

**CULTURAL MINISTERS
COUNCIL**

Statistics Working Group

**Economic Impact of
Cultural Tourists in
Australia**

*Prepared by the Bureau of Tourism
Research*

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Summary

Over the years 1997/98 to 2000/01 cultural visitors spent around \$18.2 billion per annum on goods and services while travelling in Australia. Cultural visitors accounted for 2.1 million international visitors, 9.3 million domestic overnight trips and 10.6 million day trips annually and contributed approximately \$7 billion to Australia's Gross Value Added (GVA) over the period 1997/98 – 2000/01. This was in effect 28.1 per cent of tourism's total contribution to GVA or 1.2 per cent of Australia's GVA. International cultural visitors contributed \$8.7 billion to export earnings in 2000/01. Cultural visitors also supported the employment of 146 200 Australians and contributed \$4.3 billion per annum to Australia's wages over the years 1997/98 to 2000/01. It is also interesting to note that compared to all visitors, on average, cultural visitors tended to consume goods and services in industries which generated higher levels of gross value added.

Both domestic and international cultural visitors tended to take longer trips (in terms of visitor nights) than their non cultural counterparts and as a result had a higher than average trip expenditure. Accommodation and food was the main item of expenditure for domestic cultural visitors and the second highest item for international cultural visitors after international airfares. Expenditure on entertainment (such as theatres) and package tours (which often included cultural activities) also featured more highly for cultural visitors than non cultural visitors.

This report examines the expenditure habits of both international and domestic cultural visitors over the four year period 1997/98 – 2000/01. It then estimates the economic contribution of cultural visitors at the national level, examining their impact on employment, wages and supplements, gross value added and tourism consumption by industry.

1. Cultural Tourism Trends

Australia is increasingly recognised as an exciting, unique, diverse, and sophisticated tourist destination which has much to interest visitors beyond its world-renowned natural attractions. Australia has a wide range of cultural assets including museums, art galleries, historic and Indigenous sites, performing arts and live concerts designed to enrich, educate and entertain visitors. (Foo et al 1998)

Investigating the spending patterns and economic contribution of cultural visitors goes a long way to highlighting the economic role of arts and culture in the community. Not only do arts and culture develop our sense of identity and knowledge as a community, but also contribute significantly to local economies across Australia.

On average over the four year period there were a total of 21.9 million international, domestic overnight and domestic day visitors per annum who engaged in a cultural activity while travelling in Australia. These cultural visitors spent on average a total of \$18.2 billion per annum, or 28 per cent of total tourism expenditure in Australia. International cultural visitors accounted for an average of \$10 billion or 55 per cent of this total cultural visitor expenditure and consistently had higher levels of expenditure than domestic cultural visitors.

1.1 Definition of a cultural visitor

For the purpose of this report, a cultural visitor is defined as a visitor who attends one or more cultural attractions in Australia including: (1) Theatre, concerts or other performing arts, (2) Museums or art galleries, (3) Art/craft workshops/ studios, (3) Festivals/fairs or cultural events, (4) Aboriginal art/craft and cultural displays, (6) An Aboriginal site/community, and (7) History/heritage buildings, sites or monuments. This definition reflects data collected through the International Visitor Survey and National Visitor Survey conducted by the Bureau of Tourism Research.

This approach defines cultural visitors according to activities they undertook while travelling. It does not focus on the participant's motivation for travelling. In adopting this definition it is recognised that many visitors engage in cultural activities as part of a wider tourism experience and do not travel exclusively to experience cultural tourism. It follows that their expenditure and consequently their economic contribution to the Australian economy are not solely related to their cultural activity.

1.2 International cultural visitors in Australia

In recent years the number of international visitors who engaged in cultural activities has followed a similar trend to that of all international visitors to Australia, increasing every year between 1998/99 and 2000/01 resulting in a 16 per cent increase over the period. Although this increase in international cultural visitors is significant it is not as great as the increase in total international visitor arrivals which increased by 27 per cent over the same period. This resulted in the proportion of cultural visitors in the international visitor market decreasing from 54 per cent in 1997/98 to 47 per cent in 2000/01.

International cultural visitor nights have followed a similar trend to visitor arrivals, showing significant annual increases to 2000/01. The average length of stay for cultural visitors has increased over the period, from 31 nights in 1997/98 to 36 nights in 2000/01. While the average length of stay for all visitors also increased over the period, the increase was proportionately less, from 24 to 27 nights.

Table 1.1 Trends in international cultural visitors, 1997/98 – 2000/01

	Cultural visitors '000	Cultural visitor nights '000	Cultural visitor expenditure \$m
1997/98	1 981	62 456	9 432
1998/99	2 009	63 724	9 699
1999/00	2 045	66 753	9 512
2000/01	2 204	79 742	11 498
Average	1 940	64 636	9 673
Percentage of international tourism	%	%	%
1997/98	54.1	70.3	64.0
1998/99	51.9	67.0	61.3
1999/00	47.3	62.8	55.4
2000/01	47.4	64.6	56.6
Percentage of international total	47.0	62.5	56.9

Notes: 'Percentage of international total' is international cultural visitors averaged over the four year period expressed as a percentage of all international visitors averaged over the same period.

All values are in current prices.

Source: BTR International Visitor Survey 1998–2001 (unpublished data)

On average over the four years 1997/98 to 2000/01 international cultural visitors engaged in a minimum of two different types of cultural activities while in Australia¹. The most popular cultural activity for international cultural visitors was visiting a history or heritage building, which saw an average of 66 per cent of international cultural visitors engaging in this activity on at least one occasion, over the period. This was closely followed by visiting museums or art galleries (53 per cent); attending performing arts (23 per cent); experiencing Aboriginal art/crafts and cultural displays (22 per cent); visiting art/craft workshops (17 per cent); attending festivals/fairs or cultural activities (14 per cent); and visiting an Aboriginal site/community (11 per cent).

1.3 Domestic cultural visitors in Australia

The number of domestic visitors who engaged in cultural activities as part of an overnight or day visit remained relatively static over the four year period ending 2001 (Table 1.2), which is consistent with Australian domestic tourism overall.

Although only 12.6 per cent of domestic overnight visitors engaged in cultural activities while travelling, their expenditure accounted for 20.9 per cent of total overnight expenditure. This implies an average trip expenditure of \$786, and 66 per cent higher than the national average. Some of this higher than average expenditure can be attributed to longer trip duration, 6.2 nights versus 4.0 nights on average for cultural visitors and all domestic overnight visitors respectively. However, not only did domestic cultural overnight visitors spend more in total while travelling, they tended also to spend more on a per night basis. This is in contrast to international cultural visitors, who had a tendency to spend more in total but spend less per night than their non cultural visitor counterparts.

Over the four years ending 2000/01 there were an average of 10.5 million domestic cultural daytrips per annum, which is over 6 per cent of all domestic daytrips taken in Australia. These visitation levels varied significantly over the four year period 1997/98 – 2000/01, peaking in 1998/99 and decreasing in the final

¹ This is most likely an underestimation of the true number of cultural activities undertaken by international cultural visitors. Due to the framing of questions in the International Visitor Survey, in cases where an international cultural visitor engaged in a specific cultural activity on more than one occasion they are accounted for only once.

two years, to result in a 35 per cent decrease over the period. Naturally, total expenditure by domestic cultural day visitors followed a similar trend and averaged \$866 million per annum or \$82 per daytrip visit. This was 14 per cent higher than the national average of \$72 per day trip.

Table 1.2 Trends in domestic cultural visitors, 1997/98 – 2000/01

	Cultural overnight visitors '000	Cultural visitor nights '000	Cultural overnight expenditure \$m	Cultural daytrips '000	Cultural daytrip expenditure \$m
1997/98	10 668	65 360	7 712	12 457	969
1998/99	10 510	66 161	8 019	13 219	1 049
1999/00	8 111	52 446	6 558	8 437	696
2000/01	7 757	47 974	6 847	8 104	750
Average	9 262	57 985	7 284	10 554	866
Percentage of domestic tourism	%	%	%	%	%
1997/98	14.5	22.3	23.5	8.1	9.5
1998/99	14.2	22.3	23.7	8.2	9.6
1999/00	11.3	18.3	19.1	5.1	5.8
2000/01	10.5	16.5	17.9	6.7	6.0
Percentage of domestic total	12.6	19.8	20.9	6.7	7.6

Notes: 'Percentage of domestic total' is domestic cultural visitors averaged over the four year period expressed as a percentage of all domestic visitors averaged over the same period.

All values are in current prices.

Source: BTR National Visitor Survey 1998–2001 (unpublished data).

Unlike international cultural visitors who engage in an average of two cultural activities while travelling in Australia, domestic cultural visitors have a lower propensity to engage in more than one type of cultural activity while travelling. On average over the four years 1997/98 to 2000/01, domestic cultural visitors engaged in 1.4 cultural activities while travelling. The most popular cultural activity was visiting history/heritage buildings, sites or monuments, experienced by over 40 per cent of domestic cultural visitors. This was followed by visiting museums or art galleries (34 per cent); visiting art/craft workshops/studios (20 per cent); attending theatre, concerts or other performing arts (19 per cent); attending festivals/fairs or cultural events (18 per cent); experiencing Aboriginal art/craft and cultural displays (4 per cent) and visiting an Aboriginal site/community (3 per cent).

2. Methodology

There are two main areas of research covered in this paper. In the first part of the paper, cultural and total visitor expenditure by item is drawn from the BTR's National and International Visitor Surveys over the years 1997/98 to 2000/01. The results are then averaged over the four year period and itemised expenditure by cultural and total visitors is presented; cultural visitors' proportion of total visitor expenditure is also given. These results are then used in the second component of the paper, which details the economic contribution of cultural visitors.

The methodology used in the second component uses the Australian Tourism Satellite Account (ATSA) estimates of tourism consumption and economic contribution of tourists in Australia (ABS 2000). While the ATSA distinguishes visitors by their origin (domestic and international) and by length of stay (same day and overnight), there is no information to separate cultural visitors from other visitors. BTR's National Visitor Survey (NVS) and International Visitor Survey (IVS) collect data on activities engaged in by visitors, which allows identification of cultural visitors.

Using results from the first section of this report, total visitor expenditure is separated into two parts: by cultural tourists and by others, and the itemised expenditure shares of cultural and other visitors are then obtained. From this the basic parameters are established to break up the ATSA estimates into the economic contribution made by cultural and non-cultural tourists in Australia.

Several steps are involved in the process. First, the itemised expenditure data obtained from the BTR surveys do not readily correspond to the Australian and New Zealand Standard Industrial Classification (ANZSIC) underlying the ATSA. In order to make them compatible with the ATSA data, the BTR's itemised expenditure data are converted to basic prices² and allocated to ANZSIC industries. This step enables the calculation of the share of cultural visitors' tourism consumption across the industry classification used in the ATSA.

Using the consumption shares, ATSA data and a modelling technique developed by BTR, cultural and non-cultural tourism's contribution to various economic and national accounting measures, including consumption, GDP, value added, wages and employment, are estimated. The estimation is based on the assumption that one dollar spent by cultural visitors generates the same level of consumption, gross value added, employment and wages as one dollar spent by non-cultural visitors.

The Australian Tourism Satellite Account (ABS 2000) 1997/98 – 2000/01 is the main data source used to measure cultural tourism's economic contribution. The report draws on unpublished data from the NVS and the IVS for the four years 1998 – 2001 inclusive. Data from the NVS began in January 1998 and the IVS redefined its activity field in 1998. As such, data for the full 1997/98 financial year required for this research were not available. The 1998 data were used as a proxy for the 1997/98 year.

It should be noted that due to differing definitions used by the ABS and the BTR, there are differences in tourism consumption and tourism expenditure as used in Section 3 and 4 of this report. 'Tourism expenditure' which is discussed in section 3, is defined by the BTR as total expenditure by visitors in Australia. As tourism expenditure is defined by the visitor, it includes all expenditure in Australia as well as some expenditure on items where part of the income accrues outside Australia, such as expenditure on international airfares to non Australian airlines and expenditure on package tours which includes non Australian components. In section 4 of this report 'tourism consumption' as defined by the ABS excludes the part of these items of expenditure where the income does not accrue within Australia while other items, discussed in Appendix D, are included.

² The basic price is the price received by the producer for the sale of output, netted of any tax payable and any subsidy receivable. It also excludes any transport charges separately invoiced by the producer.

3. Itemised Cultural Visitor Expenditure

The itemised expenditure of international, domestic overnight and domestic day cultural and all visitors is discussed in this section. The results are presented as an average over the four year period 1997/98 – 2000/01, and a proportion of cultural visitors' expenditure, against total visitors, is provided to assist in identifying important expenditure items. Annual results for the four years are given in Appendix A.

3.1 Itemised expenditure by international cultural visitors

On average international cultural visitors spent a total of \$10 million per annum or 59 per cent of all international expenditure in Australia. International cultural visitors accounted for approximately 50 per cent of all international visitors and 66 per cent of all international visitor nights over the four years 1997/98 to 2000/01. (Table 3.1)

Table 3.1: Average annual expenditure by international cultural and total international visitors (1997/98 – 2000/01)

	Expenditure by cultural visitors \$million	Expenditure by all visitors \$million	Proportion of total (%)
Package tour (a)	2 480	4 116	60
International airfares	2 279	4 427	51
Airfares for travel within Australia	88	123	71
Rental and leasing fees for self-drive cars, rent-a-cars, camper vans	151	232	65
Petrol and oil costs for self-drive cars or other vehicles driven	93	135	69
Other transport fares, including fares for trains, coaches, ferries, taxis, limousines & public transport	215	334	64
Accommodation and Food	2 193	3 442	64
Shopping (for use in Australia and take home)	1 092	1 947	56
Education fees	625	962	65
Organised tours	344	472	73
Entertainment such as theatres, movies, zoos, museums, nightclubs etc	174	244	71
Phone, internet, fax &/or postage	134	209	64
Horse racing and Gambling	81	186	43
Other	87	181	48
Total	10 035	17 011	59
Visitor numbers	2 059 852	4 127 919	50
Visitor nights	68 168 508	103 437 009	66

How to read this table: if the proportion of cultural visitors' expenditure is higher than the proportion of visitor numbers (50 per cent), then cultural visitors have a higher per trip expenditure for that item. Additionally if the proportion is higher than the visitor nights proportion (66 per cent), then cultural visitors have a higher per night expenditure for that item.

Notes: 'Proportion of total' refers to the percentage of cultural visitor expenditure relative to all visitor expenditure.

Expenditure on package tours includes pre-paid international airfares and expenditure on accommodation and other tour components in Australia and other countries.

Package tours and international airfares also include amounts paid by international visitors to overseas package tour operators and to non Australian airlines.

Source: International Visitor Survey 1998 – 2001, unpublished data, Bureau of Tourism Research.

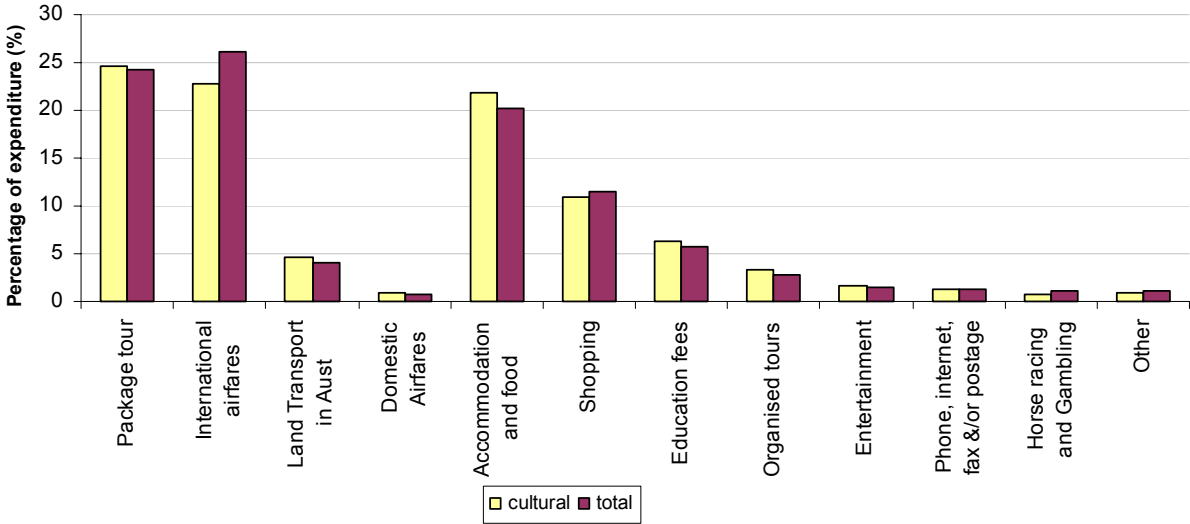
On average, each international cultural visitor spent \$4 872 during their stay in Australia. This was approximately 18 per cent more than the average expenditure by each inbound visitor (\$4 121). On a per night basis however, cultural visitors spent slightly less (\$147 per night) than the average for all international visitors (\$164 per night).

Given that cultural visitors tend to take longer trips (in terms of visitor nights) than all inbound visitors it is not surprising that they have a higher per trip expenditure on accommodation and food than all international visitors. Accommodation and food is cultural visitors’ third greatest expense in Australia, accounting for over 22 per cent of their trip expenditure in Australia.

International cultural visitors also tend to have a higher than average expenditure on both land and air transport while in Australia spending a total of \$459 million and \$88 million per annum respectively. Expenditure on ‘entertainment’ also features as an item with higher than average expenditure by cultural visitors, accounting for \$174 million per annum or 71 per cent of all international visitor expenditure on entertainment.

It can be seen from Figure 3.1 that expenditure on package tours and international airfares was by far the greatest expenditure for international cultural visitors, accounting for 25 per cent and 23 per cent of their total expenditure respectively. However, expenditure on these items, as measured by the BTR, includes some expenditure which would have gone to non Australian companies. For example if the visitor arrived on an international airline carrier, the bulk of the expenditure would accrue to the international airline, with only items such as the airport fees and refueling cost accruing to Australia. Further analysis of expenditure by cultural visitors on Australian versus non Australian airlines showed that cultural visitors were 81 per cent more likely to have expenditure on an Australian airline³ than non cultural international visitors.

Figure 3.1 Itemised proportional of expenditure by international cultural and all international visitors, average 1997/98 – 2000/01



Note: ‘Land Transport in Australia’ is the merging of ‘Other transport fares, including fares for trains, coaches, ferries, taxis, limousines & public transport’, ‘Petrol and oil costs for self-drive cars or other vehicles driven’ and ‘Rental and leasing fees for self-drive cars, rent-a-cars, camper vans’.

Source: International Visitor Survey 1998 – 2001, unpublished data, Bureau of Tourism Research.

³ This figure is based on the proportion of package tour and international travel expenditure by cultural visitors who travelled on an Australian carrier.

3.2 Itemised expenditure by domestic overnight cultural visitors

Domestic overnight cultural visitors had a total average annual expenditure of \$7.3 billion, or 21 per cent of all domestic overnight expenditure over the period 1997/98 – 2000/01 (Table 3.2). It is significant that domestic overnight cultural visitors accounted for 12.6 per cent of overnight trips and 19.8 per cent of domestic visitor nights, showing they spend more than non-cultural visitors, both per trip and per night.

Table 3.2: Average annual expenditure by domestic overnight cultural and all domestic overnight visitors (1997/98 – 2000/01)

	Expenditure by cultural visitors \$million	Expenditure by all visitors \$million	Proportion of total (%)
Package (e.g. transport + show)	704.8	2 028.8	34.7
Taxis	49.8	363.8	13.7
Airline fares	641.8	4 280.4	15.0
Car hire costs	135.9	570.9	23.8
Fuel (petrol, diesel)	624.9	3 707.0	16.9
Vehicle maintenance or repairs	80.2	318.3	25.2
Other long distance transport costs	88.8	286.9	30.9
Other local transport costs	30.6	102.9	29.8
Accommodation (can include food)	1 521.3	7 230.0	21.0
Takeaways and restaurant meals	1 053.1	4 983.2	21.1
Groceries etc for self-catering	402.5	1 949.5	20.6
Alcohol, drinks (not already reported)	325.6	1 896.9	17.2
Shopping, gifts, souvenirs	896.4	3 882.0	23.1
Conference fees	38.4	215.3	17.8
Education, course fees	4.4	79.4	5.6
Organised tours	117.0	283.1	41.3
Entertainment, museums, movies	333.9	1 001.4	33.3
Horse racing, gambling, casinos	60.6	320.1	18.9
Other	174.2	1 287.9	13.5
Total	7 284.1	34 787.7	20.9
Overnight trips	9 261.5	73 358.3	12.6
Visitor nights	57 985	29 2272	19.8

How to read this table: if the proportion of cultural visitors' expenditure is higher than the proportion of overnight trips (12.6 per cent), then cultural visitors have a higher per trip expenditure for that item. Additionally if the proportion is higher than the visitor nights proportion (19.8 per cent), then cultural visitors have a higher per night expenditure for that item.

Notes: Proportion refers to the percentage of cultural visitor expenditure relative to all visitor expenditure.

Source: National Visitor Survey 1998 – 2001, unpublished data, Bureau of Tourism Research.

Expenditure on land transport other than self drive also featured highly for domestic overnight cultural visitors, spending significantly more proportionally on local transport, long distance travel and car hire costs. Surprisingly fuel costs, which consume the largest proportion of land travel expenditure, were lower on a per night basis for domestic cultural visitors than for all domestic visitors.

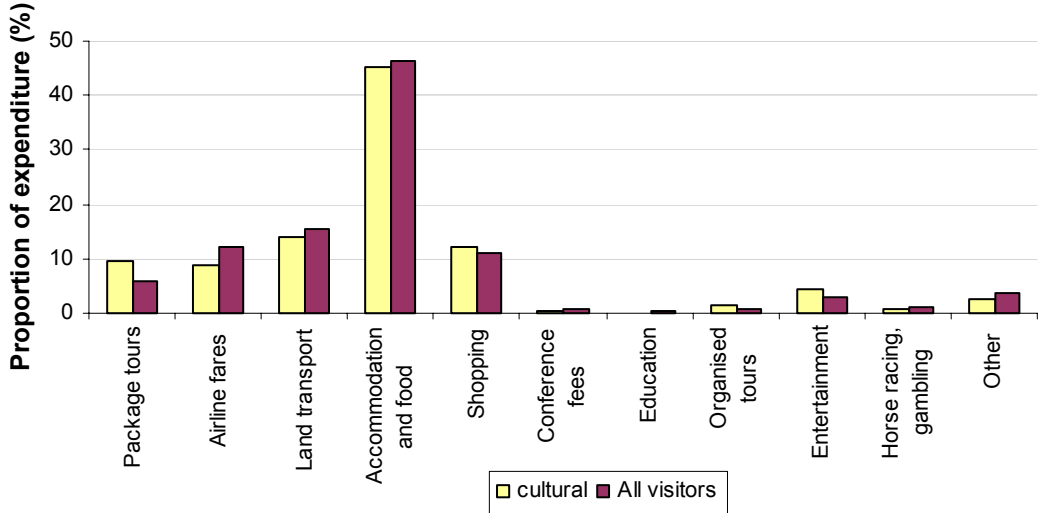
Domestic overnight cultural visitors also had a high level of expenditure on shopping, gifts and souvenirs, spending around \$900 million per annum and accounting for 12 per cent of their total expenditure, which is similar to total domestic overnight visitors, who spent around 11 per cent of their total expenditure on shopping for gifts and souvenirs.

Given that package and organised tours include expenditure on shows and various cultural activities it is not surprising cultural visitors accounted for around 35 per cent and 41 per cent of all domestic overnight

expenditure on package tours and organised tours respectively. Cultural visitors also accounted for a disproportionately large amount of expenditure on entertainment, museums and movies.

Accommodation and takeaway and restaurant meals were by far the largest expenditure item by domestic overnight cultural visitors, expenditure on these two items being \$1.5 billion and \$1.1 billion respectively. Combined, expenditure on food and accommodation (including groceries and alcohol) accounted for 46 per cent of the total expenditure (Figure 3.2). This expenditure pattern is consistent with cultural visitors having a longer than average length of trip.

Figure 3.2 Itemised proportional average expenditure by domestic overnight cultural and all domestic overnight visitors, 1997/98 – 2000/01



Source: National Visitor Survey, Bureau of Tourism Research, 1998- 2001, unpublished data.

3.3 Itemised expenditure by domestic day cultural visitors

Like their domestic overnight and international counterparts, domestic day cultural visitors tended to spend more per trip than total domestic day trippers. Averaging 10.5 million cultural day trips (6.7 per cent of total day trips) annually over the four year period 1997/98 -2000/01, cultural day visitors spent \$866 per annum, accounting for 7.6 per cent of total day trip expenditure.

Table 3.3: Average annual expenditure by domestic day visitors cultural and all domestic day visitors (1997/98 – 2000/01)

	Expenditure by cultural visitors \$million	Expenditure by all visitors \$million	Proportion of total %
Package (e.g. transport + show)	13.8	48.7	28.4
Airline fares	2.3	305.6	0.7
Taxis	1.8	42.3	4.2
Car hire costs	5.9	48.6	12.0
Fuel (petrol, diesel)	148.7	2 477.6	6.0
Vehicle maintenance or repairs	8.8	128.9	6.8
Other long distance transport costs	15.9	79.0	20.1
Other local transport costs	6.8	52.4	13.0
Takeaways and restaurant meals	195.9	2 008.9	9.7
Groceries etc for self-catering	35.9	811.4	4.4
Alcohol, drinks (not already reported)	42.7	544.0	7.9
Shopping, gifts, souvenirs	219.8	3 347.3	6.6
Conference fees	0.7	60.2	1.1
Education, course fees	2.9	79.7	3.6
Organised tours	9.2	39.3	23.4
Entertainment, museums, movies	116.9	419.4	27.9
Horse racing, gambling, casinos	4.9	142.0	3.4
Other	33.2	810.7	4.1
Total	866.0	11 445.7	7.6
Day trips ('000)	10 554	158 316	6.7

How to read this table: if the proportion of cultural visitors' expenditure is higher than the proportion of day trips (6.7 per cent), then cultural visitors have a higher per trip expenditure for that item.

Notes: Proportion refers to the percentage of cultural visitor expenditure relative to all visitor expenditure.

Source: National Visitor Survey 1998 – 2001, unpublished data, Bureau of Tourism Research.

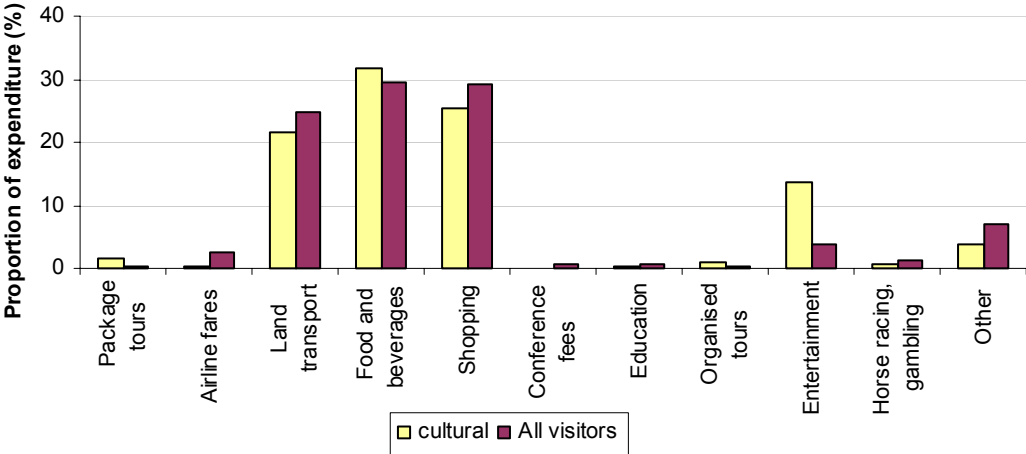
When grouped together 'food and beverages' was the highest expenditure item for cultural day visitors, accounting for 32 per cent of their expenditure (Figure 3.3). Of the items, which include takeaway meals and restaurants, alcohol drinks and groceries, cultural day visitors spent more on average on the former two items and relatively less on groceries, in contrast to total day visitors.

Shopping, gifts and souvenirs featured as the second highest expenditure item for cultural day visitors, accounting for 22 per cent of their total expenditure (\$220 million per annum). However this level of expenditure on shopping is consistent with all day visitor expenditure.

Once again land transport besides fuel featured as an item with high proportional expenditure for domestic cultural visitors when compared with total visitors. However, cultural day visitors spent very little on air travel, which is consistent with visitors who are travelling for leisure rather than business.

Similar to international and domestic overnight cultural visitors, day cultural visitors tended to have a higher than average expenditure on package tours and organised tours. Given package and organised tours often include activities consistent with cultural tourism, it is not surprising domestic day cultural visitors spend proportionally over three times more on these items than total day visitors. Similarly, domestic day cultural visitors spent 13 per cent of their expenditure on entertainment (\$116.9 million per annum) implying they spent proportionally over three times more than all day visitors on entertainment.

Figure 3.3 Itemised proportional average expenditure by domestic day cultural and all domestic day visitors, 1997/98 – 2000/01



Source: National Visitor Survey, Bureau of Tourism Research, 1998 – 2001, unpublished data

4. Cultural Visitor's Economic Contribution

Cultural visitors contributed \$7.0 billion to total Gross Value Added (GVA) in 2000/01. This represented 1.3 per cent of Australia's total Gross Domestic Product (GDP) and 26.4 per cent of tourism's contribution to GDP. However, cultural visitors' economic contribution varied over 1997/98 – 2000/01 as domestic and international cultural visitors' expenditure patterns shifted in amount and across industries.

In this section of the report the expenditure items detailed in Section 3 are used in conjunction with BTR models and ATSA data to develop cultural tourism's economic contribution, in terms of GDP, GVA, consumption, employment and wages.

4.1 Gross domestic product (GDP) and gross value added (GVA)

Tourism GDP is the share of the total market value of Australian produced goods and services consumed by visitors after deducting the cost of goods and services used in the process of production. Cultural tourism accounted for \$8.4 billion of total GDP in 2000/01. This represented 1.3 per cent of Australia's total GDP and 27.7 per cent of tourism's contribution to GDP when averaged over the four years (Table 4.1).

Both tourism's and cultural visitors' share of GDP increased significantly in 2000/01, largely due to a price increase in tourism services resulting from introduction of the Goods and Services Tax (GST) in that year. Given that services comprise more than half of tourism consumption, product taxes were levied on a substantial component of tourism for the first time in 2000/01, so that taxes paid by visitors grew at a faster rate than overall product taxes collected for the whole economy⁴.

Industry gross value added measures the value of production exclusive of product taxes such as the GST, making it free from distortions in prices caused by changes in tax rates or the introduction of new taxes over time⁵. In nominal terms over the years 1997/98 to 2000/01 cultural tourism contributed between \$6.4 billion and \$7.0 billion to GVA, which was between 1.3 and 1.1 per cent of total industry GVA or 26.5 per cent of tourism's total contribution in 2000/01. Cultural visitors' proportional contribution to total tourism GVA varied over the period, with their greatest contribution in 1997/98 (30.8 per cent) before declining to 25.8 per cent in 1999/00, and increasing again in 2000/01 to 26.6 per cent. Almost \$4 billion (57 per cent) of cultural tourism's GVA in 2000/01 was generated from international cultural visitors. This is in contrast to overall tourism, where international visitors generated 24 per cent of GVA in 2000/01.

Interestingly, on average a dollar consumed by an international cultural visitor generates more GVA (\$0.45) than consumption by a domestic cultural visitor (\$0.42), implying higher levels of consumption by international cultural visitors of goods and services produced by industries which generate higher levels of GVA. GVA is a measure of the 'value' which a producer adds to the raw material goods and services purchased in the process of producing its output. Industries that generate higher than average levels of GVA are industries that are highly service orientated, such as accommodation, cultural and recreational services and education, or generate high levels of profit such as education and transport and storage.

⁴ Tourism Satellite Account, Australian National Accounts 2000/01, Australian Bureau of Statistics, Catalogue No 5249.0, Canberra 2002.

⁵ Further discussion by the ABS of the definition and difference between GDP and GVA can be found in Appendix C.

Because during the period 1997/98-2000/01 international cultural visitors had higher levels of expenditure than their domestic counterparts, it might be expected that GVA contributions would follow a similar pattern. However in 1997/98 and 1998/99 domestic cultural visitors contributed more to GVA than their international counterparts, despite international cultural visitors having higher expenditure levels. This is due to the distinction between expenditure and consumption, as not all international cultural visitors' expenditure is attributable to Australian consumption.⁶

Also, although in nominal terms domestic cultural visitor expenditure increased marginally in 2000/01 when compared to 1999/00, domestic cultural visitors' proportional contribution to total tourism GVA declined slightly. This was due to a slight decline in expenditure in real terms and a reallocation of domestic cultural visitors' spending patterns, away from industries that generate high levels of GVA. Besides these two notable exceptions trends in international and domestic cultural visitors' contribution to GVA followed a similar trend to their spending patterns covered in earlier sections.

Not surprisingly, transport and storage and accommodation generated cultural visitors' greatest contribution to GVA accounting for \$1.9 and \$1.8 billion of GVA in 2000/01. Cultural visitors' contribution to cultural and recreational services accounted for \$500 million worth of GVA, this was 36 percent of all tourism's GVA contribution to these services. Cultural visitors also accounted for 45 per cent of all tourism generated GVA from education. A breakdown of domestic, international and total cultural tourism's contribution to GVA over the four year period 1997/98 to 2000/01 by industry is given in Appendix B.

Table 4.1: Cultural visitors' contribution to Gross Domestic Product (GDP) and Gross Value Added (GVA) by visitor type 1997/98 - 2000/01

	1997/98	1998/99	1999/00	2000/01
Gross Domestic Product (\$billion)				
Cultural Visitors	7.7	8.0	7.3	8.4
Total Tourism	25.2	26.6	27.9	31.8
Australia	561.2	591.6	629.2	672.0
Cultural visitors GDP as a proportion of;				
Total Tourism (%)	30.7	30.2	26.1	26.4
Australia (%)	1.37	1.36	1.16	1.25
Gross Value Added (\$billion)				
Domestic Cultural Visitors	3.5	3.7	3.0	3.0
International Cultural Visitors	3.3	3.3	4.0	4.0
Total Cultural Visitors	6.9	7.0	6.4	7.0
Per cent	(30.8)	(29.5)	(25.8)	(26.6)
Total Tourism	22.4	23.7	24.8	26.3
Australia	514.8	542.6	577.8	611.9

Notes: Wages and supplements include items such as income, fringe benefits and superannuation etc.

All values are in current prices.

Figures in parentheses denote cultural visitors' percentage shares in total tourism.

Source: Bureau of Tourism Research estimates, based on data provided in the ABS Cat No 5249.0, 2002 and unpublished ATSA data received from the ABS.

⁶ Further discussion of the difference between tourism consumption and tourism expenditure can be found in the methodology (Section 2 and Appendix D).

4.2 Tourism consumption

Cultural visitors' contribution to tourism consumption ranged from \$14.5 billion to \$16.1 billion between 1997/98 and 2000/01. International cultural visitors' share of cultural tourism consumption was 55 per cent in 2000/01, up from 47.2 per cent in 1997/98, which is consistent with the decline in domestic cultural visitor expenditure and increase in international visitor expenditure over the four year period 1997/98 – 2000/01. International cultural visitors consumed \$8.6 billion worth of goods and services in 2000/01, which represented 5.7 per cent of Australia's and 51 per cent of tourism's total export earnings (Table 4.2).

Consistent with cultural tourism's contribution to GVA, the bulk of cultural tourism's consumption was in the transport and storage industry and accommodation, cafes and restaurants, accounting for \$5.2 billion and \$3.6 billion respectively in 2000/01. Retail trade was the industry with the third highest level of consumption by cultural visitors. Consumption by cultural visitors of cultural and recreational services also featured highly (\$956 million in 2000/01), accounting for 36 per cent of all tourism consumption in this industry.

Table 4.2: Cultural visitors' contribution to consumption by visitor type 1997/98 - 2000/01

Consumption (\$billion)				
Domestic Cultural Visitors	8.3	8.8	7.1	7.1
International Cultural Visitors	7.4	7.2	7.4	8.7
Total Cultural Visitors	15.8	16.1	14.5	15.7
Per cent	(30.1)	(29.0)	(25.0)	(25.6)
Total Tourism	52.5	55.5	57.9	61.4

Notes: All values are in current prices.

Figures in parentheses denote cultural visitors' percentage shares in total tourism.

Source: Bureau of Tourism Research estimates, based on data provided in the ABS Cat No 5249.0, 2002 and unpublished ATSA data received from the ABS.

4.3 Employment and wages

Tourism is an important source of employment in Australia, accounting for 6.0 per cent of total employed⁷ persons in the economy in 2000/01. There were an estimated 142 200 persons in cultural tourism generated employment in 2000/01. Tourism's share of total employment is greater than its share of gross value added (4.3 per cent). This is because on average, tourism tends to be more labour-intensive than other forms of economic activity. Not surprisingly, industries such as education, accommodation, retail trade and cultural and recreational services all have high levels of employment for their respective levels of tourism consumption.

The largest number of employees in cultural tourism generated employment were in accommodation, cafes and restaurants, which accounted for around 50 000 employees each year over the 1997/98 -2000/01 period. This was followed by the retail trade and the transport and storage industry where cultural tourism contributed to the employment of 30 600 and 26 000 employees respectively. Cultural and recreational services also featured highly, contributing to the employment of 10 600 persons or 40 per cent of all those employed in this industry by tourism (Table 4.3).

⁷ Tourism employed persons includes all persons employed in the tourism sector without consideration to actual hours worked. Due to a lack of available data for the years beyond 1997/98 it is not possible to determine the Full-Time Equivalent (FTE) employment for those years, however in 1997/98 513 000 tourism employed persons was equivalent to 388 500 FTE persons employed in the tourism sector. (ABS 2000)

In 2000/01 cultural tourism contributed \$4.4 billion to wages and supplements⁸ which in nominal terms was a slight increase from \$4.3 billion in 1997/98. Cultural tourism accounted for 27.5 per cent of tourism's total contribution to wages and supplements in 2000/01. This is higher than cultural tourism's contribution to total tourism employment (25.8 per cent) and GVA (26.5 per cent), implying a higher average income and higher levels of profitability in those industries to which cultural tourism contributes. On average over the four year period 1997/98 to 2000/01 a tourism employee earned \$27,300 per annum, whereas the average income for a cultural tourism employee was \$29,280 per annum.

The bulk of cultural tourism's wages and supplements were in accommodation, cafes and restaurants and transport and storage industries, both accounting for \$1.3 billion worth of wages in 2000/01. Highest paying industries per person employed were in transport and storage, transport equipment manufacturing, and education. Low paying industries were those which traditionally require lower skilled employees, including retail trade, cultural and recreational services (most likely due to volunteer employment) and beverage manufacturing.

Table 4.3: Cultural visitors' contribution to employment and wages and supplements by visitor type 1997/98 - 2000/01

Employment ('000)				
Domestic Cultural Visitors	84	84	67	65
International Cultural Visitors	71	67	69	78
Total Cultural Visitors	155	152	136	143
Per cent	(30.2)	(29.1)	(24.4)	(26.0)
Total Tourism	513	521	535	551
Australia	8 575	8 691	8 938	9 123
Wages and supplements (\$billion)				
Domestic Cultural Visitors	2.1	2.3	1.8	1.8
International Cultural Visitors	2.1	2.1	2.2	2.6
Total Cultural Visitors	4.3	4.4	4.1	4.4
Per cent	(31.6)	(30.6)	(27.1)	(27.5)
Total Tourism	13.6	14.4	15.1	16.0

Notes: Wages and supplements include items such as income, fringe benefits and superannuation etc.

All values are in current prices.

Figures in parentheses denote cultural visitors' percentage shares in total tourism.

Source: Bureau of Tourism Research estimates, based on data provided in the ABS Cat No 5249.0, 2002 and unpublished ATSA data received from the ABS.

⁸ Wages and supplements include items such as income, fringe benefits and superannuation etc.

5. Conclusion

Cultural visitors represent an important part of the tourism sector. On average over the four year period 1997/98 to 2000/01 there were a total of 21.8 million international, domestic overnight and domestic day visitors per annum who engaged in a cultural activity while travelling in Australia. This is on average 47 per cent of all international visitors, 13 per cent of all domestic overnight visitors and 6.7 per cent of all domestic day visitors. These cultural visitors spent on average a total of \$17.8 billion per annum, or 28 per cent of total tourism expenditure in Australia over the period. International cultural visitors accounted for \$9.7 billion or 54 per cent of this total cultural visitor expenditure.

Cultural visitors contributed proportionally more to the Australian economy in terms of GVA, GDP, employment, wages and consumption than their non cultural visitor counterparts. Both international and domestic cultural visitors on average travelled for more nights than non cultural visitors and spent more while travelling in Australia than non cultural visitors. In 2000/01 cultural visitors in Australia contributed 26.4 per cent to tourism's total GDP or 1.3 per cent of Australia's total GDP. Research has shown that in 2000/01 cultural visitors contributed;

- \$8.4 billion to GDP,
- \$7.0 billion to GVA,
- 143 000 to tourism persons employed,
- \$4.4 billion to wages and supplements,
- \$15.7 billion to consumption, and
- \$8.7 billion to export earnings.

In 1997/98 and 1998/99, international cultural visitors although spending more on their trip to Australia contributed less to the Australian economy than domestic cultural visitors, due to a portion of international cultural visitors expenditure accruing overseas. However, in 1999/00 and 2000/01 the decrease in domestic cultural visitors and the increase in international cultural visitors saw international cultural visitors' economic contribution outstrip that of domestic cultural visitors.

6. References

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Appendix A: Itemised Expenditure by Cultural Visitors 1997/98 – 2000/01

International cultural visitor expenditure

Itemised expenditure by international cultural and total international visitors 1997/98 -2000/01

	1997/1998		1998/1999		1999/2000		2000/2001	
	Cultural \$million	Total \$million	Cultural \$million	Total \$million	Cultural \$million	Total \$million	Cultural \$million	Total \$million
Organised tours	330	405	321	426	368	514	355	543
Airfares for travel within Australia	89	114	93	125	83	127	86	129
International airfares	2 109	3 827	2 212	4 148	2 231	4 611	2 567	5121
Rental and leasing fees for self-drive cars, rent-a-cars, camper vans	145	203	149	222	155	245	156	259
Petrol and oil costs for self-drive cars or other vehicles driven	81	107	83	115	91	142	116	175
Other transport fares, including fares for trains, coaches, ferries, taxis, limousines & public transport	192	284	201	309	217	344	251	398
Shopping (for use in Australia and take home)	1 099	1 826	1 082	1 864	978	1 884	1 208	2 215
Accommodation	1 886	2 812	2 052	3 160	2 172	3 536	2 661	4 262
Horse racing and Gambling	91	184	90	199	80	176	62	185
Entertainment such as theatres, movies, zoos, museums, nightclubs etc	155	205	159	219	156	229	227	325
Education fees	573	861	634	934	515	853	778	1 201
Phone, internet, fax &/or postage	143	218	140	217	115	187	140	213
Other	91	185	91	188	80	174	85	177
Package tour	2 450	3 510	2 392	3 710	2 271	4 138	2 806	5 107
Total	9 432	14 742	9 699	15 835	9 512	17 159	11 498	20 309
Visitor numbers	1 981 224	3 661 624	2 009 107	3 872 386	2 045 120	4 323 636	2 203 958	4 654 031
Visitor nights	62 455 932	88 882 686	63 723 521	95 106 198	66 752 929	106 342 906	79 741 650	123 416 246

Source: International Visitor Survey, Bureau of Tourism Research, 1998 – 2001, unpublished data.

Domestic overnight cultural visitor expenditure

Itemised expenditure by domestic overnight visitors 1997/98 – 2000/01

	1997/1998		1998/1999		1999/2000		2000/2001	
	Cultural \$million	Total \$million	Cultural \$million	Total \$million	Cultural \$million	Total \$million	Cultural \$million	Total \$million
Package (e.g. transport + show)	746	1 884	866	2 146	703	2 251	504	1 834
Taxis	53	324	54	370	36	352	56	409
Airline fares	635	4 042	703	4 259	579	4 285	650	4 536
Organised tours	94	243	121	260	134	325	120	305
Car hire costs	131	503	154	557	132	595	127	628
Fuel (petrol, diesel)	656	3 317	648	3 305	578	3 471	618	4 735
Vehicle maintenance or repairs	81	377	61	269	77	301	102	326
Other long distance transport costs	86	294	92	277	79	279	99	297
Other local transport costs	38	109	40	111	18	86	26	106
Accommodation (can include food)	1 621	6 788	1 626	6 957	1 295	7 018	1 543	8 157
Takeaways and restaurant meals	1 137	4 693	1 207	4 927	906	4 873	962	5 439
Groceries etc for self-catering	410	1 842	459	1 954	378	1 924	362	2 078
Alcohol, drinks (not already reported)	337	1 777	388	1 900	296	1 841	281	2 069
Shopping, gifts, souvenirs	1 006	3 652	962	3 659	776	3 864	841	4 353
Entertainment, museums, movies	361	982	351	974	306	878	318	1 172
Horse racing, gambling, casinos	82	366	66	345	48	270	46	299
Conference fees	44	234	37	226	42	218	30	183
Education, course fees	3	36	5	86	5	74	5	121
Other	191	1 094	180	1 047	168	1 303	158	1 034
21 or more destinations	0	239	0	228	0	58	0	148
Total	7 712	32 796	8 019	33 857	6 558	34 267	6 847	38 230
Overnight visitors ('000)	10 668	73 811	10 510	73 821	8 111	71 982	7 757	73 819
Visitor nights ('000)	65 360	293 456	66 161	296 711	52 446	287 292	47 974	291 629

Source: National Visitor Survey, Bureau of Tourism Research, 1998 – 2001, unpublished data.

Domestic day cultural visitor expenditure

Itemised expenditure of domestic day visitors 1997/98 – 2000/01

	1997/1998		1998/1999		1999/2000		2000/2001	
	\$million Cultural	\$million Total	\$million Cultural	\$million Total	\$million Cultural	\$million Total	\$million Cultural	\$million Total
Package (e.g. transport + show)	10	36	18	54	15	49	13	55
Taxis	2	34	1	40	1	43	3	52
Airline fares	4	275	2	245	0	285	3	417
Organised tours	19	39	8	29	5	46	5	44
Car hire costs	11	46	7	45	3	52	3	52
Fuel (petrol, diesel)	155	2 100	178	2 260	127	2 646	134	2 904
Vehicle maintenance or repairs	1	99	8	127	24	168	2	121
Other long distance transport costs	17	82	18	76	11	77	18	81
Other local transport costs	8	48	8	45	5	62	7	54
Accommodation (can include food)	0	0	0	0	0	0	0	0
Takeaways and restaurant meals	210	1 787	249	2 019	157	2 086	167	2 144
Groceries etc for self-catering	37	736	49	812	30	946	27	751
Alcohol, drinks (not already reported)	48	509	54	538	30	583	39	546
Shopping, gifts, souvenirs	260	2 955	246	3 109	164	3 546	209	3 779
Entertainment, museums, movies	134	391	147	421	94	365	92	501
Horse racing, gambling, casinos	8	146	6	212	4	107	2	103
Conference fees	1	84	1	83	1	45	0	29
Education, course fees	4	55	7	47	1	60	0	157
Other	41	826	42	759	25	869	25	788
Total	969	10 248	1 049	10 922	696	12 035	750	12 578
Day visitors ('000)	12 457	153 129	13 219	160 316	8 437	167 054	8 104	152 765

Source: National Visitor Survey, Bureau of Tourism Research, 1998 – 2001, unpublished data.

Appendix B: Cultural Tourism's Economic Contribution

Gross value added (GVA)

Domestic cultural tourism's contribution to Gross Value Added 1997/98 -2000/01

Gross value added	1997-98	1998/99	1999/00	2000/01
	\$million	\$million	\$million	\$million
Accommodation, cafes and restaurants	1 049.5	1 112.5	880.9	873.2
Transport and storage	750.8	820.6	675.7	683.9
Cultural and recreational services	260.9	270.2	233.6	222.5
Retail trade	341.7	343.3	272.4	280.8
Food manufacturing	100.7	110.7	87.5	84.1
Beverage manufacturing	61.7	69.1	50.5	51.3
Transport equipment manufacturing	28.3	34.4	25.7	24.2
Other manufacturing	214.9	205.4	162.7	171.4
Education	32.9	35.2	43.6	23.6
All other	691.9	732.2	583.7	592.6
Total	3 533.3	3 733.6	3 016.4	3 007.5

International cultural tourism's contribution to Gross Value Added 1997/98 -2000/01

Gross value added	1997-98	1998/99	1999/00	2000/01
	\$million	\$million	\$million	\$million
Accommodation, cafes and restaurants	747.2	759.3	841.5	939.1
Transport and storage	1 112.7	1 017.1	1 008.8	1 227.4
Cultural and recreational services	239.4	230.8	258.1	274.5
Retail trade	176.9	169.5	168.8	204.4
Food manufacturing	43.2	42.1	44.7	50.3
Beverage manufacturing	26.5	26.3	25.8	30.7
Transport equipment manufacturing	12.1	13.1	13.2	14.5
Other manufacturing	92.2	78.1	83.2	102.5
Education	338.7	415.9	429.5	482.5
All other	548.0	548.7	525.3	629.6
Total	3 336.9	3 301.	3 398.8	3 955.3

Total cultural tourism's contribution to Gross Value Added 1997/98 -2000/01

Gross value added	1997-98	1998/99	1999/00	2000/01
	\$million	\$million	\$million	\$million
Accommodation, cafes and restaurants	1 796.7	1 871.8	1 722.4	1 812.2
Transport and storage	1 863.5	1 837.7	1 684.5	1 911.3
Cultural and recreational services	500.3	500.9	491.7	497.1
Retail trade	518.6	512.8	441.2	485.2
Food manufacturing	143.9	152.8	132.2	134.3
Beverage manufacturing	88.2	95.4	76.4	82.0
Transport equipment manufacturing	40.5	47.5	38.9	38.6
Other manufacturing	307.1	283.5	245.9	273.9
Education	371.6	451.0	473.1	506.1
All other	1 239.8	1 280.9	1 109.0	1 222.1
Total	6 870.2	7 034.5	6 415.2	6 962.8

Source: Bureau of Tourism Research estimates, based on data provided in the ABS Cat No 5249.0, 2002 and unpublished TSA data received from the ABS.

*Tourism consumption***Cultural domestic tourism consumption 1997/98 – 2000/01**

	1997-98	1998-99	1999-00	2000-01
	\$million	\$million	\$million	\$million
Accommodation, cafes and restaurants	2 060.5	2 191.5	1 722.0	1 711.2
Transport and storage	2 034.7	2 225.0	1 839.2	1 855.7
Cultural and recreational services	501.8	518.9	447.9	428.0
Retail trade	1 185.9	1 236.2	959.7	967.0
Food manufacturing	399.8	439.5	347.3	333.7
Beverage manufacturing	200.4	224.1	164.2	165.6
Transport equipment manufacturing	81.0	98.5	73.7	69.2
Other manufacturing	625.2	595.3	472.3	499.0
Education	37.1	39.7	49.2	26.6
All other	1 194.1	1 262.2	1 007.2	1 017.5
Total	8 320.4	8 831.1	7 082.8	7 073.5

Cultural international tourism consumption 1997/98 – 2000/01

	1997-98	1998-99	1999-00	2000-01
	\$million	\$million	\$million	\$million
Accommodation, cafes and restaurants	1 467.0	1 495.8	1 644.9	1 840.4
Transport and storage	3 015.4	2 757.9	2 746.2	3 330.3
Cultural and recreational services	460.5	443.3	494.9	528.1
Retail trade	613.7	610.3	594.9	703.8
Food manufacturing	171.5	167.2	177.5	199.6
Beverage manufacturing	86.0	85.3	83.9	99.0
Transport equipment manufacturing	34.8	37.5	37.7	41.4
Other manufacturing	268.3	226.5	241.4	298.4
Education	382.2	469.3	484.6	544.5
All other	945.7	945.9	906.3	1 080.9
Total	7 445.1	7 239.0	7 412.2	8 666.3

Total cultural tourism consumption 1997/98 – 2000/01

	1997-98	1998-99	1999-00	2000-01
	\$million	\$million	\$million	\$million
Accommodation, cafes and restaurants	3 527.5	3 687.3	3 367.0	3 551.6
Transport and storage	5 050.1	4 983.	4 585.4	5 186.0
Cultural and recreational services	962.4	962.2	942.8	956.1
Retail trade	1 799.6	1 846.5	1 554.6	1 670.7
Food manufacturing	571.3	606.7	524.9	533.3
Beverage manufacturing	286.4	309.4	248.1	264.7
Transport equipment manufacturing	115.8	136.0	111.3	110.6
Other manufacturing	893.5	821.8	713.6	797.4
Education	419.3	509.0	533.8	571.1
All other	2 139.8	2 208.2	1 913.4	2 098.4
Total	15 765.5	16 070.1	14 495.	15 739.8

Source: Bureau of Tourism Research estimates, based on data provided in the ABS Cat No 5249.0, 2002 and unpublished TSA data received from the ABS.

Employment

Domestic cultural tourism's contribution to employment 1997/98 - 2000/01

	1997/98	1998/99	1999/00	2000/01
	('000)	('000)	('000)	('000)
Accommodation, cafes and restaurants	30.2	29.8	24.0	24.1
Transport and storage	11.3	12.0	9.4	9.2
Cultural and recreational services	5.6	5.7	5.2	4.6
Retail trade	21.8	22.4	17.0	16.3
Food manufacturing	1.8	1.9	1.5	1.3
Beverage manufacturing	0.9	0.9	0.7	0.6
Transport equipment manufacturing	0.4	0.4	0.3	0.3
Other manufacturing	3.0	2.6	2.1	2.0
Education	0.8	0.7	0.8	0.4
All other	7.7	7.9	6.1	6.2
Total	83.5	84.4	67.0	65.0

International cultural tourism's contribution to employment 1997/98 - 2000/01

	1997/98	1998/99	1999/00	2000/01
	('000)	('000)	('000)	('000)
Accommodation, cafes and restaurants	21.5	20.4	22.9	25.9
Transport and storage	16.7	14.9	14.0	16.4
Cultural and recreational services	5.2	4.9	5.8	5.6
Retail trade	11.3	11.1	10.5	11.9
Food manufacturing	0.8	0.7	0.8	0.8
Beverage manufacturing	0.4	0.3	0.3	0.4
Transport equipment manufacturing	0.2	0.2	0.2	0.2
Other manufacturing	1.3	1.0	1.1	1.2
Education	8.0	8.3	7.5	8.6
All other	6.1	5.9	5.5	6.5
Total	71.3	67.6	68.6	77.6

Total cultural tourism's contribution to employment 1997/98 - 2000/01

	1997/98	1998/99	1999/00	2000/01
	('000)	('000)	('000)	('000)
Accommodation, cafes and restaurants	51.7	50.2	46.9	50.0
Transport and storage	28.0	26.9	23.4	25.6
Cultural and recreational services	10.8	10.6	11.0	10.2
Retail trade	33.1	33.5	27.6	28.2
Food manufacturing	2.6	2.6	2.2	2.1
Beverage manufacturing	1.2	1.2	1.0	1.0
Transport equipment manufacturing	0.5	0.6	0.5	0.4
Other manufacturing	4.2	3.6	3.1	3.2
Education	8.7	9.0	8.3	9.0
All other	13.8	13.8	11.5	12.7
Total	154.8	152.0	135.6	142.5

Source: Bureau of Tourism Research estimates, based on data provided in the ABS Cat No 5249.0, 2002 and unpublished TSA data received from the ABS.

*Wages and supplements***Domestic cultural tourism's contribution to wages and supplements 1997/98 - 2000/01**

	1997/98	1998/99	1999/00	2000/01
	\$million	\$million	\$million	\$million
Accommodation, cafes and restaurants	749.9	806.6	633.2	628.5
Transport and storage	515.7	563.3	463.0	469.9
Cultural and recreational services	138.4	142.6	122.7	117.9
Retail trade	241.2	242.4	192.3	198.2
Food manufacturing	56.8	62.4	49.3	47.4
Beverage manufacturing	16.1	18.0	13.1	13.3
Transport equipment manufacturing	14.8	18.0	13.5	12.6
Other manufacturing	116.2	111.0	87.9	92.6
Education	29.0	31.0	38.5	20.8
All other	268.9	278.8	222.7	222.8
Total	2 146.8	2 274.1	1 836.2	1 824.1

International cultural tourism's contribution to wages and supplements 1997/98 - 2000/01

	1997/98	1998/99	1999/00	2000/01
	\$million	\$million	\$million	\$million
Accommodation, cafes and restaurants	533.9	550.6	604.9	675.9
Transport and storage	764.2	698.2	691.3	843.4
Cultural and recreational services	127.0	121.8	135.5	145.4
Retail trade	124.8	119.6	119.2	144.3
Food manufacturing	24.4	23.7	25.2	28.3
Beverage manufacturing	6.9	6.8	6.7	8.0
Transport equipment manufacturing	6.4	6.8	6.9	7.6
Other manufacturing	49.8	42.2	44.9	55.4
Education	299.0	367.1	379.1	425.9
All other	213.0	209.0	200.4	236.7
Total	2 149.3	2 145.9	2 214.1	2 570.9

Cultural tourism's contribution to wages and supplements 1997/98 - 2000/01

	1997/98	1998/99	1999/00	2000/01
	\$million	\$million	\$million	\$million
Accommodation, cafes and restaurants	1 283.8	1 357.2	1 238.1	1 304.4
Transport and storage	1 279.9	1 261.5	1 154.3	1 313.4
Cultural and recreational services	265.4	264.4	258.2	263.3
Retail trade	366.1	362.0	311.4	342.5
Food manufacturing	81.1	86.2	74.5	75.7
Beverage manufacturing	23.0	24.8	19.9	21.3
Transport equipment manufacturing	21.2	24.8	20.3	20.2
Other manufacturing	166.0	153.2	132.9	148.0
Education	328.0	398.1	417.6	446.7
All other	481.8	487.8	423.0	459.5
Total	4 296.1	4 420.0	4 050.3	4 395.0

Source: Bureau of Tourism Research estimates, based on data provided in the ABS Cat No 5249.0, 2002 and unpublished TSA data received from the ABS.

Appendix C: Tourism GVA and tourism GDP

“Tourism gross value added (GVA) and tourism gross domestic product (GDP) are the major economic aggregates derived in the Australian Tourism Satellite Account (ATSA). 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.

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.

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.

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).⁹

9 Source: Tourism Satellite Account, Australian National Accounts, Cat No 5249.0, 2000/01, Canberra, 2002.

Appendix D: Tourism Consumption

Tourism consumption is defined by the ABS 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.’ Included in this definition are both actual expenditure and imputation for the consumption by visitors of certain services for which they do not make payment. For example, tourism consumption includes an imputation for the value of non-market services provided directly to visitors, 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. From the ABS definition of ‘tourism consumption’ it is possible to determine the economic contribution.