

# Capital Country Tourism Satellite Account

## 2013-14

In 2013-14, the tourism industry contributed an estimated \$547 million to the Capital Country regional economy (5.0% of Capital Country's gross regional product) and directly employed approximately 3,700 people (4.1% of Capital Country'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 Capital Country 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 Capital Country (Table 1.1) generated:

#### Tourism output

- \$493 million and \$549 million in direct and indirect tourism output, and \$1,042 million in total tourism output.

#### Gross Value Added (GVA)

- \$257 million and \$227 million in direct and indirect tourism GVA, and \$484 million in total tourism GVA.

#### Gross Regional Product (GRP)

- \$281 million and \$266 million in direct and indirect tourism GRP and \$547 million in total tourism GRP; and

#### Employment

- 3,700 jobs for people employed directly by the tourism industry, 1,900 indirect jobs and a total employment impact of 5,600 people.

**Table 1.1: Key tourism aggregates, Capital Country, 2013-14**  
(\$ million)

Visitor segment	Consumption	Output	GVA	GRP	Employed ('000)
Day-trippers	232	97	48	53	
Intrastate	435	245	127	138	
Interstate	122	95	51	57	
International	41	56	32	34	
<b>Direct</b>	<b>829</b>	<b>493</b>	<b>257</b>	<b>281</b>	<b>3.7</b>
<b>Indirect</b>		<b>549</b>	<b>227</b>	<b>266</b>	<b>1.9</b>
<b>Total impact</b>		<b>1,042</b>	<b>484</b>	<b>547</b>	<b>5.6</b>
<b>Total economy</b>			<b>10,154</b>	<b>10,980</b>	<b>90.0</b>

Source: Deloitte Access Economics' Regional TSA model.

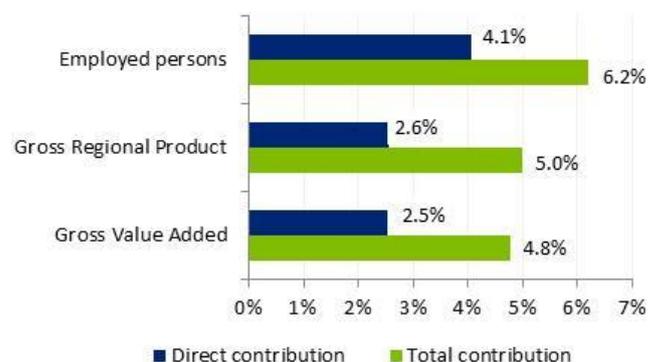
\* Regional indirect contribution does not include regional contribution to the rest of Australia. Total indirect contribution in the State Tourism Satellite Account however includes contribution to the rest of Australia.

### Economic importance of tourism to Capital Country

The ratio of Capital Country's direct tourism contribution to the Capital Country 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 2.6% of the total Capital Country economy (in GRP terms), compared to 3.9% for regional New South Wales (Chart 1.1).

The Capital Country region has a strong tourism sector however the region is also supported by a prominent public administration sector. The Capital Country region represents about 2.0% of the state-wide direct contribution of tourism to GRP.

**Chart 1.1: Tourism's contribution to the Capital Country economy, 2013-14**



Source: Deloitte Access Economics' Regional TSA model.

## Consumption

In 2013-14, tourism consumption in Capital Country was \$829 million, or 2.4% of total tourism consumption in New South Wales. Capital Country makes up a bigger share of consumption at the state level for day-trippers (3.6%) and intrastate overnight visitors (3.7%).

In the year to 2013-14, Capital Country tourism consumption grew by 7.6%. Since 2006-07, tourism consumption in Capital Country has increased by 70%, representing an average growth rate of 7.9% per annum.

Capital Country's share of New South Wales tourism consumption has increased over the last year, rising from 2.3% in 2012-13 to 2.4% in 2013-14.

At the industry level, the tourism products that contributed most to tourism consumption in Capital Country in 2013-14 were: (1) \$147 million on takeaway and restaurant meals; (2) \$112 million on fuel; and (3) \$111 million on shopping (Table 1.2).

Total consumption of these products equates to \$370 million or 45% of the total Capital Country tourism consumption.

**Table 1.2: Tourism consumption by product, Capital Country, 2013-14**

Tourism product	Consumption (\$ million)	Share of total (%)
Takeaway and restaurant meals	147	17.8
Fuel (petrol, diesel)	112	13.4
Shopping	111	13.4
Long distance passenger transportation	89	10.7
Accommodation services	83	10.0
All other	287	34.6
<b>Total - tourism</b>	<b>829</b>	<b>100.0</b>

Source: Deloitte Access Economics' Regional TSA model.

The largest portion of visitor consumption in Capital Country was contributed by intrastate overnight visitors (\$435 million). In relative terms, these visitors also spent the most per night in Capital Country, \$197 on average (Table 1.3).

**Table 1.3: Tourism activity summary, Capital Country, 2013-14**

Visitor segment	Nights ('000)	Nights (%)	Consumption (\$ million)	Consumption (%)	\$ per night
Day-trippers	2,147*	38.3*	232	27.9	108**
Intrastate	2,211	39.5	435	52.4	197
Interstate	651	11.6	122	14.7	187
International	591	10.6	41	4.9	69

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 per day.

## Gross Value Added

In 2013-14, direct tourism GVA in Capital Country was \$257 million, its highest level since 2006-07 (nominally). In the year to 2013-14, Capital Country direct GVA grew 6.8%. Since 2006-07, direct tourism GVA in Capital Country has increased by 70%, representing an average rate of 7.9% per annum.

Capital Country contributed 2.0% of the total New South Wales direct tourism GVA. Capital Country's share of New South Wales direct tourism GVA remained constant between the 2012-13 and 2013-14.

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

- Accommodation with \$50 million in direct GVA and \$56 million in direct GRP;
- Other retail trade with \$46 million in direct GVA and \$48 million in direct GRP;
- Cafes, restaurants and takeaway food services with \$39 million in direct GVA and \$43 million in direct GRP.

**Table 1.4: Direct tourism GVA by industry, Capital Country, 2013-14**

Tourism industry	Direct GVA (\$ million)	Share of total (%)	Direct GRP (\$ million)	GRP share (%)
Accommodation	50	19.4	56	20.0
Other retail trade	45	17.7	48	17.0
Cafes, restaurants and takeaway food services	39	15.1	43	15.2
Ownership of dwellings	26	10.0	28	10.0
Clubs, pubs, taverns and bars	22	8.4	23	8.0
All other	76	29.4	84	29.8
<b>Total - tourism</b>	<b>257</b>	<b>100.0</b>	<b>281</b>	<b>100.0</b>

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, Capital Country direct tourism GVA accounted for 53% of total tourism GVA for the region, with total tourism GVA in Capital Country being \$484 million. Capital Country made up 2.0% of the New South Wales total tourism GVA.

## Gross Regional Product

In 2013-14, tourism's direct contribution to Capital Country's GRP was \$281 million, or 2.6% of total regional GRP. In the year to 2013-14, direct tourism GRP in Capital Country grew by 7.0%. Since 2006-07, direct tourism GRP in Capital Country has increased by 68%, representing an average growth rate of 7.7% per annum.

Capital Country's share of direct tourism GRP in New South Wales was 2.0% in both 2013-14 and 2012-13.

In 2013-14, direct contribution to GRP of \$281 million accounted for 51% of total tourism GRP in Capital Country. The remaining \$266 million came from indirect supply industry contributions to tourism GRP in Capital Country.

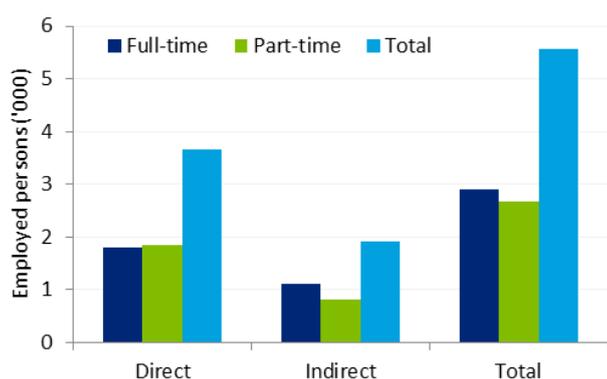
## Tourism employment

TSA's define tourism employment as the number of tourism employed persons. In 2013-14 there were 3,700 persons (made up of 1,800 full-time and 1,900 part-time) directly employed in tourism in Capital Country (Chart 1.2).

In the year to 2013-14, direct tourism employment in Capital Country grew by 2.6%. Since 2006-07, direct tourism employment has grown by 34%, representing an average growth rate of 4.3% per annum.

Capital Country's share of direct tourism employment was 2.3% of the New South Wales direct tourism employment in 2013-14, consistent with 2012-13 performance.

**Chart 1.2: Contribution of tourism to employment, Capital Country, 2013-14**



Source: Deloitte Access Economics' Regional TSA model.

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

- Cafes, restaurants and takeaway food services (430 full time and 740 part time employed persons);
- Retail trade (450 full time and 450 part time employed persons); and
- Accommodation (220 full time and 250 part time employed persons).

**Table 1.5: Direct tourism employed persons, Capital Country, 2013-14**

Tourism industry	Jobs	Share (%)
Cafes, restaurants and takeaway food services	1,170	31.6
Retail trade	900	24.3
Accommodation	470	12.7
Clubs, pubs, taverns and bars	240	6.5
All other industries	180	4.9
Travel agency and tour operator services	160	4.3
Education and training	130	3.5
Road transport and transport equipment rental	120	3.2
Other sports and recreation services	100	2.7
Air, water and other transport	90	2.4
Cultural services	70	1.9
Rail transport	20	0.5
Casinos and other gambling services	0	0.0
<b>Total</b>	<b>3,700</b>	<b>100.0</b>

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, tourism's direct contribution to Capital Country's employment, 3,700 jobs, accounted for 66% of total tourism employment in the region, or 1 in 25 jobs in the Capital Country economy (Table 1.6).

The remaining 1,900 jobs represented tourism's indirect contribution to employment, 1 in 47 jobs in the Capital Country economy.

**Table 1.6: Tourism employment and job ratio, Capital Country, 2013-14**

Job type	Jobs ('000)	Share (%)	Capital Country job ratio
Direct	3.7	65.5	1 in 25 jobs
Indirect	1.9	34.5	1 in 47 jobs
<b>Total</b>	<b>5.6</b>	<b>100.0</b>	<b>1 in 16 jobs</b>

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 Capital Country 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.