

Value of Tourism to Melbourne 2013-14

Tourism Victoria

In 2013-14, the tourism industry contributed an estimated \$8.9 billion to Melbourne economy (3.3% of gross regional product) and employed approximately 89,900 people (4.4% of employment).

Tourism Satellite Accounts (TSA) evaluate tourism industry activity and performance within a national accounting framework. The regional TSA measures both the direct and indirect impacts of tourism on the economy and includes metrics such as Gross Value Added (GVA), Gross Regional Product (GRP) and employment. It also provides information about tourism consumption, output, taxation and the composition of the tourism industry and its interaction with other industries.

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

TOURISM VICTORIA REGIONS

The Melbourne region comprises one tourism region¹.



¹ 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/9503.0.55.0012013?OpenDocument>

Key tourism aggregates (\$ million) – Melbourne

Visitor segment	Consumption	Output	GVA	GRP	Employed ('000)
Day-trippers	2,060	1,048	527	528	
Intrastate overnight	1,351	1,603	773	875	
Interstate overnight	4,837	3,270	1,610	1,764	
International overnight	6,042	4,236	2,341	2,499	
Direct	14,291	10,156	5,251	5,666	67.5
Indirect		6,505	2,662	3,206	22.4
Total impact	14,291	16,662	7,913	8,872	89.9
Total economy			245,509	264,837	2,024.3

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

To note: Some results may not add due to rounding

Source: Victorian Regional Tourism Satellite Accounts 2013-14, model developed by Deloitte Access Economics for Tourism Victoria. Research Factsheet produced by Tourism Victoria, October 2015.

KEY RESULTS

In 2013-14, the tourism activity in Melbourne generated:

Tourism output

- \$10.2 billion in direct and \$6.5 billion in indirect tourism output, and \$16.7 billion in total tourism output.

Gross Value Added (GVA)

- \$5.3 billion and \$2.7 billion in direct and indirect tourism GVA, and \$7.9 billion in total tourism GVA.

Gross Regional Product (GRP)

- \$5.7 billion and \$3.2 billion in direct and indirect tourism GRP and \$8.9 billion in total tourism GRP.
- Total tourism GRP in the Melbourne region has increased at an average annual rate of 5.6 per cent over the period 2006-07 to 2013-14. Total tourism GRP increased by 5.3 per cent year-on-year from 2012-13 to 2013-14.

Employment

- 67,500 jobs for people employed directly by the tourism industry, 22,400 indirect jobs and a total employment impact of 89,900 people.
- Total tourism employment in the Melbourne region has increased at an average annual rate of 3.8 per cent over the period 2006-07 to 2013-14. Total tourism employment increased by an estimated 1.8 per cent year-on-year from 2012-13 to 2013-14.



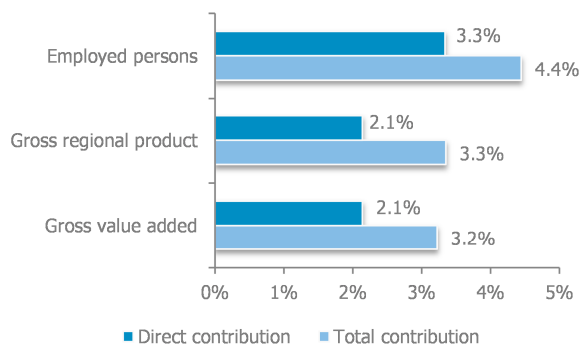
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ECONOMIC IMPORTANCE OF TOURISM IN THE REGION

The ratio of Melbourne's direct tourism contribution to the total regional economy aggregates provides a point of reference snapshot for the importance of tourism to the region. In 2013-14, it is estimated that tourism directly represented 2.1% of the total Melbourne economy (in GRP terms), compared to 4.2% for regional Victoria on average.

Due to the region's large and diverse economy, Melbourne is relatively less reliant on the tourism industry than regional Victoria. However, in level terms, Melbourne's direct total value of tourism is the highest in the state, contributing 62% of the state-wide direct contribution of tourism.

Tourism's contribution to the regional economy, Melbourne, 2013-14



Source: Deloitte Access Economics' Regional TSA model.

TOURISM RELATED INDUSTRY PROFILE

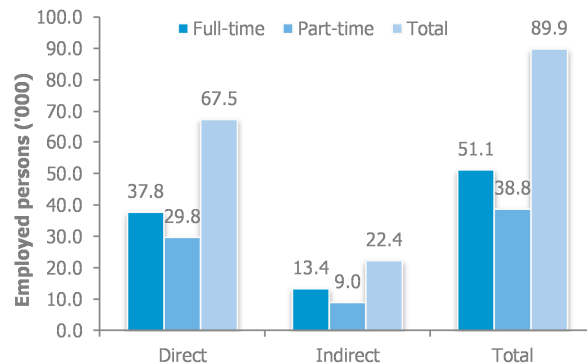
In terms of overall economic contribution, the tourism industries that generated the highest economic benefit to Melbourne in 2013-14 were:

- air, water and other transport with \$820 million in direct GVA and \$897 million in direct GRP;
- accommodation with \$744 million in direct GVA and \$765 million in direct GRP;
- retail trade with \$637 in direct GVA and \$703 in direct GRP; and
- education and training with \$680 million in direct GVA and \$697 million in direct GRP.

TOURISM EMPLOYMENT

The TSAs define tourism employment as the number of tourism employed persons. In 2013-14 there were 67,500 persons (made up of 37,800 full-time and 29,800 part-time) directly employed in tourism in Melbourne.

Contribution of tourism to employment, Melbourne, 2013-14

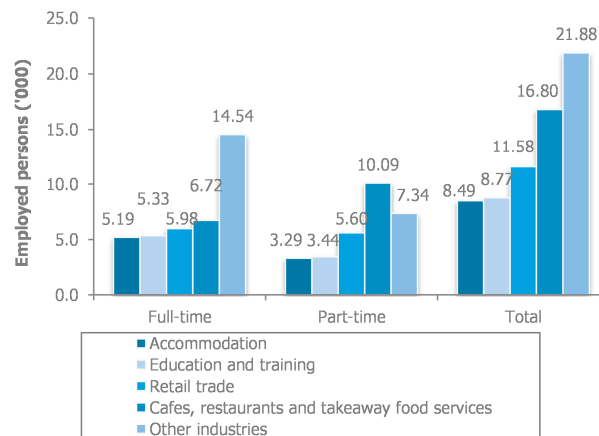


Source: Deloitte Access Economics' Regional TSA model.

The tourism related industries that contributed most to direct regional tourism employment in Melbourne in 2013-14 were:

- cafes, restaurants and takeaway food services (6,720 full time and 10,090 part time employed persons);
- retail trade (5,980 full time and 5,600 part time employed persons);
- education (5,330 full time and 3,440 part time employed persons); and
- accommodation (5,190 full time and 3,290 part time employed persons).

Direct tourism employed persons, Melbourne, 2013-14



Source: Deloitte Access Economics' Regional TSA model.

REGIONAL TOURISM PROFILE

In 2013-14, visitors to Melbourne contributed a total of \$14.3 billion in direct tourism consumption to the Melbourne economy. The majority of visitor consumption in the region was contributed by international overnight visitors (\$6.0 billion). In relative terms, interstate overnight visitors to Melbourne spend the most per night (\$312) on average.

To note: Some results may not add due to rounding.

Source: Victorian Regional Tourism Satellite Accounts 2013-14, model developed by Deloitte Access Economics for Tourism Victoria. Research Factsheet produced by Tourism Victoria, October 2015.



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Tourism activity summary – Melbourne

Visitor segment	Nights/ Trips (’000)	Nights/ Trips (%)	Consumption (\$ million)	Consumption (%)	\$ per night /trip
Day-trippers	15,968	20%	2,060	14%	\$129
Intrastate overnight	5,485	7%	1,351	9%	\$246
Interstate overnight	15,497	20%	4,837	34%	\$312
International overnight	41,754	53%	6,042	42%	\$145

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

METHODOLOGY

Tourism Victoria has worked with Deloitte Access Economics to produce regional Tourism Satellite Account (TSA) estimates of the value of tourism to Tourism Victoria’s regions.

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 estimates are based on an internationally recognised and standardised framework (although 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 Melbourne’s economy. 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 ABS data.

For consistency and assurance, the regional results are calibrated against the reported 2013-14 state TSA data.

Note: It is important that these results are not compared to previously published estimates as historical results have been revised due to refinements in the methodology and changes in input data. Results should also not be compared to alternative studies which are not based on the same methodology.

GLOSSARY

Direct contribution of tourism: The contribution generated by transactions between the visitor and provider that involve a direct physical or economic relationship.

Indirect contribution of tourism: The subsequent flow-on effects created by the requirement for inputs from those industries supplying goods and services to visitors.

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 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 direct tourism GRP will generally have a higher value than direct tourism GVA. Direct tourism GRP is a satellite account construct to enable a direct comparison with the most widely recognised national accounting aggregate, gross domestic (or 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.

To note: Some results may not add due to rounding.

Source: Victorian Regional Tourism Satellite Accounts 2013-14, model developed by Deloitte Access Economics for Tourism Victoria. Research Factsheet produced by Tourism Victoria, October 2015.



Research Factsheet: Value of Tourism to Melbourne

TOURISM'S TOTAL CONTRIBUTION TO THE MELBOURNE ECONOMY (DIRECT AND INDIRECT ESTIMATES) 2006-07 TO 2013-14

Melbourne	Tourism's Total [^] contribution to the Economy								AAG* 2006-07 to 2013-14	% Change 2012-13 vs 2013-14
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14		
GRP (\$ millions basic prices)	6,040	6,607	7,025	7,451	7,803	8,075	8,422	8,872	5.6%	5.3%
% share of the regional economy	3.1%	3.2%	3.3%	3.3%	3.3%	3.2%	3.3%	3.3%		
Employment (000s)	69.2	74.5	79.1	80.6	85.5	85.3	88.3	89.9	3.8%	1.8%
% share of the regional economy	3.4%	3.7%	3.9%	4.0%	4.2%	4.2%	4.4%	4.4%		

*Average annual growth rate. [^]Direct and Indirect contribution.

MORE INFORMATION

For further information on the methodology and key concepts for the *Victorian Regional Tourism Satellite Accounts 2013-14*, please refer to the Regional Tourism Satellite Account User Guide at this link: <http://www.tourism.vic.gov.au/research/economic-significance.html>

For more detail on the *State Tourism Satellite Accounts 2013-14*, published by Tourism Research Australia refer to the full report: <http://www.tra.gov.au/research/State-tourism-satellite-accounts-2013-14.html>

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Region	SA2
Melbourne	Abbotsford, Airport West, Albert Park, Alphington – Fairfield, Altona, Altona Meadows, Altona North, Ardeer – Albion, Armadale, Ascot Vale, Ashburton, Ashwood – Chadstone, 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, Prahran – 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, Tameit, 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

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