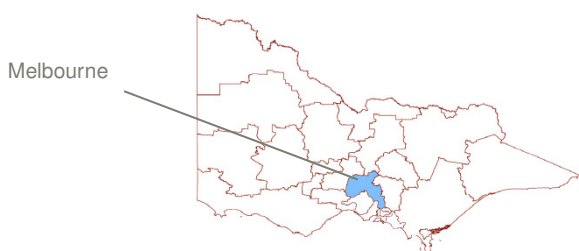


# Economic Contribution of Tourism to Melbourne

2015-16

Tourism is a significant economic driver for Melbourne. In 2015-16, tourism was estimated to be worth \$15.3 billion to the region's economy (in GRP) and generated employment of approximately 126,800 people (6.0 per cent of the region's employment).

This Melbourne tourism region profile presents (and ranks) the economic contribution of tourism to the region both in absolute terms and as a contribution to the region's economy. These measures are directly comparable to State and National Tourism Satellite Accounts.



## GRP

In 2015-16:

- Direct tourism GRP was worth \$8.1 billion (+10.1 per cent compared to 2014-15).
- This represents 2.8 per cent of the region's total GRP (compared with 3.7 per cent for regional Victoria).
- Including flow on effects, total tourism GRP was worth \$15.3 billion to the region's economy (+10.0 per cent compared to 2014-15).

## Employment

In 2015-16:

- 81,900 jobs for people employed directly by the tourism industry (+3.5 per cent compared to 2014-15).
- This represents 3.9 per cent of the region's total employment (compared with 5.9 per cent for regional Victoria).
- Including flow on effects, 126,800 jobs in total were generated by the tourism industry in the region (+5.7 per cent compared to 2014-15).

Melbourne	2015-16	Change on 2014-15
<b>Tourism GVA (\$M)</b>		
Direct	7,470	▲ 10.7%
Indirect	6,264	▲ 10.3%
Total tourism GVA	13,735	▲ 10.5%
Total region GVA	264,331	▲ 4.0%
Tourism's direct share of region GVA	2.8%	▲ 0.2% pts
<b>Tourism GRP (\$M)</b>		
Direct	8,071	▲ 10.1%
Indirect	7,263	▲ 9.7%
Total tourism GRP	15,334	▲ 10.0%
Total region GRP	286,564	▲ 4.0%
Tourism's direct share of region GRP	2.8%	▲ 0.2% pts
<b>Tourism Employment ('000 persons)</b>		
Direct	81.9	▲ 3.5%
Indirect	44.9	▲ 10.0%
Total tourism employment	126.8	▲ 5.7%
Total region employment	2,107.7	▲ 2.2%
Tourism's direct share of region employment	3.9%	▲ 0.0% pts

Source: Deloitte Access Economics' Regional TSA model 2015-16

NB Total Vic figures are the published estimates for Victoria in the State Tourism Satellite Accounts 2015-16 by Tourism Research Australia (publicly released in June 2017).

GVA = Gross Value Added  
GRP = Gross Regional Product

There have been improvements made to the methodology and changes to the inputs used to produce the 2015-16 Regional TSAs, and these have impacted the whole time series (2006-07 to 2015-16 data). This edition includes revised historical estimates<sup>2</sup>.

As such, the Regional TSA estimates in this publication are not comparable to the previously published Regional TSA estimates.

<sup>1</sup> For further information on the region definition, see p.4 of this factsheet.

<sup>2</sup> For detailed information on the changes in this edition of the Regional TSAs, refer to the explanatory notes in the TEVE factsheet "Economic Contribution of Tourism to Victoria's Regions 2015-16."

# Economic Contribution of Tourism to Melbourne

2015-16

## Key tourism aggregates (\$ million) – Melbourne

Economic contribution (\$ million)	Consumption	Output	GVA	GRP	Employed ('000)
Day-trippers	2,205	1,412	733	743	
Intrastate	1,756	3,121	1,580	1,791	
Interstate	5,255	3,859	1,925	2,134	
International overnight	8,268	5,673	3,232	3,403	
<b>Direct impact</b>	<b>17,484</b>	<b>14,064</b>	<b>7,470</b>	<b>8,071</b>	<b>81.9</b>
<b>Indirect impact</b>		<b>14,733</b>	<b>6,264</b>	<b>7,263</b>	<b>44.9</b>
<b>Total impact</b>		<b>28,797</b>	<b>13,735</b>	<b>15,334</b>	<b>126.8</b>
<b>Total economy</b>			<b>264,331</b>	<b>286,564</b>	<b>2,107.7</b>

Source: DAE Regional TSA model, ABS National Accounts and Census data.

## Tourism Consumption Profile

In 2015-16, visitors to Melbourne contributed \$17.5 billion in direct tourism consumption to the Melbourne economy. The largest share of visitor consumption in the region was contributed by international overnight visitors (47 per cent or \$8.3 billion). In relative terms, intrastate and interstate overnight visitors to Melbourne spend the most per night (\$300 each) on average.

## Tourism activity summary – Melbourne 2015-16

Visitor segment	Consumption (\$ million)	Consumption (%)	Nights/daytrips ('000)	Nights/daytrips (%)	\$ per night/daytrip
Day-trippers	2,205	13	16,734	18	132
Intrastate	1,756	10	5,843	6	300
Interstate	5,255	30	17,542	19	300
International*	8,268	47	51,883	56	159
<b>Total</b>	<b>17,484</b>	<b>100</b>	<b>92,002</b>	<b>100</b>	

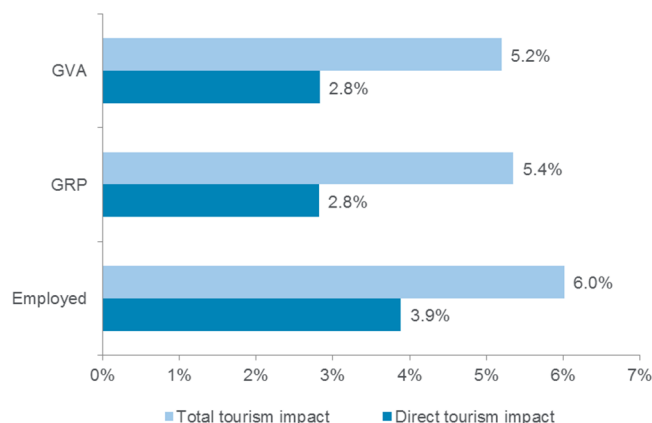
\*International overnight visitors only (does not include international daytrip visitors to the region).

Source: Tourism Research Australia Visitor Surveys and Deloitte Access Economics' Regional TSA model.

## Economic Importance of Tourism in the Region

In 2015-16, it is estimated that tourism directly represented 2.8 per cent of the Melbourne region's GVA, 2.8 per cent of its GRP, and 3.9 per cent of employment in the region.

## Tourism's contribution to the regional economy, Melbourne, 2015-16



Source: Deloitte Access Economics' Regional TSA model.

Melbourne ranked 10th overall in the comparative importance of direct tourism GRP across Victoria's tourism regions (2.8 per cent share of the local Melbourne economy).

In terms of industry size, Melbourne supplies by far the greatest share (71.2 per cent) of the state-wide direct contribution of tourism GRP.

## Direct share of GRP by region, 2015-16 (ranked by GRP share of economy)

Rank #	Region	Direct GRP (\$mill)	Direct GRP share of economy	Direct GRP share of Victoria
1	Phillip Island	185	10.4%	1.6%
2	Victoria's High Country	254	6.9%	2.2%
3	Daylesford and the Macedon Ranges	152	6.0%	1.3%
4	Great Ocean Road	409	5.9%	3.6%
5	Yarra Valley and Dandenong Ranges	317	3.7%	2.8%
6	Mornington Peninsula	373	3.7%	3.3%
7	Grampians	168	3.5%	1.5%
8	Murray	476	3.4%	4.2%
9	Gippsland	341	3.0%	3.0%
<b>10</b>	<b>Melbourne</b>	<b>8,071</b>	<b>2.8%</b>	<b>71.2%</b>
11	Geelong and the Bellarine	299	2.6%	2.6%
12	Goldfields	295	2.3%	2.6%
<b>Regional Victoria</b>		<b>3,270</b>	<b>3.7%</b>	<b>28.8%</b>
<b>Victoria</b>		<b>11,340</b>	<b>3.0%</b>	<b>100.0%</b>

Source: Deloitte Access Economics' Regional TSA model.

Note: Figures may not add up due to rounding.

Source: Victorian Regional Tourism Satellite Accounts 2015-16, model developed by Deloitte Access Economics for DEDJTR Research Factsheet produced by TEVE Research Unit, November 2017.



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# Economic Contribution of Tourism to Melbourne

2015-16

## Economic Contribution of Tourism Related Industries

In terms of overall economic contribution, the tourism industries that generated the highest economic benefit to Melbourne in 2015-16 were:

- air, water and other transport with \$1.5 billion in direct GVA and \$1.7 billion in direct GRP.
- education and training with \$1.0 billion in direct GVA and \$1.1 billion in direct GRP.
- accommodation with \$808 million in direct GVA and \$882 million in direct GRP.
- ownership of dwellings with \$754 million in direct GVA and \$830 million in direct GRP.
- other retail trade with \$761 million in direct GVA and \$818 million in direct GRP.

### Top tourism related industries on direct contribution to the regional economy, Melbourne, 2015-16

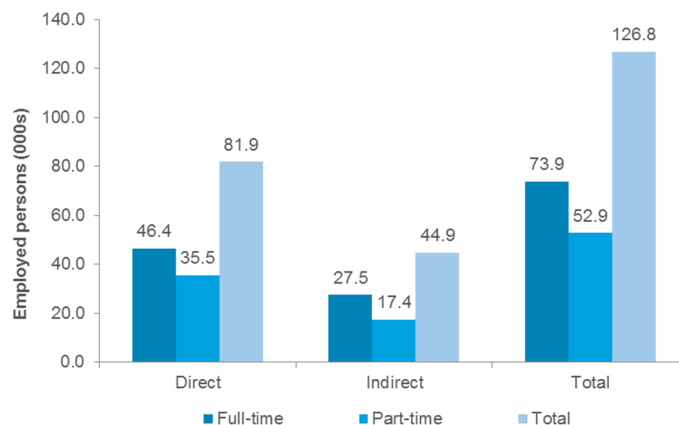
Industry	Direct GVA (\$ million)	Direct GRP (\$ million)
Air, water and other transport	1,530	1,655
Education and training	1,042	1,107
Accommodation	808	882
Ownership of dwellings	754	830
Other retail trade	761	818
All other	2,575	2,779
<b>Total - tourism</b>	<b>7,470</b>	<b>8,071</b>

Source: Deloitte Access Economics' Regional TSA model.

## Tourism Employment

The TSAs define tourism employment as the number of tourism employed persons. In 2015-16 there were an estimated 81,900 persons (made up of 46,400 full-time and 35,500 part-time) directly employed in tourism in the Melbourne region.

## Contribution of tourism to employment, Melbourne, 2015-16



Source: Deloitte Access Economics' Regional TSA model.

The tourism related industries that contributed most to direct regional tourism employment in Melbourne in 2015-16 were:

- cafes, restaurants and takeaway food services (8,240 full time and 12,370 part time employed persons).
- retail trade (6,460 full time and 6,050 part time employed persons).
- accommodation (6,370 full time and 4,040 part time employed persons).
- education and training (6,130 full time and 3,960 part time employed persons).
- air, water and other transport (5,430 full time and 1,750 part time employed persons).

### Top tourism related industries on direct employment, Melbourne, 2015-16

Tourism employment industry	Full-time	Part-time	Total
Cafes, restaurants and takeaway food services	8,240	12,370	20,600
Retail trade	6,460	6,050	12,510
Accommodation	6,370	4,040	10,400
Education and training	6,130	3,960	10,090
Air, water and other transport	5,430	1,750	7,180
Other industries	13,790	7,320	21,110
<b>Total</b>	<b>46,410</b>	<b>35,490</b>	<b>81,900</b>

NB Numbers may not add up to totals due to rounding

Source: Deloitte Access Economics' Regional TSA model.

Note: Figures may not add up due to rounding.

Source: Victorian Regional Tourism Satellite Accounts 2015-16, model developed by Deloitte Access Economics for DEDJTR Research Factsheet produced by TEVE Research Unit, November 2017.



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# Economic Contribution of Tourism to Melbourne

2015-16

## Melbourne Tourism Region definition – SA2s

Each tourism region is defined using smaller geographical building blocks called Statistical Areas Level 2 (SA2s), developed by the Australian Bureau of Statistics. SA2s do not precisely align with the boundaries of Local Government Areas (LGAs).

For further information refer: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/9503.0.55.0012016?OpenDocument>

Region	SA2
Melbourne	Abbotsford, Airport West, Albert Park, Alphington – Fairfield, Altona, Altona Meadows, Altona North, Ardeer – Albion, Armadale, Ascot Vale, Ashburton, Ashwood – Chadstone, Aspendale Gardens – Waterways, Balwyn, Balwyn North, Bayswater, Bayswater North, Beaumaris, Bentleigh – McKinnon, Bentleigh East, Berwick – North, Berwick – South, Blackburn, Blackburn South, Boronia - The Basin, Box Hill, Box Hill North, Braeside, Braybrook, Brighton, Brighton East, Broadmeadows, Brunswick, Brunswick East, Brunswick West, Bulleen, Bundoora – East, Bundoora – North, Bundoora – West, Burwood, Burwood East, Cairnlea, Camberwell, Campbellfield – Coolaroo, Carlton, Carlton North - Princes Hill, Carnegie, Caroline Springs, Carrum - Patterson Lakes, Caulfield – North, Caulfield – South, Chelsea – Bonbeach, Chelsea Heights, Cheltenham - Highett (East), Cheltenham - Highett (West), Clarinda - Oakleigh South, Clayton, Clayton South, Coburg, Coburg North, Collingwood, Craigieburn – Mickleham, Cranbourne, Cranbourne East, Cranbourne North, Cranbourne South, Cranbourne West, Croydon, Croydon Hills – Warranwood, Dandenong, Dandenong North, Deer Park – Derrimut, Delahey, Dingley Village, Docklands, Doncaster, Doncaster East, Donvale - Park Orchards, Doveton, East Melbourne, Edithvale – Aspendale, Elsternwick, Elwood, Endeavour Hills, Epping, Essendon – Aberfeldie, Essendon Airport, Fawkner, Ferntree Gully, Fitzroy, Fitzroy North, Flemington, Flemington Racecourse, Footscray, Forest Hill, Gladstone Park – Westmeadows, Glen Iris – East, Glen Waverley – East, Glen Waverley – West, Glenroy – Hadfield, Greensborough, Greenvale – Bulla, Hallam, Hampton, Hampton Park – Lynbrook, Hawthorn, Hawthorn East, Heidelberg – Rosanna, Heidelberg West, Hillside, Hoppers Crossing – North, Hoppers Crossing – South, Hughesdale, Ivanhoe, Ivanhoe East – Eaglemont, Keilor, Keilor Downs, Keilor East, Kensington, Kew, Kew East, Keysborough, Kings Park, Kingsbury, Knoxfield – Scoresby, Lalor, Laverton, Lynbrook – Lyndhurst, Lysterfield, Malvern - Glen Iris, Malvern East, Maribyrnong, Meadow Heights, Melbourne, Melbourne Airport, Melton, Melton South, Melton West, Mentone, Mill Park – North, Mill Park – South, Mitcham, Montmorency - Briar Hill, Moonee Ponds, Moorabbin – Heatherton, Moorabbin Airport, Mordialloc – Parkdale, Mount Waverley – North, Mount Waverley – South, Mulgrave, Murrumbeena, Narre Warren, Narre Warren North, Narre Warren South, Newport, Niddrie - Essendon West, Noble Park, Noble Park North, North Melbourne, Northcote, Nunawading, Oakleigh – Huntingdale, Ormond - Glen Huntly, Parkville, Pascoe Vale, Pascoe Vale South, Pearcedale – Tooradin, Point Cook, Port Melbourne, Port Melbourne Industrial, Prahan – Windsor, Preston, Reservoir – East, Reservoir – West, Richmond, Ringwood, Ringwood East, Ringwood North, Rockbank - Mount Cottrell, Rowville – Central, Rowville – North, Rowville – South, Roxburgh Park – Somerton, Sandringham - Black Rock, Seabrook, Seddon – Kingsville, South Melbourne, South Morang, South Yarra – East, South Yarra – West, Southbank, Springvale, Springvale South, St Albans – North, St Albans – South, St Kilda, St Kilda East, Strathmore, Sunbury, Sunbury – South, Sunshine, Sunshine North, Sunshine West, Surrey Hills (East) - Mont Albert, Surrey Hills (West) – Canterbury, Sydenham, Tarneit, Taylors Hill, Taylors Lakes, Templestowe, Templestowe Lower, Thomastown, Thornbury, Toorak, Truganina, Tullamarine, Vermont, Vermont South, Viewbank – Yallambie, Wantirna, Wantirna South, Warrandyte - Wonga Park, Watsonia, Werribee, Werribee – South, West Footscray – Tottenham, West Melbourne, Wheelers Hill, Whittlesea, Williamstown, Wyndham Vale, Yarra – North, Yarraville

## Tourism's total contribution to the Melbourne economy (direct and indirect estimates) 2010-11 to 2015-16

Melbourne		Tourism's Contribution to the Economy						AAG*	% Change
		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2010-11 to 2015-16	2014-15 vs 2015-16
GVA (\$ millions basic prices)	Direct	5,449	5,739	5,922	6,099	6,749	7,470	6.5%	10.7%
GVA (\$ millions basic prices)	Indirect	4,675	4,930	5,210	5,329	5,680	6,264	6.0%	10.3%
GVA (\$ millions basic prices)	Total	10,124	10,669	11,132	11,429	12,429	13,735	6.3%	10.5%
GRP (\$ millions basic prices)	Direct	5,985	6,309	6,492	6,682	7,327	8,071	6.2%	10.1%
GRP (\$ millions basic prices)	Indirect	5,527	5,955	6,105	6,269	6,618	7,263	5.6%	9.7%
GRP (\$ millions basic prices)	Total	11,512	12,263	12,597	12,950	13,945	15,334	5.9%	10.0%
Employment (000s)	Direct	75.8	75.4	75.9	75.2	79.2	81.9	1.6%	3.5%
Employment (000s)	Indirect	34.5	35.5	37.6	38.4	40.8	44.9	5.4%	10.0%
Employment (000s)	Total	110.3	110.9	113.5	113.6	119.9	126.8	2.8%	5.7%

Source: Deloitte Access Economics' Regional TSA model.

For further information on tourism's contribution to Victoria's regional economies (including all time periods back to 2006-07 and share of the regional economy over time), refer to the factsheet 'Economic Contribution of Tourism to Victoria's Regions 2015-16', produced by TEVE Research Unit, November 2017, at this link: <https://www.business.vic.gov.au/tourism-industry-resources/research/economic-significance>

Note: Figures may not add up due to rounding.

Source: Victorian Regional Tourism Satellite Accounts 2015-16, model developed by Deloitte Access Economics for DEDJTR Research Factsheet produced by TEVE Research Unit, November 2017.



Economic Development,  
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# Economic Contribution of Tourism to Melbourne

2015-16

## Methodology

The regional Tourism Satellite Account (TSA) estimates of the value of tourism to Victoria's tourism regions were produced by Deloitte Access Economics.

Tourism Satellite Accounts (TSAs) are used to estimate the contribution of tourism to a region by combining the contributions of the various goods and services that make up the industry. The regional, state and national direct estimates are based on an internationally recognised and standardised framework (although this regional TSA methodology has been extended to determine the indirect impact of cross region trade flows).

There are a number of steps required to calculate the tourism industry's contribution to regional Victorian economies. To start, a regional tourism consumption bundle is derived from TRA visitor survey data and adjusted to remove any price effects that are not directly attributed to the seller of the good or service (e.g. taxes, transport margins, pre-manufactured inputs, etc).

The direct and indirect contributions of tourism are estimated by using regional input-output multiplier tables, derived from Australian Bureau of Statistics data.

For consistency, the regional results are calibrated against the 2015-16 state TSA data published by Tourism Research Australia.

*Note: It is important that these results are not compared to previously released regional TSA estimates, which have been revised due to improvements in the methodology and changes to data inputs. Results should also not be compared to alternative studies that are not based on the same methodology.*

**Quality of Estimates:** It is important to note that the estimates of economic contribution are derived from estimates and assumptions of complex interactions amongst all components of the economy which change over time. While as much care as possible has been taken to ensure the quality of the estimates in the satellite accounts, users should exercise some caution in the use and interpretation of the results. In order to produce estimates at a finer level of detail than is normally provided in the national accounts, some of the data used to produce the satellite accounts have been extended to the limits of their design capabilities. Assumptions underlying the estimates also have an effect on the estimates' quality.

## Definitions

**Direct contribution of tourism:** The contribution generated by transactions between the visitor and

producer for a good or service that involves a direct physical or economic relationship.

**Employed person:** Is a person aged 15 years and over who worked for one hour or more per week for pay, profit, commission or payment in kind in a job or business, or on a farm; or worked for one hour or more without pay in a family business or on a farm.

**Indirect contribution of tourism:** The subsequent flow-on effects created by the requirement for inputs from those industries supplying goods and services to visitors. For example, this might include the fresh produce supplied to a hotel and the electricity used.

**Input-output table:** An input-output table is a means of presenting a detailed analysis of the process of production and the associated use of goods and services and income generated. National input-output tables are produced annually by the Australian Bureau of Statistics.

**Tourism consumption** represents the demand side of tourism. It is the total value of goods and services consumed by domestic, inbound and outbound visitors. It consists of tourism expenditure plus imputed consumption on tourism related products. It is measured as the price the visitor pays including all taxes, subsidies and sales margins (i.e. purchasers' prices).

**Tourism gross regional product (GRP):** Tourism GRP (the equivalent to Gross State Product (GSP) but at a regional level) is tourism GVA plus net taxes on products that are attributable to the tourism industry. As such GRP will generally have a higher value than GVA. Tourism GRP is a satellite accounting concept that enables direct comparison with the widely recognised national accounting aggregate, gross domestic product (or in this case gross regional product).

**Tourism gross value added (GVA):** Considered the most accurate measure of the contribution of the industry to the economy. It includes the total labour income and capital revenue received by the industry and the net taxes that government received from the production. This measure is directly comparable with the value added of 'conventional' industries such as mining and manufacturing and can also be used for comparisons across countries.

**Tourism output:** The total value of goods and services produced in Australia to satisfy visitor consumption. It is measured in basic prices, so it excludes net taxes on tourism products.

Note: Figures may not add up due to rounding.

Source: Victorian Regional Tourism Satellite Accounts 2015-16, model developed by Deloitte Access Economics for DEDJTR Research Factsheet produced by TEVE Research Unit, November 2017.



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# Economic Contribution of Tourism to Melbourne

2015-16

## More Information

For further information on the methodology and key concepts for the Victorian Regional Tourism Satellite Accounts 2015-16, please refer to the Regional Tourism Satellite Account User Guide at this link:

<https://www.business.vic.gov.au/tourism-industry-resources/research/economic-significance>

For more detail on the State Tourism Satellite Accounts 2015-16, published by Tourism Research Australia refer to the full report:

<https://www.tra.gov.au/research/view-all-publications/all-publications/economic-reports/state-tourism-satellite-accounts-2015-16>

Note: Figures may not add up due to rounding.

Source: Victorian Regional Tourism Satellite Accounts 2015-16, model developed by Deloitte Access Economics for DEDJTR  
Research Factsheet produced by TEVE Research Unit, November 2017.



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