

## TOURISM AND THE SOUTH AUSTRALIAN ECONOMY – 2014/15

### Tourism expenditure

The South Australia's State Strategic Plan (2011) sets a maximum potential for the tourism industry of \$8 billion in visitor expenditure by 2020. Tourism Research Australia derives the figures from the ongoing National Visitor Survey for domestic tourism and the International Visitor Survey for international tourism, providing this benchmark figure. These surveys ask visitors how much they spent while travelling in Australia, and these results are used to calculate tourism expenditure in South Australia.

Tourism Expenditure in South Australia for the year end June 2015 is \$5.3 billion. The latest result to March 2016 is a record high of \$5.7 billion up 6.9 per cent for the year end.

### Tourism Satellite Account

In 2000, the Australian Bureau of Statistics published the Australian Tourism Satellite Accounts, which provided, for the first time, information about the economic value of the tourism industry at a national level. The tourism industry is an important contributor to the Australian economy, however, up until this time, the System of National Accounts did not capture tourism as a single industry because of tourism's diverse range of products and services. Consequently, Tourism Satellite Accounts are used to supplement the System of National Accounts by consolidating these different sources into a single 'satellite' industry of 'tourism'. The Tourism Satellite Accounts have been recognised internationally as the best method for measuring the direct contribution of tourism to the economy on a comparable basis with other 'traditional' industries.

The Tourism Satellite Account provides estimates of a range of economic measures including Employment and Gross Domestic Product. The main findings from the Tourism Satellite Account for **2014/15** for South Australia and Australia are as follows:

- Direct Tourism Employment in South Australia rose by 9.0 per cent to 36,000 jobs, outperforming the national growth rate of 6.3 per cent.
- In 2014–15, direct tourism GDP in South Australia was worth \$2.7 billion (up 6.6 per cent compared to 2013–14). This was 2.7 per cent of the state tourism GDP (\$98.6b).
- Indirect tourism GDP was worth an extra \$2.9 billion to South Australia's economy (up 4.6 per cent compared to 2013–14).
- South Australia contributes 6.0 per cent (\$7.2 billion) of Australia's total tourism consumption.
- 16 per cent of this tourism consumption in South Australia is from international visitors.
- Direct Tourism Employment in Australia rose by 6.3 per cent to 580,000, constituting 5 per cent of the Australian workforce,
- Tourism directly contributed \$43 billion of GVA and \$48 billion of GDP (up by 5.2 per cent and 5.3 per cent, respectively) to Australia's economy in 2014–15.
- Tourism also indirectly contributed \$43 billion of GVA and \$50 billion of GDP (up 4.7 per cent and 4.2 per cent, respectively).

	2014-15	Change on 2013-14 (%)
<b>Tourism GDP (\$B)</b>		
Direct	2.7	6.6%
Indirect	2.9	4.6%
Total tourism GDP	5.6	5.6%
Total state GDP	98.7	1.7%
<i>Tourism's direct share of total state GDP (%)</i>	<b>2.7%</b>	<b>+0.1ppt</b>
<b>Tourism GVA (\$B)</b>		
Direct	2.4	6.2%
Indirect	2.5	5.7%
Total tourism GVA	5.0	6.0%
Total state GVA	91.9	1.9%
<i>Tourism's direct share of total state GVA (%)</i>	<b>2.7%</b>	<b>+0.2ppt</b>
<b>Tourism Employment</b>		
Direct	36,000	9.0%
Indirect	22,000	5.1%
Total tourism employment	58,000	7.5%
Total state employment	806,000	1.2%
<i>Tourism's direct share of total state employment (%)</i>	<b>4.4%</b>	<b>+0.3ppt</b>

*Note 1 - The Tourism Satellite Account for South Australia includes an estimate of 'tourism consumption', which is not the same as the estimates of expenditure published by the SATC and included in the SA Strategic Plan. Tourism consumption includes other expenditure data, such as outbound (Australian residents spending before and after they return from an overseas holiday) and actual and imputed rent on holiday houses. The South Australian Tourism Commission will continue to use the benchmark \$8 billion expenditure figure quoted in the South Australia's Strategic Plan as a basis for future planning.*

## EXPLANATION OF SELECTED TERMS

### Direct Economic Contribution

Money spent directly in the tourism industry – without a tourism industry in South Australia this money wouldn't be generated, or these jobs wouldn't exist.

### Indirect Economic Contribution

The flow-on effect of the tourism industry. In South Australia, for every dollar spent in the tourism industry, an additional 81 cents was spent elsewhere in the economy.

### Tourism Consumption

The total value of tourism goods and services consumed by residents and visitors from overseas in Australia. It includes household, business and government tourism consumption. It represents the price paid by the visitor (which therefore includes taxes and subsidies) and is measured in purchasers' prices.

### Tourism Expenditure

Tourism expenditure relates to actual expenditure made by, and on behalf of, travellers during a trip. It includes airfares and other transport costs such as bus and train fares and amounts spent on trip-related items before and after the trip. It does not include imputed expenditures or spending by outbound travellers and is therefore distinct from tourism consumption. The South Australian Tourism Commission goals are based on tourism expenditure not consumption.

**Tourism Output**

The total value of goods and services produced in Australia to satisfy visitor consumption. It is measured in basic prices, so it excludes net taxes on tourism products. Direct and indirect flow-on outputs are measured separately using the Tourism Satellite Account framework and I-O modelling techniques, respectively. Combined, they provide an estimate of total tourism output.

**Tourism Gross Value Added**

Considered the most accurate measure of the contribution of the industry to the economy. It includes the total labour income and capital revenue received by the industry and the net taxes that government receives from the production, and is measured in basic prices. Direct and indirect flow-on Gross Value Add are measured separately using the Tourism Satellite Account framework and I-O modelling techniques, respectively. Combined, they provide an estimate of total tourism Gross Value Add.

**Tourism Gross State Product**

Tourism GVA plus net taxes on products that are attributable to the tourism industry. As such, it generally has a higher value than tourism Gross Value Add. Direct and indirect flow on Gross State Product are measured separately using the Tourism Satellite Account framework and I-O modelling techniques, respectively. Combined, they provide an estimate of total tourism Gross State Product.