visitors: 139,411





Nature-based tourism infrastructure investment

Kangaroo Island Wilderness Trail case study

Infrastructure investment in parks is proven to yield a high return on investment, with the economic benefits outweighing the cost of initial investment.

The Kangaroo Island Wilderness Trail is a 61-kilometre eco-sensitive five-day walking or hiking trek. Walkers began using the trail in 2016-17 during the construction phase. In 2018-19 (pre-COVID-19 benchmark) construction was complete and the trail saw more than 2000 visitors.

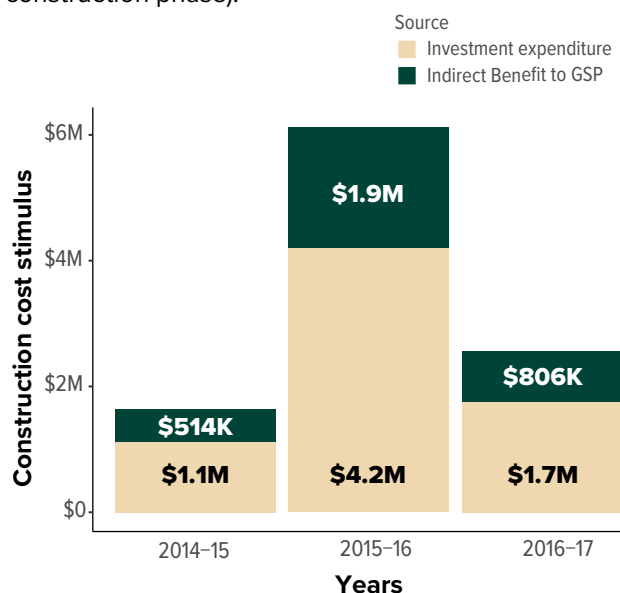
This investment has contributed **\$5.2M** to the regional economy, with **\$3.7 million** generated throughout construction.

Tour operators support tourism at this iconic asset, and provide employment to KI locals, further contributing to growth in the regional economy. Across 2018-19, 25% of all visitors to the Wilderness Trail were facilitated by tour operators.

38 jobs were supported in the regional private sector through the construction and usage phases of KI Wilderness Trail¹⁴.

Construction phase contribution to GSP

The initial construction of the trail was undertaken over three years. RISE modelling indicates that the **\$7.01 million** investment generated **\$3.2 million** indirect benefit to the regional economy (during the construction phase).



14 Estimated through RISE modelling. For further details see Part 2 of Technical Report.



2019-20 bushfires

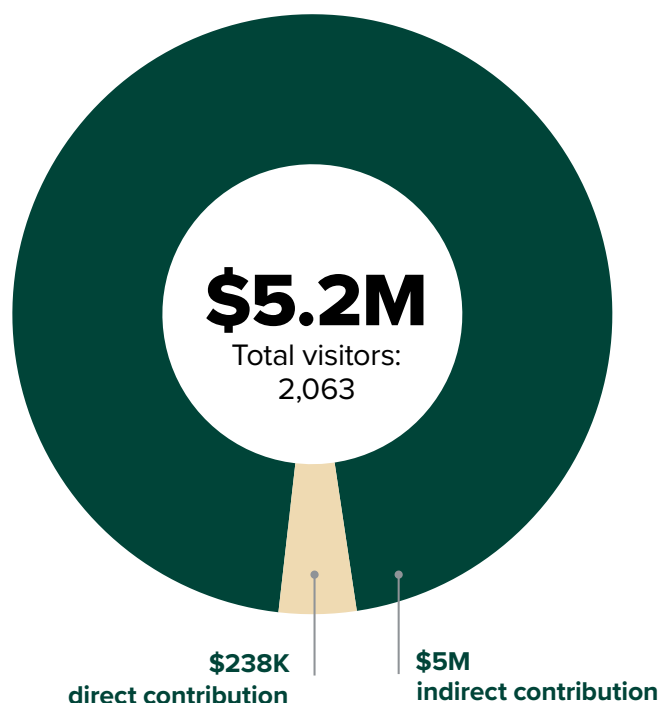
This iconic trail was significantly damaged during the 2019-20 bushfires. The KI Wilderness Trail will be rebuilt under the *Parks 2025* initiative, following a **\$3.5 million** commitment to reinstate this asset.

Based on total visitor numbers from 2016-17 to the 2019-20 bushfires, it is expected that the KI Wilderness Trail was cash flow positive before it was damaged by the 2019-20 bushfires.

Total contribution to GSP (construction + use)

An assessment of visitors to the KI Wilderness trail in 2018-19 demonstrated a significant return on investment, contributing an additional **\$2M** to the regional economy. The majority of this (\$1.7M) was in indirect flow-on benefits.

The investment in construction, plus operation during the benchmark year contributed a total of **\$5.2M** to the regional economy - **\$3.2M GRP** of this indirect benefit was generated throughout construction.



Where to from here?

COVID-19 recovery

This study provides both an indicative and conservative estimate of the economic contribution of South Australia's parks from nature-based tourism. It establishes an important pre-COVID-19 benchmark and will enable us to track economic contribution in future years.

Over the last year, South Australia's parks have already seen a strong rebound.

In regional parks, there has been a 64 per cent increase in visitor use (camping and entry) since their reopening from mid-May 2020 to June 2021 in comparison to the pre-COVID-19 benchmark. From a baseline of 35 per cent of the visitor market pre-COVID-19, interstate visitors have already recovered to 25 per cent of the market (regional parks entry and camping).

South Australians are also taking the opportunity to explore parks in the state they haven't previously visited. There has also been a significant increase in visitors taking shorter, weekend visits to parks within half a day travel outside of Adelaide such as Mount Remarkable National Park, Deep Creek Conservation Park and Para Wirra Conservation Parks.

Although some sites have been significantly impacted by COVID-19 restrictions, and loss of interstate and international visitors, returning interstate visitor numbers are encouraging.

Further studies

The study provides both an indicative and conservative estimate of the value of South Australia's parks from nature-based tourism - but we know these benefits are only part of the story.

South Australia's parks provide multiple economic benefits beyond the nature-based tourism value, including well-being from avoided health costs, and ecosystem services that support industry and South Australian businesses.

Quantification of the other economic benefits will be the subject of future studies.

Acknowledgements

This study was undertaken as a collaboration between the Department for Environment and Water (DEW) and the University of Adelaide's (UoA) Centre for Global Food and Resources, School of Economics and Public Policy. Particular thanks goes to Glen Scholz and Stuart Sexton (DEW), Adam Loch and Patrick O'Connor (UoA), and Chris Auricht (Auricht Projects) for their key contributions to the studies foundational to the information presented in this summary. Thilak Mallawaarachchi (Hon. A/Prof. University of Queensland) and Ben Field (DEW) are also acknowledged for their invaluable review of the study.



Further information

For further information on park values please see the technical reports: *Value of South Australia's National Parks and Reserves. Study 1: Economic value of nature-based tourism. Part 1. Primary economic value, and Value of South Australia's National Parks and Reserves. Study 1: Economic value of nature-based tourism. Part 2. Secondary economic value.*



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