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TOURISM
RESEARCH
AUSTRALIA

TOURISM
BUSINESSES
IN AUSTRALIA
SUMMARY

June 2011 to June 2015

TOURISM BUSINESSES IN AUSTRALIA

A SUMMARY OF TOURISM BUSINESSES IN AUSTRALIA

Tourism is an industry consisting largely of small, labour-intensive businesses, and is extremely dynamic and resilient in nature. This flexibility is reflected by changes in the number of businesses¹ within the industry. In June 2015, tourism businesses made up 13% (around 273,500) of the total 2.1 million businesses in Australia.

- In 2014–15, tourism's contribution to the Australian economy was **\$47.5 billion** or 3% of the total economy – up 17.8% (or \$7.2 billion) compared to 2010–11 (\$40.3 billion)

In June 2015 (compared to June 2011):

- There were more businesses (non-employing and micro) leaving the industry (-6.2%) than new businesses entering the industry (4.6%).
- There was a **net reduction** in tourism businesses of 3.8% (around 11,000 businesses), which represented 96% of the total decline in businesses generally in Australia.

However, despite the reduction, there has been some positive outcomes. The industry is undergoing a structural change, leading to the gradual increase in the number of small, medium and large businesses (a combined increase of 4.6% since June 2011).

The industry has seen a rise in the number of employing businesses (and a decline in non-employing businesses) on the back of strong visitor growth and expenditure.

The evolution of the industry from non-employing and micro businesses into small, medium and large businesses means there is greater resilience and capacity within Australia's tourism businesses. The industry will need this improved strength to continue supporting the tourism growth happening now and expected in the future.

The latest Tourism Research Australia (TRA) forecasts report that between 2014–15 and 2019–20, international visitor consumption will rise by 11% to reach \$56 billion, and domestic visitor consumption will rise by 5.5% to reach \$96 billion.

¹ The stock of all actively trading businesses in Australia is reported, from June 2011 through to June 2015. Business counts are sourced and derived from the Australian Bureau of Statistics' (ABS) Business Register (ABSBR) (unpublished data) (ABS 2016). The ABS also releases the publication *Counts of Australian Businesses, including Entries and Exits, June 2011 to June 2015* (ABS Cat. No. 8165.0).

EMPLOYMENT SIZES OF AUSTRALIA'S TOURISM BUSINESSES

- Of the 273,500 tourism businesses operating in Australia at June 2015, 57% (or 156,800) were employing businesses, and 43% (or 116,700) were non-employing businesses. This count was 3.8% less when compared to June 2011.
- In June 2015, the tourism industry – like most other industries – was dominated (95 per cent) by small businesses (43% non-employing and 52% employing 1 to 19 persons). The remaining 5% was distributed between medium and large businesses.

- **Small** – includes non-employing (or self-employed), micro, and small businesses that employ 0 to 19 persons
- **Medium** – employ 20 to 199 persons
- **Large** – employ 200+ persons



Image: NOOSA International Food & Wine Festival 2013
Image courtesy of John Montesi and Tourism Australia



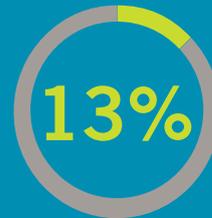
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TOURISM BUSINESSES IN AUSTRALIA: JUNE 2015

273,512
TOURISM BUSINESSES IN AUSTRALIA

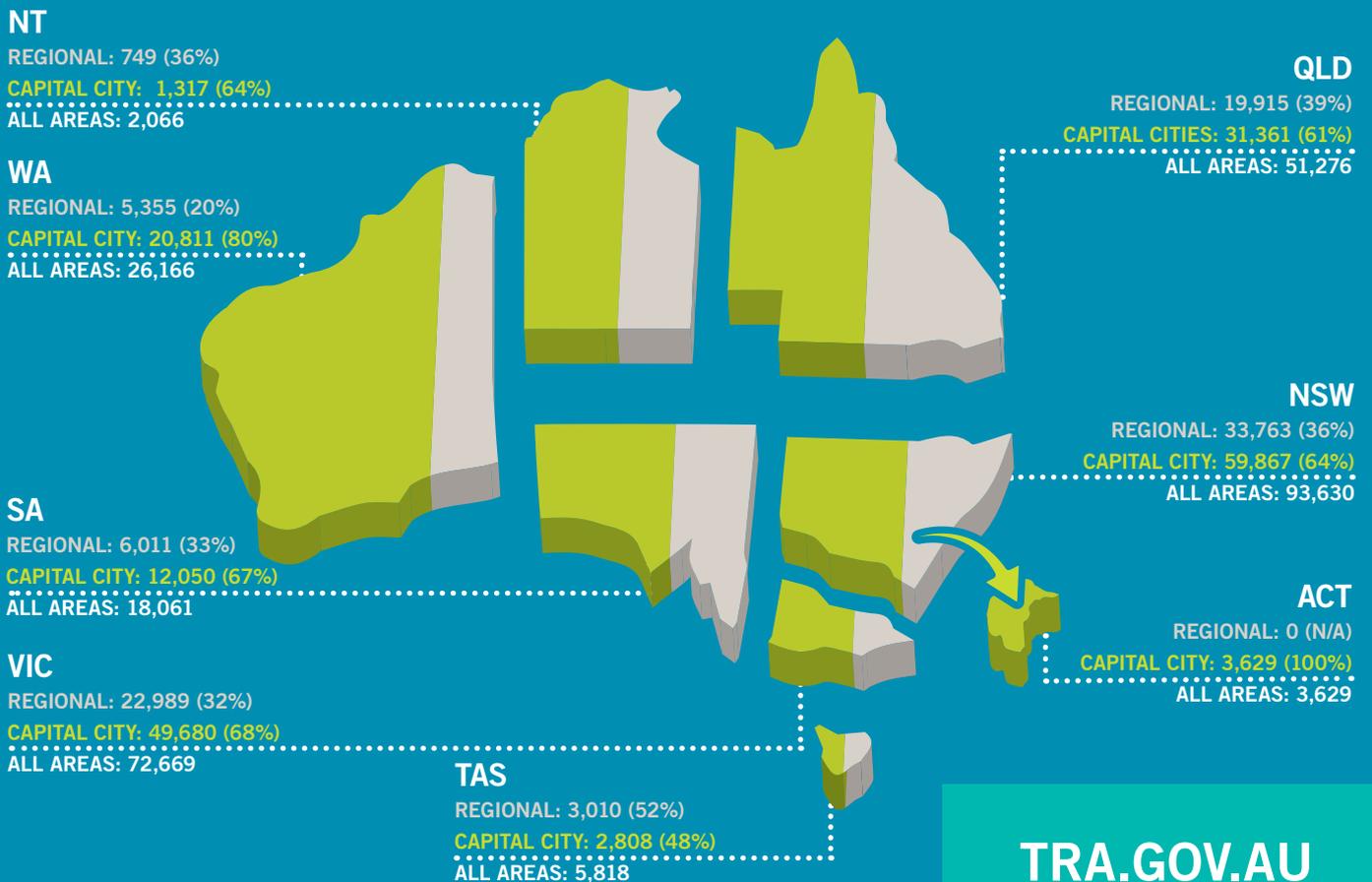


OF THE TOTAL
2.1 MILLION
BUSINESSES IN
AUSTRALIA



DISTRIBUTION OF TOURISM BUSINESSES

■ REGIONAL ■ CAPITAL CITIES



TRA.GOV.AU

TOURISM IS A LABOUR-INTENSIVE INDUSTRY

- Tourism businesses (57%) were more likely to employ staff than non-tourism businesses (37%)

THE INDUSTRIES THAT MAKE UP TOURISM

The underlying industries that largely (more than 85%) make up the tourism industry are varied, and in June 2015, the largest number of tourism businesses were found in the *Other retail trade* (approx. 128,300 tourism businesses); *Cafes, restaurants and takeaway food services* industries (approx. 65,500); *Taxi transport* (approx. 16,000); *Cultural services* (approx. 14,000); and *Accommodation* (approx. 13,000).

All the industries experienced structural shift which drove a net decline in tourism business numbers by 3.8% in June 2015 (compared to June 2011):

- *Taxi transport* – down 13% overall, medium businesses increased by 56%.
- *Cultural services* – down 11% overall, medium and large businesses increased by 18% and 25%, respectively.
- *Air, water and other transport* – down 9.2% overall, large businesses increased by 23%.
- *Other retail trade* – down 8.6% overall, medium and large businesses increased by 3.7% and 9.8%, respectively.
- *Accommodation* – down 4.1% overall, small (employing 4 to 19 persons) and large businesses increased by 7.8% and 15%, respectively.

During the same period, in some of the industries strong growth in businesses occurred in all or most employment categories, namely:

- *Cafes, restaurants and takeaway food services industry* – all business sizes increased leading to overall growth of 10% in the total number of businesses.
- *Automotive fuel retailing* – all business sizes increased, with overall growth of 4.9%
- *Travel agency and tour operator services* - non-employing, micro and medium-sized business numbers increased, with overall growth of 4.2%
- *Motor vehicle hiring* – non-employing, micro and medium-sized businesses increased leading to overall growth of 4.0% in the total number of businesses.
- *Other sports and recreation services* – all employing businesses increased, with overall growth of 2.9%.

BUSINESS LOCATIONS WITHIN AUSTRALIA

In June 2015, around 80% of total tourism businesses in Australia were distributed within three states:

- New South Wales – 34%, or 93,300 businesses
- Victoria – 27%, or 72,800 businesses
- Queensland – 19%, or 52,200 businesses.

Western Australia and South Australia were home to a further 16% of total tourism businesses – WA, 9.6% (26,200 businesses); and SA, 6.4% (17,400).

The remaining 4.2% were situated in Tasmania, 2.1% (5,700 businesses); the Australian Capital Territory, 1.3% (3,600); and the Northern Territory, 0.8% (2,100).

REGIONAL AREAS HAVE HIGHER VISITOR EXPENDITURE PER TOURISM BUSINESS!

- **WHILE ONLY 34%** of all tourism businesses are located outside of capital cities, TRA data showed that **45 cents** in every tourism dollar is **spent** in regional Australia



Image: True North, The Kimberley, WA
Image courtesy of Tourism Australia

