



Australian Government
Austrade



TOURISM
RESEARCH
AUSTRALIA

TOURISM SATELLITE ACCOUNT

SUMMARY OF KEY RESULTS

2016-17



TOURISM SATELLITE ACCOUNT

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.

The Australian *Tourism Satellite Account* is prepared by the Australian Bureau of Statistics and is funded by the Australian Trade and Investment Commission (Austrade).

Tourism Research Australia
Australian Trade and Investment Commission (Austrade)
GPO Box 1564
Canberra ACT 2601
ABN 46 252 861 927

Email: tourism.research@tra.gov.au

Web: www.tra.gov.au

Publication date: 14 December 2017

This work is licensed under a [Creative Commons Attribution 3.0 Australia licence](https://creativecommons.org/licenses/by/3.0/au/). To the extent that copyright subsists in third party quotes and diagrams it remains with the original owner and permission may be required to reuse the material.

This work should be attributed as *Tourism Satellite Account 2016–17: Summary of Key Results* Tourism Research Australia, Canberra.

Inquiries regarding the licence and any use of work by Tourism Research Australia are welcome at tourism.research@tra.gov.au

Cover image: Sydney Shopping Image courtesy of Tourism Australia.

CONTENTS

ACKNOWLEDGMENTS	1
SUMMARY OF KEY RESULTS	1
TOURISM'S ECONOMIC IMPACT	4
SPENDING BY TOURISTS	6
AUSTRALIA'S TOURISM WORKFORCE.....	10
EXPLANATORY NOTES	12
GLOSSARY	13

FIGURES

FIGURE 1: THE GROWTH OF TOURISM, 2000–01 TO 2016–17	4
FIGURE 2: YEAR-ON-YEAR GROWTH IN TOURISM INDUSTRY GDP, 1999–2000 TO 2016–17.....	5
FIGURE 3: ECONOMIC CONTRIBUTION OF TOURISM, 2016–17.....	5
FIGURE 4: TOURISM CONTRIBUTION BY SECTOR, 2016–17 (\$ MILLION).....	6
FIGURE 5: CONSUMPTION SPEND BY VISITOR TYPE, 2016–17.....	6
FIGURE 6: CONTRIBUTION OF KEY TOURISM PRODUCTS TO TOTAL VISITOR CONSUMPTION SPEND, 2016–17	7
FIGURE 7: VISITOR CONSUMPTION SPEND ON TOURISM PRODUCTS (\$ MILLION), 2016–17	8
FIGURE 8: TOURISM EXPORTS, IMPORTS AND NET TRADE, 2000–01 TO 2016–17	9
FIGURE 9: DIRECT TOURISM EMPLOYMENT (PERSONS), 2001–02 TO 2016–17	10
FIGURE 10: TOURISM EMPLOYMENT BY SECTOR, 2016–17	11

SUMMARY OF KEY RESULTS

KEY INDICATORS FOR 2016–17

GDP

Real GDP ▲ **4.9%** to
\$54.7 billion

- 3.2% of national GDP
- 6.1% growth in nominal GDP

.....
Tourism GDP grew faster than the national economy
.....

GVA

Real GVA ▲ **4.9%** to
\$50.1 billion

- 3.1% of national GVA
- 6.1% growth in nominal GVA

.....
Tourism contributes more to the economy than
agriculture, forestry and fishing
.....

Consumption

Consumption ▲ **5.3%** to
\$135.5 billion

- 27% international
- 73% domestic

.....
\$4,347 per international visitor and \$349 per
Australian resident was spent on tourism
.....



Exports ▲ **7.6%** to
\$37.2 billion

■ Imports ▲ 3.9% to \$48.6 billion

– Trade deficit ▼ 6.5% to \$11.4 billion

.....
10% of total exports earnings were from tourism
.....



Employment ▲ **3.0%** to
598,200

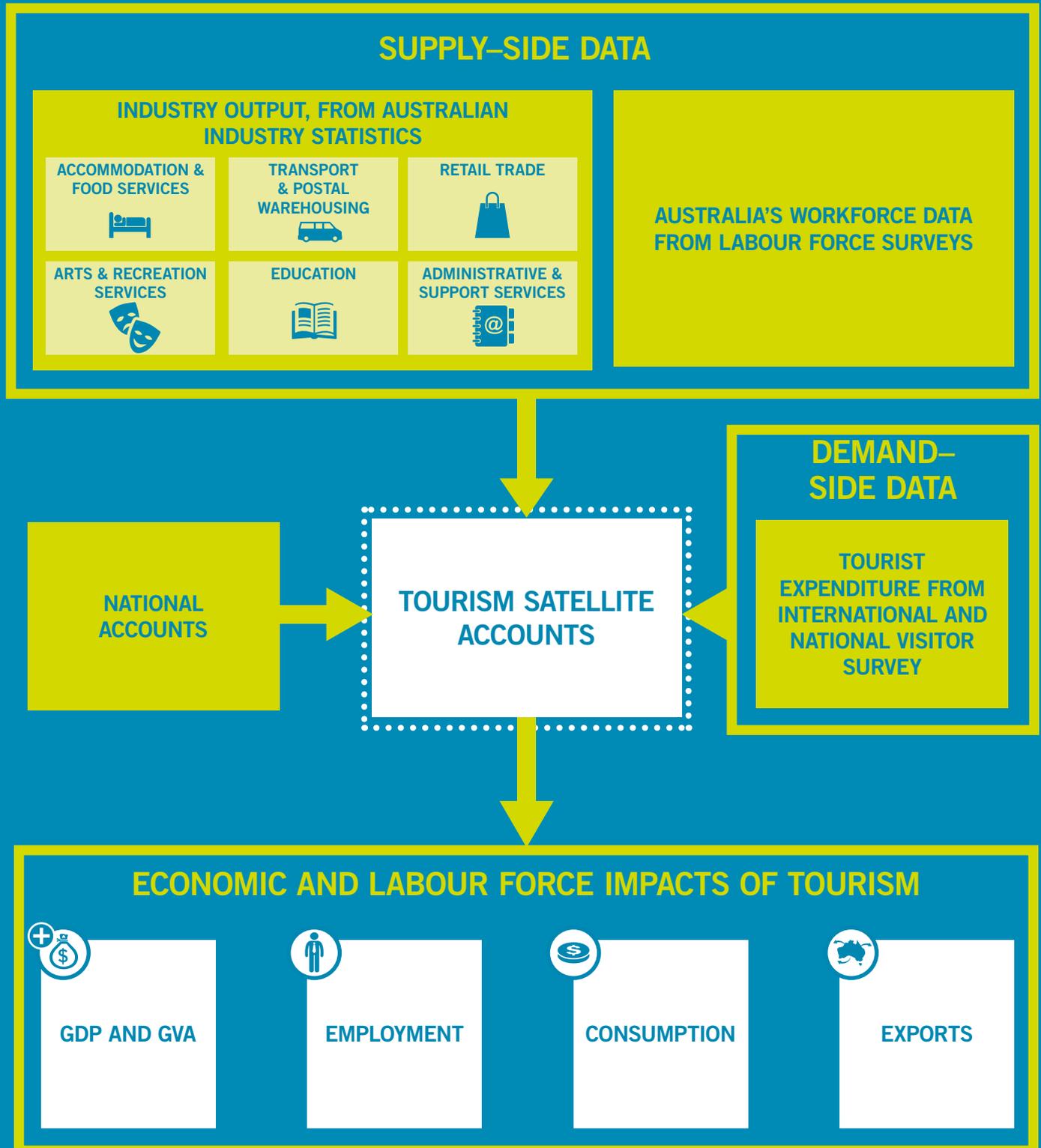
■ 4.9% of Australia's workforce

- 53% full time
- 54% female

.....
One in 20 Australian workers were directly employed in
tourism
.....



TSA FRAMEWORK



ABOUT THE TOURISM SATELLITE ACCOUNT

Tourism is an industry that cuts across many sectors of the Australian economy – the Retail trade, Accommodation and food services, Transport, and Arts and recreation services being the most obvious. As tourists consume goods and services that are sourced from multiple industries in the economy, the tourism industry does not fit consistently within the conventional framework used to calculate measures of economic activity, such as the Australian Bureau of Statistics' *Australian System of National Accounts*. For this reason, the tourism satellite account (TSA) was created to aggregate tourism-related contributions arising from different sectors in the economy, and to report on the value of tourism to the national economy in terms of Gross Domestic Product (GDP), Gross Value Added (GVA), exports, consumption and employment.

At a national level, the TSA measures the *direct* impact on GDP, GVA, employment and exports of the tourism industry resulting from the goods and services consumed by tourists in the Australian economy. For example:

- a tourist buying breakfast from a resort
- the hospitality worker serving the tourist
- the coach operator taking the tourist on a day trip

However, the *indirect* effects of tourism accruing to the farmer sending produce to a resort or a café, and the service station selling diesel to a coach company are out of scope of the [National TSA](#).

As the effects of tourism are widespread geographically, Tourism Research Australia (TRA) also produce tourism-related economic estimates consistent with the National TSA for all states and territories, in its *State Tourism Satellite Accounts* publication. These state-level accounts also capture the *indirect* impacts of tourism and are available at www.tra.gov.au.

THE IMPORTANCE OF TOURISM

With almost nine million international visitors during 2016–17 and solid growth in domestic travel, tourism is an increasingly important part of Australia's economy. As an industry, tourism provides jobs to one-in-twenty Australians, helps support one-in-eight Australian businesses, and contributes one-tenth of national exports. The economic benefits of tourism are also widespread, with almost half of all visitor spend going into regional Australia.

FUTURE PROSPECTS ARE STRONG

Tourism Research Australia's *Forecasts* predict that total tourism spend will provide a \$225 billion stimulus to Australia's economy in 2026–27, almost double the \$123 billion reported in 2016–17. This will be off the back of 117 million overnight trips and 247 million day trips by Australian travellers and international visitors.

TOURISM'S ECONOMIC IMPACT

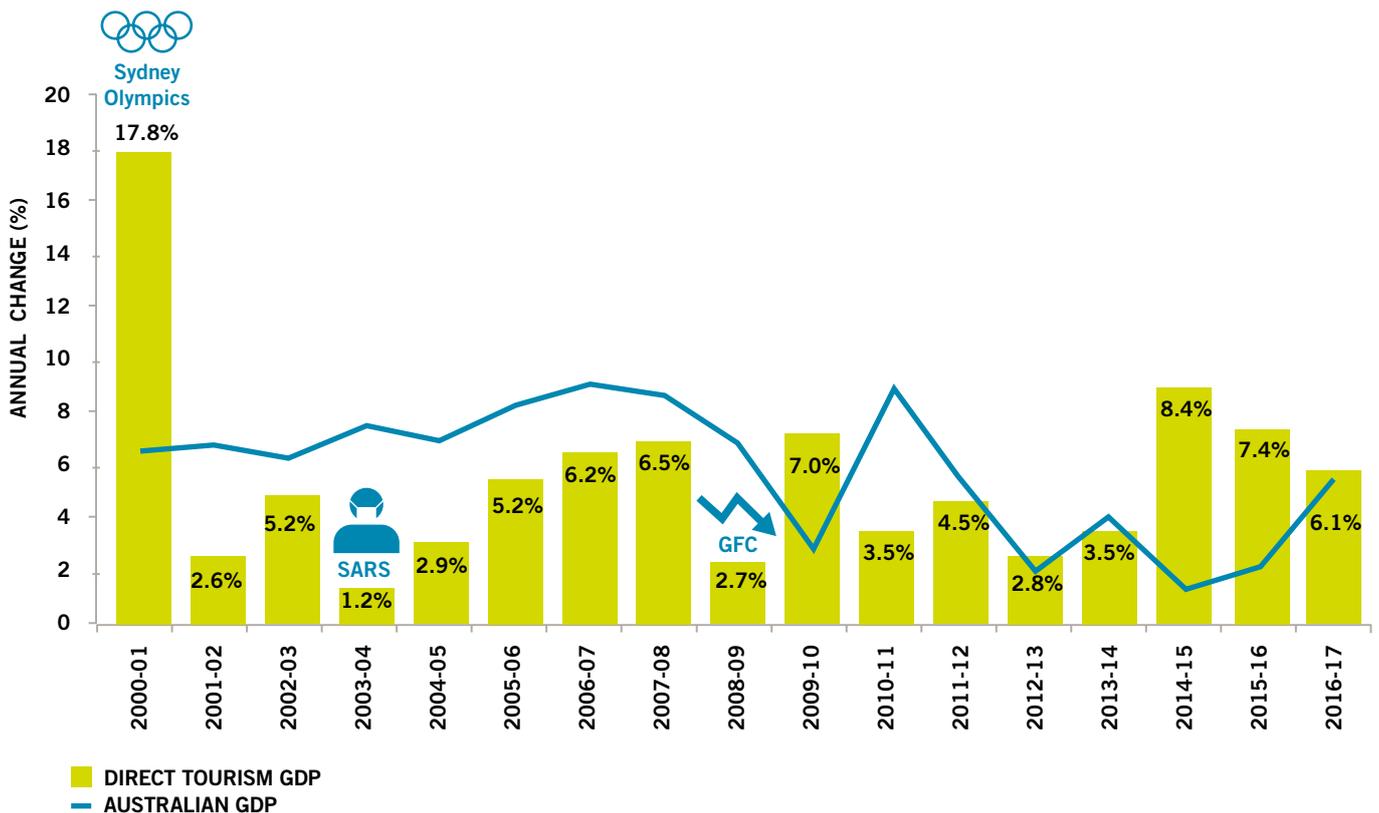
TOURISM GROWTH IS OUTPACING THE WIDER ECONOMY

In 2016–17, the GDP from tourism increased 6.1% (or \$3.2 billion), to reach a record of \$55.3 billion in nominal terms¹. In real terms², the increase was 4.9%. While the pace of growth was slightly lower compared to the 7.4% growth rate in 2015–16, it marks the third year in succession that tourism growth has exceeded the national rate of economic growth.

Over this same three-year period, tourism GDP has increased by 23%, compared with 10% for the economy as a whole.

In 2016–17, tourism accounted for a 3.2% share of total GDP – up from a 3.1% share in 2015–16.

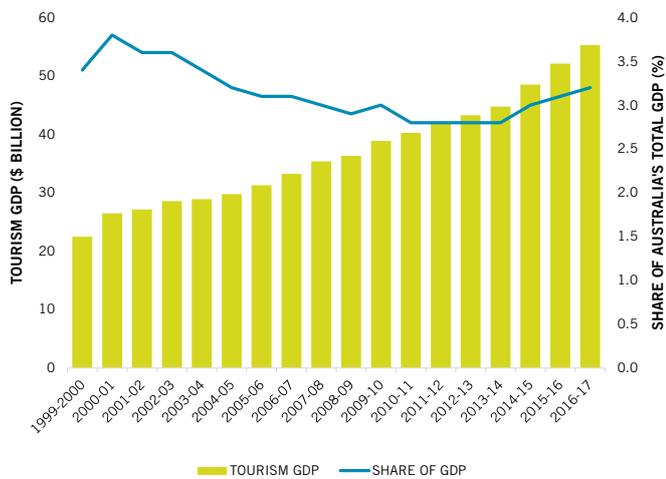
FIGURE 1: THE GROWTH OF TOURISM, 2000–01 TO 2016–17



- 1 Nominal terms – where the value includes price (inflation) effect and volume
- 2 Real terms – where the value represents volume only without the effect of inflation

Viewed over a longer timeframe, Australia's tourism industry is often sensitive to global threats and changing economic conditions, however, the industry is also highly resilient and these impacts are not long lasting.

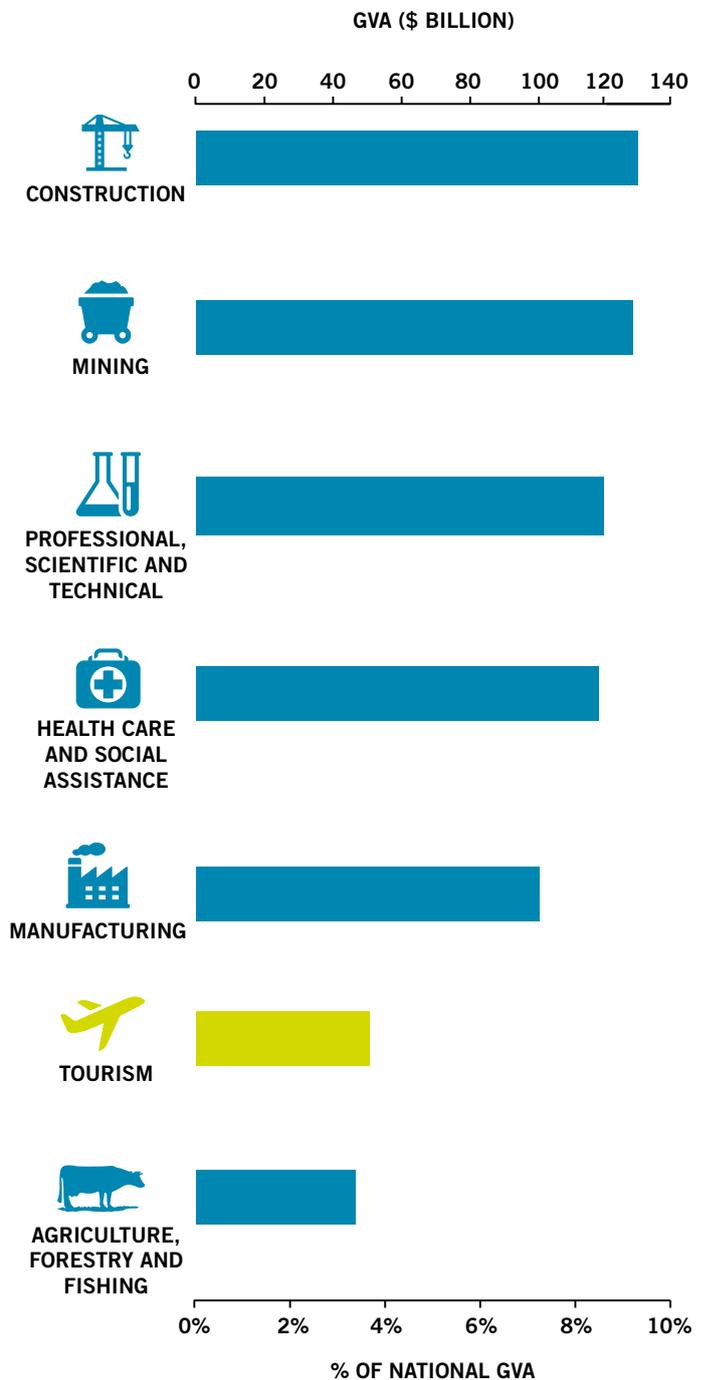
FIGURE 2: YEAR-ON-YEAR GROWTH IN TOURISM INDUSTRY GDP, 1999–2000 TO 2016–17



TOURISM CONTRIBUTES MORE TO THE ECONOMY THAN AGRICULTURE

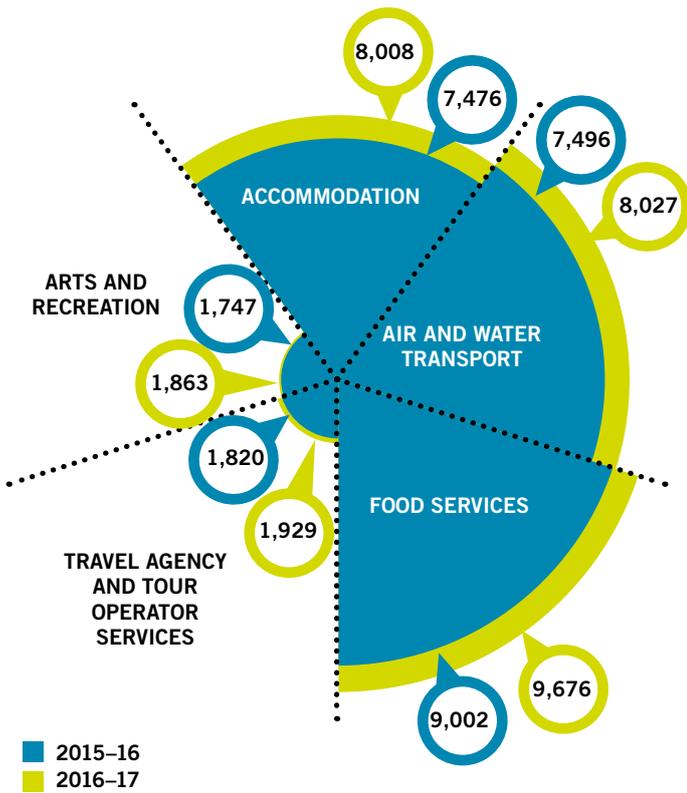
By excluding payments through the taxation system, GVA is a more accurate indicator of economic activity. Using this measure, direct tourism GVA increased 6.1% (or \$2.9 billion) to \$50.6 billion, in nominal price terms in 2016–17. This represented 3.1% of the national economy, which places tourism ahead of Agriculture, Forestry and Fishing (a 2.8% share of national GVA).

FIGURE 3: ECONOMIC CONTRIBUTION OF TOURISM, 2016–17



The components of the tourism industry that drove most of the growth in GVA were Food services (up 7.5% to \$9.7 billion), Air and water transport (up 7.1% to \$8.0 billion) and Accommodation (up 7.1% to \$8.0 billion).

FIGURE 4: TOURISM CONTRIBUTION BY SECTOR, 2016–17 (\$ MILLION)



SPENDING BY TOURISTS

TOURISM CONSUMPTION STANDS AT \$136 BILLION

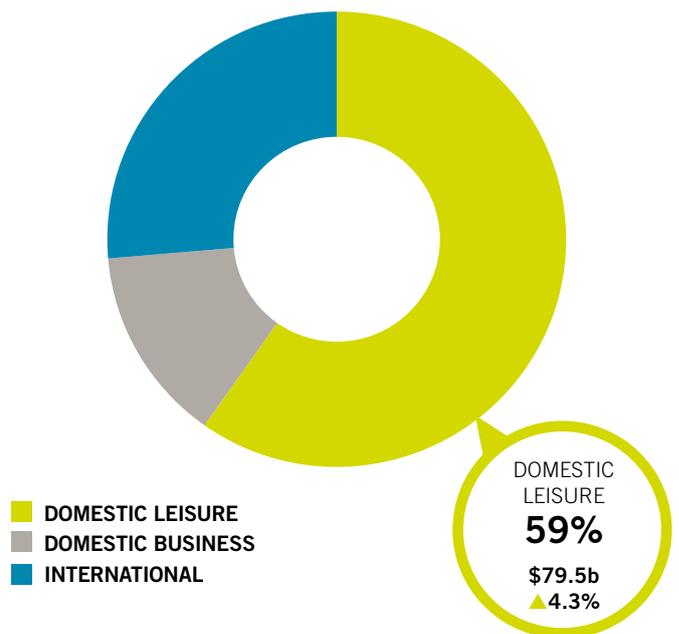
In 2016–17, total tourism consumption in Australia increased 5.3% (or \$6.9 billion) to \$136 billion, with 73% coming from domestic consumption, and 27% from international spending.

Domestic also accounted for most of the growth in spend in 2016–17, increasing \$4.2 billion on the previous year to \$98.3 billion – up 4.5%. In percentage terms, however, international spend grew more rapidly. The \$2.6 billion growth in international spend from \$34.6 billion to \$37.2 billion was an increase of 7.6%.

Among domestic travellers, spend was segmented as follows:

- 78% came from overnight trips (\$77 billion), with the remaining \$22 billion from day trips
- 19% was spent by business and government travellers (\$18.8 billion), with the remaining 81% (\$79.5 billion) spent by Australian households.

FIGURE 5: CONSUMPTION SPEND BY VISITOR TYPE, 2016–17

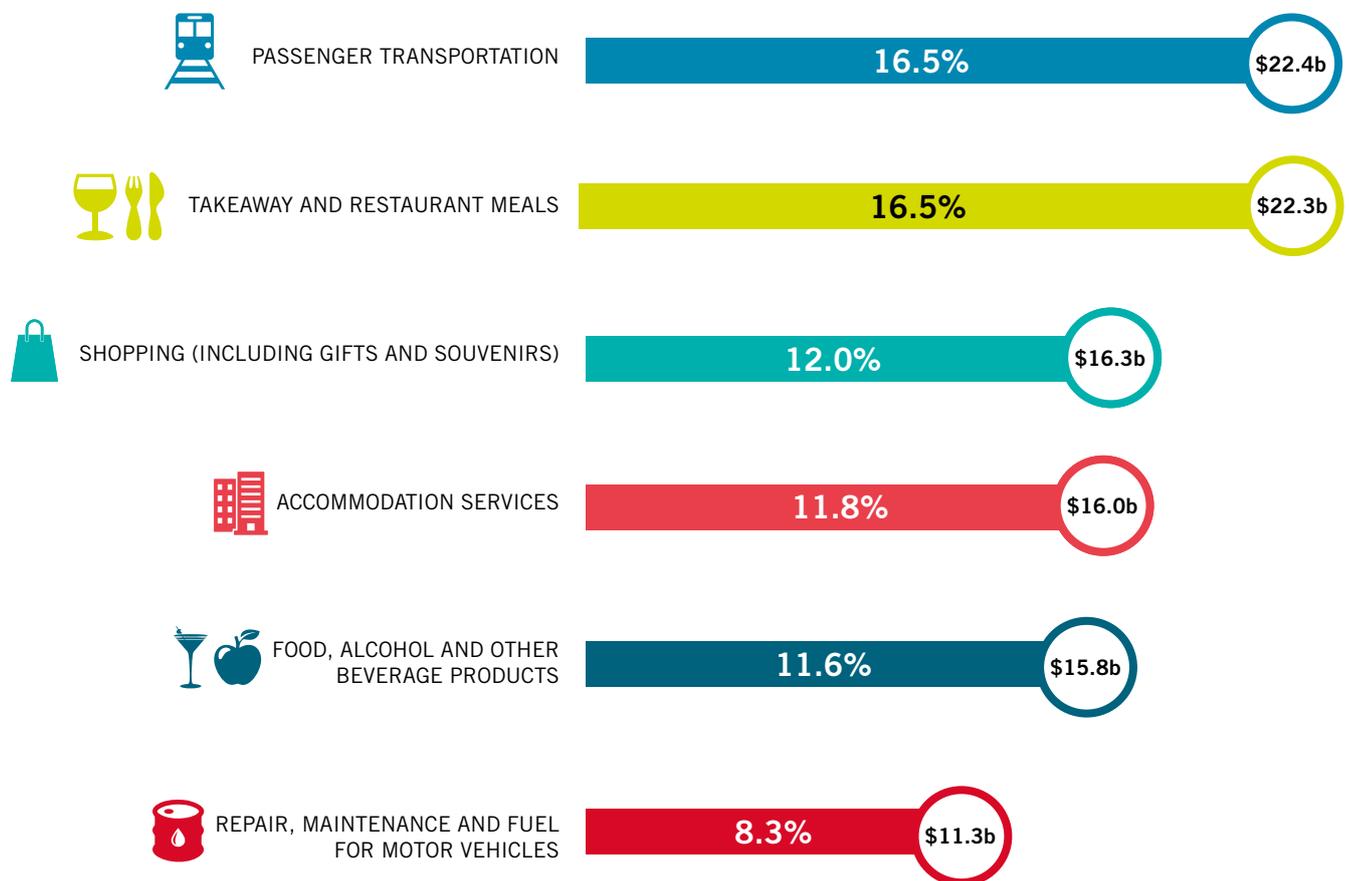


45 CENTS OF EVERY DOLLAR WENT ON TRANSPORT, MEALS OR SHOPPING

In 2016–17, the main item of expenditure among all tourists was passenger transportation with total spend on transport equal to 17 cents out of every dollar spent by tourists for the year (or \$22.4 billion).

Almost all of this spend (94%) was on long-distance passenger transport used to enable visitors to travel within Australia or to enter the country on Australian owned airlines. With spend of \$22.3 billion for the year, takeaway and restaurant meals accounted for another 16 cents of every dollar, while total shopping represented another 12 cents (or \$16.3 billion).

FIGURE 6: CONTRIBUTION OF KEY TOURISM PRODUCTS TO TOTAL VISITOR CONSUMPTION SPEND, 2016–17



INTERNATIONAL VISITORS SPENT 13 TIMES MORE PER TRIP THAN DOMESTIC TRAVELLERS

International visitors spent an average of \$4,347 per trip in 2016–17 – a 1.0% drop compared to 2015–16. This small drop in per-capita consumption was outweighed by an 8.7% increase in international visitation in 2016–17.

Consumption by domestic travellers was \$349 per trip – 2.9% higher than 2015–16. Due to the costs of accommodation, spend by domestic travellers varies substantially between day trips and overnight trips – average spend per overnight trip was \$818 compared with \$115 per average day trip.

... AND THEY SPENT IT DIFFERENTLY

There are substantial variations in spend patterns between domestic and international tourists.

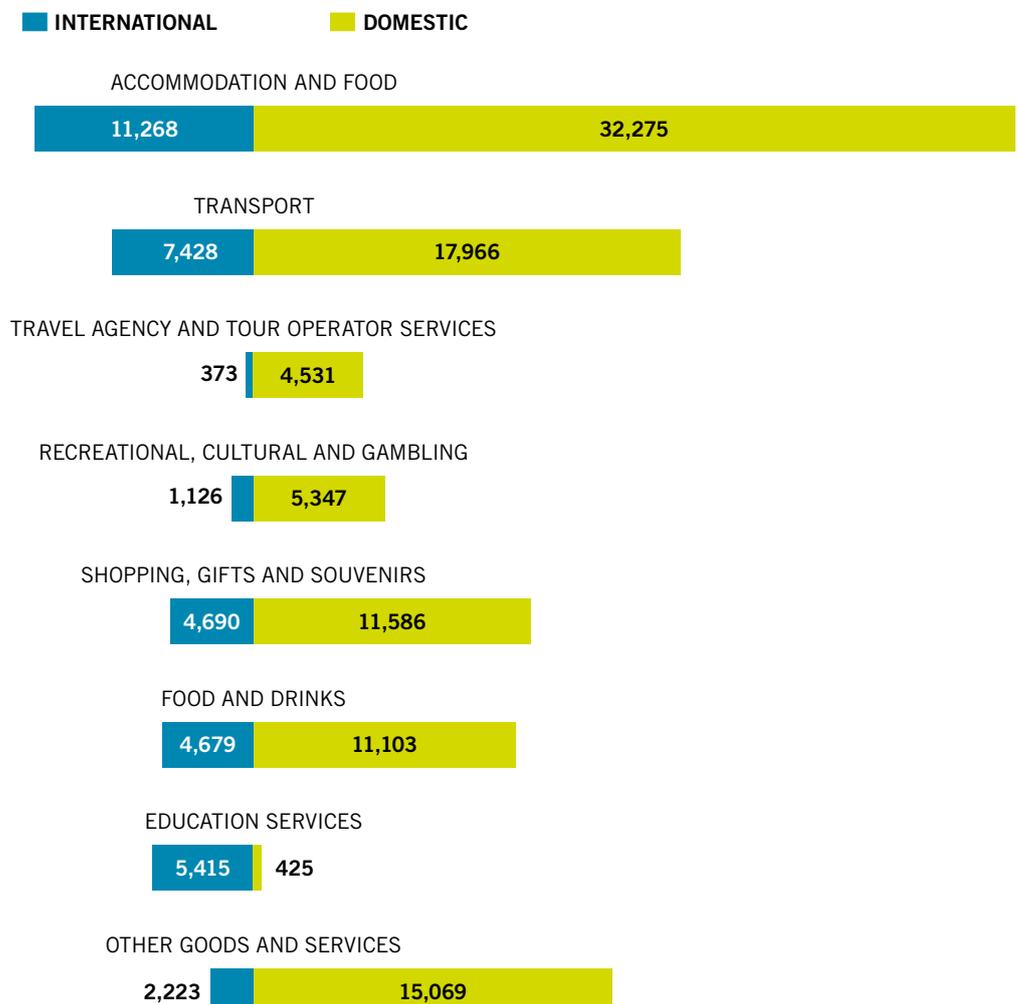
For every dollar spent by international tourists, 15 cents is spent on accommodation, 16 cents on long-distance transport, 13 cents on shopping and 12 cents on takeaway and restaurant meals.

Although domestic visitors consume more tourism-characteristic and connected products³ than international visitors, international visitors are the main consumers of Education services, with \$5.4 billion spent in 2016–17. This is equivalent to 15 cents in every international visitor dollar going on education services, with demand especially high from Asian markets.

Among domestic travellers, the main items of spend in 2016–17 were eating out, long-distance passenger transport and shopping – accounting for 18, 15 and 12 cents of every dollar spent, respectively.

³ See Glossary

FIGURE 7: VISITOR CONSUMPTION SPEND ON TOURISM PRODUCTS (\$ MILLION), 2016–17



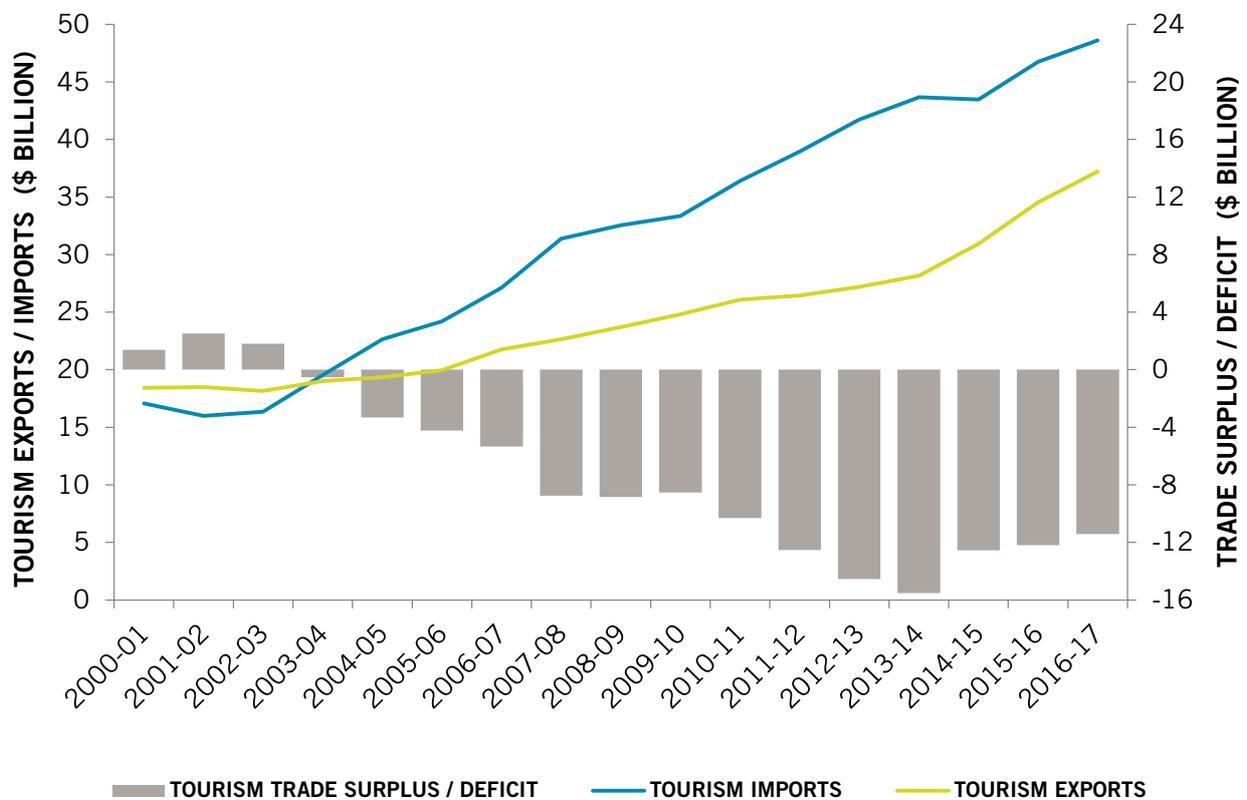
TOURISM IS HELPING TO REDUCE THE TRADE DEFICIT

The aggregate spend by international visitors adds to Australia's export earnings, and totalled \$37.2 billion in 2016–17. This was an increase of \$2.6 billion on 2015–16, and makes tourism one of our largest service exports – accounting for 10% of all Australian exports for the year.

Aside from exports, there is an import aspect to tourism as well, which is measured by the spend of Australians travelling overseas. In 2016–17, the value of outbound tourism increased \$1.8 billion, or 3.9% to \$48.6 billion.

Therefore, over the year, while the value of imports increased, the value of exports rose even more, which resulted in a declining trade deficit. In 2016–17, Australia's tourism trade deficit narrowed to \$11.4 billion, compared to \$12.2 billion in 2015–16. This is the lowest trade deficit since 2010–11.

FIGURE 8: TOURISM EXPORTS, IMPORTS AND NET TRADE, 2000–01 TO 2016–17



AUSTRALIA'S TOURISM WORKFORCE

NEARLY 5% OF AUSTRALIAN JOBS ARE IN TOURISM

Tourism covers a diverse range of activities and provides a substantial contribution to Australia's economy, making it a major employer of Australia's workers. In 2016–17, the industry provided jobs for 598,200 workers – equivalent to 4.9% of Australia's total workforce. In terms of workforce size, tourism is larger than mining (228,900 workers), agriculture (302,600 workers) and utilities (132,600 workers).

Employment in the industry grew significantly in 2016–17, increasing by 3.0% or 17,500 workers during the year. Over a decade-long timeframe, there were 67,800 more people working in tourism in 2016–17 than in 2006–07.

FIGURE 9: DIRECT TOURISM EMPLOYMENT (PERSONS), 2001–02 TO 2016–17

YEAR '000	MALE	FEMALE	TOTAL	MALE %
2001–02	227.5	254.5	482.0	47%
2006–07	239.6	290.8	530.4	45%
2011–12	251.1	296.9	548.0	46%
2015–16	268.8	311.9	580.7	46%
2016–17	275.9	322.2	598.2	46%

TOURISM IS AN INDUSTRY WITH HIGH PART-TIME AND FEMALE EMPLOYMENT

Those working in tourism are more likely to be working part time than the workforce as a whole. In 2016–17, tourism provided employment to 318,100 full-time workers and 280,000 part-time workers, meaning that 47% were employed part time. For the Australian labour force as a whole, part-time employment accounts for 32% of workers.

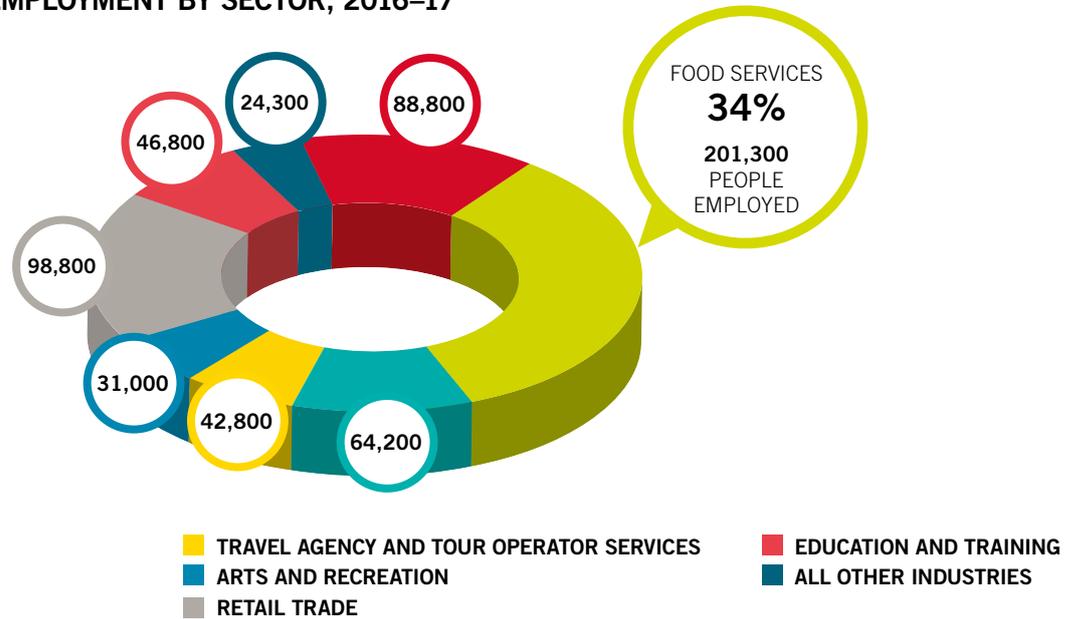
One factor contributing to the larger share of part-time workers is the high rate of female employment. In 2016–17, there were 322,200 females employed in the industry – 54% of the total workforce, and 3.3% more than the previous year. The number of males employed in tourism was 275,900 in 2016–17 – an increase of 7,100 (or 2.6%) on 2015–16.

A THIRD OF TOURISM JOBS ARE IN FOOD SERVICES

The Food services sector, which consists of cafés, restaurants and takeaways, and clubs, pubs, taverns and bars is the main employer of tourism workers. In 2016–17, there were 6,800 additional workers in the sector, bringing total employment to 201,300 workers. This was more than one-third of the total tourism workforce. Other leading employers within tourism included:

- Accommodation – 88,800 workers in 2016–17: 5,900 more than in 2015–16
- Retail trade – 98,800 workers in 2016–17: 3,500 less than in 2015–16.

FIGURE 10: TOURISM EMPLOYMENT BY SECTOR, 2016–17



While total tourism employment grew 3.0% in 2016–17, this was not even across all sectors. Consistent with the current strong investment environment, provision of new airport infrastructure, and number of new accommodation offerings⁴, strong growth was seen across:

- Travel agency and tour operator services – up 9.7%
- Air, water and other transport – up 9.3%
- Accommodation – up 7.1%.

However, declines were experienced in Retail trade (down 3.4% to 98,800), Cultural services (down 2.8% to 10,400), Other sports and recreation services (down 3.2% to 18,100) and Casinos and other gambling services (down 3.8% to 2,500).

The decline in employment in some parts of the industry can largely be attributed to greater use of technology. This in turn adds to productivity, enabling the industry to meet the needs of an increasing number of visitors without a commensurate increase in employment. The Retail sector, in particular, has been impacted by the growing presence of digital shopping platforms.

⁴ See [Tourism Investment Monitor 2017](#) for more information

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 2016–17 TSA (Cat. No. 5249.0) was published on 14 December 2017 and is available at www.abs.gov.au.

Estimates in this edition are benchmarked against the 2012–13 supply-use tables, like the previous edition. Consumption data are based on Tourism Research Australia's International Visitor Survey (IVS) and National Visitor Survey (NVS), year ending June 2017. Totals are also sourced from the June 2017 Balance of Payments. Aggregates for the whole Australian economy are sourced from the 2016–17 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 2016–17 TSA, estimates and times 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).

There have been some significant revisions to the “Outbound Tourism Consumption” series in Table 12 of the TSA resulting from key revisions made to the International Trade in Services debits data.

These data are sourced from Travel and Transport - passenger service debits which can be found in *Table 4.9 - International Trade in Services, Debits* with some minor adjustments for TSA visitor scope including the TSA restricting student spend to those students going overseas for <12 months.

The 3 key revisions to the data are:

- (a) upward revisions related to reinstating the commission on travel and transport services (e.g. travel agents' commissions on package tours), paid by travellers, which was previously being deducted. This accounted for the majority of the revisions to Travel Service Debits;
- (b) upward revisions as a result of removing the ‘young person's adjustment factor’. This revision was reasonably significant; and
- (c) downward revisions in education-related travel services as a result of a change in data source to now reference the National Visitor Survey rather than an outdated input data source (these revisions had a smaller counteracting effect on the net revisions to Travel Service Debits).

Moreover, outbound consumption series being a “memorandum item” or supplementary estimate in the TSA. It does not directly affect the contribution of tourism to Australia's economy.

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 TSA methodology is not reproduced in this report.

GLOSSARY⁵

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.

TOURISM GROSS DOMESTIC PRODUCT (GDP)

Tourism GDP and Gross Value Added (GVA) 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 GVA 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 visitors 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')

TOURISM CONSUMPTION

Consists of tourism spend 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 spend 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 would either 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 EXPORTS

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

⁵ For a full glossary of terms used in compiling the Tourism Satellite Account, please see Australian Bureau of Statistics (2017), Tourism Satellite Account 2016–17 (ABS Cat. No. 5249.0) available on the ABS website – www.abs.gov.au

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 would either 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.