

Snowy Mountains Satellite Account

2013-14

In 2013-14, the tourism industry contributed an estimated \$466 million to the Snowy Mountains regional economy (23.6% of Snowy Mountains' gross regional product) and directly employed approximately 3,400 people (19.1% of Snowy Mountains' 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 Snowy Mountains 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 Snowy Mountains (Table 1.1) generated:

Tourism output

- \$486 million and \$416 million in direct and indirect tourism output, and \$902 million in total tourism output.

Gross Value Added (GVA)

- \$243 million and \$170 million in direct and indirect tourism GVA, and \$413 million in total tourism GVA.

Gross Regional Product (GRP)

- \$267 million and \$199 million in direct and indirect tourism GRP, and \$466 million in total tourism GRP; and

Employment

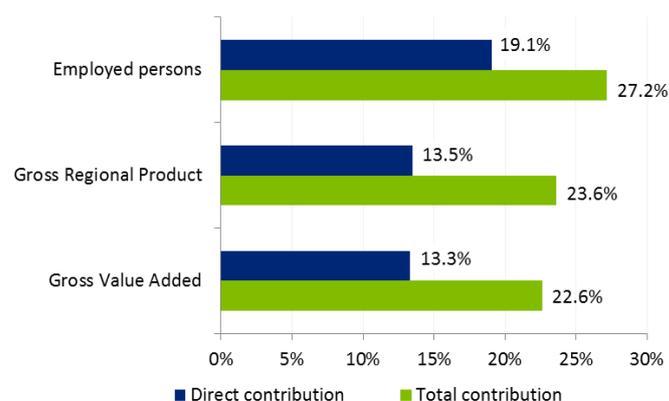
- 3,400 jobs for people employed directly by the tourism industry, 1,500 indirect jobs and a total employment impact of 4,900 people.

Economic importance of tourism to Snowy Mountains

The ratio of Snowy Mountains direct tourism contribution to the Snowy Mountains 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 13.5% (Chart 1.1) of the total Snowy Mountains economy (in GRP terms), compared to 3.9% for regional New South Wales.

The Snowy Mountains region is home to some of Australia's leading skiing destinations, including Perisher and Thredbo. Accordingly, its economy is relatively dependent on the tourism sector. The Snowy Mountains region represents about 1.9% of the state-wide direct contribution of tourism to GRP.

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



Source: Deloitte Access Economics' Regional TSA model.

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

Visitor segment	Consumption	Output	GVA	GRP	Employed ('000)
Day-trippers	93	41	19	21	
Intrastate	535	292	146	161	
Interstate	142	113	56	63	
International	11	40	21	22	
Direct	782	486	243	267	3.4
Indirect		416	170	199	1.5
Total impact		902	413	466	4.9
Total economy			1,827	1,976	18.0

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 Snowy Mountains was \$782 million, equal to 2.2% of total tourism consumption in New South Wales. Snowy Mountains makes up a bigger share of consumption at the state level for intrastate overnight visitors (4.5%).

In the year to 2013-14, tourism consumption in Snowy Mountains grew by 0.4%. Since 2006-07, tourism consumption in Snowy Mountains has increased by 45%, representing an average growth rate of 5.4% per annum.

The Snowy Mountains' share of New South Wales tourism consumption has decreased over the last year, from 2.4% in 2012-13 to 2.2% in 2013-14.

At the industry level, the tourism products that contributed most to tourism consumption in the Snowy Mountains in 2013-14 were: (1) \$143 million on takeaway and restaurant meals; (2) \$102 million on long distance passenger transportation; and (3) \$101 million on accommodation (Table 1.2).

Total consumption of these products equates to \$346 million or 44% of the total Snowy Mountains tourism consumption.

Table 1.2: Tourism consumption by product, Snowy Mountains, 2013-14

Tourism product	Consumption (\$ million)	Share of total (%)
Takeaway and restaurant meals	143	18.3
Long distance passenger transportation	102	13.0
Accommodation services	101	12.9
Fuel (petrol, diesel)	94	12.1
Shopping	86	11.0
All other	256	32.7
Total - tourism	782	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, the majority (68%) of visitor consumption in Snowy Mountains was contributed by intrastate overnight visitors (\$535 million). In relative terms, these visitors also spent the most per night, \$282 on average (Table 1.3).

Table 1.3: Tourism activity summary, Snowy Mountains, 2013-14

Visitor segment	Nights ('000)	Nights (%)	Consumption (\$ million)	Consumption (%)	\$ per night
Day-trippers	563*	17.6*	93	11.9	166**
Intrastate	1,894	59.3	535	68.4	282
Interstate	555	17.4	142	18.2	256
International	182	5.7	11	1.5	63

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 per day.

Gross Value Added

In 2013-14, direct tourism GVA in Snowy Mountains was \$243 million. In the year to 2013-14, Snowy Mountains direct GVA decreased by 0.2%. Since 2006-07, direct tourism GVA in the Snowy Mountains has increased by 52%, representing an average rate of 6.1% per annum.

In 2013-14, Snowy Mountains contributed 1.9% of the total New South Wales direct tourism GVA. The Snowy Mountains' share of New South Wales direct tourism GVA has decreased over the last year, from 2.0% in 2012-13.

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

- Accommodation with \$79 million in direct GVA and \$89 million in direct GRP;
- Cafes, restaurants and takeaway food services with \$31 million in direct GVA and \$33 million in direct GRP; and
- Other retail trade with \$29 million in direct GVA and \$30 million in direct GRP.

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

Tourism industry	Direct GVA (\$ million)	Share of total (%)	Direct GRP (\$ million)	GRP share (%)
Accommodation	79	32.6	89	33.2
Cafes, restaurants and takeaway food services	31	12.6	33	12.6
Other retail trade	29	11.9	30	11.2
Air, water and other transport	20	8.3	23	8.7
Clubs, pubs, taverns and bars	17	7.0	18	6.6
All other	67	27.7	74	27.7
Total - tourism	243	100.0	267	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, direct tourism GVA in Snowy Mountains accounted for 59% of total tourism GVA for the region, with total tourism GVA being \$413 million. This made up 1.7% of the New South Wales total tourism GVA.

Gross Regional Product

In 2013-14, tourism's direct contribution to the Snowy Mountains' GRP was \$267 million, or 13.5% of total GRP. In the year to 2013-14, direct tourism GRP in Snowy Mountains fell by 0.4%. Since 2006-07, direct tourism GRP in Snowy Mountains has increased by 47%, representing an average growth rate of 5.7% per annum.

The Snowy Mountains' share of direct tourism GRP in New South Wales was 1.9% in 2013-14, decreasing from 2.0% in 2012-13.

In 2013-14, direct tourism contribution to GRP of \$267 million accounted for 57% of total tourism GRP in Snowy Mountains. The remaining \$199 million came from indirect supply industry contributions to total tourism GRP in Snowy Mountains.

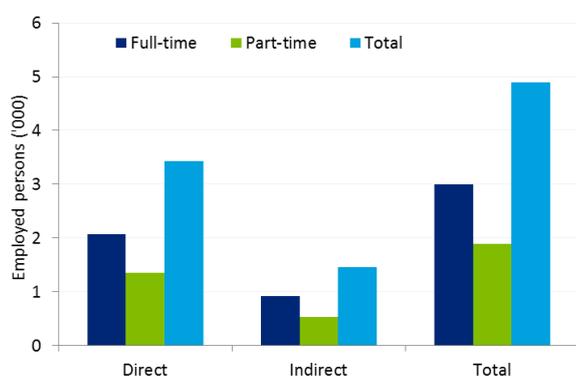
Tourism employment

TSA's define tourism employment as the number of tourism employed persons. In 2013-14 there were 3,400 persons (made up of 2,100 full-time and 1,300 part-time) directly employed in tourism in Snowy Mountains (Chart 1.2).

In the year to 2013-14, direct tourism employment in Snowy Mountains fell by 3.5%. Since 2006-07, direct tourism employment grew by 18%, representing an average growth rate of 2.3% per annum.

Snowy Mountains' share of New South Wales direct tourism employment was 2.2% in 2013-14, decreasing from 2.3% in 2012-13.

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



Source: Deloitte Access Economics' Regional TSA model.

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

- Cafes, restaurants and takeaway food services (430 full time and 450 part time employed persons);
- Accommodation (500 full time and 220 part time employed persons); and
- Retail trade (330 full time and 280 part time employed persons).

Table 1.5: Direct tourism employed persons, Snowy Mountains, 2013-14

Tourism industry	Jobs	Share (%)
Cafes, restaurants and takeaway food services	880	25.9
Accommodation	720	21.2
Retail trade	610	17.9
Other sports and recreation services	260	7.6
Travel agency and tour operator services	260	7.6
Clubs, pubs, taverns and bars	180	5.3
Air, water and other transport	140	4.1
Road transport and transport equipment rental	130	3.8
All other industries	110	3.2
Cultural services	70	2.1
Education and training	60	1.8
Casinos and other gambling services	0	0.0
Rail transport	0	0.0
Total	3,400	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, tourism's direct contribution to Snowy Mountains' employment, 3,400 jobs, accounted for 70% of total tourism employment in the region, or 1 in 5 jobs in the Snowy Mountains economy (Table 1.6).

The remaining 1,500 jobs represented tourism's indirect contribution to employment, 1 in 12 jobs in the Snowy Mountains economy.

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

Job type	Jobs ('000)	Share (%)	Job ratio
Direct	3.4	70.2	1 in 5 jobs
Indirect	1.5	29.8	1 in 12 jobs
Total	4.9	100.0	1 in 4 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 Snowy Mountains 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.