

Report to the  
Department of the Environment, Water, Heritage and the Arts

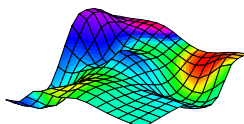
# Economic Activity of Australia's World Heritage Areas

Final Report

July 2008



Gillespie Economics



**BDA Group**  
*Economics and Environment*

## EXECUTIVE SUMMARY

Australia currently has 17 properties on its World Heritage (WH) List. As well as protecting the cultural and natural heritage for which they are listed, these sites can stimulate economic activity nationally and in the region, state or territory where they are located.

This economic activity arises from expenditures associated with management of the sites as well as expenditure of visitors to the sites.

The aim of this study was to:

- analyse and report on the economic activity and contribution of 15 of Australia's World Heritage Areas (WHAs) to the regional, state/territory and national economies<sup>1</sup>;
- analyse and report on the historical perspective of the financial costs and benefits of the operation of each WHA; and
- to the extent possible, separate and report on the financial costs of the World Heritage management component of each property (i.e. costs directly attributable to World Heritage status).

The framework used to undertake this study was Regional Economic Impact Assessment (REIA). REIA is primarily concerned with the effect of an impacting agent e.g. an individual or a business, on an economy in terms of a number of specific economic activity indicators, such as gross regional output, value-added, income and employment.

Based on visitation and management cost data provided by DEWHA and the state and territory agencies that manage the WHAs, input-output analysis was used to estimate the direct and indirect impacts of each WHA at the regional, state or territory and national level.

### ***Regional Analysis Results***

At the regional level, the 15 WHAs are estimated to contribute:

- \$7 011.4 million in annual direct and indirect regional output or business turnover;
- \$3 135.0 million in annual direct and indirect regional value added;
- \$2 117.3 million in direct and indirect regional household income; and
- 42 873 direct and indirect regional jobs.

### ***State/Territory Analysis Results***

NSW WHAs are estimated to contribute:

- \$4 203.3 million in annual direct and indirect state output or business turnover;
- \$1 898.2 million in annual direct and indirect state value added;
- \$1 252.1 million in direct and indirect state household income; and
- 21 704 direct and indirect state jobs.

---

<sup>1</sup> The Great Barrier Reef and Heard Island and McDonald Island World Heritage Areas have been excluded from the study due to their special complexities and governance arrangements.

Queensland WHAs are estimated to contribute:

- \$4 148.6 million in annual direct and indirect state output or business turnover;
- \$1 849.0 million in annual direct and indirect state value added;
- \$1 217.2 million in direct and indirect state household income; and
- 24 225 direct and indirect state jobs.

Victoria WHAs are estimated to contribute:

- \$948.9 million in annual direct and indirect state output or business turnover;
- \$973.8 million in annual direct and indirect state value added;
- \$267.8 million in direct and indirect state household income; and
- 5 235 direct and indirect state jobs.

Western Australia WHAs are estimated to contribute:

- \$83.7 million in annual direct and indirect state output or business turnover;
- \$37.6 million in annual direct and indirect state value added;
- \$24.7 million in direct and indirect state household income; and
- 503 direct and indirect state jobs.

South Australia WHAs are estimated to contribute:

- \$6.0 million in annual direct and indirect state output or business turnover;
- \$2.8 million in annual direct and indirect state value added;
- \$1.9 million in direct and indirect state household income; and
- 47 direct and indirect state jobs.

Tasmania WHAs are estimated to contribute:

- \$ 721.8 million in annual direct and indirect state output or business turnover;
- \$313.5 million in annual direct and indirect state value added;
- \$208.2 million in direct and indirect state household income; and
- 5 372 direct and indirect state jobs.

Northern Territory WHAs are estimated to contribute:

- \$ 257.1 million in annual direct and indirect territory output or business turnover;
- \$116.9 million in annual direct and indirect territory value added;
- \$70.4 million in direct and indirect territory household income; and
- 1 211 direct and indirect territory jobs.

### National Analysis Results

At the national level, the 15 WHAs contribute:

- \$16 104.3 million in annual direct and indirect national output or business turnover;
- \$7 246.1 million in annual direct and indirect national value added;
- \$4 111.5 million in direct and indirect national household income; and
- 83 349 direct and indirect national jobs.

95 per cent of these impacts are from visitor expenditure with the remainder from management expenditure. The regional, state/territory and national impacts of each WHA are summarised in Tables ES1 and ES2.

An important caveat on the above results is that in accordance with standard practice in regional economic impacts assessments of protected areas, the methodology used analysed all expenditure associated with visitors to the WHAs. There is no way to tell from the secondary data utilised, how much of that visitor expenditure is attributable to the WHAs alone.

The relative contribution of each of the WHAs to total impacts on the Australian economy is illustrated in the following Figure.

Figure ES1a: Impact of WHAs on the Australian Economy

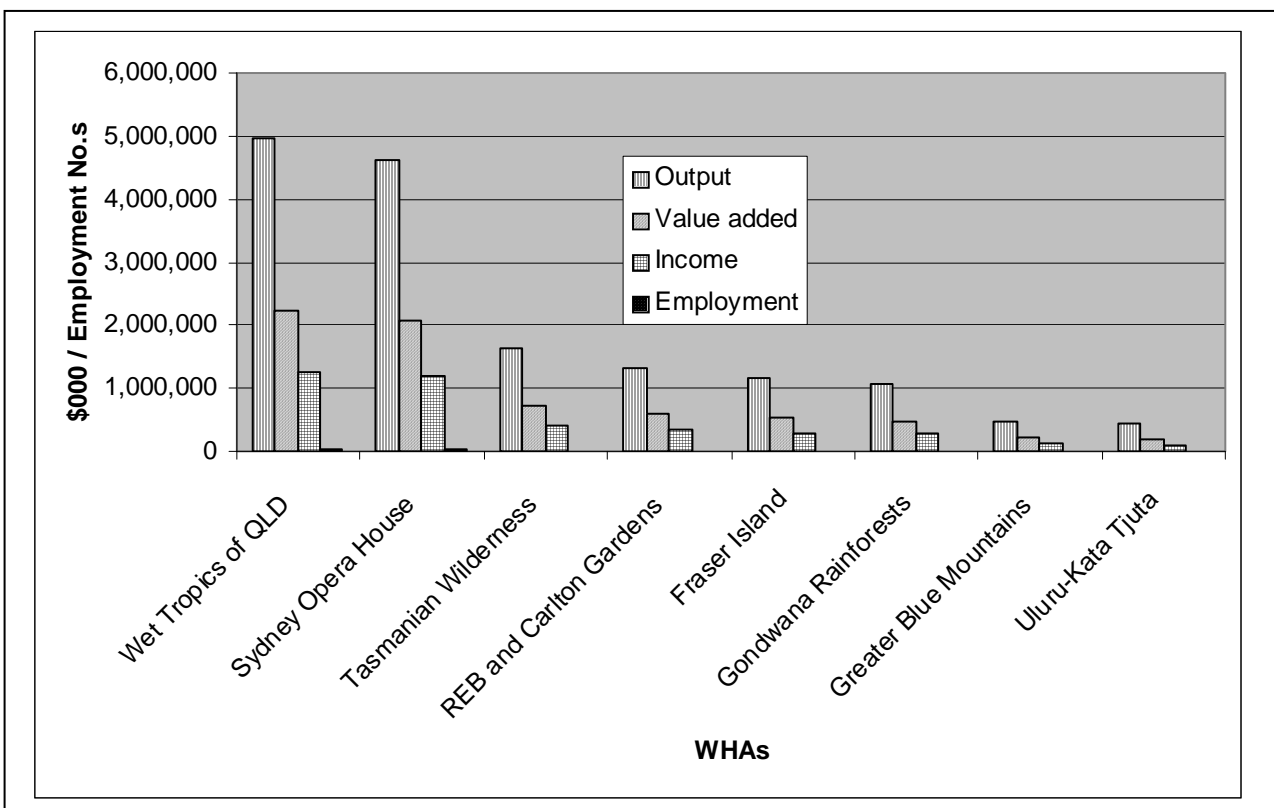
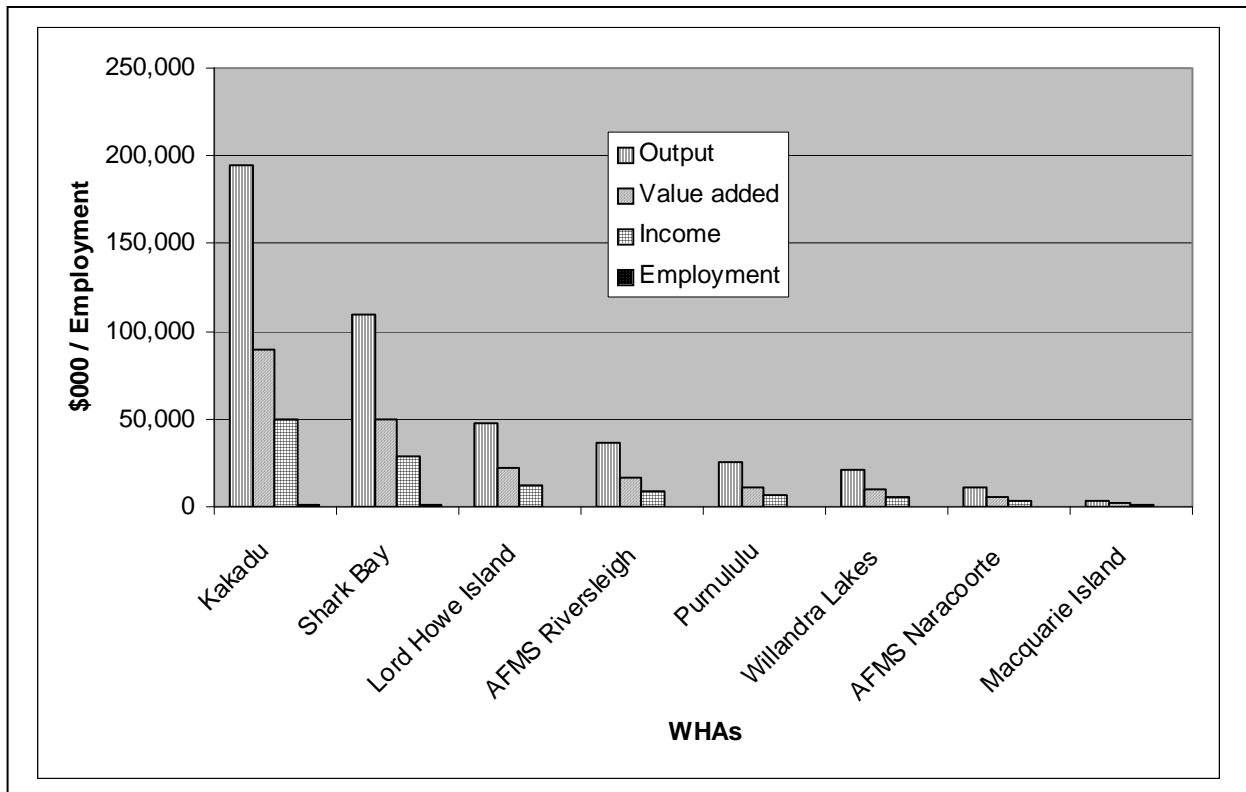


Figure ES1b: Impact of WHAs on the Australian Economy

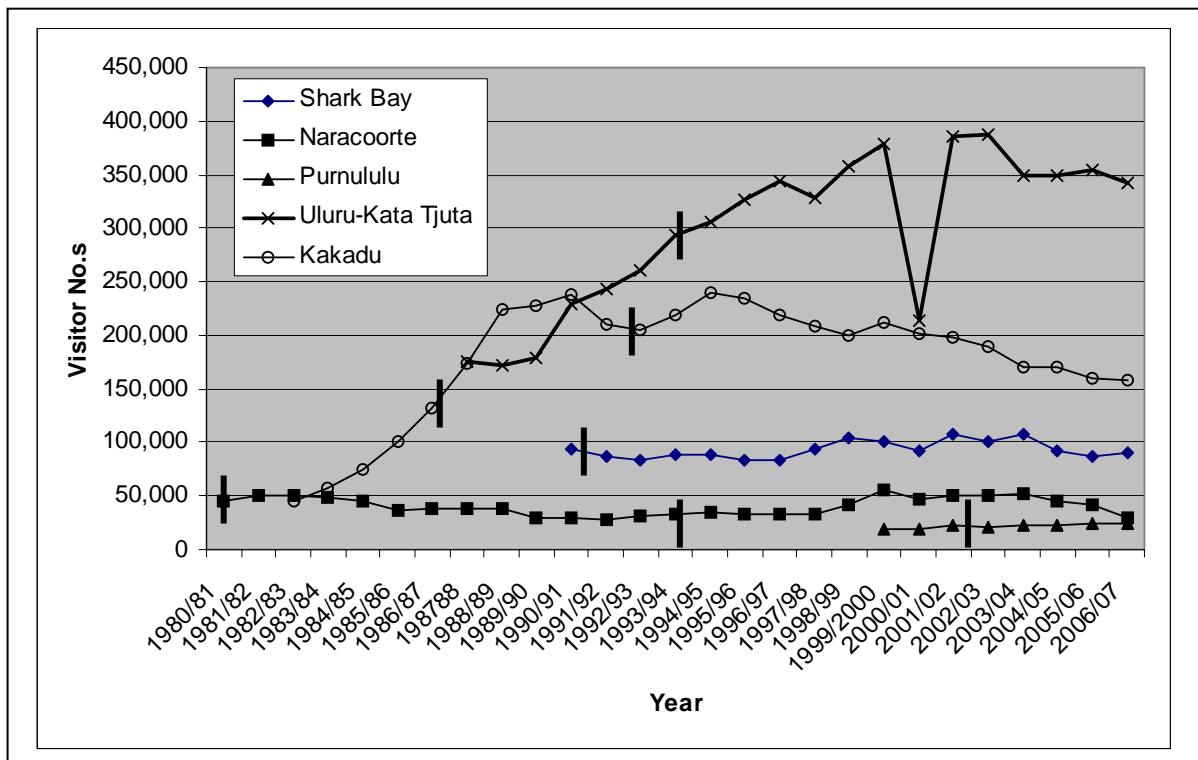


The Wet Tropics of Queensland and the Sydney Opera House are the two most significant WHAs in terms of economic impact. The Tasmanian Wilderness, Royal Exhibition Building and Carlton Gardens, Fraser Island and Gondwana Rainforests are the next most significant group of WHAs. The Greater Blue Mountains, Uluṛu-Kata Tjuṛa National Park and Kakadu National Park are the next most significant group. The other WHAs have more modest relative impacts at the national level.

These impacts relate to the expenditure of people who visit the WHAs and expenditure of the WHA management agency. However, management expenditure and visitation preceded inscription of these WHAs. An important question is therefore the degree to which designation of a site as WH status alters visitation and management expenditure and hence regional, state and national economic impacts.

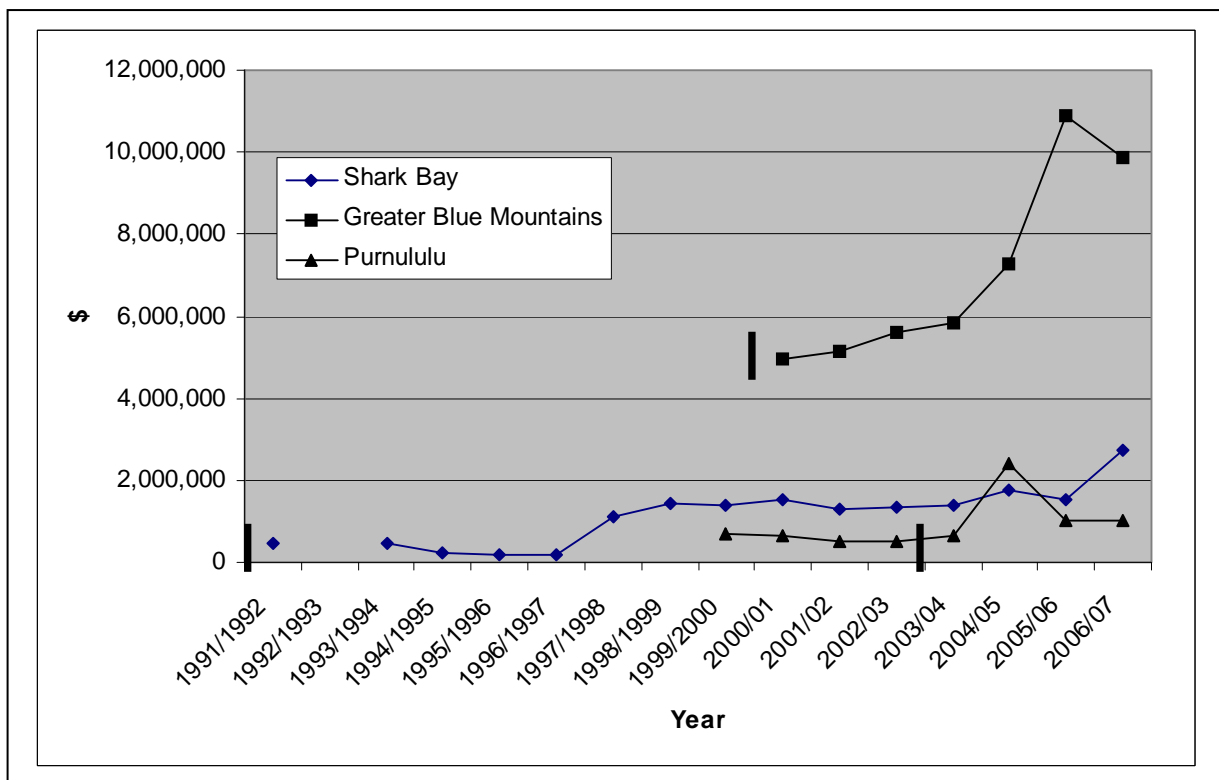
A starting point for considering this issue was to examine historical visitation and expenditure data spanning the WH inscription date, where this was available. This data is presented in Figure ES2 and ES3.

Figure ES2: Historical Visitation Data Spanning the WH Inscription Date



Denotes Inscription date

Figure ES3: Historical Management Expenditure Data Spanning the WH Inscription Date



Denotes Inscription date

For Shark Bay, Naracoorte and Purnululu there is no discernable change in visitation levels following WH inscription. For Kakadu, visitation levels do seem to have rapidly increased a couple of years after the first stage of WH listing. The second inscription was in the middle of a period of rapid growth in visitation levels with no change to this pattern after inscription. The third inscription was followed by an increase in visitation and then a gradual declining over time since 1995. For Uluru-Kata Tjuta National Park, WH listing was during a period of rapid growth in visitation, with no change in growth after inscription.

In relation to management expenditure patterns over time, for the Greater Blue Mountains, expenditure grew gradually for four years after inscription and then increased more rapidly to peak in 2005/06. For Shark Bay, management expenditure does not appear to have increased significantly until six or seven years after inscription. Management expenditure for Purnululu had a one-off increase a year or so after inscription and then dropped back more normal levels.

Interpreting this information is, however, difficult. Any before and after comparison is confounded by a number of factors. Firstly, we do not know what pattern we are looking for. Are we looking for changes at the listing date, before the listing date or after the listing date - because of the time taken for listing information to reach tourists etc.

Secondly, visitation levels and management expenditure over time may be affected by a wide range of economic, logistic and market factors as well as the WH listing itself. These factors include economic upturns and downturns, changes in oil prices, pilot strikes, major national tourism marketing campaigns etc. Attributing causal factors for any observed change in visitation or management expenditure is therefore problematic.

A key finding of the study is that the visitation and management cost data required to undertake a regional economic impact study was highly variable in quality. Some jurisdictions had little primary data regarding total visitation levels or total management expenditure and no jurisdiction held data regarding visitor characteristics and their expenditure patterns. Detailed historical data for both visitation and management costs was scant.

Future analysis of the regional, state and national economic impacts of WHAs and other protected areas would benefit from:

- more robust collection of data on visitation levels, demographic characteristics, length of stay, expenditure patterns in the region, state and nation and the importance of the WHA to the trip; and
- keeping management accounts on a WHA by WHA or park by park basis, including detail of expenditure items and location of expenditure.

Table ES1: Output and Value-added Impacts of World Heritage Areas at the Regional, State/Territory and National Level

	Output						Value-added					
	Impact of Management \$000			Impact of Visitors \$000			Impact of Management \$000			Impact of Visitors \$000		
	Regional	State/Territory	National	Regional	State/Territory	National	Regional	State/Territory	National	Regional	State/Territory	National
Wet Tropics of QLD	23,447	29,953	42,963	2,057,980	3,036,071	4,929,471	13,458	16,543	22,590	927,108	1,354,094	2,213,410
Sydney Opera House	187,306	222,195	273,668	2,409,538	3,221,314	4,332,166	95,436	112,342	135,426	1,069,617	1,447,520	1,947,549
Tasmanian Wilderness	13,709	19,652	35,841	424,088	700,445	1,590,124	6,102	9,037	16,577	182,556	303,576	711,357
REB and Carlton Gardens	4,771	6,329	7,775	687,943	940,552	1,315,845	1,941	2,670	3,354	292,674	671,140	589,803
Fraser Island	16,102	21,033	30,147	378,369	705,339	1,144,353	9,029	11,334	15,574	172,770	311,842	511,202
Gondwana Rainforests												
NSW		39,579			327,375			16,806			145,742	
QLD	34,133	12,932	68,486	357,167	336,613	994,352	14,465	6,191	30,181	158,081	148,777	444,150
Greater Blue Mountains	17,263	34,478	44,316	126,956	305,396	414,891	7,370	15,074	19,413	58,079	135,806	185,160
Uluru-Kata Tjuta	20,151	23,254	40,584	118,396	149,582	390,345	10,334	11,811	19,795	52,782	66,235	175,451
Kakadu	27,188	36,131	63,962	21,294	48,156	131,009	13,338	17,746	30,543	9,336	21,134	58,575
Shark Bay	4,105	6,416	9,053	30,534	60,763	100,339	2,735	3,798	5,046	13,796	26,751	44,868
Lord Howe Island	15,797	22,616	27,988	6,952	14,346	19,409	7,603	10,884	13,312	3,072	6,390	8,665
AFMS												
<i>Riversleigh</i>	198	324	474	7,396	21,893	35,698	128	189	257	3,350	9,666	15,937
<i>Naracoorte</i>	942	1,410	2,118	2,530	4,615	8,815	599	816	1,153	1,065	1,982	3,936
Purnululu	2,442	4,736	6,092	5,700	11,769	19,431	1,006	1,837	2,478	2,570	5,184	8,690
Willandra Lakes	3,758	6,418	7,992	3,797	9,557	13,014	2,103	3,383	4,094	1,689	4,242	5,802
Macquarie Island	867	958	1,825	552	749	1,702	539	579	984	240	325	761
<b>Total</b>	<b>372,179</b>	<b>488,414</b>	<b>663,284</b>	<b>6,639,192</b>	<b>9,894,535</b>	<b>15,440,964</b>	<b>186,186</b>	<b>241,040</b>	<b>320,777</b>	<b>2,948,785</b>	<b>4,660,406</b>	<b>6,925,316</b>



Table ES1: Output and Value-added Impacts of World Heritage Areas at the Regional, State/Territory and National Level

	Income						Employment					
	Impact of Management \$000			Impact of Visitors \$000			Impact of Management No.s			Impact of Visitors No.s		
	Regional	State/Territory	National	Regional	State/Territory	National	Regional	State/Territory	National	Regional	State/Territory	National
Wet Tropics of QLD	10,580	12,562	15,179	606,804	882,146	1,247,411	240	271	323	13,351	17,654	25,385
Sydney Opera House	77,979	86,089	91,630	758,404	943,588	1,099,875	1,179	1,348	1,638	12,165	16,448	22,246
Tasmanian Wilderness	4,828	6,716	10,431	123,395	200,761	399,687	194	228	287	3,886	5,131	8,205
REB and Carlton Gardens	1,523	1,962	2,112	203,958	265,853	335,028	31	39	45	3,787	5,196	6,814
Fraser Island	6,661	8,455	10,301	100,983	202,723	287,396	157	181	217	2,712	4,089	5,889
Gondwana Rainforests												
NSW		12,034			95,111			215			1,665	
QLD	10,064	4,404	19,034	87,053	97,077	250,747	225	90	377	2,314	1,938	5,076
Greater Blue Mountains	6,184	10,883	12,424	42,544	88,625	104,532	131	197	245	915	1,553	2,116
Uluru-Kata Tjuta	5,406	6,442	10,847	31,536	40,869	98,782	94	107	183	618	717	2,016
Kakadu	7,687	10,002	16,981	6,586	13,124	33,037	124	155	285	123	232	671
Shark Bay	2,074	2,774	3,335	8,573	17,360	25,222	36	46	58	247	366	517
Lord Howe Island	3,915	6,431	7,199	1,623	4,152	4,866	86	114	140	46	74	100
AFMS												
<i>Riversleigh</i>	107	146	176	2,288	6,301	8,985	2	3	4	51	126	183
<i>Naracoorte</i>	444	580	733	682	1,299	2,224	16	18	21	19	29	45
Purnululu	486	1,186	1,385	1,743	3,366	4,888	10	20	26	46	71	100
Willandra Lakes	1,575	2,434	2,660	967	2,773	3,281	31	42	50	26	48	66
Macquarie Island	463	482	685	169	214	428	7	8	11	4	5	9
<b>Total</b>	<b>139,976</b>	<b>173,582</b>	<b>205,112</b>	<b>1,977,308</b>	<b>2,865,342</b>	<b>3,906,389</b>	<b>2,563</b>	<b>3,082</b>	<b>3,910</b>	<b>40,310</b>	<b>55,342</b>	<b>79,438</b>