

South Coast Tourism Satellite Account

2013-14

In 2013-14, the tourism industry contributed an estimated \$2.0 billion to the South Coast regional economy (8.3% of South Coast's gross regional product) and directly employed approximately 13,600 people (6.7% of South 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 South 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 the South Coast (Table 1.1) generated:

Tourism output

- \$1.8 billion and \$1.9 billion in direct and indirect tourism output, and \$3.7 billion in total tourism output.

Gross Value Added (GVA)

- \$1.0 billion and \$0.8 billion in direct and indirect tourism GVA, and \$1.7 billion in total tourism GVA.

Gross Regional Product (GRP)

- \$1.0 billion and \$0.9 billion in direct and indirect tourism GRP, and \$2.0 billion in total tourism GRP; and

Employment

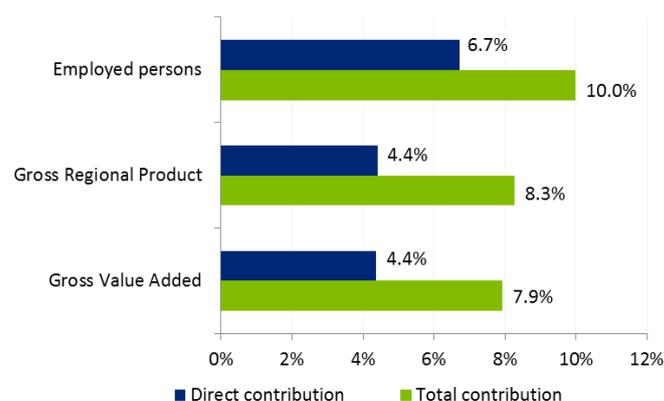
- 13,600 jobs for people employed directly by the tourism industry, 6,600 indirect jobs and a total employment impact of 20,200 people.

Economic importance of tourism to the South Coast

The ratio of the South Coast's direct tourism contribution to South 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 4.4% (Chart 1.1) of the total South Coast economy (in GRP terms), compared to 3.9% for regional New South Wales.

The South Coast region has a strong tourism sector. However, the region's economy is also reasonably diverse and robust in other non-primary industry offerings such as manufacturing, construction, retail trade and public services. The South Coast region represents about 7.5% of the state-wide direct contribution of tourism to GRP.

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



Source: Deloitte Access Economics' Regional TSA model.

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

Visitor segment	Consumption	Output	GVA	GRP	Employed ('000)
Day-trippers	495	233	115	125	
Intrastate	1,533	917	477	520	
Interstate	592	429	228	255	
International	225	245	137	146	
Direct	2,845	1,823	957	1,046	13.6
Indirect		1,888	777	913	6.6
Total impact		3,711	1,734	1,959	20.2
Total economy			21,919	23,704	202.0

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 the South Coast was \$2.8 billion, equal to 8.2% of total tourism consumption in New South Wales. The South Coast region makes up a bigger share of consumption at the state level for intrastate overnight visitors (12.9%).

In the year to 2013-14, South Coast tourism consumption fell by 2.5%. Since 2006-07, tourism consumption in the South Coast has increased by 20%, representing an average growth rate of 2.7% per annum.

The South Coast's share of New South Wales tourism consumption has fallen over the last year, from 8.9% in 2012-13 to 8.2% in 2013-14.

At the industry level, the tourism products that contributed most to tourism consumption in the South Coast in 2013-14 were: (1) \$491 million on takeaway and restaurant meals; (2) \$339 million on long distance passenger transportation; and (2) \$335 million on accommodation services (Table 1.2).

Total consumption of these products equates to \$1.2 billion or 41% of the total South Coast tourism consumption.

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

Tourism product	Consumption (\$ million)	Share of total (%)
Takeaway and restaurant meals	491	17.3
Long distance passenger transportation	339	11.9
Accommodation services	335	11.8
Shopping	333	11.7
Fuel (petrol, diesel)	329	11.6
All other	1,018	35.8
Total - tourism	2,845	100.0

Source: Deloitte Access Economics' Regional TSA model.

The majority (54%) of visitor consumption in the South Coast was contributed by intrastate overnight visitors (\$1.5 billion). In relative terms, those visitors also spent the most per night, \$201 on average (Table 1.3).

Table 1.3: Tourism activity summary, South Coast, 2013-14

Visitor segment	Nights ('000)	Nights (%)	Consumption (\$ million)	Consumption (%)	\$ per night
Day-trippers	5,233*	27.9*	495	17.4	95**
Intrastate	7,612	40.6	1,533	53.9	201
Interstate	3,795	20.3	592	20.8	156
International	2,096	11.2	225	7.9	107

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 the South Coast was \$957 million, its highest level since 2006-07 (nominally). In the year to 2013-14, South Coast direct GVA remained stable. Since 2006-07, direct tourism GVA in the South Coast has increased by 36%, representing an average rate of 4.5% per annum.

The South Coast contributed 7.5% of the total New South Wales direct tourism GVA. The South Coast's share of New South Wales direct tourism GVA has decreased over the last year, from 7.9% in 2012-13.

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

- Accommodation with \$188 million in direct GVA and \$211 million in direct GRP;
- Cafes, restaurants and takeaway food services with \$135 million in direct GVA and \$148 million in direct GRP; and
- Other retail trade with \$139 million in direct GVA and \$147 million in direct GRP.

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

Tourism industry	Direct GVA (\$ million)	GVA share (%)	Direct GRP (\$ million)	GRP share (%)
Accommodation	188	19.7	211	20.2
Cafes, restaurants and takeaway food services	135	14.1	148	14.1
Other retail trade	139	14.6	147	14.0
Ownership of dwellings	108	11.3	119	11.3
Air, water and other transport	75	7.8	85	8.1
All other	311	32.5	338	32.3
Total - tourism	957	100.0	1,046	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, South Coast direct tourism GVA accounted for 55% of total tourism GVA for the region, with total tourism GVA in the South Coast being \$1.7 billion. Overall, the South Coast made up 7.1% of the New South Wales total tourism GVA.

Gross Regional Product

In 2013-14, tourism's direct contribution to South Coast GRP was \$1.0 billion, equal to 4.4% of total regional GRP. In the year to 2013-14, direct tourism GRP in the South Coast remained stable. Since 2006-07, direct tourism GRP in the South Coast has increased by 34%, representing an average growth rate of 4.3% per annum.

The South Coast's share of direct tourism GRP in New South Wales was 7.5% in 2013-14, decreasing from 7.9% in 2012-13.

In 2013-14, direct contribution to GRP of \$1.0 billion accounted for 54% of total tourism GRP in the South Coast. The remaining \$0.9 billion came from indirect supply industry contributions to tourism GRP in the South Coast.

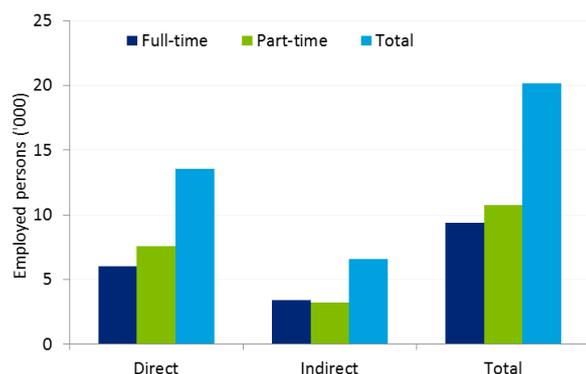
Tourism employment

TSA's define tourism employment as the number of tourism employed persons. In 2013-14 there were 13,600 persons (made up of 6,000 full-time and 7,600 part-time) directly employed in tourism in the South Coast (Chart 1.2).

In the year to 2013-14, direct tourism employment in the South Coast fell by 5.2%. Since 2006-07, direct tourism employment has grown by 4.5%, representing an average growth rate of 0.6% per annum.

The South Coast's share of direct tourism employment was 8.6% of the New South Wales direct tourism employment in 2013-14, decreasing from 9.1% in 2012-13.

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



Source: Deloitte Access Economics' Regional TSA model.

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

- Cafes, restaurants and takeaway food services (1,250 full time and 2,940 part time employed persons);
- Retail trade (1,320 full time and 1,560 part time employed persons); and
- Accommodation (790 full time and 1,040 part time employed persons).

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

Tourism industry	Jobs	Share (%)
Cafes, restaurants and takeaway food services	4,190	30.8
Retail trade	2,880	21.2
Accommodation	1,830	13.5
Travel agency and tour operator services	930	6.8
Clubs, pubs, taverns and bars	880	6.5
Other sports and recreation services	580	4.3
Education and training	560	4.1
All other industries	540	4.0
Air, water and other transport	420	3.1
Road transport and transport equipment rental	410	3.0
Cultural services	260	1.9
Rail transport	80	0.6
Casinos and other gambling services	20	0.1
Total	13,600	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, tourism's direct contribution to South Coast's employment, 13,600 jobs, accounted for 67% of total tourism employment in the region, and 1 in 15 jobs in the South Coast economy (Table 1.6).

The remaining 6,600 jobs represented tourism's indirect contribution to employment, 1 in 31 jobs in the South Coast economy.

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

Job type	Jobs ('000)	Share (%)	Job ratio
Direct	13.6	67.3	1 in 15 jobs
Indirect	6.6	32.7	1 in 31 jobs
Total	20.2	100.0	1 in 10 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 South 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.