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Government revenue attributable to tourism, 2011

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.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0^s	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
^{p}	preliminary
^{r}	revised
x	suppressed to meet the confidentiality requirements of the *Statistics Act*
^{E}	use with caution
F	too unreliable to be published
*	significantly different from reference category ($p < 0.05$)

Contents

Highlights

- This study provides estimates of the government revenue directly attributable to tourism updated to 2011 and revised for 2008 to 2009. Tourism in Canada generated $21.4 billion for governments in 2011, up 6.6% from 2010. For every $100 of tourism spending in Canada in 2011, $27.17 went to governments.

- About 3.8% of total government revenue stemmed from tourism, a sector which accounts for 1.9% of the economic activity in Canada. The larger share of revenue versus economic activity is due to the fact that tourism goods and services such as fuel, accommodation services and recreation and entertainment services are more highly taxed than other goods and services.

- 78% of government revenue attributable to tourism stemmed from domestic tourism spending. The rest resulted from spending by international visitors. The study indicates that for every $100 spent by international visitors in Canada, $30.85 went to federal, provincial/territorial and municipal governments.

- The contribution of international visitors to government revenues from tourism has declined over the last decade, going from 36% in 2001 to 22% in recent years. The decline in travel from the United States to Canada over that period was an important contributing factor.

- The federal government collected 45% of the revenue attributable to tourism while the provincial/territorial governments collected 49%. Municipal governments received the remainder.

- For every $100 of tourism spending in 2011, the federal government raised $12.24, the provincial/territorial governments took in $13.29 and municipal governments received $1.65.

- Just over one half of the government revenue from tourism came from taxes on products sold to final consumers, like the Goods and Services Tax and provincial sales taxes. Taxes on employment income and business profits and contributions of employees and businesses to employment insurance and pension plans accounted for a third of the total. The remainder came from sales of goods and services by governments and from various taxes on production and intermediate output.

- Previously published estimates of the government revenue attributable to tourism for 2008 and 2009 were revised in this study as a result of new information on government revenues and tourism spending. The estimates were reduced by $71 million in 2008 and by $171 million in 2009, less than 1% of the previously published estimates.

This publication was funded through a partnership agreement with the Canadian Tourism Commission. It presents estimates of government revenue attributable to tourism updated to 2011. Estimates of the revenue attributable to tourism spending by non-residents (i.e., tourism exports) and by residents (i.e., tourism domestic demand) are also included. The main data sources are the Canadian Tourism Satellite Account, National Tourism Indicators, the Income and Expenditure Accounts, the Input-Output tables and T-4 tax remittance files.

Government revenue covers receipts from taxes on incomes (i.e., on employment earnings, corporate profits, net income of unincorporated business and government business enterprises), contributions to social insurance plans (i.e., premiums for Canada/Quebec Pension Plan, Employment Insurance and workers compensation), taxes on production and products (such as sales and property taxes), and from sales of government goods and services. These revenues are broken down into parts that can be attributed to tourism spending, tourism domestic demand and tourism exports for government as a whole and for the three levels of government (federal, provincial/territorial and municipal) separately. Estimates of the government revenue generated per $100 of tourism spending overall and by residents and non-residents are reported as well. The publication contains several charts and summary tables showing revenues attributable to tourism by level of government and by source of revenue. It also contains a discussion of the concepts, definitions, data sources and methods used in the study.

This study was prepared by Charles Morissette of the National Accounts Integration and Development Division, Statistics Canada.

1 Introduction

Governments in Canada raise revenue from tourism through a variety of taxes and other means. When a tourist pays for a room in a hotel, this generates federal and provincial sales tax and room tax. In addition, income taxes are levied on the earnings of hotel employees and on the profits of the business. Finally, the hotel pays property taxes. Governments also obtain revenue directly from tourists, for example, through museum admission fees and park entrance fees. Information on how much revenue tourism generates for government, how much of it goes to each of the three levels of government and how much comes from the various sources, however, is not directly available. This study on the government revenue attributable to tourism is intended to fill this information gap.

This study includes time series updated to 2011. Previous estimates for 2008 to 2009 have also been revised. These revisions reflect updated and revised information from the Canadian System of National Accounts[1] (SNA) and the National Tourism Indicators (NTI). The study follows the same methodology and covers the same sources of revenue as previous versions.[2]

Overall, the incorporation of revised SNA data and updated tourism ratios from the NTI lowered the estimates of government revenue directly attributable to tourism for 2008-2009. The revisions range from -$71 million (-0.4%) in 2008 to -$171 million (-0.9%) in 2009.[3] Larger revisions also occur at the more detailed level.

The report is outlined as follows. Section 2 discusses the aim of the study and its scope in terms of the sources of revenue included. Section 3 presents an overview of the results focusing on the most recent reference year. These results rely on more aggregated, preliminary data and are not available by commodity or industry. Section 4 presents more detailed results for the year 2008. These are based on more comprehensive data by detailed industry and commodity. Discussion of the study's concepts and definitions, sources and methods, and the classification of tourism industries and tourism commodities are included in the appendices. Detailed results are available on request.

2 Aim and scope of measurement

In 2011, governments in Canada collectively took in $659.5 billion (on a national accounts basis), up 5.5% from 2010. Taxes on incomes account for the largest share of government revenue (about 38%, see Table 1). Other taxes on production, mainly property taxes, and taxes on products, such as the Goods and Services Tax (GST) and provincial sales taxes (PST) accounted for 30% of all government revenue. The remainder came from employer and employee contributions to social insurance plans, other current transfers from persons to government, government investment income and government sales of goods and services.

Table 1 Sources and distribution of total government revenue, 2011

	millions of dollars	percentage
Total revenue	659,546	100.0
Taxes and contributions to social insurance plans	534,092	81.0
Taxes on incomes	253,514	38.4
From persons	192,773	29.2
From corporations and government business enterprises	54,875	8.3
From non-residents	5,866	0.9
Contributions to social insurance plans	79,985	12.1
Other taxes on production and taxes on products	200,593	30.4
Other current transfers from persons	11,930	1.8
Investment income	54,266	8.2
Sales of goods and services	59,258	9.0

1. This study incorporates data from the Canadian economic accounts published in June 2012. It does not include data from the revised Canadian economic accounts, published in the Daily on October 1, 2012, which introduced a number of changes associated with the implementation of updated international standards for national economic accounting. While the comprehensive revision did not substantially change the level, nominal growth rate or real growth rate of Canada's gross domestic product, there were some changes in the definition and measurement of government revenue. These changes were relatively small, amounting to a +0.4% upward revision in the 2009 government revenue in scope, of which only a small fraction would be due to tourism.
2. See *Government Revenue Attributable to Tourism, 2009*, Statistics Canada catalogue no. 13-604-M, no. 67 available for free from www.statcan.gc.ca.
3. A short discussion on the revisions to the estimates can be found in Appendix E.

How much of these various sources of revenue stem from tourism? The study aims to address this question through its estimates of the portion of government revenue that is **directly** attributable to tourism. The qualifier "directly" is important. It means that only those tax revenues related to the production and sale of goods and services purchased directly by tourists are included. Taxes paid by the suppliers of the intermediate inputs (e.g., manufacturers of linens for hotels, refiners of fuel for aircraft) to these goods and services are not directly attributable to tourism and are not included.

It is important to note as well that the estimates up to 2008 reflect the detailed tax structure (by industry and commodity) in effect in each of these years. However, for 2009 to 2011, only preliminary information on revenue totals for the different sources of revenue by level of government was used. The introduction of new taxes and changes in tax rates (e.g., the inclusion of Ontario and British Columbia in the Harmonized Sales Tax program, increases in the Air Travellers Security Charges and in various fuel-, tobacco- and alcohol-related taxes)[4] in recent years are reflected in these totals.

Table 2 Coverage of government revenue[1], 2011

	millions of dollars	percentage
Total revenue	566,251	85.9
Taxes and contributions to social insurance plans	506,993	94.9
Taxes on incomes	226,415	89.3
From persons	171,458	88.9
From corporations and government business enterprises	54,875	100.0
From non-residents	82	1.4
Contributions to social insurance plans	79,985	100.0
Other taxes on production and taxes on products	200,593	100.0
Other current transfers from persons	0	0.0
Investment income	0	0.0
Sales of goods and services	59,258	100.0

1. Figures in the table show the amounts included (in-scope) for the study.

The study covers (i.e., takes into account) the main sources of revenue to government, from both tax and non-tax sources, from both the business and non-business sectors of the economy. Table 2 above summarizes the study's coverage for 2011. Overall, 86% (or $566.3 billion) of the revenue from all sources of all three levels of government was covered in 2011.

The study covers about 89% of income taxes (or $226.4 billion in 2011) including those on earnings from employment in the business and non-business sectors of the economy, profits of corporations and government business enterprises, and on net income of unincorporated businesses. It includes all other taxes on production, mainly property taxes, and all taxes on products, including the GST,[5] PST and other sales taxes, fuel taxes, import duties and taxes, and excise taxes on tobacco and alcohol (see Appendix A for a complete list). Other taxes on production and taxes on products totalled $200.6 billion in 2011.

The study also covers 100% of contributions to social insurance plans, which amounted to $80.0 billion in 2011. These include employer and employee premiums for Employment Insurance, the Canada and Quebec pension plans, and employer contributions to workers' compensation plans. Revenue from government sales of goods and services is also covered in its entirety. This includes museum, camping and park entrance fees, among a number of other miscellaneous charges.

As mentioned above, some sources of government revenue are excluded here because their tourism content is unknown and difficult to estimate. Government investment income, which includes remitted profits of government business enterprises and other interest and dividend income and royalties, is not included.[6] Also excluded are taxes

4. See Appendix B, section c.
5. Revenue from GST is net of input tax credits to businesses (in particular for GST paid on business travel) and net of rebates paid out to visitors from other countries.
6. An exception is made in this case for liquor control boards and provincially-run lotteries and gaming enterprises. By convention, profits of these enterprises are treated as taxes on products and therefore included in the study. These profits translate into significantly high taxes on products, most notably on recreation and entertainment that are purchased by tourists.

on non-employment income of persons (e.g., investment income) and most withholding taxes[7] on non-residents' income in Canada. Other current transfers from persons to government, like hospital and medical care premiums, are excluded as well.

Altogether, the excluded items accounted for 14.1% of total government revenue in 2011. A more complete coverage would no doubt raise the estimates of the revenue due to tourism in total and on a revenue-per-dollar of spending basis. On the other hand, the excluded sources are considered to have relatively low tourism content, so that their inclusion would only lower the share of revenue generated by tourism.[8]

3 Overview of results

In 2011, government revenue from tourism activities in Canada rose 6.6% to $21.4 billion. Most of the gains stemmed from a 7.4% increase in revenue directly related to domestic tourism spending, which was up for a second consecutive year after decreasing in 2009. Revenues stemming from tourism exports, which represented just over one-fifth of total government revenue from tourism, increased at a slower 3.8% pace (see Table 3).

Since 2003, government revenue resulting from domestic tourism has increased 50%, while that attributable to tourism exports has fallen 4%.[9] These results reflect the growth in domestic tourism spending over the same period (+60%) and the decline in foreign tourism spending in Canada (-4%), most notably from the United States. The

Table 3 Summary indicators

	2007	2008	2009	2010	2011
Government revenue attributable to tourism[1] ($ millions)	19,714	19,812	18,985	20,054	21,372
year over year change (%)	4.1	0.5	-4.2	5.6	6.6
as a share of government revenue in-scope[2] (%)	3.8	3.7	3.6	3.7	3.8
per $100 of tourism spending ($)	28.42	27.32	27.61	27.33	27.17
Government revenue attributable to domestic tourism spending ($ millions)	14,729	15,081	14,690	15,565	16,714
year over year change (%)	5.8	2.4	-2.6	6.0	7.4
as a share of government revenue attributable to tourism (%)	74.7	76.1	77.4	77.6	78.2
per $100 of tourism spending by residents ($)	27.91	26.78	26.85	26.60	26.30
Government revenue attributable to tourism exports ($ millions)	4,984	4,731	4,295	4,490	4,658
year over year change (%)	-0.8	-5.1	-9.2	4.5	3.8
as a share of government revenue attributable to tourism (%)	25.3	23.9	22.6	22.4	21.8
per $100 of tourism spending by non-residents ($)	30.02	29.22	30.55	30.21	30.85
Total tourism spending in Canada ($ millions)	69,373	72,512	68,771	73,370	78,652
year over year change (%)	5.0	4.5	-5.2	6.7	7.2
share of total attributable to non-residents (%)	23.9	22.3	20.4	20.3	19.2
Tourism gross domestic product (GDP) at basic prices ($ millions)	27,808	28,958	27,683	29,349	31,094
year over year change (%)	4.7	4.1	-4.4	6.0	5.9
as a share of total GDP at basic prices (%)	1.9	1.9	1.9	1.9	1.9
Tourism employment (000's of jobs)	614	617	601	595	603
year over year change (%)	0.9	0.6	-2.6	-1.1	1.4
as a share of total employment (%)	3.6	3.6	3.5	3.4	3.4

1. Represents revenue in-scope that is directly attributable to tourism.
2. Represents the sources of revenue in-scope for the study (about 86% of total government revenue from all sources).

7. The small percentage of withholding taxes included in the study reflects taxes on wage and salary income earned by non-residents in Canada.
8. This was evident in the comparisons of the study for 1998 with the one for 1992. See Government Revenue Attributable to Tourism, 1998, Statistics Canada catalogue no. 13-604-MIE, no. 41, available for free from www.statgcan.gc.ca.
9. In this publication, tables show the estimates from 2007 to 2011. Estimates for the full time series, 2000 to 2011 can be found in the supplementary tables, available on request.

export shares of total tourism spending and government revenue due to tourism have declined since 2004, albeit at a slower rate in recent years.

After declining in 2009, due to a sharp drop in tourism exports, total tourism spending rebounded in 2010 and 2011 with increases of 6.7% and 7.2%, respectively. The increase in both years was driven by domestic demand. Government revenue from tourism increased at a slower pace however, such that every $100 spent by tourists actually generated less government revenue; $27.17 in 2011 compared to $27.33 in 2010.

Tourism exports made up a larger share of the government revenue due to tourism (22%) than their share of total tourism spending (19%). This is because international visitors spend more on highly taxed items such as recreation and entertainment (including casinos) and they do not receive tax credits on business travel expenses (unlike Canadian business travellers).

Tourism generated 3.8% of the government revenue from all sources in-scope in 2011, somewhat more than tourism's 1.9% share of gross domestic product (GDP). This difference is due mainly to the relatively high taxes on many of the goods and services purchased by tourists (e.g., vehicle fuel, alcohol and casino entertainment).

Most of the revenue from tourism was collected by the federal and provincial/territorial governments (94%) while municipalities accounted for a much smaller share (see Table 4 and Chart 1). In 2011, tourism accounted for 3.9% of the federal government's revenue, 4.3% of provincial/territorial governments' revenue, and 1.8% of the revenue collected by municipalities. These shares have been quite stable over the last decade.

Table 4 Government revenue attributable to tourism,[1] by level of government

	2007	2008	2009	2010	2011
Government revenue attributable to tourism[1] ($ millions)	19,714	19,812	18,985	20,054	21,372
year over year change (%)	4.1	0.5	-4.2	5.6	6.6
per $100 of tourism spending ($)	28.42	27.32	27.61	27.33	27.17
by residents ($)	27.91	26.78	26.85	26.60	26.30
by non-residents ($)	30.02	29.22	30.55	30.21	30.85
Revenue attributable to tourism, federal ($ millions)	9,221	9,152	8,610	9,017	9,623
year over year change (%)	3.7	-0.7	-5.9	4.7	6.7
as a share of total government revenue attributable to tourism (%)	46.8	46.2	45.4	45.0	45.0
share attributable to tourism exports (%)	23.4	22.1	21.2	21.1	20.6
per $100 of tourism spending ($)	13.29	12.62	12.52	12.29	12.24
by residents ($)	13.38	12.66	12.40	12.16	12.03
by non-residents ($)	13.01	12.50	13.00	12.80	13.11
Revenue attributable to tourism, provincial/territorial ($ millions)	9,290	9,467	9,233	9,821	10,454
year over year change (%)	4.2	1.9	-2.5	6.4	6.4
as a share of total government revenue attributable to tourism (%)	47.1	47.8	48.6	49.0	48.9
share attributable to tourism exports (%)	26.5	25.0	23.5	23.1	22.5
per $100 of tourism spending ($)	13.39	13.06	13.43	13.39	13.29
by residents ($)	12.94	12.61	12.92	12.90	12.74
by non-residents ($)	14.83	14.62	15.41	15.28	15.60
Revenue attributable to tourism, municipal ($ millions)	1,203	1,194	1,142	1,216	1,295
year over year change (%)	5.3	-0.8	-4.3	6.5	6.5
as a share of total government revenue attributable to tourism (%)	6.1	6.0	6.0	6.1	6.1
share attributable to tourism exports (%)	30.1	28.5	26.3	26.0	24.9
per $100 of tourism spending ($)	1.73	1.65	1.66	1.66	1.65
by residents ($)	1.59	1.52	1.54	1.54	1.53
by non-residents ($)	2.18	2.10	2.14	2.13	2.13

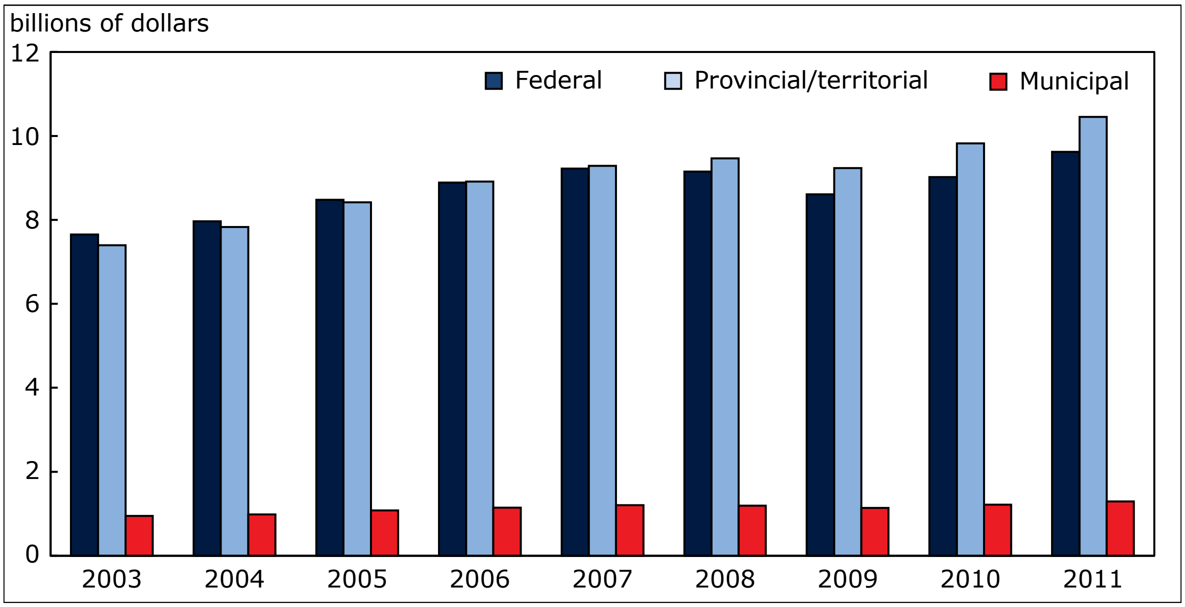
1. Represents revenue in-scope that is directly attributable to tourism.

Tourism generated $9.6 billion for the federal government in 2011, up 6.7% from the previous year. Higher revenues were attributable to increased tourism domestic demand and tourism exports. The export share of federal government revenue from tourism slipped to 20.6% in 2011.

The federal government collected $13.11 for every $100 of tourism spending by non-residents in 2011, compared to $12.03 for every $100 spent by residents. Overall, $12.24 was collected at the federal level on every $100 of tourism spending, down from $12.29 in 2010.

Tourism brought in $10.5 billion for the provincial/territorial governments in 2011, up 6.4% from one year earlier. The increase stemmed from higher government revenue generated by domestic demand (+7.3%) and tourism exports (+3.7%). The export share of provincial/territorial governments' revenues from tourism was 22.5% in 2011.

Chart 1 Government revenue attributable to tourism, by level of government



On average, every $100 spent by non-resident visitors generated $15.60 for provincial/territorial governments in 2011, compared to $12.74 for every $100 spent by residents. It is noteworthy that for every $100 of spending, international visitors generated considerably more revenue for provincial/territorial governments than for the federal government. This stems from relatively high spending by non-residents on recreation and entertainment (including casinos) which generates significantly more revenue for provincial/territorial governments.

Municipal governments raised $1.3 billion from tourism in 2011, or $1.65 for every $100 of tourism spending. About three quarters of this revenue was generated through other taxes on production, mainly property taxes.[10] Tourism revenues from sales of goods and services accounted for 21% of municipal governments' total tourism revenues in 2011.

As mentioned earlier, taxes on incomes are the largest source of revenue for government (see Table 1). In contrast, when considering only the revenue from tourism, taxes on products (final sales) are the main source. In fact, about half of all government revenue from tourism came from taxes on products, a proportion that has remained fairly stable over the last decade. These taxes brought in $11.2 billion, up 6.3% from 2010 (see Table 5).

10. Hotel room taxes are another important "source" of revenue for municipalities, however, in most jurisdictions, these taxes are collected by provincial/territorial governments and then transferred to municipalities. In this study, they are recorded as revenues of provincial/territorial governments.

Table 5 Government revenue attributable to tourism,[1] by source of revenue

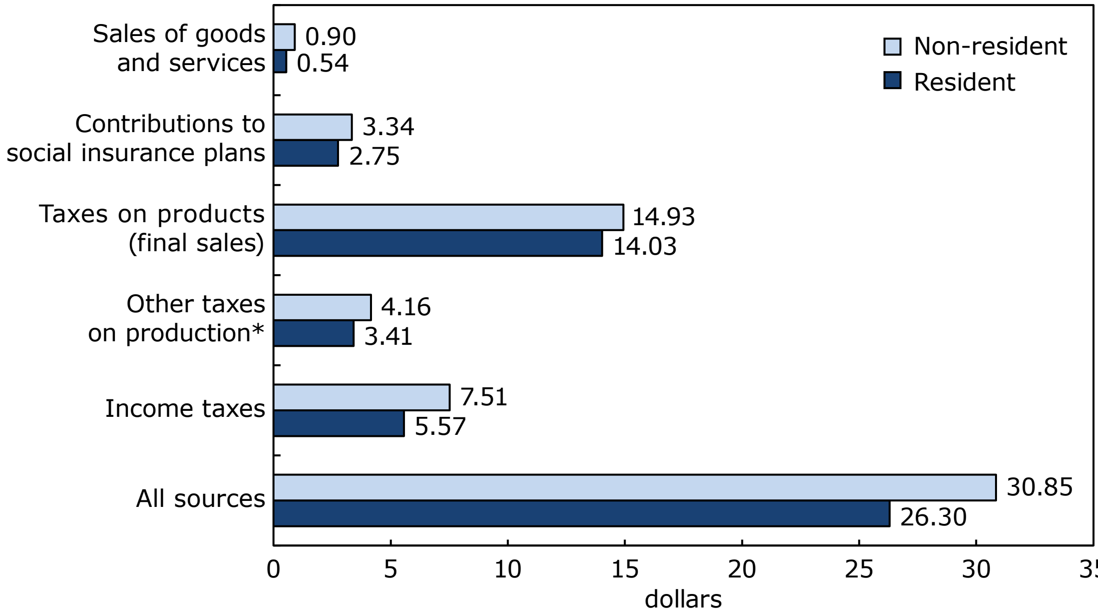
	2007	2008	2009	2010	2011
Income taxes attributable to tourism ($ millions)	4,634	4,658	4,353	4,427	4,671
year over year change (%)	5.4	0.5	-6.6	1.7	5.5
as a share of total government revenue attributable to tourism (%)	23.5	23.5	22.9	22.1	21.9
share attributable to tourism exports (%)	26.3	24.6	24.4	24.4	24.3
per $100 of tourism spending ($)	6.68	6.42	6.33	6.03	5.94
Other taxes on production[2] attributable to tourism ($ millions)	2,472	2,450	2,344	2,556	2,796
year over year change (%)	5.0	-0.9	-4.3	9.0	9.4
as a share of total government revenue attributable to tourism (%)	12.5	12.4	12.3	12.7	13.1
share attributable to tourism exports (%)	28.6	26.9	24.8	24.1	22.5
per $100 of tourism spending ($)	3.56	3.38	3.41	3.48	3.56
Taxes on products (final sales) attributable to tourism ($ millions)	10,136	10,153	9,860	10,506	11,171
year over year change (%)	3.2	0.2	-2.9	6.6	6.3
as a share of total government revenue attributable to tourism (%)	51.4	51.2	51.9	52.4	52.3
share attributable to tourism exports (%)	23.2	22.2	20.9	20.7	20.2
per $100 of tourism spending ($)	14.61	14.00	14.34	14.32	14.20
Contributions to social insurance attributable to tourism ($ millions)	2,009	2,085	1,977	2,095	2,250
year over year change (%)	4.3	3.8	-5.2	6.0	7.4
as a share of total government revenue attributable to tourism (%)	10.2	10.5	10.4	10.4	10.5
share attributable to tourism exports (%)	27.5	25.6	23.5	23.3	22.4
per $100 of tourism spending ($)	2.90	2.88	2.88	2.86	2.86
Sales of goods and services attributable to tourism ($ millions)	464	467	452	470	483
year over year change (%)	3.0	0.7	-3.3	4.1	2.6
as a share of total government revenue attributable to tourism (%)	2.4	2.4	2.4	2.3	2.3
share attributable to tourism exports (%)	32.6	30.4	28.8	28.6	28.3
per $100 of tourism spending ($)	0.67	0.64	0.66	0.64	0.61

1. Represents revenue in-scope that is directly attributable to tourism.
2. Including taxes on intermediate inputs.

About $4.7 billion was generated through income taxes, up 5.5%. Another $2.8 billion was raised through other taxes on production and intermediate inputs, while contributions to social insurance plans amounted to $2.3 billion. Government sales of goods and services to tourists added $483 million. The overall composition of government's revenue from tourism has remained relatively stable over the last decade. In contrast, the export share of each of the various sources of tourism revenue has declined markedly, reflecting the declining share of non-resident spending in overall tourism spending.

Governments received $30.85 for every $100 spent by non-residents, compared to $26.30 for every $100 spent by residents (see Chart 2). The gap reflects the fact that Canadian businesses receive input tax credits for GST and in some instances PST on business travel expenses, which lowers the effective tax paid by resident tourists (which includes Canadian business travellers). It also reflects differences in spending patterns between resident and non-resident visitors, with the latter spending more on more highly taxed items, most notably recreation and entertainment (including casinos) and non-tourism commodities (including alcohol and tobacco). The following section examines some of these differences at the industry and commodity level.

Chart 2 Government revenue per $100 of tourism spending by Canadians and non-residents, by source, 2011



* Includes taxes on intermediate inputs.

4 Detailed results by industry and commodity, 2008

This section will concentrate on the shares and proportions of each industry or commodity, which reveal more on the underlying structure of revenue due to tourism. Taxes on products (final sales) are discussed separately because they are classified by commodity, whereas revenues from other sources are classified by industry. As mentioned earlier, results by industry and commodity are only available for the years up to 2008 (see Appendix B).

Table 6 (column 3) shows the tourism share, by industry, of all sources of government revenue except taxes on products. At the total economy level, tourism generated 2.3% of the revenue from these sources in 2008. The tourism share of government revenue differed significantly between tourism and non-tourism industries.

Among tourism industries, the tourism share of taxes on income, production and contributions to social insurance plans (see column 3) ranged from a low of 10% in water transportation to a high of 92.2% in travel services. This means that 10% of government revenue from water transportation was directly attributable to tourism activities. Likewise, 92.2% of revenues from travel services came from tourists.

On average, 36% of government revenue from tourism industries was directly attributable to tourism, while only 0.7% of government revenue from non-tourism industries was due to tourism. It might be noted that non-tourism industries are a source of tourism tax revenue insofar as tourists purchase some of the commodities they produce (e.g., vehicle fuel, camping equipment, clothing, tobacco and alcohol, and so on).[11] Conversely, not all government revenue from tourism industries is directly attributable to tourism activities.

11. See Canadian Tourism Satellite Account Handbook, Statistics Canada catalogue no. 13-604-M, no. 52, available for free from www.statcan.gc.ca.

Table 6 Government revenue attributable to tourism, by industry, 2008[1]

	Total government revenue[2]	Government revenue attributable to tourism	Share of total government revenue attributable to tourism	Total government revenue by industry	Government revenue attributable to tourism by industry	Government revenue due to domestic tourism by industry	Government revenue due to tourism exports by industry
	$ millions		percentage				
Tourism industries							
Total transportation	5,915	2,310	39.1	1.5	25.1	25.8	23.1
Air transportation	2,030	1,606	79.1	0.5	17.5	19.2	12.4
Railway transportation	1,764	231	13.1	0.4	2.5	2.0	4.2
Water transportation	504	50	10.0	0.1	0.5	0.4	1.0
Bus transportation	653	191	29.2	0.2	2.1	1.9	2.7
Taxicabs	297	37	12.5	0.1	0.4	0.4	0.4
Vehicle rental	666	195	29.3	0.2	2.1	2.0	2.5
Accommodation	2,688	1,923	71.5	0.7	20.9	18.2	28.9
Food and beverage services	5,447	928	17.0	1.4	10.1	10.1	10.2
Recreation and entertainment	3,303	711	21.5	0.8	7.7	6.9	10.3
Travel services	668	615	92.2	0.2	6.7	8.5	1.4
Total tourism industries	18,020	6,488	36.0	4.6	70.6	69.5	73.9
Total non-tourism industries	377,103	2,704	0.7	95.4	29.4	30.5	26.1
Total economy	395,123	9,193	2.3	100.0	100.0	100.0	100.0

1. Represents only the revenue in-scope from income taxes, other taxes on production and intermediate inputs, and contributions to social insurance plans.
2. Represents only the revenue in-scope.

Looking at the distribution of government revenue from all sources, except taxes on products (column 4 of Table 6), only 4.6% came from tourism industries. However, examining the distribution of the revenue that is due to tourism (column 5), 70.6% originated from the tourism industries, with 29.4% from the non-tourism industries. Accommodation and transportation accounted for about two-thirds of government tourism revenue from tourism industries.

The last two columns of Table 6 show the distribution of government revenue attributable to tourism spending by resident and non-resident visitors to Canada. It is noteworthy that the share due to air transportation and travel services was considerably higher for domestic spending compared to tourism exports. The reverse holds for several industries, most notably accommodation and recreation and entertainment. These results simply reflect the fact that Canadians spend more of their tourism dollar on air travel with Canadian carriers and on travel arrangements with Canadian travel agents than do non-resident visitors, whereas non-residents spend relatively more of their tourism dollar in Canada on accommodation and recreation and entertainment.

The detailed results for taxes on products (final sales) in 2008 are shown in Table 7. The share of total government revenue (taxes on products in this case) directly attributable to tourism spending is shown in column 3. Among tourism commodities, these shares (or ratios) ranged from a low of 4.1% for vehicle repairs and parts to a high of 100% in the case of pre-trip expenditures. This means that only a small fraction of the product taxes (e.g., GST, PST) collected on motor vehicle repairs and parts was directly attributable to tourism, while the remaining 96% was due to non-tourism spending (i.e., local consumption). Also, pre-trip expenditures (spending on motor homes, travel and tent trailers, luggage and travel sets, tents and camping equipment and sleeping bags) is entirely attributed to tourism, as are the related product taxes.

The share of taxes on products (final sales) due to tourism among tourism commodities averaged 24.8%, while 6.3% of the product taxes on sales of non-tourism commodities stemmed directly from tourism spending.[12]

12. The tourism share of taxes on accommodation services (68.9%) in Table 7 is much lower than the tourism share of spending on this item (91%) in the CTSA 2004. This is because the former relates to accommodation services supplied by all industries, while the latter relates to those supplied by the accommodation industry alone. This makes a difference because a significant portion of "accommodation services", defined in the CTSA to include several outputs of the accommodation industry (e.g., room nights, laundry and dry cleaning and other personal care services), is produced outside of the accommodation industry, only a small fraction of which is purchased by tourists.

Table 7 Government revenue attributable to tourism, by commodity, 2008[1]

	Total government revenue[2]	Government revenue attributable to tourism	Share of total government revenue attributable to tourism	Total government revenue by goods and services	Government revenue attributable to tourism by goods and services	Government revenue due to domestic tourism by goods and services	Government revenue due to tourism exports by goods and services
	$ millions		percentage				
Tourism commodities							
Total transportation	11,754	2,626	22.3	13.7	25.9	28.9	15.1
Passenger air	605	575	95.0	0.7	5.7	5.5	6.4
Passenger rail	13	12	92.6	0.0	0.1	0.1	0.3
Passenger water	14	13	93.7	0.0	0.1	0.1	0.3
Interurban, charter and tour bus	53	22	41.0	0.1	0.2	0.2	0.3
Taxis	56	7	12.9	0.1	0.1	0.1	0.1
Vehicle rental	106	72	67.8	0.1	0.7	0.5	1.3
Vehicle repairs and parts	2,458	100	4.1	2.9	1.0	1.2	0.3
Vehicle fuel	8,449	1,825	21.6	9.9	18.0	21.4	6.1
Accommodation	922	635	68.9	1.1	6.3	4.9	10.9
Food and beverage services	4,482	892	19.9	5.2	8.8	7.8	12.1
Recreation and entertainment	8,336	1,876	22.5	9.7	18.5	15.4	29.4
Travel services	31	31	99.2	0.0	0.3	0.4	0.1
Convention fees	14	13	91.4	0.0	0.1	0.1	0.1
Pre-trip expenditures	350	350	100.0	0.4	3.4	4.4	0.0
Total tourism commodities	25,889	6,422	24.8	30.3	63.3	62.0	67.6
Total non-tourism commodities	59,655	3,731	6.3	69.7	36.7	38.0	32.4
Total economy	85,544	10,153	11.9	100.0	100.0	100.0	100.0

1. Represents revenue from taxes on products (final sales).
2. Represents only the revenue in-scope.

Looking at the distribution of taxes on products overall (column 4), some 30% of government revenue from this source came from spending on tourism commodities. Considering only the revenue that is directly attributable to tourism, however, this share jumps to 63.3%. This simply reflects that tourists spend more of their budget on tourism commodities than do non-tourists.

Among the tourism commodities, vehicle fuel (18.0%) and recreation and entertainment (18.5%) were by far the most significant sources of product taxes directly attributable to tourism. Not only do tourists spend a disproportionate share of their budget on these items, compared to non-tourists, these items are relatively highly taxed. Product taxes on vehicle fuel include not only sales taxes but also excise taxes, while product taxes on recreation and entertainment include as mentioned earlier the profits of government-run casinos, lotteries and other gaming enterprises.

Again, the distribution of revenue attributable to tourism reveals very different patterns depending on whether the revenues stem from spending by resident or non-resident visitors. The most notable differences arise in the cases of vehicle fuel, recreation and entertainment, and non-tourism commodities.

5 Conclusion

This study has presented updated estimates of government revenue attributable to tourism as well as estimates of the portions due to domestic tourism and tourism exports covering the years 2000 to 2011. These estimates show the importance of tourism exports (as well as domestic tourism) in terms of their contribution to government revenue. Not surprisingly, given the decline in tourism exports over the last few years, the export contribution to government revenue has also declined. The study finds, however, that international visitors continue to contribute more (per dollar of spending) than residents.

Appendix A: Concepts and definitions

The aim of this study is to estimate the revenue to government that can be attributed to tourism in Canada. **Government revenue** includes both tax and non-tax sources. To the extent that tourism demand supports the production and sale of goods and services, which in turn generates jobs, employment income and profits, it also generates revenue to government through taxes and other non-tax sources. As such, some government revenue is **attributable to tourism**.

Only those revenues that are **directly** attributable to tourism are identified. These revenues stem from taxes either on sales of goods and services to visitors or taxes on the income generated by the production of these goods and services and from government sale of goods and services to tourists. Revenues that are **indirectly** attributable to tourism; for instance through taxes generated by suppliers of tourism industries, are included with those that are not directly attributable to tourism. These revenues are not separately identified. Table A1 below details the various sources of revenue included in the study.

This study follows the concepts and definitions of tourism in the Canadian Tourism Satellite Account (CTSA). The CTSA in turn follows the internationally recognized System of National Accounts (SNA) and the recommended methodological framework for Tourism Satellite Accounts adopted by the World Tourism Organization and the United Nations Statistical Commission.

Tourism, as defined internationally, is “the activities of persons travelling to and staying in places outside their usual environment for not more than one year for leisure, business and other purposes.” In Canada, usual environment has been defined as less than 80 kilometres one way away from home. Crossing an international boundary is considered tourism regardless of distance travelled. Exclusions are commuting, travel for education, travel by armed forces or diplomats, and migration.[13]

Tourism demand, defined as total spending by tourists on domestically produced commodities, includes all spending by same-day and overnight visitors, Canadian and non-resident. Tourism demand can be split into two components domestic demand, and international demand. **Tourism domestic demand** includes the expenditures associated with tourism activity in Canada by its residents. **International demand**, also called **tourism exports**, consists of the expenditures by non-residents in Canada on tourism. Several other key definitions related to tourism, among others, can be found in the glossary.

13. This is the definition used in the CTSA 2004 which, in turn, follows the definition used on the Canadian Travel Survey (CTS). However, the operational definition of tourism in Canada changed in 2005 when the Travel Survey of Residents of Canada (TSRC) replaced the CTS, and again in 2011, with implementation of the redesigned TSRC. Tourism is now defined in the TSRC as same-day trips exceeding forty kilometers one way from home and all overnight trips that are “out of town”. Exceptions concerning travel to work, for education, for military purposes and migration remain. Routine trips are now excluded from tourism, in order to better reflect the notion of usual environment. Trips for “some other business reason” are included as tourism, while trips to “pick up or drop off someone or something” are excluded, whether they are routine or not. A more detailed explanation of the differences between the CTS and the TSRC is available at www.statcan.gc.ca.

Table A1 Sources of government revenue

	Federal	Provincial/territorial	Municipal
Income taxes			
	Personal income tax	Personal income tax	
	Corporate profits tax	Corporate profits tax	
Other taxes on production			
	Softwood lumber fees	Real property taxes	Real property taxes
	Fishing licences	Grants in lieu of taxes	Developer's fees (lot levies)
	Mining leases and royalties	Capital taxes	Special assessments
	GST penalties	Business taxes	Other property and related
	Canadian dairy commission, levy	Miscellaneous property related taxes	Poll
	Canadian television fund-lic.fees	Payroll taxes	Grants in lieu of taxes
	Other miscellaneous taxes	Commercial motor vehicle licence	Licences and permits
		Natural resource taxes	Business
		Natural resource licences	Other miscellaneous taxes
		Agricultural insurance premium	
		Insurance premium taxes	
		Liquor licenses	
		Other licences and permits	
		Business fines and penalties	
		Business donations	
		Other miscellaneous taxes	
		Environmental taxes	
Taxes on products			
	Excise duties	Provincial trading profits	Local amusement tax
	Excise taxes	Gasoline taxes	Sales taxes
	Federal sales tax / GST	Provincial amusement tax	Deed transfer tax
	Gasoline taxes	Liquor gallonage tax	
	Air transportation tax	Retail sales (PST/HST and other) tax	
	Customs import duties	Land transfer tax	
	Federal-provincial lottery agreement		
	Pari-mutuel supervision		
Contributions to social insurance plans (by employers and employees)			
	Employment insurance	Quebec pension plan	
	Canada pension plan	Worker's compensation	
Government sales of goods and services			

Appendix B: Sources and methods

There is no specific “tourism industry” or “tourism commodity” within the statistical system. Rather, tourism is dispersed among the various industries and commodities of the system. Therefore, like the Canadian Tourism Satellite Account (CTSA), this study requires the estimation of the tourism portion of each industry and commodity. Once these shares are established, they are multiplied against the taxes, by industry or by commodity, to determine the portion attributable to tourism. The following describes the key data sources for the study and outlines the main aspects of its methodology.

Data sources

Several main data sources are used in this study. The CTSA and the National Tourism Indicators (NTI) provide tourism expenditures by commodity which allows the calculation of tourism’s share of spending for all commodities. Detailed information from these sources is used to estimate tourism shares by industry as well. Revenue from government sales of goods and services to visitors also comes from the CTSA and from the Industry Accounts Division (IAD) of Statistics Canada.

Information on taxes on products (final sales), by detailed commodity, and taxes on production and intermediate inputs, by detailed industry are supplied by IAD. These data are by level of government (federal, provincial/territorial and municipal) annually up to 2008. The National Income and Expenditure Accounts (NIEA) carry estimates of revenues by type of tax and level of government, which serve as benchmark totals for 2009 to 2011. While this source has more up-to-date estimates, it does not provide any industry or commodity detail. The tax totals are on an accrual basis, that is, they are allocated to the year in which the taxes are generated, not the year in which they are actually paid.

Federal and provincial/territorial taxes on employment earnings and social insurance contributions by industry draw on T4 tax remittance files from Canada Revenue Agency up to 2008. The totals in 2009 to 2011 for these sources are derived using data from the NIEA, although no industry details are available in this case.

Methods

a. Tourism shares

The tourism shares of commodities or industries provide the crucial ratios to estimate the portion of taxes due to tourism, either from taxes on income or production by industry or from taxes on products by commodity. The tourism shares are calculated using the output attributable to tourism from the CTSA divided by the total gross output (at basic prices) of a commodity or industry from the I-O tables. These shares are then multiplied against the taxes, by commodity or industry, to obtain the taxes attributable to tourism. This method assumes that the tourism tax share is equal to the tourism commodity or industry share. To give an example, if a commodity raises $20 million in sales taxes and the CTSA shows 10% of its total demand is from tourists, the government revenue attributed to tourism is $2 million ($20 million X 10%). Similar calculations are done by industry to estimate the portion of taxes on income and production that are due to tourism.

Government revenues are also separated into those attributable to tourism exports and to tourism domestic demand. The tourism shares for exports are calculated similarly to those for total tourism, but in this case using output attributable to tourism exports from the CTSA divided by the total gross output (at basic prices). These tourism export shares are then multiplied by the taxes to obtain the government revenue attributable to tourism exports. The revenue attributable to domestic tourism is then derived as a residual by deducting the revenue from tourism exports from that due to total tourism. This method is used in the calculations for income taxes, other taxes on production and intermediate inputs, and contributions to social insurance plans. In these cases, the estimates of tax revenues are all on an industry basis, and tourism shares by industry are applied.

For taxes on products (final sales), an adjusted tourism export share is used that takes into account the fact that (1) these estimates relate only to taxes on final demand expenditures and (2) the travel expenses of Canadian businesses are treated as an intermediate expense and consequently do not generate any taxes on final sales. Consequently, a special adjustment based on details from the CTSA is made to remove the portion of output supplied to domestic business tourism before calculating the tourism export share. This has the effect of raising the export share of revenue from taxes on products directly attributable to tourism above its share of total tourism spending. In this case, the estimates of taxes on products (final sales) are all on a commodity basis, and the tourism shares by commodity are applied.

These calculations are done at the most detailed level of the I-O tables. For publication, these details are aggregated so as not to reveal any confidential data. These calculations are also done only for the years for which the CTSA is available. For other years, these ratios are taken from unpublished details of the NTI, which in turn are benchmarked on the CTSA estimates.

b. Taxes on income and contributions to social insurance plans

Information on taxes withheld from employment earnings and Employment Income (EI) and Canada Pension Plan and Quebec Pension Plan (C/QPP) premiums by industry come from T4 tax remittance files. Employer contributions to workers' compensation plans, by industry, come from the NIEA. The T4 files only contain employee contributions to EI and C/QPP; employers' contributions however are a straightforward calculation based on the employee premiums. The self-employed are not included in the T4-file. The totals for their EI and C/QPP premiums are distributed by industry on the basis of the distribution for employee contributions. Contributions to social insurance plans are benchmarked to totals published in the NIEA.

Taxes on employment earnings for the province of Quebec are only partially covered by the T4 remittance files. These files include only the federal portion of tax withheld from pay cheques. There is a 16.5% abatement of federal income tax to residents of Quebec, and this is deducted from the federal tax assessed. The provincial portion is calculated separately using the ratio of provincial to federal income tax paid in Quebec from the Provincial Economic Accounts. This total is distributed by industry according to the distribution of federal taxes on employment earnings in Quebec.

The T4 tax files were used up to 2008, while preliminary estimates of tax and contribution totals were used for 2009 to 2011. Consequently, for 2009-2011, the industry distribution of taxes on employee earnings and social contributions is based on the distributions for 2008.

Taxes on profits of corporations and government business enterprises and on the net income of unincorporated businesses are also included in the study. For corporations and government business enterprises, federal and provincial/territorial accrued tax totals for all years come from the NIEA. In this case, a distribution of taxes is not available by industry. However, operating surplus, available by industry from IAD, is used to distribute the totals. This method results in taxes that are proportional to surplus across industries, and applies only for 2000 to 2008. The distribution for 2008 is carried forward for 2009 to 2011.

In the case of unincorporated businesses, the total tax comes from Canada Revenue Agency. This figure is first split between the federal and provincial/territorial governments on the basis of their respective shares of income taxes. The distribution by industry is then established on the industry distribution of mixed income with data for 2000-2008 from IAD. The distribution for 2008 is assumed to carry forward to 2009 to 2011.

All taxes on income and contributions to social insurance plans are calculated on an industry basis. The tourism portions are thus estimated using the tourism shares by industry, as described above, both at the total tourism and tourism export levels.

c. Other taxes on production and taxes on products

Other taxes on production and taxes on products for intermediate use are available by industry from IAD. The tourism portion of these taxes is simply estimated as the tourism share of each industry times the tax amount for each industry. For 2009 to 2011, totals for these taxes come from the NIEA, while their industry distribution is based on that for 2008.

Taxes on products related to final sales are taken on a commodity basis from tax margins of the input-output accounts. All taxes on products (final sales) levied by the three levels of government are included; tourism shares by commodity as described above are applied to obtain the tourism portion, both at the total level and for tourism exports. Commodity details for 2000 to 2008 come from IAD, while totals for 2009 to 2011 come from the NIEA. The distribution of taxes by commodity for these latter years is based on the distribution for 2008.

A special calculation is required for convention fees, because these payments and sales taxes on them, while included in the input-output accounts, are not specifically identified as such. However, tourism spending on convention fees is estimated in the CTSA and the NTI. To estimate the taxes, it is assumed that the domestic portion is fully subject to GST/HST. For tourism exports, it is assumed that 50% of the fees paid are related to “foreign conventions” held in Canada and hence exempt from GST/HST (a “foreign convention” is one where over 75% of participants are non-residents). The estimated taxes are then removed from those paid on accommodation services.

A refinement is made regarding the treatment of taxes paid at the border on non-tourism commodities or goods (e.g., clothing, jewelry, alcohol, tobacco, vehicles, etc.) brought back to Canada by Canadians travelling abroad. Estimates of taxes paid at the border, based on details from the NIEA, are added to the total taxes on products (final sales) attributed to tourism for the category of non-tourism commodities.

Information on product taxes related to tourism commodities for 2009 and 2011 was reviewed for any significant changes to legislated tax rates that would call for adjustments to the distribution for these years. The only notable changes were the increase in the federal Air Travellers Security Charge in April 2010 and the introduction of the Harmonised Sales Tax in Ontario and British Columbia on July 1, 2010. These are both reflected in the study’s estimates.

d. Government sales of goods and services

Government sales of goods and services provide another source of revenue. These revenues come mainly from camping, recreation and entertainment. They are determined in the CTSA by taking the total supply of government tourism commodities and multiplying each one by the appropriate tourism share. These details are available from IAD up to 2008, and again the appropriate tourism shares are applied. For 2009 to 2011, however, only control totals on government revenues from all sales of goods and services are available, not just tourism commodities. In this case the proportion of government sales from tourism commodities is assumed to be the same as in 2008, and then the same tourism shares are applied.

Appendix C: Tourism industries for the Canadian Tourism Satellite Account

North American Industry Classification System (NAICS) 2002

Air transportation

4811 Scheduled air transport

4812 Non-scheduled air transport

Rail transportation

4821 Rail transportation

Water transportation

4831 Deep sea, coastal and Great Lakes water transportation

4832 Inland water transportation

Bus transportation

4851 Urban transit systems

4852 Interurban and rural bus transportation

4854 School and employee bus transportation

4855 Charter bus industry

4859 Other transit and group passenger transportation

Scenic and sightseeing transportation

4871 Scenic and sightseeing transportation, land

4872 Scenic and sightseeing transportation, water

4879 Scenic and sightseeing transportation, other

Taxicabs

4853 Taxi and limousine service

Vehicle rental and leasing

5321 Automotive equipment rental and leasing

Hotels

7211 Traveller accommodation (except 721114 Motels and 721198 All other traveller accommodation)

Motels

721114 Motels

Camping

721211 RV (recreational vehicle) parks and campgrounds

Other accommodation

721212 Hunting and fishing camps

721213 Recreational (except hunting and fishing) and vacation camps

721198 All other traveller accommodation

Food and beverage services

7221 Full-service restaurants

7222 Limited-service eating places

7224 Drinking places (alcoholic beverages)

Recreation and entertainment

51213 Motion picture and video exhibition

7111 Performing arts companies

7112 Spectator sports

7115 Independent artists, writers and performers

7121 Heritage institutions

7131 Amusement parks and arcades

7132 Gambling industries

7139 Other amusement and recreation industries

Travel services

5615 Travel arrangement and reservation services

Appendix D: Tourism commodities of the Canadian Tourism Satellite Account

Transportation

Passenger air

Passenger rail

Passenger water

Interurban, charter and tour bus

Taxis

Vehicle rental

Vehicle repairs and parts

Vehicle fuel

Accommodation

Hotels

Motels

Camping

Other accommodation (includes outfitters, commercial cabins and cottages)

Food and beverage services

Meals from accommodation

Meals from restaurants

Alcoholic beverages from accommodation

Alcoholic beverages from restaurants

Meals and alcoholic beverages from other tourism industries

Other tourism commodities

Recreation and entertainment

Travel services

Convention fees

Pre-trip expenditures (include tents, camping goods, sleeping bags, luggage, travelsets, motor homes, trailers and semi-trailers of the caravan type for camping)

Non-tourism commodities purchased by tourists

Groceries

Beer, wine and liquor from stores

Urban transit and parking

Miscellaneous commodities (includes tobacco products, clothing, maps, and souvenirs)

Appendix E: Revisions to estimates of government revenue attributable to tourism

The government revenue attributable to tourism is not directly observable; in other words it is not obtained from surveys, or transactions data or Public Accounts, but derived from different sources. Because of this, any revision in any source of information or any changes in methods imply revisions in the estimates.

As mentioned in Appendix B, the major sources of information used in this study are:

1. Aggregates of various government revenues as they appear in the National Income and Expenditure Accounts;

2. Details on the various government revenues by commodity and industries from the Input-output Tables;

3. The tourism ratios from the National Tourism Indicators (NTI);

Table E.1 summarizes the changes at the aggregate level of the main data used to estimate the government revenue attributable to tourism and in the overall results for 2008 and 2009. For both years, but especially in 2009, the in-scope government revenues were revised upward. On the other hand, tourism spending was revised down in both years. The revisions in tourism spending imply that the ratios relating tourism to the total economy were also revised down. On balance, lower tourism spending more than offset the higher government revenues resulting in a small downward revision in government revenue attributable to tourism in 2008 and in 2009.

The magnitude of the revision to government revenue attributable to tourism for 2008 and 2009 are well within revisions registered in previous studies.

Table E.1 Revisions in source data used in Government revenues attributable to tourism, 2008 and 2009

	Current revision[1]		Current revision[2]	
	Millions dollars		Percentage	
	2008	2009	2008	2009
Government revenues				
Government revenues in-scope	1,362	15,945	0.3%	3.1%
Tourism related information				
Tourism spending	-245	-745	-0.3%	-1.1%
Government revenues attributable to tourism	-71	-171	-0.4%	-0.9%

Notes
1. “Current revision” is revised estimates minus previous estimates.
2. “Current revision” in percentage is revised estimates as a percentage of the previous estimates.

Glossary

Basic prices. A basic price valuation includes the costs of **production factors** (labour and capital) and indirect taxes and subsidies on production factors.

Business sector. All transactors producing goods and services for sale at a price intended to cover costs of production, namely corporations, government business enterprises, unincorporated businesses and independent professional practitioners.

Canada and Quebec pension plans. The part of the government sector which consists of the operations of the Canada and Quebec pension plans, established in 1966.

Contributions to social insurance plans. Employer and employee contributions to employment insurance, the Canada and Quebec pension plans and workers' compensation.

Corporate and government business enterprise sector. All business transactors whose legal form of organization is the corporation, plus government business enterprises.

Current transfers from persons and unincorporated businesses to government. Income taxes, contributions to social insurance plans and other current transfers.

Government business enterprises. Government enterprises and agencies which operate on a profit or cost recovery basis and whose motivation is similar to that of private enterprises. Their total profits (net of losses) are recorded in GDP, while only the profits remitted to government are recorded in the government income and expenditure account, under government investment income.

Government investment income. In GDP, includes interest and royalties. In the government income and expenditure account, it also includes the profits of government business enterprises remitted to government. See government business enterprises.

Government sales of goods and services. Revenues from the sale of goods and services, such as water charges, landing fees and charges for government documents.

Government sector. All departments, agencies, and funds (budgetary and non-budgetary) of the federal, provincial and local levels of government, as well as crown corporations which receive more than 50% of their revenues in grants from their parent governments. Also included are school boards, universities, non-profit colleges, hospitals, non-profit residential care facilities, as well as the Canada and Quebec pension plans.

Gross Domestic Product. The total unduplicated value of the goods and services produced in the economic territory of a country or region during a given period. GDP can be measured three ways: as total incomes earned in current production, as total final sales of current production, or as total net values added in current production.

Market prices. A valuation expressed in terms of the prices actually paid by the purchaser, that is, including indirect taxes less subsidies.

Mixed income. Mixed income is a balancing item in the industry accounts of input-output accounts representing the return to both self-employed labour and capital of the unincorporated business. Mixed Income consists of earnings of proprietors of unincorporated businesses (sole proprietorships and partnerships) such as retailers and consultants, earnings of independent professional practitioners such as lawyers and dentists, net (after expenses) rental income of owners of real property and the accrued net farm income of farm operators.

Net income of unincorporated business. The earnings of unincorporated proprietors, except farm operators, from their own business. It includes the net income of unincorporated businesses and self-employed individuals, as well as the net rental income of persons.

Other current transfers from persons to government. Transfers not classified as income taxes or contributions to social insurance plans. Includes hospital and medical care insurance premiums, various licences and permits, (hunting and fishing licenses, marriage licenses, etc.) fines and penalties, the personal portion of motor vehicle licenses and permits, as well as donations to entities within the government sector.

Other operating surplus. The income from production other than labour or mixed income. It includes depreciation and profit.

Subsidies. Transfers from government to the business sector toward current costs of production. These transfers represent additions to the income of producers from current production. Subsidies can be linked to production factors or products.

Taxes on factors of production. These are mandatory payments without consideration, in cash or in kind, collected by government. They apply to employment of labour and ownership or use of land, structures and other assets used for production purposes. They are payable regardless of the quantity or value of the goods and services produced or sold.

Taxes on products. These are mandatory payments without consideration, collected by government on the sale of goods and services. These taxes include sales taxes, fuel taxes, import duties and taxes, excise taxes on tobacco and alcohol.

Tourism. The definition of tourism used in the National Tourism Indicators and the Canadian Tourism Satellite Account is that adopted by the World Tourism Organization and the United Nations Statistical Commission: “the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.”

Tourism commodity. A good or service for which a significant part of its total demand in Canada comes from tourists.

Tourism commodity ratio: The ratio of demand to supply for a given tourism commodity measures the proportion of a tourism commodity that is actually purchased by tourists.

Tourism demand. The spending of Canadian and non-resident visitors on domestically produced commodities. Total tourism demand is the sum of domestic demand and international demand.

Tourism domestic demand. The spending in Canada by Canadian visitors on domestically produced commodities.

Tourism domestic supply of tourism commodities. The total production in Canada of the tourism commodities that are mainly produced by tourism industries. Not all of domestic supply is purchased by visitors, so that supply exceeds tourism demand. For example, tourists purchase only a small proportion of food and beverage services, with most going to local consumption. Also, domestic supply does not include imports. For example the sale of a ticket on a non-Canadian airline is excluded from domestic supply.

Tourism employment. Tourism employment is a measure of employment in tourism and non-tourism industries. It is based on an estimate of jobs rather than “hours of work”. Thus, someone who works 10 hours a week counts for as much, by this measure, as someone who works 50 hours a week.

Tourism exports. The spending by foreign visitors on Canadian produced goods and services. It includes spending that may take place outside of Canada, for instance, the purchase of an airline ticket from a Canadian international carrier, to travel to Canada.

Tourism industry. Tourism Industry is an industry which as a direct result of the absence of tourism would cease to exist or would continue to exist only at significantly reduced levels of activity. Some industries may be affected by the absence of tourism but not directly, for example the absence of tourism would greatly affect the air transportation industry and thus indirectly the catering industry. Tourism industries are passenger transportation, accommodation, food and beverage services, recreation and entertainment and travel services.

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