

# The economic and social benefits of Opera Queensland

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La Traviata

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*“Everything we do at Opera Queensland celebrates and interrogates the extraordinary energy that opera creates. One of our goals is to “Lead Change in Opera”. Key to this goal are our mainstage productions.*

*On the mainstage we can explore the grand themes of life and reveal the extraordinary emotional possibilities of an artform that incorporates all the others – music played by a symphony orchestra, majestic storytelling, dance, stage, lighting, video design, fashion, and great singing.*

*In the productions we present, in our relationships with audiences across the state and artists across the world, in the works we commission and the way we work together as an organisation, we always seek to deepen our understanding and facilitate the growth of the Artform.”*



**Patrick Nolan**

CEO & Artistic Director of Opera Queensland

# What others have to say about Opera Queensland

“

*“As we move further into the 21st Century, the hope is that opera in Australia continues to push boundaries and offer experiences for audiences to feel something deeper than they’re used to. With a standing ovation and the words written on the wall, it’s with all honesty that OQ have made opera accessible, thrilling, and fearless.”*

**Kaylee Randall,**  
**The Creative Issue**

*“A minimum of three shows are required for an artistic director to have a conversation with the community... Two shows are not a sustainable presence; it is fleeting and intermittent.”*

**Neal Harvey,**  
**Tim Fairfax Family Foundation**

*“I just love the melodic characteristics of opera. I don’t care about the plots, I love the music and how it comes together, the melodic value. It’s entirely irrational and emotional and I’m happy with that.”*

**Peter Coaldrake,**  
**Queensland Performing Arts Centre**

*“I have rarely heard an audience so unanimously thrilled by something innovative in an opera performance. This is a wonderful experience of theatre.”*

**Nicholas Routley,**  
**The Australian Stage**

*“Art in a way is the only thing that really separates us from the animal world. We need to elevate ourselves to be better humans. With opera, if we only do it twice a year, we will never get to the familiarity that drives numbers up. Three is the minimum. Five really, but let’s start with three. We need the time to expose the audience to something amazing but not yet familiar”*

**Umberto Clerici,**  
**Queensland Symphony Orchestra**

*“Opera Queensland is a huge part of Queensland’s cultural landscape ... If anyone wants the experience, we are reliant on Opera Queensland.”*

**Roxanne Hopkins,**  
**Queensland Performing Arts Centre**

”



# Executive summary

## Overview

Opera is widely regarded as one of the highest forms of art, a classical medium that reaches to the limits of the human voice and moves listeners to a rapturous appreciation, as if, to quote Ann Patchett's *Bel Canto*, "life, true life, is something that is stored in music."

But while many might recognise opera as an important social institution, it is often regarded as a non-economic activity with limited benefits to the wider community.

This report challenges that perspective. Through a rigorous research process, it examines the economic contribution of opera in Queensland and provides a clearer articulation of the society-wide benefits.

This Deloitte Access Economics report has been commissioned by Opera Queensland, one of Australia's five major opera companies, as it contemplates making permanent a third annual mainstage opera production in Brisbane.

The report highlights the benefits of Opera Queensland and the impacts of a third mainstage on its artistic and commercial viability by considering:

- The benefits to opera audiences
- The benefits in terms of value added and employment
- The tourism benefits which arise from mainstage opera productions
- The contribution of opera to the dynamism of Queensland's broader arts and cultural sector

- The significance of opera as Queensland and South East Queensland embark on a deliberate journey of transformation towards the Brisbane 2032 Olympic and Paralympic Games
- The social impacts of Opera Queensland on community connectedness and individual health and wellbeing.

The report has been conducted through a dual process of rigorous economic analysis including input output modelling. It has also involved a program of key stakeholder engagement including interviews with key arts organisations, the philanthropic sector and arts funding agencies in both the Queensland and Australian governments.

A detailed overview of that methodology is provided in the appendix of this report.

Overall, the report presents three main findings:

1. That opera brings measurable economic benefits to audiences, the economy as a whole, employment and the tourism sector
2. That those economic benefits are amplified by social benefits including the strengthening of Queensland's arts sector and an improvement in wellbeing, and
3. That a stronger Opera brings potential benefits including broadening Queensland's brand in the lead up to 2032



Tosca



# Executive summary

## Key economic benefits

Opera Queensland productions are of significant economic value to audiences in Queensland and beyond. Those economic benefits can be measured in a number of ways: a consumer value perspective can show how end-users benefit from Opera Queensland productions, while value added measures Opera Queensland's contributions to the broader economy. Both approaches are used in this report.

In 2021, Opera Queensland created \$1.7 million in consumer value—\$1.4 million in ticket sale revenues, and an additional \$0.3 million in 'consumer surplus'. This reflects the value that consumers receive through the price of opera tickets, as well as the fact that, for many attendees, the value derived from their Opera Queensland visit is greater than the price of their ticket due to the unique experience of an opera performance.

The economic contribution of Opera Queensland in 2021 was \$6.0 million in total value added to the economy. Opera Queensland supported 55 full time equivalent positions (FTEs), 18 of which were contributed indirectly through co-dependent organisations such as Queensland Ballet. In headcount terms, Opera Queensland supported 247 jobs. The revenue that makes up part of the consumer value also contributes to Opera Queensland's economic activity, and as such the economic and consumer values are not additive.

In addition to the value added is economic activity supported by attributable tourism from intrastate, interstate and overseas visitors which occurs through the mainstage productions of Opera Queensland. In total, \$205,600 was contributed in additional value added in 2021 through this tourism activity. Value added figures reflect the contribution of Opera Queensland to Gross State Product. Notably, this is smaller than the organisation's expenditure – a common result among entities that are publicly funded.

In future years, it is expected that the economic benefits supported by Opera Queensland would be even greater than 2021 as the impacts of COVID-19 subside. The funding of a third mainstage production would enable Opera Queensland to capitalise on the returning interstate and international demand.

## Broader social benefits

Opera, like other forms of arts and culture, produces a range of broader social benefits, including community pride, cultural understanding and improved mental health. Opera has been found to be an inherently social activity, building strong relationship between audience members and adding to community connectedness.

Opera Queensland is committed to building community engagement by connecting individuals through educational programs, providing singing workshops for children and adults, and by performing on tours travelling throughout regional Queensland.

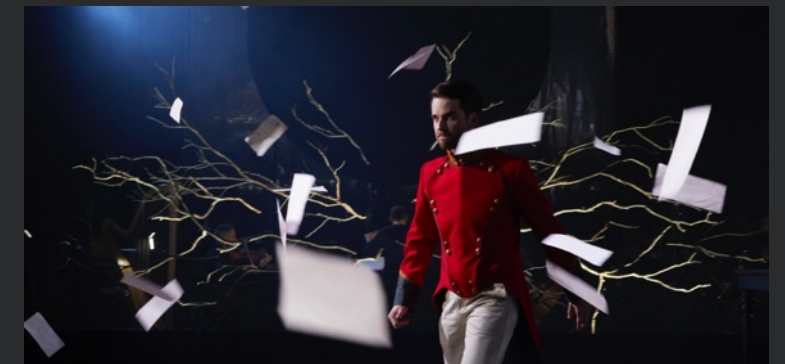
Opera Queensland's performances provide opportunities for audiences to experience opera through its array of accessible programs, contributing to the diverse portfolio of artforms available to Queenslanders and visitors. This, in turn, amplifies the broader arts sector in Queensland and helps to build capabilities.

Further, Opera Queensland engages with artistic companies, creative and non creative sectors which produces benefits for the broader arts industry and economy.

Opera Queensland also supports access to productions in regional and remote Queensland, such as the Festival of Outback Opera. In 2021, Opera Queensland hosted productions across 31 regional and remote locations. By providing opportunity for donors and audiences to become more engaged with the company, a permanent third mainstage would also support a continued emphasis on regional touring.

## Potential future benefits: broadening Queensland's brand in the lead up to the Brisbane 2032 Olympics and Paralympic Games

With the Queensland Government committed to hosting the 2032 Olympics and Paralympic Games, timely investment into the opera would help to showcase Queensland as a cultural centre in Australia. In fact, the Ipsos Life in Australia 2022 reported that Brisbane ranked second last relative to other Australian capital cities in the category 'Museums, galleries & festivals'. This suggests there is an opportunity to strengthen Brisbane's brand as a cultural destination and artistic centre.



Oscar and Lucinda



# Executive summary



**\$6.0 million**

in total value added through the economic contribution of Opera Queensland in 2021.



**\$205,600**

in total value added from tourism activity attributable to Opera Queensland in 2021.



**31**

regional and rural locations reached through Opera Queensland's tours in 2021.



**Three**

**mainstages**  
the number that the National Opera Review recommended Opera Queensland have.



**5.5/10**

Brisbane's score in the Ipsos Life Australia report for the category 'Museums, galleries & festivals', only ahead of Hobart nationally.



**178**

employment roles for artists and artworkers through mainstage productions in 2021.



**\$1.7 million**

total value to attendees from attending Opera Queensland productions in 2021.



**\$600,000**

of additional funding requested by Opera Queensland to sustain a third mainstage production.



**95%**

of attendees agree that 'local residents should feel proud' of the Festival of Outback regional production.

# Introduction

## About Opera Queensland

Opera Queensland was established in 1981 and is one of Queensland's six major performing arts companies, along with the Queensland Ballet, the Queensland Theatre Company, the Queensland Symphony Orchestra, Circa and Dancenorth. Opera Queensland is one of five major opera companies in Australia.

Opera Queensland receives Queensland and Commonwealth government funding, alongside the revenue it generates from ticket sales, sponsorships, philanthropy and other donations. Between 2015 and 2019 inclusive, approximately ten thousand people a year attended opera productions by Opera Queensland, paying on average \$88 for their experience, generating \$6 million in cumulative revenue. Opera Queensland is known for its fresh interpretations of the canon and supporting world premieres of contemporary works. It also connects regional Queensland through signature events such as Festival of Outback Opera.

In 2016, the Australian Government undertook a National Opera Review (NOR), in response to financial and other pressures affecting all of Australia's major opera companies. The NOR also noted that between 2009 and 2015, Opera Queensland had, on average, produced fewer mainstage productions than other

major Australian opera companies, limiting the company's capacity to build a core subscriber base and attract new audiences. The NOR recommended Opera Queensland and other state opera companies undertake a minimum of three mainstage productions each year, to ensure the financial and artistic sustainability of the companies.

In response, Arts Queensland provided Opera Queensland with a Tripartite Structural Adjustment and Temporary Funding Uplift from 2018-21, and a further once-off amount of \$500,000 was offered as matched funding by the Australia Council to bolster the company's reserves. The additional funding supported three mainstage productions through 2021-22 (with 2020 being cancelled during to COVID-19). Opera Queensland is now seeking permanent funding to hold a third mainstage each year. A permanent third annual mainstage production will ensure Opera Queensland has the potential to meet a critical mass in terms of artistic vitality and engagement with performers, subscribers and potential audiences.

With no funding forthcoming, Opera Queensland will present a concert as its third mainstage in 2023.



The Marriage of Figaro



# Introduction

## Opera Queensland is inspired to create an event for Brisbane and the State, which will make Brisbane an international destination for lovers of great singing

In 2024 Opera Queensland is launching "Brisbane Bel Canto". This new festival uses the rich and popular repertoire of Italian operas from the middle of the 19th Century as a springboard into a celebration of song in all its many forms. Brisbane Bel Canto will feature some of the world's most renowned opera singers to present a program of concert performances, surrounded by a host of satellite events – recitals, masterclasses, pop-up performances – attracting audiences from around Australia and the world.

Opera Queensland Artistic Director, Patrick Nolan, will work closely with Australia's leading Bel Canto specialist, Toowoomba born, internationally revered conductor and composer, Richard Mills.

Song and opera are part of Australia's national narrative: soprano Nellie Melba appears on the \$100 note and one of the world's most iconic buildings is the Sydney Opera House. Australian Joan Sutherland is regarded as one of the greatest singers in the history of opera, and as a country we have regularly produced singers who grace the stages of the world - several, (including the great Lisa Gasteen), from Queensland.

"Brisbane Bel Canto" will be graced by some of the greatest singers in the world in this repertoire - one of whom, Jessica Pratt, grew up in Toowoomba. Jessica in the only Australian soprano, after Melba and Sutherland, to appear in both opera and concert at La Scala.

Singing is inclusive, it embraces all ages as shared activity. "Brisbane Bel Canto" will extend the reach of participation in song far beyond the performances of great Bel Canto titles like Lucia di Lammermoor and Barber of Seville. With the excellent facilities of Opera Queensland as a base, there will be a specially designed masterclasses for young singers, concerts and recitals in Brisbane's churches, and a state wide choir competition the winners singing with the stars of the festival.

"Brisbane bel Canto" will take its place in the international grid of Opera Festivals with links to the Rossini festival in Pesaro and the Donizetti festival in Bergamo (for which Jessica Pratt is an official ambassador) and the Festival della Valle d'Istria in a process of cultural exchange and co-operation. Future links will be established with Singapore, Hong Kong and mainland China. The festival will also build on the vibrant community of Italian heritage both in Brisbane and, in Far North Queensland.



Verdi

# Introduction

## About this report

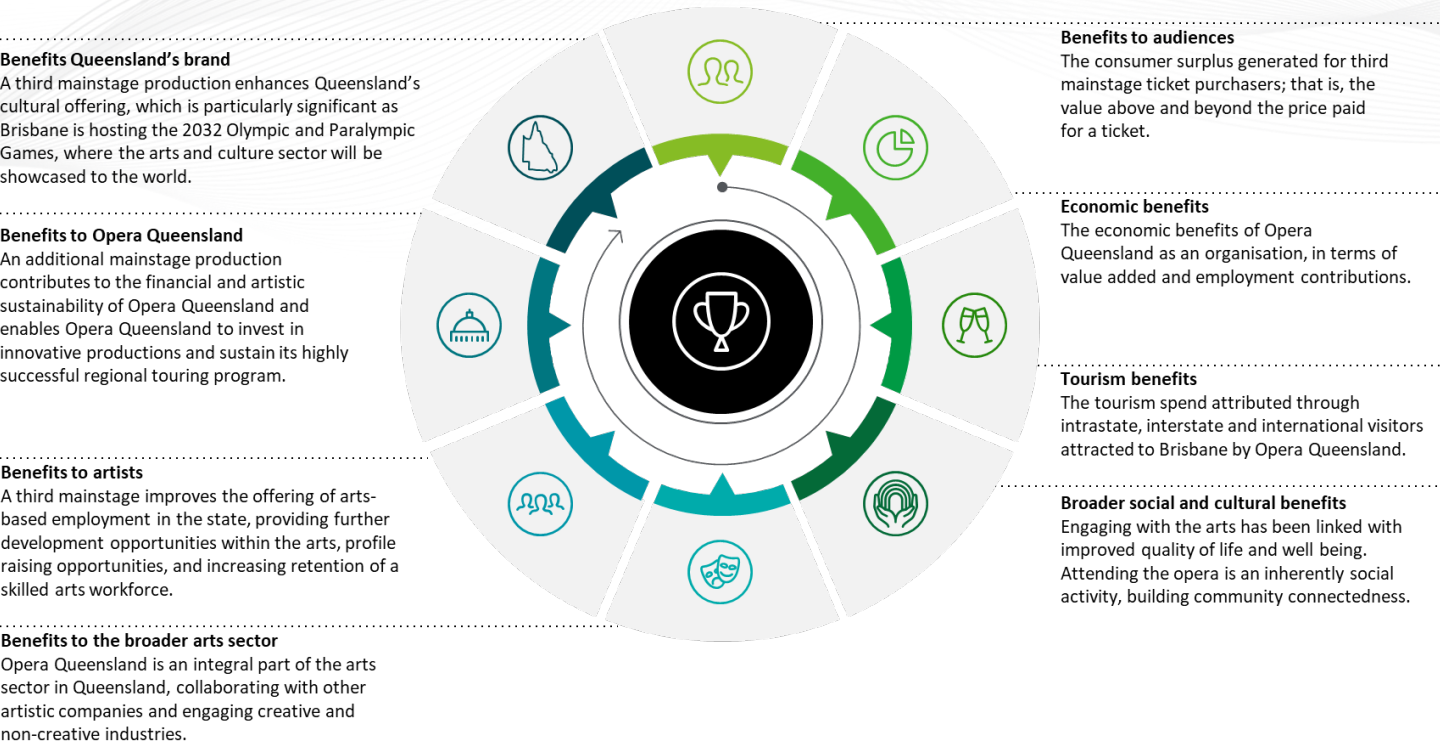
Deloitte Access Economics has been asked to outline the economic and social benefits attributable to Opera Queensland in 2021, and to explore how a third mainstage contributes to the artistic and commercial viability of the organisation. A range of benefits are explored through this report, as outlined in Figure 1.

This report draws on numerous sources, including financial and audience data from Opera Queensland, Tourism Research Australia visitor survey data and State Tourism Satellite Accounts, as well as broader desktop research.

Additionally, to gain a more in-depth understanding of how Opera Queensland is placed in the Queensland arts scene, consultations were undertaken with representatives from Arts Queensland, Opera Queensland, Tim Fairfax Family Foundation, Tourism and Events Queensland, Queensland Performing Arts Centre, Australia Council and Queensland Symphony Orchestra.

The focus of this report is the economic and social benefits of Opera Queensland and importance of a third mainstage. It does not assess the costs associated with Opera Queensland’s activities, any risks or implementation issues, or consider this initiative against other alternatives. This study is based on a range of data provided by Opera Queensland, including forecast attendance levels, and this data has not been independently verified by Deloitte.

**Figure 1: Benefits generated by a third mainstage**



Source: Deloitte Access Economics



# Benefits to audiences

In 2021, opera audiences paid \$1.4 million in ticket sales, but received a benefit of \$1.7 million

**Opera is a unique, immersive artform bringing enjoyment and value to those who experience it.**

There are several ways of capturing the value attendees gain from visiting the Opera. An appropriate starting point is the market or transaction value. This is based on the price attendees paid for a ticket, with the value attendees gain from visiting the Opera at least equivalent to the ticket price. In 2021, event income from Opera Queensland ticket sales was \$1.4 million.\* This includes attendances to not just the mainstage performance but other productions hosted by Opera Queensland.

While substantial, many consumers place a higher value on the experience than the dollar value of the ticket. The difference is commonly referred to as 'consumer surplus'. The consumer surplus for opera is likely to be particularly significant because of the unique nature of the event. In addition, Opera Queensland's prices are not necessarily set at a level to maximise returns for the organisation. Hence, Opera Queensland's ticket prices may understate the true value to opera attendees.

In a relevant previous study, Deloitte Access Economics undertook a consumer survey to understand how much more consumers would be willing to pay to attend productions at the Sydney Opera House. Each participants' response was then converted into a value premium (or consumer surplus) above the ticket price. The study found that consumer surplus is 37% of the ticket price for regular attendees and 14% for occasional attendees of the Sydney Opera. Applied to Opera Queensland, this suggests the consumer surplus to attendees in 2021 was equivalent to \$247,000.

While imperfect, the value premium associated with attending the Sydney Opera House can be considered a reasonable proxy for the potential consumer surplus Opera Queensland attendees may derive given similarities in the nature of productions. Furthermore, while data on the frequency of Opera Queensland attendances is unavailable, information regarding the subscription status of attendees in 2021 was used to inform the most appropriate value premium to be applied.

Considering both the transaction value and this consumer surplus, this suggests the total value to attendees from attending Opera Queensland productions in 2021 was \$1.7 million (see Table 1).

Opera Queensland also offers performances which cater to aged care audiences – ensuring that this consumer surplus is experienced more broadly by individuals who may otherwise be unable to access similar artforms.

\*Note: The transaction value i.e., the revenue from ticket sales also contributes to economic activity which is estimated on slide 12. As such, the attendee value and economic value of Opera Queensland are not additive.

**Table 1: Attendee value of Opera Queensland productions in 2021**

Component	Annual amount	Source and notes
Transactional value	\$1,416,000	Opera Queensland Financial Report (2021)
Weighted average value premium	17%	Derived based on 'Revaluing Our Icon' a report by Deloitte Access Economics (2018) and the proportion of subscribers attending Opera Queensland's productions.
Estimated consumer surplus	\$247,000	Calculation based on rows (1) and (2)
<b>Total attendee value</b>	<b>\$1,663,000</b>	<b>Sum of rows (1) and (3)</b>

Source: Deloitte Access Economics with other sources as noted in the table, 2021.



The Marriage of Figaro

# Benefits to audiences

The Opera Queensland audience comes from Brisbane, the rest of Queensland, interstate and overseas

## Attendance of Opera Queensland productions

On average, from 2015-19 (i.e., In contrast to the often perpetuated view that opera is a niche artform patronised almost exclusively by inner city elites, audience data shows that every year, individuals travel from overseas, intrastate and interstate to view Opera Queensland's productions. In 2023, Opera Queensland expects to welcome as many as 4,900 and 8,000 attendees to its first and second mainstages, respectively, and 2,400 attendees for the Brisbane concert replacing a fully funded third mainstage.

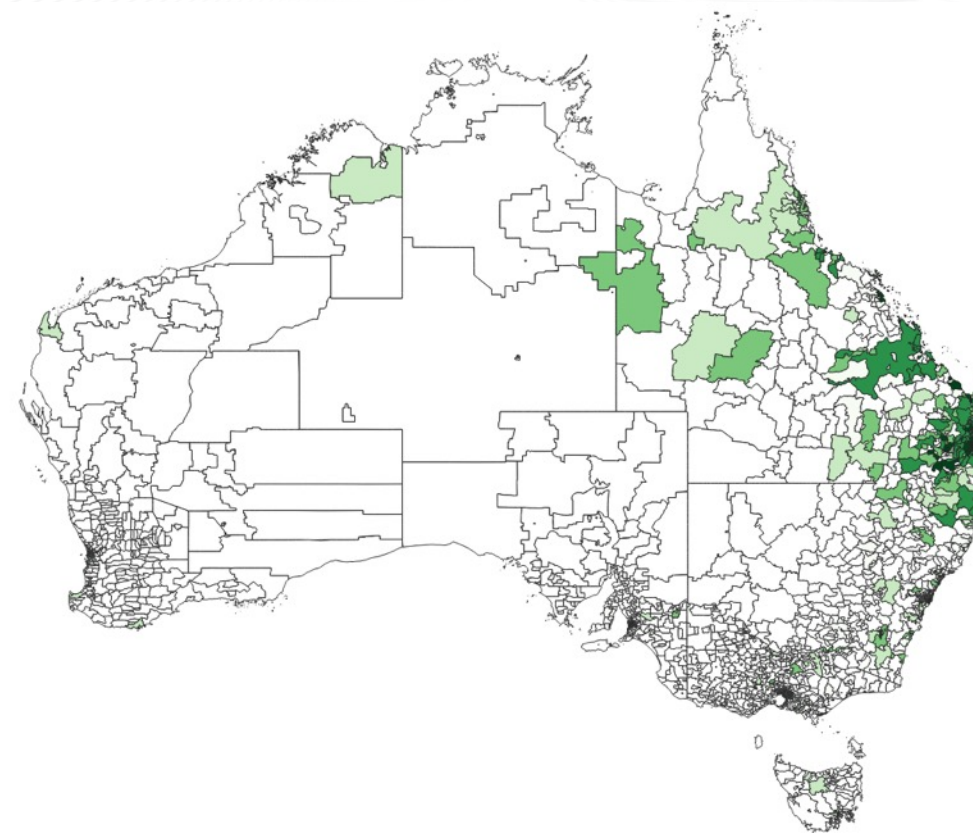
Pre-COVID, 73% of visitors were from Brisbane, 23% from other parts of Queensland, 4% from interstate and less than 1% from overseas. Figure 2 depicts the postcodes of attendees to Opera Queensland productions from within Australia (from 2015-19). It demonstrates that while attendees are mainly concentrated in Brisbane, there are a significant number of attendees from regional and remote areas, particularly from North West Queensland (see Figure 2).

This report focuses primarily on quantifying the benefits of Opera Queensland in the 2021 calendar year. Despite the cancellation of Aida production at the Lyric Theatre and a large televised event due to COVID-19, audience reach was 149,645 in 2021. This include 10,731 attendances to Opera Queensland's mainstage productions. Opera Queensland also reached close to 17,500 regional and remote audiences.<sup>1</sup>

Moving forward, Opera Queensland expects to welcome an even greater number of attendees in particular to its third mainstage production. From 2023 Opera Queensland is planning to use the third mainstage to launch a new festival called "Brisbane Bel Canto", targeting at attracting a large share of interstate and international visitors in particular.

A third mainstage will be critical to Opera Queensland building its subscriber base and audience engagement moving forward, in particular given the damaging impacts of COVID-19 over the past few years on the arts sector. COVID-19 prevented Opera Queensland from running any productions in 2020, and faced subdued demand in 2021 and 2022. The arts and recreation services industry, in fact, experienced a decrease in EBITDA of \$649 million in 2019-2020.<sup>2</sup>

Figure 2: Heatmap of Opera Queensland mainstage audiences from 2015-19



Source: Deloitte Access Economics

Note: Darker colours denote postcodes with a larger number of attendees.



# Economic contribution of Opera Queensland

In 2021, Opera Queensland contributed \$6.0 million in total value added to the Queensland economy and supported 55 full-time equivalent jobs

## Economic contribution studies

Economic contribution studies provide a snapshot of the contribution of a company or industry, or in this case Opera Queensland, to the economy at a point in time. Notably, because revenue also contributes to attendee value, these results are not additive with transaction values estimated on previous slides.

The headline contribution metrics indicate:

### Direct value added

The direct value added demonstrates the returns generated from the direct labour inputs of Opera Queensland. Typically, this would also include gross operating surplus; however, due to the role of government funding in Opera Queensland, this is treated as a transfer rather than a net addition to the Australian economy.

### Indirect value added

The indirect supply chain effects from the demand for goods and services generated in other sectors as a result of economic activity associated with Opera Queensland.

## Results for 2021

- Opera Queensland contributed \$3.9 million in direct value added, as well as \$2.1 million in indirect value added through upstream industries
- The sector also directly employed 37 FTEs while supporting an additional 18 FTEs indirectly through employment in co-dependent organisations such as Queensland Ballet, Queensland Symphony Orchestra, Queensland Theatre, Circa and Dancenorth
- In headcount terms, Opera Queensland reported supporting the employment of 247 people.

## The economic contribution of Opera Queensland

In 2021, Opera Queensland's activities contributed a total of \$6.0 million in value added, with \$3.9 million contributed directly and \$2.0 million contributed indirectly through induced demand in upstream industries (see Chart 1).

Opera Queensland contributed 55 FTE jobs; 37 FTE jobs directly and a further 18 FTE jobs indirectly (see Chart 2).

Chart 1: Value added by Opera Queensland

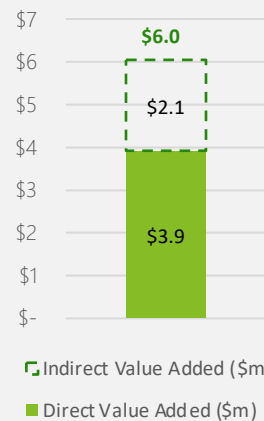
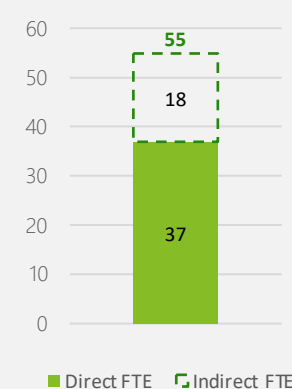


Chart 2: Employment supported by Opera Queensland



Source: Opera Queensland, DAE-RIOM, Deloitte Access Economics

## The indirect economic impacts of Opera Queensland

The indirect value added of Opera Queensland totalled an additional \$2.1 million in value added and 18 FTE. Many of these benefits are reaped by the broader Queensland arts sector.

## About the approach

The economic contribution modelling for Opera Queensland was undertaken using the Deloitte Access Economics Regional Input-Output Model. Estimates are based upon expenditure and employment expense figures available in Opera Queensland's 2021 financial statements, and these were supplemented with data provided by Opera Queensland on total employment and mainstage productions.

Notably, expenditure totalled \$7.3 million in 2021 – less than the \$6.0 million in total value added due to the treatment of government funding as a transfer rather than a net addition to the Australian economy. This is a common finding among entities that are publicly funded. Further details on the economic contribution approach can be found in the Appendix.

# Tourism benefits

As a major contributor to the Queensland arts ecosystem, Opera Queensland's productions attract the expenditure of intrastate, interstate and international visitors to the state

## Key elements of attributable visitor activity

In addition to the broad array of social and economic benefits described throughout this report, Opera Queensland also attracts intrastate, interstate and international tourism to Queensland. The tourism spend of visitors attributable to Opera Queensland in 2021 is driven by three key elements:

- attendance by place of origin;
- average visitor expenditure; and
- the attribution of visitation to Opera Queensland productions.

Attendance to Opera Queensland productions was assumed to be limited to 2021 mainstage productions, excluding smaller productions and regional productions. Using this method, Opera Queensland attracted 6,411 (72%) Brisbane visitors, 2,281 (26%) intrastate visitors, 226 (2%) interstate visitors and eight international visitors (see Chart 3).<sup>i</sup>

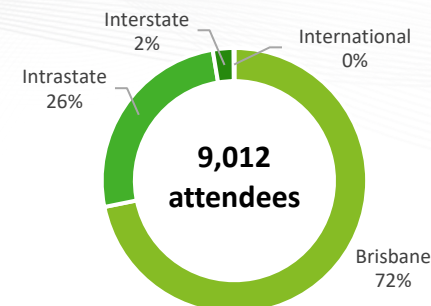
To estimate average visitor expenditure, this information was supplemented with data on the average spend of visitors to Brisbane who primarily visited to attend theatre, concerts or other performing arts for a holiday in 2021. The analysis assumes half of a day of tourism expenditure can be attributed to all mainstage production attendees—a conservative assumption given the average stay of holidaying visitors in 2021 was 2.2 days. This attribution also reflects an approach utilised in previous studies.<sup>3</sup>

## Attributed tourism spend

Expenditure per visitor estimates were derived using Tourism Research Australia Visitor survey data for 2021. In total, it was estimated that tourism attributable to Opera Queensland totalled \$269,000 expenditure, with \$247,100 deriving from intrastate visitors, \$21,600 from interstate visitors and \$400 from international visitors. Notably, attributable expenditure by international visitors tends to be lower than intrastate and interstate expenditure because they stay for longer periods of time, meaning their expenditure is apportioned over a longer period of time.

i. Note that 86 visitors were missing their place of origin in the provided data; for modelling purposes, their place of origin was allocated according to the distribution of places of origin of the available data.

Chart 3: Attendance by place of origin



## Attributed opera visitor activity<sup>ii</sup>

**\$215**

per intrastate opera visitor to Brisbane

**\$189**

per interstate opera visitor to Brisbane

**\$99**

per international opera visitor to Brisbane

**\$247,100**

Intrastate visitor attributed tourism spend

**\$21,600**

Interstate visitor attributed tourism spend

**\$400**

International visitor attributed tourism spend

Source: Opera Queensland; Tourism Research Australia; Deloitte Access Economics

Note: (ii) Using Tourism Research Australia visitor survey data 'opera visitors' are defined as those who visited Brisbane to attend theatre, concerts or other performing arts with 'holiday' as the main purpose of visit.



# Tourism benefits

## The tourism activity attributed to Opera Queensland contributes additional economic value

### Tourism accounting principles

Opera Queensland productions attract interstate and international visitors to Queensland, as well as intrastate regional visitors who travel to Brisbane for the productions as an alternative to travelling interstate or overseas (and thus their spend is retained within their state economy). This analysis captures the economic contribution of the tourism expenditure associated with visitors who make a trip to Brisbane or allocate a portion of their stay in Brisbane in order to attend an Opera Queensland production. This attributable tourism results in economic benefits to the Queensland economy as these visitors spend money on accommodation, tourist attractions, food and beverages, transport and other activities.

With an underpinning of the attributable visitor expenditure, this analysis demonstrates the tourism contribution of Opera Queensland in terms of value added and full-time equivalent (FTE) employment for the Queensland economy. This contribution is broken down into direct and indirect components:

- **Direct contribution** is the value added and employment generated by producers and retailers that directly interact with visitors who are drawn to Queensland to attend performances by Opera Queensland.
- **Indirect contribution** is the value added and employment in the wider economy created by the chain of suppliers to the direct providers of services. For example, the value added created by food manufacturers who supply restaurants.

Therefore, the figures presented in this analysis are additive with the figures provided in the economic contribution analysis.

### Approach overview

This study drew on information from a range of sources including Opera Queensland ticket sales data, Tourism Research Australia visitor survey data and State Tourism Satellite Accounts. The method through which this data estimated tourism activity attributable to Opera Queensland is outlined on the previous page.

The analysis uses a Tourism Satellite Account (TSA) framework to measure the economic contribution of attributable tourism spend. The TSA framework is conceptually similar to and draws on the principles

underlying the Australian National Accounting Framework (which underpins traditional input-output contribution modelling), but accounts for the unique characteristics of the tourism industry.

*Further details on the data and modelling approach can be found in the Appendix.*

### Tourism contribution of Opera Queensland

The attributable tourism associated with Opera Queensland contributed a total of \$205,600 in value added to the Queensland economy (see Table 2). Of this, \$97,500 in value added was contributed directly through tourism-based activities such as accommodation, tourist attractions, food and beverages, transport and other activities, while \$108,100 was estimated to be contributed indirectly through upstream industry activity, such as food and beverage manufacturing.

Notably, while estimated direct benefits will primarily be allocated towards the Brisbane economy, the indirect benefits are anticipated to benefit the broader Queensland economy.

**Table 2: Attribution of visitor activity and expenditure to the third mainstage**

	Direct	Indirect	Total
Value added (\$)	\$97,500	\$108,100	\$205,600

Source: Deloitte Access Economics

### The impacts of COVID-19

The tourism benefits estimated for 2021 are not representative of a normal year due to the subdued tourism due to the COVID-19 pandemic. In 2019, the mainstage productions from Opera Queensland were attended by 9,670 people, compared to 2021 where there were 9,012 attendances. This is despite a third mainstage production occurring in 2021 and not in 2019.

By comparison, Opera Queensland anticipates it will attract a total attendance of over 13,000 in 2023 with the running of a cut-cost third mainstage. There is scope for this attendance level to increase further in 2023 with the provision of an additional \$600,000 in Opera Queensland's annual budget. This would not only increase attendance levels by enabling an annual third mainstage production; it would also support the launch of the Brisbane Bel Canto festival to further attract audiences from around Australia and Asia.

# Social and cultural benefits

## Opera Queensland contributes socially and culturally to Queensland through its productions and tours

The arts and culture sector in Queensland, of which Opera Queensland is a core contributor, forms an integral part of the state's social and cultural identity, with material impacts on a number of aspects of Queensland society. Adding a third mainstage production will help amplify the various social and cultural benefits attributed to Opera Queensland as outlined below.

### Community pride and involvement

Opera Queensland provides social and cultural benefits to the state by contributing to the variety of artforms Queenslanders can access and adding to their overall wellbeing. Such benefits are not only experienced in metropolitan Queensland, but also regionally, as Opera Queensland is committed to deepening engagement with regional and remote communities.

Engagement with or involvement in the arts has been suggested to have positive impacts on communities, individuals' sense of belonging and social interactions. The 2020 National Arts Participation Survey found that Australians are increasingly acknowledging the importance of the arts and its positive impact in communities. In fact, the survey found that 53% of Australians agreed that the arts allow them to connect with others and 60% affirmed that the arts help with understanding other people and cultures.<sup>4</sup>

**60%** of Australians agreed that the arts help with understanding other people and cultures.

Importantly, the opera is perceived to be an inherently social activity; building strong connections between attendees. Indeed, operagoers have been found to highly value the presence of other people at productions.<sup>5</sup> Attendees of the performances often consider factors such as other spectators' responses to the performance and with whom they attended the event with respect to their experience.<sup>6</sup>

**In 2021, Opera Queensland extended audience reach into 31 regional and remote locations as part of its regional productions.**<sup>7</sup> The positive implications of opera on the community were also found in feedback surveys conducted by Opera Queensland. For example, 92% and 95% of attendees, respectively, agree that 'local residents should feel proud' of the Sopranos and Festival of Outback Opera regional productions.

**95%** of attendees agree 'local residents should feel proud' of the Festival of Outback regional production.

In addition to regional tours, Opera Queensland engages and improves the connectivity of the community as part of its 2021-22 strategy. The initiatives includes programs such as workshops with schools in remote First Nations communities, providing community singing events to encourage continued learning and supporting people with disabilities to engage with the opera.

A third mainstage production contributes to Opera Queensland's broader functions, allowing them to undertake the regional touring program and continue contributing to communities around the state. The tours and strategic initiatives have wide ranging benefits, from building community pride and connectedness, as discussed, and wellbeing benefits to attendees, highlighted below.

### The arts make a measurable contribution to wellbeing and overall health

Engagement with creative cultural activities, such as the opera, has also been found to have a positive impact on wellbeing and overall health.

Specifically, engagement in the arts has been linked to increased satisfaction with quality of life and feelings of happiness.<sup>8</sup> Additionally, participation in receptive and creative cultural activities has been significantly associated with good health, low anxiety and depression.<sup>9</sup> These notions were also explored in the 2020 National Arts Participation Survey which found that most Australians agreed that arts and creativity have a significant impact on their sense of wellbeing, happiness and ability to deal with stress, anxiety and depression.

Exposure to the arts has also been linked with positive health outcomes in relation to the social determinants of health. For example, engagements with arts and culture helps generate a larger, more diverse social network, leading to social capital and improving overall health outcomes.<sup>10</sup>

Improving the health and wellbeing of all Queenslanders and reducing health inequities is one of the priorities of Queensland's statutory agency Health and Wellbeing Queensland. Providing opportunities for Queenslanders to experience and engage with a range of artforms, such as the productions executed by Opera Queensland, supports the goals of Health and Wellbeing Queensland. This sentiment was also highlighted by Neal Harvey from Tim Fairfax Family Foundation, stating that "*Opera Queensland is delivering on these outcomes for the government*", with regards to Health and Wellbeing Queensland's goals.



# Benefits to the broader Queensland arts sector

## Opera Queensland is a keystone for a sophisticated and vibrant Queensland arts sector

### Opera underpins other activity across the sector

Opera is a unique artform, combining singing, acting, dancing and music. It can be traced back to the early 17<sup>th</sup> century, with the oldest surviving opera, Euridice, having been created in 1600.<sup>11</sup>

Opera is widely regarded as a keystone artform, with the existence of at least one healthy and vibrant opera company serving as a foundation both for the broader sophistication of the public cultural landscape and for the viability of related arts companies and artists. As illustrated in Figure 3, Opera Queensland, and the core artistic companies in Queensland, support a range of creative industries in Queensland such as fashion, music composition, digital media, design, visual arts and crafts, literature, print media and publishing.

The important role of Opera was recognised through the consultation phase of this project with Queensland Symphony Orchestra Chair, Rod Pilbeam recounting that when Boeing sought to establish an Australian presence in the 1990s, the existence of opera was considered a critical factor in choosing a home city because he said Boeing took the view that *"the senior people who would settle down there would be looking for activities such as opera."*

Queensland Symphony Orchestra's Yarmila Alfonzetti explained the criticality of Opera Queensland to the company, not just because its musicians are employed providing pit services for opera but because of the criticality of opera's musical canon; *"The opera repertoire is a vital part of the canon we need our musicians to play, and that they want to play."*

Rod Pilbeam also emphasized this sentiment, when he stated:

*"Opera productions create a diversity in the music product that's being pushed into the market ... If we didn't have an opera company, we would have to do some concerts to keep that repertoire because it's great repertoire. The opera company exposes that repertoire and that broadens our overall audience"*

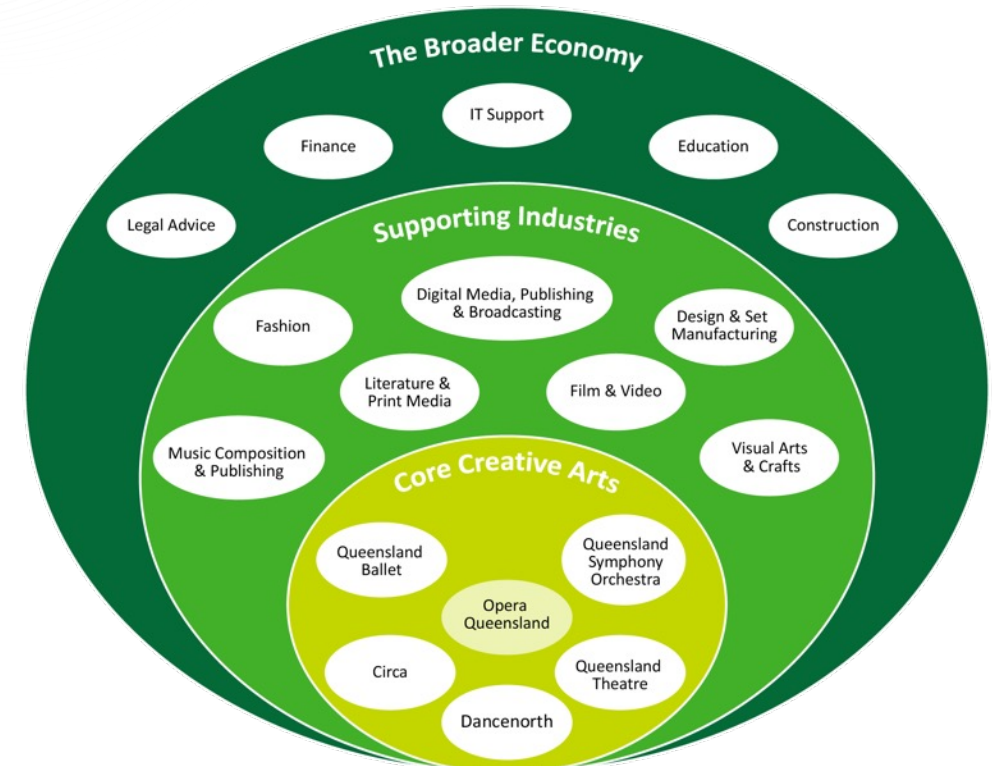
### Opera Queensland is a frequent collaborator

Opera Queensland is a key party of the sophisticated arts offering and often collaborates with other arts companies, ultimately contributing to and uplifting the arts sector as a whole. In fact, in 2021, Opera Queensland collaborated 14 times with other art companies.<sup>12</sup>

### Opera is a critical part of the Queensland Performing Arts Centre's artistic offering

Roxanne Hopkins from Queensland Performing Arts Centre reinforced the sentiment that Opera Queensland provides a unique experience for audiences which would only be found interstate if not for the Company. *"If anyone wants the experience, we are reliant on Opera Queensland."* She also noted the importance of the breadth of art that Opera Queensland contributes, *"For the arts to make impact in the community, it has to be wide ranging."*

Figure 3: Opera Queensland in the broader arts ecosystem



## Benefits to artists

### Opera Queensland provides employment opportunities for artists and art workers; showcasing Queensland talent

Opera Queensland supports professional and aspiring artists and arts workers across a range of specialisations including composers, singers, conductors, musicians, writers, directors, designers, production and technical specialists.

#### Opera Queensland is a significant trainer and employer of high quality artists and arts workers

As the most complex and sophisticated of the performing arts, Opera Queensland trains a range of arts workers across multiple disciplines to a very high level of competence. In 2021, Opera Queensland employed 37 FTE employees.<sup>13</sup> Opera Queensland also provided 178 employment roles for artists and art workers and spent \$959,000 in wages across mainstage productions. Key data shows that prior to the pandemic, **Opera Queensland employed approximately 90 artists and arts workers and spent on average \$470,000 on salaries and wages on each mainstage production.**

#### Opera Queensland creates a pathway for young artists and arts workers

Opera Queensland maintains a strategic focus on career development of young and emerging artists. The company provides opportunities for students through programs such as the Young Artist Program and by partnering with Queensland Conservatorium Griffith University and University of Queensland School of Music. A third mainstage production supports Opera Queensland in its broader functions, such as supporting young artists. In fact Opera Queensland employed 10 emerging artists and provided opportunities for four artists to move through training programs to mainstage roles in 2021.<sup>14</sup>

The importance of providing opportunities for young people was also supported by Anne Cross from Opera Queensland, who stated:

*“Continuity of employment for young people is a big social problem for us as a country. There are so many roles in the arts. If, as a state, we aren’t able to provide that employment people will go to other sectors or interstate.”*

#### Opera Queensland is a critical player in reinvigorating the arts sector after COVID

The impact of COVID on the arts sector is well known. Within five days after the declaration of the pandemic, 190,000 people were impacted by cancelled work opportunities.<sup>15</sup>

Opera Queensland’s (post COVID) Strategic Recovery Plan 2020-21 places a high priority on rebuilding the arts workforce including by reigniting the Young Artist Program and by creating diverse practice by working with established artists from outside opera.

As an established company requiring a range of critical skills, Opera Queensland and the possibility of a third mainstage provide an important platform to rebuild the arts skills base as post COVID recovery builds.



Orpheus & Eurydice



# Benefits to artists

## A conversation with Sarah Holland-Batt

Sarah Holland-Batt is an award-winning Australian writer and a Professor of Creative Writing at Queensland University of Technology (QUT). She is the author of three books of poems (Aria, The Hazards and The Jaguar), and a book of essays, Fishing for Lightning. In 2016, she was awarded the Prime Minister's Literary Award for Poetry.

Sarah started on her career path as a poet in university. She studied in New York, where she visited the Met Opera most weekends and gained exposure and interest in the artform. Her first book, Aria, also explores themes related to the opera.

Last year, she was commissioned to write a new opera for the Opera Queensland mainstage season. Throughout a series of conversations with the artistic director of Opera Queensland Patrick Nolan, this evolved into 'The Sopranos'. The opera explores the bold and rebellious roles women have played throughout the history of opera. Sarah worked closely with Jane Sheldon during the writing process, a contemporary opera artist and dramaturg, as well as the conductor Jessica Gethin, set designer Marg Horwell, costume designers Karen Cochet and Bianca Bulley, and the Opera Queensland Chorus.

Sarah expressed how she found the process of writing an opera challenging, despite having an established and celebrated career as a writer and poet. Sarah describes how the writing style for performing arts is vastly different to that of poetry, being more of a

collaborative and fluid process compared to poetry, where she had full control. However, Sarah found it to be a rewarding learning experience. It allowed her to gain a network of people to work with in the future and would welcome the opportunity to write a completely original work. Unlike in poetry where writing is the main focal point, in opera the writing is only one element of the audience's experience. It is a rich artform which consists of lights, music, sound, actors, and the set, meaning Sarah had to make additional considerations for the show structure, intermissions and musical pieces within her work. Importantly, the experience of writing an opera taught her a personal life lesson. In her own words:

*"As a poet, perfection is the aim. In a poem every single stanza is there to serve a purpose. In a collaborative work there are compromises ... sometimes you have to give in, and that is valuable to me as a personal life lesson—not everything has to be pursued in a way that I imagined it."*

Overall, writing an opera was a transformative process for her personally and professionally.

Sarah is well-known in the Brisbane art scene. However, this experience allowed her writing to be shared and appreciated in a different domain and to a different group of audiences. 'The Sopranos' also attracted media attention and academic commentary. Importantly, it got her excited to work on opera in the future, and she is currently in talks with a composer about an opera.



# Benefits to artists

## A conversation with Marcus Corowa

Marcus Corowa is an award winning, First Nations artist. Marcus grew up in North Queensland playing the guitar and decided to pursue a career in the performing arts at age 26. In 2012, Marcus won the 'Most Promising New Talent in Music' award at the Deadly Awards. He is an accomplished singer, songwriter, composer, actor and mentor.

Marcus draws on his Aboriginal and Sea Islander heritage to create music. Before working with the classical elements of the opera, Marcus created music in the contemporary space, blending jazz, blues and funk elements.

Marcus first experienced working in the operatic space with Opera Australia. He was then invited to collaborate with Opera Queensland on a new show that explored where the genres of opera and country music crossover. Marcus developed and grew as an artist while working with Opera Queensland. Entering the space with limited experience in the classical art, Marcus undertook lessons provided by Opera Queensland to develop his skills in Italian. Learning on the job, Marcus noted how he was provided opportunities to grow, having content *"thrown"* at him and being part of the creative development of artistic pieces. While Marcus did not have a formal background in opera, Opera Queensland saw potential in him. *"They had a hunch that I could be a cross over person even though I'd never explored that about myself. I grew to fill that role."*

Marcus has significantly contributed as an artist to Opera Queensland. He performed in the 'Are you Lonesome Tonight' tour in 2021, visiting more than 30 communities across Queensland. In November of 2022, Marcus performed his recital 'Some Kind of Wonderful'.

In 2023 he will tour the state again in 'Lady Sings the Maroons'. Clearly the collaborations with Opera Queensland have had substantial impacts on Marcus' career, as Marcus notes:

*"As an artist, I've been really enjoying working for them. Just growing within myself and exploring my capacity for classical and opera music. I probably would have never gone down this road as much as I have if it wasn't for Opera Queensland. I have learnt so much from being in that place and space".*

In addition to his own artistic growth, Marcus expressed the significance of the unique opportunity he had throughout the creative process to provide an Indigenous lens to Opera Queensland's performances. He noted that the work was *"one of the few opportunities"* to bring an indigenous perspective to arts in Queensland. Remarking that while the landscape is changing, and inclusion of First Nations' voices is becoming more prevalent, *"it's a rare situation to be in. One that I was happy to be in."*

Furthermore, Marcus emphasises how working with Opera Queensland has had flow on impacts on his career, *'bringing [him] back into the spotlight'*. He is now involved in the development of a new work with Opera Queensland and has been invited to perform in the Lord Mayor's Christmas Carols in Brisbane.

When asked if Marcus was living his dream, he replied *"Absolutely ... I never thought that I would get to do half the things I've done. I am enjoying the journey, the growth and the challenge that each project and door opens."*





# Benefits to Opera Queensland

An additional mainstage production would provide Opera Queensland with opportunities to uplift its capabilities and ensure sustainability

The 2019-2021 Temporary Funding Uplift enabled Opera Queensland to return to presenting three mainstage productions a year. Having consistent funding for a third mainstage production would enable Opera Queensland to continue its leadership role in programming emerging artists, commissioning new works and reimagining works from the canon. In addition, a permanent third mainstage production improves the artistic viability of the company.

## Company presence and success

The proposed third mainstage production will enable Opera Queensland to become viable opera company and be comparable to other major Opera companies in Australia. For example, Opera Victoria and Western Australia Opera host at least three mainstage productions annually.

Three mainstage productions annually also means audiences can engage with Opera Queensland consistently throughout the year; improving the value proposition for subscribers. Neal Harvey, from Tim Fairfax Family Foundation echoed the necessity of a permanent third mainstage production for audience engagement and development:

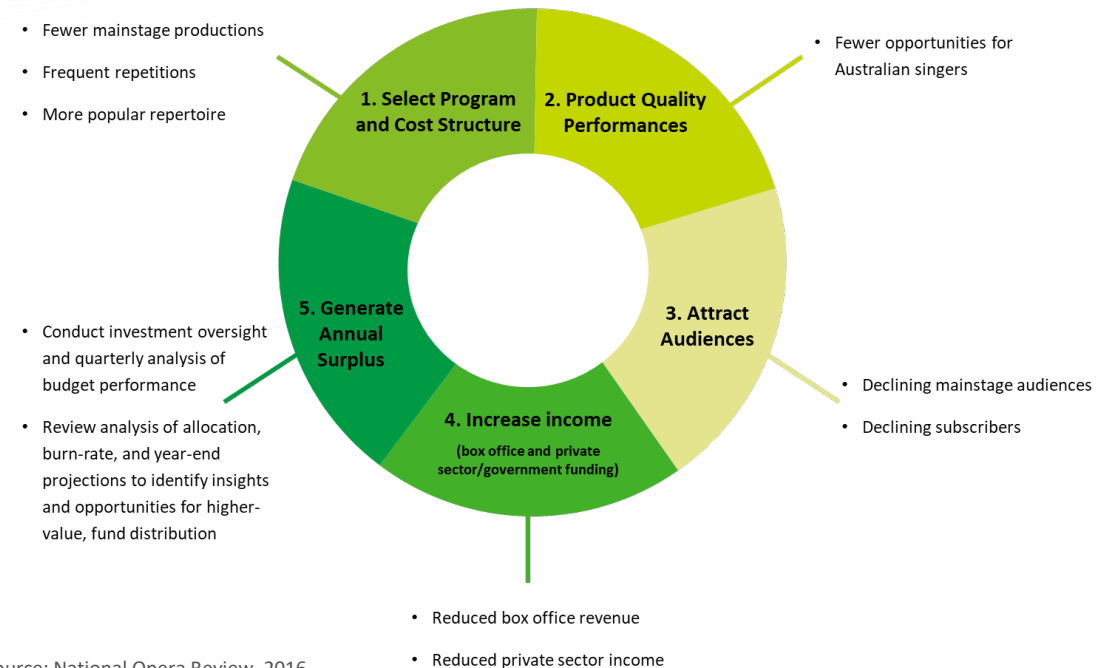
*“A minimum of three shows are required for an artistic director to have a conversation with the community... Two shows are not a sustainable presence; it is fleeting and intermittent.”*

Not only do audiences benefit from a variety of engagements, but so do donors and sponsor arrangements. Anne Cross, Deputy Chair of Opera Queensland made a point of the value that a third production brings to donors.

*“A third mainstage opens up additional opportunities for donors to invest in work that appeals to them.”*

In addition to the company’s presence, the 2016 National Opera Review describes a third mainstage as underpinning the artistic vibrancy of an opera company. The report noted that in response to financial pressures, Opera Queensland had reduced its number of mainstage productions. However, the report views the reduction as a disruption to the cycle of success for opera companies, as described in Figure 4 below. The cycle shows how fewer mainstage productions has wide ranging implications for Australian talent, audiences, subscriber bases and revenue for the opera company.

Figure 4: Disruptions to the Cycle of Success



Source: National Opera Review, 2016

# Benefits to Opera Queensland

## Enabling investment in innovative productions

### Diversity and variety in the artistic portfolio

The sustained increase in funding for a third mainstage production will allow Opera Queensland to plan for the future. Having the security of consistent funding to support the additional production provides Opera Queensland with the ability to include a diverse range of productions each year. Opera Queensland will also contract artists and arts workers on a long-term basis, providing them with surety of employment as there will be more certainty around the number of performances. Job security in the arts industry is particularly important, given the impacts of the pandemic, where there was an employment drop of 872,000 from the arts labour market in the two months following March 2020.<sup>16</sup>

An additional mainstage allows Opera Queensland to contribute to investing in innovative and new productions, promoting emerging artists. Katie McNamara from the Opera Queensland board supported this notion and highlighted that:

*'A third mainstage means we can explore ideas and repertoire that would not be possible otherwise. [Opera Queensland] needs the capacity to foster newer work and artists from different backgrounds.'*

Umberto Clerici also noted that it is important for artistic companies to include older classics complemented by contemporary pieces, not only to educate the audiences but to build demand for the opera and ignite innovation for new productions.

*"When you put a new product in the productive world as marketing strategy – you put it between two really well-known products – this is how people accept the new and it becomes a classic. Why we do opera and why we need three staged operas is that we need to educate the audience/community with the achievements of the past. I don't believe there is any invention without a reinvention of the past; nothing in a way is really new."*

That is, Opera Queensland's portfolio should include well-known pieces as well as contemporary works and three mainstage productions enables a variety of different programming.



A Flowering Tree



# Benefits to Queensland's Brand

## Queensland is not known for culture—but perhaps it should be

### Queensland's brand is associated with adventure, food and the outdoors

As a destination to visit, Brisbane, and Queensland more broadly, are well-recognised for outdoor adventures, food and beverage, and the local culture. They are not well-recognised in terms of arts and culture.

The Ipsos Life in Australia 2022 report investigated the liveability across metropolitan Australia. Each capital city was rated on a scale between 0 and 10 across 16 liveability attributes. **For the category 'Museums, galleries & festivals', Brisbane was ranked second last**, relative to other capital cities, with a score of 5.5, in front of Hobart which scored 5.4.

Additionally, the Anholt-Ipsos City Brands Index—comparing perceptions of 50 cities globally – found that while Brisbane ranked in the middle overall, **it ranked poorly on 'Understand culture'**. Furthermore, Brisbane was ranked lower for contemporary arts and night life.

Clearly, there is an opportunity to help strengthen Brisbane's brand as a creative and cultural destination. Investment in Opera Queensland, for example through a third mainstage, could enable the company to reach new audiences yet to be exposed to opera as an artform.

### But people are actually 'into' the arts

As a major report Performing Arts Advocacy in Australia (2021) by Prof John Daley showed, the Australian funding and political focus on sport is misplaced—because Australians are more likely to both watch and participate in the arts.

*Australia's public culture is overwhelmingly about sport, perhaps because a few events draw very big crowds. But the private lives of Australians are much more about arts and culture. More Australians buy tickets more often for performing arts performances than live sport, they watch twice as much drama as sport on television, and they are more likely to create arts and culture for themselves than to play sport.*

### Opera's central place in the artistic realm means it provides a great starting point for turning that mismatch around

Opera Queensland is at the core of Queensland's arts sector, one of the core creative arts organisations alongside Queensland Ballet, Queensland Symphony Orchestra, Circa, Dancenorth and Queensland Theatre.



La Traviata

Source: Deloitte Access Economics

# Benefits to Queensland's Brand

The upcoming 2032 Olympic and Paralympic Games provide a unique opportunity to improve the depth of the Queensland brand

In 2032 Brisbane will host the Summer Olympic and Paralympic Games. This presents an opportunity to showcase the best of what the city has to offer and convince visitors that Brisbane is a destination with a strong tourism offering.

## Capitalising on Queensland's investment in the Olympics and Paralympic Games

In the June 2022 Queensland Government budget \$190 million was committed over four years to infrastructure planning and development in preparation for the Olympic and Paralympic Games.<sup>17</sup> A further \$100 million will be allocated to build high-performance sports infrastructure in schools.<sup>18</sup>

The Olympic and Paralympic Games often attract significant numbers of visitors internationally, interstate and intrastate to the host city. There is an opportunity to invest in attractions to provide tourists with a variety of opportunities to experience Queensland's culture.

In addition to building the cultural proposition of Queensland to showcase to visitors, the IOC requires the production of a Cultural Olympiad in the host city. This event is a major festival of arts and culture which occurs in the four years leading up to the Games.

However, to build cultural tourism, investment in the arts, artists and arts workers leading up to the event will be required to ensure a portfolio of high calibre performances. Additionally, such skills require time to develop. Katie McNamara from Opera Queensland noted the necessity for preparation for the Brisbane 2032 Games:

*"Developing the skillset is not something that can be switched on in 2032. These skills need time to master."*



The Marriage of Figaro



# Benefits to Queensland's Brand

## Summer Games hosts show that sporting cities can also be great opera cities

Every successful Olympic and Paralympic Games City in the forty-year lead up to Brisbane 2032 has been a major opera city too. In each host city, the local opera company annually performed at least three mainstage productions except Rio, which was not viewed as a success. The 2032 Games is a cultural event, presenting an opportunity to showcase a city as more than sports and stadiums. It requires a dual investment in the arts and sports.

Queensland Symphony Orchestra's Umberto Clerici has noted:

*"Every single place where the Olympics were held – they showed their achievements in a way of culture... The thing that we need to put Brisbane on the map is creativity. Creativity also has to develop through the classical arts and not just with purely popular/commercial contemporary shows."*

Brisbane can leverage the profile of the Games and make the most of being on the world stage to be deliberate about the image of the city that is being presented.

The Cultural Olympiad provides the vehicle for this rebranding and a strong and vibrant local opera with a sustainable presence in the market could be a key contributor to it. As key partners presented for this report indicate, opera skills are complex and sophisticated and take time to build. Should Queensland wish to broaden its brand ahead of the once in a generation opportunity of Brisbane 2032, Opera Queensland is well placed to make a key contribution.

**Table 3: Olympic Cities: The Great Opera Cities of the World**

Host City	Local Opera	Number of mainstages
<b>1992 Barcelona</b>	Liceo Opera Barcelona	12
<b>1996 Atlanta</b>	The Atlanta Opera	5
<b>2000 Sydney</b>	Opera Australia	6
<b>2004 Athens</b>	Greek National Opera	8
<b>2008 Beijing</b>	China National Peking Opera Company Numerous additional companies	10+
<b>2012 London</b>	English National Opera and Royal Opera House, Covent Garden	20+
<b>2016 Rio</b>	International Brazilian Opera Company	0
<b>2020 Tokyo</b>	Fujiwara Opera	3+
<b>2024 Paris</b>	Opera de Paris	10+
<b>2028 Los Angeles</b>	LA Opera	6
<b>2032 Brisbane</b>	Opera Queensland	2+

**Table 3** highlights the number of mainstages an Olympic and Paralympic city's local opera company produces annually. Except for Rio, each city that hosted the Games has a local opera company that presents at least three mainstage productions annually. The table reinforces the notion that the 2032 Brisbane Games is an opportunity to showcase the city, not only by investing in sports but also in its cultural landscape. In addition, it illustrates that having a vibrant opera company is integral to being a world city.

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# Appendices

# Economic contribution framework

Economic contribution studies are intended to quantify measures such as value added, exports, imports and employment associated with a given industry or firm, in a historical reference year. The economic contribution is a measure of the economic value of production by a firm or industry

## Value added

Value added is the most appropriate measure of an industry’s/company’s economic contribution to gross domestic product (GDP) at the national level, or gross state product (GSP) at the state level. Other measures, such as total revenue or gross output, may be easier to estimate than value added but they ‘double count’. That is, they overstate the contribution of a company to economic activity because they include, for example, the value added by external firms supplying inputs or the value added by other industries.

The economic activity accounting framework is presented in Figure A1, showing how total revenue can be disaggregated into component parts in order to measure the economic contribution of an entity or industry. The framework demonstrates the definition of value added being the difference between total revenue and intermediate inputs.

When calculating the gross operating surplus (GOS) for a typical for-profit firm or industry, income streams from government (such as transfers or production subsidies) are excluded as they are a transfer of public funds, not reflective of income generated by the activities of the firm or industry. However, for non-profit organisations providing a service that generates external, non-use benefits that are not reflected in market prices, government transfers are included in the GOS calculation as they are fundamental to ongoing operations. Similarly, value added is typically calculated as GOS plus labour income net of subsidies.

## Direct and indirect contributions

The direct economic contribution is a representation of the flow from labour and capital within the sector of the economy in question.

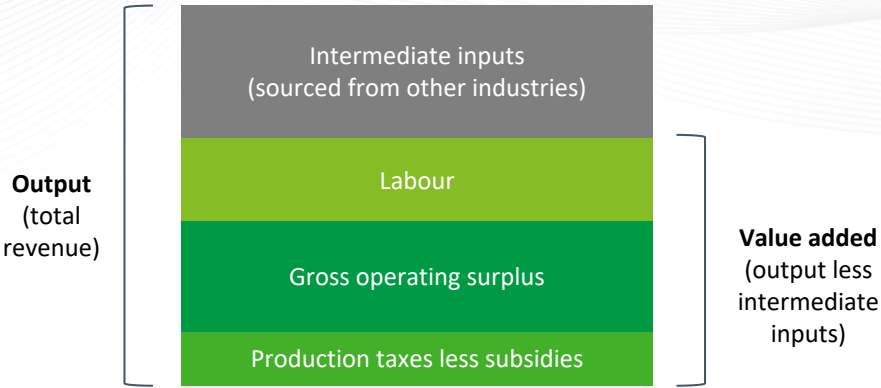
The indirect contribution is a measure of the demand for goods and services produced in other sectors as a result of demand generated by the sector in question. Estimation of the indirect economic contribution is undertaken in an input-output (IO) framework using Australian Bureau of Statistics input-output tables which report the inputs and outputs of specific sectors of the economy (ABS 2022).

IO tables are required to account for the intermediate flows between sectors. These tables measure the direct economic activity of every sector in the economy at the national level. Importantly, these tables allow intermediate inputs to be further broken down by source. These detailed intermediate flows can be used to derive the total change in economic activity for a given sector.

A widely used measure of the spill over of activity from one sector to another is captured by the ratio of the total to direct change in economic activity. The resulting estimate is typically referred to as ‘the multiplier’. A multiplier greater than one implies some indirect activity, with higher multipliers indicating relatively larger indirect and total activity flowing from a given level of direct activity.

The total economic contribution to the economy is the sum of the direct and indirect economic contributions.

Figure A1: Economic activity accounting framework



## Limitations of economic contribution studies

In a fundamental sense, economic contribution studies are simply historical accounting exercises. The analysis — as discussed in the report — relies on a national input-output table modelling framework and there are some limitations to this modelling framework. The analysis assumes that goods and services provided to the sector are produced by factors of production that are located completely within the state or region defined and that income flows do not leak to other states.

The IO framework and the derivation of the multipliers also assume that the relevant economic activity takes place within an unconstrained environment. That is, an increase in economic activity in one area of the economy does not increase prices and subsequently crowd out economic activity in another area of the economy. As a result, the modelled total and indirect contribution can be regarded as an upper-bound estimate of the contribution made by the supply of intermediate inputs.

Similarly the IO framework does not account for further flow-on benefits as captured in a more dynamic modelling environment like a Computable General Equilibrium model.



# Tourism contribution framework

Tourism contribution studies are intended to quantify economic benefit measures such as value added and employment that results from tourism consumption

## Tourism Satellite Account framework

This analysis uses the TSA approach to measuring the economic contribution of attributable tourism. The TSA framework is conceptually similar to and draws on the ABS IO tables to generate results. It is based on an international approach to defining the tourism sector and different tourism products and related industries depending on the extent to which they interact with tourists either directly or indirectly.

Conventional IO modelling can be applied to any sector of the economy (including tourism by using an appropriate sector-specific definition of the tourism sector). However, the TSA approach is Deloitte Access Economics' preferred approach to measuring the economic contribution of the tourism sector as it ensures that the analysis is consistent with international guidelines for measuring and reporting on the economic activity of the tourism sector.

## Direct contribution of tourism

A direct contribution occurs where there is a direct relationship, both physical and economic, between the visitor and the producer of the good or service. Direct tourism output is essentially the amount of tourism consumption less net product taxes, wholesale and transport margins and imports.

In the case of retail goods purchased by visitors, only the retail margin contributes to direct tourism output, value added and Gross Regional Product. This is because it is deemed that only the retailer has a direct relationship with the visitor and is therefore part of the tourism industry. As a consequence the output, and consequently value added, attributed to other (than retail) industries is excluded from the value of direct tourism output. Direct tourism output is therefore equal to internal tourism consumption at basic prices less the cost to retailers of domestic goods sold directly to visitors.

Direct tourism gross value added shows only the 'value' which a producer adds to the raw material goods and services it purchases in the process of producing its own output. Direct tourism gross value added is measured as the value of the output of tourism products by industries in a direct relationship with visitors less the value of the inputs used in producing these tourism products.

## Indirect contribution of tourism

The indirect effect of tourism consumption is a broad notion that covers upstream and supplier effects of tourism demand. Intermediate inputs represent those goods and services which support the supply of the tourism product – the cleaning services that are inputted to the hotel sector; the fuel that is inputted to the aviation industry; the fruit and vegetables that are inputted to the restaurant industry. Together with any upstream impacts, it is these flow-on effects which determine the tourism industry's indirect contribution.

The definition of direct and indirect are slightly different in the TSA approach as direct is defined as activity involving a direct interaction with tourists. Accordingly, the ratio of direct and indirect activity differs from results using a standard IO approach. However, estimates of total value added and employment should be similar across the two approaches.

## Attributed visitor expenditure: modelling assumptions

The modelling for attributed visitor expenditure makes the following key assumptions:

- Due to data limitations, there is no data which clearly defines whether opera was the primary reason for visiting Queensland. Consequently, tourism benefits generated through Opera Queensland's productions are based upon attributable activity rather than induced activity.
- It is assumed that, without Opera Queensland's productions, the attributed visitor expenditure would otherwise be spent in a different country or state, and therefore would not otherwise contribute to the Queensland economy.

## The economic benefits from Brisbane-based visitation

This analysis excludes any tourism benefits associated with Brisbane-based opera attendees. This is for two key reasons: firstly, they are not considered tourists by the standard definition from Tourism Research Australia and, secondly, it is much more difficult to be confident their expenditure in the State is directly attributable to the opera, or whether they may have been likely to spend their money within Queensland, in some other way.



## Limitation of use

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