

# Central NSW Tourism Satellite Account

## 2013-14

In 2013-14, the tourism industry contributed an estimated \$958 million to the Central NSW regional economy (7.0% of Central NSW's gross regional product) and directly employed approximately 6,500 people (5.4% of Central NSW's regional 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 Central NSW 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 Central NSW (Table 1.1) generated:

#### Tourism output

- \$834 million and \$997 million in direct and indirect tourism output, and \$1.8 billion in total tourism output.

#### Gross Value Added (GVA)

- \$438 million and \$408 million in direct and indirect tourism GVA, and \$846 million in total tourism GVA.

#### Gross Regional Product (GRP)

- \$479 million and \$479 million in direct and indirect tourism GRP and \$958 million in total tourism GRP; and

#### Employment

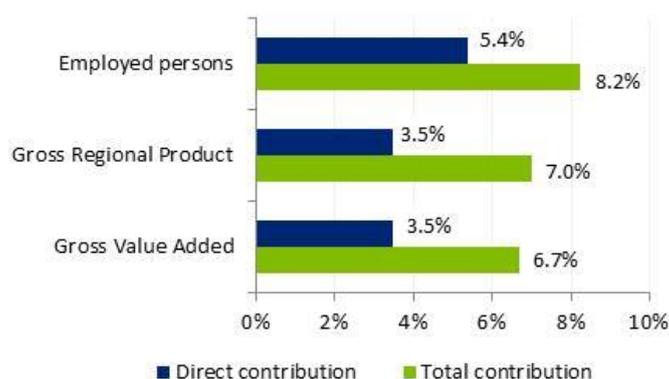
- 6,500 jobs for people employed directly by the tourism industry, 3,500 indirect jobs and a total employment impact of 10,000 people.

### Economic importance of tourism to Central NSW

The ratio of Central NSW's direct tourism contribution to Central NSW'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 3.5% (Chart 1.1) of the total Central NSW economy (in GRP terms), compared to 3.9% for regional New South Wales.

Central NSW has a strong tourism sector however it is also supported by a strong mining sector and tertiary industry presence. The Central NSW region represents about 3.4% of the state-wide direct contribution of tourism to GRP.

Chart 1.1: Tourism's contribution to the Central NSW economy, 2013-14



Source: Deloitte Access Economics' Regional TSA model.

Table 1.1: Key tourism aggregates, Central NSW, 2013-14 (\$ million)

| Visitor segment      | Consumption  | Output       | GVA           | GRP           | Employed ('000) |
|----------------------|--------------|--------------|---------------|---------------|-----------------|
| Day-trippers         | 449          | 171          | 86            | 95            |                 |
| Intrastate           | 775          | 421          | 218           | 237           |                 |
| Interstate           | 218          | 152          | 81            | 92            |                 |
| International        | 66           | 89           | 53            | 55            |                 |
| <b>Direct</b>        | <b>1,507</b> | <b>834</b>   | <b>438</b>    | <b>479</b>    | <b>6.5</b>      |
| <b>Indirect</b>      |              | <b>997</b>   | <b>408</b>    | <b>479</b>    | <b>3.5</b>      |
| <b>Total impact</b>  |              | <b>1,831</b> | <b>846</b>    | <b>958</b>    | <b>10.0</b>     |
| <b>Total economy</b> |              |              | <b>12,684</b> | <b>13,717</b> | <b>121.3</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.

## Consumption

In 2013-14, tourism consumption in Central NSW was \$1.5 billion, equal to 4.3% of total tourism consumption in New South Wales. Central NSW makes up a bigger share of consumption at the state level for day-trippers (7.0%) and intrastate overnight visitors (6.5%).

In the year to 2013-14, Central NSW tourism consumption grew by 0.5%. Since 2006-07, tourism consumption in Central NSW has increased by 31%, representing an average growth rate of 4.0% per annum.

Central NSW's share of New South Wales tourism consumption has decreased over the last year, from 4.6% in 2012-13 to 4.3% in 2013-14.

The tourism products that contributed most to tourism consumption in Central NSW in 2013-14 were: (1) \$270 million on takeaway and restaurant meals; (2) \$207 million on fuel; and (3) \$207 million on shopping (Table 1.2). Total consumption of these products equates to \$684 million or 45% of the total Central NSW tourism consumption.

**Table 1.2: Tourism consumption by product, Central NSW, 2013-14**

| Tourism product                        | Consumption (\$ million) | Share of total (%) |
|--|--------------------------|--------------------|
| Takeaway and restaurant meals          | 270                      | 17.9               |
| Fuel (petrol, diesel)                  | 207                      | 13.7               |
| Shopping                               | 207                      | 13.7               |
| Long distance passenger transportation | 160                      | 10.6               |
| Accommodation services                 | 149                      | 9.9                |
| All other                              | 514                      | 34.1               |
| <b>Total - tourism</b>                 | <b>1,507</b>             | <b>100.0</b>       |

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, the majority (51%) of visitor consumption in Central NSW was contributed by intrastate overnight visitors (\$775 million). In relative terms, these visitors also spent the most per night, \$228 on average (Table 1.3).

**Table 1.3: Tourism activity summary, Central NSW, 2013-14**

| Visitor segment | Nights ('000) | Nights (%) | Consumption (\$ million) | Consumption (%) | \$ per night |
|-----------------|---------------|------------|--------------------------|-----------------|--------------|
| Day-trippers    | 2,792*        | 34.1*      | 449                      | 29.8            | 161**        |
| Intrastate      | 3,395         | 41.5       | 775                      | 51.4            | 228          |
| Interstate      | 1,030         | 12.6       | 218                      | 14.4            | 211          |
| International   | 969           | 11.8       | 66                       | 4.4             | 68           |

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 Central NSW was \$438 million, its highest level since 2006-07 (nominally). In the year to 2013-14, Central NSW direct GVA fell by 0.3%. Since 2006-07, direct tourism GVA in Central NSW has increased by 42%, representing an average rate of 5.2% per annum.

In 2013-14, Central NSW contributed 3.4% of the total New South Wales direct tourism GVA. Central NSW's share of New South Wales direct tourism GVA has decreased over the last year, from 3.6% in 2012-13.

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

- Accommodation with \$88 million in direct GVA and \$99 million in direct GRP;
- Other retail trade with \$76 million in direct GVA and \$79 million in direct GRP; and
- Cafes, restaurants and takeaway food services with \$60 million in direct GVA and \$66 million in direct GRP.

**Table 1.4: Direct tourism GVA by industry, Central NSW, 2013-14**

| Tourism industry                              | Direct GVA (\$ million) | Share of total (%) | Direct GRP (\$ million) | GRP share (%) |
|---|-------------------------|--------------------|-------------------------|---------------|
| Accommodation                                 | 88                      | 20.1               | 99                      | 20.7          |
| Other retail trade                            | 76                      | 17.3               | 79                      | 16.6          |
| Cafes, restaurants and takeaway food services | 60                      | 13.7               | 66                      | 13.8          |
| Ownership of dwellings                        | 36                      | 8.1                | 39                      | 8.1           |
| Clubs, pubs, taverns and bars                 | 33                      | 7.6                | 34                      | 7.2           |
| All other                                     | 145                     | 33.2               | 161                     | 33.6          |
| <b>Total - tourism</b>                        | <b>438</b>              | <b>100.0</b>       | <b>479</b>              | <b>100.0</b>  |

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, Central NSW direct tourism GVA accounted for 52% of total tourism GVA for the region, with total tourism GVA in Central NSW being \$844 million. Central NSW made up 3.5% of the New South Wales total tourism GVA.

## Gross Regional Product

In 2013-14, tourism's direct contribution to Central NSW's GRP was \$479 million, equal to 3.5% of total regional GRP. In the year to 2013-14, direct tourism GRP in Central NSW fell by 0.1%. Since 2006-07, direct tourism GRP in Central NSW has increased by 40%, representing an average growth rate of 4.9% per annum.

Central NSW's share of direct tourism GRP in New South Wales was 3.4% in 2013-14, falling from 3.6% in 2012-13.

In 2013-14, direct contribution to GRP of \$479 million accounted for 50% of total tourism GRP in Central NSW. The remaining \$479 million came from indirect supply industry contributions to tourism GRP in Central NSW.

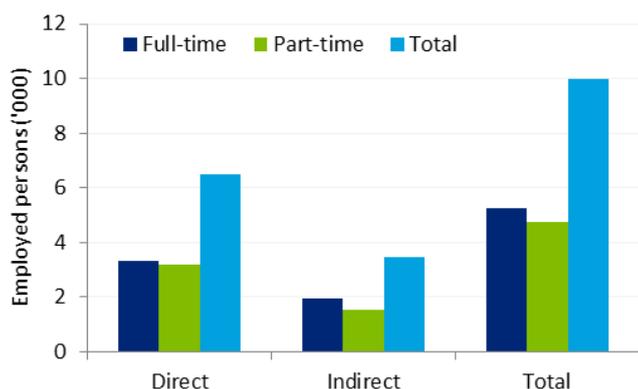
### Tourism employment

TSA's define tourism employment as the number of tourism employed persons. In 2013-14 there were 6,500 persons (made up of 3,300 full-time and 3,200 part-time) directly employed in tourism in Central NSW (Table 1.5).

In the year to 2013-14, direct tourism employment in Central NSW fell by 3.2%. Since 2006-07, direct tourism employment has grown by 12%, representing an average growth rate of 1.6% per annum.

Central NSW's share of direct tourism employment was 4.1% of the New South Wales direct tourism employment in 2013-14, decreasing from 4.3% in 2012-13.

**Chart 1.2: Contribution of tourism to employment, Central NSW, 2013-14**



Source: Deloitte Access Economics' Regional TSA model.

The tourism related industries that contributed most to regional tourism employment in Central NSW in 2013-14 were:

- Cafes, restaurants and takeaway food services (640 full time and 1,180 part time employed persons);
- Retail trade (810 full time and 780 part time employed persons); and
- Accommodation (370 full time and 470 part time employed persons).

**Table 1.5: Direct tourism employed persons, Central NSW, 2013-14**

| Tourism industry                              | Jobs         | Share (%)    |
|---|--------------|--------------|
| Cafes, restaurants and takeaway food services | 1,820        | 28.0         |
| Retail trade                                  | 1,590        | 24.5         |
| Accommodation                                 | 840          | 12.9         |
| Travel agency and tour operator services      | 460          | 7.1          |
| Clubs, pubs, taverns and bars                 | 370          | 5.7          |
| All other industries                          | 360          | 5.5          |
| Education and training                        | 290          | 4.5          |
| Road transport and transport equipment rental | 240          | 3.7          |
| Other sports and recreation services          | 220          | 3.4          |
| Air, water and other transport                | 150          | 2.3          |
| Cultural services                             | 130          | 2.0          |
| Rail transport                                | 40           | 0.6          |
| Casinos and other gambling services           | 0            | 0.0          |
| <b>Total</b>                                  | <b>6,500</b> | <b>100.0</b> |

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, tourism's direct contribution to Central NSW's employment, 6,500 jobs, accounted for 65% of total tourism employment in Central NSW, and 1 in 19 jobs in the Central NSW economy (Table 1.6).

The remaining 3,500 jobs represented tourism's indirect contribution to employment, 1 in 35 jobs in the Central NSW economy.

**Table 1.6: Tourism employment and job ratio, Central NSW, 2013-14**

| Job type     | Jobs ('000) | Share (%)    | Job ratio           |
|--------------|-------------|--------------|---------------------|
| Direct       | 6.5         | 65.1         | 1 in 19 jobs        |
| Indirect     | 3.5         | 34.9         | 1 in 35 jobs        |
| <b>Total</b> | <b>10.0</b> | <b>100.0</b> | <b>1 in 12 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 Central NSW 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.