



VICTORIAN TOURISM BUSINESS COUNT & EMPLOYMENT ATLAS

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Foreword

Tourism & Transport Forum (TTF) is proud to present the Victorian edition of our popular and respected tourism employment atlas to help inform politicians, business leaders, decision makers and the community about the value of tourism to the Victorian economy. In addition to its current contribution, tourism has been identified as a 'super-growth' industry that can provide future job and business opportunities across the state and help to deliver future prosperity around Australia.

The Victorian Tourism Business Count & Employment Atlas (the Atlas) provides information about tourism-related businesses and tourism employment in all Victorian electoral districts and regions. We hope the Atlas will help to reinforce the importance of tourism and the visitor economy to every piece of Victoria.



Margy Osmond
Chief Executive Officer

Tourism Snapshot

Tourism is a critical economic driver for Victoria, generating \$23.9 billion in overall expenditure for the state. Tourism contributed \$19.6 billion in state gross product (GSP) in 2012-13, including \$8.8 billion in direct GSP and another \$10.9 billion in flow-on indirect GSP, a 5.8% share of the Victorian economy.¹

A common perception is that tourism is just leisure travel – people on holidays or visiting friends and family. Yet the reality is that people travel to and around Victoria for many reasons, including education, business, to attend conferences, conventions or exhibitions, working holidays and more. All of these travellers contribute to the visitor economy, creating employment and business opportunities across Victoria.

Domestic and international visitors spend an average of \$53 million in Victoria every day.

Tourism employment estimates

The Australian Bureau of Statistics estimates direct tourism jobs at a national level through the Tourism Satellite Account. Building on this information, Tourism Research Australia provides state-level estimates for both direct and indirect jobs.

In 2012-13, this showed that tourism was responsible for 124,000 jobs across Victoria. There were also another 79,000 indirect jobs supported by tourism.²

Tourism employment extends far beyond travel agents and those who work in hotels. It includes chefs and cooks, transport workers from pilots to taxi drivers, tour guides and those who provide service to visitors across the state's cultural, attraction and entertainment offerings and in our retail stores.

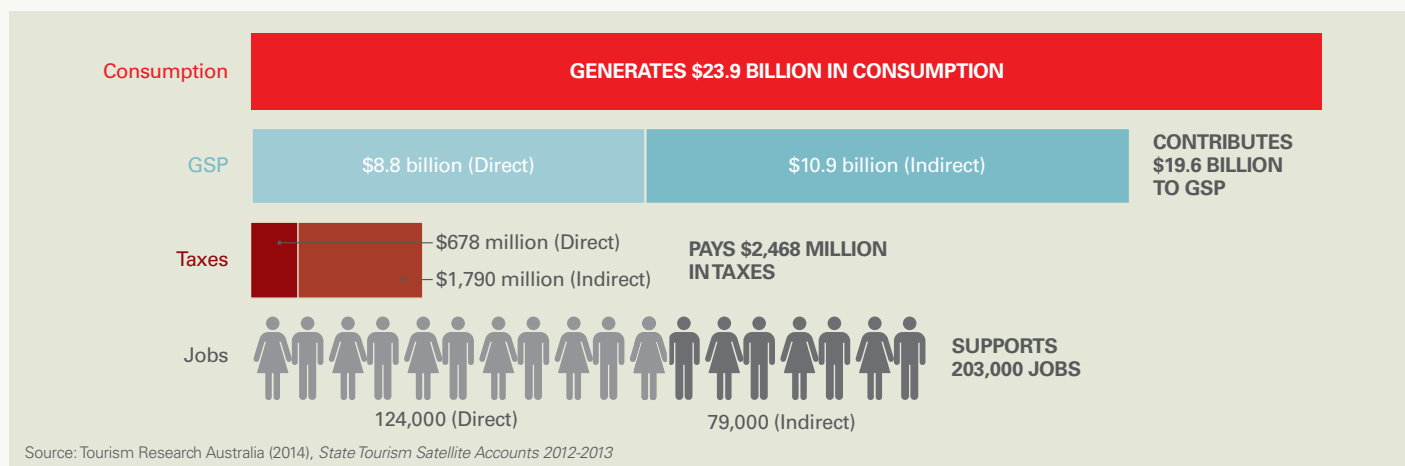
Tourism creates 124,000 direct jobs in the state and supports another 79,000 indirect jobs.

This Victorian edition of the Atlas also highlights the significant number of businesses which provide products and services and depend on the continuing strength of the visitor economy. There were approximately 70,000 tourism businesses in Victoria as at June 2013 across both tourism characteristic and tourism connected industries. Combined, these represent more than 13% of all businesses in Victoria.³

Every Victorian household would pay \$1,137 more in taxes without the tax revenue generated by tourism.

While the importance of tourism may seem obvious to those who live and work near some of Victoria's tourism drawcards such as the Great Ocean Road, Phillip Island and the Victorian Alps, the reality is that tourism is a key sector for many cities and regional areas across the state given the breadth and depth of the tourism offering. *The Victorian Tourism Business Count & Employment Atlas* seeks to highlight tourism's overall contribution to business activity and employment in each state lower house and upper house electorate to ensure that the significance of the visitor economy is better understood by decision makers and the entire community.

Figure 1 Victorian visitor economy impact



1. Tourism Satellite Account 2012-13, Australian Bureau of Statistics, cat. no. 5249.0 and State Tourism Satellite Accounts 2012-13, Tourism Research Australia 2. *ibid.* 3. Counts of Australian Businesses, Australian Bureau of Statistics, June 2013 (unpublished data)

NOTE: Tourism characteristic businesses are those that would either cease to exist in their present form or would be significantly affected if tourism were to cease, while tourism connected businesses are those for which a tourism product is directly identifiable, and where the products are consumed by visitors in volumes which are significant for the visitor or the producer

Victorian Tourism Business Count & Employment Atlas

Tourism is unique among industries as its output is determined by consumption spending – in this case the spending of tourists and other visitors. Measuring tourism spending requires identifying visitors and their expenditure patterns.

TTF's *Victorian Tourism Business Count & Employment Atlas* seeks to build on the national data available from the Australian Bureau of Statistics and Tourism Research Australia to provide estimates for each of Victoria's 88 Legislative Assembly (Lower House) districts and eight Legislative Council (Upper House) regions.

Our estimates are produced using a range of data, including:

- Australian Tourism Satellite Account 2012-13;
- State Tourism Satellite Accounts 2012-13;
- 2011 Census; and
- Counts of Australian Businesses 2013 (unpublished data).

TTF has defined a streamlined methodology to minimise the adjustments made to the underlying data. Improvements in the data available and modelled expenditure at the tourism region level have enabled the development of a more straightforward process than in earlier versions of the Atlas.

Due to these changes, along with related changes to the underlying methodology of the Tourism Satellite Account, comparisons to previous editions should not be made.

It is important to note, also, that these figures should be regarded as indicative estimates rather than accurate to the last job. There are a number of aspects of the underlying data which will impact the estimates. Two important aspects are:

- seasonality - for example, the Census is conducted in August, when some regions will be at their peak while others will be at seasonal lows; and
- place of residence – jobholders are counted at their place of residence rather than their place of work.

Tourism employment

Tourism is a key contributor to employment in Victoria, providing jobs across a broad set of related industries. While the number of jobs is the highest in the accommodation, retail and restaurant industries, tourism also contributes to employment in the transport, education and travel services industries, among others.

Figure 2 Tourism employment in Victoria

| Industry | Tourism employment |
|---|--------------------|
| Accommodation | 15,600 |
| Cafes, restaurants and takeaway food services | 35,500 |
| Clubs, pubs, taverns and bars | 8,000 |
| Rail transport | 500 |
| Road transport and transport equipment rental | 4,200 |
| Air, water and other transport | 7,500 |
| Travel agency and tour operator services | 5,200 |
| Cultural services | 2,500 |
| Casinos and other gambling services | 1,300 |
| Other sports and recreation services | 5,400 |
| Retail trade | 23,000 |
| Education and training | 10,200 |
| All other industries | 5,300 |
| Total | 124,400 |

NB: Industries ranked by tourism intensity

While almost two thirds of Victoria's jobs are in metropolitan areas, the importance of tourism employment to regional areas should not be underestimated.

The Atlas reveals that there are a number of areas where tourism employment represents a greater than average proportion of total employment. The top ten lower house electorates with the highest proportion of tourism employment are highlighted in Figure 3 below.

Figure 3 Lower house electorates with the highest intensity of tourism employment

| Rank | Electorate | Tourism employment | % of total employment |
|--------------|----------------|--------------------|-----------------------|
| 1 | Melbourne | 2,700 | 7.2% |
| 2 | Ovens Valley | 1,700 | 7.0% |
| 3 | Nepean | 1,300 | 6.5% |
| 4 | Sunbury | 2,000 | 6.5% |
| 5 | Eildon | 1,700 | 6.4% |
| 6 | Macedon | 1,600 | 6.4% |
| 7 | Brunswick | 2,100 | 6.1% |
| 8 | Essendon | 2,200 | 6.1% |
| 9 | Footscray | 1,700 | 6.0% |
| 10 | Gippsland East | 1,400 | 6.0% |
| Total | | 124,400 | 4.9% |

Of Victoria's eight upper house regions, Northern Metropolitan and Western Metropolitan are the most reliant on tourism jobs.

Figure 4 Upper house regions with the highest intensity of tourism employment

| Rank | Region | Tourism employment | % Of total employment |
|--------------|-----------------------|--------------------|-----------------------|
| 1 | Northern Metropolitan | 18,500 | 5.5% |
| 2 | Western Metropolitan | 18,300 | 5.4% |
| 3 | Southern Metropolitan | 17,500 | 5.1% |
| 4 | Northern Victoria | 14,300 | 5.1% |
| 5 | Western Victoria | 14,800 | 5.1% |
| Total | | 124,400 | 4.9% |



Tourism businesses

The Atlas also includes a count of businesses involved in the visitor economy, which clearly shows the importance of tourism across all districts and regions in the state. Across Victoria, there were approximately 70,000 tourism businesses as at June 2013, representing more than 13% of all businesses.

Tourism businesses fall into two categories: tourism characteristic and tourism connected businesses, with each category accounting for about half of all tourism businesses. The mix of businesses varies across regions, with regional areas more likely to have a greater concentration of tourism businesses.

Figure 5 Tourism-related businesses in Victoria

| Industry | Tourism businesses |
|---|--------------------|
| Accommodation | 2,910 |
| Air, water and other transport | 940 |
| Automotive fuel retailing | 890 |
| Cafes, restaurants and takeaway food services | 16,530 |
| Casinos and other gambling activities | 480 |
| Cultural services | 4,120 |
| Motor vehicle hiring | 400 |
| Other retail trade | 33,870 |
| Other sports and recreation activities | 2,490 |
| Pubs, taverns and bars | 1,890 |
| Rail transport | 50 |
| Taxi and other road transport | 3,930 |
| Travel agency and tour operator services | 1,190 |
| Total | 69,690 |



Methodology

The methodology used in the *Victorian Tourism Business Count & Employment Atlas* has changed since earlier editions were produced.

In preparing the Atlas, TTF has defined a streamlined methodology to minimise the adjustments made to the underlying data. Improvements in the data available from the Australian Bureau of Statistics (ABS) and modelled expenditure at the tourism region level by Tourism Research Australia (TRA) have enabled the development of a more straightforward process than in earlier versions of the Atlas.

Due to these changes, along with related changes to the underlying methodology of the Tourism Satellite Account (TSA), comparisons to previous editions should not be made.

To estimate tourism employment at the state district and region level:

- 1 The state TSAs are used to obtain a benchmark estimate of tourism employment by industry for the state.
- 2 The ABS' 2011 Census industry of employment data at SA2 level is corresponded to ABS State Electoral Districts to determine each electorate's share of employment for each tourism-related industry.
 - a. These shares are then applied to the TSA employment benchmark to calculate an initial employment estimate by industry type for individual electorates.
- 3 Recognising that tourism is more or less important as an employment generator in different areas of the state because of tourism patterns and overall industry size and mix, a localised tourism intensity ratio (TIR) is used to refine individual state district employment estimates.
 - a. The national TIR used by the ABS in the TSA is used as the starting point for this adjustment.
 - b. The localised TIRs are based on TRA's estimates of tourism expenditure against total output for Australia's Tourism Regions. The result provides an independent proxy of tourism importance for each Tourism Region based on the variation above or below the national average.
- 4 ABS correspondences between Tourism Regions, Statistical Areas 2 (SA2) geographies and the ABS State Electoral Division geographies are used to allocate the TIR location quotients for the Tourism Regions to individual state electorates. The localised TIRs were allocated to direct correlating SA2s which in turn were averaged for correlating state electorates.
- 5 These state electorate TIRs were then applied to the initial estimates of employment by tourism-related industry to produce final adjusted employment estimates.

Victorian Tourism Employment Atlas

LOWER HOUSE ELECTORAL DISTRICTS

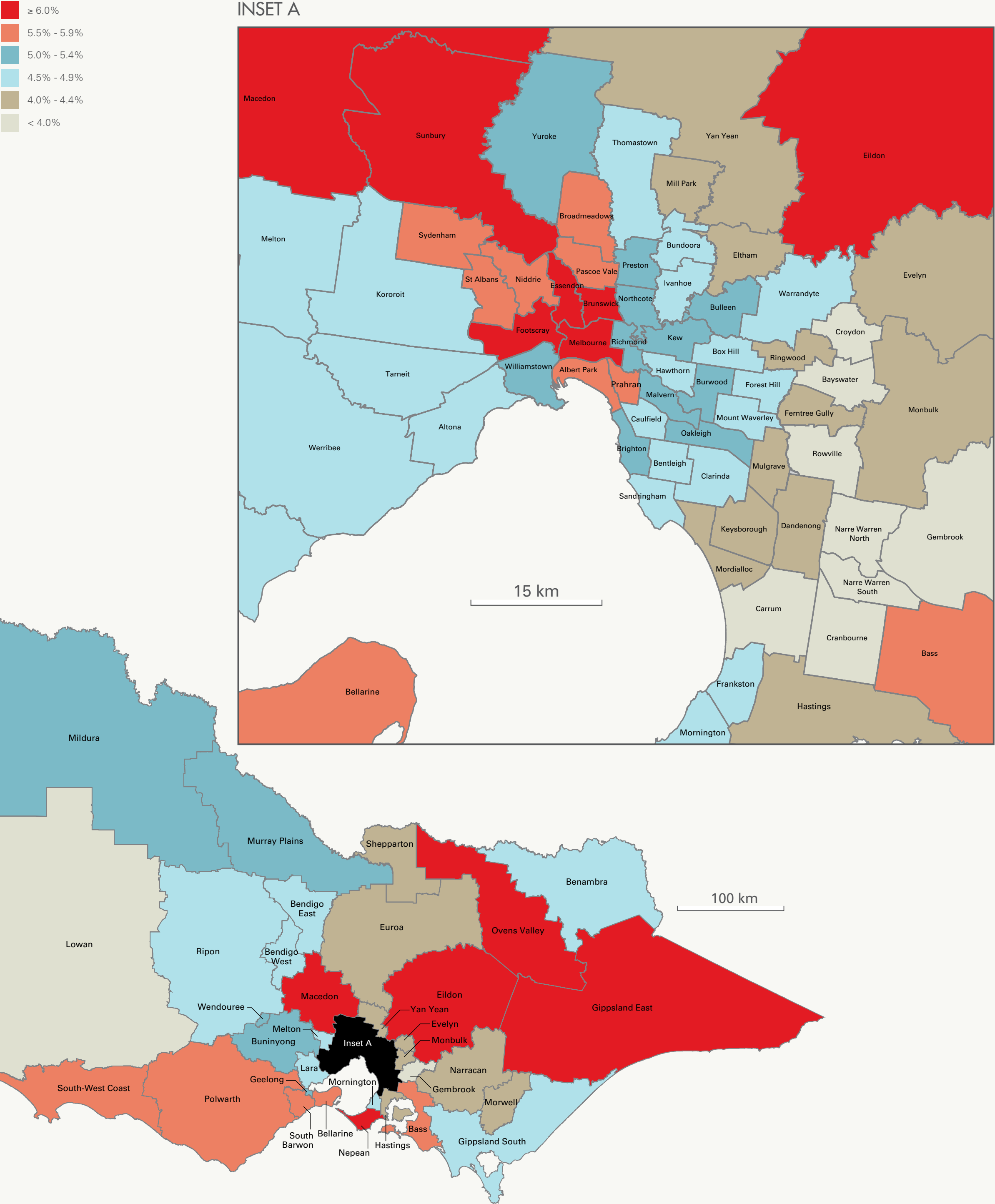


Figure 6 Tourism employment in Victoria, lower house electoralates

| District | Tourism employment | % District employment |
|--------------------|--------------------|-----------------------|
| Albert Park | 1,800 | 5.6% |
| Altona | 1,700 | 4.8% |
| Bass | 1,500 | 5.9% |
| Bayswater | 1,200 | 3.8% |
| Bellarine | 1,200 | 5.5% |
| Benambra | 1,200 | 4.5% |
| Bendigo East | 1,100 | 4.6% |
| Bendigo West | 1,300 | 4.7% |
| Bentleigh | 1,700 | 4.7% |
| Box Hill | 2,400 | 4.7% |
| Brighton | 1,400 | 5.1% |
| Broadmeadows | 1,900 | 5.5% |
| Brunswick | 2,100 | 6.1% |
| Bulleen | 1,500 | 5.3% |
| Bundoora | 1,600 | 4.8% |
| Buninyong | 1,100 | 5.2% |
| Burwood | 800 | 5.2% |
| Carrum | 1,300 | 3.9% |
| Caulfield | 1,100 | 4.8% |
| Clarinda | 1,100 | 4.7% |
| Cranbourne | 1,000 | 3.8% |
| Croydon | 1,500 | 3.9% |
| Dandenong | 1,100 | 4.1% |
| Eildon | 1,700 | 6.4% |
| Eltham | 1,500 | 4.2% |
| Essendon | 2,200 | 6.1% |
| Euroa | 1,100 | 4.1% |
| Evelyn | 700 | 4.0% |
| Ferntree Gully | 400 | 4.4% |
| Footscray | 1,700 | 6.0% |
| Forest Hill | 900 | 4.6% |
| Frankston | 1,200 | 4.5% |
| Geelong | 1,700 | 5.1% |
| Gembrook | 800 | 3.6% |
| Gippsland East | 1,400 | 6.0% |
| Gippsland South | 1,100 | 4.7% |
| Hastings | 1,100 | 4.1% |
| Hawthorn | 1,800 | 4.8% |
| Ivanhoe | 1,000 | 4.6% |
| Kew | 1,200 | 5.0% |
| Keysborough | 1,700 | 4.3% |
| Kororoit | 1,500 | 4.7% |
| Lara | 1,100 | 4.8% |
| Lowan | 1,200 | 3.9% |
| Macedon | 1,600 | 6.4% |
| Malvern | 1,300 | 5.0% |
| Melbourne | 2,700 | 7.2% |
| Melton | 1,400 | 4.6% |
| Mildura | 1,300 | 5.0% |
| Mill Park | 1,300 | 4.3% |
| Monbulk | 1,100 | 4.0% |
| Mordialloc | 1,000 | 4.2% |
| Mornington | 1,600 | 4.6% |
| Morwell | 1,300 | 4.2% |
| Mount Waverley | 1,200 | 4.8% |
| Mulgrave | 1,200 | 4.4% |
| Murray Plains | 1,200 | 5.0% |
| Narracan | 1,000 | 4.0% |
| Narre Warren North | 1,100 | 3.8% |
| Narre Warren South | 1,600 | 3.8% |
| Nepean | 1,300 | 6.5% |
| Niddrie | 1,200 | 5.6% |
| Northcote | 2,100 | 5.3% |
| Oakleigh | 2,100 | 5.1% |
| Ovens Valley | 1,700 | 7.0% |
| Pascoe Vale | 1,600 | 5.6% |
| Polwarth | 1,500 | 5.5% |
| Prahran | 3,200 | 5.9% |
| Preston | 1,000 | 5.2% |
| Richmond | 1,700 | 5.4% |
| Ringwood | 1,500 | 4.2% |
| Ripon | 1,100 | 4.6% |
| Rowville | 1,700 | 3.9% |
| Sandringham | 1,100 | 4.5% |
| Shepparton | 1,100 | 4.1% |
| South Barwon | 1,400 | 5.5% |
| South-West Coast | 1,500 | 5.6% |
| St Albans | 1,600 | 5.6% |
| Sunbury | 2,000 | 6.5% |
| Sydenham | 1,900 | 5.5% |
| Tarneit | 1,200 | 4.7% |
| Thomastown | 1,300 | 4.8% |
| Warrandyte | 1,300 | 4.9% |
| Wendouree | 1,500 | 5.4% |
| Werribee | 1,600 | 4.6% |
| Williamstown | 1,700 | 5.1% |
| Yan Yean | 1,000 | 4.1% |
| Yuroke | 1,200 | 5.1% |
| Total | 124,400 | 4.9% |

Figure 6 Tourism employment in Victoria, lower house electoralates

| Region | Tourism employment | % Region employment |
|----------------------------|--------------------|---------------------|
| Eastern Metropolitan | 14,300 | 4.5% |
| Eastern Victoria | 12,800 | 4.7% |
| Northern Metropolitan | 18,500 | 5.5% |
| Northern Victoria | 14,300 | 5.1% |
| South-Eastern Metropolitan | 13,900 | 4.1% |
| Southern Metropolitan | 17,500 | 5.1% |
| Western Metropolitan | 18,300 | 5.4% |
| Western Victoria | 14,800 | 5.1% |
| Total | 124,400 | 4.9% |

UPPER HOUSE ELECTORAL REGIONS

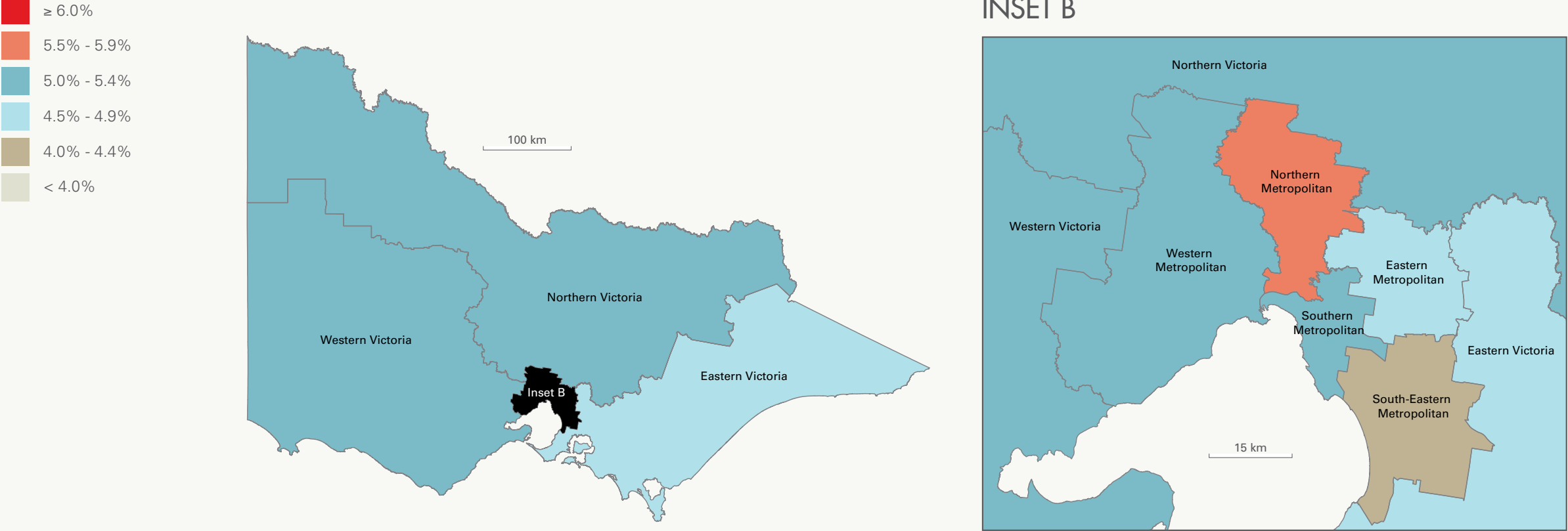


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