

# North Coast Tourism Satellite Account

## 2013-14

In 2013-14, the tourism industry contributed an estimated \$3.1 billion to the North Coast regional economy (13.0% of North Coast's gross regional product) and directly employed approximately 22,000 people (9.1% of North Coast'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 North Coast 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 North Coast (Table 1.1) generated:

#### Tourism output

- \$2.8 billion and \$3.1 billion in direct and indirect tourism output, and \$5.9 billion in total tourism output.

#### Gross Value Added (GVA)

- \$1.5 billion and \$1.3 billion in direct and indirect tourism GVA, and \$2.7 billion in total tourism GVA.

#### Gross Regional Product (GRP)

- \$1.6 billion and \$1.5 billion in direct and indirect tourism GRP, and \$3.1 billion in total tourism GRP; and

#### Employment

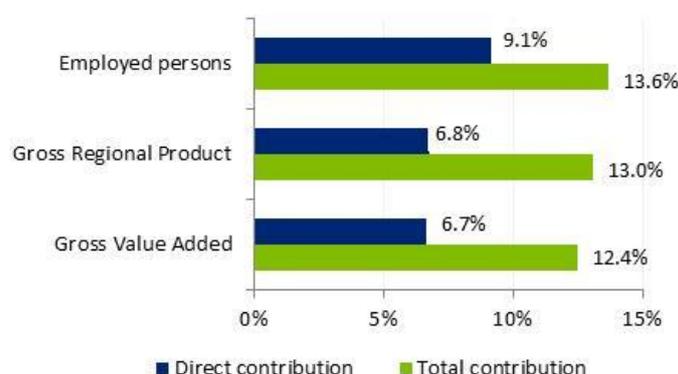
- 22,000 jobs for people employed directly by the tourism industry, 10,800 indirect jobs and a total employment impact of 32,800 people.

### Economic importance of tourism to North Coast

The ratio of North Coast's direct tourism contribution to North Coast'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 6.8% (Chart 1.1) of the total North Coast economy (in GRP terms), compared to 3.9% for regional New South Wales.

The North Coast region hosts some of the state's most popular tourist destinations, including Byron Bay, Ballina and Coffs Harbour. Accordingly, tourism is relatively more important to the region's economy. In 2013-14, the North Coast region represented about 11.5% of the state-wide direct contribution of tourism to GRP.

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



Source: Deloitte Access Economics' Regional TSA model.

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

Visitor segment	Consumption	Output	GVA	GRP	Employed ('000)
Day-trippers	628	305	151	164	
Intrastate	2,273	1,342	699	762	
Interstate	1,377	886	462	518	
International	194	268	151	161	
<b>Direct</b>	<b>4,472</b>	<b>2,801</b>	<b>1,463</b>	<b>1,605</b>	<b>22.0</b>
<b>Indirect</b>		<b>3,087</b>	<b>1,273</b>	<b>1,496</b>	<b>10.8</b>
<b>Total impact</b>		<b>5,888</b>	<b>2,736</b>	<b>3,101</b>	<b>32.8</b>
<b>Total economy</b>			<b>21,987</b>	<b>23,777</b>	<b>240.3</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 North Coast was \$4.5 billion, or 12.8% of total tourism consumption in New South Wales. North Coast makes up a bigger share of consumption at the state level for intrastate overnight (19.2%) and interstate overnight visitors (18.3%).

In the year to 2013-14, North Coast tourism consumption grew by 2.9%. Since 2006-07, tourism consumption in North Coast has increased by 23%, representing an average growth rate of 3.0% per annum.

North Coast's share of New South Wales tourism consumption has fallen over the last year, from 13.2% in 2012-13 to 12.8% in 2013-14.

At the industry level, the tourism products that contributed most to tourism consumption in North Coast in 2013-14 were: (1) \$799 million on takeaway and restaurant meals; (2) \$573 million on accommodation services; and (3) \$563 million on long distance passenger transportation (Table 1.2). Total consumption of these products was \$1.9 billion or 43% of the total North Coast tourism consumption.

**Table 1.2: Tourism consumption by product, North Coast, 2013-14**

Tourism product	Consumption (\$ million)	Share of total (%)
Takeaway and restaurant meals	799	17.9
Accommodation services	573	12.8
Long distance passenger transportation	563	12.6
Fuel (petrol, diesel)	511	11.4
Shopping	509	11.4
All other	1,516	33.9
<b>Total - tourism</b>	<b>4,472</b>	<b>100.0</b>

Source: Deloitte Access Economics' Regional TSA model.

The majority (51%) of visitor consumption in North Coast was contributed by intrastate overnight visitors (\$2.3 billion). However, in relative terms, interstate overnight visitors spent the most per night, \$217 on average (Table 1.3).

**Table 1.3: Tourism activity summary, North Coast, 2013-14**

Visitor segment	Nights ('000)	Nights (%)	Consumption (\$ million)	Consumption (%)	\$ per night
Day-trippers	5,380*	20.0*	628	14.1	117**
Intrastate	12,259	45.5	2,273	50.8	185
Interstate	6,348	23.6	1,377	30.8	217
International	2,941	10.9	194	4.3	66

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 North Coast was \$1.5 billion, its highest level since 2006-07 (nominally). In the year to 2013-14, North Coast direct GVA grew 4.1%. Since 2006-07, direct tourism GVA in North Coast has increased by 37%, representing an average rate of 4.6% per annum.

In 2013-14, North Coast contributed 11.4% of the total New South Wales direct tourism GVA. North Coast's share of New South Wales direct tourism GVA has decreased marginally over the last year, from 11.6% in 2012-13.

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

- Accommodation with \$333 million in direct GVA and \$374 million in direct GRP;
- Other retail trade with \$229 million in direct GVA and \$242 million in direct GRP; and
- Cafes, restaurants and takeaway food services with \$204 million in direct GVA and \$224 million in direct GRP.

**Table 1.4: Direct tourism GVA by industry, North Coast, 2013-14**

Tourism industry	Direct GVA (\$ million)	GVA share (%)	Direct GRP (\$ million)	GRP share (%)
Accommodation	333	22.8	374	23.3
Other retail trade	229	15.7	242	15.1
Cafes, restaurants and takeaway food services	204	13.9	224	14.0
Ownership of dwellings	141	9.6	154	9.6
Clubs, pubs, taverns and bars	114	7.8	119	7.4
All other	443	30.3	492	30.6
<b>Total - tourism</b>	<b>1,463</b>	<b>100.0</b>	<b>1,605</b>	<b>100.0</b>

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, North Coast direct tourism GVA accounted for 53% of total tourism GVA for the region, with total tourism GVA in North Coast being \$2.7 billion. This made up 11.2% of the New South Wales total tourism GVA.

## Gross Regional Product

In 2013-14, tourism's direct contribution to North Coast's GRP was \$1.6 billion, 6.8% of total regional GRP. In the year to 2013-14, direct tourism GRP in North Coast grew by 4.3%. Since 2006-07, direct tourism GRP in North Coast has increased by 34%, representing an average growth rate of 4.3% per annum.

North Coast's share of direct tourism GRP in New South Wales was 11.5% in 2013-14, falling from 11.6% in 2012-13.

In 2013-14, direct contribution to GRP of \$1.6 billion accounted for 52% of total tourism GRP in North Coast. The remaining \$1.5 billion came from indirect supply industry contributions to tourism GRP in North Coast.

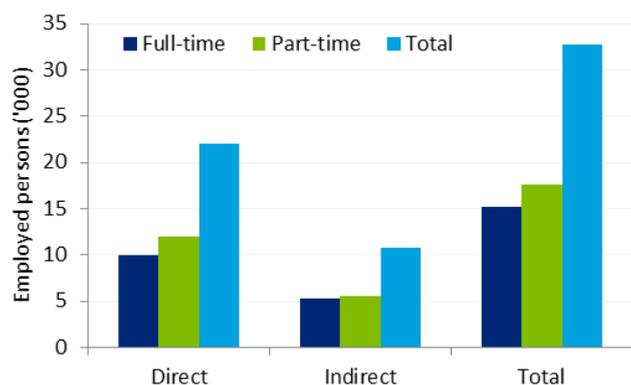
### Tourism employment

TSA's define tourism employment as the number of tourism employed persons. In 2013-14 there were 22,000 persons (made up of 10,000 full-time and 12,000 part-time) directly employed in tourism in North Coast (Chart 1.2).

In the year to 2013-14, direct tourism employment in North Coast fell by 1.0%. Since 2006-07, direct tourism employment has grown by 5.2%, representing an average growth rate of 0.7% per annum.

North Coast's share of direct tourism employment was 13.8% of the New South Wales direct tourism employment in 2013-14, decreasing from 14.1% in 2012-13.

**Chart 1.2: Contribution of tourism to employment, North Coast, 2013-14**



Source: Deloitte Access Economics' Regional TSA model.

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

- Cafes, restaurants and takeaway food services (2,070 full time and 4,190 part time employed persons);
- Retail trade (2,280 full time and 2,680 part time employed persons); and
- Accommodation (1,460 full time and 1,740 part time employed persons).

**Table 1.5: Direct tourism employed persons, North Coast, 2013-14**

Tourism industry	Jobs	Share (%)
Cafes, restaurants and takeaway food services	6,260	28.5
Retail trade	4,960	22.5
Accommodation	3,200	14.5
Travel agency and tour operator services	1,790	8.1
Clubs, pubs, taverns and bars	1,300	5.9
Other sports and recreation services	910	4.1
Road transport and transport equipment rental	820	3.7
All other industries	790	3.6
Education and training	680	3.1
Air, water and other transport	670	3.0
Cultural services	470	2.1
Rail transport	80	0.4
Casinos and other gambling services	40	0.2
<b>Total</b>	<b>22,000</b>	<b>100.0</b>

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, tourism's direct contribution to North Coast's employment, 22,000 jobs, accounted for 67% of total tourism employment in North Coast, and 1 in 11 jobs in the North Coast economy (Table 1.6).

The remaining 10,800 jobs represented tourism's indirect contribution to employment, 1 in 22 jobs in the North Coast economy.

**Table 1.6: Tourism employment and job ratio, North Coast, 2013-14**

Job type	Jobs ('000)	Share (%)	North Coast job ratio
Direct	22.0	67.0	1 in 11 jobs
Indirect	10.8	33.0	1 in 22 jobs
<b>Total</b>	<b>32.8</b>	<b>100.0</b>	<b>1 in 7 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 North Coast 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.