Government use of inbound tourism statistics

Why does the Australian Government use tourism statistics?

Statistics underpin Australian Government activity:

- Policy development
- Market development
- Program management
- Policy and program evaluation
- Bilateral discussions
- Ministerial briefings
- Correspondence - Ministerial and Departmental
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Australian Government use of inbound tourism statistics?

Main collections contributing toward inbound tourism policy, investment, and operations include:

- Tourism Research Australia *International Visitor Survey*
- Australian Bureau of Statistics *Overseas Arrivals and Departures*
- Australian Bureau of Statistics *Australian Tourism Satellite Account*
- Australian Bureau of Statistics *Survey of Tourist Accommodation*

Other collections contributing toward inbound tourism policy, investment, and operations include:

- BITRE aviation data
- UNWTO data
- OECD data
- Macroeconomic indicators
- Industry indicators
- Consultants data and modelling
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An example from Australia – the impact of marketing

Identifying and understanding the issue:

- The Australian Government provides a significant investment in international tourism through marketing
- Due to the fragmented nature of Australia’s tourism industry, government assistance is required
- For transparency and economic equity, this assistance must be assessed

The Department engaged a third party economic consultant to undertake an assessment of the Tourism White Paper’s allocation of $121 billion to international tourism marketing
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Setting the task:
Assessment underpinned by computable general equilibrium modeling

• What return does the Government receive from its investment?

• Analysis of investment employed a range of collections
  • Marketing expenditure
  • Arrivals
  • Price
  • Income

• Scenarios developed and purpose-built models
  • Baseline scenario – incorporates the current level of assistance
  • Alternative scenario – assumes that there is no government expenditure on international tourism marketing

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An example from Australia – the impact of marketing

Australia’s inbound tourism sector…

• Strong growth since early eighties
• Around half the market are holiday makers

Source: ABS
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**Graph 1: Government Appropriations ($ million)**

- Nominal Govt Appropriation
- Real Govt Appropriation

Source: Various annual reports of TA and ATC, and Econtech’s estimates

**Graph 2: Travel Credits ($ billion)**

- Nominal Travel Credits
- Real Travel Credits

Source: ABS and Econtech’s estimates

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[Graph: Relationship between Government Appropriations and Visitor Arrivals]
Source: ABS and Econtech’s estimates

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[Graph: Relationship between Government Appropriations and Tourism Revenue]
Source: ABS and Econtech’s estimates
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**National Macroeconomic Effects: National Accounts**
(% change from baseline)

- Imports: -1.3%
- Exports: -1.3%
- Housing Investment: -0.2%
- Business Investment: 8.6%
- Private Consumption: -4.2%
- Gov. Spending: -0.1%
- Real GDP: -0.1%

Source: Econtech MM600+ Model

**External Impact: Exports, Imports and Exchange Rate**
(% change from baseline)

- Exchange Rate: 0.0%
- Exports: -1.3%
- Imports: -1.3%

Source: Econtech MM600+ Model

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Annual Federal Government Revenue Impacts
($ million, 2005 prices, deviations from the Baseline Scenario)

Source: Econtech MM900+ Model

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Annual Consumer Welfare Effects
($ million, 2005 prices, deviations from the Baseline Scenario)

Source: Econtech MM900+ Model
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Impact on Tourism-related Industries (% change from baseline)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Change from Baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation services</td>
<td>-4.6%</td>
</tr>
<tr>
<td>Restaurants, Hotels and Clubs</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Road Passenger Transport</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Air Transport</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Services to the Arts</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Sport</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Gambling Services</td>
<td>-4.4%</td>
</tr>
</tbody>
</table>

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Wider Industry Effects: Value Added (% deviations from the Baseline Scenario)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Change from Baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Mining</td>
<td>0.6%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>0.1%</td>
</tr>
<tr>
<td>Electricity, Gas &amp; Water</td>
<td>0.3%</td>
</tr>
<tr>
<td>Construction</td>
<td>0.2%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>0.6%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>0.6%</td>
</tr>
<tr>
<td>Accommodation &amp; Food Services</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Transport &amp; Storage</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Communication Services</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>0.1%</td>
</tr>
<tr>
<td>Property &amp; Business Serv.</td>
<td>0.2%</td>
</tr>
<tr>
<td>Govt Admin. &amp; Defence</td>
<td>0.0%</td>
</tr>
<tr>
<td>Education</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Health &amp; Cosmos. Serv.</td>
<td>0.8%</td>
</tr>
<tr>
<td>Cultural &amp; Recreation Serv.</td>
<td>0.7%</td>
</tr>
<tr>
<td>Personal &amp; Other Serv.</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Ownership of Dwellings</td>
<td>-0.2%</td>
</tr>
</tbody>
</table>

Source: EconTech MM:300+ Model
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An example from Australia – the impact of marketing

This study showed that the wider economy would be worse off without government assistance for tourism marketing:

- GDP would be 0.1% lower
- Employment in major tourism industries such as accommodation and aviation would be almost 10% lower
- Taxation revenue would be almost $400m lower
- Consumer welfare would be almost $1bn lower

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An example from Australia – the impact of marketing

This assessment integrated data from a range of collections:

- International trade
- National accounts
- Administrative (immigration data, departmental funding)