ACIL ALLEN CONSULTING

REPORT TO
PRINTING INDUSTRIES ASSOCIATION OF AUSTRALIA

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ECONOMIC CONTRIBUTION OF THE AUSTRALIAN MAILING INDUSTRY

CONTRIBUTION TO THE AUSTRALIAN ECONOMY

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ACIL ALLEN CONSULTING (2015) THE ECONOMIC CONTRIBUTION OF THE MAILING INDUSTRY, SYDNEY

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Overview

Quantifying the full scope of the Australian mailing industry is complicated because, like the tourism industry, it is not represented by a single sector in the traditional ABS national accounts. This report draws on a variety of techniques and information to capture a number of key activities that comprise the Australian mailing industry. In particular, we have been able to estimate the size of the following three groups:

— Direct mail services which include postal and courier services (Group A)
— Mail management services within other businesses (Group B)
— Mail advertising services (Group C).

We also identified a number of other mailing industry activities that directly support the industry but we have not been able to quantify these activities in economic or employment terms because of lack of available data. These include:

— printers focussed on producing mail-related products
— marketing and advertising services focussed on producing mail-related products
— production of catalogues inserted into addressed mail
— equipment providers and other service businesses who play a key role in supporting mail-related operations.

The total value added by those groups that could be quantified (direct mail, mail management services and mail advertising services) was found to be $14.1 billion in 2013-14 which represented 0.9 per cent of Australia's GDP

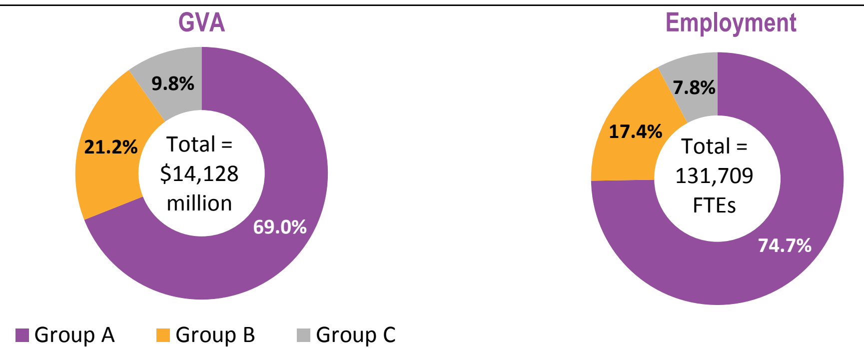
— 69 per cent of GVA ($9.8 billion) was attributable to direct mail services (Group A)
— 21 per cent of GVA ($3.0 billion) was attributable to mail management services (Group B)
— 10 per cent of GVA ($1.4 billion) was attributable to mail advertising services (Group C).

Total employment in these groups was estimated to be 131,709 FTE which represented about 1.4 per cent of total full time equivalent employment (FTE) in Australia:

— 75 per cent (98,429 FTE) was attributable to direct mail services (Group A)
— 17 per cent (22,960 FTE) was attributable to mail management services (Group B)
— 8 per cent (10,320 FTE) was attributable to mail advertising services (Group C).

The share of direct and indirect contribution (GVA and employment) of Group A, B and C at the national level is shown in Figure ES 1.

FIGURE ES 1 – **ECONOMIC CONTRIBUTION OF THE AUSTRALIAN MAILING INDUSTRY TO AUSTRALIA, 2013-14 ($ MILLION AND PER CENT OF TOTAL)**



NOTE: GVA = GROSS VALUE ADDED. FTE = FULL TIME EQUIVALENT.
SOURCE: ACIL ALLEN CONSULTING, 2015.

The distribution of GVA and employment across the states/territories is proportional to size reflecting the fact that demand for postal services is proportionate to population and that the supply is closely linked to the people the industry is servicing. For example, the largest economic contribution arises in NSW at $4.0 billion followed by Victoria at $3.4 billion.

The same applies to employment. The largest employment occurred in NSW and Victoria at 37,767 and 34,445 FTEs respectively.

TABLE ES 1 – **ECONOMIC CONTRIBUTION AND EMPLOYMENT BY STATE (2013-14)**

	GVA	Employment
	$Am	FTE jobs
New South Wales	3,972	37,767
Victoria	3,358	34,445
Queensland	2,182	22,336
Western Australia	1,803	13,701
South Australia	913	8,763
Tasmania	226	2,204
Australian Capital Territory	208	1,416
Northern Territory	84	757
Australia	**14,128**	**131,709**

SOURCE: ACIL ALLEN CONSULTING

While the economic contribution in the Greater Capital City Statistical Areas (GCCSAs) is around three times that of the regional areas, postal services generate significant economic and employment activity in regional areas.

The economic contribution for Groups A and B was $9.8 billion in the GCCSAs compared to $3.0 billion in the regional areas in 2013-14.

Employment in Group A and B mail industries was 90,708 for the GCCSAs and 30,681 for regional areas in 2013-14.

FIGURE ES 2 – **ECONOMIC CONTRIBUTION OF GROUP A & B FOR GCCSA AND REST OF AUSTRALIA, 2013-14 ($ MILLION AND FTES)**

Note: 1. The GCCSA figures here are the sum of all eight GCCSAs in Australia. Rest of Australia figures are the difference between the Australian national wide figure and the GCCSA figures.

2. Group C is reported only at national level; it cannot be further broken down into states due to the lack of data. Group C contributes $1,381 million to the Australian GVA and 10,320 FTEs to employment (in addition to the figures reported in the chart above).

SOURCE: ACIL ALLEN CONSULTING, 2015

Direct mail services (Group A)

Direct mail services include postal services and courier services. Australia Post dominates postal services but competes with other services providers in the courier services market. Direct mail services generate significant indirect economic activity.

The total contribution of Group A was $9.8 billion in 2013-14 comprising:

— $5.1 billion from direct economic activity

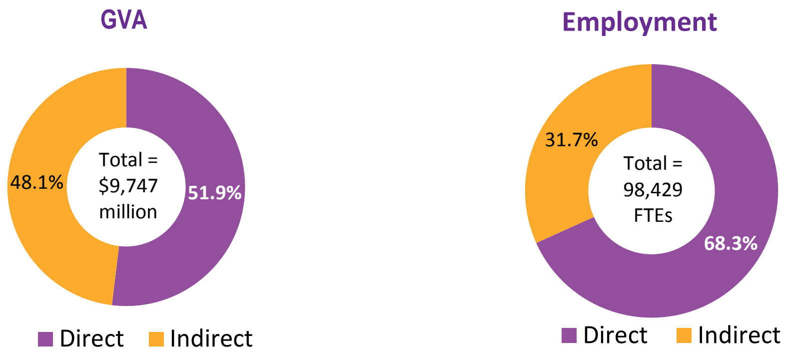
— $4.7 billion from indirect economic activity.

Total employment was 94,429 FTEs which was made up of:

— 67,190 FTEs in direct economic activity

— 31,239 FTEs in indirect economic activity.

FIGURE ES 3 – **ECONOMIC CONTRIBUTION OF GROUP A AT NATIONAL LEVEL, 2013-14 ($ MILLION AND PER CENT OF TOTAL)**



NOTE: GVA = GROSS VALUE ADDED. FTE = FULL TIME EQUIVALENT.
SOURCE: ACIL ALLEN CONSULTING, 2015.

Value added by Australia Post was $3.5 billion in 2013-14 which represents around 36 per cent of GVA of Group A and 25 per cent of total mail industry activities (Groups A, B and C) in that year.

Total employment in Australia Post was around 31,600 FTE employees in 2013-14 (Australia Post, 2014). This represents 32 per cent of Group A activities and 24 per cent of employment in total mail industry activities.

Mail management services (Group B)

Group B captures the activities of managing mail within businesses/industries outside of Group A. In particular, Group B captures the activities by employees, who are predominantly employed for the purposes of management of physical mail in mail rooms or delivery services (for businesses that are not part of Group A).

It is estimated that, in 2013-14, Group B contributed $3 billion in terms of gross value added to the national economy and created employment for 22,960 FTEs. These were direct impacts as it was not deemed credible to estimate indirect impacts for Group B based on the information available.

Around a quarter of total GVA and employment for Group B arose in regional areas. It was estimated that the total GVA for the GCCSAs was $2.29 billion in 2013-14 and $0.71 billion in regional areas. Total employment was in GCCSA areas was 16,807 FTEs in 2013-14 and 6,157 in regional areas (Figure ES 4).

FIGURE ES 4 – **ECONOMIC CONTRIBUTION OF GROUP B FOR GCCSA AND REST OF AUSTRALIA, 2013-14 ($ MILLION AND FTES)**

Note: The GCCSA figures here are the sum of all eight GCCSAs in Australia. Rest of Australia figures are the difference between the Australian national wide figure and the GCCSA figures.

SOURCE: ACIL ALLEN CONSULTING, 2015.

Mail advertising services (Group C)

Group C comprises industries that are associated with producing printed advertising or other material and distributed through the mail; such as the catalogue industry that prints and distributes printed advertising material to promote marketing activities.

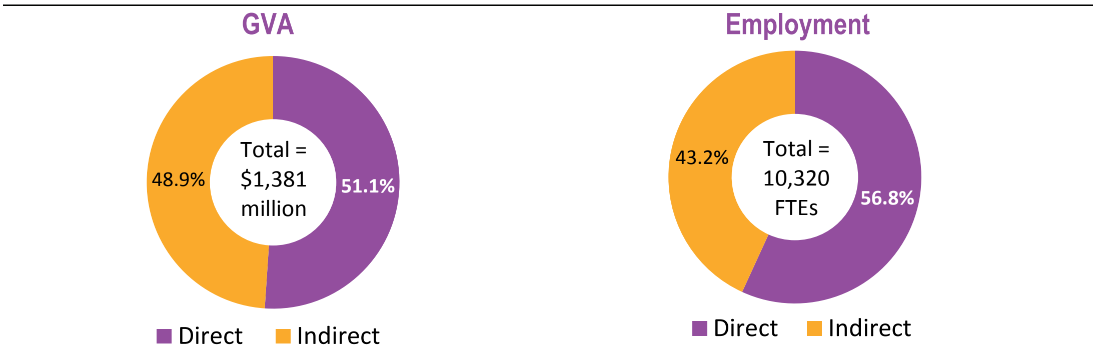
The total contribution of Group C was $1.4 billion in 2013-14 comprising:

— $705 million from direct economic activity
— $676 million from indirect economic activity

Total employment was 10,320 FTEs which was made up of:

— 5,866 FTEs in direct economic activity
— 4,454 FTEs in indirect economic activity.

FIGURE ES 5 – **ECONOMIC CONTRIBUTION OF GROUP C AT NATIONAL LEVEL, 2013-14 ($ MILLION AND PER CENT OF TOTAL)**



NOTE: GVA = GROSS VALUE ADDED. FTE = FULL TIME EQUIVALENT.
SOURCE: ACIL ALLEN CONSULTING, 2015.

Due to the lack of data, the direct and indirect economic contribution by Group C is not broken down further into more granular geographic divisions such as GCCSA and state.

Other unquantified mailing industry activities

In addition to the activities of the industry which ACIL Allen has been able to quantify, there are a range of other activities that directly support the industry but have not been able to be quantified based on the available information. Such activities are also likely to be affected by regulatory or other changes in the nature of the industry. These include:

— printers focussed on producing mail-related products
— marketing and advertising services focussed on producing mail-related products
— production of catalogues inserted into addressed mail
— equipment providers and other service businesses who play a key role in supporting mail-related operations.

Key points

The mailing industry contributed around $14.3 billion to Australia's GDP in 2013-14.

Direct mailing services accounted for 69 per cent of the GVA in 2013-14. The remaining 31 per cent was accounted for by mail management services in other organisations and mail advertising services.

The value added from Australia Post in 2013-14 was $3.5 billion which represents around 25 per cent of all mail industry activities.

Employment in the industry in 2013-14 was 131,709 FTE employees.

Direct mailing services accounted for 75 per cent of these employees in 2013-14. The remaining 25 per cent were employed in mail management and mail advertising services.

Australia Post directly employed approximately 31,600 FTE in 2013-14. This represented around 24 per cent of total employment (FTE) in the mailing industry.

1

INTRODUCTION

1.1 Background

This report was prepared for the Printing Industries Association of Australia. The report presents the economic footprint of the Australian postal (or mail) industry. It describes the full production chain from the suppliers of the of the mail industry (e.g., paper producers) to managers (e.g., in-house mail management embedded in the Australian Taxation Office whose activities generate large volume of mail) and carriers of mail (e.g., mail distribution and delivery).

This study looks at not only the economic contribution generated by the industries solely or predominantly concerned with the production, distribution and/or handling of physical mail, but also the economic contribution generated by the mail related services provided by other businesses or industries whose activities generate large volume of mail (e.g., the catalogue industry).

This study does not consider any potential social costs or benefits nor does it consider any indirect implications on other industries beyond the direct value chain.

1.2 Defining the postal industry

The Australian postal industry can be estimated by looking at three separate groups:

- Group A (direct mail services): Those industries that are solely or predominantly concerned with the production, distribution and/or handling of physical mail. Group A includes what is typically thought of as postal businesses such as Australia Post or courier service providers. Group A comprises two sub-groups, namely postal services and courier pick-up and delivery services (courier services). The key distinction between the two is that postal services begin with centralised collection and ends at the recipient, while courier services provide door-to-door services.
- Group B (mail management): Management of mail within other businesses, particularly where people are predominantly employed for the purposes of management of physical mail. Group B captures people working in mail rooms or delivery services for businesses that are not part of Group A. An example of Group B would be the employees of the Australian Taxation Office responsible for managing the mail related to tax records to tax payers.
- Group C (mail advertising services): Direct marketing services especially such activity associated with the sales of products or catalogues delivered through the mail. The catalogue industry produces large volume of advertising material and a significant share of these is delivered through mail.

Details of the definition and categorisation of the postal related industries are provided in Table 1.1.

TABLE 1.1 – **DEFINITION AND CATEGORISATION OF THE POSTAL RELATED INDUSTRY**

Group	Name of sub-sector	Industry definition	Key activities
Group A (1) – ANZSIC code 5101 (postal services)	Direct mail services	Organisations in the industry pick up and deliver letters, documents and parcels, which usually weigh less than 30 kilograms. Pick-up is from predetermined collection points such as post offices and postal agencies, and excludes the activities of couriers. Organisations that operate the collection points are also included in the industry, as are bulk mail houses.	– Mail services (reserved & unregulated mail services) – Postal agency operations – Post office operations (most of which have a franchisor-like relationship with Australia Post) – Bulk mail services (delivery of bulk issued letters, such as monthly billing records from banks) – Mailbox rental services – Parcel delivery – Retail (within post offices)
Group A (2) – ANZSIC code 5102 (courier pick-up and delivery services)	Direct mail services	Businesses in the Courier Pick-up and Delivery Services industry engage in door-to-door pick-up (i.e. from residences or places of business), transport and delivery of letters, documents, parcels and other items weighing less than 30 kilograms. Industry services are provided within Australia, with the destination or origin of goods both international and domestic. Key distinction of the two sub-sectors: Postal Services begin with centralised collection and ends at the recipient, while Courier Pick-up and Delivery Services industry provides door-to-door services.	– Customised express pick-up and delivery services – Other pick-up and delivery services. It needs to be noted that the ABS original classification for ANZSIC 5102 also includes activities such as: – Grocery delivery service – Home delivery service – Messenger service. However, this study does not include these three categories as they are considered less relevant for the purpose of this study.
Group B (ANZSCO code below): – 142115 Post Office Manager; – 561211 Courier; – 561212 Postal Delivery Officer; – 561200 Couriers and Postal Deliverers, not further defined; – 561411 Mail Clerk; – 561412 Postal Sorting Officer; – 561400 Mail Sorters, not further defined; – 899915 Leaflet or Newspaper Deliverer.	Mail management	Management of mail within other businesses, particularly where people are predominantly employed for the purposes of management of physical mail. Group B captures people working in mail rooms or delivery services for businesses that are not part of Group A. The businesses involving mail management are typically those whose activities generate large volumes of mail, such as the utilities, financial and insurance industries, as well as government agencies such as Centrelink or the Australian Tax Office.	Key activities may vary across business in this category, but may include one or more of the following: – mail sorting; – mail delivery; – managing other mail related matters (e.g., staffing and work-flow coordination).

Group	Name of sub-sector	Industry definition	Key activities
Group C	Mail advertising services	Industries that are associated with producing printed advertising or other material and distributed through the mail; such as the catalogue industry that prints and distributes printed advertising material to promote marketing activities. The catalogue industry is a major player in the mail advertising services industry. The mail advertising services industry (e.g., catalogue industry) usually acts as the media on behalf of the industries/businesses that advertise their own products. The top client for the catalogue industry is the retail industry. The top market segments within retail (that uses services by the catalogue industry) include: fast moving consumer Goods (e.g., grocery and liquor), electronic, pharmacy, auto, fashion and takeaways.	– Catalogue production (designing and manufacturing); – Catalogue sorting and distribution; – Catalogue delivery.

SOURCE: ABS ANZSIC 2006 AND IBIS WORLD INDUSTRY REPORT.

The determination of the above definition/grouping was based on international literature/practice as well as consultation with the Printing Industries Association of Australia (PIAA). This definition aims to capture a full picture of the activities of the postal industry and thus a better understanding of its economic contribution.

The scope for this analysis includes the three sub-sectors – Groups A, B and C. This approach intentionally extends beyond the traditional and narrower definition of the postal industry that comprises Group A. Groups B and C contribute to a reasonable portion of the total mail related employment and volume in Australia. Accordingly, ignoring Group B and C would lead to under-estimation of the true contribution of the mail industry to the Australian economy.

2 METHODOLOGY

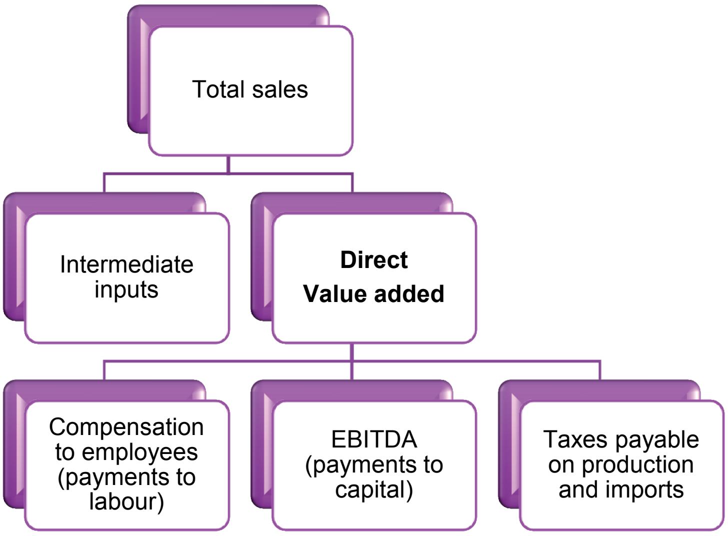
This section of the report presents the methodology used to measure the economic contribution of the Australian postal industry to the economy. The methodology adopted estimates the direct and indirect economic contribution of the postal industry to the economy. This provides a more realistic picture of the scale and scope of the mailing industry in the economy.

2.1 Direct economic contribution

The standard measure of economic contribution is the extent to which it increases the value of goods and services generated by the economy as a whole – in other words, the extent to which it increases economic activity as measured by gross domestic product (GDP). An economy has a range of factors of production (including labour and capital stock) and access to various intermediate inputs. By using the factors of production appropriately, industries are able to add value to intermediate inputs, transforming them into a range of final goods and services purchased by consumers or other industries. An industry or business' contribution to GDP measures the total value added generated and is defined as the income that an industry or business generates, less the cost of the inputs that it uses to generate that income, plus certain taxes paid.

The direct contribution of an industry or a company to the Australian economy can be estimated by determining their payments to the factors of production plus the taxes (less subsidies) payable on production and imports. This is shown graphically Figure 2.1.

FIGURE 2.1 – **CALCULATION OF DIRECT VALUE ADD**



NOTE: EBITDA IS EQUIVALENT TO THE STATISTICS AUSTRALIAN SYSTEM OF NATIONAL ACCOUNTS DEFINITION OF GROSS OPERATING SURPLUS
SOURCE: ACIL ALLEN CONSULTING

2.2 Indirect economic contribution

The intermediate inputs used by an industry (the machines used to print catalogues, for example) can be sourced either from within the Australian economy or from a foreign economy. If purchased from within the Australian economy, the portion of value added embodied in the intermediate input is indirectly associated with the activity of the purchaser. The calculation of the indirect contribution quickly becomes difficult as one considers that value-added embodied in the intermediate inputs of the intermediate input. For example, consider the trees used in the production of paper, the paper used to make the catalogues, and so on. In a global context, the value-added chain can simply be measured by the value of the final goods and services consumed.

In a national context, input-output tables produced by the Australian Bureau of Statistics and associated 'input-output multipliers' can be used to estimate the indirect economic contributions. Input-output multipliers are summary measures generated from input-output tables that can be used for predicting the total impact on all industries of changes in demand for the output of one industry. The tables and multipliers can also be used to measure the relative importance of the supply chain linkages within the economy.

It should be noted that some of the assumptions underpinning input-output multipliers do not account for all resource constraints or specific circumstances. Understanding the limitations of these assumptions is necessary to prevent the inappropriate application of input-output multipliers – for example in situations where resource constraints are present or when the profile of a business or project differs substantially from the industry average. Further information on input-output tables and the calculation of multipliers can be found in ABS Catalogue number 5246.0.

In this report we have estimated the likely indirect economic contribution of the production activities of the Australian mailing industry. The indirect economic contribution, derived from the simple multipliers, captures the value added and employment associated with the supply chain (see Appendix A for details). Consequently, they provide an estimate of the indirect economic contribution of intermediate inputs. The difference between these estimates and the direct economic contribution are commonly referred to as the indirect contribution. When calculated properly, the embodied economic contribution of alternative production chains are additive and should sum to the national accounts estimates of gross state product and gross domestic product.

2.3 Geographic breakdown

The economic impacts have been broken down into 4 categories as follows:

— Australia national wide.
— State/territory level
— Greater Capital City Statistical Area (GCCSA[1]) for each of the eight state/territories in Australia;
— rest of the state (except the GCCSA) for each of the eight states in Australia;
— state level (for each of the eight state/territory jurisdictions in Australia);

Group C is examined at the national level only given the lack of statistical data available to subdivide it.

[1] The definition of GCCSA used in this study is as defined by the ABS: http://www.abs.gov.au/ausstats/abs@.nsf/0/89DE0953464EE050CA257801000C651B?opendocument

ECONOMIC CONTRIBUTION OF THE AUSTRALIAN POSTAL INDUSTRY

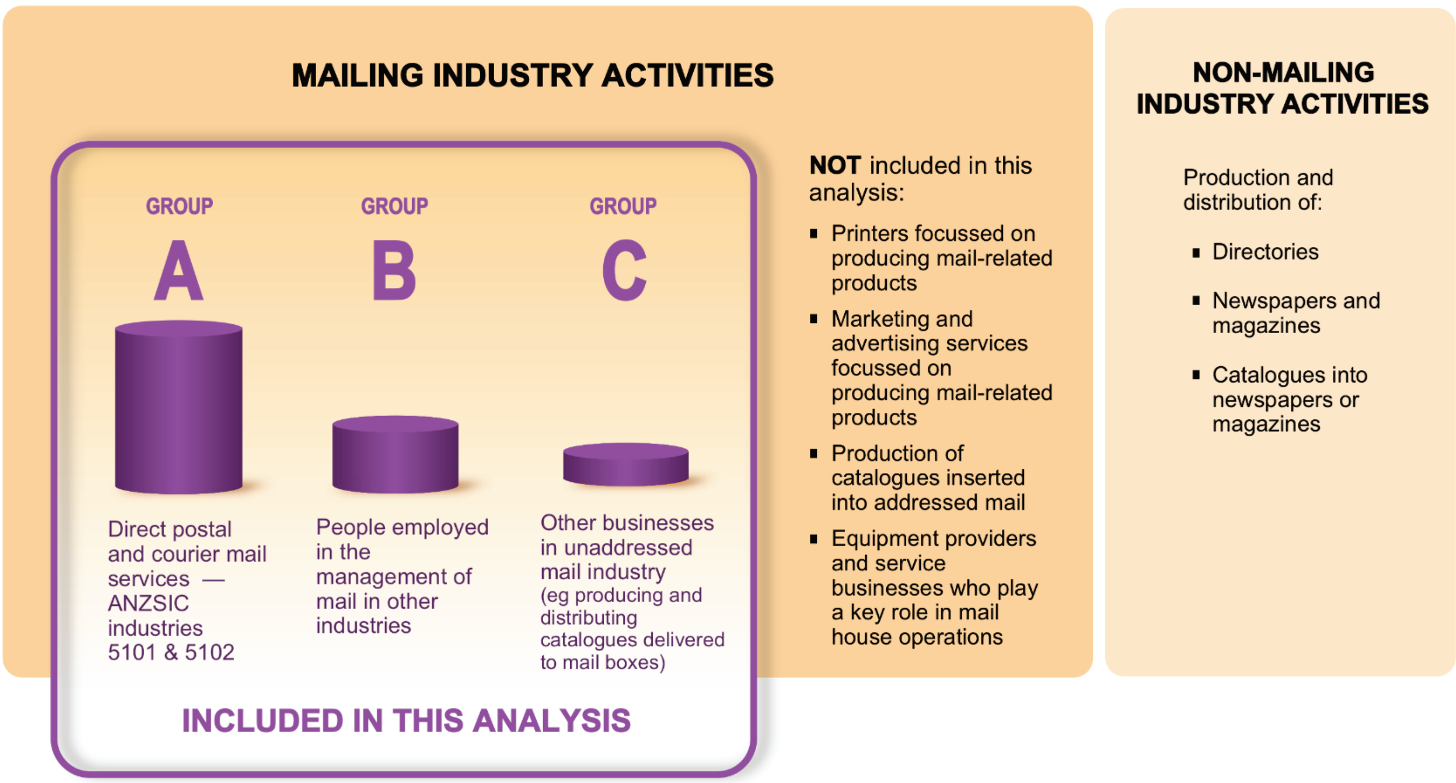
3

3.1 Introduction

This chapter of the report estimates the economic contribution of the Australian postal industry to the national economy. It commences by presenting the total economic contribution of the postal industry (sum of Group A, B and C), followed by individual sub-chapters discussing each component of the postal industry (by Group A, B and C). The chapter then describes the characteristics of Groups A and B.

The scope of the postal industry that has been included and not included in this analysis is summarised in Figure 3.1.

FIGURE 3.1 – **SCOPE OF THIS ANALYSIS**



SOURCE: ACIL ALLEN CONSULTING

3.2 National contribution

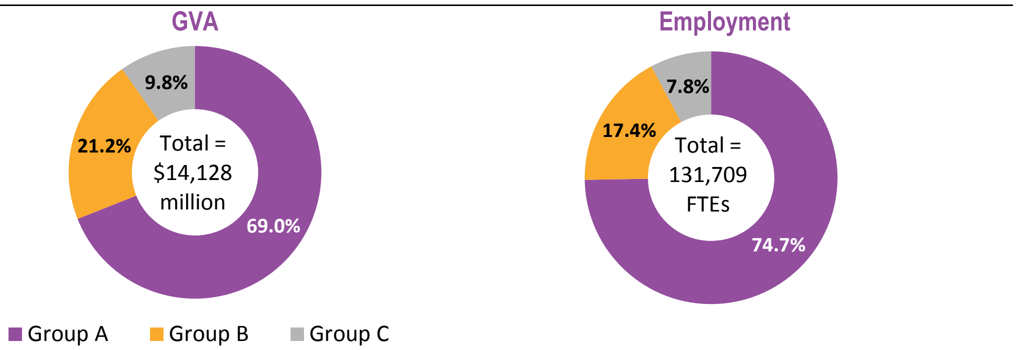
Economic contribution

In 2013-14, it is estimated that the postal industry contributed a total of $14.12 billion in GVA to the national economy which accounted for 0.9 per cent of GDP.

Total employment in the industry was 131,709 full time equivalent (FTE) which represented 1.4 per cent of total FTE in Australia.

The share of direct and indirect contribution (GVA and employment) of Group A, B and C at national level is shown in Figure 3.2.

FIGURE 3.2 – **ECONOMIC CONTRIBUTION OF THE AUSTRALIAN MAILING INDUSTRY TO AUSTRALIA, 2013-14 ($ MILLION AND PER CENT OF TOTAL)**



NOTE: GVA = GROSS VALUE ADDED. FTE = FULL TIME EQUIVALENT.
SOURCE: ACIL ALLEN CONSULTING, 2015.

Key points are:

— the employment share of the postal industry (to the national economy) is greater compared to its GVA share, reflecting the labour intensive nature of the postal industry in conjunction with the cost of the community service obligations by Australia Post

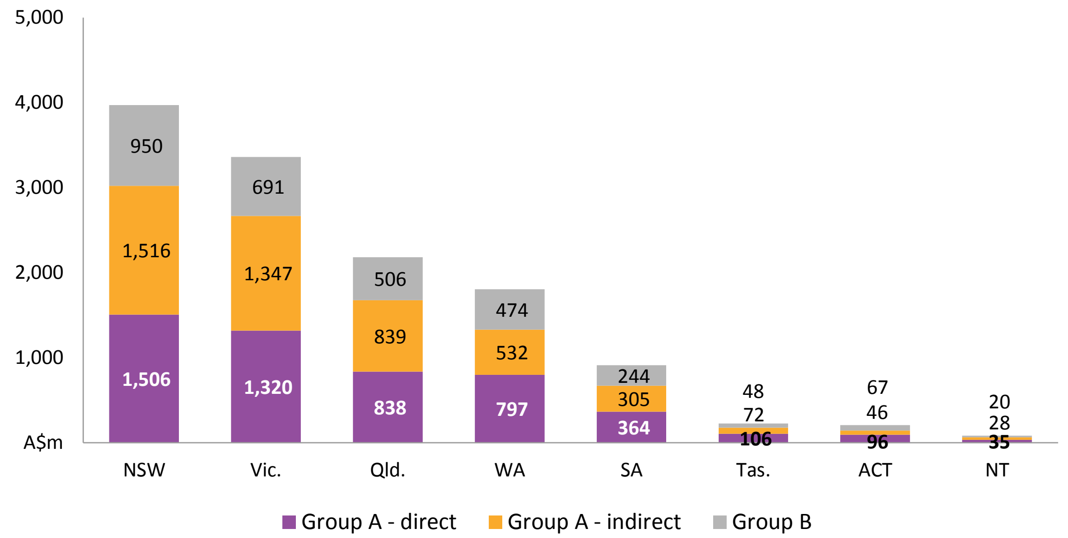
— Group A accounts for approximately 69 per cent of the economic contribution by the postal industry, followed by Group B (approximately 21 per cent), and Group C is the smallest (approximately 10 per cent).

State and territory breakdown

The breakdown of the economic contribution of the total of Group A and B is across the states is shown in Figure 3.3. The state/territory breakdown of Group C was not possible because of lack of data. The tables behind these histograms are provided in Attachment B.

The breakdown by state shows that NSW has the highest contribution at nearly $4 billion and the Northern Territory the lowest. The chart shows that economic contribution is driven by population. This makes sense due to the nature of the industry.

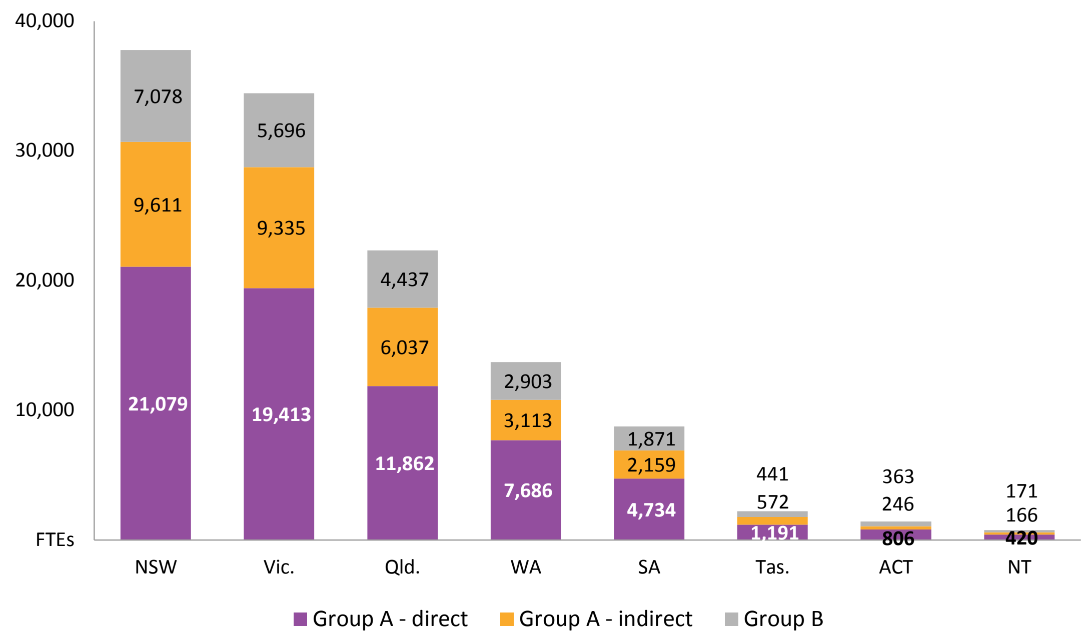
FIGURE 3.3 – **DIRECT AND INDIRECT GVA CONTRIBUTION OF GROUP A & B BY STATE, 2013-14 ($ MILLION)**



NOTE: GROUP C IS REPORTED AT THE NATIONAL LEVEL- IT CONTRIBUTES $1,381 MILLION TO THE AUSTRALIAN ECONOMY. GROUP C CANNOT BE FURTHER DISAGGREGATED INTO STATE LEVEL DUE TO THE LACK OF INFORMATION FOR APPROPRIATE STATE LEVEL BREAKDOWNS.
SOURCE: ACIL ALLEN CONSULTING, 2015.

The breakdown of employment for Groups A and B by state is shown by State in Figure 3.7. The figure shows that the highest population states deliver the highest employment numbers with NSW and Victoria employing 37,767 FTE and 34,445 FTEs respectively.

FIGURE 3.4 – **DIRECT AND INDIRECT EMPLOYMENT CONTRIBUTION OF GROUP A & B BY STATE, 2013-14 (FTES)**



NOTE: GROUP C IS REPORTED AT THE NATIONAL LEVEL- IT CONTRIBUTES 10,320 FTES TO THE AUSTRALIAN ECONOMY. GROUP C CANNOT BE FURTHER DISAGGREGATED INTO STATE LEVEL DUE TO THE LACK OF INFORMATION FOR APPROPRIATE STATE LEVEL BREAKDOWNS.
SOURCE: ACIL ALLEN CONSULTING, 2015.

Regional breakdown

The regional breakdown of economic contribution and employment for Groups A and B is shown in Figure 3.5.

The figure shows that the GVA for the GCCSAs was $9.8 billion compared to $3.0 billion for regional areas in 2013-14.

Employment in Group A and B mail industries was 90,708 for the GCCSAs and 30,681 for regional areas in 2013-14.

FIGURE 3.5 – **ECONOMIC CONTRIBUTION OF GROUP A & B FOR GCCSA AND REST OF AUSTRALIA, 2013-14 ($ MILLION AND FTES)**

Note: 1. The GCCSA figures here are the sum of all eight GCCSAs in Australia. Rest of Australia figures are the difference between the Australian national wide figure and the GCCSA figures.

2. Group C is reported only at national level; it cannot be further broken down into states due to the lack of data. Group C contributes $1,381 million to the Australian GVA and 10,320 FTEs to employment (in addition to the figures reported in the chart above).

SOURCE: ACIL ALLEN CONSULTING, 2015.

These results show that both economic contribution and employment are correlated to the size of the jurisdiction. This is because demand for postal services appears to be driven by population and the supply of such services is closely linked to the people the industry is servicing.

3.3 Economic contribution of direct mail services – Group A

This section discusses the economic contribution of Group A of the postal industry, which includes postal services and courier services (defined in the chapter above). The key distinction between the two is that postal services involve centralised collection points whereas courier services are door-to-door.

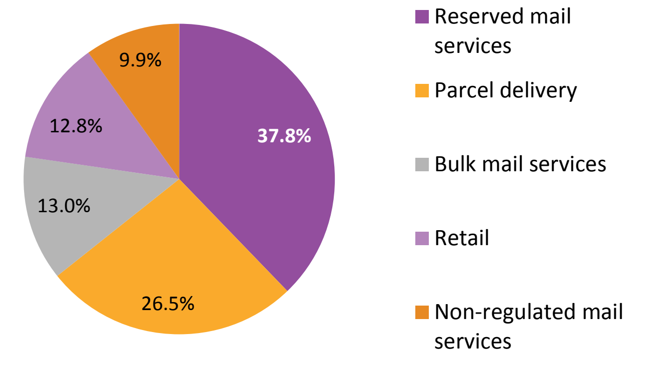
3.3.1 Overview of Group A

Australia Post dominates postal services due to its reserved (or regulated) mail service but competes with other service providers in the courier services market.

Postal services revenues have been falling since 2010 while courier services revenues have been growing at approximately 3 per cent per year over the past 5 years.

The market segmentation for postal services is shown in Figure 3.6.

FIGURE 3.6 – **POSTAL SERVICES BUSINESS SEGMENTATION (PERCENTAGE OF INDUSTRY REVENUE, 2014-2015)**

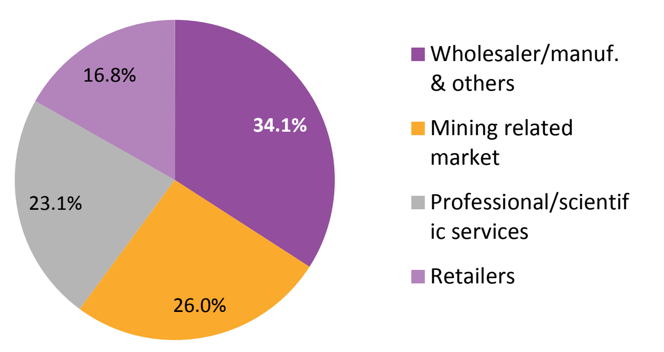


SOURCE: IBIS WORLD, 2015 AND ACIL ALLEN CONSULTING, 2015.

Reserved mail services accounts for 37.8 per cent of the postal services revenue. This segment of the service is highly dependent on regulation around reserved mail services and any potential deregulation (or privatisation) of this service currently provided by Australia Post could result in changes in this share.

The market segmentation for courier services is shown in Figure 3.7.

FIGURE 3.7 – **COURIER SERVICES BUSINESS SEGMENTATION (PERCENTAGE OF INDUSTRY REVENUE, 2014-2015)**



SOURCE: IBIS WORLD, 2015 AND ACIL ALLEN CONSULTING, 2015.

Despite the growth of the courier services as a result of increasing online shopping, the industry is still dominated by industrial related activities (e.g., wholesale, mining and professional services) with retail services accounting for only 16.8 per cent of the courier services revenue.

3.3.2 Economic contribution of Group A

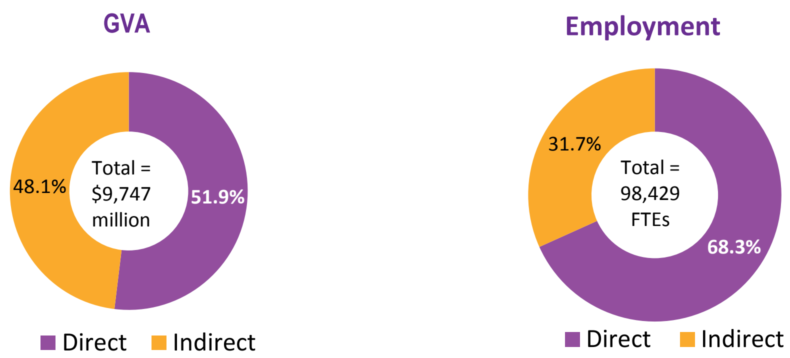
Economic and employment contribution

The modelling results using Input Output analysis are presented below. Postal services and courier services were modelled as a whole because individual data was not available.

The total contribution of Group A was $9.74 billion in 2013-14 and total employment was 98,429 FTEs.

The share of direct and indirect contribution (GVA and employment) of Group A at national level is presented in Figure 3.8.

FIGURE 3.8 – **ECONOMIC CONTRIBUTION OF GROUP A AT NATIONAL LEVEL, 2013-14 ($ MILLION AND PER CENT OF TOTAL)**



NOTE: GVA = GROSS VALUE ADDED. FTE = FULL TIME EQUIVALENT.
SOURCE: ACIL ALLEN CONSULTING, 2015.

Direct economic contribution for Group A represented 51.9 per cent of total GVA while the direct employment represented 69 per cent of total employment in Group A.

Value added by Australia Post was $3.5 billion in 2013-14 which represents around 36 per cent of GVA of Group A and 25 per cent of total mail industry activities in that year.

Total employment in Australia Post was around 31,600 FTE employees in 2013-14 (Australia Post, 2014). This represents 32 per cent of the estimated employment in Group A activities and 24 per cent of total postal related activities (Groups A, B and C).

For both GVA and employment, the direct contribution by Group A itself accounts for a larger proportion of the total contribution compared to indirect contribution (as a result of supply chain impact, such as activities in other industries arise due to the postal industry). This is because the postal industry has a relatively simple supply chain and does not heavily rely on other supplier industries (e.g. sources for intermediates/inputs).

Another observation is that the direct employment contribution accounts for a larger proportion compared to the direct GVA contribution. This is due to two factors:

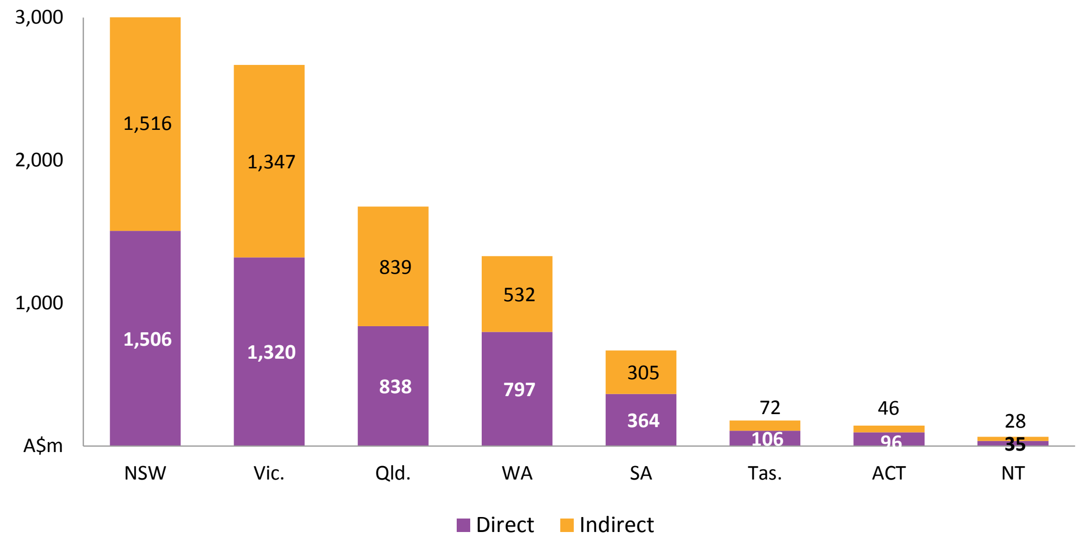
1. the postal industry is more labour intensive (compared to the other industries along its supply chain)
2. Australia Post is a significant portion of the industry and its community service obligations result in a significant loss to its postal services division (estimated to be $203.5 million in 2014[2]).

Contribution by state

The direct and indirect GVA contribution of Group A by state is presented in Figure 3.9.

[2] Australia Post Annual Report 2014, p.9.

FIGURE 3.9 – **DIRECT AND INDIRECT GVA CONTRIBUTION OF GROUP A BY STATE, 2013-14 ($ MILLION)**

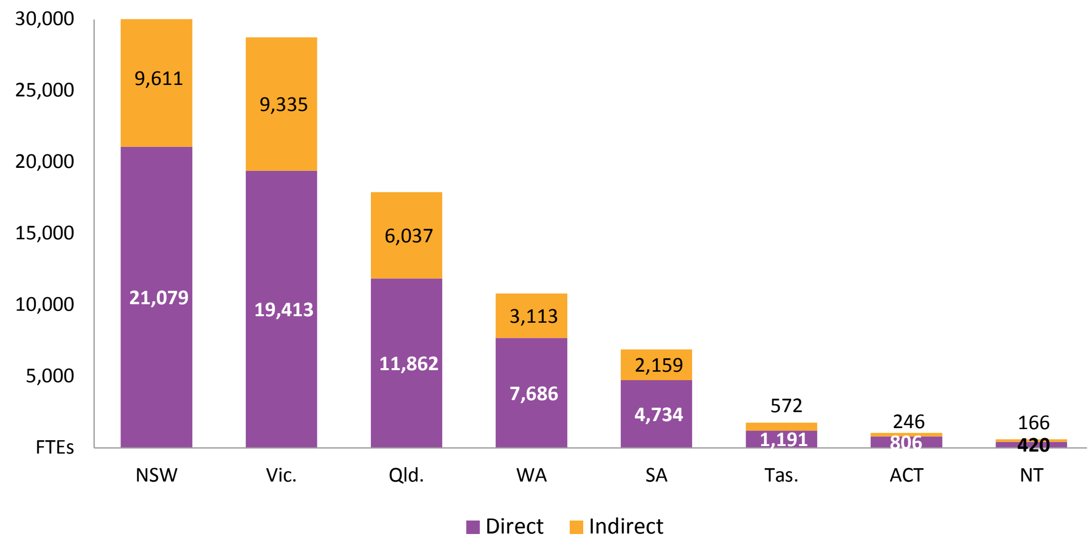


SOURCE: ACIL ALLEN CONSULTING, 2015.

NSW has the highest GVA contribution at $3,022 million while the Northern Territory (NT) has the least at $64 million. The GVA contribution correlates with the size of the state; this is reasonable because postal service demand is driven by the size of the population.

The direct and indirect employment contribution of Group A by state is presented in Figure 3.10.

FIGURE 3.10 – **DIRECT AND INDIRECT EMPLOYMENT CONTRIBUTION OF GROUP A BY STATE, 2013-14 (FTES)**



SOURCE: ACIL ALLEN CONSULTING, 2015.

Consistent with the GVA contribution, the employment contribution also shows larger states such as NSW and Queensland (Qld.) share the largest proportion of the total contribution with smaller states Australia Capital Territory (ACT) and NT have the smallest.

In addition to estimating the economic contribution of the postal industry by state, this study also looks at the distribution across metropolitan/regional versus outer regional/remote areas to see if the economic contribution by the postal industry differs across these geographic categories.

Contribution by region

The GVA and employment contribution of Group A for the Australia GCCSAs and the rest of Australia are shown in Figure 3.11. The GCCSA figure is the sum of all eight GCCSAs in Australia whereas the rest of Australia is the economic contribution at the national level minus the GCCSA figure.

The contribution to GVA from Group A in the GCCSA regions in 2013-14 was $7.45 billion and $2.30 billion in regional areas.

Employment generated by Group A was 73,901 in GCCSA regions in 2013-14 and 24,458 in regional Australia.

FIGURE 3.11 – **ECONOMIC CONTRIBUTION OF GROUP A FOR GCCSA AND REST OF AUSTRALIA, 2013-14 ($ MILLION AND FTES)**

Note: The GCCSA figures here are the sum of all eight GCCSAs in Australia. Rest of Australia figures are the difference between the Australian national wide figure and the GCCSA figures.

SOURCE: ACIL ALLEN CONSULTING, 2015.

Similar to the pattern observed at the state level, the highly populated GCCSA areas account for a greater share of the total economic contribution by the postal industry. Again, this reflects that population is one of the key drivers for the demand and presence of postal services.

Detailed estimates of the GVA and employment contribution of Group A for each individual GCCSAs and non-GCCSA regions for each state are presented in Appendix B.

3.4 Economic contribution of Group B – mail management

3.4.1 Overview

Group B captures the activities of managing mail within businesses/industries outside of Group A. In particular, Group B captures the activities by employees, who are predominantly employed for the purposes of management of physical mail in mail rooms or delivery services (for businesses that are not part of Group A).

To estimate the size of Group B, ACIL Allen identified the following occupation codes (using the ANZSCO 6-digit specifications as used by the ABS) which is the main purpose of employment for these employees:

— 142115 Post Office Manager;
— 561211 Courier;
— 561212 Postal Delivery Officer;
— 561200 Couriers and Postal Deliverers, not further defined;
— 561411 Mail Clerk;
— 561412 Postal Sorting Officer;
— 561400 Mail Sorters, not further defined;
— 899915 Leaflet or Newspaper Deliverer.

This detailed information is not publically available and was obtained through a customised data request by ACIL Allen Consulting to the Australia Bureau of Statistic (ABS).

Analysis for Group B only focuses on direct economic contribution due to the lack of data and reliable information to derive indirect contribution. However, ACIL Allen Consulting does not believe the omission of indirect contribution would have a significant impact on the overall estimate, because:

— Group B focuses on the in-house mail management for businesses; some of these mail's delivery is commission to external mail handlers, which would be captured in Group A
— a subset of the indirect contribution of Group B that are not captured by either Group A and C (e.g., business that have their own mail delivery functions/facilities) could lead to minor underestimation of the economic contribution by Group B.

3.4.2 Economic contribution - Group B

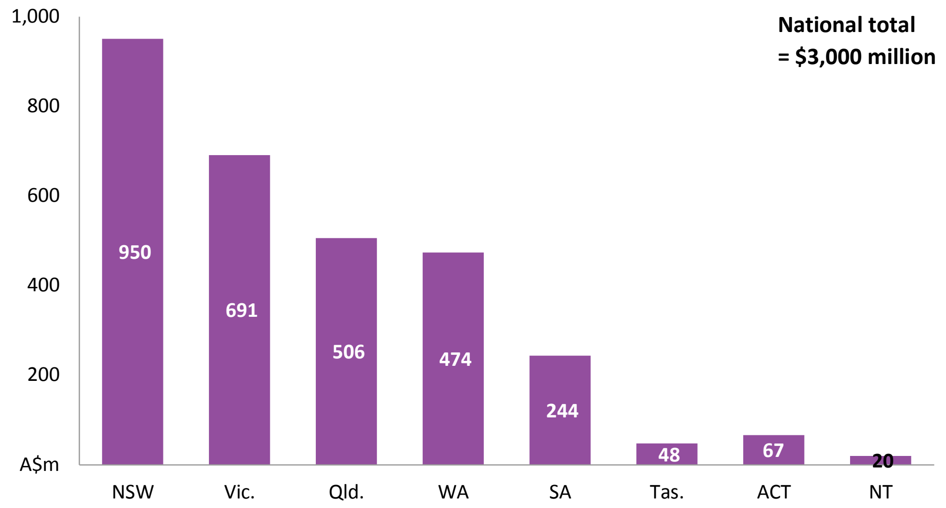
National

Combining the employment information from the ABS data request with the IO tables, it is estimated that, in 2013-14, Group B contributed $3 billion in terms of gross value added to the national economy and created employment for 22,960 FTEs. These were direct impacts as it was not deemed credible to estimate indirect impacts for Group B based purely on the information available.

State

Figure 3.12 presents the GVA contribution by Group B by state/territory.

FIGURE 3.12 – **GVA CONTRIBUTION OF GROUP B BY STATE, 2013-14 ($ MILLION)**

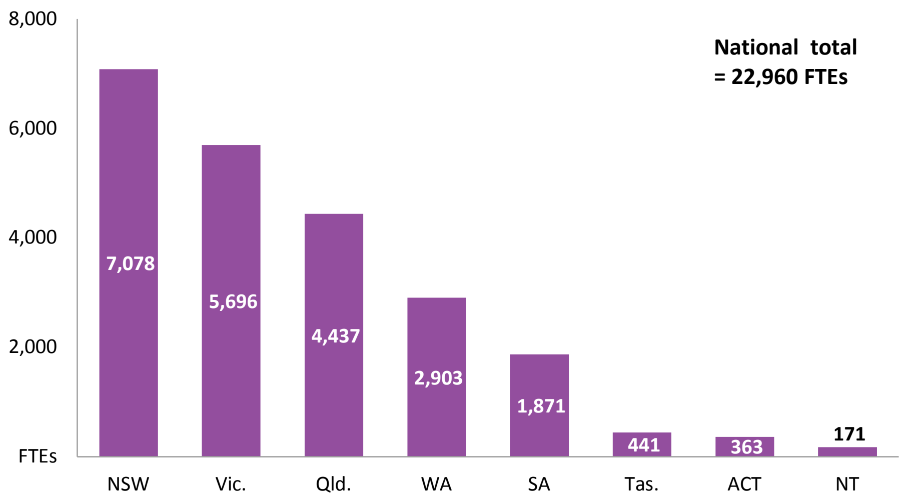


SOURCE: ACIL ALLEN CONSULTING, 2015.

NSW and Victoria 54.7 per cent of the total Group B contribution ($950 million or 31.7 per cent for NSW and $691 million or 23.0 per cent for Victoria). For comparison with Group A, the rank of the bars in the above chart was intentionally kept in the same order (rather than ranked from the highest to lowest) as the state level GVA contribution chart for Group A (in the above chapter). Compared to the rank of the states for Group A, ACT accounts for larger proportion in Group B. This is reasonable because Group B is dominated by the concentration of businesses that generate a large volume of mail (e.g., financial sector and government administration) whereas Group A is primarily driven by population. ACT has large presence of these mail generating organisations (e.g., government).

Figure 3.13 presents the employment contribution by Group B by state/territory.

FIGURE 3.13 – **EMPLOYMENT CONTRIBUTION OF GROUP B BY STATE, 2013-14 (FTES)**



SOURCE: ACIL ALLEN CONSULTING, 2015.

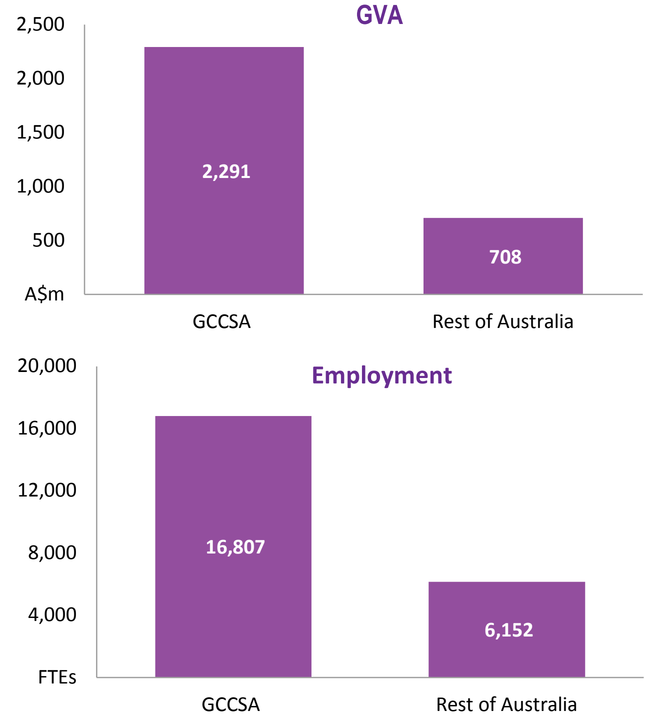
Employment contribution of Group B shows similar patterns observed above for its GVA contribution; NSW and Victoria account for the largest share of employment (30.8 and 24.8 per cent respectively) while NT has the smallest employment contribution (0.7 per cent).

Region

The GVA and employment contribution of Group B for the Australia GCCSAs and the rest of Australia are shown in Figure 3.14.

It was estimated that the total GVA for the GCCSA areas was $2.29 billion in 2013-14 and $0.71 billion in regional areas. Total employment was in GCCSA areas was 16,807 FTEs in 2013-14 and 6,157 in regional areas.

FIGURE 3.14 – **ECONOMIC CONTRIBUTION OF GROUP B FOR GCCSA AND REST OF AUSTRALIA, 2013-14 ($ MILLION AND FTES)**



Note: The GCCSA figures here are the sum of all eight GCCSAs in Australia. Rest of Australia figures are the difference between the Australian national wide figure and the GCCSA figures.

SOURCE: ACIL ALLEN CONSULTING, 2015.

As expected, metropolitan areas with greater presence of mail generating businesses contribute more to the economy – GCCSA is approximately three times of the rest of Australia for GVA contribution and two and half times for employment contribution.

Detailed estimates of Group B's economic contribution by industry (key industries that has in-house mail management functions) are presented in Appendix B.

3.5 Economic contribution of Group C – mail advertising services

Group C comprises industries that are associated with producing printed advertising or other material and distributed through the mail; such as the catalogue industry that prints and distributes printed advertising material to promote marketing activities.

The catalogue industry is a major player in the mail advertising services industry; this study will primarily focus on the catalogue industry as a representation of the mail advertising industry given its high market share. Other types of mail advertising services (e.g., inserts in the newspapers) are of relatively small volume and analysis for these minor groups was not possible due to the lack of reliable data. The key data used for deriving the economic contribution of Group C (represented by the catalogue industry) comes from the Australian Catalogue Association (ACA)'s publically available Industry Report 2014[3].

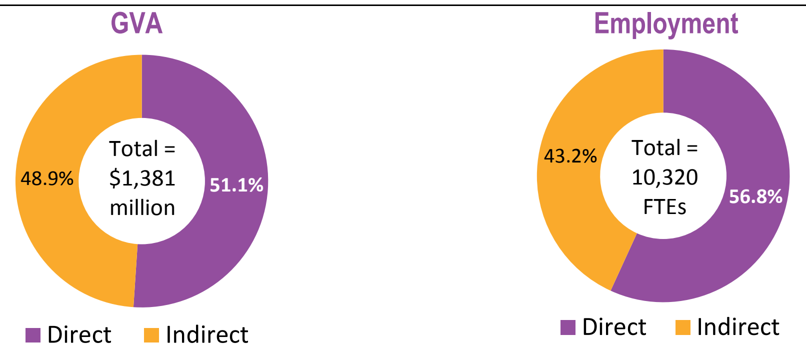
[3] The 2014 Industry Report was the latest published Industry Report by ACA at the time this report was written.

The catalogue industry usually acts as the media on behalf of the industries and businesses that advertise their products by direct mail. The catalogue industry was the fourth largest player in the Australian advertising market according to the ACA 2014 Industry Report (after the Internet, Free-to-Air Television and newspapers). The catalogue volume has been growing at a steady pace in the past few years (0.3 per cent in the 2014 fiscal year) and reached a volume of approximately 8 billion in 2014. The catalogue industry is a key contributor to the mail volume and is an important component for the purpose of estimating the contribution of the postal industry.

The top client for the catalogue industry is the retail industry. The top market segments within retail (that uses services by the catalogue industry) include: Fast Moving Consumer Goods (e.g., grocery and liquor), electronic, pharmacy, auto, fashion and takeaways.

The share of direct and indirect contribution (GVA and employment) of Group C at national level is presented in Figure 3.15.

FIGURE 3.15 – **ECONOMIC CONTRIBUTION OF GROUP C AT NATIONAL LEVEL, 2013-14 ($ MILLION AND PER CENT OF TOTAL)**



NOTE: GVA = GROSS VALUE ADDED. FTE = FULL TIME EQUIVALENT.
SOURCE: ACIL ALLEN CONSULTING, 2015.

Due to the lack of data, the direct and indirect economic contribution by Group C is not broken down further into more granular geographic divisions such as GCCSA and state. The direct versus indirect share of GVA contribution is approximately equal whereas direct share of employment contribution outweighs the indirect of employment contribution.

This indicates that Group C is more labour intensive compared to the other industries along its supply chain (e.g., media industry).

4 MAIN FINDINGS

4.1 Overview

Quantifying the full scope of the Australian mailing industry is complicated because, like the tourism industry, it is not comprised of a single sector in the traditional ABS national accounts. In this report we have used a variety of techniques and information to capture a range of key activities that comprise the Australian mailing industry. In particular, we have been able to estimate the size of the following three groups:

— Direct mail services which includes postal and courier services (Group A)
— Mail management services within other businesses (Group B)
— Mail advertising services (Group C).

The total value added by these groups was found to be $14.1 billion in 2013-14 which represented 0.9 per cent of Australia's GDP

— 69 per cent of GVA ($9.8 billion) was attributable to direct mail services (Group A)
— 21 per cent of GVA ($3.0 billion) was attributable to mail management services (Group B)
— 10 per cent of GVA ($1.4 billion) was attributable to mail advertising services (Group C).

Total employment in these groups was estimated to be 131,709 FTE which represented about 1.4 per cent of total full time equivalent employment in Australia:

— 75 per cent (98,429 FTE) was attributable to direct mail services (Group A)
— 17 per cent (22,960 FTE) was attributable to mail management services (Group B)
— 8 per cent (10,320 FTE) was attributable to mail advertising services (Group C).

The distribution of GVA and employment across the states/territories is proportional to size reflecting the fact that demand for postal services is proportionate to population and that the supply is closely linked to the people the industry is servicing. For example, the largest economic contribution arises in NSW at $4.0 billion followed by Victoria at $3.4 billion.

The same applies to employment. The largest employment occurred in NSW and Victoria at 37,767 and 34,445 FTEs respectively.

TABLE 4.1 – **ECONOMIC CONTRIBUTION AND EMPLOYMENT BY STATE (2013-14)**

	GVA	Employment
	$Am	FTE jobs
New South Wales	3,972	37,767
Victoria	3,358	34,445
Queensland	2,182	22,336
Western Australia	1,803	13,701
South Australia	913	8,763
Tasmania	226	2,204
Australian Capital Territory	208	1,416
Norther Territory	84	757
Australia	**14,128**	**131,709**

SOURCE: ACIL ALLEN CONSULTING

While the economic contribution in the Greater Capital City Statistical Areas (GCCSAs) is around three times that of the regional areas, postal services generate significant economic and employment activity in regional areas.

The economic contribution for Groups A and B was $9.8 billion in the GCCSAs compared to $3.0 billion in the regional areas in 2013-14.

Employment in Group A and B mail industries was 90,708 for the GCCSAs and 30,681 for regional areas in 2013-14.

4.2 Direct mail services (Group A)

Direct mail services include postal services and courier services. Australia Post dominates postal services but competes with other services providers in the courier services market. Direct mail services generate significant indirect economic activity.

The total contribution of Group A was $9.8 billion in 2013-14 comprising:

— $5.1 billion from direct economic activity

— $4.7 billion from indirect economic activity.

Total employment was 94,429 FTEs which was made up of:

— 67,190 FTEs in direct economic activity

— 31,239 FTEs in indirect economic activity.

4.3 Mail management services (Group B)

Group B captures the activities of managing mail within businesses/industries outside of Group A. In particular, Group B captures the activities by employees, who are predominantly employed for the purposes of management of physical mail in mail rooms or delivery services (for businesses that are not part of Group A).

It is estimated that, in 2013-14, Group B contributed $3 billion in terms of gross value added to the national economy and created employment for 22,960 FTEs. These were direct impacts as it was not deemed credible to estimate indirect impacts for Group B based purely on the information available.

4.4 Mail advertising services (Group C)

Group C comprises industries that are associated with producing printed advertising or other material and distributed through the mail; such as the catalogue industry that prints and distributes printed advertising material to promote marketing activities.

The total contribution of Group C was $1.4 billion in 2013-14 comprising:

— $705 million from direct economic activity
— $676 million from indirect economic activity

Total employment was 10,320 FTEs which was made up of:

— 5,866 FTEs in direct economic activity
— 4,454 FTEs in indirect economic activity.

4.5 Other unquantified mailing industry activities

In addition to the activities of the industry which ACIL Allen has been able to quantify, there are a range of other activities that directly support the industry but have not been able to be quantified based on the available information. Such activities are also likely to be affected by regulatory or other changes in the nature of the industry. These include:

— printers focussed on producing mail-related products
— marketing and advertising services focussed on producing mail-related products
— production of catalogues inserted into addressed mail
— equipment providers and other service businesses who play a key role in supporting mail-related operations.

4.6 In summary

The mailing industry contributed around $14.1 billion to Australia's GDP in 2013-14.

Direct mailing services accounted for 69 per cent of the GVA in 2013-14. The remaining 31 per cent was accounted for by mail management services in other organisations and mail advertising services.

The value added from Australia Post in 2013-14 was $3.5 billion which represents around 25 per cent of all mail industry activities.

Employment in the industry in 2013-14 was 131,709 FTE.

Direct mailing services accounted for 75 per cent of these employees in 2013-14. The remaining 25 per cent were employed in mail management and mail advertising services.

Australia Post directly employed approximately 31,600 FTE employees in 2013-14. This represented around 24 per cent of total employment in the Australian mailing industry.

A

OVERVIEW OF INPUT-OUTPUT ANALYSIS

A.1 Overview

Input-output tables provide a snapshot of an economy at a particular time. The tables used in this analysis were for the 2013-14 financial year.

The 2013-14 input-output tables provide a picture of the region's economy in the 2013-14 financial year. Input-output tables can be used to derive input-output multipliers. These multipliers show how changes to a given part of an economy impact on the economy as a whole. A full set of input-output multipliers for each region were estimated for the purpose of this analysis.

The input-output multipliers allow rigorous and credible analysis of the economic footprint of a particular facility, industry or event for the region of interest. Although input-output multipliers may also be suitable tools for analysing the impact of various types of economic change, caution needs to be adopted in their application for this purpose. Misuse of input-output multipliers for the purpose of impact analysis has led to scepticism of their general use in favour of other tools such as computable general equilibrium (CGE) modelling. Notwithstanding this, they are still eminently suitable for understanding the economic linkages between a given facility or industry to gain an appreciation of the wider interactions of the industry beyond its direct contribution.

A.2 Multiplier types

Input-output multipliers estimate the economic impact on a region’s economy from a one dollar change in the final demand for the output of one of the region’s industries. Generally, four types of multipliers are used:

1. Output – measures the impact on the output of all industries in the economy
2. Income – measures the effect on the wages and salaries paid to workers within the economy
3. Employment – measures the jobs creation impact, and
4. Value-added – measures the impact on wages and salaries, profits and indirect taxes.

The sum of wages and salaries, profits and indirect taxes for a given industry provides a measure of its contribution to the size of the local economy – its contribution to gross regional product (GRP). The value added multiplier can therefore also be considered to be the GRP multiplier.

Input-output multipliers are a flexible tool for economic analysis. Their flexibility stems from the different forms of each multiplier type. For each region, multipliers were estimated in the following forms:

1. initial effects
2. first round effects

3. industrial support effects
4. production induced effects (supply chain effects)
5. consumption induced effects
6. simple multipliers
7. total multipliers
8. type 1A multipliers
9. type 1B multipliers
10. type 2A multipliers
11. type 2B multipliers.

The above multiplier types are defined in full in Johnson (2004) for output, income, employment and value-added multipliers; however, a brief overview of the different types of output multipliers is presented below.

A.2.1 Multiplier effects

When additional sales to final demand are made, for example through increased exports or sales to the public, production increases to meet the increased demand, and this is the initial effect. Since production increases to exactly match the increased final demand, the increase is always equal to one (noting that the multipliers are defined in terms of a one dollar increase in final demand).

The industry producing the additional output makes purchases to enable itself to increase production, these new purchases are met by production increases in other industries and these constitute the first round effect. These first round production increases cause other industries to also increase their purchases, and these purchases cause other industries to increase their production, and so on. These ‘flow-on’ effects eventually diminish, but when 'added together constitute the industrial support effect.

The industrial support effect added to the first round effect is known as the production induced effect (supply chain effect). So far this chain of events has ignored one important factor, the effect on labour and its consumption. When output increases, employment increases, and increased employment translates to increased earnings and consumption by workers, and this translates to increased output to meet the increased consumption. This is the consumption effect.

A.2.2 Multipliers

The simple and total multipliers are derived by summing the effects. The simple multiplier is the sum of the initial and production induced effects (supply chain effect). The total multiplier is larger, because it also adds in the consumption effect. So far all the effects and multipliers listed have had one thing in common, they all measure the impact on the economy of the initial increase in final demand.

The remaining multipliers take a different point of view, they are ratios of the above multiplier types to the initial effect. The type 1A multiplier is calculated as the ratio of the initial and first round effects to the initial effect, while the type 1B multiplier is the ratio of the simple multiplier to the initial effect. The type 2A multiplier is the ratio of the total multiplier to the initial effect, while the type 2B multiplier is the ratio of the total multiplier less the initial effect to the initial effect.

Given the large number of multiplier types to choose from, output, income, employment and value added multipliers, and each with numerous variations (simple, total, type 2A, etc) it is important that the analysis uses the most appropriate multipliers. Usually, the multipliers that include consumption effects (i.e. the added impact that comes from wage and salaries earners spending their income) are used. These are the total and type 2A multipliers. The total and type 2A multipliers will generally provide the biggest projected impact. Simple or type 1B (which omit the consumption effect) may be used to provide a more conservative result.

For this analysis, given that we were kindly provided with access to the key and detailed expenditure items for major Australian producers, the Simple and Total multipliers were used to calculate the lower and upper estimates of the total contribution the mailing industry make to their respective economies.

A.3 Limitations of input-output analysis

Although input-output analysis is valid for understanding the contribution a sector makes to the economy, when used for analysing the potential impacts of a change in production of a particular sector, input-output analysis is not without its limitations. Input-output tables are a snapshot of an economy in a given period, the multipliers derived from these tables are therefore based on the structure of the economy at that time, a structure that it is assumed remains fixed over time. When multipliers are applied, the following is assumed:

- prices remain constant;
- technology is fixed in all industries;
- import shares are fixed.

Therefore, the changes predicted by input-output multipliers proceed along a path consistent with the structure of the economy described by the input-output table. This precludes economies of scale. That is, no efficiency is gained by industries getting larger – rather they continue to consume resources (including labour and capital) at the rate described by the input-output table. Thus, if output doubles, the use of all inputs doubles as well.

One other assumption underpinning input-output analysis which is worth considering is that there are assumed to be unlimited supplies of all resources, including labour and capital. With input-output analysis, resource constraints are not a factor. It is thus assumed that no matter how large a development, all required resources are available, and that there is no competition between industries for these resources.

It is important to understand the limitations of input-output analysis, and to remember that the analysis provides an estimate of economic contribution of a facility or industry, not a measurement of economic impact if the facility or industry shut down or did not exist.

B

DETAILED CHARTS AND TABLES

B.1 Detailed estimates for Group A

TABLE B.1 – **SUMMARY OF REGIONAL LEVEL ECONOMIC CONTRIBUTION OF GROUP A**

	Direct contribution – GVA	Direct contribution – employment	Indirect contribution – GVA	Indirect contribution – employment	Total contribution – GVA	Total contribution – employment
	A$m	FTEs	A$m	FTEs	A$m	FTEs
New South Wales						
Sydney GCCSA	1,075	15,055	1,172	7,249	2,247	22,304
Rest of NSW	430	6,023	344	2,362	774	8,386
Total	1,506	21,079	1,516	9,611	3,022	30,690
Victoria						
Melbourne GCCSA	1,086	15,981	1,162	7,975	2,248	23,956
Rest of Victoria	233	3,432	186	1,361	419	4,793
Total	1,320	19,413	1,347	9,335	2,667	28,748
Queensland						
Brisbane GCCSA	489	6,933	509	3,615	998	10,547
Rest of Queensland	348	4,929	330	2,422	678	7,351
Total	838	11,862	839	6,037	1,676	17,899
South Australia						
Adelaide GCCSA	301	3,915	265	1,864	566	5,779
Rest of SA	63	819	40	295	103	1,114
Total	364	4,734	305	2,159	669	6,893
Western Australia						
Perth GCCSA	659	6,351	457	2,664	1,116	9,015
Rest of WA	138	1,335	75	449	214	1,783
Total	797	7,686	532	3,113	1,329	10,799
Tasmania						
Hobart GCCSA	49	548	34	270	83	819

	Direct contribution – GVA	Direct contribution – employment	Indirect contribution – GVA	Indirect contribution – employment	Total contribution – GVA	Total contribution – employment
Rest of Tas.	57	643	38	301	95	944
Total	106	1,191	72	572	178	1,763
Northern Territory						
Darwin GCCSA	26	302	22	126	48	428
Rest of NT	10	118	6	40	16	158
Total	35	420	28	166	64	586
Australian Capital Territory						
ACT	96	806	46	246	142	1,052
Australia national level						
All Australian GCCSAs	3,781	49,891	3,667	24,010	7,448	73,901
Rest of Australia	1,280	17,299	1,019	7,230	2,299	24,529
Australian total	**5,061**	**67,190**	**4,686**	**31,239**	**9,747**	**98,429**

Note: GCCSA - Greater Capital City Statistical Area
Source: ACIL Allen Consulting

B.2 Detailed estimates for Group B

B.2.1 Detailed estimates for Group B by industry – Australia

TABLE B.2 –**ECONOMIC CONTRIBUTION OF GROUP B BY INDUSTRY – AUSTRALIA**

	GVA contribution ($million)	Employment contribution (FTEs)
	Total Australia	Total Australia
Agriculture, Forestry and Fishing	4	40
Mining	27	48
Manufacturing	70	635
Electricity, Gas, Water and Waste Services	11	53
Construction	25	156
Wholesale Trade	127	730
Retail Trade	117	1,509
Accommodation and Food Services	7	91
Transport, Postal and Warehousing (Excluding Postal)	1,196	11,061
Information Media and Telecommunications	290	1,494
Financial and Insurance Services	112	394
Rental, Hiring and Real Estate Services	136	210
Professional, Scientific and Technical Services	164	1,387
Administrative and Support Services	392	1,770
Public Administration and Safety	56	454
Education and Training	24	160
Health Care and Social Assistance	220	2,462
Arts and Recreation Services	4	48
Other Services	18	260
Industry total	3,000	22,960

Source: ACIL Allen Consulting

B.2.2 Detailed estimates for Group B by industry — NSW

TABLE B.3 – **REGIONAL LEVEL ECONOMIC CONTRIBUTION OF GROUP B BY INDUSTRY — NSW**

	GVA contribution ($million)			Employment contribution (FTEs)		
	Sydney GCCSA	Rest of NSW	Total NSW	Sydney GCCSA	Rest of NSW	Total NSW
Agriculture, Forestry and Fishing	0	1	1	0	12	12
Mining	0	2	2	0	6	6
Manufacturing	21	4	25	169	32	201
Electricity, Gas, Water and Waste Services	2	0	2	9	0	9
Construction	4	1	6	36	10	46
Wholesale Trade	29	8	37	173	48	222
Retail Trade	23	14	37	290	174	465
Accommodation and Food Services	1	2	3	12	22	34
Transport, Postal and Warehousing (Excluding Postal)	240	100	340	2,255	1,105	3,359
Information Media and Telecommunications	111	29	140	513	142	655
Financial and Insurance Services	44	8	51	148	20	168
Rental, Hiring and Real Estate Services	52	7	59	79	7	86
Professional, Scientific and Technical Services	36	11	47	284	89	373
Administrative and Support Services	75	29	104	296	110	406
Public Administration and Safety	11	5	16	91	35	126
Education and Training	4	2	7	29	15	45
Health Care and Social Assistance	42	24	66	488	281	770
Arts and Recreation Services	1	1	2	8	8	16
Other Services	5	1	6	65	14	79
Industry total	701	250	950	4,947	2,131	7,078

Source: ACIL Allen Consulting

B.2.3 Detailed estimates for Group B by industry – Victoria

TABLE B.4 – **REGIONAL LEVEL ECONOMIC CONTRIBUTION OF GROUP B BY INDUSTRY – VICTORIA**

	GVA contribution ($million)			Employment contribution (FTEs)		
	Melbourne GCCSA	Rest of Vic.	Total Vic.	Melbourne GCCSA	Rest of Vic.	Total Vic.
Agriculture, Forestry and Fishing	0	2	2	0	21	21
Mining	3	3	6	3	2	5
Manufacturing	17	2	19	183	19	201
Electricity, Gas, Water and Waste Services	2	2	5	12	14	26
Construction	4	0	5	27	2	29
Wholesale Trade	33	4	37	210	23	233
Retail Trade	23	12	35	284	153	437
Accommodation and Food Services	1	1	2	11	12	23
Transport, Postal and Warehousing (Excluding Postal)	209	47	255	2,046	535	2,582
Information Media and Telecommunications	21	16	37	107	85	192
Financial and Insurance Services	31	3	34	123	5	128
Rental, Hiring and Real Estate Services	26	8	34	60	4	64
Professional, Scientific and Technical Services	45	8	53	383	71	454
Administrative and Support Services	78	15	93	405	78	483
Public Administration and Safety	8	1	9	75	8	83
Education and Training	8	1	9	51	8	59
Health Care and Social Assistance	40	13	52	461	148	609
Arts and Recreation Services	1	0	1	10	0	10
Other Services	4	0	4	55	3	58
Industry total	553	138	691	4,505	1,191	5,696

Source: ACIL Allen Consulting

B.2.4 Detailed estimates for Group B by industry – Queensland

TABLE B.5 – **REGIONAL LEVEL ECONOMIC CONTRIBUTION OF GROUP B BY INDUSTRY – QUEENSLAND**

	GVA contribution ($million)			Employment contribution (FTEs)		
	Brisbane GCCSA	Rest of Qld.	Total Qld.	Brisbane GCCSA	Rest of Qld.	Total Qld.
Agriculture, Forestry and Fishing	0	0	0	0	3	3
Mining	2	3	5	6	6	12
Manufacturing	6	5	11	55	48	102
Electricity, Gas, Water and Waste Services	2	0	2	8	0	8
Construction	5	1	6	16	11	26
Wholesale Trade	13	6	18	60	26	86
Retail Trade	10	9	19	141	140	281
Accommodation and Food Services	0	1	1	4	8	13
Transport, Postal and Warehousing (Excluding Postal)	119	89	208	1,179	987	2,166
Information Media and Telecommunications	28	12	40	184	78	263
Financial and Insurance Services	7	4	12	33	10	43
Rental, Hiring and Real Estate Services	15	8	23	22	7	29
Professional, Scientific and Technical Services	18	15	32	166	141	307
Administrative and Support Services	44	24	67	257	145	402
Public Administration and Safety	6	5	11	54	44	99
Education and Training	2	1	3	15	9	24
Health Care and Social Assistance	28	13	41	335	157	492
Arts and Recreation Services	1	0	1	8	9	16
Other Services	2	2	4	33	31	64
Industry total	308	198	506	2,578	1,859	4,437

Source: ACIL Allen Consulting

B.2.5 Detailed estimates for Group B by industry – SA

TABLE B.6 – **REGIONAL LEVEL ECONOMIC CONTRIBUTION OF GROUP B BY INDUSTRY – SA**

	GVA contribution ($million)			Employment contribution (FTEs)		
	Adelaide GCCSA	Rest of SA	Total SA	Adelaide GCCSA	Rest of SA	Total SA
Agriculture, Forestry and Fishing	0	0	0	0	4	4
Mining	0	0	0	0	0	0
Manufacturing	3	1	4	35	9	45
Electricity, Gas, Water and Waste Services	1	0	1	3	0	3
Construction	2	0	2	23	3	27
Wholesale Trade	11	0	11	64	0	64
Retail Trade	5	3	8	74	35	109
Accommodation and Food Services	0	0	0	5	0	5
Transport, Postal and Warehousing (Excluding Postal)	86	16	102	779	162	942
Information Media and Telecommunications	18	1	19	96	6	103
Financial and Insurance Services	5	1	7	18	4	22
Rental, Hiring and Real Estate Services	6	3	9	8	2	9
Professional, Scientific and Technical Services	9	1	10	77	7	84
Administrative and Support Services	38	6	44	169	24	193
Public Administration and Safety	3	0	3	29	0	29
Education and Training	1	0	1	6	0	6
Health Care and Social Assistance	19	1	20	197	12	209
Arts and Recreation Services	0	0	0	0	0	0
Other Services	1	0	1	14	3	17
Industry total	210	34	244	1,599	271	1,871

Source: ACIL Allen Consulting

B.2.6 Detailed estimates for Group B by industry – WA

TABLE B.7 – **REGIONAL LEVEL ECONOMIC CONTRIBUTION OF GROUP B BY INDUSTRY – WA**

	GVA contribution ($million)			Employment contribution (FTEs)		
	Perth GCCSA	Rest of WA	Total WA	Perth GCCSA	Rest of WA	Total WA
Agriculture, Forestry and Fishing	0	0	0	0	0	0
Mining	14	0	14	18	0	18
Manufacturing	7	2	9	54	8	63
Electricity, Gas, Water and Waste Services	1	0	1	7	0	7
Construction	5	2	7	16	9	25
Wholesale Trade	20	1	21	104	7	110
Retail Trade	9	3	12	110	40	149
Accommodation and Food Services	1	0	1	8	4	12
Transport, Postal and Warehousing (Excluding Postal)	193	38	231	1,297	290	1,587
Information Media and Telecommunications	44	5	48	216	23	240
Financial and Insurance Services	7	0	7	26	0	26
Rental, Hiring and Real Estate Services	1	0	1	8	0	8
Professional, Scientific and Technical Services	15	1	16	111	8	119
Administrative and Support Services	68	4	72	194	11	205
Public Administration and Safety	2	0	2	26	0	26
Education and Training	3	0	3	19	0	19
Health Care and Social Assistance	24	2	26	225	23	248
Arts and Recreation Services	0	0	0	6	0	6
Other Services	2	0	2	33	2	35
Industry total	416	58	474	2,478	425	2,903

Source: ACIL Allen Consulting

B.2.7 Detailed estimates for Group B by industry – TAS

TABLE B.8 – **REGIONAL LEVEL ECONOMIC CONTRIBUTION OF GROUP B BY INDUSTRY – TAS**

	GVA contribution ($million)			Employment contribution (FTEs)		
	Hobart GCCSA	Rest of Tas.	Total Tas.	Hobart GCCSA	Rest of Tas.	Total Tas.
Agriculture, Forestry and Fishing	0	0	0	0	0	0
Mining	0	0	0	0	0	0
Manufacturing	0	1	1	0	11	11
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0
Construction	0	0	0	3	0	3
Wholesale Trade	0	0	0	4	0	4
Retail Trade	1	2	3	11	29	40
Accommodation and Food Services	0	0	0	4	0	4
Transport, Postal and Warehousing (Excluding Postal)	12	12	25	105	110	215
Information Media and Telecommunications	1	2	3	6	17	23
Financial and Insurance Services	0	1	1	0	3	3
Rental, Hiring and Real Estate Services	0	0	0	0	0	0
Professional, Scientific and Technical Services	1	1	2	18	14	31
Administrative and Support Services	3	3	6	26	22	47
Public Administration and Safety	1	1	2	9	5	14
Education and Training	0	0	0	0	3	3
Health Care and Social Assistance	3	1	4	30	14	44
Arts and Recreation Services	0	0	0	0	0	0
Other Services	0	0	0	0	0	0
Industry total	23	24	48	214	227	441

Source: ACIL Allen Consulting

B.2.8 Detailed estimates for Group B by industry – NT

TABLE B.9 – **REGIONAL LEVEL ECONOMIC CONTRIBUTION OF GROUP B BY INDUSTRY – NT**

	GVA contribution ($million)			Employment contribution (FTEs)		
	Darwin GCCSA	Rest of NT	Total NT	Darwin GCCSA	Rest of NT	Total NT
Agriculture, Forestry and Fishing	0	0	0	0	0	0
Mining	0	0	0	6	0	6
Manufacturing	0	0	0	0	2	2
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Wholesale Trade	1	1	1	5	5	9
Retail Trade	0	0	0	4	0	4
Accommodation and Food Services	0	0	0	0	0	0
Transport, Postal and Warehousing (Excluding Postal)	8	3	11	67	24	91
Information Media and Telecommunications	0	0	0	0	2	2
Financial and Insurance Services	0	0	0	0	0	0
Rental, Hiring and Real Estate Services	0	0	0	0	0	0
Professional, Scientific and Technical Services	1	0	1	12	0	12
Administrative and Support Services	2	0	2	9	2	11
Public Administration and Safety	1	0	1	7	4	11
Education and Training	0	0	0	0	0	0
Health Care and Social Assistance	1	1	2	10	8	18
Arts and Recreation Services	0	0	0	0	0	0
Other Services	0	0	0	4	0	4
Industry total	14	6	20	123	48	171

Source: ACIL Allen Consulting

B.2.9 Detailed estimates for Group B by industry – ACT

TABLE B.10 – **REGIONAL LEVEL ECONOMIC CONTRIBUTION OF GROUP B BY INDUSTRY – ACT**

	GVA contribution ($million)	Employment contribution (FTEs)
	Total ACT	Total ACT
Agriculture, Forestry and Fishing	0	0
Mining	0	0
Manufacturing	1	10
Electricity, Gas, Water and Waste Services	0	0
Construction	0	0
Wholesale Trade	1	3
Retail Trade	2	25
Accommodation and Food Services	0	0
Transport, Postal and Warehousing (Excluding Postal)	24	119
Information Media and Telecommunications	2	16
Financial and Insurance Services	1	2
Rental, Hiring and Real Estate Services	10	13
Professional, Scientific and Technical Services	1	6
Administrative and Support Services	4	22
Public Administration and Safety	11	66
Education and Training	0	5
Health Care and Social Assistance	9	73
Arts and Recreation Services	0	0
Other Services	0	3
Industry total	67	363

Source: ACIL Allen Consulting

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