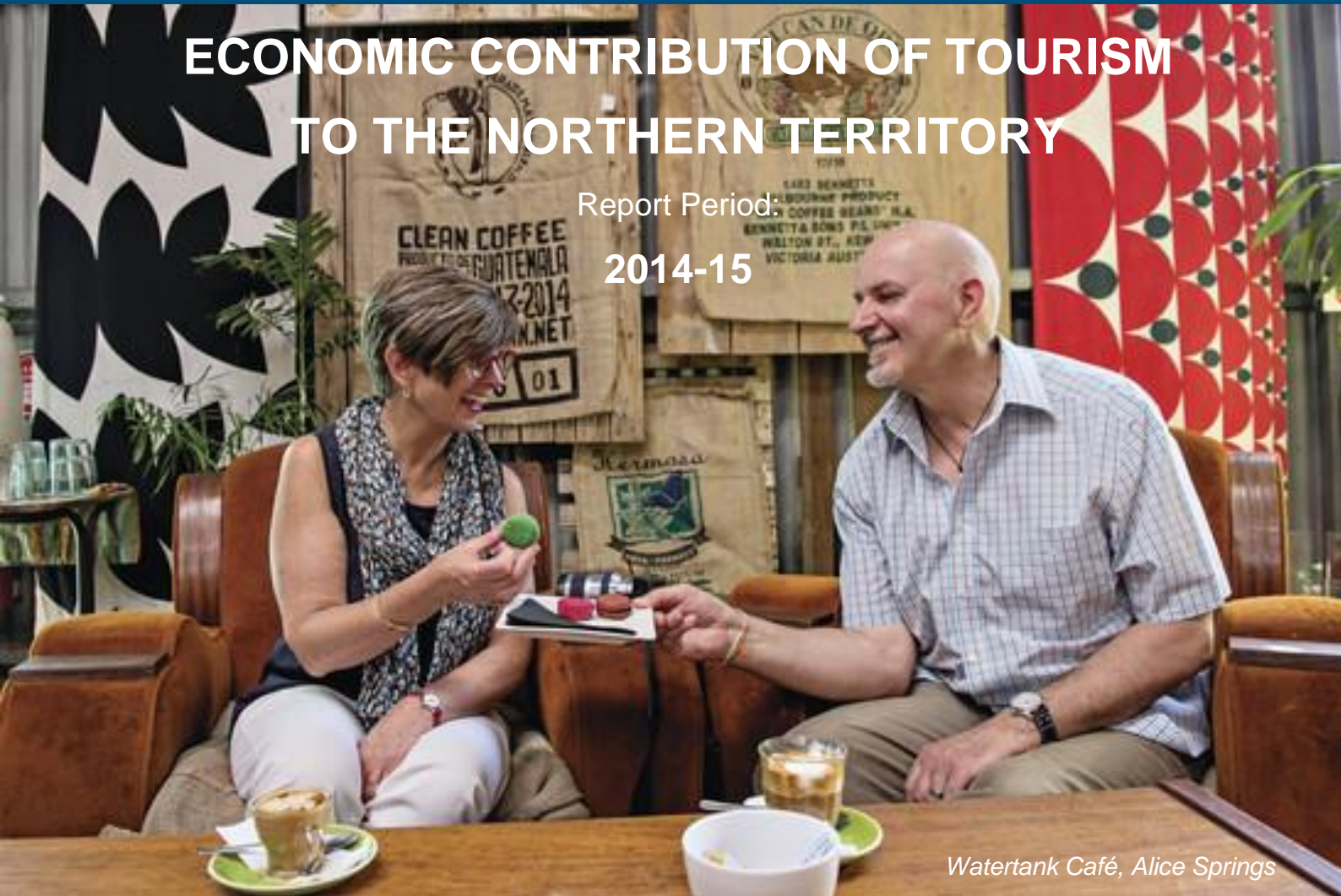


ECONOMIC CONTRIBUTION OF TOURISM TO THE NORTHERN TERRITORY

Report Period:
2014-15



Watertank Café, Alice Springs

OVERVIEW

Economy



AN IMPORTANT
EMPLOYING
INDUSTRY
**11.6% OR
15,500
PEOPLE**

**ECONOMIC
CONTRIBUTION
OF VISITOR ECONOMY**

\$1.8b
TOTAL GROSS VALUE ADDED

**DAE*
FIVE YEAR
OUTLOOK**

**3.5% PER ANNUM
AVERAGE ANNUAL
GROWTH RATE**
HIGHER THAN NATIONAL
RATE OF 2.6%

Tourism Research Australia's (TRA) State Tourism Satellite Account (State TSA) highlights the importance of tourism to each state and territory's economy. State TSA 2014–15 presents a comprehensive set of tourism data – direct and indirect and includes measures of the economic contribution of tourism to **Gross Value Added (GVA)**, **Gross State Product (GSP)** and **employment**. It also provides information about tourism consumption, output, taxation, the composition of the tourism industry and its interaction with other industries.

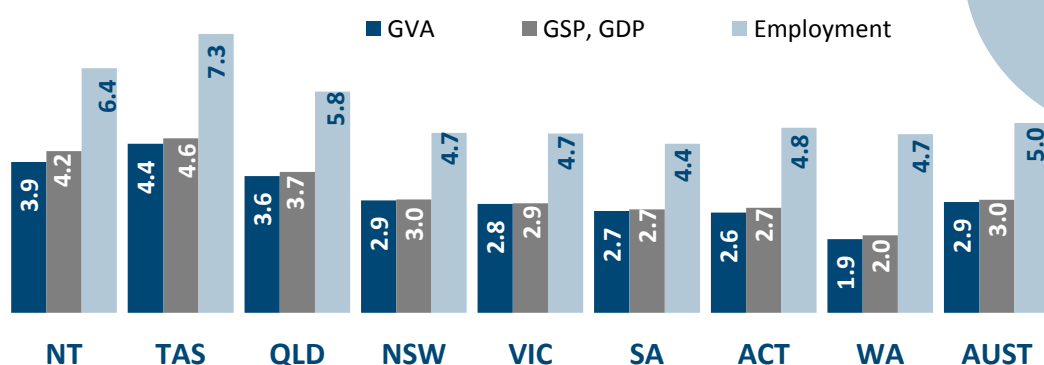
*Deloitte Access Economics' (DAE) forecast published in its Business Outlook June quarter 2016 report.

SUMMARY OF TOURISM VALUE

	DIRECT		INDIRECT		TOTAL	
	NT	AUST	NT	AUST	NT	AUST
GVA						
Tourism GVA (\$m)	874	43,446	890	43,215	1,765	88,661
Total GVA (\$m)	-	-	-	-	22,184	1,503,446
<i>Tourism share of GVA (%)</i>	3.9	2.9	4.0	2.9	8.0	5.8
GSP						
Tourism GSP, GDP (\$m)	976	47,501	976	50,081	1,952	97,582
Total GSP, GDP (\$m)	-	-	-	-	23,139	1,609,993
<i>Tourism share of GSP, GDP (%)</i>	4.2	3.0	4.2	3.1	8.4	6.1
Employment						
Tourism employment ('000)	8.5	580.7	7.0	341.4	15.5	922.1
Total employment ('000)	-	-	-	-	131	11651
<i>Tourism share of employment (%)</i>	6.4	5.0	5.2	2.9	11.6	7.9

DIRECT TOURISM VALUE

Tourism share (%) of NT economy



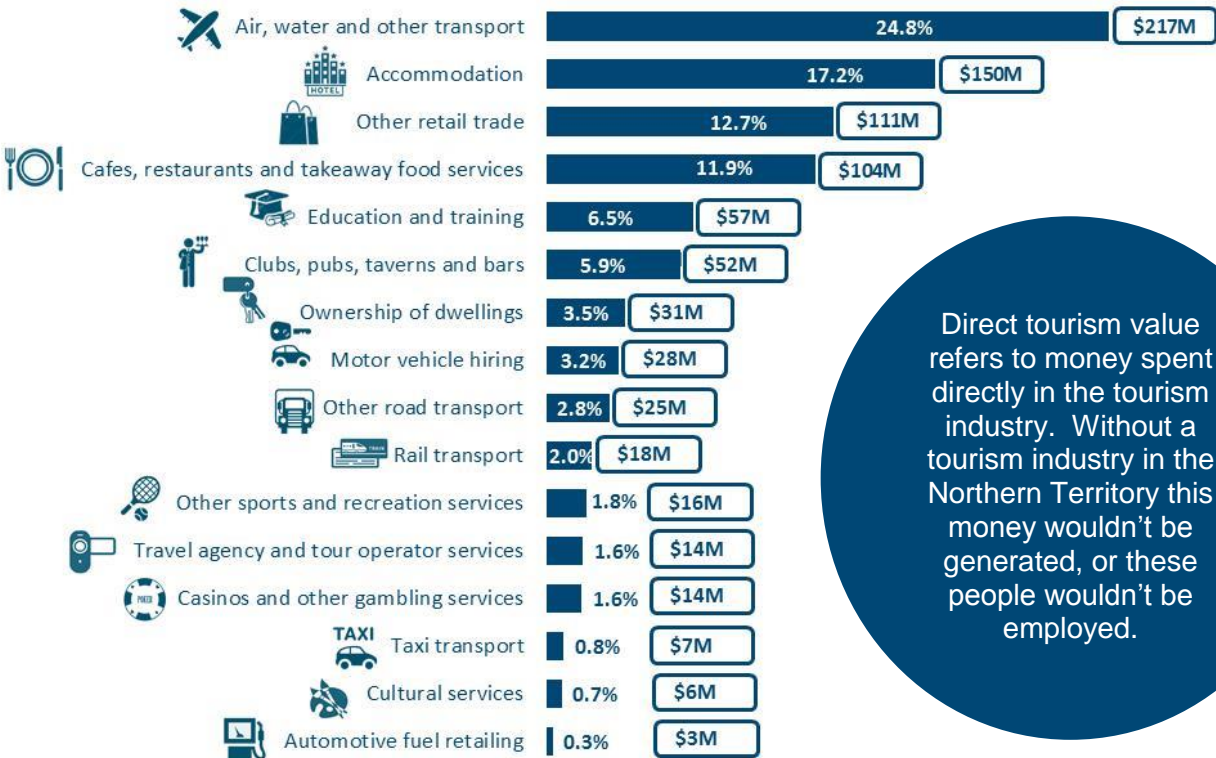
The NT has a high reliance on tourism compared to other states and territories

Tourism is a significant economic driver for the Northern Territory. Tourism in the Territory was estimated to be worth \$1.765 billion to the economy (GVA) and is an important employing industry

Direct Employment to the NT	('000)	Share (%)
Public administration and safety	23.0	17.2
Health care and social assistance	16.1	12.1
Construction	15.3	11.5
Education and training	11.1	8.3
Retail trade	9.5	7.1
<i>Tourism</i>	8.5	6.4

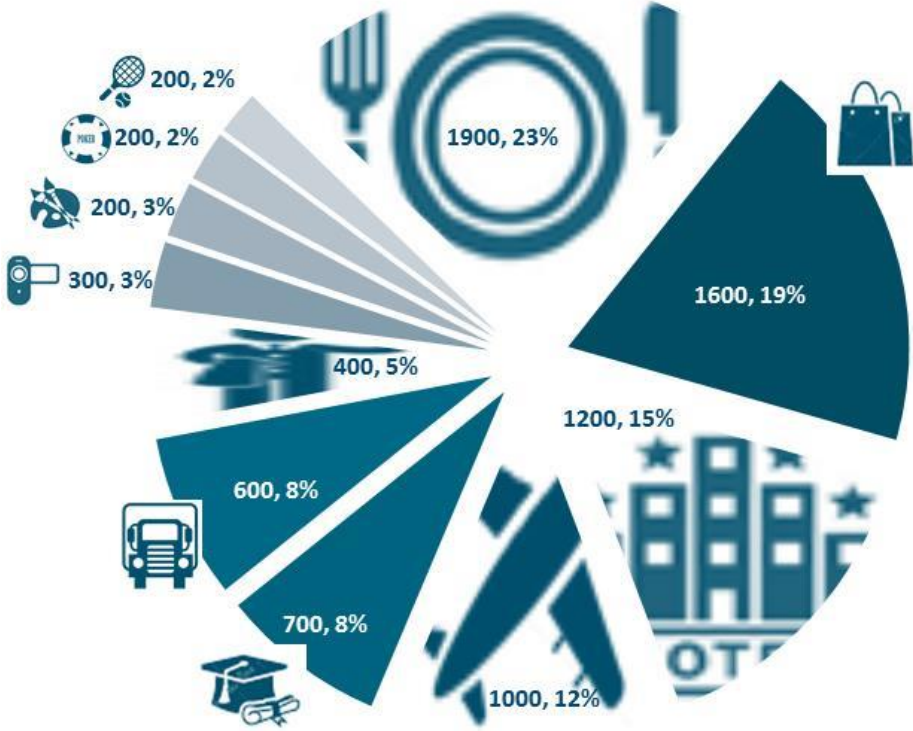
Direct GVA contribution to the NT	(\$ millions)	Share (%)
Construction	4,988	22.5
Mining	2,680	12.1
Ownership of dwellings	2,362	10.6
Public administration and safety	2,225	10.0
Health care and social assistance	1,404	6.3
Rental, hiring and real estate services	1,047	4.7
Transport, postal and warehousing	1,036	4.7
<i>Tourism</i>	874	3.9

Contribution of industry sectors to NT tourism GVA, basic prices



Direct tourism value refers to money spent directly in the tourism industry. Without a tourism industry in the Northern Territory this money wouldn't be generated, or these people wouldn't be employed.

Contribution of direct tourism employment by sector, persons employed



DEFINITIONS AND NOTES

Glossary

What is a Tourism Satellite Account? Tourism Satellite Accounts (TSA) are used to supplement the system of National Accounts by measuring the economic contribution of tourism. The TSA estimates the worth of the tourism sector by combining the contributions of various goods and services across the economy. This then makes it possible to compare the economic contribution of the tourism industry and its individual sectors to conventional industries.

Concept of tourism: Tourism is defined differently to other standard industries, such as manufacturing or transport, as it is defined by the nature of the consumer (demand side), rather than the process by which goods or services are produced (supply side). Tourism is a component of many other standard industries, as tourists create demand in a range of industries including accommodation, cafes, restaurants, retail trade and transport.

Basic price: The amount receivable by the producer from the purchaser for a unit of a good or service prior to any additional costs such as net commodity taxes or any margins required to facilitate transfer of the goods and services from the producer to the tourists. These additional costs are paid by consumers but received by other industries (e.g. transport) and government (tax revenue).

Employed person: A person aged 15 years or over who, during the reference week, worked for one hour or more for pay, profit, commission or payment in kind in a job or business or on a farm, or worked for one hour or more without pay in a family business or on a farm. Direct and indirect tourism employment is measured separately using the TSA framework and Input-Output modelling techniques respectively. Combined they provide an estimate of total tourism employment.

Tourism Gross Domestic Product (GDP): or Tourism Gross State Product (GSP): Tourism GVA plus net taxes on products that are attributable to the tourism industry. As such, it generally has a higher value than tourism GVA. Direct and indirect flow-on GSP are measured separately using the TSA framework and Input-Output modelling techniques, respectively. Combined, they provide an estimate of total tourism GSP.

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 receives from the production, and is measured in basic prices. Direct and indirect flow-on GVA are measured separately using the TSA framework and Input-Output modelling techniques, respectively. Combined, they provide an estimate of total tourism GVA.

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. For example, the direct effects of an increase in the number of visitors staying in hotel accommodation are the sales and any associated changes in payments for wages and salaries, taxes and supplies and services. These direct economic impacts are measured according to the TSA framework.

Indirect contribution of tourism: The subsequent or flow-on effects created by the requirement for inputs from those industries supplying goods and services to tourists. For example, in the case of the hotel industry this might include the fresh produce supplied to a hotel and the electricity used. These indirect economic impacts are measured using Input-Output modelling techniques as the TSA framework is not designed to produce such estimates at the state and territory level.

More information

For more detail on the methodology and results please refer to the full report or Tourism Research Australia's website: State Tourism Satellite Accounts 2014-15:

http://tra.gov.au/documents/Economic-Industry/State_Tourism_Satellite_Account_2016.pdf