

Outback Tourism Satellite Account

2013-14

In 2013-14, the tourism industry contributed an estimated \$152 million to the Outback regional economy (6.7% of Outback's gross regional product) and directly employed approximately 1,200 people (6.4% of Outback'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 Outback 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 Outback (Table 1.1) generated:

Tourism output

- \$157 million and \$130 million in direct and indirect tourism output, and \$287 million in total tourism output.

Gross Value Added (GVA)

- \$82 million and \$53 million in direct and indirect tourism GVA, and \$135 million in total tourism GVA.

Gross Regional Product (GRP)

- \$90 million and \$62 million in direct and indirect tourism GRP, and \$152 million in total tourism GRP; and

Employment

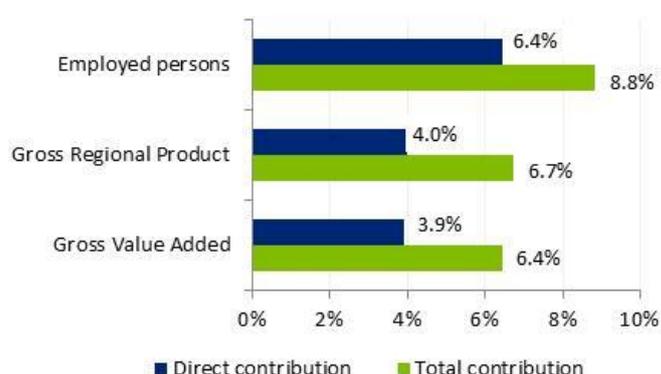
- 1,200 jobs for people employed directly by the tourism industry, 500 indirect jobs and a total employment impact of 1,700 people.

Economic importance of tourism to Outback

The ratio of Outback's direct tourism contribution to Outback'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 4.0% (Chart 1.1) of the total Outback economy (in GRP terms), compared to 3.9% for regional New South Wales.

The Outback region has a strong tourism sector. However, the region has a diverse economy that also focusses on the agriculture and mining industries. Outback represents about 0.6% of the state-wide direct contribution of tourism to GRP.

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



Source: Deloitte Access Economics' Regional TSA model.

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

Visitor segment	Consumption	Output	GVA	GRP	Employed ('000)
Day-trippers	19	10	5	6	
Intrastate	131	72	37	40	
Interstate	105	60	30	34	
International	7	16	9	9	
Direct	261	157	82	90	1.2
Indirect		130	53	62	0.5
Total impact		287	135	152	1.7
Total economy			2,095	2,265	18.8

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 Outback was \$261 million, equal to 0.7% of total tourism consumption in New South Wales. Outback makes up a bigger share of consumption at the state level for intrastate overnight (1.1%) and interstate overnight visitors (1.4%).

Outback's share of New South Wales tourism consumption has decreased over the last year, from 0.9% in 2012-13.

In the year to 2013-14, Outback tourism consumption fell by 7.0%. Since 2006-07, tourism consumption in Outback has increased by 27%, representing an average growth rate of 3.5% per annum.

At the industry level, the tourism products that contributed most to tourism consumption in Outback in 2013-14 were: (1) \$47 million on takeaway and restaurant meals; (2) \$37 million on accommodation services; and (3) \$36 million on long distance passenger transportation (Table 1.2). Total consumption of these products equates to \$120 million or 46% of the total Outback tourism consumption.

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

Tourism product	Consumption (\$ million)	Share of total (%)
Takeaway and restaurant meals	47	18.0
Accommodation services	37	14.3
Long distance passenger transportation	36	13.6
Fuel (petrol, diesel)	27	10.4
Shopping	27	10.1
All other	87	33.5
Total - tourism	261	100.0

Source: Deloitte Access Economics' Regional TSA model.

The largest portion of visitor consumption in Outback was contributed by intrastate overnight visitors (\$131 million). In relative terms, those visitors also spent the most per night in Outback, \$197 on average (Table 1.3).

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

Visitor segment	Nights ('000)	Nights (%)	Consumption (\$ million)	Consumption (%)	\$ per night
Day-trippers	122*	8.2*	19	7.2	154**
Intrastate	664	44.6	131	50.1	197
Interstate	571	38.3	105	40.0	183
International	132	8.9	7	2.6	52

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 Outback was \$82 million. In the year to 2013-14, Outback direct tourism GVA fell 4.9%. Since 2006-07, direct tourism GVA in Outback has increased by 42%, representing an average rate of 5.1% per annum.

Outback contributed 0.6% of the total New South Wales direct tourism GVA. Outback's share of New South Wales direct tourism GVA has fallen over the last year, from 0.7% in 2012-13.

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

- Accommodation with \$25 million in direct GVA and \$28 million in direct GRP;
- Other retail trade with \$11 million in direct GVA and \$11 million in direct GRP; and
- Cafes, restaurants and takeaway food services with \$10 million in direct GVA and \$11 million in direct GRP.

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

Tourism industry	Direct GVA (\$ million)	Share of total (%)	Direct GRP (\$ million)	GRP share (%)
Accommodation	25	30.7	28	31.3
Other retail trade	11	13.1	11	12.5
Cafes, restaurants and takeaway food services	10	12.4	11	12.4
Air, water and other transport	6	7.7	7	8.0
Travel agency and tour operator services	7	8.1	7	7.9
All other	23	28.1	25	27.9
Total - tourism	82	100.0	90	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, Outback direct tourism GVA accounted for 61% of total tourism GVA for the region, with total tourism GVA in Outback being \$135 million. Outback made up 0.6% of the New South Wales total tourism GVA.

Gross Regional Product

In 2013-14, tourism's direct contribution to Outback's GRP was \$90 million, equal to 4.0% of total regional GRP. In the year to 2013-14, direct tourism GRP in Outback fell by 4.9%. Since 2006-07, direct tourism GRP in Outback has increased by 38%, representing an average growth rate of 4.7% per annum.

Outback's share of direct tourism GRP in New South Wales was 0.6% in 2013-14, falling slightly from 0.7% in 2012-13.

In 2013-14, direct contribution to GRP of \$90 million accounted for 59% of total tourism GRP in Outback. The remaining \$62 million came from indirect supply industry contributions to tourism GRP in Outback.

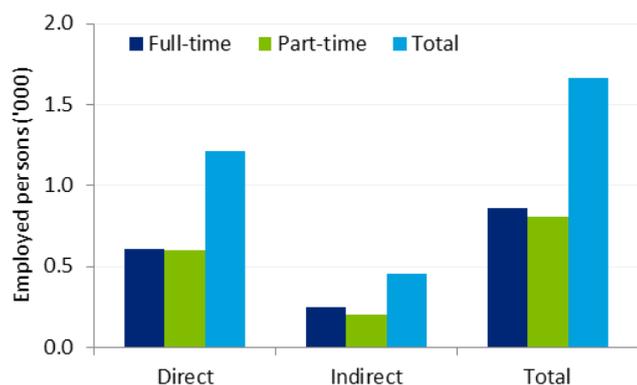
Tourism employment

TSA's define tourism employment as the number of tourism employed persons. In 2013-14 there were 1,200 persons (made up of 600 full-time and 600 part-time) directly employed in tourism in Outback (Chart 1.2).

In the year to 2013-14, direct tourism employment in Outback fell by 8.4%. Since 2006-07, direct tourism employment has grown by 9.2%, representing an average increase of 1.3% per annum.

Outback's share of direct tourism employment was 0.8% of the New South Wales direct tourism employment in 2013-14, consistent with 2012-13 performance.

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



Source: Deloitte Access Economics' Regional TSA model.

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

- Cafes, restaurants and takeaway food services (100 full time and 200 part time employed persons);
- Retail trade (110 full time and 120 part time employed persons); and
- Accommodation (130 full time and 100 part time employed persons).

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

Tourism industry	Jobs	Share (%)
Cafes, restaurants and takeaway food services	300	25.0
Retail trade	230	19.2
Accommodation	230	19.2
Travel agency and tour operator services	130	10.8
Clubs, pubs, taverns and bars	60	5.0
All other industries	50	4.2
Education and training	50	4.2
Road transport and transport equipment rental	40	3.3
Air, water and other transport	40	3.3
Other sports and recreation services	30	2.5
Cultural services	20	1.7
Rail transport	10	0.8
Casinos and other gambling services	0	0.0
Total	1,200	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, tourism's direct contribution to Outback's employment, 1,200 jobs, accounted for 73% of total tourism employment in Outback, and 1 in 16 jobs in the Outback economy (Table 1.6).

The remaining 500 jobs represented tourism's indirect contribution to employment, 1 in 42 jobs in the Outback economy.

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

Job type	Jobs ('000)	Share (%)	Job ratio
Direct	1.2	72.8	1 in 16 jobs
Indirect	0.5	27.2	1 in 42 jobs
Total	1.7	100.0	1 in 11 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 Outback 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.