

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Environment portfolio

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Senator CANAVAN: Dr Reichelt, I have a couple of quick questions. I have a report that Deloittes Access Economics prepared for GBRMPA back in March 2013. I apologise that it is a little bit dated, but it came to my attention because of a newspaper article arguing that the contribution of tourism from the Great Barrier Reef is miles ahead of that from fishing and other activities and therefore should be prioritised. There is no doubt that tourism is very important. The figure in the report is quoted as \$5.1 billion of value added created from the Great Barrier Reef for tourism. My reading of this report seems to indicate, though, that that \$5 billion figure would include all tourism activities that occur in the Great Barrier Reef catchment area, which includes inland areas up to the Great Dividing Range; it includes Emerald and I think Belyando and Collinville. I do not think too many people go to Collinville because of the reef. But is that your understanding?

Dr Reichelt: It is. I would like to check before I commit unreservedly. In my understanding, it does include things like coastal accommodation and things that relate to visitors on the land. The perennial problem with any marine costing is how far inland you go, because everything is connected. I am just not sure of how much it includes along the coast.

Senator CANAVAN: But certainly areas like Collinville are not really connected to the reef; would you agree with that?

Dr Reichelt: Until recently some of the biggest increases in recreational fishing came during the mining boom.

Senator CANAVAN: This is not fishing, though; this is tourism. Rec fishing is separate. This is just the tourism element.

Dr Reichelt: Okay; sorry. From the tourism point of view, I do not associate the two very closely.

Senator CANAVAN: All statistics and all measurements—I am an economist; I certainly do not believe figures very often because I have been involved in having to create them many times—are rubbery, but these in particular seem to be a problem because it is not just the inland areas that are included. My reading of it is that tourism captures not just holiday leisure time but also visiting friends and relatives and business. Is that your understanding in the tourism costings for this report? It is a little bit opaque, I must say; it is hard to work out.

Dr Reichelt: I am sorry; I would need to check that on notice.

Senator CANAVAN: Perhaps you could check that on notice, because it seems that one section of this report calculates tourism and they get to a figure of \$6.4 billion, which is then translated into value added to \$5.1 billion, and the \$6.4 billion would seem to include visiting

friends and relatives. I have often done that, as my mum is from Ayr. But I do not go to Ayr to see the reef; I go for my nonna's spaghetti. This figure is being used to say that fishing does not matter because of all this tourism, but a lot of the tourism has nothing to do with coral, if you are visiting friends and family.

Dr Reichelt: I did not read the relatives things as the importance of those individual activities, but in dollar terms—

Senator CANAVAN: It is simple.

Dr Reichelt: It is, yes. Can I just say too that we estimate from our environmental management charge figures that just under two million paying customers go out on day trips to the reef per year, but in the outlook report there were estimates of between 13 million and 16 million day visits from people not connected to tourist operations.

Senator CANAVAN: Sure. Anyway, please take that final question on notice. It also includes business travel as well which, I believe, is about the same as the visiting of friends and relatives impact.

Dr Reichelt: Yes. There are also types of fishing. Charter fishing, is that a recreational activity or—

Senator CANAVAN: Or is it a tourism activity?

Dr Reichelt: Yes. I will check the details.

Answer:

The report by Deloitte Access Economics (2013) provides nested estimates of the economic contribution of the Great Barrier Reef to the Great Barrier Reef catchment, Queensland and Australia. The report uses a number of established measures of economic contribution including direct expenditure and the *value-added* economic contribution of a particular sector (which measures a sector's output less intermediate inputs sourced from other sectors. Value added is the sum of gross operating surplus, tax and labour income).

- The report indicates total Australia-wide expenditure and value-added economic contribution generated in the Reef catchment in 2012 was \$7 billion and \$5.7 billion respectively.
- Tourism activity accounted for most of this, with almost \$6.4 billion and \$5.2 billion in direct expenditure and value-added economic contribution respectively, and about 64,000 full-time equivalents generated by the tourism sector.
- Tourism is analysed in the primary data sources (Tourism Research Australia predominately) and in the report using an internationally accepted definition that involves the movement of people to countries or places outside their usual environment for personal or business/professional purposes for not more than one consecutive year.
- Therefore, activities such as visiting friends and relatives, and business travel are included as tourism activities in the report. However the report also provides a breakdown of expenditure by tourists in the Reef catchment in 2012 according to their reason for travelling (Table 3.5). Holiday and leisure travellers contribute a significant proportion of the direct tourism expenditure, accounting for almost \$3.7 billion of the direct expenditure of \$6.4 billion generated.
- Inland areas like Emerald, Collinsville and Charters Towers are within the Great Barrier Reef Catchment (Figure 1), and so tourism-related activities in inland centres are included in the figures on expenditure provided in the report.

- However the report also provides an analysis of tourism activity and expenditure that is directly attributable to Reef visitors, which is a subset of the wider catchment tourism activity. This Reef-related expenditure of about \$480 million contributed almost \$389 million to Australia's value-added in 2012 and generated employment equivalent to over 4,800 full-time jobs (Table 3.14). Note that the analysis outlined above only includes that activity subject to the Environmental Management Charge. Information provided by GBRMPA estimates there is a further 2.3 million in passenger transfers to islands.
- The \$193 million generated through commercial fishing and aquaculture in the Region in 2012 contributed \$160 million to the total value-added, and generated employment equivalent to 975 full-time jobs (Table 4.2).

The Great Barrier Reef Marine Park Authority considers charter fishing to be a tourism activity. Charter fishing operators are required to obtain a permit from the Great Barrier Reef Marine Park Authority for this activity. As Deloittes used Great Barrier Reef Marine Park Authority tourism activity information under *Tourism Case Study 2: Reef-related activity* (p. 19), charter fishing is captured specifically in that case study.