

# New England North West Tourism Satellite Account 2013-14

In 2013-14, the tourism industry contributed an estimated \$691 million to the New England North West regional economy (7.8% of New England North West's gross regional product) and directly employed approximately 4,800 people (5.6% of New England North West'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 New England North West 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 New England North West (Table 1.1) generated:

### Tourism output

- \$597 million and \$724 million in direct and indirect tourism output, and \$1.3 billion in total tourism output.

### Gross Value Added (GVA)

- \$312 million and \$297 million in direct and indirect tourism GVA, and \$610 million in total tourism GVA.

### Gross Regional Product (GRP)

- \$341 million and \$349 million in direct and indirect tourism GRP, and \$691 million in total tourism GRP; and

### Employment

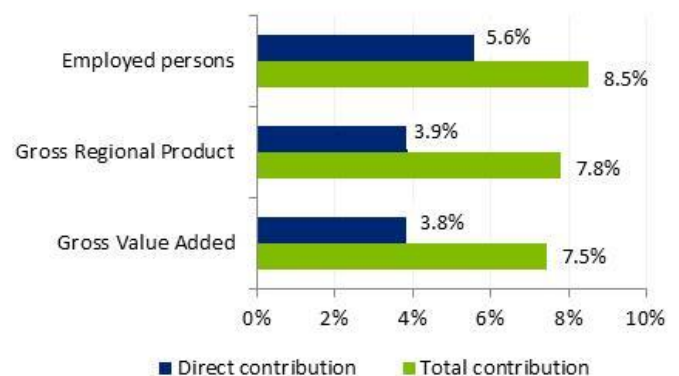
- 4,800 jobs for people employed directly by the tourism industry, 2,500 indirect jobs and a total employment impact of 7,300 people.

## Economic importance of tourism to New England North West

The ratio of New England North West's direct tourism contribution to New England North West'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 3.9% (Chart 1.1) of the total New England North West economy (in GRP terms), on par with the whole of regional New South Wales performance.

New England North West has a strong tourism sector however the region is also supported by a sizeable agricultural industry. In 2013-14, the New England North West region represented about 2.5% of the state-wide direct contribution of tourism to GRP.

Chart 1.1: Tourism's contribution to the New England North West economy, 2013-14



Source: Deloitte Access Economics' Regional TSA model.

Table 1.1 Key tourism aggregates, New England North West, 2013-14 (\$ million)

Visitor segment	Consumption	Output	GVA	GRP	Employed ('000)
Day-trippers	253	101	51	56	
Intrastate	472	266	137	149	
Interstate	239	150	78	88	
International	74	80	46	48	
<b>Direct</b>	<b>1,039</b>	<b>597</b>	<b>312</b>	<b>341</b>	<b>4.8</b>
<b>Indirect</b>		<b>724</b>	<b>297</b>	<b>349</b>	<b>2.5</b>
<b>Total impact</b>		<b>1,321</b>	<b>610</b>	<b>691</b>	<b>7.3</b>
<b>Total economy</b>			<b>8,177</b>	<b>8,843</b>	<b>86.2</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 New England North West was \$1.0 billion, or 3.0% of total tourism consumption in New South Wales. New England North West makes up a bigger share of consumption at the state level for day-trippers (4.0%) and intrastate overnight visitors (4.0%).

In the year to 2013-14, New England North West tourism consumption grew by 8.0%. Since 2006-07, tourism consumption in New England North West has marginally increased by 0.4%.

New England North West's share of New South Wales tourism consumption has increased slightly over the last year, rising from 2.9% in 2012-13 to 3.0% in 2013-14.

At the industry level, the tourism products that contributed most to tourism consumption in New England North West in 2013-14 were: (1) \$183 million on takeaway and restaurant meals; (2) \$134 million on shopping; and (3) \$129 million on fuel (Table 1.2).

Total consumption of these products equates to \$446 million or 43% of the total New England North West tourism consumption.

**Table 1.2: Tourism consumption by product, New England North West, 2013-14**

Tourism product	Consumption (\$ million)	Share of total (%)
Takeaway and restaurant meals	183	17.6
Shopping	134	12.9
Fuel (petrol, diesel)	129	12.4
Long distance passenger transportation	117	11.3
Accommodation services	114	11.0
All other	362	34.9
<b>Total - tourism</b>	<b>1,039</b>	<b>100.0</b>

Source: Deloitte Access Economics' Regional TSA model.

The majority of visitor consumption in New England North West was contributed by intrastate overnight visitors (\$472 million). In relative terms, these visitors also spent the most per night in New England North West, \$211 on average (Table 1.3).

**Table 1.3: Tourism activity summary, New England North West, 2013-14**

Visitor segment	Nights ('000)	Nights (%)	Consumption (\$ million)	Consumption (%)	\$ per night
Day-trippers	1,595*	27.1*	253	24.4	159**
Intrastate	2,244	38.1	472	45.5	211
Interstate	1,221	20.7	239	23.0	196
International	836	14.2	74	7.1	89

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 New England North West was \$312 million. In the year to 2013-14, New England North West direct GVA grew 5.1%. Since 2006-07, direct tourism GVA in New England North West has increased by 17%, representing an average rate of 2.3% per annum.

In 2013-14, New England North West contributed 2.4% of the total New South Wales direct tourism GVA, as in 2012-13.

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

- Accommodation with \$64 million in direct GVA and \$72 million in direct GRP;
- Other retail trade with \$52 million in direct GVA and \$55 million in direct GRP; and
- Cafes, restaurants and takeaway food services with \$42 million in direct GVA and \$47 million in direct GRP.

**Table 1.4: Direct tourism GVA by industry, New England North West, 2013-14**

Tourism industry	Direct GVA (\$ million)	Share of total (%)	Direct GRP (\$ million)	GRP share (%)
Accommodation	64	20.6	72	21.1
Other retail trade	52	16.6	55	16.0
Cafes, restaurants and takeaway food services	42	13.5	47	13.6
Clubs, pubs, taverns and bars	23	7.5	25	7.2
Ownership of dwellings	22	7.0	24	7.0
All other	108	34.7	120	35.1
<b>Total - tourism</b>	<b>312</b>	<b>100.0</b>	<b>341</b>	<b>100.0</b>

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, New England North West direct tourism GVA accounted for 51% of total tourism GVA for the region, with total tourism GVA in New England North West being \$609 million. New England North West contributed 2.5% of the New South Wales total tourism GVA.

## Gross Regional Product

In 2013-14, tourism's direct contribution to New England North West's GRP was \$341 million, equal to 3.9% of total regional GRP. In the year to 2013-14, direct tourism GRP in New England North West grew by 5.5%. Since 2006-07, direct tourism GRP in New England North West has increased by 15%, representing an average growth rate of 2.0% per annum.

New England North West's share of direct tourism GRP in New South Wales remained stable at 2.5% between 2012-13 and 2013-14.

In 2013-14, direct contribution to GRP of \$341 million accounted for 49% of total tourism GRP in New England North West. The remaining \$349 million came from indirect supply industry contributions to tourism GRP in New England North West.

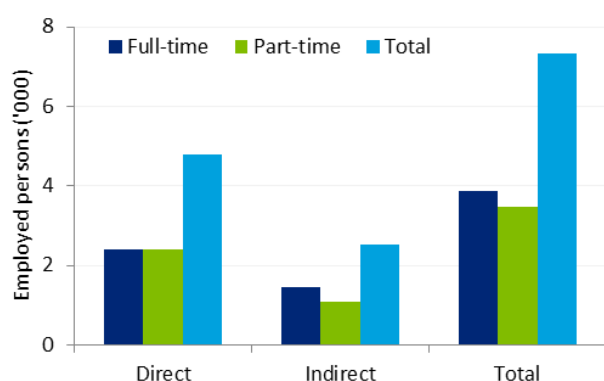
## Tourism employment

TSA's define tourism employment as the number of tourism employed persons. In 2013-14 there were 4,800 persons (made up of 2,400 full-time and 2,400 part-time) directly employed in tourism in New England North West (Chart 1.2).

In the year to 2013-14, direct tourism employment in New England North West grew by 2.6%. Since 2006-07, direct tourism employment has decreased by 10%, representing an average fall of 1.5% per annum.

New England North West's share of direct tourism employment was 3.0% of the New South Wales direct tourism employment in 2013-14, consistent with 2012-13 performance.

**Chart 1.2: Contribution of tourism to employment, New England North West, 2013-14**



Source: Deloitte Access Economics' Regional TSA model.

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

- Cafes, restaurants and takeaway food services (440 full time and 910 part time employed persons);
- Retail trade (580 full time and 540 part time employed persons); and
- Accommodation (300 full time and 340 part time employed persons).

**Table 1.5: Direct tourism employed persons, New England North West, 2013-14**

Tourism industry	Jobs	Share (%)
Cafes, restaurants and takeaway food services	1,350	28.1
Retail trade	1,120	23.3
Accommodation	640	13.3
Travel agency and tour operator services	320	6.7
All other industries	280	5.8
Clubs, pubs, taverns and bars	280	5.8
Education and training	250	5.2
Road transport and transport equipment rental	190	4.0
Other sports and recreation services	140	2.9
Air, water and other transport	130	2.7
Cultural services	80	1.7
Rail transport	30	0.6
Casinos and other gambling services	0	0.0
<b>Total</b>	<b>4,800</b>	<b>100.0</b>

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, tourism's direct contribution to New England North West's employment, 4,800 jobs, accounted for 66% of total tourism employment in New England North West, and 1 in 18 jobs in the New England North West economy (Table 1.6).

The remaining 2,500 jobs represented tourism's indirect contribution to employment, 1 in 34 jobs in the New England North West economy.

**Table 1.6: Tourism employment and job ratio, New England North West, 2013-14**

Job type	Jobs ('000)	Share (%)	Job ratio
Direct	4.8	65.4	1 in 18 jobs
Indirect	2.5	34.6	1 in 34 jobs
<b>Total</b>	<b>7.3</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 New England North West 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.