

Blue Mountains Tourism Satellite Account

2013-14

In 2013-14, the tourism industry contributed an estimated \$429 million to the Blue Mountains regional economy (6.3% of Blue Mountain's gross regional product) and directly employed approximately 3,100 people (5.8% of Blue Mountain's employment).

Tourism Satellite Accounts (TSA) evaluate tourism industry activity and performance within a national accounting framework. The regional TSA measures both the direct and indirect impacts of tourism on the economy and includes metrics such as Gross Value Added (GVA), Gross Regional Product (GRP) and employment. It also provides information about tourism consumption, output, taxation and the composition of the tourism industry and its interaction with other industries.

This Blue Mountains regional profile measures the economic contribution of tourism to the region both in absolute level terms and as a contribution to the regional economy. These measures are directly comparable to State, National, and indeed, international Tourism Satellite Accounts.

Key aggregates

In 2013-14, the tourism activity in the Blue Mountains (Table 1.1) generated:

Tourism output

- \$405 million and \$411 million in direct and indirect tourism output, and \$816 million in total tourism output.

Gross Value Added (GVA)

- \$209 million and \$172 million in direct and indirect tourism GVA, and \$380 million in total tourism GVA.

Gross Regional Product (GRP)

- \$227 million and \$201 million in direct and indirect tourism GRP and \$429 million in total tourism GRP; and

Employment

- 3,100 jobs for people employed directly by the tourism industry, 1,400 indirect jobs and a total employment impact of 4,500 people.

Table 1.1: Key tourism aggregates, Blue Mountains, 2013-14
(\$ million)

Visitor segment	Consumption	Output	GVA	GRP	Employed ('000)
Day-trippers	218	87	43	47	
Intrastate	317	182	93	101	
Interstate	92	72	37	41	
International	67	64	36	38	
Direct	694	405	209	227	3.1
Indirect		411	172	201	1.4
Total impact		816	380	429	4.5
Total economy			6,272	6,783	52.4

Source: Deloitte Access Economics' Regional TSA model.

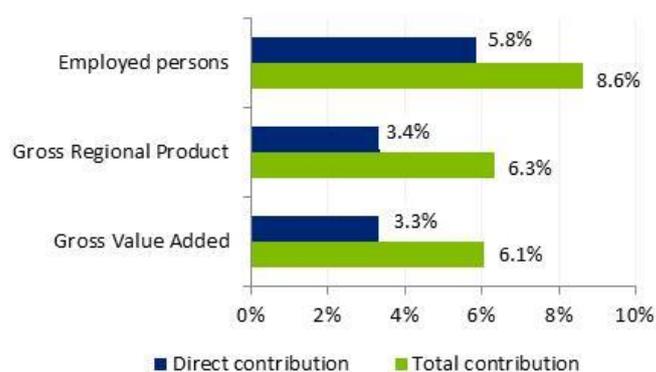
* Regional indirect contribution does not include regional contribution to the rest of Australia. Total indirect contribution in the State Tourism Satellite Account however includes contribution to the rest of Australia.

Economic importance of tourism to Blue Mountains

The ratio of Blue Mountains' direct tourism contribution to Blue Mountain's total regional economy provides a point of reference snapshot for the importance of tourism to the region. In 2013-14, it is estimated that tourism directly represented 3.4% (Chart 1.1) of the total Blue Mountains economy (in GRP terms), compared to 3.9% for regional New South Wales.

The Blue Mountains region has a strong tourism sector, supported by its World Heritage listing. However, it also has sizeable education, public administration, and health sectors. The Blue Mountains region represents about 1.6% of the state-wide direct contribution of tourism to GRP.

Chart 1.1: Tourism's contribution to the Blue Mountains economy, 2013-14



Source: Deloitte Access Economics' Regional TSA model.

Consumption

In 2013-14, tourism consumption in Blue Mountains was \$694 million, 2.0% of total tourism consumption in New South Wales. Blue Mountains makes up a bigger share of consumption at the state level for day trippers (3.4%) and intrastate overnight visitors (2.7%).

In the year to 2013-14, tourism consumption in the Blue Mountains decreased by 3.4%. Since 2006-07, tourism consumption in the Blue Mountains has increased by 34%, representing an average growth rate of 4.3% per annum.

Blue Mountains' share of New South Wales tourism consumption decreased over the last year, from 2.2% in 2012-13 to 2.0% in 2013-14.

At the industry level, the tourism products that contributed most to tourism consumption in the Blue Mountains in 2013-14 were: (1) \$126 million on takeaway and restaurant meals; (2) \$101 million on shopping; and (3) \$96 million on fuel (Table 1.2).

Total consumption of these products equates to \$323 million or 46% of the total Blue Mountains tourism consumption.

Table 1.2: Tourism consumption by product, Blue Mountains, 2013-14

Tourism product	Consumption (\$ million)	Share of total (%)
Takeaway and restaurant meals	126	18.1
Shopping	101	14.6
Fuel (petrol, diesel)	96	13.8
Long distance passenger transportation	75	10.8
Accommodation services	70	10.1
All other	226	32.6
Total - tourism	694	100.0

Source: Deloitte Access Economics' Regional TSA model.

The majority of visitor consumption in the Blue Mountains was contributed by intrastate overnight visitors (\$317 million). In relative terms, these visitors also spent the most per night in the Blue Mountains, \$235 on average (Table 1.3).

Table 1.3: Tourism activity summary, Blue Mountains, 2013-14

Visitor segment	Nights ('000)	Nights (%)	Consumption (\$ million)	Consumption (%)	\$ per night
Day-trippers	2,375*	52.1*	218	31.4	92**
Intrastate	1,350	29.6	317	45.6	235
Interstate	409	9.0	92	13.2	225
International	427	9.4	67	9.7	158

Source: Tourism Research Australia Visitor Surveys and Deloitte Access Economics' Regional TSA model.

* Relates to visitor numbers for day-trippers.

** Relates to \$ spend per day-trip visitor.

Gross Value Added

In 2013-14, direct tourism GVA in the Blue Mountains was \$209 million. In the year to 2013-14, Blue Mountains direct GVA fell 1.9%. Since 2006-07, direct tourism GVA in the Blue Mountains has increased by 45%, representing an average rate of 5.5% per annum.

Blue Mountains contributed 1.6% of the total New South Wales direct tourism GVA in 2013-14. Blue Mountains' share of New South Wales direct tourism GVA has decreased from 1.7% in 2012-13.

The tourism industries that generated the highest economic contribution to the Blue Mountains in 2013-14 (Table 1.4) were:

- Accommodation with \$48 million in direct GVA and \$54 million in direct GRP;
- Other retail trade with \$34 million in direct GVA and \$35 million in direct GRP; and
- Cafes, restaurants and takeaway food services with \$32 million in direct GVA and \$35 million in direct GRP.

Table 1.4: Direct tourism GVA by industry, Blue Mountains, 2013-14

Tourism industry	Direct GVA (\$ million)	Share of total (%)	Direct GRP (\$ million)	GRP share (%)
Accommodation	48	23.1	54	23.6
Other retail trade	34	16.1	35	15.5
Cafes, restaurants and takeaway food services	32	15.4	35	15.5
Clubs, pubs, taverns and bars	18	8.5	19	8.2
Air, water and other transport	14	6.5	15	6.5
All other	63	30.4	70	30.6
Total - tourism	209	100.0	227	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, the Blue Mountains direct tourism GVA accounted for 55% of total tourism GVA for the region, with total tourism GVA in the Blue Mountains being \$380 million. Blue Mountains made up 1.6% of the New South Wales total tourism GVA.

Gross Regional Product

In 2013-14, tourism's direct contribution to Blue Mountains' GRP was \$227 million, 3.4% of total regional GRP. In the year to 2013-14, direct tourism GRP in Blue Mountains fell by 1.5%. Since 2006-07, direct tourism GRP in Blue Mountains has increased by 43%, representing an average growth rate of 5.2% per annum.

The Blue Mountains' share of direct tourism GRP in New South Wales was 1.6% in 2013-14, decreasing from 1.7% in 2012-13.

In 2013-14, direct contribution to GRP of \$227 million accounted for 53% of total tourism GRP in the Blue Mountains. The remaining \$201 million came from indirect supply industry contributions to tourism GRP in the Blue Mountains.

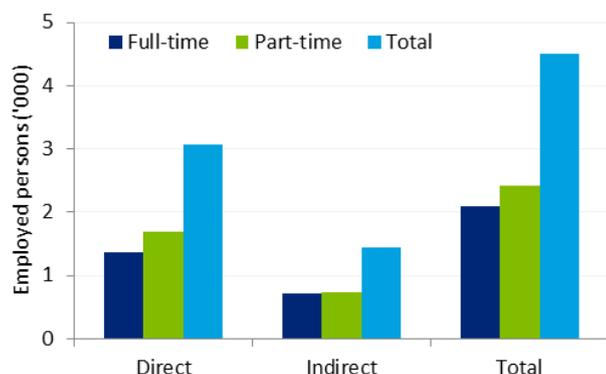
Tourism employment

TsAs define tourism employment as the number of tourism employed persons. In 2013-14 there were 3,100 persons (made up of 1,400 full-time and 1,700 part-time) directly employed in tourism in the Blue Mountains (Chart 1.2).

In the year to 2013-14, direct tourism in Blue Mountains fell by 5.9%. Since 2006-07, direct tourism employment has increased by 14%, representing an average growth rate of 1.9% per annum.

The Blue Mountains' share of direct tourism employment was 1.9% of the New South Wales direct tourism employment in 2013-14, decreasing from 2.1% in 2012-13.

Chart 1.2: Contribution of tourism to employment, Blue Mountains, 2013-14



Source: Deloitte Access Economics' Regional TSA model.

The tourism related industries that contributed most to regional tourism employment in Blue Mountains in 2013-14 (Table 1.5) were:

- Cafes, restaurants and takeaway food services (320 full time and 610 part time employed persons);
- Retail trade (270 full time and 410 part time employed persons); and
- Accommodation (210 full time and 220 part time employed persons).

Table 1.5: Direct tourism employed persons, Blue Mountains, 2013-14

Tourism industry	Jobs	Share (%)
Cafes, restaurants and takeaway food services	930	30.0
Retail trade	680	21.9
Accommodation	430	13.9
Clubs, pubs, taverns and bars	190	6.1
Travel agency and tour operator services	190	6.1
Education and training	140	4.5
All other industries	120	3.9
Cultural services	120	3.9
Other sports and recreation services	100	3.2
Road transport and transport equipment rental	80	2.6
Air, water and other transport	70	2.3
Rail transport	30	1.0
Casinos and other gambling services	0	0.0
Total	3,100	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, tourism's direct contribution to Blue Mountains' employment, 3,100 jobs, accounted for 68% of total tourism employment in the Blue Mountains, and 1 in 17 jobs in the Blue Mountains economy (Table 1.6).

The remaining 1,400 jobs represented tourism's indirect contribution to employment, 1 in 36 jobs in the Blue Mountains economy.

Table 1.6: Tourism employment and job ratio, Blue Mountains, 2013-14

Job type	Jobs ('000)	Share (%)	Job ratio
Direct	3.1	67.9	1 in 17 jobs
Indirect	1.4	32.1	1 in 36 jobs
Total	4.5	100.0	1 in 12 jobs

Source: Deloitte Access Economics' Regional TSA model.

Methodology

Destination New South Wales has worked with Deloitte Access Economics to produce consistent and comparable regional Tourism Satellite Account (TSA) estimates of the value of tourism to New South Wales's regions.

Tourism Satellite Accounts are used to estimate the contribution of tourism to a region by combining the contributions of the various goods and services that make up the industry. The regional, state and national estimates are based on an internationally recognised and standardised framework (although regional TSA methodology has been extended to determine the indirect impact of cross region trade flows).

There are a number of steps required to calculate the tourism industry's contribution to the Blue Mountains economy. To start, a regional tourism consumption bundle is derived from TRA visitor survey data and adjusted to remove any price effects that are not directly attributed to the seller of the good or service (e.g. taxes, transport margins, pre-manufactured inputs etc.). The direct and indirect contributions of tourism are estimated by using regional input-output multiplier tables, derived from ABS data.

For consistency and assurance, the regional results are calibrated against the reported 2013-14 state TSA data.

Tourism Standard Reporting

For consistency in reporting, when referring to the overall size or contribution of the tourism industry in a region, the appropriate measure is GRP. GVA should be used when comparing the tourism industry against another industry within the same region.

Glossary

Direct contribution of tourism: The contribution generated by transactions between the visitor and producer for a good or service that involves a direct physical or economic relationship.

Indirect contribution of tourism: The subsequent flow-on effects created by the requirement for inputs from those industries supplying goods and services to visitors. For example, in the case of the hotel industry this might include the fresh produce supplied to a hotel and the electricity used.

Input-output table: An input-output table is a means of presenting a detailed analysis of the process of production and the associated use of goods and services and income generated. National input-output tables are produced annually by the Australian Bureau of Statistics.

Tourism gross regional product: Tourism GRP is tourism GVA plus net taxes on products that are attributable to the tourism industry. As such direct tourism GRP will generally have a higher value than direct tourism GVA. Direct tourism GRP is a satellite account construct to enable a direct comparison with the most widely recognised national accounting aggregate, gross domestic (or regional) product.

Tourism gross value added: Considered the most accurate measure of the contribution of the industry to the economy. It includes the total labour income and capital revenue received by the industry and the net taxes that government received from the production. This measure is directly comparable with the value added of 'conventional' industries such as mining and manufacturing and can also be used for comparisons across countries.

Tourism output: The total value of goods and services produced in Australia to satisfy visitor consumption. It is measured in basic prices, so it excludes net taxes on tourism products.