

Sydney Tourism Satellite Account

2013-14

In 2013-14, the tourism industry contributed an estimated \$15.4 billion to the Sydney regional economy (4.7% of Sydney's gross regional product) and directly employed approximately 74,300 people (3.4% of Sydney's 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 Sydney 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 Sydney (Table 1.1) generated:

Tourism output

- \$13.7 billion and \$15.8 billion in direct and indirect tourism output, and \$29.5 billion in total tourism output.

Gross Value Added (GVA)

- \$7.1 billion and \$6.6 billion in direct and indirect tourism GVA, and \$13.7 billion in total tourism GVA.

Gross Regional Product (GRP)

- \$7.7 billion and \$7.7 billion in direct and indirect tourism GRP and \$15.4 billion in total tourism GRP; and

Employment

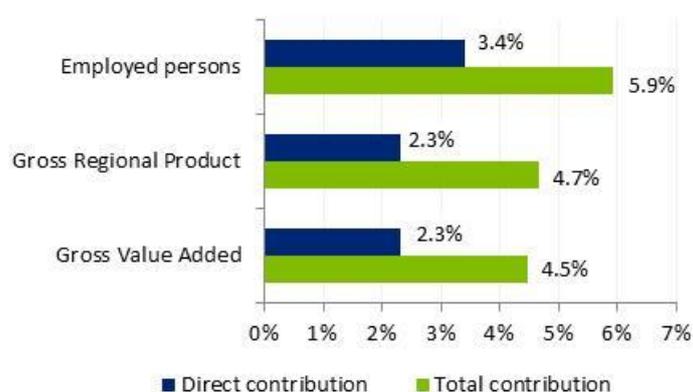
- 74,300 jobs for people employed directly by the tourism industry, 55,000 indirect jobs and a total employment impact of 129,200 people.

Economic importance of tourism to Sydney

The ratio of Sydney's direct tourism contribution to Sydney's total regional economy aggregates provides a point of reference snapshot for the importance of tourism to the region. In 2013-14, it is estimated that tourism directly represented 2.3% (Chart 1.1) of the total Sydney economy (in GRP terms), compared to 3.9% for regional New South Wales.

Due to the region's large and diverse economy, Sydney is relatively less reliant on the tourism industry than regional New South Wales. However, in level terms, Sydney's total value of tourism was the highest in the State (representing about 55% of the state-wide direct contribution of tourism to GRP).

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



Source: Deloitte Access Economics' Regional TSA model.

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

Visitor segment	Consumption	Output	GVA	GRP	Employed ('000)
Day-trippers	2,499	1,346	677	726	
Intrastate	2,787	3,308	1,677	1,858	
Interstate	3,651	3,245	1,625	1,840	
International	8,102	5,827	3,113	3,250	
Direct	17,039	13,726	7,093	7,674	74.3
Indirect*		15,815	6,564	7,710	55.0
Total impact		29,541	13,658	15,384	129.2
Total economy			305,776	330,675	2,179.6

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 Sydney was equal to \$17.0 billion, or 49% of total tourism consumption in New South Wales. Notably, 88% of international tourism consumption in New South Wales occurred in Sydney.

In the year to 2013-14, Sydney tourism consumption grew by 10.1%. Since 2006-07, tourism consumption in Sydney has increased by 31%, representing an average growth rate of 3.9% per annum. Sydney's share of New South Wales tourism consumption has increased over the last year, rising from 47% in 2012-13 to 49% in 2013-14.

At the industry level, the tourism products that contributed most to tourism consumption in Sydney in 2013-14 were: (1) \$2.5 billion on takeaway and restaurant meals; (2) \$2.3 billion on accommodation services; and (3) \$2.2 billion on long distance passenger transportation (Table 1.2).

Total consumption of these products equates to \$7.0 billion or 41% of the total Sydney tourism consumption.

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

Tourism product	Consumption (\$ million)	Share of total (%)
Takeaway and restaurant meals	2,537	14.9
Accommodation services	2,269	13.3
Long distance passenger transportation	2,190	12.9
Shopping	2,173	12.8
Food products	1,342	7.9
All other	6,528	38.3
Total - tourism	17,039	100.0

Source: Deloitte Access Economics' Regional TSA model.

The majority of visitor consumption in the region was contributed by international visitors (\$8.1 billion). In relative terms, domestic interstate overnight visitors to Sydney spent the most per night (\$286) on average (Table 1.3).

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

Visitor segment	Nights ('000)	Nights (%)	Consumption (\$ million)	Consumption (%)	\$ per night
Day-trippers	20,930*	19.5*	2,499	14.7	119**
Intrastate	10,823	10.1	2,787	16.4	258
Interstate	12,786	11.9	3,651	21.4	286
International	62,901	58.5	8,102	47.5	129

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 Sydney was \$7.1 billion, its highest level since 2006-07 (nominally). In the year to 2013-14, Sydney direct GVA grew 7.4%. Since 2006-07, direct tourism GVA in Sydney has increased by 36%, representing an average rate of 4.4% per annum.

Sydney contributed 55% of the total New South Wales direct tourism GVA. Sydney's share of New South Wales direct tourism GVA has increased over the last year, rising from 54% in 2012-13.

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

- Air, water and other transport with \$1,401 million in direct GVA and \$1,500 million in direct GRP;
- Accommodation with \$1,097 million in direct GVA and \$1,185 million in direct GRP; and
- Other retail trade with \$806 million in direct GVA and \$882 million in direct GRP.

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

Tourism industry	Direct GVA (\$ million)	Share of total (%)	Direct GRP (\$ million)	Share of total (%)
Air, water and other transport	1,401	19.7	1,500	19.5
Accommodation	1,097	15.5	1,185	15.4
Other retail trade	806	11.4	882	11.5
Ownership of dwellings	660	9.3	722	9.4
Cafes, restaurants and takeaway food services	622	8.8	678	8.8
All other	2,508	35.4	2,707	35.3
Total - tourism	7,093	100.0	7,674	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, Sydney direct tourism GVA accounted for 52% of total tourism GVA for Sydney, with total tourism GVA in Sydney being \$13.6 billion. Sydney made up 56% of the New South Wales total tourism GVA.

Gross Regional Product

In 2013-14, tourism's direct contribution to Sydney GRP was \$7.7 billion, equal to 2.3% of total regional GRP. In the year to 2013-14, direct tourism GRP in Sydney grew by 7.5%. Since 2006-07, direct tourism GRP in Sydney has increased by 36%, representing an average growth rate of 4.5% per annum.

Sydney's share of direct tourism GRP in New South Wales was 55% in 2013-14, rising slightly from 54% in 2012-13.

In 2013-14, direct contribution to GRP of \$7.7 billion accounted for 50% of total tourism GRP in Sydney. The remaining \$7.7 billion came from indirect supply industry contributions to tourism GRP in Sydney.

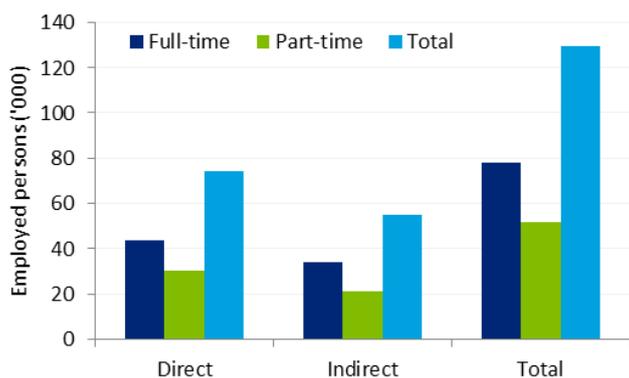
Tourism employment

TSA's define tourism employment as the number of tourism employed persons. In 2013-14 there were 74,300 persons (made up of 43,800 full-time and 30,500 part-time) directly employed in tourism in Sydney (Chart 1.2).

In the year to 2013-14, direct tourism employment in Sydney grew by 4.4%. Since 2006-07, direct tourism employment has grown by 12%, representing an average growth rate of 1.6% per annum.

Sydney's share of direct tourism employment was 47% of the New South Wales direct tourism employment in 2013-14, rising from 45% in 2012-13.

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



Source: Deloitte Access Economics' Regional TSA model.

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

- Cafes, restaurants and takeaway food services (6,460 full time and 9,970 part time employed persons);
- Retail trade (6,990 full time and 5,870 part time employed persons); and
- Accommodation (5,740 full time and 3,060 part time employed persons).

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

Tourism industry	Jobs	Share (%)
Cafes, restaurants and takeaway food services	16,430	22.1
Retail trade	12,860	17.3
Accommodation	8,800	11.8
Education and training	8,090	10.9
Air, water and other transport	7,630	10.3
Travel agency and tour operator services	4,800	6.5
All other industries	3,830	5.2
Clubs, pubs, taverns and bars	3,790	5.1
Road transport and transport equipment rental	2,680	3.6
Other sports and recreation services	2,060	2.8
Cultural services	1,690	2.3
Rail transport	940	1.3
Casinos and other gambling services	660	0.9
Total	74,300	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2013-14, tourism's direct contribution to Sydney employment, 74,300 jobs, accounted for 57% of total tourism employment in Sydney, and 1 in 29 jobs in the Sydney economy (Table 1.6).

The remaining 55,000 jobs represented tourism's indirect contribution to employment, or 1 in 40 jobs in the Sydney economy.

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

Job type	Jobs ('000)	Share (%)	Job ratio
Direct	74.3	57.5	1 in 29 jobs
Indirect	55.0	42.5	1 in 40 jobs
Total	129.2	100.0	1 in 17 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 Sydney 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.