TOURISM BUSINESSES IN AUSTRALIA
June 2010 to June 2013
ACKNOWLEDGMENTS

Tourism Businesses in Australia, June 2010 to June 2013 is the third report in a series that estimates the number of businesses in the Australian tourism industry. The methodology was developed by Tourism Research Australia with data derived from ABS’ publication ‘Count of Australian Businesses Entries and Exits’ (ABS Cat. No. 8165.0).

ISBN  978-0-9925090-7-1
Tourism Research Australia
Australian Trade Commission
25 National Circuit, Forrest ACT
GPO Box 2386, Canberra ACT 2601
Email: tourism.research@tra.gov.au
Web: www.tra.gov.au
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Cover image: Wildman Wilderness Lodge, Northern Territory. Image courtesy of Tourism Australia/Adrian Brown.
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1. INTRODUCTION

This report examines the stability and health of tourism through changes in the number of businesses within the industry. Business counts are reported by:

- employment size
  - non-employing or self-employed
  - micro (employing 1-4 persons)
  - small (employing 5-19 persons)
  - medium (employing 20 to 199 persons)
  - large (employing 200 or more persons)

- industry type
- location (state, territory and tourism region)
- financial performance.

Tourism Research Australia draws on the following Australian Bureau of Statistics’ products for this report:

- Count of Australian Businesses, including Entries and Exits (ABS Cat. No. 8165.0)

Note: Due to ABS methodology changes, the data in this report are not compatible with the previous publication, Tourism Businesses in Australia, June 2010 to June 2012 (TRA, 2012).

2. METHODOLOGY

The methodology used in this report applies a narrower definition of tourism industries in Australia than classified in the ABS’ Tourism Satellite Account (TSA) (ABS 2013b). TRA removed the tourism entities that contributed less than 5.0 per cent of their GVA to tourism such as:

a) Ownership of dwellings, which is mainly the many small residential property owners in Australia. This industry contributes only 2.7 per cent of its GVA to tourism services.

b) Other road transport, which is mainly private freight services (largely ‘truckies’) and only 3.6 per cent of its GVA was related to tourism activity.

c) Education and training, which is more reliant on non-tourists (Australian resident students or overseas students who are undertaking a course for longer than one year).

This sector has only 4.2 per cent of its GVA contributed to tourism.

1 This does not comply with international tourism standards (please refer to UNWTO website www.unwto.org).
3. KEY FINDINGS

AUSTRALIA’S TOURISM BUSINESSES

- Tourism made up approximately 267,000 businesses (or 13 per cent) of the total 2.1 million businesses in Australia in June 2013.
- Compared to June 2010, the number of tourism businesses declined by 6 per cent, or approximately 17,000 businesses. This loss accounted for slightly more than 37 per cent of the total decline of 45,000 Australian businesses over the same period.
- The decline in tourism businesses seems to reflect a change in the balance of tourism business sizes, rather than being a sign of a troubled industry.
- The major share (95 per cent) of tourism businesses was held by self-employed, micro and small businesses, which is consistent with most other industries. This group, however, contributed only 32 per cent of total tourism revenue.
- In contrast, the remaining—medium and large businesses contributed more than two-thirds (68 per cent) of total tourism revenue in Australia, despite only holding a 5.0 per cent and 0.3 per cent share of tourism businesses, respectively.
- In June 2013, the majority (80 per cent) of tourism businesses in Australia were located in three states: New South Wales, Victoria and Queensland. The contribution of these states to Australian tourism Gross Domestic Product (GDP) was 78 per cent in 2012–13.
- Despite a larger proportion of tourism businesses being located in capital cities, tourism revenue was not generated proportionally in the capital cities.
- Overall, 38 per cent of tourism businesses were located in regional areas, but they generated 44 per cent of total tourism revenue in 2012–13. This highlights the importance of developing strategic policy and investment initiatives to support business growth in regional areas.

RECENT STRUCTURAL CHANGES TO TOURISM BUSINESSES

From 2009–10 to 2012–13, the tourism industry went through a process of structural consolidation, when 19,000 non-employing and micro businesses exited the industry and, at the same time, over 2,000 small, medium and large businesses entered it. This resulted in a net loss of 17,000 businesses. However, this process allowed the tourism industry to strengthen financially post-GFC, with the average annual revenue growth rate of small, medium, and large businesses increasing by 2.6 per cent, 1.1 per cent, and 3.9 per cent over this period, respectively.

This change has contributed marginally to an improvement in tourism productivity, with larger size businesses able to produce more with their resources. Tourism labour productivity had improved 0.6 per cent per annum over the period 2009-10 to 2012-13 (ABS, Cat. no. 5249).

During this period of restructuring, there was solid growth in:

- tourism industry employment (24,300 new jobs)
- tourism business revenue (4.6 per cent per annum)
- tourism consumption by visitors (up $12 billion or 12.1 per cent to $110 billion).
TOURISM BUSINESSES IN AUSTRALIA: JUNE 2013

266,649} 13% OF THE TOTAL 2.1 MILLION BUSINESSES IN AUSTRALIA

114,812 NON-EMPLOYING BUSINESSES (OR SELF-EMPLOYED) 43%
86,146 MICRO BUSINESSES (1–4 EMPLOYEES) 32%
51,640 SMALL BUSINESSES (5–19 EMPLOYEES) 19%
13,376 MEDIUM BUSINESSES (20–199 EMPLOYEES) 5.0%
675 LARGE BUSINESSES (200+ EMPLOYEES) 0.3%

GROSS REVENUE SHARE OF NON-EMPLOYING, MICRO AND SMALL BUSINESSES 32%

17,000 LESS TOURISM BUSINESSES THAN JUNE 2010 (-6%) 19,000 NON-EMPLOYING & MICRO TOURISM BUSINESSES EXITED THE INDUSTRY 2,000 SMALL, MEDIUM & LARGE TOURISM BUSINESSES ENTERED THE INDUSTRY

MEDIUM AND LARGE BUSINESSES CONSTITUTED ABOUT 5% OF TOTAL TOURISM BUSINESSES BUT GENERATED 68% OF TOTAL TOURISM REVENUE

Source: Tourism Businesses in Australia, June 2010 to June 2013, Tourism Research Australia.
4. ANALYSIS

4.1 NATIONAL PROFILE

Of the 2.1 million (approximately) actively trading businesses in Australia in June 2013 (Table 1), 266,649 (or around 13 per cent) were in tourism industries.

Almost all tourism businesses (95 per cent) were self-employed, micro and small businesses. Reflecting the labour intensive nature of the tourism industry, tourism businesses were much more likely to employ staff (57 per cent) than non-tourism businesses (37 per cent).

From June 2010 to June 2013, there was a reduction in the number of trading businesses. In both tourism and non-tourism businesses, the declines were driven by the non-employing and micro businesses categories:

- For tourism businesses, the net decline was 17,000 (5.9 per cent down from the June 2010 level).
  - Nearly 13,700 of those businesses leaving the industry were non-employing and another 5,100 were micro businesses.
  - There was a small increase of 2,000 businesses in small, medium and large categories.
- For non-tourism businesses, the net decline was 28,300 (1.5 per cent down from the June 2010 level). The pattern of changes to non-tourism segment was similar to that of tourism.
  - The majority of exiting businesses were non-employing (25,100) and a small proportion of micro businesses (11,700).
  - There was a relatively small increase of 8,500 businesses in small, medium and large categories.
- Changes in numbers for both tourism and non-tourism businesses occurred rapidly in the twelve months to June 2013.

The changes in tourism businesses followed the overall changes of the whole economy. Figure 1 shows that both tourism and non-tourism sectors had a similar pattern of business consolidation occurring in businesses with less than 4 persons (non-employing and micro businesses).

FIGURE 1: NET PERCENTAGE CHANGE IN BUSINESS NUMBERS (TOURISM AND NON-TOURISM INDUSTRIES), JUNE 2013 ON JUNE 2010

![Net Percentage Change in Business Numbers](chart)

Source: Derived by TRA using ABS Business Register (unpublished) data (ABS Cat. No. 8165.0).
## TABLE 1: BUSINESSES IN AUSTRALIA, JUNE 2010 TO JUNE 2013

<table>
<thead>
<tr>
<th>EMPLOYMENT SIZE</th>
<th>JUNE 2010</th>
<th>JUNE 2011</th>
<th>JUNE 2012</th>
<th>JUNE 2013</th>
<th>CHANGE 2010-13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NUMBER ('000)</td>
<td>%</td>
<td>NUMBER ('000)</td>
<td>%</td>
<td>NUMBER ('000)</td>
</tr>
<tr>
<td><strong>TOURISM BUSINESSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non–employing</td>
<td>128</td>
<td>45</td>
<td>128</td>
<td>45</td>
<td>126</td>
</tr>
<tr>
<td>Employing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro</td>
<td>91</td>
<td>32</td>
<td>92</td>
<td>32</td>
<td>90</td>
</tr>
<tr>
<td>Small</td>
<td>50</td>
<td>18</td>
<td>51</td>
<td>18</td>
<td>52</td>
</tr>
<tr>
<td>Medium</td>
<td>13</td>
<td>5</td>
<td>13</td>
<td>5</td>
<td>13</td>
</tr>
<tr>
<td>Large</td>
<td>0.6</td>
<td>0.2</td>
<td>0.6</td>
<td>0.2</td>
<td>0.7</td>
</tr>
<tr>
<td>Total employing</td>
<td>155</td>
<td>55</td>
<td>156</td>
<td>55</td>
<td>157</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>283</strong></td>
<td><strong>100</strong></td>
<td><strong>284</strong></td>
<td><strong>100</strong></td>
<td><strong>283</strong></td>
</tr>
<tr>
<td><strong>NON-TOURISM BUSINESSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non–employing</td>
<td>1,175</td>
<td>64</td>
<td>1,179</td>
<td>64</td>
<td>1,180</td>
</tr>
<tr>
<td>Employing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro</td>
<td>489</td>
<td>27</td>
<td>490</td>
<td>27</td>
<td>492</td>
</tr>
<tr>
<td>Small</td>
<td>139</td>
<td>8</td>
<td>141</td>
<td>8</td>
<td>146</td>
</tr>
<tr>
<td>Medium</td>
<td>36</td>
<td>2</td>
<td>36</td>
<td>2</td>
<td>37</td>
</tr>
<tr>
<td>Large</td>
<td>3</td>
<td>0.2</td>
<td>3</td>
<td>0.2</td>
<td>3</td>
</tr>
<tr>
<td>Total employing</td>
<td>667</td>
<td>36</td>
<td>670</td>
<td>36</td>
<td>679</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,841</strong></td>
<td><strong>100</strong></td>
<td><strong>1,848</strong></td>
<td><strong>100</strong></td>
<td><strong>1,858</strong></td>
</tr>
<tr>
<td><strong>TOTAL BUSINESSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non–employing</td>
<td>1,303</td>
<td>61</td>
<td>1,306</td>
<td>61</td>
<td>1,306</td>
</tr>
<tr>
<td>Employing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro</td>
<td>580</td>
<td>27</td>
<td>582</td>
<td>27</td>
<td>583</td>
</tr>
<tr>
<td>Small</td>
<td>189</td>
<td>9</td>
<td>192</td>
<td>9</td>
<td>198</td>
</tr>
<tr>
<td>Medium</td>
<td>49</td>
<td>2</td>
<td>49</td>
<td>2</td>
<td>51</td>
</tr>
<tr>
<td>Large</td>
<td>3</td>
<td>0.2</td>
<td>4</td>
<td>0.2</td>
<td>4</td>
</tr>
<tr>
<td>Total employing</td>
<td>822</td>
<td>39</td>
<td>826</td>
<td>39</td>
<td>835</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,125</strong></td>
<td><strong>100</strong></td>
<td><strong>2,132</strong></td>
<td><strong>100</strong></td>
<td><strong>2,141</strong></td>
</tr>
</tbody>
</table>

Source: Derived using ABS Business Register (unpublished) data (ABS Cat. No.8165.0).
Note: Tourism Businesses in this table are unconfidentialised estimates obtained from the ABS. Parts do not add to the total due to rounding.
4.2 STATE PROFILES

In June 2013, approximately 80 per cent of tourism businesses in Australia were located in New South Wales (34 per cent), Victoria (26 per cent) and Queensland (19 per cent) (Figure 2).

Across all states and territories, a little more than half of tourism businesses in each state and territory were in the employing business categories.

- The highest proportion of employing businesses was in Northern Territory—63 per cent of total tourism businesses.
- The lowest proportion of employing businesses was in New South Wales and Victoria—56 per cent each.

FIGURE 2: TOURISM BUSINESSES BY STATE, JUNE 2013

As applied nationally, all states and territories experienced a net decline in non-employing and micro businesses, and most experienced an increase in small, medium and large tourism businesses (Figure 3). Individually, each state has different patterns of business growth.

- Queensland was the only state/territory where there was a decline in tourism businesses across all employment sizes.
- In the ACT, growth was limited to small businesses only.
- Victoria and the Northern Territory recorded the largest proportional growth in the number of small, medium and large businesses.

Across all states and territories in June 2013, there were 165,000 tourism businesses (62 per cent) located in capital cities—including the Gold Coast in Queensland—and the remaining 38 per cent in regional areas (Figure 4).

- Concentration of tourism businesses in regional areas was lowest for Western Australia (22 per cent), South Australia (32 per cent) and Victoria (33 per cent).
- Queensland (58 per cent) and Tasmania (52 per cent) were the two states where a majority of tourism businesses were located in regional areas.

The distribution of tourism businesses between capital cities and regional areas was not proportional to the distribution of tourism revenue.

- Overall, 38 per cent of tourism businesses were located in regional areas, but they generated 44 per cent of total tourism revenue in 2012–13.
- Regional tourism revenue shares were higher than the regional business shares in most states and territories.
- Queensland and Tasmania were the only two states that had higher regional business shares than regional tourism revenue shares.
The distribution of business shares and revenue shares between capital cities and regional areas was stable over the period 2009–10 to 2012–13, except for Queensland where regional share of tourism businesses had increased 17 percentage points (from 41 per cent to 58 per cent).

The relative concentration of revenue shares in regional areas compared to the capital cities emphasises the importance of regional areas with regard to tourism activities.

**FIGURE 4: DISTRIBUTION OF TOURISM BUSINESSES AND VISITOR EXPENDITURE IN REGIONAL AREAS, 2012–13**

<table>
<thead>
<tr>
<th></th>
<th>NSW</th>
<th>VIC</th>
<th>QLD</th>
<th>SA</th>
<th>WA</th>
<th>TAS</th>
<th>NT</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUSINESSES SHARE</td>
<td>37%</td>
<td>33%</td>
<td>35%</td>
<td>32%</td>
<td>22%</td>
<td>22%</td>
<td>42%</td>
</tr>
<tr>
<td>EXPENDITURE SHARE</td>
<td>58%</td>
<td>50%</td>
<td>58%</td>
<td>45%</td>
<td>39%</td>
<td>52%</td>
<td>58%</td>
</tr>
</tbody>
</table>

### 4.3 BUSINESSES IN TOURISM INDUSTRIES

By nature, tourism is made up of a wide range of tourism-related industries. Table 2 shows the composition of tourism businesses in June 2013.

- **Other retail trade** and Cafés, restaurants and takeaway food services make up most of the businesses in the tourism sector; 48.6 per cent and 22.0 per cent, respectively.
  - Other retail trade industry—approximately 129,500 businesses
    - Around 95 per cent of these businesses were self-employed, micro and small (employing less than 19 persons).
  - Cafes, restaurants and takeaway food services—approximately 58,500 businesses
    - Ninety three per cent of businesses in this industry were self-employed, micro and small (employing less than 19 persons).

- Compared to June 2010, All transport industries and Recreation services (including cultural and gambling services) were the two industries that had the most significant proportional reduction in tourism business numbers. One possible explanation could be attributed to the nature of the mining boom, in which business tourism crowded out all leisure tourism (leisure tourism creates demand for the recreation and transport services required by leisure tourists).
  - Other retail trade lost 7.5 per cent of its businesses during the period.

- Although the loss of businesses in the Accommodation industry was relatively modest (4 per cent), it contributed the largest GVA share (17 per cent) among all tourism-related industries.
  - Cafes, restaurants and takeaway food services and Motor vehicle hiring were the only two industries that increased business numbers (2.1 per cent and 3.4 per cent, respectively).

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- Cafes, restaurants and takeaway food services and Motor vehicle hiring were the only two industries that increased business numbers (2.1 per cent and 3.4 per cent, respectively).
### TABLE 2: BUSINESS COUNT BY EMPLOYMENT SIZE IN TOURISM INDUSTRIES, JUNE 2013

<table>
<thead>
<tr>
<th>EMPLOYING BUSINESSES</th>
<th>MICRO (’000)</th>
<th>SMALL (’000)</th>
<th>MEDIUM (’000)</th>
<th>LARGE (’000)</th>
<th>TOTAL EMPLOYING (’000)</th>
<th>NON-EMPLOYING BUSINESSES (’000)</th>
<th>TOTAL BUSINESSES (’000)</th>
<th>SHARE*</th>
<th>CHANGE (JUNE 13 ON JUNE 10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation</td>
<td>3.3</td>
<td>2.9</td>
<td>0.9</td>
<td>0.1</td>
<td>7.1</td>
<td>5.9</td>
<td>13.1</td>
<td>4.9</td>
<td>-4.0</td>
</tr>
<tr>
<td>Cafés, restaurants and takeaway food services</td>
<td>23.8</td>
<td>17.2</td>
<td>3.4</td>
<td>0.2</td>
<td>44.7</td>
<td>13.9</td>
<td>58.5</td>
<td>22.0</td>
<td>2.1</td>
</tr>
<tr>
<td>Clubs, pubs, taverns and bars</td>
<td>1.8</td>
<td>3.1</td>
<td>1.9</td>
<td>0.1</td>
<td>6.8</td>
<td>1.9</td>
<td>8.8</td>
<td>3.3</td>
<td>-4.5</td>
</tr>
<tr>
<td>Rail transport</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
<td>0.0</td>
<td>0.1</td>
<td>0.0</td>
<td>-18.7</td>
</tr>
<tr>
<td>Taxi transport</td>
<td>0.9</td>
<td>0.2</td>
<td>0.1</td>
<td>0.0</td>
<td>1.2</td>
<td>15.1</td>
<td>16.3</td>
<td>6.1</td>
<td>-17.0</td>
</tr>
<tr>
<td>Air, water and other transport</td>
<td>1.0</td>
<td>0.4</td>
<td>0.2</td>
<td>0.0</td>
<td>1.6</td>
<td>2.8</td>
<td>4.4</td>
<td>1.7</td>
<td>-10.1</td>
</tr>
<tr>
<td>Motor vehicle hiring</td>
<td>0.3</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.5</td>
<td>0.9</td>
<td>1.4</td>
<td>0.5</td>
<td>3.4</td>
</tr>
<tr>
<td>Travel agency and tour operator services</td>
<td>2.0</td>
<td>0.8</td>
<td>0.1</td>
<td>0.0</td>
<td>2.9</td>
<td>2.0</td>
<td>4.9</td>
<td>1.8</td>
<td>-6.0</td>
</tr>
<tr>
<td>Cultural services</td>
<td>2.2</td>
<td>0.4</td>
<td>0.1</td>
<td>0.0</td>
<td>2.7</td>
<td>11.5</td>
<td>14.1</td>
<td>5.3</td>
<td>-11.4</td>
</tr>
<tr>
<td>Casinos and other gambling services</td>
<td>0.7</td>
<td>0.2</td>
<td>0.0</td>
<td>0.0</td>
<td>0.9</td>
<td>0.5</td>
<td>1.4</td>
<td>0.5</td>
<td>-12.0</td>
</tr>
<tr>
<td>Other sports and recreation services</td>
<td>3.1</td>
<td>1.6</td>
<td>0.6</td>
<td>0.0</td>
<td>5.3</td>
<td>4.9</td>
<td>10.1</td>
<td>3.8</td>
<td>-2.9</td>
</tr>
<tr>
<td>Automotive fuel retailing</td>
<td>1.5</td>
<td>1.1</td>
<td>0.2</td>
<td>0.0</td>
<td>2.8</td>
<td>1.1</td>
<td>3.9</td>
<td>1.5</td>
<td>-1.0</td>
</tr>
<tr>
<td>Other retail trade</td>
<td>45.6</td>
<td>23.7</td>
<td>5.7</td>
<td>0.3</td>
<td>75.2</td>
<td>54.3</td>
<td>129.5</td>
<td>48.6</td>
<td>-7.5</td>
</tr>
<tr>
<td>TOTAL TOURISM INDUSTRIES</td>
<td>86.2</td>
<td>51.6</td>
<td>13.4</td>
<td>0.7</td>
<td>151.8</td>
<td>114.8</td>
<td>266.6</td>
<td>100.0</td>
<td>-5.9</td>
</tr>
</tbody>
</table>

*Shares exclude Ownership of dwellings industry share and as a result do not sum up to 100.

Source: Derived by TRA using ABS Business Register (unpublished) data (ABS Cat. No. 8165.0).
4.4 FINANCIAL PERFORMANCE

Over the 2009–10 and 2012–13 period, the number of visitors increased at an average annual rate of 2.9 per cent, while visitor nights grew by 3.9 per cent. A greater number of visitors—domestic and international—resulted in consumption of tourism products increasing almost $12 billion, from $98 billion to $110 billion. Tourism’s contribution to the Australian economy increased 11.3 per cent during this period, from $38 billion to $42 billion.

Tourism—like most other industries—is dominated by self-employed, micro and small businesses (95 per cent employ less than 19 persons) with the balance of 5 per cent distributed between medium and large businesses. Estimates indicate that this 5 per cent of tourism businesses accounted for 68 per cent of the total revenue generated by tourism businesses (Figure 5).

While the recent consolidation of tourism businesses has led to less businesses overall, the industry actually increased its scope of services, with a subsequent improvement in productivity. Over the period 2009-10 to 2012-13, tourism labour productivity had improved by 0.6 per cent per annum on average (ABS, Cat no. 5249).

The effect of changes in the business number on productivity of the non-tourism industries is beyond the scope of this report. In general, however, the business exit rate of these industries was higher than their business entry rate. This was more likely due to structural changes in the mining and manufacturing sectors than actual business consolidation. The Productivity Commission (2013) reported that doubling in the terms of trade associated with rising mining commodity prices were the prominent factors adversely affecting productivity of Australian industries in recent times.

FIGURE 5: PERCENTAGE SHARE OF GROSS REVENUE BY BUSINESS SIZE, 2012–13

Source: Derived by TRA using revenue data from the ABS publication Cat. No. 6255.0 and ABS Business Register (unpublished) (ABS Cat. No. 8165.0).
5. CONCLUSION

With the exit rate of non-employing and micro businesses exceeding the entry rate of new businesses—8.5 per cent compared to 3.2 per cent in June 2013 compared to June 2010—there has been a net reduction in the number of businesses operating in the industry.

The important change between June 2010 to June 2013 was the gradual increase in the number of small, medium and large businesses (3.2 per cent, 2.9 per cent and 8.5 per cent, respectively), which in economic terms offset the total decline of 8.5 per cent in self-employed and micro businesses. This consolidation—from less viable micro and non-employing entities towards more viable, larger business sizes—could provide the industry with the resilience and capacity it requires to support sustainable volumes growth that is happening in tourism currently and is also likely in the near future. The latest TRA forecasts expect international visitor consumption to rise by 6.0 per cent to reach $33 billion, and domestic visitor consumption to rise moderately by 0.5 per cent to reach $72 billion in 2014–15.

During the current period of consolidation, there have been some positive outcomes for the industry including:

- Increases in the average annual revenue growth rate for small, medium, and large businesses of 2.6 per cent, 1.1 per cent, and 3.9 per cent, respectively
- Larger businesses being able to produce more with their resources, which somewhat contributed to an improvement in tourism productivity of 0.6 per cent (average annual rate)—a reversal in the long-term decline of 0.1 per cent per annum between 2003–04 and 2012–13
- Solid growth in tourism industry employment (24,300 new jobs); tourism business revenue (4.6 per cent per annum); and tourism consumption by visitors (up $12 billion or 12.1 per cent to $110 billion).

Results also show that the distribution of business shares and revenue shares between capital cities and regional areas was stable over the period 2009–10 to 2012–13 for most states. In Queensland, however, the regional share of tourism businesses had increased by 17 percentage points.

Although tourism businesses were more concentrated within capital cities than in the regional areas, the distribution of tourism revenue was not proportional to the business distribution. Overall, 38 per cent of tourism businesses were located in regional areas, but they generated 44 per cent of total tourism revenue in 2012–13. This highlights the need for strategic development of infrastructure to facilitate tourism activities in regional areas.
6. GLOSSARY

**BUSINESS:** A business is generally considered to be a person, partnership, or corporation engaged in business or commerce.

**TOURISM BUSINESS:** Business related to an industry classified as a tourism industry in the National Tourism Satellite Account (ABS Cat. No. 5249.0). Since it is difficult to allocate a part of business serving tourists and non-tourists, all businesses in a tourism industry are considered tourism businesses.

**TOURISM GROSS DOMESTIC PRODUCT (GDP):** Tourism gross value added plus net taxes on products that are attributable to the tourism industry (tourism net taxes on products).

**TOURISM GROSS VALUE ADDED (GVA):** The value of tourism output at basic prices, less the value of the inputs used in producing these tourism products.

**NON-EMPLOYING BUSINESSES:** Non-employing businesses are the businesses in the Australian Taxation Office Maintained Population (ATOMP) that have not remitted Business Activity Statement (BAS) data for their Income Tax Withdrawal (ITW) role for five consecutive quarters prior to the reference period. Such businesses include self-employed people such as taxi drivers and takeaway or grocery shop owners who do not employ people other than themselves, but possess an Australian Business Number (ABN).

**EMPLOYING BUSINESSES:** Employing businesses are split into four employment sizes - Micro (1-4 employees); Small (5-19 employees); Medium (20-199 employees) and Large (200+ employees).

**BUSINESS CONSOLIDATION:** Occurs when small businesses grow in employment size and as a result change business category based on employment size.

**CONFIDENTIALISATION:** When publishing data which are highly disaggregated (SA2 level), it is necessary to suppress the data cells which contain very small counts to prevent the potential identification of individual businesses. This process is known as confidentialisation and can lead to data that differ from the estimates once aggregated. For example, counts at the tourism region level are the sum of counts at the SA2 level. Thus confidentialisation at the SA2 level could result in different business counts to the actual number at the tourism region level.

**CAPITAL CITIES AND REGIONAL AREAS:** Capital cities refer to the eight capital cities of Australia plus the Gold coast. Areas other than these capital cities are considered regional areas.

**INDUSTRY CLASS:** The Australian and New Zealand Standard Industrial Classification (ANZSIC) structure comprises four levels, of which industry class is the finest level. Activities are narrowly defined within the industry class level, which is identified by a four-digit code, e.g. Industry Class 1510 Pulp, paper and paperboard manufacturing. Usually, an activity is primarily defined to one class. However, some activities may be primary to more than one class.

**INDUSTRY DIVISION:** The structure of ANZSIC comprises four levels, of which industry division is the broadest level. The main purpose of the industry division level is to provide a limited number of categories which give a broad overall picture of the economy. There are 19 divisions within ANZSIC.

**INDUSTRY SUBDIVISION:** This is the broadest level category within each industry division of ANZSIC and is identified by a two-digit code, e.g. Industry Subdivision 14 for Wood product manufacturing. Industry subdivisions are built up from industry groups which, in turn, are built up from industry classes.

**GROSS REVENUE:** The value of output produced during a period before paying for any expenses.

**VISITOR EXPENDITURE:** The sum of money paid by visitors to retailers in the process of buying tourism goods and services.

**VISITOR CONSUMPTION:** The sum of money paid by visitors to retailers in the process of buying tourism goods and services plus value of the goods and services consumed by visitor but paid by any other person on visitor behalf. For example, cost to a friend or family member when a visitor stays with them; cost to the government for a visitor’s free entry to museum or art gallery.
7. REFERENCES


