ACKNOWLEDGMENTS

The Australian Tourism Satellite Account is published each year and provides measures of Tourism Gross Value Added, Tourism Gross Domestic Product, tourism employment and tourism trade. This enables government and industry to compare the value of tourism with other industries in the economy.

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Cover image: Aerial view of Lake Hillier, Middle Island near Esperance. Image courtesy of Tourism Western Australia.
SUMMARY OF KEY RESULTS

KEY INDICATORS FOR 2017–18

**GDP**

$57.3 billion
- 3.1% of national GDP
- 5.0% growth in real GDP

Tourism GDP grew faster than the national economy

**GVA**

$52.6 billion
- 3.1% of national GVA
- 5.0% growth in real GVA

Tourism contributes more to the economy than agriculture, forestry and fishing, utilities and information, media and communications

**Exports**

$37.4 billion
- 7.3% growth

**Imports**

$54.0 billion
- 10.5% growth

- Trade deficit $16.6 billion

9.3% of Australia’s exports earnings were from tourism

**Consumption**

$143.4 billion
- 6.8% growth

- 26% international
- 74% domestic

$4,122 per international visitor and $353 per Australian resident was spent on tourism

**Employment**

646,000
- 4.6% growth

- 5.2% of Australia’s workforce
  - 53% full time
  - 55% female

One in 19 Australian workers were directly employed in tourism
INTRODUCTION

Tourism is booming in Australia. Increasing prosperity among Asian markets, better aviation access and a competitive exchange rate are driving growth in overseas visitors. Our lower exchange rate is also steering more Australians towards domestic travel, helped along by low inflation and greater choice in budget travel options.

Tourism Satellite Accounts (TSA) are essential in understanding the impacts of this rapid growth on the broader economy, reporting on the value of goods and services consumed by visitors and the ensuing contribution to Gross Domestic Product, international trade and employment.

In 2017–18, total tourist consumption was $143 billion, which resulted in:

- $57.3 billion in GDP to the economy (3.1% of the national total)
- Employment of 646,000 persons (5.2% of the Australian workforce)
- Exports of $37.4 billion from international visitors to Australia

As well as rapid growth, tourism has undergone rapid change as visitor expectations have evolved and travel has become more accessible. New technologies have also impacted the tourism workforce, increasing competition and offering consumers greater choice.

Observable changes over the past decade (2007–08 to 2017–18) include:

- A growing share of economic activity attributable to cafes, restaurants and takeaways, air and water transport, and education and training.
- The growing contribution of international visitation – with international share of GDP increasing from 27% to 29%.
- Growth in tourism GDP outpacing growth in employment. Tourism GDP in real terms has grown 27%, but total hours worked in tourism has grown only 15%.

Why do we have a Tourism Satellite Account?

Travellers participate in many different activities such as shopping, eating out, visiting attractions, using transport and staying in accommodation. As a result tourism cuts across many different industry sectors and cannot be measured in the same way as other parts of the economy.

Using an internationally accepted methodology developed by the Organisation for Economic Cooperation and Development (OECD) and World Tourism Organization (UNWTO), a national Tourism Satellite Account (TSA) has been developed by the Australian Bureau of Statistics to estimate the impact of tourism on the Australian economy. The TSA is the basis for this report and is also used in preparing state and regional accounts produced by Tourism Research Australia. These will be available in the second half of 2019.

Underlying assumptions used in the TSA are revised from time to time. This process, known as benchmarking, reflects the changing relationship between tourism and the wider economy, and is essential in ensuring the estimates are an accurate reflection of the changing nature of the industry.
In 2017–18, tourism consumption in Australia increased 6.8% (or $9.2 billion) to $143.4 billion. Almost three-quarters of this (74%) came from domestic tourism – both day and overnight trips – with the remaining 26% from international spending.

There are sharp contrasts in the value and patterns of spend between visitor categories.

- Domestic tourists spent an average of $817 per overnight trip and $120 per day trip, whereas overseas visitors spent $4,122 on average during their time in Australia.
- For every dollar spent by international visitors:
  - 26 cents is spent on accommodation and food services
  - 19 cents on both transport and education
  - 15 cents on shopping and
  - 14 cents on retail food and drinks.
- Among domestic tourists, the main items of spend were:
  - transport (34 cents)
  - accommodation and eating out (30 cents)
  - shopping (12 cents)
  - food and drinks (11 cents).

*Transport includes rental vehicles, repair and maintenance and transport equipment purchases*
TOURISM GROWTH IS OUTPACING THE WIDER ECONOMY

In 2017–18, GDP from tourism was $57.3 billion, an increase of 7.1% on 2016–17. In real terms\(^1\) this increase was 5.0%, compared with 2.8% for the Australian economy as a whole.

As part of a longer term picture:

- **Tourism has become a more important part of Australia’s economy** – Between 2012–13 and 2017–18, tourism GDP has grown 31% compared with 20% for the economy as a whole. This has seen tourism grow from a 2.9% share of national GDP to a 3.1% share during a period of continuous economic growth.

- **Tourism is a resilient industry** – Tourism GDP continued to grow, albeit more slowly during the Global Financial Crisis in 2008–09.

- **Domestic tourism has driven growth** – In the last decade, two-thirds of the growth in tourism GDP came from domestic tourists.

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\(^{1}\) Real terms relate to the growth in GDP after removing inflation
**EXPORTS**

**TOURISM ACCOUNTS FOR ALMOST 10% OF ALL EXPORTS**

Tourism is our largest service export, contributing $37.4 billion to the Australian economy in 2017–18. This represents a 9.3% share of all goods and service exports – and places the industry third overall behind iron ore and coal.

The export value of tourism comes from spending by international visitors on Australian goods and services. In contrast, spending by Australian residents travelling overseas, are counted as imports.

**Tourism imports exceed tourism exports**

While tourism exports were at record highs in 2017–18, they were well below the $54 billion of tourism imports from the spending of Australians travelling overseas. The high value of tourism imports was a result of:

- **Strong propensity to travel** – with almost one overseas trip per year for every two Australian residents, Australia has one of the highest rates of international travel in the world.

- **High average spend** – as a developed nation, Australians have more disposable income to spend while overseas, with those aged 15 and over spending an average $6,119 in 2017–18. In comparison, visitors to Australia spent just $5,076.

**FIGURE 3: TOURISM EXPORTS AND IMPORTS**
ONE IN 19 AUSTRALIANS ARE EMPLOYED IN TOURISM

In 2017–18, tourism provided employment for 646,000 workers, 4.6% more than in 2016–17. This is equivalent to 5.2% of Australia’s total workforce.

Tourism differs from other sectors of the economy as it:

- cuts across a wide range of industries. This includes accommodation, food services, transport, retail trade, and arts and recreation.
- has a high proportion of part-time workers who make up 47% of Australia’s tourism workforce, compared with 31% of the national workforce.
- is mostly female. In 2017–18, 55% of tourism workers were female; for the workforce as a whole, the figure was 47%.

FIGURE 4: DIRECT TOURISM EMPLOYMENT

Productivity in the tourism workforce

Improvements in productivity are strongly evident in Australia’s tourism workforce. In the last 10 years, tourism GDP in constant price terms grew 27%, well ahead of the 15% growth in tourism hours worked. Reasons for this include:

- Growing use of new technologies such as automated bookings and check-in services, augmented and virtual realities to enhance the visitor experience, and a diversity of payment platforms.
- The impact of the sharing economy, especially in the accommodation, transport, and booking sectors, has increased competition and choice. The job opportunities generated have also seen workers from other fields contributing to tourism through secondary part-time employment.
- Efficiencies brought about by business consolidation, including increased access to training and career progression, greater job specialisation and opportunities for innovation. Between 2007 and 2017, the fastest rate of growth was among businesses employing 200 or more persons (up 16%), followed by businesses employing 20 to 199 persons (up 6.7%).