

Hunter Tourism Satellite Account

2013-14

In 2013-14, the tourism industry contributed an estimated \$2.0 billion to the Hunter regional economy (5.1% of Hunter's gross regional product) and directly employed approximately 13,300 people (4.4% of Hunter'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 Hunter 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 Hunter (Table 1.1) generated:

Tourism output

- \$1.7 billion and \$2.0 billion in direct and indirect tourism output, and \$3.8 billion in total tourism output.

Gross Value Added (GVA)

- \$916 million and \$841 million in direct and indirect tourism GVA, and \$1.8 billion in total tourism GVA.

Gross Regional Product (GRP)

- \$997 million and \$988 million in direct and indirect tourism GRP, and \$2.0 billion in total tourism GRP; and

Employment

- 13,300 jobs for people employed directly by the tourism industry, 7,100 indirect jobs and a total employment impact of 20,400 people.

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

Visitor segment	Consumption	Output	GVA	GRP	Employed ('000)
Day-trippers	716	307	153	167	
Intrastate	1,529	894	461	502	
Interstate	299	282	151	169	
International	238	269	151	159	
Direct	2,782	1,752	916	997	13.3
Indirect		2,050	841	988	7.1
Total impact		3,801	1,757	1,985	20.4
Total economy			35,961	38,889	299.7

Source: Deloitte Access Economics' Regional TSA model.

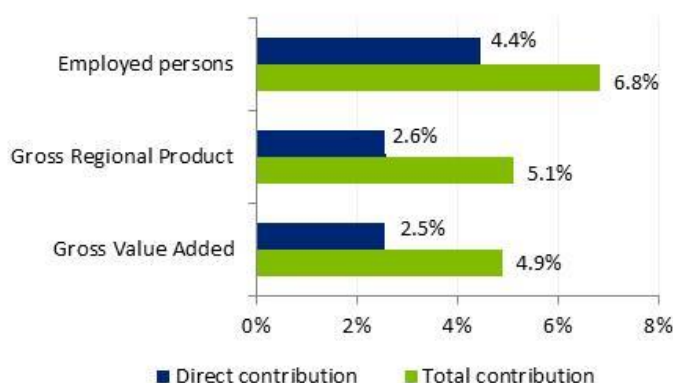
* Regional indirect contribution does not include regional contribution to the rest of Australia. Total indirect contribution in the State Tourism Satellite Account however includes contribution to the rest of Australia.

Economic importance of tourism to the Hunter

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

The Hunter region has a strong tourism sector however it is also supported by a strong mining sector, and solid tertiary industry operations. The Hunter region represents about 7.2% of the state-wide direct contribution of tourism to GRP.

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



Source: Deloitte Access Economics' Regional TSA model.

Consumption

In 2013-14, tourism consumption in Hunter was \$2.8 billion, or 8.0% of total tourism consumption in New South Wales. Hunter makes up a bigger share of consumption at the state level for day-trippers (11.3%) and intrastate overnight visitors (12.9%).

In the year to 2013-14, Hunter tourism consumption grew by 10%. Since 2006-07, tourism consumption in Hunter has increased by 27%, representing an average growth rate of 3.5% per annum.

Hunter's share of New South Wales tourism consumption has increased over the last year, from 7.7% in 2012-13 to 8.0% in 2013-14.

At the industry level, the tourism products that contributed most to tourism consumption in Hunter in 2013-14 were: (1) \$485 million on takeaway and restaurant meals; (2) \$364 million on shopping; and (3) \$359 million on fuel (Table 1.2). Total consumption of these products was \$1.2 billion or 43% of all Hunter tourism consumption.

Table 1.2: Tourism consumption by product, Hunter, 2013-14

Tourism product	Consumption (\$ million)	Share of total (%)
Takeaway and restaurant meals	485	17.4
Shopping	364	13.1
Fuel (petrol, diesel)	359	12.9
Long distance passenger transportation	306	11.0
Accommodation services	287	10.3
All other	981	35.3
Total - tourism	2,782	100.0

Source: Deloitte Access Economics' Regional TSA model.

The majority (55%) of visitor consumption in Hunter was contributed by intrastate overnight visitors (\$1.5 billion). In relative terms, these visitors also spent the most per night, \$246 on average (Table 1.3).

Table 1.3: Tourism activity summary, Hunter, 2013-14

Visitor segment	Nights ('000)	Nights (%)	Consumption (\$ million)	Consumption (%)	\$ per night
Day-trippers	5,615*	35.1*	716	25.7	128**
Intrastate	6,219	38.8	1,529	55.0	246
Interstate	1,520	9.5	299	10.7	197
International	2,654	16.6	238	8.6	90

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 Hunter was \$916 million, the highest level since 2006-07 (nominally). In the year to 2013-14, Hunter direct GVA grew 6.9%. Since 2006-07, direct tourism GVA in Hunter has increased by 39%, representing an average rate of 4.9% per annum.

Hunter contributed 7.1% of the total New South Wales direct tourism GVA. Hunter's share of New South Wales direct tourism GVA has increased over the last year, from 7.0% in 2012-13.

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

- Accommodation with \$172 million in direct GVA and \$191 million in direct GRP;
- Other retail trade with \$146 million in direct GVA and \$154 million in direct GRP; and
- Cafes, restaurants and takeaway food services with \$132 million in direct GVA and \$145 million in direct GRP.

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

Tourism industry	Direct GVA (\$ million)	Share of total (%)	Direct GRP (\$ million)	GRP share (%)
Accommodation	172	18.8	191	19.2
Other retail trade	146	15.9	153	15.4
Cafes, restaurants and takeaway food services	132	14.4	145	14.6
Ownership of dwellings	80	8.7	87	8.7
Clubs, pubs, taverns and bars	74	8.0	77	7.7
All other	313	34.1	343	34.4
Total - tourism	916	100.0	997	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, Hunter direct tourism GVA accounted for 52% of total tourism GVA for the region, with total tourism GVA in Hunter being \$1.8 billion. Hunter made up 7.2% of the New South Wales total tourism GVA.

Gross Regional Product

In 2013-14, tourism's direct contribution to Hunter's GRP was \$997 million, equal to 2.6% of total regional GRP. In the year to 2013-14, direct tourism GRP in Hunter grew by 7.2%. Since 2006-07, direct tourism GRP in Hunter has increased by 37%, representing an average growth rate of 4.6% per annum.

Hunter's share of direct tourism GRP in New South Wales was 7.1% in 2013-14, increasing from 7.0% in 2012-13.

In 2013-14, direct contribution to GRP of \$997 million accounted for 50% of total tourism GRP in Hunter. The remaining \$988 million came from indirect supply industry contributions to tourism GRP in Hunter.

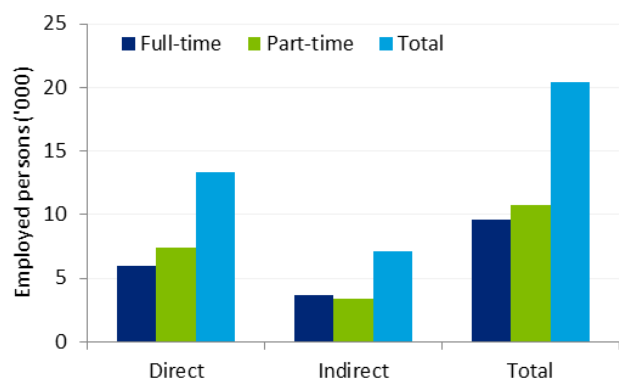
Tourism employment

TSA's define tourism employment as the number of tourism employed persons. In 2013-14 there were 13,300 persons (made up of 5,900 full-time and 7,400 part-time) directly employed in tourism in the Hunter (Chart 1.2).

In the year to 2013-14, direct tourism employment in Hunter grew by 4.0%. Since 2006-07, direct tourism employment has grown by 10%, representing an average growth rate of 1.3% per annum.

Hunter's share of direct tourism employment was 8.4% of the New South Wales direct tourism employment in 2013-14, increasing from 8.2% in 2012-13.

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



Source: Deloitte Access Economics' Regional TSA model.

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

- Cafes, restaurants and takeaway food services (1,260 full time and 2,900 part time employed persons);
- Retail trade (1,290 full time and 1,680 part time employed persons); and
- Accommodation (780 full time and 900 part time employed persons).

Table 1.5: Direct tourism employed persons, Hunter, 2013-14

Tourism industry	Jobs	Share (%)
Cafes, restaurants and takeaway food services	4,160	31.3
Retail trade	2,970	22.3
Accommodation	1,680	12.6
Travel agency and tour operator services	930	7.0
Clubs, pubs, taverns and bars	860	6.5
Other sports and recreation services	580	4.4
All other industries	560	4.2
Education and training	540	4.1
Road transport and transport equipment rental	400	3.0
Air, water and other transport	300	2.3
Cultural services	170	1.3
Rail transport	130	1.0
Casinos and other gambling services	20	0.2
Total	13,300	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, tourism's direct contribution to Hunter's employment, 13,300 jobs, accounted for 65% of total tourism employment in Hunter, and 1 in 23 jobs in the Hunter economy (Table 1.6).

The remaining 7,100 jobs represented tourism's indirect contribution to employment, 1 in 42 jobs in the Hunter economy.

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

Job type	Jobs ('000)	Share (%)	Job ratio
Direct	13.3	65.1	1 in 23 jobs
Indirect	7.1	34.9	1 in 42 jobs
Total	20.4	100.0	1 in 15 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 Hunter 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.