



# TOURISM SATELLITE ACCOUNT 2017–18

## EXPLANATORY NOTES

### ABOUT THIS RELEASE

The Australian TSA is prepared by the Australian Bureau of Statistics and is funded by the Australian Trade and Investment Commission (AUSTRADE). The 2017–18 TSA (Cat. No. 5249.0) was published on 1 May 2019 and is available at [www.abs.gov.au](http://www.abs.gov.au).

Estimates in this edition are benchmarked against the 2016–17 supply-use tables, unlike the previous edition benchmarked against 2012–13 supply-use tables. Consumption data are based on Tourism Research Australia's International Visitor Survey (IVS) and National Visitor Survey (NVS), year ending June 2018. Totals are also sourced from the June 2018 Balance of Payments. Aggregates for the whole Australian economy are sourced from the 2017–18 Australian System of National Accounts (Cat. No. 5204.0).

All the economic estimates presented here are recorded at current prices, that is, the prices used at the time of the observation, regardless of the change of value over time. In the 2017–18 TSA, estimates and time series for consumption, GVA and GDP are also available in constant price (chain volume measures) to remove the effect of inflation and capture the real volume of tourism services.

Since the 2013–14 issue, the TSA also includes estimates for hours worked (as a proxy for labour productivity).

### NOTES ON THE TSA CONCEPTUAL FRAMEWORK

The following organisations jointly developed the framework for the TSA:

- Commission of the European Communities
- Organisation for Economic Co-operation and Development (OECD)
- United Nations World Tourism Organization (UNWTO)
- World Travel and Tourism Council (WTTC).

It was approved by the United Nations Statistical Commission (EUROSTAT et al. 2000) and has been revised in UNWTO (2008) and *Tourism Satellite Accounts: Recommended Methodological Framework* (2008). The framework has been widely applied in Australia and internationally, so the recommended methodology for TSAs is not reproduced in this report.

## CHANGES IN THIS ISSUE

- The new benchmark against 2016–17 supply-use tables ensures closer aligned representation of the tourism economy to the most recent reference year of the national economy. As a result of the new benchmark, previous results based on 2012–13, 2009–10 and 2006–07 benchmarks have also been adjusted to reflect changes in source data and the new benchmark.
- The current issue of TSA 2016–17 contains time-series results from 2004–05 onwards only, due to series breaks in the source data.
- Revisions of the source data and estimation methods of a selection of tourism products and industries have also been incorporated to refine and improve estimates of tourism consumption, output and value added. Refer to [ABS TSA 5249.0](#) for details on these changes.

## GLOSSARY OF TERMS<sup>1</sup>

### DIRECT TOURISM INDICATORS

Aggregates in the TSA refer only to the tourism *direct* impact on the economy, as *indirect* effects of tourism consumption are out of scope in the satellite account. A *direct* impact occurs where there is a *direct* relationship between the visitor and the supplier. The tourism *indirect* estimates, including flow-on effects of tourism demand in the chain of supply of goods and services to visitors, are published in the State Tourism Satellite Account (STSA) available at [www.tra.gov.au](http://www.tra.gov.au).

### TOURISM GROSS DOMESTIC PRODUCT (GDP)

Tourism GDP and tourism Gross Value Added are the major economic aggregates derived in the TSA. Those aggregates are not the same and are used in different contexts. Direct tourism GDP measures the value added of the tourism industry at purchasers' (market) prices. As such, it includes taxes paid (less subsidies) associated with the productive activity. It enables a direct comparison with the national aggregate of GDP and is useful in this macroeconomic context. However, when making comparisons with other industries or between countries, the direct tourism Gross Value Added measure should be used.

### TOURISM GROSS VALUE ADDED (GVA)

Tourism GVA shows only the 'value' added by the producer to the raw material goods before any addition of taxes, such as GST or wholesale sales taxes. It also excludes excise duties on goods supplied to visitors. Measured at this 'basic price', tourism GVA is directly comparable with other industries' GVA because it is free of the effects of taxes and subsidies on products which can vary between industries (and countries) and over time. Also, the tax and subsidy component of a product's sale price does not represent value added by the producer.

### DOMESTIC TOURISM

Domestic tourism consumption consists of tourism consumption by domestic tourists on tourism-related products within Australia. It is the sum of household tourism consumption and business and government tourism consumption.

### TOURISM

The term 'tourism' in the international standards is not restricted to leisure activity. It includes travel for business or other reasons, such as education, provided the destination is outside the person's usual environment (see 'Visitors').

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<sup>1</sup> For a full glossary of terms used in compiling the Tourism Satellite Account, please see Australian Bureau of Statistics (2019), *Tourism Satellite Account 2017–18* (ABS Cat. No. 5249.0) available on the ABS website – [www.abs.gov.au](http://www.abs.gov.au)

## TOURISM CONSUMPTION

Consists of tourism expenditure plus imputed consumption by domestic, inbound and outbound visitors on tourism-related products, including those sold at prices that are not economically significant. It is measured in purchasers' prices – the price that visitors pay.

- *Domestic tourism consumption* consists of the tourism consumption by domestic visitors on tourism-related products within Australia. It is the sum of household tourism consumption and business and government tourism consumption.
- *International tourism consumption* consists of the tourism consumption within Australia by inbound visitors on tourism-related products. Also referred to as internal tourism consumption by international visitors.
- *Outbound tourism consumption* consists of the tourism consumption by Australian outbound visitors outside of Australia while on an international trip. Also referred to as tourism imports.
- *Internal tourism consumption* is equal to tourism expenditure made by all visitors, both resident and non-resident in Australia *plus* it includes adjustments for imputed consumption, such as imputed rents on vacation homes, or a visit to a museum or art gallery where entry is free. Internal tourism consumption estimates are different to Tourism Research Australia's estimates for visitor expenditure due to the imputation, the treatment of outbound expenditure within Australia or with Australian firms, and some other adjustments detailed in the explanatory notes of the TSA.

## TOURISM EMPLOYMENT

Refers to the persons employed in tourism-related industries. Those are industries that either would cease to exist in their present form, or would be significantly affected if tourism were to cease.

## TOURISM EXPENDITURE

Refers to the amount paid by a visitor or on behalf of a visitor for and during his/her trip and stay at the destination.

## TOURISM EXPORT

Refers to the value of domestically produced goods and services purchased by non-residents on inbound trips.

## TOURISM IMPORTS

Also known as 'outbound tourism consumption', consists of the tourism consumption by Australian outbound visitors outside of Australia while on an international trip.

## TOURISM-RELATED INDUSTRIES

- *Tourism-characteristic industries* are defined as those industries that either would cease to exist in their present form, or would be significantly affected if tourism were to cease.
- *Tourism-connected industries* are those (other than tourism-characteristic industries), for which a tourism-related product is directly identifiable (primary) and consumed in volumes which are significant for the visitor and/or the producer.

## TOURISM-RELATED PRODUCTS

- *Tourism-characteristic products* are defined as those products which would cease to exist in meaningful quantity, or for which sales would be significantly reduced, in the absence of tourism.
- *Tourism-connected products* define those products that are consumed by visitors but are not considered as tourism-characteristic products.

## VISITORS

Tourism comprises the activities of visitors. A visitor is defined as any person

'taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited'.

As a result, the term 'tourism' in the international standards is not restricted to leisure activity. It also includes travel for business or other reasons, such as education, provided the destination is outside the person's usual environment.