

Riverina Tourism Satellite Account

2013-14

In 2013-14, the tourism industry contributed an estimated \$483 million to the Riverina regional economy (6.4% of Riverina's gross regional product) and directly employed approximately 3,200 people (4.4% of Riverina'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 Riverina 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 Riverina (Table 1.1) generated:

Tourism output

- \$399 million and \$525 million in direct and indirect tourism output, and \$924 million in total tourism output.

Gross Value Added (GVA)

- \$210 million and \$216 million in direct and indirect tourism GVA, and \$425 million in total tourism GVA.

Gross Regional Product (GRP)

- \$229 million and \$253 million in direct and indirect tourism GRP, and \$483 million in total tourism GRP; and

Employment

- 3,200 jobs for people employed directly by the tourism industry, 1,800 indirect jobs and a total employment impact of 5,000 people.

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

Visitor segment	Consumption	Output	GVA	GRP	Employed ('000)
Day-trippers	225	87	44	48	
Intrastate	287	165	86	93	
Interstate	147	96	51	57	
International	37	51	29	31	
Direct	695	399	210	229	3.2
Indirect		525	216	253	1.8
Total impact		924	425	483	5.0
Total economy			6,954	7,520	71.8

Source: Deloitte Access Economics' Regional TSA model.

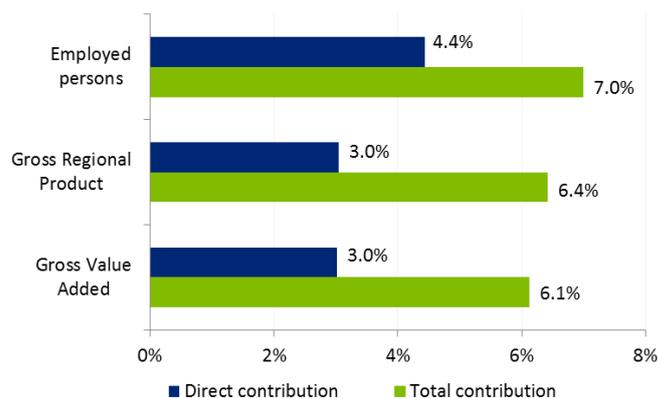
* Regional indirect contribution does not include regional contribution to the rest of Australia. Total indirect contribution in the State Tourism Satellite Account however includes contribution to the rest of Australia.

Economic importance of tourism to Riverina

The ratio of Riverina's direct tourism contribution to Riverina'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 3.0% (Chart 1.1) of the total Riverina economy (in GRP terms), compared to 3.9% for regional New South Wales.

The Riverina region has a strong tourism sector however the region is also supported by a strong agriculture sector and robust tertiary industry presence. The Riverina region represents about 1.6% of the state-wide direct contribution of tourism to GRP.

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



Source: Deloitte Access Economics' Regional TSA model.

Consumption

In 2013-14, tourism consumption in Riverina was \$695 million, equal to 2.0% of total tourism consumption in New South Wales. The Riverina region makes up a bigger share of consumption at the state level for day-trippers (3.6%) and intrastate overnight visitors (2.4%).

In the year to 2013-14, Riverina tourism consumption grew by 8.2%. Since 2006-07, tourism consumption in Riverina has increased by 33%, representing an average growth rate of 4.2% per annum.

Riverina's share of New South Wales tourism consumption remained stable over the last year, at 2.0% in both 2013-14 and 2012-13.

At the industry level, the tourism products that contributed most to tourism consumption in Riverina in 2013-14 were: (1) \$124 million on takeaway and restaurant meals; (2) \$98 million on shopping; and (3) \$95 million on fuel (Table 1.2).

Total consumption of these products was \$317 million or 46% of the total Riverina tourism consumption.

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

Tourism product	Consumption (\$ million)	Share of total (%)
Takeaway and restaurant meals	124	17.8
Shopping	98	14.1
Fuel (petrol, diesel)	95	13.6
Long distance passenger transportation	72	10.3
Accommodation services	67	9.7
All other	240	34.4
Total - tourism	695	100.0

Source: Deloitte Access Economics' Regional TSA model.

The majority of visitor consumption in Riverina was contributed by intrastate overnight visitors (\$287 million). In relative terms, these visitors also spent the most per night, \$190 on average (Table 1.3).

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

Visitor segment	Nights ('000)	Nights (%)	Consumption (\$ million)	Consumption (%)	\$ per night
Day-trippers	1,434*	31.2*	225	32.3	157**
Intrastate	1,513	32.9	287	41.3	190
Interstate	988	21.5	147	21.1	148
International	661	14.4	37	5.3	56

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 Riverina was \$210 million, its highest level since 2006-07 (nominally). In the year to 2013-14, Riverina direct GVA grew 6.7%. Since 2006-07, direct tourism GVA in Riverina has increased by 43%, representing an average rate of 5.2% per annum.

Riverina contributed 1.6% of the total New South Wales direct tourism GVA. Riverina's share of New South Wales direct tourism GVA remained stable over the last year.

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

- Accommodation with \$38 million in direct GVA and \$42 million in direct GRP;
- Other retail trade with \$39 million in direct GVA and \$41 million in direct GRP; and
- Cafes, restaurants and takeaway food services with \$29 million in direct GVA and \$32 million in direct GRP.

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

Tourism industry	Direct GVA (\$ million)	Share of total (%)	Direct GRP (\$ million)	GRP share (%)
Accommodation	38	17.9	42	18.4
Other retail trade	39	18.4	41	17.8
Cafes, restaurants and takeaway food services	29	13.7	32	13.8
Ownership of dwellings	19	9.1	21	9.1
Clubs, pubs, taverns and bars	16	7.6	17	7.2
All other	70	33.3	77	33.7
Total - tourism	210	100.0	229	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, Riverina direct tourism GVA accounted for 49% of total tourism GVA for the region, with total tourism GVA in Riverina being \$425 million. Riverina made up 1.7% of the New South Wales total tourism GVA.

Gross Regional Product

In 2013-14, tourism's direct contribution to Riverina's GRP was \$229 million, equal to 3.0% of total regional GRP. In the year to 2013-14, direct tourism GRP in Riverina grew by 7.2%. Since 2006-07, direct tourism GRP in Riverina has increased by 41%, representing an average growth rate of 5.1% per annum.

In 2013-14, Riverina's share of direct tourism GRP in New South Wales was 1.6%, consistent with 2012-13 performance.

In 2013-14, direct contribution to GRP of \$229 million accounted for 47% of total tourism GRP in Riverina. The remaining \$253 million came from indirect supply industry contributions to tourism GRP in Riverina.

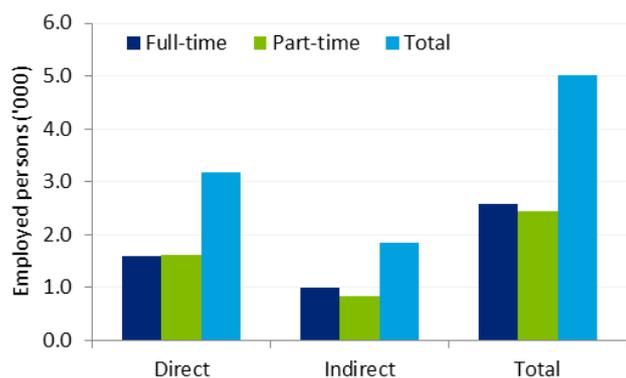
Tourism employment

TSA's define tourism employment as the number of tourism employed persons. In 2013-14 there were 3,200 persons (made up of 1,600 full-time and 1,600 part-time) directly employed in tourism in Riverina (Chart 1.2).

In the year to 2013-14, direct tourism employment in Riverina grew by 3.1%. Since 2006-07, direct tourism employment has grown by 13%, representing an average growth rate of 1.7% per annum.

Riverina's share of direct tourism employment was 2.0% of the New South Wales direct tourism employment in 2013-14, unchanged from the 2012-13 contribution.

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



Source: Deloitte Access Economics' Regional TSA model.

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

- Cafes, restaurants and takeaway food services (340 full time and 580 part time employed persons);
- Retail trade (420 full time and 410 part time employed persons); and
- Accommodation (160 full time and 220 part time employed persons).

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

Tourism industry	Jobs	Share (%)
Cafes, restaurants and takeaway food services	920	28.8
Retail trade	830	25.9
Accommodation	380	11.9
All other industries	200	6.3
Clubs, pubs, taverns and bars	190	5.9
Travel agency and tour operator services	160	5.0
Education and training	150	4.7
Road transport and transport equipment rental	120	3.8
Other sports and recreation services	80	2.5
Air, water and other transport	80	2.5
Cultural services	40	1.3
Rail transport	30	0.9
Casinos and other gambling services	0	0.0
Total	3,200	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, tourism's direct contribution to Riverina's employment, 3,200 jobs, accounted for 64% of total tourism employment in Riverina, and 1 in 23 jobs in the Riverina economy (Table 1.6).

The remaining 1,800 jobs represented tourism's indirect contribution to employment, 1 in 39 jobs in the Riverina economy.

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

Job type	Jobs ('000)	Share (%)	Job ratio
Direct	3.2	63.4	1 in 23 jobs
Indirect	1.8	36.6	1 in 39 jobs
Total	5.0	100.0	1 in 14 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 Riverina 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.