



Australian Government
Tourism Research Australia



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MEDIA RELEASE

Tourism businesses contribution strengthens despite slight fall in counts

Tourism Research Australia's report *Tourism Businesses in Australia, June 2010 to June 2012*, released today, shows that there were approximately 280,000 businesses in Australia's tourism industry in June 2012, representing over 13 per cent of Australia's total 2.1 million businesses.

"While the number of tourism businesses fell by 2,900 (or 1 per cent) in June 2012, their contribution to tourism's gross value added per business increased by around 13 per cent", Dr Leo Jago, Chief Economist, Tourism Research Australia, said.

"In tourism more than 90 per cent of businesses are small (with 0 to 19 employees). While medium and large businesses share less than 10 per cent of the total business count, more than two thirds (68 per cent) of total revenue is generated by this group. This reminds policymakers and industry that tourism businesses — large or small, play a significant role in the economy." added Dr Jago

Tourism, like many high labour cost, trade-exposed industries is finding that increasing profitability is an ongoing challenge as they compete for investment funding. However, increasing profitability is vital in terms of improving productivity and progressing innovation.

Key findings from the report include:

- In June 2012, around 80 per cent of tourism businesses were located in three states — New South Wales, Victoria and Queensland.
- Between June 2010 and June 2012, growth in the number tourism businesses was mainly limited to Melbourne and Sydney, while regional areas in all states suffered a decline.
- Output generated per person in tourism as measured by Gross Value Added was lower than that of the all-industry average — \$65,000 compared to \$119,000.

The report provides information on tourism businesses count, employment size, legal structure, type, location (state, territory and tourism region) and financial performance. The full report is available at: www.tra.gov.au

Media contact: tourism.research@tra.gov.au
02 6243 7745

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