



Australian National Accounts: Tourism Satellite Account

1997–98

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Australian National Accounts: Tourism Satellite Account

1997–98

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AUSTRALIAN BUREAU OF STATISTICS

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PREFACE

Tourism is an important activity in Australia. In response to demand for information on the economic impacts of tourism, the Australian Bureau of Statistics (ABS), with support from the Department of Industry, Science and Resources (ISR), has developed a Tourism Satellite Account for Australia for the year 1997–98.

The concept of a satellite account was conceived in the international statistical standards, known as the *System of National Accounts 1993* (SNA93), to expand the core national accounts for selected areas of interest, while using relevant concepts and structures of the core national accounts. A Tourism Satellite Account involves the identification of tourism activities within the national accounting framework so that a comprehensive set of economic data on tourism can be compiled.

The concepts and methods used in the Australian Tourism Satellite Account are based on international standards published in *Tourism Satellite Account: Methodological References*. This document was released in March 2000 by the Inter-Secretariat Working Group on Tourism Statistics. This group is made up of the Organisation for Economic Co-operation and Development (OECD), the Statistical Office of the European Communities (Eurostat), the United Nations (UN), and the World Tourism Organisation (WTO). This will facilitate comparisons with other countries.

This publication represents the first ABS estimates of the direct contribution of tourism to the Australian economy and, in particular, the relationship between tourism aggregates and key macro-economic variables such as gross domestic product (GDP). As it is an integrated set of tourism statistics within the internationally recognised System of National Accounts, it provides a valuable policy and research tool with a wide range of applications.

The Australian Bureau of Statistics welcomes user reaction to this first Tourism Satellite Account for Australia. Comments can be directed to:

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ABBREVIATIONS

ABS	Australian Bureau of Statistics
ANZSCC	Australian and New Zealand Standard Commodity Classification
ANZSIC	Australian and New Zealand Standard Industrial Classification
BTR	Bureau of Tourism Research
DISR	Department of Industry, Science and Resources
EASTAX	Economic Activity Survey, supplemented with taxation data
Eurostat	Statistical Office of the European Communities
GDP	gross domestic product
HFCE	household final consumption expenditure
IVS	International Visitor Survey
LFS	Labour Force Survey
NVS	National Visitor Survey
OECD	Organisation for Economic Co-operation and Development
SNA93	System of National Accounts 1993
TSA	Tourism Satellite Account
UN	United Nations
WTO	World Tourism Organisation

INTRODUCTION

BACKGROUND TO THE TOURISM SATELLITE ACCOUNT 1997–98

In March 1995 the House of Representatives Standing Committee on Banking, Finance and Public Administration conducted an 'Inquiry into the Impact of Australia's Taxation Regime on the Tourism Industry' and recommended in its report *'Taxing Relaxing'* that:

'the Australian Bureau of Statistics, in consultation with the Bureau of Tourism Research (BTR) and other interested organisations, be provided with the resources to develop a statistical system for quantifying the significance of tourism in Australia as a matter of priority.' (House of Representatives Committee Report *'Taxing Relaxing'*, page xv).

The basis for the recommendation was that there was limited economic information on tourism, despite observations suggesting that the economic impact of visitors is substantial in many regions. There was also a need for a framework which would provide credible measures of economic activities pertaining to tourism, on a similar basis to that available for other industries. The framework needed to define what was meant by 'tourism' as tourism industries and products are not identified separately in the Australian and New Zealand Standard Industrial Classification (ANZSIC), nor is tourism defined as a category of demand in the System of National Accounts (SNA). Funding was subsequently provided to the ABS to supplement its efforts to develop better measures of the economic impact of tourism.

The ABS has addressed this need by compiling Australia's first official Tourism Satellite Account (TSA). A TSA has been recognised internationally as the best method for measuring the economic contribution of tourism and as an important information base for the calculation of its economic effects.

Tourism is essentially a demand concept. However, in order to fully measure the inter-relationships that tourism has with the rest of the economy, and to measure its contribution to important economic aggregates such as gross domestic product (GDP), it is necessary to place the supply of, and demand for, tourism related goods and services within the context of the national supply and use table. Currently, the ABS compiles annual national supply and use tables which show the supply and use of goods and services for the whole economy. These tables underpin estimates of GDP. In order to develop the TSA, the 1997–98 table has been supplemented by additional detail on the supply and use of tourism related goods and services. In order to obtain this detail, the ABS expanded the scope and coverage of existing ABS source data collections for industries supplying tourism goods and services. It also incorporated data from the national and international visitor surveys conducted by the Bureau of Tourism Research (BTR) in order to match the supply of specific goods and services with the demand for these goods and services.

Within the TSA, a number of key economic measures associated with tourism are able to be identified, including: tourism gross value added; tourism GDP; the tourism share of the value-added of major tourism related industries (such as accommodation, restaurants and cafes, air and water transportation); total household and business tourism consumption by type of product; consumption by overseas visitors; profits and wages of tourism-related industries; and employment generated by tourism.

The estimates of tourism gross value added and tourism GDP in this publication relate to the *direct* impact of tourism activity. For an activity to be included as part of tourism,

INTRODUCTION *continued*

BACKGROUND TO THE TOURISM SATELLITE ACCOUNT 1997–98 *continued*

there needs to be a direct relationship (physical and economic) between the visitor and the producer of the good or service. Similarly, the employment measures also relate to this direct relationship between the visitor and the producer of the good or service.

Indirect tourism demand is a broader notion that includes downstream effects of tourism demand and is out of scope for this study. For example, when a visitor buys a meal, indirect tourism demand is generated for the food manufacturer, the transporter, the electricity company, etc., that provide the necessary inputs required to make the meal. Another aspect of indirect tourism demand is the acquisition of capital such as aircraft by businesses servicing visitors. To fully measure indirect effects, account should also be taken of the effect of changes in incomes which may feed through to further changes in tourism demand. A full analysis of indirect effects is best done using a general equilibrium model of the economy. Indirect demand is not measured in the Australian TSA, however the TSA does provide the basic information required as input to such a model.

Australia is one of a small number of countries to have compiled a TSA. As more countries produce such accounts, it will be possible to compare tourism activity in Australia with that in other countries, and to identify any patterns that may be emerging in tourism activity internationally.

The results in this publication relate to 1997–98 only.

ANALYSIS OF RESULTS

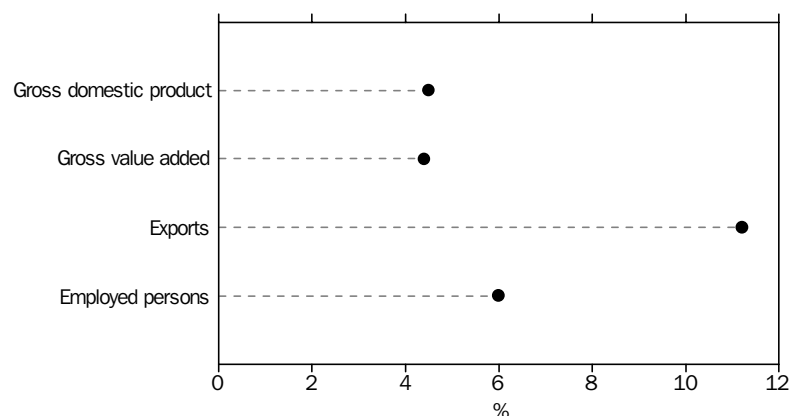
KEY RESULTS

Tourism has a pervasive effect on the Australian economy, with nearly all of the broad industry groups involved to a greater or lesser extent in providing goods and services directly to visitors. Tourism is not an industry in the traditional sense because industries are classified in accordance with the goods and services they produce, whereas tourism depends on the status of the customer. A tourism satellite account (TSA) partitions industries into tourism and non-tourism activities so that the direct contribution of tourism to the economy can be measured on a consistent basis with 'traditional' industries.

Tourism accounted for \$25.2 billion, or 4.5% of Australia's gross domestic product (GDP), in 1997–98. Tourism GDP is the total market value of Australian produced goods and services consumed by tourists after deducting the cost of goods and services used up in the process of production. The tourism share of total industry gross value added, the preferred national accounts measure for the production of industries, was marginally lower, accounting for 4.3% of total gross value added for Australian industries. This share compares well with that of many other industries (see details below).

Tourism is a major export earner for Australia, with 11.2% of total exports of goods and services in 1997–98 generated by international visitors. Tourism also contributes significantly to employment, with 513,000 persons in tourism generated employment in 1997–98, representing 6.0% of total employed persons.

TOURISM'S SHARE OF THE AUSTRALIAN ECONOMY



Domestic tourism generated 79% of the tourism industry's contribution to GDP. International visitors contributed the remaining 21% (which represented 1.0% of GDP in 1997–98).

TOURISM CONSUMPTION, By type of visitor

	Households	Business/ government	International	Total
Tourism GDP (\$m)	17 026	2 755	5 394	25 174
Contribution to tourism GDP (%)	67.6	10.9	21.4	100.0
Contribution to GDP (%)	3.0	0.5	1.0	4.5
Tourism consumption (\$m)	38 770	6 596	12 792	58 158
Contribution to tourism consumption (%)	66.7	11.3	22.0	100.0

ANALYSIS OF RESULTS *continued*

KEY RESULTS *continued*

Tourism also has 'downstream' effects on the economy. Consumption by visitors has a direct impact on the industries supplying the goods and services (tourism industries), and an indirect impact on industries supplying the tourism industries and on industries supplying those industries and so on. However, consistent with the treatment of other industries in the national accounts, only the direct impacts are recorded in the TSA. Indirect impacts on gross value added and employment are best measured using a general equilibrium model, which is beyond the scope of the TSA.

TOURISM GROSS VALUE ADDED

In the national accounts, the value of an industry's production is measured by its gross value added. It is calculated as the gross output of goods and services produced, less the value of intermediate inputs required to produce them. It differs from gross domestic product because it is measured before net taxes on products are added to the value of industry gross output (i.e. gross output is measured at 'basic prices'). Gross value added enables comparisons between industries free of the effects of product taxes and subsidies on the price of industry outputs.

In 1997–98, tourism gross value added was \$22.4 billion. The air and water transport industry accounted for the largest share (15%) of tourism gross value added, followed by the accommodation industry (11%), the cafes, restaurants and takeaway food outlets industry (10%), and the other retail trade industry (9%). The importance of these four industries to tourism in 1997–98 is highlighted by their combined tourism gross value added of \$9.8 billion, representing 44% of total tourism gross value added. The remaining share of tourism value added is distributed widely among other industries.

TOURISM GROSS VALUE ADDED FOR MAJOR INDUSTRIES

	<i>Tourism output</i>	<i>Tourism intermediate consumption</i>	<i>Tourism gross value added (TVA)</i>	<i>Contribution to TVA</i>	<i>Tourism industry ratio</i>
	\$m	\$m	\$m	%	%
Air and water transport	9 513	6 278	3 235	14.5	64.2
Accommodation	5 542	3 154	2 388	10.7	89.0
Cafes, restaurants and takeaway food outlets	5 571	3 363	2 207	9.9	29.5
Other retail trade	4 104	2 133	1 970	8.8	8.0
All other industries	27 744	15 155	12 588	56.2	..
Total	52 473	30 084	22 389	100.0	..

.. not applicable

INDUSTRY RELIANCE ON TOURISM DEMAND

The tourism industry ratio measures an industry's reliance on tourism demand. Industries have been defined as 'tourism characteristic' if 25% or more of their output is purchased by visitors.

The travel agent and tour operator services industry and the accommodation industry rely almost entirely on tourism demand, with tourism industry ratios of 97% and 89% respectively. Air and water transport has the next highest ratio at 64%.

Apart from taxi transport, motor vehicle hiring and cafes, restaurants and takeaway food outlets, the tourism industry ratios for all other industries were below 20%, with a significant number below 10%.

COMPARISONS WITH
'NON-TOURISM'
INDUSTRIES

Tourism contributed 4.3% to total industry gross value added in 1997–98. This figure can be compared with the contribution of other industries. In a highly developed economy such as Australia, economic activity is spread widely across all industries, so it would be usual for the great majority of industries to contribute a relatively small proportion each of the total, with no industries making a dominant contribution.

The table below shows this to be true for Australia, where thirteen of the eighteen ANZSIC divisions each contributed less than 6% of the total industry gross value added in 1997–98. The highest contributor, manufacturing, contributes 13.5%. Industry comparisons are of course affected by the level at which the comparison is made. For example, the tourism share of total gross value added is significantly less than total manufacturing, but it is higher than machinery and equipment manufacturing.

Comparisons between tourism and other industries can be made on two different bases. One is to compare tourism with the traditional industries published in ABS statistics, and the other is to make the comparison using an alternative industry view where tourism activity has been stripped out of the other industries. The table below shows both approaches. The results in terms of industry ranking from highest share to lowest share are not significantly affected by the choice, with tourism being ranked between the eleventh and the twelfth highest contributor out of eighteen industry divisions using both the traditional and the alternative view. The tourism share of gross value added is equal to that of government administration and defence, but higher than agriculture, forestry and fishing, communication services, electricity gas and water, personal and other services, cultural and recreational services and accommodation, cafes and restaurants under both approaches.

ANALYSIS OF RESULTS *continued*

COMPARISONS WITH 'NON-TOURISM' INDUSTRIES *continued*

INDUSTRY SHARE OF GROSS VALUE ADDED

	<i>Industry share of gross value added</i>	<i>Tourism component of industry gross value added</i>	<i>Total share of industry gross value added including tourism</i>
	%	% pts	%
Manufacturing	13.0	0.5	13.5
Property and business services	11.1	0.1	11.2
Ownership of dwellings	9.6	0.3	9.8
Finance and insurance	6.7	—	6.7
Construction	6.0	—	6.0
Health and community services	5.8	0.1	5.9
Wholesale trade	5.4	0.2	5.6
Retail trade	5.1	0.6	5.8
Transport and storage	4.8	1.1	5.8
Mining	4.7	—	4.7
Education	4.7	0.1	4.8
Government administration and defence	4.3	—	4.3
Agriculture, forestry and fishing	3.3	0.1	3.4
Communication services	3.2	0.1	3.2
Electricity, gas and water	2.7	—	2.7
Personal and other services	2.3	—	2.3
Cultural and recreational services	1.6	0.2	1.9
Accommodation, cafes and restaurants	1.5	0.9	2.4
Tourism	4.3	. .	. .
Total	100.0	4.3	100.0

— nil or rounded to zero (including null cells)

. . not applicable

TOURISM CONSUMPTION

Tourism consumption in Australia totalled \$58.2 billion in 1997–98. Long distance passenger transportation represented the largest proportion of tourism consumption at 18%, followed by shopping, including gifts and souvenirs (16%), takeaway and restaurant meals (15%) and accommodation services (9%).

CONSUMPTION OF SELECTED TOURISM PRODUCTS

	<i>Tourism consumption</i>	<i>Contribution to total tourism consumption</i>
	\$m	%
Long distance passenger transportation	10 395	17.9
Shopping (incl. gifts and souvenirs)	9 370	16.1
Takeaway and restaurant meals	8 419	14.5
Accommodation services	5 237	9.0
All other tourism products	24 737	42.5
Total	58 158	100.0

Tourism consumption by international visitors was \$12.8 billion in 1997–98. It accounted for 22% of total tourism consumption. Domestic households accounted for the largest share (67%) and domestic business/government visitors accounted for 11%.

Overnight visitors accounted for the bulk of domestic tourism consumption (77%). The remainder of domestic consumption was by day visitors (23%).

ANALYSIS OF RESULTS *continued*

TOURISM CONSUMPTION

continued

On average, international visitors consumed \$3,031 of goods and services supplied by Australian enterprises per trip. In comparison, domestic overnight visitors consumed, on average, \$465 per trip.

There are some marked differences in consumption patterns by type of visitor. Long distance passenger transportation was by far the dominant tourism product consumed by domestic business/government and international visitors (42% and 31% of total tourism consumption respectively) but was much less significant for domestic household visitors (10%). Long distance passenger transportation and accommodation services together accounted for 65% of domestic business/government expenditures and 43% of international visitor expenditures, but only 15% of domestic household expenditures. Shopping, including gifts and souvenirs and takeaway and restaurant meals were the dominant products purchased by domestic household visitors.

SHARE OF TOURISM CONSUMPTION ON SELECTED TOURISM PRODUCTS, by type of visitor

	<i>Households</i>	<i>Business/ government</i>	<i>International</i>	<i>All visitors</i>
	%	%	%	%
Long distance passenger transportation	9.6	41.7	30.6	17.9
Shopping (incl. gifts and souvenirs)	19.0	0.2	15.7	16.1
Takeaway and restaurant meals	18.6	6.2	6.4	14.5
Accommodation services	5.6	23.0	12.2	9.0
Food products	9.7	0.7	6.1	7.9
Fuel (petrol, diesel)	8.2	11.3	1.1	7.0
Taxi products	0.4	3.0	0.8	0.8
All other tourism products	28.9	13.9	27.1	26.8
Total	100.0	100.0	100.0	100.0

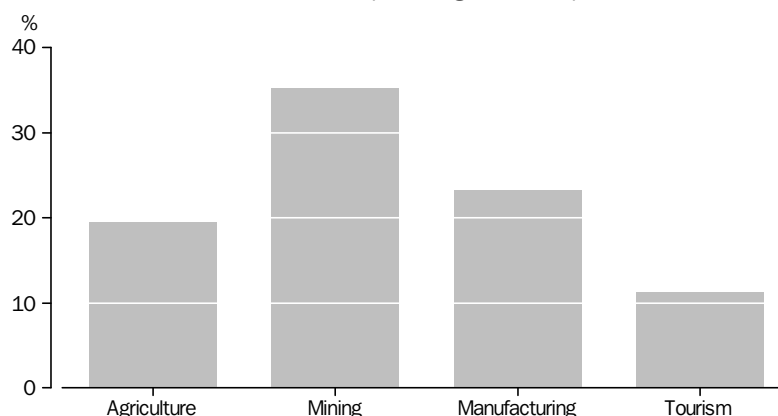
INTERNATIONAL TRADE IN TOURISM

Tourism makes an important contribution to Australia's export earnings. In 1997–98 international visitors consumed \$12.8 billion worth of goods and services. This represents 11.2% of total export earnings in 1997–98. This was the fourth largest contribution of any industry after mining (35%), manufacturing (23%) and agriculture (20%). (Note: these percentages relate to direct exports from an industry. They do not take account of an industry's output that may be embedded in the direct exports of other industries). Total tourism characteristic products compare favourably with other Australian 'traditional' export products. Tourism made a higher contribution than coal and iron and steel products in that year, but a smaller contribution than food and live animal products.

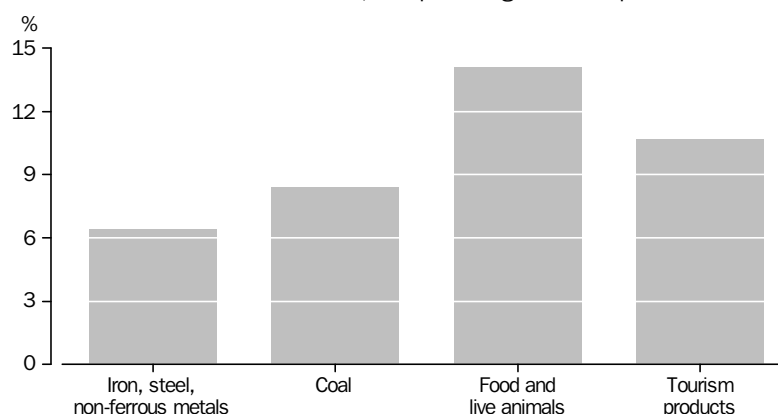
ANALYSIS OF RESULTS *continued*

INTERNATIONAL TRADE IN TOURISM *continued*

SELECTED EXPORT INDUSTRIES, As a percentage of total exports



SELECTED EXPORTED COMMODITIES, As a percentage of total exports



On the other hand, Australians spent \$11.3 billion on goods and services purchased whilst travelling overseas. This is included in Australian imports of goods and services.

TOURISM EMPLOYMENT

It is not possible to directly measure employment in tourism. A model based approach is required. The model adopted in the TSA is to multiply the number of employed persons in each industry by the tourism share of that industry's total gross value added.

Using this approach, there were an estimated 513,000 persons in tourism generated employment in 1997–98. In full-time equivalent terms this was equal to 389,000 persons.

Tourism is an important source of employment in Australia, accounting for 6.0% of total employed persons in the economy. Tourism's share of total employment is greater than it's share of gross value added (4.3%). This is because tourism tends to be more labour-intensive than, on average, other forms of economic activity.

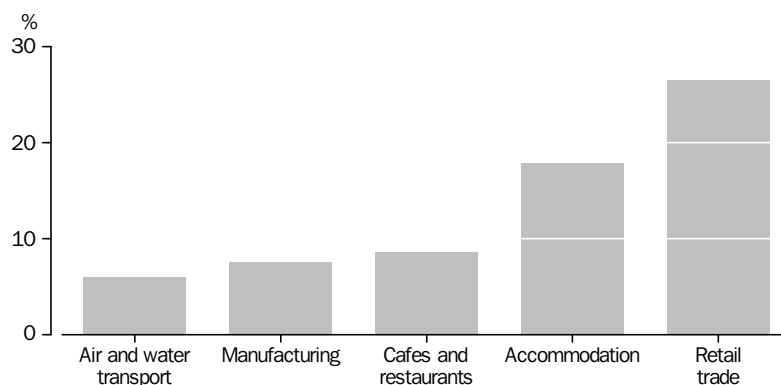
The largest number of persons in tourism generated employment was in retail trade, accounting for 27% of total tourism generated employment. This was followed by the accommodation industry, which contributed 18% of tourism employed persons.

ANALYSIS OF RESULTS *continued*

TOURISM EMPLOYMENT

continued

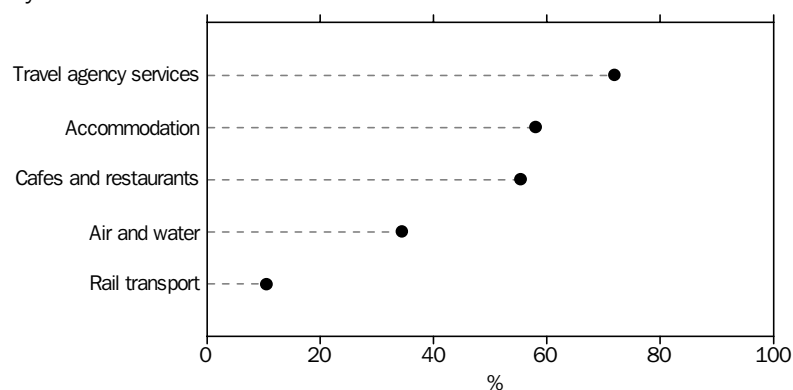
PERCENTAGE OF TOTAL TOURISM EMPLOYED PERSONS,
By selected tourism characteristic and connected industries



In 1997–98, 37% of total tourism employed persons were part-time. This compares with the economy wide proportion of part-time workers of 26%.

Tourism employment in 1997–98 was relatively evenly distributed between males and females. This compares with economy wide percentages of 43% female and 57% male employed persons. The travel agency and tour operator services industry had the largest proportion of female tourism employed persons (72%).

PERCENTAGE OF FEMALE TOURISM EMPLOYED PERSONS,
By selected tourism characteristic and connected industries



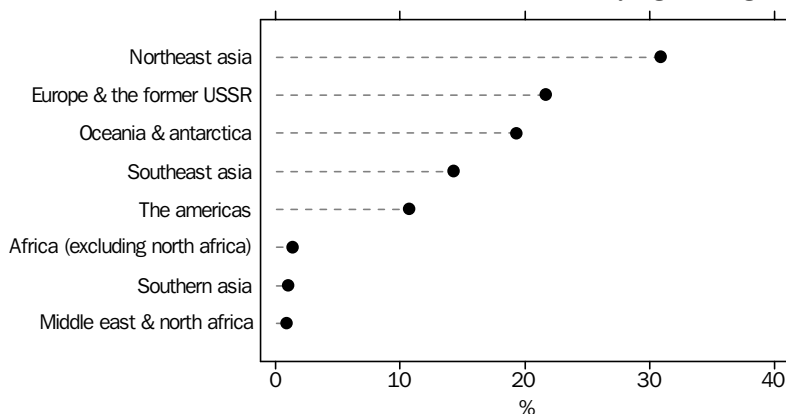
INTERNATIONAL ARRIVALS AND DEPARTURES

There were 4.2 million short-term overseas visitor arrivals in 1997–98, of which 31% came from the north-east Asian region, 22% from Europe and the former USSR and 19% from Oceania and Antarctica. More visitors came from Japan than any other country (797,000 arrivals).

ANALYSIS OF RESULTS *continued*

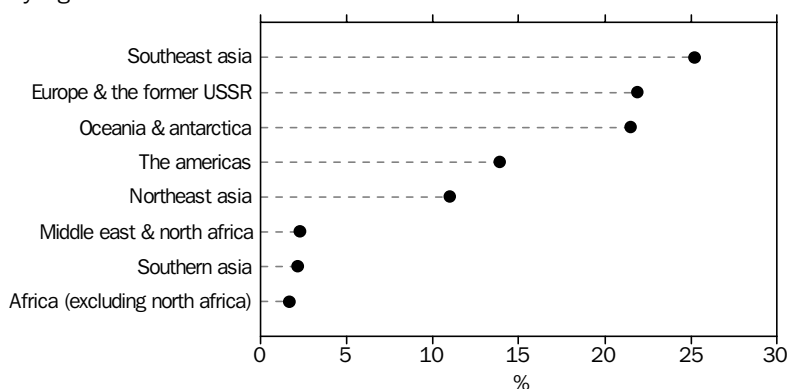
INTERNATIONAL ARRIVALS AND DEPARTURES *continued*

PERCENTAGE OF SHORT-TERM OVERSEAS VISITOR ARRIVALS, By region of origin



In 1997–98, there were 3.0 million short-term Australian resident departures. The most popular region as the main destination for Australian residents going on short-term trips was southeast Asia (25%). The most popular country of destination was New Zealand (429,200 departures).

PERCENTAGE OF SHORT-TERM AUSTRALIAN RESIDENT DEPARTURES,
By region of main destination



COUNTRY COMPARISONS

Australia is one of only a few countries that have released an official TSA. While there is a large degree of commonality in the concepts and the approaches used in these countries, there are some differences between them, especially in the details of what is covered in tourism consumption. These differences impact on the important ratios of tourism value added as a percentage of total value added, and tourism employment as a percentage of total employment. Some of the differences in the published ratios are due to these factors. The recent release of international standards for TSA compilation should overcome this problem in the future. A further factor complicating comparisons is that full TSAs have generally only been compiled on a one-off or irregular basis, so that a common reference year is not available.

The Australian TSA was compiled according to the recent international standards which expanded the scope of tourism consumption and value added compared with that typically in use prior to the new standards. In the country comparisons tables shown below, the TSA ratios for Australia have been adjusted as far as possible to put them on a comparable basis with those of the other countries. It was not possible to adjust other

ANALYSIS OF RESULTS *continued*

COUNTRY COMPARISONS

continued

country ratios to a comparable basis with Australia. No allowance has been made for the different reference years.

The adjusted tables show that the tourism share of gross value added is higher in Australia than in Canada and the USA, but lower than in New Zealand. The highest ratio of tourism employment to total employment is in Australia.

International visitor consumption was most important to the New Zealand tourism industry followed by Canada. International visitors made lower but similar contributions in Australia and the USA.

TOURISM SHARE OF GROSS VALUE ADDED

Country	Country result	Australia (1997-98) adjusted to same conceptual basis
		%
New Zealand (1995)	3.7	3.2
Canada (1997)(a)	2.5	3.9
USA (1997)(a)	2.3-2.8	3.3

(a) Canadian and USA estimates are at factor cost.

TOURISM SHARE OF EMPLOYMENT

Country	Country result	Australia (1997-98) adjusted to same conceptual basis
		%
New Zealand (1995)(a)	4.1	4.9
Canada (1997)	3.7	5.7
USA (1997)	3.3-4.0	5.1

(a) New Zealand estimates are for full-time equivalent employees.

INTERNATIONAL VISITOR SHARE OF TOTAL TOURISM EXPENDITURE

Country	Country result	Australia (1997-98) adjusted to same conceptual basis
		%
New Zealand (1995)	47	22
Canada (1997)	29	20
USA (1997)	19-22	22

INTRODUCTION

The national accounts are a comprehensive set of economic data which are fully consistent and complete within the boundary of the economic activities they cover. Gross domestic product (GDP) is perhaps the most recognisable and important economic statistic from the core national accounts. Satellite accounts allow an expansion of the national accounts for selected areas of interest while maintaining the concepts and structures of the core accounts. Satellite accounts present specific details on a particular topic (both in monetary and physical terms) in an account which is separate from, but linked to, the core accounts. Therefore, a 'tourism' satellite account highlights tourism within the national accounting framework.

Implicitly, tourism is included in the core national accounts. The products purchased by visitors, and produced by suppliers, are all part of the economic activity measured in the national accounts. However, while all the products that are produced and consumed in meeting tourism demand are embedded in the core accounts, they are not readily apparent because 'tourism' is not identified as a conventional industry or product in international statistical standards. In the *Australian and New Zealand Standard Industrial Classification* (ANZSIC) underlying the Australian national accounts, industries are defined according to the primary goods and services which they produce. On the other hand, the tourism industry is defined according to the status of the consumer. That is, it is the characteristics of the consumer that determine whether the production is included within the scope of tourism.

A Tourism Satellite Account (TSA) provides a means by which the economic aspects of tourism can be drawn out and analysed separately within the structure of the main accounts. In fact, one of the major features of a TSA is that it is set within the context of the whole economy, so that tourism's contribution to major national accounting aggregates can be determined, and can be compared with other industries.

A TSA contains two dimensions. The first dimension focuses on consumption and output. This provides a view of the basic economic structure of tourism in terms of supply and demand relationships. Importantly, it quantifies the size of tourism relative to other types of economic activity. The second dimension presents non-monetary data, e.g. employment, overseas arrivals and departures, and visitor characteristics. Data relating to the first dimension are provided in Tables 1–13. Data relating to the second dimension are provided in Tables 14–17.

INTERNATIONAL STANDARDS

The concepts and methods used in the Australian TSA are based on international standards published in *Tourism Satellite Account: Methodological References*. This document was released in March 2000 by the Inter-Secretariat Working Group on Tourism Statistics. This group is made up of the Organisation for Economic Co-operation and Development (OECD), the Statistical Office of the European Communities (Eurostat), the United Nations (UN), and the World Tourism Organisation (WTO). National statistical offices such as the ABS were consulted during the development of the international standards. The standards are based on the 1993 edition of the System of National Accounts (SNA93), which is the prevailing international standard for national accounts statistics.

CONCEPTUAL FRAMEWORK *continued*

INTERNATIONAL STANDARDS *continued*

Since the release of the joint publication, the OECD has published *Measuring the Role of Tourism in OECD Economies*, which is consistent with the international standards. The OECD publication includes more detail on employment in tourism, and shows practical examples of how to compile tourism gross value added.

SUPPLY AND USE FRAMEWORK

The international standards for TSAs recognise that a key component of the TSA is the 'supply and use' framework. This framework, which can be used to estimate GDP for the whole economy, shows the supply of goods and services from domestic industries and imports. It also shows the use of those goods and services in the economy by domestic industries and final consumers, as well as in exports. As the supply and use tables are a data intensive system, they are generally produced with a lag - the latest available for Australia that contain sufficient information on which to construct a TSA are in respect of 1997–98.

The advantage of the supply and use approach in compiling the TSA is that the production of and the demand for tourism and non-tourism products are balanced as are the inputs and outputs for each industry. The total supply of each tourism or non-tourism product must equal the sum of its tourism and non-tourism demand. Similarly, for each tourism or non-tourism industry, output must equal the sum of all inputs, including returns to labour and capital. The supply and use framework provides the necessary elements for estimating the contribution of tourism to gross value added and GDP, and it allows consistent comparisons to be made with the contribution of other industries, such as the manufacturing and mining industries.

More information on the supply and use framework is provided in '*Sources and Methods*'.

CONCEPTS OF TOURISM

Tourism

An important conceptual distinction concerns the difference between travel and tourism. Travel is a broad concept which includes commuting to a place of work, migration and travel for business or leisure. The concept of tourism is a subset of travel. The international standards state:

"Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited.'
(*Tourism Satellite Account: Methodological References*, para 2.1).

If a person stays in the one place for longer than one year, their centre of economic and social interest is deemed to be in that place, so they no longer qualify as a visitor.

Tourism 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.

While most of the economic impacts of tourism occur while persons are travelling, there are some exceptions. Tourism activity also includes consumption activity in anticipation of trips (such as purchases of camping luggage or travel insurance), or after the return home (such as having film developed for pictures taken during the trip).

CONCEPTS OF TOURISM

continued

Visitors

The 'persons' referred to in the definition of tourism are termed 'visitors'. A visitor is defined as:

'any person travelling to a place other than that of his/her usual environment for less than twelve months and whose main purpose of trip is other than the exercise of an activity remunerated from within the place visited' (*Tourism Satellite Account: Methodological References*, para 2.4).

In national accounts and balance of payments statistics, students travelling abroad for the purpose of study are still considered resident of their home country, regardless of the length of time of the studies. All of their expenditure, including tuition and accommodation, is treated as exports of travel services. This same principle is adopted in the TSA, except that a more restrictive rule is applied because of the usual environment principle for defining a visitor. The approach adopted in the Australian TSA is to include as travellers all foreign students undertaking short term courses while on tourist or working holiday visas, or on student visas of a maximum of one year duration. If a student stays longer than one year, their usual environment is deemed to be the school or university, and they do not fit the definition of a visitor. However, if they travel outside their usual environment, they are considered a visitor.

TYPES OF VISITORS

Visitors can be classified into national and international visitors. National or 'domestic' visitors, consist of Australian residents who travel outside their usual environment within Australia. They include both overnight visitors (staying one or more nights at a location) and same day visitors. International visitors are those persons who travel to a country other than that in which they have their usual residence.

For the purposes of measuring tourism gross value added and tourism GDP in the TSA, the consumption of Australian residents travelling overseas (outbound visitors) is excluded, except to the extent they consume domestically produced products before or after their overseas trip. This is because their consumption overseas does not relate to the value of goods and services produced within the Australian economy.

EXCLUSIONS

The following types of persons are not considered to be visitors:

- persons for whom travel is an intrinsic part of their job, e.g. bus driver, air crew;
- persons who travel for the purpose of being admitted to or detained in a residential facility such as a hospital, prison or long stay care;
- persons who are travelling as part of a move to a new permanent residence;
- persons who are undertaking military duties; or
- persons who are travelling between two parts of their usual environment.

Usual environment

The usual environment is made up of one or more areas in which a person undertakes their regular activities such as their place of residence, place of work, place of study and other places frequently visited. The usual environment criterion has two dimensions;

CONCEPTS OF TOURISM

continued

frequency and distance. Places that are visited on a routine basis (at least once a week) are considered part of a person's usual environment, even if the place visited is located a considerable distance from their place of residence. Further, locations up to 40 kilometres from home for overnight trips and up to 50 kilometres from home (round trip) for day trips are included in a visitor's usual environment in the Australian TSA.

Visitors, in purchasing products outside of their usual environment, have a positive economic impact on their destination by generating additional consumption at the destination over and above that generated by the resident consumers. This additional consumption provides the basis for the economic activity generated by tourism and, hence, is at the foundation of the TSA.

Tourism consumption

Tourism consumption is defined as:

'the total consumption made by a visitor or on behalf of a visitor for and during his/her trip and stay at the destination' (*Tourism Satellite Account: Methodological References*, para 3.8).

Consistent with the definition of visitors, tourism consumption includes expenditure by business visitors. It also includes consumption before or after the trip if the expenditures are related to the trip such as the purchase of luggage or film processing.

Tourism consumption is defined to include only transactions between a visitor and a business with whom the visitor has direct contact. In general, a direct (i.e. physical) economic relationship is required for the activity to be considered 'tourism'. Direct contact does not necessarily imply payment has to occur. For example, tourism consumption includes an imputation for the value of services visitors directly consume from non-market production, e.g. museums and libraries, even though these may be provided free or at a price which is not economically significant. This is consistent with the treatment in the national accounts of non-market services provided by general government and non-profit institutions.

In the Australian TSA, tourism consumption includes consumption by both domestic and international visitors. Domestic consumption is further split into that of households, business and government. This dissection is based on who incurred the expenditure rather than who actually paid. For example, a visitor may spend \$1,000 on a business trip, of which \$800 is reimbursed by the business. While the primary purpose of the trip is business, \$800 is recorded as business consumption, with the remaining \$200 reported as household consumption.

The definition and scope of tourism consumption were subject to much debate in the international community before the TSA standards were finalised in March 2000. Some of the inclusions and exclusions still remain contentious. As tourism consumption has a direct bearing on the calculation of tourism gross value added and tourism GDP, it is worth clarifying some particular treatments here.

VALUATION OF GOODS SOLD BY RETAILERS—FULL RETAIL VALUE OR RETAIL MARGIN?

The general principle is that the value of the services provided by businesses with whom the visitor has direct contact should be included in tourism consumption. For retailers, the value of the service is the retail margin. One view is that only the value of these

CONCEPTS OF TOURISM

continued

margins should be included in the TSA. However, the standards recommend that the full value of the retail good should be included in tourism consumption. Although businesses that supply the product may not have direct physical contact with the visitor, they do have a strong economic link.

HOUSING SERVICES

To ensure homogeneity of treatment between rented dwellings and those occupied by their owners, SNA93 recommends imputing the production and the consumption of a housing service for all dwellings occupied by their owners (owner-occupiers).

This imputation applies not only to the main housing unit of a household, but to all the housing units occupied by the owner: thus, it also applies to dwellings used for tourism purposes (holiday houses) on own account, or provided free of charge to visitors. For a holiday house, a housing service has to be imputed, both as a production activity of the owner, and as a consumption activity of the visitor. A visitor could be a member of the owning household or another person who receives the service free of charge. The services from holiday houses are part of tourism gross output and of tourism consumption.

In SNA93, housing services on own account are imputed regardless of whether the house is physically occupied. The house only has to be available to be occupied. Consequently, the housing services from holiday houses are classified as being produced and consumed for tourism purposes, regardless of whether the house is occupied. The international standards state:

'...because the sole ownership of a second home for tourism purpose on own account generates a tourism service and an equivalent consumption: no visit by any individual to this housing unit is necessary to generate the service, because, as for any housing unit on own account, the flow of the service provided depends only on the existence of the housing unit and its inherent qualities, such as location, configuration, type of construction, size and equipment installed, and not on any quality of the visitor' (*Tourism Satellite Account: Methodological References*, para 3.36).

For reasons of conceptual consistency with the national accounts, housing services provided within the primary home to visitors are excluded from tourism consumption. However the value of the extra consumption undertaken in the household due to the purchase of goods and services for the benefit of the visitor is included in tourism consumption.

CONSUMER DURABLES

Two types of expenditures on consumer durables have been included in the TSA. First, all consumer durables acquired while on a trip are included in tourism consumption. Second, single purpose consumer durables that are used almost exclusively on a trip, such as luggage, tents, motor homes and caravans, are included in tourism consumption, regardless of when they are acquired.

Consumer durables that are only partly used for tourism purposes, such as motor vehicles and cameras, and were not purchased on a trip are excluded. It has been argued that consumer durables could be apportioned between tourism use and non-tourism use

CONCEPTUAL FRAMEWORK *continued*

CONCEPTS OF TOURISM

continued

on a pro-rata basis. However the standards do not recommend this because of the practical and conceptual difficulties, since it is not known to what extent the potential future use for tourism may have influenced the purchase.

It is worth noting that high value consumer durables purchased during a trip such as cars and boats, are included within the boundary of tourism consumption, even though the primary purpose may not be for tourism use. This is consistent with the definition of 'travel' in the fifth edition of the IMF's *Balance of Payments Manual* (BPM5).

EXPENDITURES BY TOURISM PROMOTION AGENCIES

Expenditures by tourism promotion agencies through media campaigns and the like are not included in tourism consumption as there is no direct contact with visitors.

However, where information centres do have a direct contact with visitors, an imputation for services provided free of charge is included in tourism consumption.

EXPENDITURES BY AUSTRALIANS TRAVELLING ABROAD

Expenditures on goods or services provided on the Australian domestic territory, either before or after the trip, are included in tourism consumption. In addition, outbound and inbound services provided by Australian international carriers are also included. All other expenditures by Australians while abroad are excluded from tourism consumption and value added. These expenditures are classified as imports of goods and services.

Gross fixed capital formation

Gross fixed capital formation on tourism infrastructure, such as accommodation, transport equipment and facilities is clearly of major interest, as is the capital stock of these tourism related assets. Investment in infrastructure is a major determinant of the level of present and future tourism activity. Also, investment in much of this infrastructure would not exist or would be significantly less without tourism. While recognising that gross fixed capital formation in tourism infrastructure is of significant analytical interest, the international standards exclude purchases of capital assets from tourism demand for the purposes of calculating tourism gross value added.

The treatment of gross fixed capital formation in the TSA has been the subject of considerable debate in international fora. The OECD's manual *Measuring the Role of Tourism in OECD Economies*, outlines the following reasons for its exclusion from tourism gross value added:

'there is no direct relationship between the visitor and the acquisition of capital by the tourism industries: the visitor will use the stream of services provided by such capital but the acquisition of the capital is undertaken by the industry. Thus, for example, an aircraft is bought by an airline; the visitor buys a ticket from the airline to fly from A to B, to acquire transportation services. While the airline cannot provide the service to the passenger without the aircraft, it is not the passenger/visitor who buys the aircraft from the manufacturer. As a consequence ... it only has an indirect impact on the measure of tourism demand and TVA' (OECD, p. 32).

Although the direct cost of capital acquisitions is not included in tourism consumption, the services provided by capital are included, because prices for products such as air transport implicitly include a component to cover the cost of capital.

CONCEPTUAL FRAMEWORK *continued*

CONCEPTS OF TOURISM

continued

If gross fixed capital formation were to be included in tourism industry output and value added, a consistent approach would have to be adopted for all industries, for valid comparisons between industries to be made. Under such an approach, the construction of a warehouse by a wholesaler would be attributed as output of the wholesale trade industry, the purchase of an office building by a bank would be attributed as output of the finance industry and the purchase of a car or a computer by a real estate agent would be attributed as output of the property and business services industry. Ultimately, the construction industry and much of the manufacturing industry would cease to exist as an industry in such a model. While there may be analytical interest in such an industry concept, it would be far removed from national accounting concepts.

While estimates on the purchase of capital by tourism industries are of analytical interest and may be usefully recorded in the second dimension of the TSA, data of sufficient quality are currently not available for publication in the Australian TSA. Industry data for gross fixed capital formation presents a number of difficulties, one being that operating leases of assets are included in the industry of the lessor, not the lessee.

Tourism gross value added and tourism GDP

Tourism gross value added and tourism GDP are the major economic aggregates derived in the TSA. The two concepts are not the same and it is important to define the two measures and to outline the difference between them.

Tourism gross value added measures the value of the output of tourism products by industries less the value of the inputs used in producing these tourism products. Output is measured at 'basic prices', that is before any taxes on tourism products are added (or any subsidies on tourism products are deducted). Taxes on tourism products include wholesale sales taxes and excise duties on goods supplied to visitors. Tourism gross value added is directly comparable with estimates of the gross value added of 'conventional' industries such as mining and manufacturing that are presented in the national accounts.

SNA93 states that basic price measures are to be used for comparisons between industries and across countries because it is free of the effects of taxes and subsidies on products which can vary between industries (and countries) and over time. The tax and subsidy component of a product's sale price does not represent value added by the industry producing that product.

Tourism GDP, on the other hand, is a demand side concept. It therefore includes taxes paid less subsidies received on tourism related products as these are reflected in prices that visitors actually pay. Tourism GDP will generally have a higher value than tourism value added. Tourism GDP is a satellite account construct to enable a direct comparison with the most widely recognised national accounting aggregate, GDP. While it is useful in this context, the tourism gross value added measure should be used when making comparisons with other industries or between countries.

Difference between tourism consumption and tourism gross value added

Similarly, it is important to distinguish between two related concepts: tourism consumption and tourism gross value added. The two are not the same and differ both in concept and scope.

Tourism gross value added shows only the 'value' which a producer adds to the raw material goods and services it purchases in the process of producing its own output.

CONCEPTUAL FRAMEWORK *continued*

CONCEPTS OF TOURISM

continued

This measure is consistent with gross value added measured for other industries in the national accounts. *Tourism consumption* is much broader and it includes the total expenditure on goods and services by visitors. Tourism consumption includes (indirectly) the contribution of other industries that supply goods and services to the tourism industry as well as imports. Tourism consumption also includes the value of taxes paid on tourism products (less any subsidies received).

TOURISM RELATED PRODUCTS

As mentioned earlier, the TSA is based on a supply and use table of the Australian economy which provides a breakdown of the supply and demand for all categories of products. However, not all of these products have the same relevance for the estimation of visitor consumption as some products are more likely to be consumed by visitors than others. This means that standard national accounting structures and classifications that are meaningful for the study and description of household consumption may not be as relevant when the focus is specifically on tourism. Therefore, the TSA distinguishes between products that are related to tourism, and those which are not.

Tourism related products are further classified into *tourism characteristic products* and *tourism connected products*. *Tourism characteristic products* are defined in the international TSA standards as those products which represent an important part of tourism consumption, or for which a significant proportion of the sales are to visitors. In the Australian TSA, for a product to be 'characteristic' it must account for at least 10 per cent of total tourism consumption *and/or* at least 25 per cent of the total output of the product must be consumed by visitors. *Tourism connected products* are those that are consumed by visitors but are not considered as tourism characteristic products.

All products in the supply and use table not consumed by visitors are classified as 'all other goods and services' in the TSA.

See Appendix 1 for a concordance between tourism related products in the Australian TSA, and products included in the *Australian and New Zealand Standard Commodity Classification* (ANZSCC).

TOURISM RELATED INDUSTRIES

Tourism related industries produce products that are strongly associated with tourism and are classified into tourism characteristic and tourism connected 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. In the Australian TSA, for an industry to be 'characteristic', at least 25 per cent of its output must be consumed by visitors. *Tourism connected industries* are those, other than tourism characteristic industries, for which a tourism related product is directly identifiable (primary) to it, and where the products are consumed by visitors in volumes which are significant for the visitor and/or the producer. All other industries are classified as non-tourism industries, though some of their products may be consumed by visitors and are included in the calculation of tourism gross value added and tourism GDP.

The following points are worth noting about the industry classifications for the TSA:

- whether or not an industry is classified as characteristic has no effect on total value added resulting from tourism;

TOURISM RELATED
INDUSTRIES *continued*

- for an industry to be tourism related it must serve the visitors themselves, that is, there must be a direct contact between the provider of the product and the consumer. For most services, the producer and seller coincide, so this is not a restriction. However, in the case of goods, there are usually one or more intermediaries between the producer of the good and its ultimate consumer (e.g. T-shirts may be sold to visitors by the retail industry, but the manufacturing industry may produce the shirt). In these cases, the standards recommend that the term 'direct contact' cannot be restricted to a physical contact but must be used in a broader sense;
- tourism related industries produce products which are consumed by both visitors and non-visitors. Because of this the TSA measures the gross value added resulting from the production of products directly consumed by visitors, not the total gross value added generated by tourism related industries.

See Appendix 2 for a concordance between tourism related industries and industries included in the *Australian and New Zealand Standard Industrial Classification* (ANZSIC).

SOURCES AND METHODS

INTRODUCTION

The basic building blocks of the TSA are the supply and use table for the Australian economy, visitor's expenditure data from surveys conducted by the Bureau of Tourism Research (BTR), ABS balance of payments data, and industry data from ABS business surveys. This section describes the sources and methods used in constructing the TSA. It also discusses how the key aggregates of tourism value added and tourism GDP are derived. It also provides some comments on factors affecting the quality of estimates in the TSA. It has to be appreciated that the construction of a TSA involves a number of assumptions, which are discussed in the relevant parts of this section.

AN OVERVIEW OF THE SUPPLY AND USE APPROACH

The supply and use tables for the Australian economy provide the framework in which data for visitor's expenditure (demand) and industry output (supply) are integrated and made consistent. Moreover, they provide the means of calculating tourism gross value added and tourism GDP. The input-output table variant provides a tool for further analysis and economic modelling of tourism.

The 'supply' table is a matrix showing (in the rows) the basic price values of products produced by each major industry. It also shows the supply of products from imports, and the net taxes on products and trade and transport margins required to derive supply at purchasers' prices. The 'use' table shows the use of each product, both as intermediate consumption by industries and in domestic final demand and exports. The use table also shows the primary inputs (compensation of employees and gross operating surplus) required by each industry. The supply and use tables are brought to balance so that the supply of each product equals its use.

In practice, various data sources are used to complete the supply and use tables. Inevitably, various deficiencies in the data result in initial imbalances between supply and use and between industry outputs and inputs that have to be subsequently brought into balance. One of the major benefits of a supply and use table approach is that it provides the best framework to bring the demand and supply side of the economy into balance.

The supply and use tables on which the TSA is based contain 42 industries and 148 products. To derive the TSA, it was necessary to augment the standard supply and use tables. As the objective of the TSA is to focus on tourism related products and the industries that produce them, some disaggregation of the products and industries shown in the standard tables was required. For operational convenience in constructing the TSA, the non-tourism products and industries were compressed, but the details still remain in the underlying supply and use tables.

An important characteristic of tourism products is that they are not uniquely defined by their nature, but by who purchases them. Therefore, the consumption of each product has to be divided into that part consumed by visitors and that part consumed by non-visitors. This information is used to partition industries into their tourism and non-tourism components, enabling the derivation of tourism value added and tourism GDP.

An important part of the compilation process is to check the consistency of data for visitor expenditures on products with the total supply of products. Apparent inconsistencies have to be resolved by further data investigations and adjustment.

SOURCES AND METHODS *continued*

AN OVERVIEW OF THE SUPPLY AND USE APPROACH *continued*

More details on the supply and use approach to constructing a TSA can be found in Organisation for Economic Co-operation and Development, *Measuring the Role of Tourism in OECD Economies*, OECD, Paris, 2000. Readers who require more detailed information on supply and use tables more generally should consult SNA93.

TOURISM CONSUMPTION DATA

The value of tourism consumption in the TSA includes both actual expenditure by visitors and imputations for the consumption by visitors of certain services for which they do not make payment.

Visitor expenditure data

Most of the visitor expenditure data used in the compilation of the TSA was sourced from the BTR in the National Visitor Survey (NVS) and the International Visitor Survey (IVS), though these data were supplemented with data from the balance of payments and national accounts statistics.

Estimates of expenditure on tourism related products by Australian residents within Australia were sourced from the NVS. This expenditure is split by actual purpose of visit (households/business and government) and type of trip (same day/overnight).

As the NVS commenced in January 1998, data were not available for the full 1997–98 financial year basis required for the TSA. Extrapolation was required for the first two quarters. This was done by matching as far as possible the products purchased by visitors in the NVS with household final consumption expenditure (HFCE) products published in the national accounts, and using the quarterly movements in these series to adjust the NVS data. The household/business and government proportions, and overnight/same day proportions were assumed to be the same as in the 1998 NVS data.

Adjustments to the BTR data were required to break down the following broad expenditure categories:

- organised tours
- package tours
- conference fees
- trips with more than 21 stopovers

Given a lack of suitable direct information, these allocations were made on the basis of models or supplementary information from either ABS or BTR surveys.

Estimates of expenditure on tourism related products by non-residents in Australia (tourism exports of goods and services) were derived from the IVS and ABS balance of payments statistics. In the main, the IVS data provided the detailed product information. The ABS balance of payments statistics were used to adjust these data to accord with TSA and national accounts concepts (see below).

As for the NVS data, there were a number of adjustments required to break down the broad expenditure categories for organised tours, package tours and conference fees into more detailed products. Again, the allocations were made on the basis of models or supplementary information from either the ABS or BTR.

Broad level estimates of international visitors' expenditure in Australia, and expenditure of Australians travelling abroad, were derived from the transportation and travel services items in the balance of payments. IVS data are a major source for the balance of payments statistics, but a number of supplementary sources are also used to adjust these

SOURCES AND METHODS *continued*

TOURISM CONSUMPTION

DATA *continued*

data to a balance of payments basis. In addition, further adjustments were required to allow for conceptual differences between the TSA and balance of payments statistics. These relate to the restricted coverage in the TSA of student visitors studying in Australia; imputations for non-market services provided to overseas visitors; margins on foreign exchange transactions, and the value of products provided to overseas visitors within private households.

Imputed consumption by visitors

The major imputed component in the TSA relates to the imputed value in 'actual and imputed rent on holiday houses', where the imputed value of rent refers to the consumption of housing services provided by holiday houses to the owner. The estimate was calculated by multiplying average annual rents by the total number of holiday houses in Australia from the Census of Population and Housing. An imputation for products provided to visitors in private households was derived using indicators from the ABS Household Expenditure Survey and IVS/NVS data. The imputation for non-market services provided by government utilised data on visitor numbers from *Cultural Trends in Australia* (Cat. no. 4172.0), and the imputation for foreign exchange margins was derived using international visitors' expenditure data, and data for currency buy/sell rates.

INDUSTRY DATA

While the supply and use tables provide 'control totals' for industry output of products, and the inputs required to produce those products, the data had to be disaggregated and rearranged to focus on tourism related products identified from tourism demand data. This was mostly done using information from the ABS annual business surveys.

The ABS annual business surveys collect data for business income and expense items for all broad industry groups in the economy. They enable the calculation of gross output, intermediate consumption, value added, compensation of employees and gross operating surplus for each broad industry. These surveys were expanded in 1997–98 to provide extra data for tourism characteristic industries.

The ABS Economic Activity Survey, supplemented with taxation data, was the major source of data for the transport; automotive fuel; and motor vehicle hire industries.

The ABS Service Industry Surveys were a major source of data for travel agents, libraries, museums and the arts, accommodation, cafes and restaurants, pubs and taverns, clubs, gambling industries and casinos.

Although data from the ABS Survey of Tourist Accommodation was not used directly in the compilation of TSA estimates, these data were used in the validation and table balancing process.

Where no specific industry or product data were available, relativities from the 1994–95 input-output tables were used.

PARTICULAR TREATMENTS

Travel agency services

Travel agents normally deduct a commission from the amount paid by the visitor and forward the remainder to the travel product provider. However, normal supply and use table practice is to record the whole price as being paid to the provider, who then pays the commission to the agency. This approach would result in there being no travel

SOURCES AND METHODS *continued*

PARTICULAR TREATMENTS

continued

agency services provided to the visitor and recorded for the agent. In the TSA, an adjustment is made so as to record visitors as directly purchasing the travel agency service (commission) from the travel agent, with an offsetting reduction in the amount paid by the traveller to the travel product provider.

Package tours

There are two possible approaches to the treatment of package tours in the TSA: the preferred 'net approach' and the alternative 'gross approach'.

The 'gross' approach treats all the purchases by the organiser as intermediate consumption, and the output as a single commodity 'package tours', which is acquired by the final user. The alternative 'net' treatment records the organiser's margin as their sole output, and the other components of the tour as having been purchased directly by the visitor.

The implication of the gross approach is that tourism gross value added would not include the value added associated with the providers of the other tourism services. On the other hand, under the 'net' approach, the value added associated with the provision of each of these products will be fully captured in tourism gross value added, and this is the approach used in the Australian TSA.

Frequent flyer programs

Under a frequent flyer program, a traveller accumulates points based on the number of flights he/she takes with a particular airline. When a sufficient number of points has been accumulated, the traveller can use them to fly free of charge. In the TSA, no adjustment is made to account for these 'free' flights as, in principle, they have already been implicitly included in the price of previous paid flights.

CALCULATING TOURISM GROSS VALUE ADDED AND TOURISM GDP

Gross value added for an industry is typically derived by summing gross output for that industry and deducting intermediate consumption. However, as the tourism industry is defined according to who purchases an industry's output rather than according to the nature of the output itself, tourism consumption is required in order to measure the tourism output of industries.

To calculate tourism gross value added, a number of steps are required. These can be summarised as:

- identify which products in the economy are purchased by visitors;
- identify the industries which supply each of these products to visitors;
- for tourism consumption of each product, remove product taxes and subsidies, margins and imports to derive tourism consumption at basic prices;
- determine what proportion of the total supply of each product is consumed by visitors by dividing tourism consumption at basic prices into the total supply at basic prices—this is the *tourism product ratio*;
- apply the *tourism product ratio* to the output of each product by each industry to derive tourism output of each industry;
- estimate the intermediate consumption required to produce each industry's output of tourism products using relationships in the supply and use tables. The default assumption is that there is a constant ratio of output to intermediate consumption for both tourism and non-tourism products produced by an industry;

SOURCES AND METHODS *continued*

CALCULATING TOURISM GROSS VALUE ADDED AND TOURISM GDP *continued*

- calculate tourism gross value added at basic prices for each industry as tourism output less the intermediate consumption required to produce the tourism output, and sum for all industries in the economy. Tourism gross value added at basic prices is directly comparable to the value added for all other industries.

Tourism GDP is derived by adding net taxes on tourism products (calculated using visitor expenditures as a proportion of total expenditures) to tourism gross value added at basic prices. Tourism GDP is directly comparable to GDP.

Tourism gross value added may also be derived by summing tourism incomes—compensation of employees, gross operating surplus and mixed income, and other taxes on production (e.g. payroll tax, land rates). Tourism incomes are derived as follows:

- derive the *tourism industry ratio* for each industry by dividing tourism value added by industry value added; and
- apply the *tourism industry ratio* for each industry to 'compensation of employees', 'gross operating surplus' and 'mixed income', and 'other taxes on production' estimates for that industry.

EMPLOYMENT

As part of the 'second dimension' of the TSA, estimates are provided for total employment and tourism employment for the tourism related industries. Tourism employment represents an estimate of employment generated by tourism, and is derived somewhat simplistically for each industry by applying the tourism industry ratios derived from the first dimension of the TSA. Some employment characteristics of tourism generated employment are also included.

Data are taken mainly from the ABS Labour Force Survey. Some of the tourism industries shown in the first dimension of the TSA have been compressed in the tables relating to employment because the Labour Force Survey (LFS) is not designed to produce estimates of sufficient accuracy for some of the fine-level industries in the TSA.

Labour Force Survey (ABS)

Data on the characteristics of the civilian labour force are collected in the monthly LFS. Total employment is derived by adding employment in the defence forces to the civilian labour force.

Details by industry of employment are collected in the February, May, August and November months. Estimates of the number of employed persons by industry and in total have been calculated as the average of these four months. To the extent that the survey months exclude the major Christmas holiday period, there could be some downward bias in estimates for the tourism industries.

The LFS is recognised as a less than ideal source for industry estimates when compared with employer surveys, such as the Survey of Employment and Earnings. Business surveys are the preferred source of industry employment data for the national accounts, but in the main they do not produce estimates at the more detailed level required for the TSA, nor do they contain as much detail on employment characteristics. However, employer survey data were available for travel agencies, cafes and restaurants, and air and water transport, and these were used in the TSA.

SOURCES AND METHODS *continued*

EMPLOYMENT *continued*

Hours worked data from the LFS were used to calculate full-time equivalent employment estimates. Full-time equivalent employed persons is derived as the number of full-time employed persons plus the number of part-time employed persons, multiplied by the average hours worked by part-time workers as a proportion of the average hours worked by full-time workers.

Tourism employment

Persons employed in tourism related industries will generally provide services to both visitors and non-visitors. Tourism employment in tourism related industries was derived by applying the tourism industry ratio from the first dimension of the TSA to employment in each industry. This involves an assumption that the employment generated by tourism in each industry is in direct proportion to value added generated by tourism. While the standards recognise this as a statistic of significant interest, they do not go as far as to fully recommend its inclusion because of questions about its conceptual validity. However, despite these reservations, it is a central feature of the OECD's Measuring the role of Tourism in the OECD Economies, and is presented in the Australian TSA and in the TSAs of some other countries.

OTHER VISITOR CHARACTERISTICS

Domestic visitors—same day and overnight

The BTR publish data on domestic visitor numbers in the NVS. As the survey commenced in January 1998, data on visitor numbers relate to the calendar year 1998. The visitor numbers had to be extrapolated to a financial year 1997–98 basis for use in the TSA. Data from Roy Morgan Research were used to provide this adjustment.

International arrivals and departures

Data on international arrivals and departures (by country of origin or destination) were taken from the ABS publication *Overseas Arrivals and Departures, Australia* (Cat. no. 3401.0).

QUALITY OF THE ESTIMATES

While as much care as possible has been taken to ensure the quality of the estimates in the TSA, users should exercise some caution in the use and interpretation of the results. In order to produce estimates at a finer level of product and industry detail than that normally provided in the national accounts, some of the data had to be stretched up to the limits of their design capabilities. Moreover, major tourism aggregates such as tourism gross value added and tourism employment are not directly observable in practice. They have to be modelled in a supply and use framework. The assumptions underlying the estimates can have an effect on their quality.

The estimates were prepared from a wide range of statistical sources. Some are closely related to the desired national accounting basis, but others are not completely satisfactory in various respects, including coverage, concepts and timing. Many of the tourism industries and products identified in this publication are at a more detailed level, or do not directly concord, with the industry and product details in the national supply and use tables. While every effort was made to improve the survey coverage of the finer level tourism industries, the accuracy of these estimates will be subject to a higher degree of error than that generally pertaining to the broader level estimates published in the national accounts.

QUALITY OF THE
ESTIMATES *continued*

Tourism expenditure data were generally obtained from large scale visitor surveys that were scientifically designed to produce estimates of good quality. These data are a key component of the TSA. In order to adapt these data to the concepts and classifications required for the TSA, some dissection and rearrangement of the data was required. In particular, expenditure on package tours had to be broken down into its component margin and travel provider components. There was only a limited amount of direct data available to do this. While the rearrangement of the basic data can impact on the quality of tourism consumption estimates for individual products, the aggregate level of tourism consumption should not be affected, although the estimate of tourism gross value added could be.

Estimates of the number of persons employed in tourism related industries were derived from the LFS. As this is a household survey, it has some deficiencies when used to derive detailed industry estimates. Any deficiencies would be magnified in the data relating to employment characteristics by industry. In order to mitigate some of these potential quality problems, estimates of employment have been published at a more aggregated industry level than that provided in the first dimension of the TSA.

The most significant assumption in the compilation of a TSA relates to the use of the tourism product ratios and the tourism industry ratios in the calculation of tourism related monetary and employment aggregates. The default assumption is that the input requirements of tourism and non-tourism output are identical for an industry. While this is likely to be a more valid assumption for fine level industries where industry output is relatively homogenous (such as the taxi transport industry), there will be some instances where the assumption may be less valid. This is more likely to be the case where the tourism specialisation ratio of the industry is low, and a diverse range of products are produced (such as for other manufacturing). However, errors resulting from the use of assumptions will tend to offset in the calculation of the broad aggregates such as tourism value added and tourism GDP.

1

TOURISM CONTRIBUTION TO GROSS DOMESTIC PRODUCT

Total

Tourism gross output at basic prices (\$m)	52 473
less Tourism intermediate consumption (\$m)	30 084
<i>equals Tourism gross value added at basic prices (\$m)</i>	22 389
plus Net taxes on tourism products (\$m)	2 785
Tourism GDP^(a) (\$m)	25 174
Gross domestic product (\$m)	564 653
Tourism contribution to gross domestic product (%)	4.5

(a) Tourism GDP is a satellite account construct and not a core national accounts concept. (See Conceptual Framework, Tourism Gross Value Added and Tourism GDP^a for more information).

2

TOURISM GDP, By Type of Visitor

	<i>Domestic households</i>	<i>Domestic business/government</i>	<i>Total domestic</i>	<i>International</i>	<i>Total</i>
Tourism GDP (\$m)	17 026	2 755	19 781	5 394	25 174
Contribution to tourism GDP (%)	67.6	10.9	78.6	21.4	100.0
Contribution to GDP (%)	3.0	0.5	3.5	1.0	4.5

TOURISM GROSS VALUE ADDED, By Industry

	<i>Tourism output (basic prices)</i>	<i>Intermediate consumption</i>	<i>Tourism gross value added</i>
	\$m	\$m	\$m
.....			
Tourism characteristic industries			
Travel agency and tour operator services	1 895	1 061	835
Taxi transport	445	271	174
Air and water transport	9 513	6 278	3 235
Motor vehicle hiring	712	481	231
Accommodation	5 542	3 154	2 388
Cafes, restaurants and takeaway food outlets	5 571	3 363	2 207
<i>Total tourism characteristic industries</i>	<i>23 677</i>	<i>14 608</i>	<i>9 070</i>
Tourism connected industries			
Clubs, pubs, taverns and bars	3 003	1 931	1 072
Other road transport	1 436	818	619
Rail transport	710	331	379
Food manufacturing	2 531	1 893	638
Beverage manufacturing	1 182	791	391
Transport equipment manufacturing	514	334	180
Other manufacturing	4 055	2 693	1 363
Automotive fuel retailing	280	126	154
Other retail trade	4 104	2 133	1 970
Casinos and other gambling services	253	95	158
Libraries, museums and arts	654	287	366
Other entertainment services	1 315	684	631
Education	853	97	756
Ownership of dwellings	1 527	204	1 323
<i>Total tourism connected industries</i>	<i>22 418</i>	<i>12 416</i>	<i>10 002</i>
All other industries	6 377	3 060	3 318
<i>Total</i>	<i>52 473</i>	<i>30 084</i>	<i>22 389</i>
Net taxes on tourism products	..	..	2 785
Tourism GDP	..	..	25 174

.....

.. not applicable

TOURISM CONTRIBUTION TO INDUSTRY GROSS VALUE ADDED & GROSS DOMESTIC PRODUCT

	<i>Tourism gross value added</i>	<i>Contribution to total tourism gross value added</i>	<i>Industry gross value added</i>	<i>Tourism contribution to industry gross value added(a)</i>
	\$m	%	\$m	%
.....				
Tourism characteristic industries				
Travel agency and tour operator services	835	3.7	864	96.6
Taxi transport	174	0.8	457	38.0
Air and water transport	3 235	14.5	5 039	64.2
Motor vehicle hiring	231	1.0	434	53.2
Accommodation	2 388	10.7	2 684	89.0
Cafes, restaurants and takeaway food outlets	2 207	9.9	7 487	29.5
<i>Total tourism characteristic industries</i>	<i>9 070</i>	<i>40.5</i>	<i>16 964</i>	<i>53.5</i>
Tourism connected industries				
Clubs, pubs, taverns and bars	1 072	4.8	5 824	18.4
Other road transport	619	2.8	8 852	7.0
Rail transport	379	1.7	3 950	9.6
Food manufacturing	638	2.9	10 234	6.2
Beverage manufacturing	391	1.7	2 615	15.0
Transport equipment manufacturing	180	0.8	7 023	2.6
Other manufacturing	1 363	6.1	50 252	2.7
Automotive fuel retailing	154	0.7	1 618	9.5
Other retail trade	1 970	8.8	24 730	8.0
Casinos and other gambling services	158	0.7	2 193	7.2
Libraries, museums and arts	366	1.6	2 275	16.1
Other entertainment services	631	2.8	5 273	12.0
Education	756	3.4	25 020	3.0
Ownership of dwellings	1 323	5.9	51 164	2.6
<i>Total tourism connected industries</i>	<i>10 002</i>	<i>44.7</i>	<i>201 022</i>	<i>5.0</i>
All other industries	3 318	14.8	302 155	1.1
<i>Total gross value added at basic prices</i>	<i>22 389</i>	<i>100.0</i>	<i>520 142</i>	<i>4.3</i>
Net taxes on products	2 785	..	44 511	..
Tourism GDP/GDP	25 174	..	564 653	4.5

.. not applicable

(a) Also referred to as the tourism industry ratio.

GROSS VALUE ADDED, By Industry Division(a)

	<i>Tourism</i>	<i>Non- tourism</i>	<i>Total</i>
	\$m	\$m	\$m
Agriculture, forestry and fishing	525	16 990	17 515
Mining	18	24 400	24 418
Manufacturing	2 572	67 552	70 124
Electricity, gas and water supply	8	13 858	13 866
Construction	—	31 208	31 208
Wholesale trade	1 109	28 153	29 262
Retail trade	3 309	26 678	29 987
Accommodation, cafes and restaurants	4 484	7 871	12 355
Transport and storage	5 506	24 894	30 400
Communication services	472	16 421	16 893
Finance and insurance	11	34 801	34 812
Property and business services	267	57 879	58 146
Government administration and defence	106	22 294	22 400
Education	756	24 264	25 020
Health and community services	666	30 116	30 782
Cultural and recreational services	1 155	8 533	9 688
Personal and other services	102	12 000	12 102
Ownership of dwellings	1 323	49 841	51 164
Total	22 389	497 753	520 142

— nil or rounded to zero (including null cells)

(a) See Appendix 1 for a concordance between tourism related industries and the Australian and New Zealand Standard Industrial Classification.

OUTPUT OF TOURISM PRODUCTS, By Industry Division(a)

	<i>Tourism product output</i>	<i>Contribution to total tourism output</i>
	\$m	%
Agriculture, forestry and fishing	1 131	2.2
Mining	50	0.1
Manufacturing	8 282	15.8
Electricity, gas and water supply	21	—
Construction	—	—
Wholesale trade	2 436	4.6
Retail trade	7 373	14.1
Accommodation, cafes and restaurants	11 127	21.2
Transport and storage	14 206	27.1
Communication services	1 014	1.9
Finance and insurance	19	—
Property and business services	781	1.5
Government administration and defence	235	0.4
Education	853	1.6
Health and community services	1 022	1.9
Cultural and recreational services	2 222	4.2
Personal and other services	173	0.3
Ownership of dwellings	1 527	2.9
Total	52 473	100.0

— nil or rounded to zero (including null cells)

(a) See Appendix 1 for a concordance between tourism related industries and the Australian and New Zealand Standard Industrial Classification.

TOURISM SUPPLY, By Type of Product

	<i>Contribution of tourism product output to total output(a)</i>	<i>Tourism product output (basic prices)</i>	<i>Imports purchased in Australia by tourists</i>	<i>Net taxes on tourism products</i>	<i>Tourism margins</i>	<i>Tourism supply (purchasers' prices)</i>
	%	\$m	\$m	\$m	\$m	\$m
Tourism characteristic products						
Travel agency and tour operator services	96.6	1 895	—	—	—	1 895
Taxi fares	38.0	445	—	-5	—	440
Long distance passenger transportation	87.6	10 843	—	-449	—	10 395
Motor vehicle hire and lease	53.2	720	—	—	—	720
Accommodation services	96.0	5 224	—	13	—	5 237
Takeaway and restaurants meals(b)	29.6	8 419	—	—	—	8 419
Shopping (including gifts and souvenirs)	7.0	2 529	1 971	605	4 265	9 370
<i>Total tourism characteristic products</i>	<i>34.5</i>	<i>30 076</i>	<i>1 971</i>	<i>165</i>	<i>4 265</i>	<i>36 476</i>
Tourism connected products						
Local area passenger transportation	20.4	485	—	-168	—	318
Repair and maintenance of motor vehicles	2.0	346	29	25	91	491
Fuel (petrol, diesel)	19.9	1 551	86	1 685	745	4 068
Food products	6.1	3 033	261	68	1 221	4 582
Alcoholic beverages and other beverages	16.0	1 577	131	658	284	2 650
Motor vehicles, caravans, boats, etc.	5.3	426	248	127	207	1 009
Recreational, cultural and sports services	20.2	1 951	3	—	—	1 954
Gambling and betting services	7.2	535	—	168	—	703
Education	3.3	908	10	—	—	918
Actual and imputed rent on holiday houses	2.6	1 527	—	—	—	1 527
Retail margin	11.4	4 306	—	—	-4 306	—
Other margin	4.1	2 980	—	—	-2 980	—
<i>Total tourism connected products</i>	<i>6.4</i>	<i>19 625</i>	<i>769</i>	<i>2 563</i>	<i>-4 739</i>	<i>18 219</i>
Other tourism goods and services	2.8	2 773	160	57	474	3 463
Total	5.0	52 473	2 900	2 785	—	58 158

— nil or rounded to zero (including null cells)

(a) Also referred to as the tourism product ratio.

(b) Includes all beverages bought and consumed in licensed restaurants, cafes, clubs, pubs, taverns and bars.

TOURISM CONSUMPTION, By Type of Visitor

	<i>Domestic households(a)</i>	<i>Domestic business/ government(a)</i>	<i>International(b)</i>	<i>Total</i>
	\$m	\$m	\$m	\$m
.....				
Tourism characteristic products				
Travel agency and tour operator services	1 178	471	246	1 895
Taxi fares	140	200	100	440
Long distance passenger transportation	3 730	2 748	3 918	10 395
Motor vehicle hire and lease	268	278	173	720
Accommodation services	2 159	1 517	1 560	5 237
Takeaway and restaurants meals(c)	7 193	407	819	8 419
Shopping (including gifts and souvenirs)	7 348	12	2 011	9 370
<i>Total tourism characteristic products</i>	<i>22 016</i>	<i>5 632</i>	<i>8 828</i>	<i>36 476</i>
Tourism connected products				
Local area passenger transportation	151	4	163	318
Repair and maintenance of motor vehicles	450	23	18	491
Fuel (petrol, diesel)	3 181	748	139	4 068
Food products	3 759	45	779	4 582
Alcoholic beverages and other beverages	2 248	41	361	2 650
Motor vehicles, caravans, boats, etc.	912	—	97	1 009
Recreational, cultural and sports services	1 733	1	221	1 954
Gambling and betting services	494	—	209	703
Education	76	41	801	918
Actual and imputed rent on holiday houses	1 297	—	230	1 527
<i>Total tourism connected products</i>	<i>14 300</i>	<i>902</i>	<i>3 017</i>	<i>18 219</i>
Other tourism goods and services	2 453	62	948	3 463
Total	38 770	6 596	12 792	58 158
<i>Contribution to tourism consumption (%)</i>	<i>66.7</i>	<i>11.3</i>	<i>22.0</i>	<i>100.0</i>

— nil or rounded to zero (including null cells)

(a) Includes expenditure by outbound Australian residents before/after international trips.

(b) Exports of tourism goods and services.

(c) Includes all beverages bought and consumed in licensed restaurants, cafes, clubs, pubs, taverns and bars.

DOMESTIC VISITOR TOURISM CONSUMPTION, By Length of Stay

	Same day	Overnight(a)	Total
	\$m	\$m	\$m
.....			
Tourism characteristic products			
Travel agency and tour operator services	4	1 645	1 649
Taxi fares	32	307	339
Long distance passenger transportation	409	6 068	6 477
Motor vehicle hire and lease	44	503	547
Accommodation services	—	3 677	3 677
Takeaway and restaurants meals(b)	1 739	5 861	7 600
Shopping (including gifts and souvenirs)	3 338	4 021	7 359
<i>Total tourism characteristic products</i>	<i>5 567</i>	<i>22 082</i>	<i>27 648</i>
Tourism connected products			
Local area passenger transportation	47	107	155
Repair and maintenance of motor vehicles	97	375	473
Fuel (petrol, diesel)	1 512	2 416	3 929
Food products	1 013	2 790	3 803
Alcoholic beverages and other beverages	496	1 793	2 289
Motor vehicles, caravans, boats, etc.	474	438	912
Recreational, cultural and sports services	383	1 351	1 734
Gambling and betting services	140	355	494
Education	54	63	117
Actual and imputed rent on holiday houses	. .	1 297	1 297
<i>Total tourism connected products</i>	<i>4 217</i>	<i>10 985</i>	<i>15 202</i>
Other tourism goods and services	863	1 653	2 515
Total	10 646	34 720	45 366

— nil or rounded to zero (including null cells)

. . not applicable

(a) Includes expenditure by outbound Australian residents before/after international trips.

(b) Includes all beverages bought and consumed in licensed restaurants, cafes, clubs, pubs, taverns and bars.

AVERAGE CONSUMPTION, By Type of Visitor

	<i>Domestic same day</i>	<i>Domestic overnight(a)</i>	<i>International</i>
	\$	\$	\$
Number of visitors ('000)	154 581	74 665	4 220
Tourism characteristic products			
Travel agency and tour operator services	—	22.0	58.2
Taxi fares	0.2	4.1	23.8
Long distance passenger transportation	2.6	81.3	928.3
Motor vehicle hire and lease	0.3	6.7	41.0
Accommodation services	—	49.2	369.8
Takeaway and restaurants meals(b)	11.3	78.5	194.2
Shopping (including gifts and souvenirs)	21.6	53.9	476.6
<i>Total tourism characteristic products</i>	<i>36.0</i>	<i>295.7</i>	<i>2 091.9</i>
Tourism connected products			
Local area passenger transportation	0.3	1.4	38.6
Repair and maintenance of motor vehicles	0.6	5.0	4.3
Fuel (petrol, diesel)	9.8	32.4	32.9
Food products	6.6	37.4	184.5
Alcoholic beverages and other beverages	3.2	24.0	85.6
Motor vehicles, caravans, boats, etc.	3.1	5.9	23.0
Recreational, cultural and sports services	2.5	18.1	52.3
Gambling and betting services	0.9	4.7	49.5
Education	0.4	0.8	189.8
Actual and imputed rent on holiday houses	. .	17.4	54.5
<i>Total tourism connected products</i>	<i>27.3</i>	<i>147.1</i>	<i>714.9</i>
Other tourism goods and services	5.6	22.1	224.5
Total	68.9	465.0	3 031.3

— nil or rounded to zero (including null cells)

. . not applicable

(a) Includes expenditure by outbound Australian residents before/after international trips.

(b) Includes all beverages bought and consumed in licensed restaurants, cafes, clubs, pubs, taverns and bars.

CONSUMPTION BY AUSTRALIAN RESIDENTS ON OUTBOUND TRIPS

	<i>Tourism consumption</i>
	\$m
Domestically produced goods and services	2 349
Imports of tourism goods and services	
Purchased by business	3 222
Purchased by households	8 031
<i>Total</i>	11 253
Total consumption by Australian residents on outbound trips	13 602
<i>Average consumption by Australian residents on outbound trips (\$)</i>	<i>4 486</i>

CONSUMPTION BY NON-RESIDENTS ON INBOUND TRIPS

	<i>Tourism consumption</i>
	\$m
Overseas produced goods and services	3 861
Exports of tourism goods and services	
Purchased by business	1 357
Purchased by households	11 435
<i>Total(a)</i>	12 792
Total consumption by non-residents on inbound trips	16 654
<i>Average consumption by non-residents on inbound trips (\$)</i>	<i>3 946</i>

- (a) There are some conceptual differences between exports of tourism goods and services and exports of transport and travel services in the Balance of Payments (Cat. no. 5302.0).

INCOME COMPONENTS OF TOURISM GROSS VALUE ADDED, By Industry(a)

	Compensation of employees	Gross operating surplus/ Gross mixed income	Other net taxes on production	Total gross value added at basic prices
	\$m	\$m	\$m	\$m
.....				
Tourism characteristic industries				
Travel agency and tour operator services	678	107	49	835
Taxi transport	98	71	4	174
Air and water transport	2 242	928	65	3 235
Motor vehicle hiring	98	124	9	231
Accommodation	1 958	353	78	2 388
Cafes, restaurants and takeaway food outlets	1 533	601	73	2 207
<i>Total tourism characteristic industries</i>	<i>6 607</i>	<i>2 184</i>	<i>278</i>	<i>9 070</i>
Tourism connected industries				
Clubs, pubs, taverns and bars	558	480	34	1 072
Other road transport	328	231	59	619
Rail transport	235	130	14	379
Food manufacturing	360	254	25	638
Beverage manufacturing	102	281	9	391
Transport equipment manufacturing	94	80	6	180
Other manufacturing	736	582	45	1 363
Automotive fuel retailing	109	36	8	154
Other retail trade	1 390	469	111	1 970
Casinos and other gambling services	44	108	5	158
Libraries, museums and arts	191	169	7	366
Other entertainment services	378	228	26	631
Education	667	80	9	756
Ownership of dwellings	..	1 240	83	1 323
<i>Total tourism connected industries</i>	<i>5 194</i>	<i>4 367</i>	<i>441</i>	<i>10 002</i>
All other industries	1 796	1 401	121	3 318
<i>Total</i>	<i>13 597</i>	<i>7 953</i>	<i>840</i>	<i>22 389</i>
Net taxes on tourism products	..	..	..	2 785
Tourism GDP	..	..	..	25 174
.....				

.. not applicable

(a) The tourism components have been calculated by multiplying the income components of gross value added by the relevant tourism industry ratio.

	<i>Total employed persons</i>	<i>Full-time equivalent employed persons(a)</i>	<i>Tourism industry ratio(b)</i>	<i>Tourism employed persons(c)</i>	<i>Tourism full-time equivalent employed persons(d)</i>
	'000	'000	%	'000	'000
.....					
Tourism characteristic and connected industries(e)					
Travel agency and tour operator services	25.7	23.2	96.6	24.9	22.4
Road transport and motor vehicle hiring	205.9	184.2	10.8	22.2	19.9
Air and water transport	47.7	43.0	64.2	30.6	27.6
Accommodation	103.2	76.5	89.0	91.8	68.0
Cafes and restaurants	149.0	77.7	29.5	43.9	22.9
Clubs, pubs, taverns and bars	149.0	83.7	18.4	27.4	15.4
Rail transport	39.6	39.4	9.6	3.8	3.8
Manufacturing	1 111.6	1 038.6	3.4	38.2	35.7
Retail trade	1 258.7	876.0	10.8	135.8	94.5
Casinos and other gambling services	33.5	26.4	7.2	2.4	1.9
Libraries, museums and arts	51.2	38.6	16.1	8.2	6.2
Other entertainment services	119.6	85.9	12.0	14.3	10.3
Education	588.2	478.7	3.0	17.8	14.5
<i>Total characteristic and connected industries</i>	<i>3 882.9</i>	<i>3 071.9</i>	<i>11.9</i>	<i>461.4</i>	<i>343.1</i>
All other industries	4 691.7	4 135.4	1.1	51.5	45.4
Total	8 574.6	7 207.3	6.0	512.9	388.5

-
- (a) See Sources and Methods 'Employment' for the method for calculating full-time equivalent employed persons.
- (b) The tourism industry ratio is the proportion of the total value added of an industry which is related to tourism. See Sources and Methods 'Calculating tourism gross value added and tourism GDP' for a description of how the tourism ratio is derived. Some of the tourism industry ratios will differ from those shown in earlier tables because of the more aggregated industry classification used in this table.
- (c) Tourism employed persons is derived by multiplying the total number of employed persons in an industry by the relevant tourism industry ratio.
- (d) Tourism full-time equivalent persons is derived by multiplying the total number of full-time equivalent persons in an industry by the relevant tourism industry ratio.
- (e) The industries shown in the employment tables are at a more aggregated level than that shown in the monetary tables. For a concordance, see Appendix 2.

LABOUR FORCE STATUS OF TOURISM EMPLOYED PERSONS(a), By Industry

	<i>Full-time</i>	<i>Part-time</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>
	'000	'000	'000	'000	'000
.....					
Tourism characteristic and connected industries(b)					
Travel agency and tour operator services	20.5	4.4	7.0	17.9	24.9
Road transport and motor vehicle hiring	18.7	3.5	18.7	3.6	22.2
Air and water transport	25.6	5.0	20.1	10.5	30.6
Accommodation	55.8	36.0	38.6	53.2	91.8
Cafes and restaurants	14.1	29.8	19.6	24.3	43.9
Clubs, pubs, taverns and bars	8.4	19.1	12.9	14.5	27.4
Rail transport	3.8	—	3.4	0.4	3.8
Manufacturing	34.2	4.1	28.1	10.1	38.2
Retail trade	76.0	59.8	66.2	69.6	135.8
Casinos and other gambling services	1.6	0.8	1.2	1.2	2.4
Libraries, museums and arts	4.9	3.3	4.0	4.3	8.2
Other entertainment services	8.1	6.2	7.9	6.4	14.3
Education	12.1	5.7	5.9	11.9	17.8
<i>Total characteristic and connected industries</i>	<i>283.8</i>	<i>177.6</i>	<i>233.4</i>	<i>228.1</i>	<i>461.4</i>
All other industries	41.0	10.5	29.7	21.7	51.5
Total	324.8	188.1	263.1	249.8	512.9

— nil or rounded to zero (including null cells)

(a) Tourism employed persons in each category is calculated by multiplying the total number of employed persons in each category by the relevant tourism industry ratio.

(b) The industries shown in the employment tables are at a more aggregated level than that shown in the monetary tables. For a concordance, see Appendix 2.

AGE DISTRIBUTION OF TOURISM EMPLOYED PERSONS(a), By Industry

	15-24	25-44	Over 45	Total employed
	'000	'000	'000	'000
.....				
Tourism characteristic and connected industries(b)				
Travel agency and tour operator services	6.2	13.8	5.0	24.9
Road transport and motor vehicle hiring	1.7	11.5	9.0	22.2
Air and water transport	3.6	17.4	9.5	30.6
Accommodation	22.3	40.8	28.7	91.8
Cafes and restaurants	18.5	17.9	7.6	43.9
Clubs, pubs, taverns and bars	9.4	12.8	5.2	27.4
Rail transport	0.3	2.4	1.1	3.8
Manufacturing	5.9	20.5	11.8	38.2
Retail trade	53.6	52.4	29.8	135.8
Casinos and other gambling services	0.5	1.2	0.6	2.4
Libraries, museums and arts	1.1	4.1	3.0	8.2
Other entertainment services	4.4	7.3	2.6	14.3
Education	1.3	9.2	7.2	17.8
<i>Total characteristic and connected industries</i>	<i>128.9</i>	<i>211.3</i>	<i>121.2</i>	<i>461.4</i>
All other industries	7.0	27.6	16.9	51.5
Total	135.9	238.9	138.1	512.9

-
- (a) Tourism employed persons in each age group is calculated by multiplying the total number of employed persons in each age group by the relevant tourism industry ratio.
- (b) The industries shown in the employment tables are at a more aggregated level than that shown in the monetary tables. For a concordance, see Appendix 2.

	<i>Short-term overseas visitor arrivals from</i>	<i>Short-term Australian resident departures to</i>
	'000	'000
.....		
Oceania & Antarctica		
New Zealand	695.7	429.2
Other	118.9	223.6
<i>Total</i>	814.6	652.8
Europe & the Former USSR		
Germany	130.2	38.1
Italy	46.3	61.0
United Kingdom	445.1	327.4
Other	292.5	237.6
<i>Total</i>	914.1	664.1
Middle East & North Africa		
<i>Total</i>	36.0	70.0
South-East Asia		
Indonesia	120.0	324.0
Malaysia	124.8	104.2
Singapore	256.9	115.8
Thailand	44.9	103.8
Other	55.6	115.3
<i>Total</i>	602.2	763.1
North-East Asia		
China	71.9	81.6
Hong Kong (SAR of China)	144.3	142.0
Japan	797.0	56.6
Korea	133.2	17.6
Taiwan	154.8	35.3
Other	2.7	1.6
<i>Total</i>	1 303.9	334.7
Southern Asia		
<i>Total</i>	40.2	68.1
The Americas		
United States of America	355.7	346.2
Other	94.1	75.9
<i>Total</i>	449.8	422.1
Africa (excluding North Africa)		
<i>Total</i>	58.3	51.0
Not stated	0.9	6.0
Total	4 220.0	3 031.9
.....		

Source: Overseas Arrivals and Departures, Australia
(Cat. no. 3401.0)

APPENDIX 1 TOURISM PRODUCT CONCORDANCE

TOURISM RELATED PRODUCTS The following table shows the concordance between tourism related products in the Australian Tourism Satellite Account and products in the Australian and New Zealand Standard Commodity Classification (ANZSIC).

TOURISM RELATED PRODUCTS

CHARACTERISTIC AND CONNECTED

TOURISM PRODUCTS	ANZSCC CODE AND DESCRIPTION
Travel agency and tour operator services	747.1 Travel agency and tour operator services
Taxi fares	712.2 Non-scheduled passenger transportation
Long distance passenger transportation	731.1 Passenger transportation by air 711.1 Passenger transportation (rail) 712.1 Scheduled passenger transportation (other land transport) 721.1 Passenger transportation (water)
Local area passenger transportation	711.1 Passenger transportation (rail) 712.1 Scheduled passenger transportation (other land transport) 722.1 Passenger transportation (non-sea going vessels)
Motor vehicle hire and lease	831.11.01 Car hire or rental
Fuel (petrol, diesel)	333.01 Motor spirit (gasoline) (including aviation spirit) 333.03 Gas oils and fuel oils (excluding motor spirit and kerosene)
Repair and maintenance of motor vehicles	611.03 Maintenance and repair services of motor vehicles 611.02 Parts and accessories for motor vehicles
Accommodation services	641 Hotel and other lodging services
Actual and imputed rent on dwellings	. . Imputed rent on second homes used by the owner, rent on second homes to third parties
Takeaway and restaurant meals	642.10.01 Meals sold for consumption on the premises 642.10.02 Ready to eat takeaway 642.90 Food serving services n.e.c. 643.10 Sales of beer, wine and spirits (for consumption on the premises) 643.90 Beverage serving services for consumption on the premises n.e.c.
Food products	21 Meat, fish, fruit, vegetables, oils and fats 22 Dairy products (part) 23 Grain mill products, starches and starch products; other food products
Alcohol and other beverages	24 Beverages 22 Dairy products (part)
Shopping (including gifts and souvenirs)	28 Knitted or crocheted fabrics; wearing apparel 29 Leather and leather products; footwear 381 Furniture 448 Domestic appliances and parts thereof 369.15 Tableware, kitchenware, other plastic household articles and toilet articles 47 Radio, television and communication equipment and apparatus 385 Games and toys 384 Sports goods 322 Books, brochures and leaflets (except advertising material) printed, printed maps; music, printed or in manuscript 328 Newspapers, journals and periodicals 353 Soap, cleaning preparations, perfumes and toilet preparations 382 Jewellery and related articles 484.1 Watches (including watch movements, watch cases); clocks (including precision instruments, electrically powered types, etc.) 292.12 Luggage, handbags and the like

APPENDIX TOURISM PRODUCT CONCORDANCE *continued*

TOURISM RELATED PRODUCTS *continued*

CHARACTERISTIC AND CONNECTED

TOURISM PRODUCTS	ANZSCC CODE AND DESCRIPTION
Motor vehicles, caravans, boats, etc.	611.01 Sales of motor vehicles and commission on sales of motor vehicles 492.17 Trailers and semi-trailers of the caravan type, for housing or camping; other trailers and semi-trailers (including trailers and semi-trailers for the transport of goods) (excluding self-loading or self-unloading trailers and semi-trailers) 494 Pleasure and sporting boats
Recreational, cultural and sporting services	832.9 Leasing or rental services concerning personal and household goods 963.3 Other cultural services 963.1 Library and archives services 963.2 Museum services including preservation services of historical sites and buildings 964.1 Sporting services 964.90.9 Other recreational services n.e.c. 961.2 Motion picture projection services
Gambling and betting services	964.90.1 Gambling and betting services
Education services	92 Education services
Other tourism goods and services	25 Tobacco products 352 Pharmaceutical products 931.2 Medical and dental services 931.1 Hospital services 931.9 Other human health services 744.3 Parking services 752 Telecommunication services 970.2 Hairdressing and other beauty services 812.2 Non-life insurance services 970.1 Washing, cleaning and dyeing services 875 Photographic services 911 Administrative services of the government

APPENDIX 2 TOURISM INDUSTRY CONCORDANCE

TOURISM RELATED INDUSTRIES

The following table shows the concordance between tourism related industries in the Australian Tourism Satellite Account and industries in the Australian and New Zealand Standard Industrial Classification (ANZSIC).

TOURISM RELATED INDUSTRIES

CHARACTERISTIC AND CONNECTED TOURISM

INDUSTRIES	ANZSIC INDUSTRY
Travel agency and tour operator services	6641 Travel agency services
Taxi transport	6123 Taxi and other road passenger transport
Other road transport	611 Road freight transport
	6121 Long distance bus transport
	6122 Short distance bus transport
Rail transport	62 Rail transport
Air and water transport	63 Water transport
	64 Air and space transport
Motor vehicle hiring	7741 Motor vehicle hiring
Automotive fuel retailing	5321 Automotive fuel retailing
Accommodation	5710 Accommodation
Ownership of dwellings	7711 Residential property operators
Cafes, restaurants and takeaway food outlets	5125 Takeaway food retailing
	5730 Cafes and restaurants
Food manufacturing	211 Meat and meat product manufacturing
	212 Dairy product manufacturing
	213 Fruit and vegetable processing
	214 Oil and fat manufacturing
	215 Flour mill and cereal food manufacturing
	216 Bakery product manufacturing
	217 Other food manufacturing
Beverage manufacturing	218 Beverage and malt manufacturing
Transport equipment manufacturing	281 Motor vehicle and part manufacturing
	282 Other transport equipment manufacturing
Other manufacturing	219 Tobacco product manufacturing
	22 Textile, clothing, footwear and leather manufacturing
	23 Wood and paper product manufacturing
	24 Printing, publishing and recorded media
	25 Petroleum, coal, chemical and associated product manufacturing
	26 Non-metallic mineral product manufacturing
	27 Metal product manufacturing
	283 Machinery and equipment manufacturing
	284 Electronic manufacturing
	285 Electrical equipment and appliance manufacturing
	286 Industry machinery and equipment manufacturing
	29 Other manufacturing
Other retail trade	51 Food retailing
	52 Personal and household good retailing
	531 Motor vehicle retailing
	5322 Automotive electrical services
	5323 Smash repairing
	5324 Tyre retailing
	5329 Automotive repair and services nec
Clubs, pubs, taverns and bars	5720 Pubs, taverns and bars
	5740 Clubs (hospitality)
Casinos and other gambling services	932 Gambling services
Libraries, museums and arts	92 Libraries, museums, and arts
Other entertainment services	91 Motion picture, radio and television services
	931 Sport
	933 Other recreation services
Education	84 Education
All other industries	All other industries

APPENDIX TOURISM INDUSTRY CONCORDANCE *continued*

TOURISM RELATED INDUSTRIES FOR EMPLOYMENT ESTIMATES

Employment estimates are provided at a more aggregate level of detail than the estimates shown in the monetary tables. The following table shows how the tourism employment industries concord with the tourism related industries in the monetary tables.

TOURISM EMPLOYMENT INDUSTRIES

TOURISM EMPLOYMENT INDUSTRIES . . . TOURISM RELATED INDUSTRIES

Travel agency and tour operator services	Travel agency and tour operator services
Road transport and motor vehicle hiring	Taxi transport; other road transport; motor vehicle hiring
Rail transport	Rail transport
Air and water transport	Air and water transport
Accommodation	Accommodation
Cafes and restaurants	Cafes and restaurants
Manufacturing	Food manufacturing; beverage manufacturing; transport equipment manufacturing; other manufacturing
Retail trade	Other retail trade; automotive fuel retailing; takeaway food outlets
Clubs, pubs, taverns and bars	Clubs pubs, taverns and bars
Casinos and other gambling services	Casinos and other gambling services
Libraries, museums and arts	Libraries, museums and arts
Other entertainment services	Other entertainment services
Education	Education
All other industries	All other industries

GLOSSARY

Basic prices	The basic price is the amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any tax payable, and plus any subsidy receivable, on that unit as a consequence of its production or sale. It excludes any transport charges invoiced separately by the producer. Output sold at prices that are not economically significant (see also <i>Economically significant prices</i>) is not valued at these prices. Rather, such output is valued at its cost of production. See also <i>Purchasers prices</i> .
Collective consumption	This refers to services provided simultaneously to all members of the community or to all members of a particular section of the community, such as all households living in a particular region. Collective services are automatically acquired and consumed by all members of the community, or group of households in question, without any action on their part. Typical examples are public administration and the provision of security, either at a national or local level. Collective services are the 'public goods' of economic theory. By their nature, collective services cannot be sold to individuals on the market, and they are financed by government units out of taxation or other incomes. The defining characteristics of collective services are as follows: collective services can be delivered simultaneously to every member of the community or to particular sections of the community, such as those in a particular region; the use of such services is usually passive and does not require the explicit agreement or active participation of all the individuals concerned; and the provision of a collective service to one individual does not reduce the amount available to others in the same community or section of the community. See also <i>Individual consumption</i> .
Compensation of employees	This is the total remuneration, in cash or in kind, payable by an enterprise to an employee in return for work done by the employee during the accounting period. It is further classified into two sub-components: wages and salaries; and employers' social contributions. Compensation of employees is not payable in respect of unpaid work undertaken voluntarily, including the work done by members of a household within an unincorporated enterprise owned by the same household. Compensation of employees excludes any taxes payable by the employer on the wage and salary bill (e.g. payroll tax, fringe benefits tax). See also <i>Employers social contributions</i> .
Consumption by international visitors	Consists of the visitor expenditure, including imputed expenditure, incurred within Australia by non-residents on tourism related products, including those sold at prices that are not economically significant. See also <i>Tourism consumption; Tourism business and government consumption; Tourism household consumption</i> .
Dwellings	Those buildings that are used entirely or primarily as residences, including any associated structures, such as garages, and all permanent fixtures customarily installed in residences. Houseboats, barges, mobile homes and caravans used as principal residences of households are also included, as are historic monuments identified primarily as dwellings. The costs of site clearance and preparation are also included in the value of dwellings.
Economically significant prices	These are prices which have a significant influence on both the amounts the producers are willing to supply and the amounts purchasers wish to buy. See also <i>Basic prices; Purchasers prices</i> .
Employee	A person who works for a public or private employer and receives remuneration in wages, salary, a retainer fee by their employer while working on a commission basis, tips, piece-rates or payment in kind, or a person who operates his or her own incorporated enterprise with or without hiring employees. See also <i>Employed person</i> .

GLOSSARY *continued*

- Employed person** Is a person aged 15 years and over who, during the reference week:
- worked for one hour or more for pay, profit, commission or payment in kind in a job or business, or on a farm (comprising employees, employers and own account workers); or
 - worked for one hour or more without pay in a family business or on a farm (i.e. contributing family workers); or
 - were employees who had a job but were not at work and were:
 - on paid leave;
 - on leave without pay for less than four weeks up to the end of the reference week;
 - stood down without pay because of bad weather or plant breakdown at their place of employment for less than four weeks up to the end of the reference week;
 - on strike or locked out;
 - on workers' compensation and expected to be returning to their job;
 - receiving wages or salary while undertaking full-time study; or
 - were employers, own account workers or contributing family workers who had a job, business or farm, but were not at work.

See also *Employee*.

Employers social contributions These are payments by employers which are intended to secure for their employees the entitlement to social benefits should certain events occur, or certain circumstances exist, that may adversely affect their employees' income or welfare—namely work-related accidents and retirement.

Exports of goods and services The value of goods exported and amounts receivable from non-residents for the provision of services by residents.

Final consumption expenditure—general government Net expenditure on goods and services by public authorities, other than those classified as public corporations, which does not result in the creation of fixed assets or inventories or in the acquisition of land and existing buildings or second-hand assets. It comprises expenditure on compensation of employees (other than those charged to capital works, etc.), goods and services (other than fixed assets and inventories) and consumption of fixed capital. Expenditure on repair and maintenance of roads is included. Fees, etc., charged by general government bodies for goods sold and services rendered are offset against purchases. Net expenditure overseas by general government bodies and purchases from public corporations are included. Expenditure on defence assets that are used in a fashion similar to civilian assets is classified as gross fixed capital formation; expenditure on weapons of destruction and weapon delivery systems is classified as final consumption expenditure.

Final consumption expenditure—households Net expenditure on goods and services by persons and expenditure of a current nature by private nonprofit institutions serving households. This item excludes expenditures by unincorporated businesses and expenditures on assets by nonprofit institutions (included in gross fixed capital formation). Also excluded are maintenance of dwellings (treated as intermediate expenses of private enterprises), but personal expenditure on motor vehicles and other durable goods and the imputed rent of owner-occupied dwellings are included. The value of 'backyard' production (including food produced and consumed on farms) is included in household final consumption expenditure and the payment of wages and salaries in kind (e.g. food and lodging supplied free to employees) is counted in both household income and household final consumption expenditure.

Full-time equivalent employment This is defined as the number of full-time employed persons plus the number of part-time employed persons multiplied by the average hours worked by part time workers as a proportion of the average hours worked by full-time workers.

GLOSSARY *continued*

Full-time worker	Is defined as an employed person who usually worked 35 hours or more a week (in all jobs) and others who, although usually working less than 35 hours a week, worked 35 hours or more during the reference week. See also <i>Part-time worker</i> .
Gross domestic product	The total market value of goods and services produced in Australia within a given period after deducting the cost of goods and services used up in the process of production, but before deducting allowances for the consumption of fixed capital. Thus gross domestic product, as here defined, is 'at market prices'. It is equivalent to gross national expenditure plus exports of goods and services less imports of goods and services.
Gross fixed capital formation	Expenditure on fixed assets—dwellings, other buildings and structures, machinery and equipment, livestock, intangible fixed assets and ownership transfer costs. The machinery and equipment category includes plant, machinery, equipment, vehicles, etc. Expenditure on repair and maintenance of fixed assets is excluded, being chargeable to the production account. Additions to fixed assets are regarded as capital formation. Also included is compensation of employees in connection with own-account capital formation. Expenditure on dwellings, other buildings and structures, and machinery and equipment is measured as expenditure on new and second-hand assets, less sales of existing assets. Ownership transfer costs comprise stamp duty, real estate agents' fees and sales commissions, conveyancing fees and miscellaneous government charges.
Gross mixed income of unincorporated enterprises	The term reserved for the surplus accruing to owners of unincorporated enterprises from processes of production (as defined for gross operating surplus) before deducting any explicit or implicit interest, rents or other property incomes payable on the financial assets, land or other tangible non-produced assets required to carry on the production and before deducting consumption of fixed capital. The owners, or other members of their households, may work without receiving any wage or salary. Mixed income therefore includes both gross operating surplus for unincorporated enterprises and returns for the proprietors' own labour (akin to wages and salaries). In practice, all unincorporated enterprises owned by households that are not quasi-corporations are deemed to fall into this category, except owner-occupiers in their capacity as producers of housing services for own final consumption, and households employing paid domestic staff (an activity which is deemed to generate zero surplus).
Gross operating surplus	Is a measure of the surplus accruing to owners from processes of production before deducting any explicit or implicit interest charges, rents or other property incomes payable on the financial assets, land or other tangible non-produced assets required to carry on the production and before deducting consumption of fixed capital. It excludes the amount described as gross operating surplus—unincorporated enterprises in SNA68, but now referred to as gross mixed income. Gross operating surplus is also calculated for general government, and it equals general government's consumption of fixed capital.
Gross value added	Is defined as the value of output at basic prices minus the value of intermediate consumption at purchasers' prices. The term is used to describe gross product by industry and by sector. Basic prices valuation of output removes the distortion caused by variations in the incidence of commodity taxes and subsidies across the output of individual industries. See also <i>Intermediate consumption</i> ; <i>Output</i> .
Imports of goods and services	The value of goods imported and amounts payable to non-residents for the provision of services to residents.
Individual consumption	An individual consumption good or service is one that is acquired by a household and used to satisfy the needs and wants of members of that household. Individual goods and services can always be bought and sold on the market, although they may also be provided free, or at prices that are not economically

GLOSSARY *continued*

Individual consumption <i>continued</i>	significant, or as transfers in kind. Individual goods and services are essentially 'private', as distinct from 'public'. See also <i>Collective consumption</i> .
Input-output table	An input-output table is a means of presenting a detailed analysis of the process of production and the use of goods and services (products) and the income generated in the production process; they can be either in the form of (a) supply and use tables or (b) symmetric input-output tables.
Intermediate consumption	Consists of the value of the goods and services consumed as inputs by a process of production, excluding the consumption of fixed capital. See also <i>Gross value added</i> .
Margin	This is the difference between the resale price of a good and the cost to the retailer or wholesaler of the good sold. A transport margin consists of the transport charges paid separately by the purchaser in taking delivery of the good.
Other taxes on production	Consists of all taxes that enterprises incur as a result of engaging in production, except taxes on products. Other taxes on production include: taxes related to the payroll or workforce numbers excluding compulsory social security contributions paid by employers and any taxes paid by the employees themselves out of their wages or salaries; recurrent taxes on land, buildings or other structures; some business and professional licences where no service is provided by the Government in return; taxes on the use of fixed assets or other activities; stamp duties; taxes on pollution; and taxes on international transactions. See also <i>Taxes on production and imports</i> ; <i>Taxes on products</i> .
Output	Consists of those goods and services that are produced within an establishment that become available for use outside that establishment, plus any goods and services produced for own final use. See also <i>Gross value added</i> .
Part-time worker	Is an employed person who usually worked less than 35 hours a week and who did so during the reference week. See also <i>Full-time worker</i> .
Primary incomes	These are incomes that accrue to institutional units as a consequence of their involvement in processes of production or ownership of assets that may be needed for purposes of production. They are payable out of the value added created by production. The primary incomes that accrue by lending or renting financial or tangible non-produced assets, including land, to other units for use in production are described as 'property incomes'. Receipts from taxes on production and imports are treated as primary incomes of governments even though not all of them may be recorded as payable out of the value added of enterprises. Primary incomes exclude social contributions and benefits, current taxes on income, wealth, etc. and other current transfers.
Purchasers prices	The purchaser's price is the amount paid by the purchaser, excluding any deductible tax, in order to take delivery of a unit of a good or service at the time and place required by the purchaser. The purchaser's price of a good includes any transport charges paid separately by the purchaser to take delivery at the required time and place. See also <i>Basic prices</i> ; <i>Economically significant prices</i> .
Taxes on production and imports	Consist of 'taxes on products' and 'other taxes on production'. These taxes do not include any taxes on the profits or other income received by an enterprise. They are payable irrespective of the profitability of the production process. They may be payable on the land, fixed assets or labour employed in the production process, or on certain activities or transactions. See also <i>Other taxes on production</i> ; <i>Taxes on products</i> .
Taxes on products	A tax on a product is a tax that is payable per unit of some good or service. The tax may be a specific amount of money per unit of quantity of a good or service (quantity being measured either in terms of discrete units or continuous physical variables such as volume, weight, strength, distance, time, etc.), or it may be

GLOSSARY *continued*

Taxes on products <i>continued</i>	calculated ad valorem as a specified percentage of the price per unit or value of the goods or services transacted. A tax on a product usually becomes payable when it is produced, sold or imported, but it may also become payable in other circumstances, such as when a good is exported, leased, transferred, delivered, or used for own consumption or own capital formation. See also <i>Other taxes on production</i> ; <i>Taxes on production and imports</i> .
Tourism	Comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited.
Tourism business and government consumption	Consists of the visitor expenditure, including imputed expenditure, incurred within Australia by resident businesses or governments, on tourism related products. See also <i>Tourism consumption</i> .
Tourism characteristic industries	Are those industries that would either cease to exist in their present form, producing their present product(s), or would be significantly affected if tourism were to cease. In the Australian Tourism Satellite Account, for an industry to be 'characteristic', at least 25 per cent of its output must be consumed by visitors.
Tourism characteristic products	These are defined in the international TSA standards as those products which represent an important part of tourism consumption, or for which a significant proportion of the sales are to visitors. In the Australian TSA, for a product to be 'characteristic' it must account for at least 10 per cent of total tourism consumption and/or at least 25 per cent of the total output of the product must be consumed by visitors.
Tourism connected industries	Are those, other than tourism characteristic industries, for which a tourism related product is directly identifiable (primary) to, and where the products are consumed by visitors in volumes which are significant for the visitor and/or the producer. All other industries are classified as non-tourism industries, though some of their products may be consumed by visitors and are included in the calculation of tourism gross value added and tourism GDP.
Tourism connected products	Are those that are consumed by visitors but are not considered as tourism characteristic products. All other products in the supply and use table not consumed by visitors are classified as 'all other goods and services' in the TSA.
Tourism consumption	Is the total consumption made by a visitor or on behalf of a visitor for and during his/her trip and stay at the destination. See <i>Tourism business and government consumption</i> ; <i>Tourism household consumption</i> ; and <i>Consumption by international visitors</i> .
Tourism GDP	Is tourism gross value added plus taxes paid less subsidies received on tourism related products as these are reflected in prices that visitors actually pay. Tourism GDP will generally have a higher value than tourism value added. Tourism GDP is a satellite account construct to enable a direct comparison with the most widely recognised national accounting aggregate, GDP. While it is useful in this context, the tourism gross value added measure should be used when making comparisons with other industries or between countries. See <i>Tourism gross value added</i> .
Tourism gross value added	Measures the value of tourism gross output at basic prices by all industries which supply tourism products, less the value of the inputs used in producing these tourism products. This measure is directly comparable with the value added of 'conventional' industries such as mining and manufacturing and should also be used for comparisons across countries. See <i>Tourism GDP</i> .

GLOSSARY *continued*

Tourism household consumption	Consists of the visitor expenditure, including imputed expenditure, incurred within Australia by resident households on tourism related products, including those sold at prices that are not economically significant. See <i>Tourism consumption</i> .
Tourism industry ratio	This is the proportion of the total value added of an industry which is related to tourism.
Tourism product ratio	This is the proportion of the total supply of a product which is consumed by visitors.
Usual environment	This is made up of one or more areas in which a person undertakes their regular activities such as their residence, place of work, place of study and other places frequently visited. The usual environment criteria has two dimensions. Frequency means places that are visited on a routine basis (at least once a week) are considered part of a person's usual environment, even if the place visited is located a considerable distance from place of residence. Distance means locations close (up to 40 kilometres from home for overnight trips and up to 50 kilometres from home (round trip) for day trips) to the place of residence of a person are also included in their usual environment.
Visitor	A visitor is defined as 'any person travelling to a place other than that of his/her usual environment for less than twelve months and whose main purpose of trip is other than the exercise of an activity remunerated from within the place visited'.

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