



ADELAIDE

HERITAGE

TOURISM

ECONOMIC VALUE OF HERITAGE TOURISM – ADELAIDE 2015
CONSULTANT REPORT



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NEW
MARKET

ADELAIDE
EXCHANGE

FRUIT &
COMPANY

PRODUCE
LIMITED

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Adelaide Hotel

Adelaide

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FOREWORD

Cultural heritage tourism is the tourism which relies on the historic, architectural, technical, aesthetic, spiritual or social cultural heritage attributes of a place to attract visitors.

This report 'Economic Value of Heritage Tourism in the City of Adelaide 2015' assesses the economic benefits of cultural heritage tourism within the City of Adelaide. It demonstrates that an average 27% of total visitor spend in Adelaide could be directly attributed to 'cultural heritage' related tourism. This means that an impressive \$375 million was spent by visitors on cultural heritage related tourism in the City of Adelaide based on 2013/2014 visitor numbers.

The report concludes that a place's cultural heritage is a tangible asset to both community and to business.

The report was undertaken for Adelaide City Council in consultation with the SA Tourism Commission and the State Heritage Unit of the Department for Environment, Water and Natural Resources (DEWNR). Early in the

process it became clear that little reliable data existed for the City in relation to cultural heritage places and tourism. Therefore an independent survey was commissioned by the City of Adelaide and undertaken by McGregor Tan Research, Adelaide.

The analysis for this report was prepared by Professor Jack Carlsen of Tourism Research Services, WA. Professor Carlsen had undertaken a similar survey and report for the City of Perth in 2008.

This report adds a new layer of data and benchmarks about the economic significance of cultural heritage in places like Adelaide and assists in the collaborative development, implementation and refinement of future heritage tourism and heritage conservation policy.

EXECUTIVE SUMMARY

This study measured the annual visitor expenditure directly attributable to cultural heritage tourism in the City of Adelaide. The City of Adelaide area includes Adelaide, North Adelaide and the Adelaide Park Lands. The Adelaide Parklands and City Layout are entered on the National Heritage list.

A thorough independent visitor expenditure survey was commissioned by the City of Adelaide to estimate the average expenditure per visitor in the City (Appendix A) and Appendix B provides the Project Brief.

The visitor survey identified an ‘attribution factor’ of 27% as the proportion of visitor expenditure directly attributable to cultural heritage. This was multiplied by the known total annual visitor expenditure to create a best estimate of the economic value of heritage tourism of \$375m per year. It should be noted that up to 41% of activities were in cultural heritage places and if extrapolated, the expenditure would then be up to \$569m.

The main findings are summarised as follows in Table 1.

TABLE 1: SUMMARY OF DIRECT VISITOR EXPENDITURE ATTRIBUTABLE TO CULTURAL HERITAGE IN THE CITY OF ADELAIDE

Average expenditure per person	\$512
Mean number of visitors to City of Adelaide	2,722,000
Total Annual Direct Visitor Expenditure	\$1.394 billion
Cultural heritage ‘attribution’ factor	27%
Attribution of visitor expenditure to Heritage Tourism	\$375m
Substitution value (lower)	\$111m
Average length of visit (days)	4.6

The amount of direct visitor expenditure that would be lost if the City of Adelaide’s cultural heritage did not exist at all (known as the ‘substitution value’) was also calculated by using the answers to other specific questions in the survey. The ‘substitution’ or absolute base minimum value for annual direct visitor expenditure associated with City of Adelaide’s cultural heritage was \$111m per year. This figure is quite hypothetical as no total loss of cultural heritage is ever contemplated and furthermore 12% of respondents

stated that cultural heritage tourism was their ‘main reason’ for visiting the City of Adelaide equating to a more realistic minimum of \$166m per year.

THE PURPOSE OF THE REPORT

The cultural heritage attractions and activities within the City of Adelaide were evaluated to assist Adelaide City Council (ACC) with strategic planning relating to the value of heritage in supporting tourism based business as well as heritage conservation in Adelaide.

AUTHOR

Professor Jack Carlsen of Tourism Research Services (WA) also teaches at Curtin University Western Australia. Professor Carlsen’s expertise and research interests are in the broad areas of tourism economics, tourism management, tourism and small business/family business, sustainable tourism and emerging tourism markets

METHODOLOGY

In order to collect dependable data in the City of Adelaide, face to face surveys of 400 visitors was conducted at selected locations. People visiting the city and staying overnight were targeted and only those whose main destination was the City of Adelaide (80% of respondents) were included in the final analysis.

City workers commuters and those living within 100km of the city centre were also not included. Variables used to estimate the value of heritage places visited included main reason (motivation) of visit, activities undertaken during the visit, importance of various attributes (including heritage places) of the City of Adelaide, visitor expenditure, travel party size, length of stay and the number of annual visitors to Adelaide City.

An analysis of the responses based on motivation, importance and activities provided an estimate of the proportion of visitors whose expenditure can be directly attributed to heritage places in the City of Adelaide. This provided an upper estimate of the value of heritage places for tourism based on the proportion of visitors for whom heritage is an important motivation for their visit.

It was also important to measure what proportion of visitors would not visit Adelaide if the heritage places were not accessible. That is, they would choose to substitute another destination, or not travel to

Adelaide City at all. Based on a scenario question, the substitution factor provided a lower estimate of the value of cultural heritage tourism places.

FINDINGS SUMMARY

The attribution factor (cultural heritage was a main part of the reason for the person's visit) was obtained by averaging the response to three attribution questions as follows:

- Motivation – 12 percent of responses indicated cultural heritage was a main reason for visiting
- Importance – 28 percent of respondents rated cultural heritage as 'important' or 'very important' to their visit
- Activities – 41 percent of respondent activities were in cultural heritage places

The average of the three attribution question responses therefore provided an overall attribution factor of 27 percent

Average expenditure per respondent per trip was \$871, after data was adjusted for 'outliers' (explained on page 14). This expenditure was for 1.7 persons (again, after

removing outliers). The average expenditure per visitor based on the survey data was therefore \$512 per person.

Tourism Research Australia estimated overnight visitors to the City of Adelaide in 2013/2014 to be 2.722million people and also total visitor expenditure in 2013/14 of \$1.39 billion or \$510 per person. This confirms the veracity of this survey's expenditure figures.

Therefore the annual direct tourist expenditure based on overnight visitor numbers and average trip expenditure per person attributable to heritage tourism is calculated by applying the attribution factor (0.27) to the calculated expenditure.

Hence, the attribution value of cultural heritage tourism in the City of Adelaide is estimated to be in the order of \$375 million for 2013/14. This represents the upper bound or 'best' estimate of cultural heritage tourism value to the City of Adelaide.

Based on the substitution factor, the estimated amount of annual direct tourist expenditure retained as a result of the existence of heritage places, that is, the substitution value, is in the order of \$111 million. This represents a lower bound estimate of heritage tourism place value for the City of Adelaide.





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INTRODUCTION

The heritage attractions and activities within the City of Adelaide were evaluated to assist Adelaide City Council with strategic planning investigations and establish the value of heritage in supporting tourism in Adelaide.

Specifically, the project provides estimates of the value of expenditure by visitors to the City of Adelaide where the city's significant cultural heritage is a factor in attracting those visitors. All the historic buildings and streetscapes including the cultural institutions such as the SA Art Gallery, State Library and the South Australian Museum, Botanic Gardens, North Terrace, Rundle Street, Gouger Street and the Central Markets within the bounds of Adelaide City were considered in the evaluation. There are currently 647 State Heritage Places and 1856 Local Heritage Places listed in the City

The project objective was to estimate the direct economic value of heritage attractions and activities for tourism in the City of Adelaide in accordance with the Project Brief (Appendix B). This was achieved through:

- Seeking agreement on the sample of heritage attractions and activities in the City of Adelaide to be included in the survey instrument.
- Collecting visitor data from a representative sample of City of Adelaide visitors. Note that this data was

collected by McGregor Tan Research using a face to face questionnaire (Appendix A).

- Analysis of the respondent profiles, expenditures, motivations, activities and attitudes.
- Attribution and substitution of a proportion of tourism expenditure to the heritage places and activities of the City of Adelaide.

Discussion of the study approach, methods, analysis, findings and conclusions are contained in this report. The values estimated provide an indication of the economic benefits that heritage places in the City of Adelaide generate on an annual basis through tourism visitation and expenditure.

ANALYSIS METHOD

There are a variety of methods that can be used to assess the economic value or contribution of tourism, based on direct, indirect and induced impacts. Each method has advantages and disadvantages and each suit different contexts depending on the amount of data available, the scale of the area to be studied and the budget. The direct expenditure method establishes a conservative but reliable value from which further indirect and induced economic impact analysis may be conducted.

For this study, the direct expenditure method required a replication of the Economic Value of Heritage Tourism in the City of Perth, WA (2008) involving:

1. Compilation of a list and description of heritage attractions and activities within the City of Adelaide in consultation with the Project Management Team nominated in the Brief (Appendix B).
2. Secondary analysis of Adelaide visitor data and the application of an attribution and substitution factor to estimate the range of direct economic value of heritage tourism in the City of Adelaide.
3. Production of an Economic Value of Heritage Tourism in the City of Adelaide Report.

This study used a multiple choice visitor survey to determine average visitor expenditure, attribution and substitution factors and demographics (see Appendix A for questionnaire). Data was collected within the City of Adelaide between 16th and 25th of July 2015 using an interviewer completed questionnaire format. A total of 400 viable questionnaires were returned.

2.1 VISITOR EXPENDITURE SURVEY

In order to measure visitor expenditure in the City of Adelaide, a visitor sample was obtained by conducting questionnaires directly with visitors at select locations. People visiting and staying in the city overnight from more than 100km away for business and/or leisure were targeted. By default City workers, shoppers and visitors from less than 100 kms away and who did not sleep over in the City were not included in the sample.

The study area was the City of Adelaide Local Government Boundary (Map 1)

MAP 1: STUDY AREA CITY OF ADELAIDE



2.2 CALCULATING DIRECT VISITOR EXPENDITURE

The average daily visitor expenditure was measured by asking respondents to indicate:

- The approximate amount of money (in Australian dollars) they spent during their total visit with reference to the categories of 'travel', 'accommodation', 'food and drinks', 'activities' and 'other'
- How many people were covered by these expenditure figures.

2.2.1 Calculation of Average Daily Expenditure

Survey respondents provided an itemised list of expenditure for their stay in the City of Adelaide. They also indicated how many people the expenditure figures covered and how long they were staying in the Adelaide area.

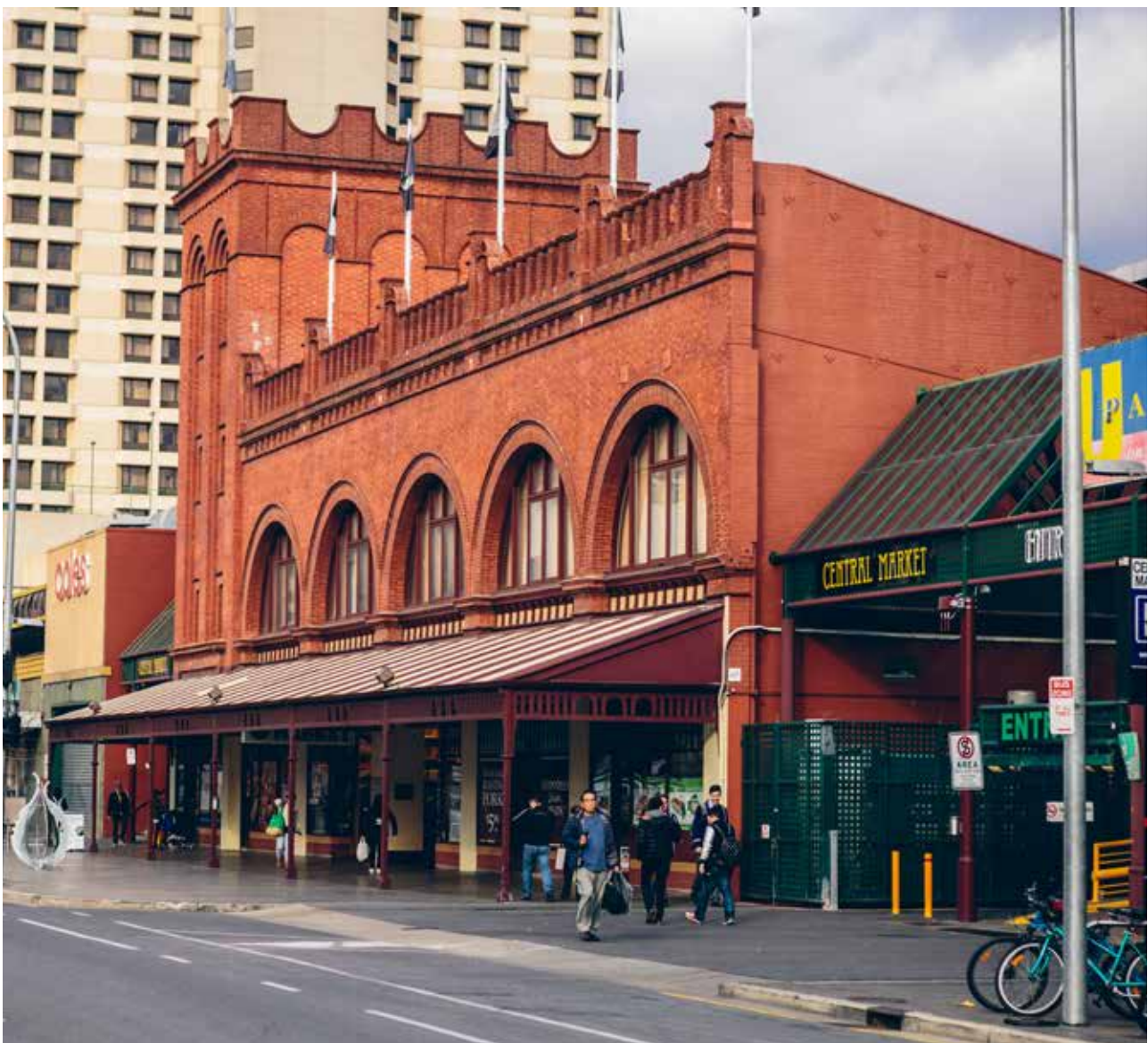
Expenditure per person per day was calculated for each respondent based on the five items (Travel, Accommodation, Food and drink, Activities and Other) of expenditure using the following equation:

$$\text{Average expenditure per person} = \left(\frac{\text{Sum (Travel, Accommodation, Food and drink, Activities, Other)}}{\text{(No. of persons included in this expenditure)}} \right)$$

2.2.2 Total Annual Direct Visitor Expenditure

One of the key variables used in estimation of total annual direct visitor expenditure is overnight visitation, as measured in number of visitors to the location (domestic and international). The main source for domestic and international overnight visitor data is the Bureau of Tourism Research, National Visitor Survey (NVS) and International Visitor Survey (IVS). This data can be obtained through Tourism Research Australia and the SA Tourism Commission.

The total annual number of overnight visitors to the City of Adelaide was obtained from the SA Tourism Commission fact sheet for the City of Adelaide LGA for the latest survey period (2013/2014) and was estimated at 2.722 million people visiting for the year ended June 2014.



2.2.3 The Attribution and Substitution Factors

The attribution factor is a value that is based on the visitors' motivation, importance and activities in relation to the cultural heritage places of Adelaide City. It provides an upper estimate of the value of cultural heritage places for tourism based on the proportion of visitors for whom heritage is an important motivation and experience in their visit to Adelaide. This estimate represents the value of tourism expenditure generated by all overnight visitors to the City of Adelaide for whom cultural heritage is a factor in their decision to visit as well as their choice of activities.

It is important to recognise that these visitors may have had other non-cultural heritage related factors that influenced their decision to visit, including visiting friends and relatives, shopping, dining out, sport and entertainment.

The substitution factor is used in order to estimate the proportion of visitors for whom cultural heritage is the only factor that determines their decision to visit Adelaide City (see section 2.2.4). This represents the minimum, or lower estimate of the value of cultural heritage tourism in the City of Adelaide.

Responses to three survey questions were used to calculate the attribution factor, specifically:

3. What is your MAIN REASON for visiting the City of Adelaide on this trip?

Single response

- Attend convention / business / meeting
- Go shopping for pleasure
- Visit Adelaide Central Markets

- Visit Cultural Institutions (e.g. Art Gallery/ Museum)
- Visit history / heritage places (e.g. North Terrace and other heritage buildings)
- Visit natural attractions (e.g. Botanic Gardens, City Squares and Parklands)
- Visit pubs / nightclubs / restaurants
- Other (specify)

7. Which of the following City of Adelaide activities have you done or plan to do during this visit?

Read out, multiple response

- Go Shopping for pleasure (e.g. Rundle Mall/ Rundle Street)
- Historic Walk Trails / guided tours (City of Adelaide including North Adelaide)
- See a movie or other entertainment (e.g. live theatre, music)
- Visit Galleries/Museums (e.g. SA Museum, Art Gallery of SA)
- Visit Historic buildings / churches
- Visit Monuments/ Memorials (e.g. National War Memorial North Terrace)
- Visit parks/gardens (e.g. Adelaide Botanic Gardens)
- Visit restaurants / pubs / nightclubs / bars
- Visit the Adelaide Central Markets
- Visit the Casino or Adelaide Oval
- Other (specify)

10. What is your MAIN REASON for visiting the City of Adelaide on this trip?

Single response

- Attend convention / business / meeting
- Go shopping for pleasure
- Visit Adelaide Central Markets

- Visit Cultural Institutions (e.g. Art Gallery/ Museum)
- Visit history / heritage places (e.g. North Terrace and other heritage buildings)
- Visit natural attractions (e.g. Botanic Gardens, City Squares and Parklands)
- Visit pubs / nightclubs / restaurants
- Other (specify)



Firstly, the motivation of heritage tourism visitors was identified using the proportion of heritage-related reasons for visits and based on responses to the following categories:

- Visit Adelaide Central Markets
- Visit Cultural Institutions(e.g. Art Gallery/Museum)
- Visit history / heritage places(e.g. North Terrace and other heritage buildings)
- Visit natural attractions(e.g. Botanic Gardens, City Squares and Parklands)

Secondly, the activities of heritage tourism visitors was derived from the categories of heritage-related activities which were:

- Historic Walk Trails / guided tours(City of Adelaide including North Adelaide)
- Visit Galleries/Museums (e.g. SA Museum, Art Gallery of SA)
- Visit Historic buildings / churches
- Visit Monuments/ Memorials(e.g. National War Memorial North Terrace)
- Visit parks/gardens(e.g. Adelaide Botanic Gardens)
- Visit the Adelaide Central Markets

Thirdly, the importance of heritage to visitors was estimated by collapsing the 'important' and 'very important' responses to the following categories of responses:

- Heritage places (e.g. Museums, monuments, historic buildings)
- Parks/natural areas

Averaging of responses based on motivation, activities and importance provides a balanced indicator of the proportion of visitors who can be directly associated with the cultural heritage places of Adelaide City. Consequently, the expenditure of that proportion of visitors can be directly attributed to the cultural heritage places of the City of Adelaide using the attribution factor, as follows:

$$\text{Average expenditure per person} = \frac{\text{Total annual direct visitor expenditure}}{\text{Total annual direct visitor expenditure}} \times \text{Attribution factor (\%)}$$

2.2.4 The Substitution Factor

The substitution factor estimates the proportion of visitors for whom cultural heritage is the only factor that determines their decision to visit Adelaide City. This represents the minimum, or lower bound, estimate of the value of cultural heritage tourism. It is referred to as the substitution factor because, in the absence of the cultural heritage places of Adelaide City, a proportion of visitors would substitute another destination for, or not travel to, the City of Adelaide. Consequently, that proportion of visitor expenditure would be lost to the City of Adelaide.

The substitution factor is generated using a scenario question with single choice response options. The question asks respondents to indicate their behavioural intention in the event that cultural heritage places of the City of Adelaide did not exist, as follows:

$$\text{Substitution value} = \frac{\text{Total annual direct visitor expenditure}}{\text{Total annual direct visitor expenditure}} \times \text{Substitution factor (\%)}$$

2.3 DATA TREATMENT

Treatment of data sources for the purposes of estimation required some decisions about ‘outliers’ (that is, ‘extreme’ values of some variables that distort the analysis of the primary data set) and the accuracy of analysis. In order to remove outliers, values that were more than +/- two standard deviations from the mean were deleted from the relevant data before final analysis. The approach employed was to use conservative estimates and measures available for the

key variables of visitation, length of stay and average daily expenditure. It was important to recognise how sensitive the estimates were to changes in any of these key variables to ensure the study provided robust and reliable estimates of the direct economic value of cultural heritage tourism. The following section outlines the approach used to estimate key variables and includes a discussion of the treatment of the data in order to provide the best estimates for visitation, length of stay and average daily expenditure.



FINDINGS

The following sections provide a profile of the respondents in the sample, the attribution and substitution factors, expenditure and attributable expenditure for heritage tourism in the City of Adelaide.

3.1 SURVEY RESPONDENT CHARACTERISTICS

Four out of five (80%) of respondents indicated that the City of Adelaide was their main destination on this trip and average trip duration was 3.8 days. In terms of visitor origin, 68% were from interstate (mainly NSW and Victoria), 21% from overseas and 11% from

regional South Australia (Table 1). All age groups were represented in the sample, with the 25 to 34, 45 to 54 and 55 to 64 most evenly represented. All age groups were represented in the sample, with 25 to 35, 45 to 54 and 55 to 65 comprising the equal majority of respondents. In terms of travel group type, the majority comprised 'family and friends' followed by 'partners'. Taxis, private vehicles and scheduled buses/trains were the main forms of transport used. Finally, 3 to 4 star accommodation was the main form of accommodation used by respondents (Table 1).

TABLE 1: SUMMARY OF SURVEY RESPONDENT CHARACTERISTICS

Category	Frequency	%	Category	Frequency	%
PLACE OF ORIGIN			AGE GROUP		
NSW	81	20	18-24	50	13
Victoria	81	20	25-34	83	21
Queensland	39	10	35-44	58	15
Western Australia	34	9	45-54	81	20
ACT	14	4	55-64	74	19
Tasmania	11	3	65+	54	14
Northern Territory	10	3	NATURE OF VISITOR OR GROUP		
Interstate	270	68	Family or friends	148	37
International	85	21	Partner	138	35
Regional SA	45	11	Alone	113	28
LENGTH OF STAY			Club or tour group	4	1
1-3 days	236	59	Other	8	2
4-7 days	131	33	ACCOMMODATION TYPE		
8-14 days	33	8	3-4 star hotel	163	41
TRANSPORTATION			Family/friends	89	22
Taxis	121	30	Unit / apartment	56	14
Private vehicle	98	25	5 star hotel	52	13
Scheduled bus / train	94	24	Backpackers	26	7
Hire vehicle	47	12	Other	18	5
Package tour	3	1			
Other	37	9			

3.2 ATTRIBUTION FACTOR

The attribution factor is based on three variables: firstly, the main reason for visiting the City of Adelaide; secondly, activities undertaken; and thirdly, the importance of heritage places in the decision to visit Adelaide. Percentage of responses rather than percentage of survey participants was used to calculate the attribution factor. Using the percentage of responses (or percentage of total number of all options selected) functions as a means of weighting the data to better represent the importance of cultural heritage as part of the City of Adelaide experience.

Responses from those whose main destination was the City of Adelaide (n=319) were used to calculate expenditure, attribution and substitution factors. In terms of the key attribution variables drawn from the survey, 12% of responses indicated that heritage places was a main reason for visiting the City of Adelaide, 28% of responses rated heritage places as 'important' or 'very important' to their trip and 41% of responses indicated a visit to one or more heritage places during their trip. Tables 2 - 4 provide details of the response to the attribution questions.

3.2.1 Motivation

Respondents indicated the main reason (motivation) for visiting the City of Adelaide by choosing one of several reasons. The options included an 'Other' category for which alternative reasons may be written. Table 2 details the responses.

The most frequent response for main reason for visitation was 'Other', reflecting the timing of the survey that coincided with major sporting events in the City of Adelaide.

Natural attractions, history and heritage places, cultural institutions and Central Markets summed to a total of 38 mentions (12%) of the overall sample of responses.

3.2.2 Importance

Respondents were requested to rate the importance of six aspects of their City of Adelaide trip. The five categories of responses were collapsed into three categories of 'Important', 'Neutral' and 'Not important'. Table 3 demonstrates that Hotels/bars/restaurants had the highest importance (176 mentions), then 'Visiting Family/Friends (145 mentions), then, equally Parks/natural areas and Shopping for pleasure (117 mentions), Entertainment venues (98 mentions) and Heritage Places (94 mentions).

Overall Parks/natural areas and Heritage Places accounted for an overall proportion of 28% of all 'important' attributes for visiting the City of Adelaide.

3.2.3 Activities

The activity items were amalgamated into heritage place activities (in bold) and comprised an overall proportion of 473 of 1144 (41%) of all activities undertaken by visitors to the Adelaide City (Table 4). 'Shopping for pleasure' (275 responses) was the most frequent response, followed by 'Restaurants, bars, nightclubs, bars' (220 responses), then Casino/Adelaide Oval (157 mentions).



TABLE 2: MAIN REASON FOR ADELAIDE CITY TRIP

Reason	Mentions
Natural attractions	20
History / heritage	7
Cultural Institutions	7
Adelaide Central Markets	4
Shopping for pleasure	20
Pubs / nightclubs / restaurants	12
Convention / business / meeting	58
Other	191

TABLE 3: IMPORTANCE OF ADELAIDE ATTRIBUTES

Attribute	Not important	Neutral	Important
Parks/natural areas	131	71	117
Heritage places	155	70	94
Visiting Family/friends	156	18	145
Hotels/bars/restaurants	60	83	176
Shopping for pleasure	127	75	117
Entertainment venues	145	76	98

TABLE 4: ACTIVITIES IN ADELAIDE

Activity	Responses
Restaurants / pubs / nightclubs / bars	220
Shopping for pleasure	275
Casino/Adelaide Oval	157
Adelaide Central Markets	123
Parks / gardens	105
Galleries / museums	102
Historic buildings / churches	60
Monuments / memorials	58
Historic walks / Guided tours	41
Movie / entertainment	44
Other	25
Total Responses	1144



3.3 VISITOR EXPENDITURE

Respondents were asked to itemise their expenditure in order to generate an estimate of the direct tourist expenditure in the City of Adelaide. The average total daily expenditure by respondents was \$1028. The results are summarised in Table 5.

The average number of visitors that this expenditure represents is 1.9. However, after the outliers of +/- two standard deviations from the mean were cleaned from the dataset, the average trip expenditure was \$871 and the average number of persons represented was 1.7. Therefore, the average expenditure per visitor based on the survey responses is 871 divided by 1.7 or \$512 per person.

To estimate the total direct expenditure of tourists to the City of Adelaide, overnight visitors for the most recent survey period was identified from Tourism Research Australia data and SA Tourism Commission factsheets. Estimated expenditure by overnight visitors to the City of Adelaide in 2013/2014 was 2.722million people.

Based on the results of this survey, the estimated total direct expenditure of overnight visitors to the City of Adelaide in 2013/14 was \$1.39 billion.

3.4 ATTRIBUTION OF VISITOR EXPENDITURE TO HERITAGE TOURISM

In order to estimate the 'upper bound' or 'best estimate' of total annual expenditure associated with cultural heritage tourism, an attribution factor is applied. The attribution factor is based on the proportion of visitors for whom cultural heritage forms a significant and important part of their City of Adelaide experience. The attribution factor is obtained by averaging the response to three attribution variables from the survey data, as follows:

- 12% of responses indicated cultural heritage was a main reason for visiting
- 28% of respondents rated cultural heritage as 'important' or 'very important' to their visit
- 41% of respondent activities were in heritage places

This provides a mean attribution factor of 27 percent.

The annual direct tourist expenditure attributable to heritage tourism is calculated by applying the attribution factor as follows:

$$\text{Attribution value of heritage tourism} = \frac{\text{Annual direct tourist expenditure}}{\text{expenditure}} \times \text{Attribution factor}$$

$$\text{Attribution value of heritage tourism in the City of Adelaide (2013/2014)} = \$1,390,000,000 \times 0.27$$

Hence, the attribution value of heritage tourism to the City of Adelaide is estimated to be in the order of \$375 million. This represents the 'upper bound' or 'best estimate' of heritage tourism value for the City of Adelaide.



3.5 SUBSTITUTION VALUE OF HERITAGE TOURISM

The substitution value represents the amount of attributable direct expenditure that is generated or retained within South Australia due to the heritage places of Adelaide. This is a lower bound estimate of direct expenditure that otherwise would not have occurred in the total absence of any heritage places. The substitution value is estimated based on the response to a scenario question about what tourists would choose to do if the City of Adelaide heritage places did not exist. It provides an estimate of the proportion of direct tourism expenditure that would not take place in Adelaide if the heritage places did not exist. It is based on the proportion of responses indicating that they would travel elsewhere (interstate or regional South Australia) or not travel at all if the heritage places did not exist. The substitution factor is calculated from the sum of key variables based on the responses ‘stay at home’ (3%), ‘go to another state’ (2%), ‘travel elsewhere in SA’ (3%) and ‘go to another country’ (0%). Summing these discrete responses provides a substitution factor of 8%. Responses were as follows (Table 6):

The substitution factor is calculated by summing the key variables as indicated in bold (8%). To obtain the lower bound estimate of heritage tourism expenditure, the substitution factor is applied to the direct tourism expenditure value as follows:

$$\text{Substitution value of heritage tourism} = \frac{\text{Annual direct tourist expenditure}}{\text{Substitution factor}}$$

$$\text{Substitution value of heritage tourism in the City of Adelaide (2013/2014)} = \$1,390,000,000 \times 8\%$$

The estimated amount of annual direct tourist expenditure retained in Adelaide as a result of the existence of heritage places is in the order of \$111 million. This represents a ‘lower bound’ estimate of heritage tourism value for the City of Adelaide.

TABLE 6: SUBSTITUTION FACTOR SCENARIO QUESTION: ‘IF HERITAGE PLACES DID NOT EXIST’

Option	Responses	%	
Travel to Adelaide City anyway	293	92	
Stay at home	10	3	} SUBSTITUTION VARIABLES
Go to another state	9	2	
Travel elsewhere in SA	7	3	
Go to another country	0	0	

CONCLUSION

Based on the results of a visitor survey in the City of Adelaide, the upper bound value of annual direct tourist expenditure attributable to cultural heritage places is estimated to be in the order of \$375 million.

The amount of annual direct tourist expenditure that would be lost if the heritage tourism places in the City of Adelaide did not exist is estimated to be in the order of \$111 million. This represents a lower bound value of heritage places for tourism in the City of Adelaide.

Hence, the value of heritage tourism places in the City of Adelaide, based on visitation data for 2013/14 and survey data collected in July 2015 is within the range of \$111 million to \$375 million on an annualised basis. These results provide a basis for making decisions as to the allocation of funding and support for the ongoing maintenance, preservation and promotion of the cultural heritage places in the City of Adelaide in the future.



APPENDIX A - THE CITY OF ADELAIDE VISITOR SURVEY 2015

Screen: All of the respondents must aged 18+ and be visitors to the city; defined as having travelled from interstate or from overseas or from more than 100km away and staying overnight in the Adelaide metro area (not just the City) either with friends and relatives or in paid accommodation.

Introduction: Hello, I am ... from McGregor Tan Research, we are undertaking a study for The City of Adelaide Council to establish the significance of tourism in The City of Adelaide (including North Adelaide) and would appreciate your participation. The information we gather is important to the future planning and management of this city.

When answering the questions, please only think about your current visit to The City of Adelaide area as indicated on the map. Thank you for sparing the time to complete the survey.



CITY OF ADELAIDE STUDY AREA (INSIDE DOTTED LINES)

Note: The study area includes North Adelaide and the Parklands

1. Where do you usually live?

- | | |
|-------------------------------------|---|
| <input type="checkbox"/> NSW | <input type="checkbox"/> Northern Territory |
| <input type="checkbox"/> Victoria | <input type="checkbox"/> Western Australia |
| <input type="checkbox"/> Queensland | <input type="checkbox"/> Overseas |
| <input type="checkbox"/> Tasmania | <input type="checkbox"/> Regional South Australia |
| <input type="checkbox"/> ACT | |

2. Is the City of Adelaide your main destination for this trip?

- | | |
|--|---|
| <input type="checkbox"/> Attend convention / business / meeting | <input type="checkbox"/> Visit natural attractions (e.g. Botanic Gardens, City Squares and Parklands) |
| <input type="checkbox"/> Go shopping for pleasure | <input type="checkbox"/> Visit pubs / nightclubs / restaurants |
| <input type="checkbox"/> Visit Adelaide Central Markets | <input type="checkbox"/> Other (specify) |
| <input type="checkbox"/> Visit Cultural Institutions (e.g. Art Gallery/Museum) | |
| <input type="checkbox"/> Visit history / heritage places (e.g. North Terrace and other heritage buildings) | |

3. What is your **MAIN REASON** for visiting the City of Adelaide on this trip? **Single response**

- | | |
|--|---|
| <input type="checkbox"/> Attend convention / business / meeting | <input type="checkbox"/> Visit natural attractions (e.g. Botanic Gardens, City Squares and Parklands) |
| <input type="checkbox"/> Go shopping for pleasure | <input type="checkbox"/> Visit pubs / nightclubs / restaurants |
| <input type="checkbox"/> Visit Adelaide Central Markets | <input type="checkbox"/> Other (specify) |
| <input type="checkbox"/> Visit Cultural Institutions (e.g. Art Gallery/Museum) | |
| <input type="checkbox"/> Visit history / heritage places (e.g. North Terrace and other heritage buildings) | |

4. Which of the following City of Adelaide activities have you done or plan to do during this visit?

Read out, multiple response

- | | |
|--|--|
| <input type="checkbox"/> Go Shopping for pleasure (e.g. Rundle Mall/ Rundle Street) | <input type="checkbox"/> Visit Monuments/ Memorials (e.g. National War Memorial North Terrace) |
| <input type="checkbox"/> Historic Walk Trails / guided tours (City of Adelaide including North Adelaide) | <input type="checkbox"/> Visit parks/gardens (e.g. Adelaide Botanic Gardens) |
| <input type="checkbox"/> See a movie or other entertainment (e.g. live theatre, music) | <input type="checkbox"/> Visit restaurants / pubs / nightclubs / bars |
| <input type="checkbox"/> Visit Galleries/Museums (e.g. SA Museum, Art Gallery of SA) | <input type="checkbox"/> Visit the Adelaide Central Markets |
| <input type="checkbox"/> Visit Historic buildings / churches | <input type="checkbox"/> Visit the Casino or Adelaide Oval |
| | <input type="checkbox"/> Other (specify) |

5. If the heritage attractions of The City of Adelaide did not exist, would you have chosen to:

Read out, single response

- | | |
|--|---|
| <input type="checkbox"/> Stay at home | <input type="checkbox"/> Travel to another Australian state |
| <input type="checkbox"/> Travel to The City of Adelaide anyway | <input type="checkbox"/> Travel to another country |
| <input type="checkbox"/> Travel elsewhere in SA | |

6. How much have you spent / intend spending in the City of Adelaide area during this visit?

Please indicate/estimate figures for the total visit in \$Aus.

Allow for 5 digits per response

Expenditure item (\$AUS)	In the City of Adelaide area
Travel (bus fares, car hire, fuel, etc. [not flights])	\$□□□□□
Accommodation	\$□□□□□
Food and drinks (local hotels/restaurants, local stores/supermarkets)	\$□□□□□
Activities (entry fees, guided tours etc...)	\$□□□□□
Other (clothing, merchandise, souvenirs etc.)	\$□□□□□

7. How many people do these spend figures include?

□□ (Allow 2 digits)

8. How important are the following to you when visiting The City of Adelaide? Please use a scale of 1 to 5 where 1 is not important and 5 is very important. **Read out (rotated)**

	Not important		→	Very important	
Visiting Family/friends	1	2	3	4	5
Heritage places (e.g. museums, monuments, historic buildings)	1	2	3	4	5
Entertainment venues (movies, theatre arts etc...)	1	2	3	4	5
Shopping for pleasure	1	2	3	4	5
Hotels/bars/restaurants	1	2	3	4	5
Parks/natural areas	1	2	3	4	5

9. How did you travel to The City of Adelaide? **Unprompted, single response**

(If flew in, how did they travel from the airport)

- | | |
|--|---------------------------------------|
| <input type="checkbox"/> Private vehicle | <input type="checkbox"/> Hire vehicle |
| <input type="checkbox"/> Taxi | <input type="checkbox"/> Package tour |
| <input type="checkbox"/> Scheduled bus/train | <input type="checkbox"/> Other |

10. Who are you visiting with? **Unprompted, multiple response**

- | | |
|---|--|
| <input type="checkbox"/> Alone | <input type="checkbox"/> With a club or tour group |
| <input type="checkbox"/> With partner | <input type="checkbox"/> Other (specify) |
| <input type="checkbox"/> With family or friends | |

11. How many days will you spend visiting the City of Adelaide Centre?

(Allow 2 digits)

12. During this visit to The City of Adelaide, where are you staying? **Read out, multiple response**

- 5 star hotel
- Unit/Apartment
- 3-4 star hotel
- Backpackers
- Family / friends
- Other (specify)

13. How many nights are you staying? **Read out**

Show only those selected in Q12	Number of nights <i>(allow 2 digits)</i>
5 star hotel	<input type="text"/> <input type="text"/>
Unit/Apartment	<input type="text"/> <input type="text"/>
3-4 star hotel	<input type="text"/> <input type="text"/>
Backpackers	<input type="text"/> <input type="text"/>
Family / friends	<input type="text"/> <input type="text"/>
Other	<input type="text"/> <input type="text"/>

14. Was this accommodation located in City of Adelaide area? **Read out**

Show only those selected in Q12	Yes	No
5 star hotel	1	2
Unit/Apartment	1	2
3-4 star hotel	1	2
Backpackers	1	2
Family / friends	1	2
Other	1	2

15. In which of the following age groups do you fall? **Read out, single response**

- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65 and over

THANK YOU.

APPENDIX B - PROJECT BRIEF:

ACC TOURISM VALUE OF HERITAGE STUDY

REPORT CONSULTANT

1. BACKGROUND

The purpose of this Brief is to address an information gap in relation to the tourism benefits of heritage in Adelaide. The potential of cultural built heritage places to attract tourists to the City of Adelaide in particular is recognised but has not been the subject of a detailed study or quantification of economic benefits.

There are currently 449 State Heritage Places and 1,442 Local Heritage Places listed in the City.

The services of a Report Consultant team are required to assist Council with strategic planning investigations relating to the value of heritage in supporting tourism in Adelaide.

2. PROJECT OBJECTIVES

The Project Aims for the Tourism Value of Heritage Study are to:

Measure the value of expenditure by visitors to the City of Adelaide where the city's significant cultural heritage is a factor; including all the historic buildings and streetscapes including the cultural institutions such as the SA Art Gallery, State Library and the South Australian Museum, Botanic Gardens, North Terrace, Rundle Street, Gouger Street and the Central Markets

Note that a separate Survey Consultant will provide the raw and collated data. The scope and brief for that consultant is attached for information only.

3. SCOPE OF WORK

3.1 Methodology

The Report Consultant will be required to analyse the data provided by the survey consultant through ACC and provide a comprehensive draft and final report which includes comprehensive expert findings and recommendations. Refer to the Economic Value of Tourism in the City of Perth for comparable study questions and report.

3.2 Timing

The Report component of the project must start by mid-August and be completed by end August 2015.

3.3 Survey content

The questionnaire will be 13 questions and is estimated to take 5 mins to complete. This is based on a similar survey undertaken for the City of Perth in 2008.

It is proposed that the Adelaide City survey will be conducted as a random intercept survey, with a total sample size of around 400. Fieldwork will be undertaken at selected locations (North Terrace, Rundle Street/East Terrace) and different times of the day and days of the week to ensure that a good spread of City Visitors are surveyed. All of the respondents must be visitors to the city defined as having travelled from interstate from overseas or from more than 100km away and staying overnight in the Adelaide metro area either with friends and relatives or in paid accommodation.

4. STUDY OUTPUT

The consultant engaged for the project will be required to prepare the following:

4.1 A draft and final version of the Report

4.2 A project plan detailing the dates for report production

4.2 Analyse the clean data files as provided in Excel and/or Survey System format

The consultant will be required to attend:

4.3 An inception meeting in the week beginning 27/7/15. This can be by telephone.

The consultant will be required to provide:

4.4 Report on progress as required and upon completion.

5. QUALITY CONTROL

All fieldwork and the report shall comply with IQCA standards.

6. INSURANCES

Public liability insurance in the amount of \$20 million is required for this work.

7. TIMEFRAME

Submissions are required via email to k.o'sullivan@adelaidecitycouncil.com by 12pm (Noon) Monday 29 June 2015.

We are looking to select a study report consultant by COB 30 June 2015 with a view to the report being commenced in early August 2015 and completed by end August 2015.

8. SELECTION CRITERIA

Consultant selection will be based on the following criteria:

8.1 Experience and method

8.1.1 Experience, knowledge and good past performance in providing like services

8.1.2 Knowledge and understanding of Council's customers, client requirements and the local area

8.1.3 Strong human resource capacity demonstrating ability to meet the requirements of the Contract

8.2 Project fee

8.2.1 Amount of the tendered price for the services

8.2.2 The tendered price for the service is accurate and is not likely to result in variation claims by the consultant

8.3 Timeframe to deliver the service

The project must be completed by the end of August 2015. The successful consultant must be able to ensure the availability of the resources required to meet this timeframe.

9. OWNERSHIP OF SURVEY AND DATA

The data collected in the course of the survey will be owned by Adelaide City Council.

The survey designed to collect the data will be owned by Adelaide City Council.

The report analysing the data will be owned by Adelaide City Council.

10. ENQUIRIES

Please direct enquiries to Kevin O'Sullivan by email k.o'sullivan@adelaidecitycouncil.com or by phone 8203 7867 or personal mobile 0421 021 211 at any time.

11. ENGAGEMENT TERMS

The successful consultant will be engaged pursuant to Council's Standard Letter of Engagement..