

Blue Mountains Tourism Satellite Account

2015-16

In 2015-16, the tourism industry contributed an estimated \$395 million to the Blue Mountains regional economy (10% of Blue Mountain's gross regional product) and directly employed approximately 3,000 people (8.4% of Blue Mountain'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 Blue 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 2015-16, the tourism activity in the Blue Mountains (Table 1.1) generated:

Tourism output

- \$378 million and \$362 million in direct and indirect tourism output, and \$740 million in total tourism output.

Gross Value Added (GVA)

- \$200 million and \$155 million in direct and indirect tourism GVA, and \$355 million in total tourism GVA.

Gross Regional Product (GRP)

- \$217 million and \$178 million in direct and indirect tourism GRP and \$395 million in total tourism GRP; and

Employment

- 3,000 jobs for people employed directly by the tourism industry, 1,100 indirect jobs and a total employment impact of 4,100 people.

Table 1.1: Key tourism aggregates, Blue Mountains, 2015-16
(\$ million)

Visitor segment	Consumption	Output	GVA	GRP	Employed ('000)
Day-trippers	250	84	44	46	
Intrastate	413	163	84	93	
Interstate	92	61	32	38	
International	68	70	40	41	
Direct	822	378	200	217	3.0
Indirect*		362	155	178	1.1
Total impact		740	355	395	4.1
Total Blue Mountains economy			3,660	3,961	35.8

Source: Deloitte Access Economics' Regional TSA model.

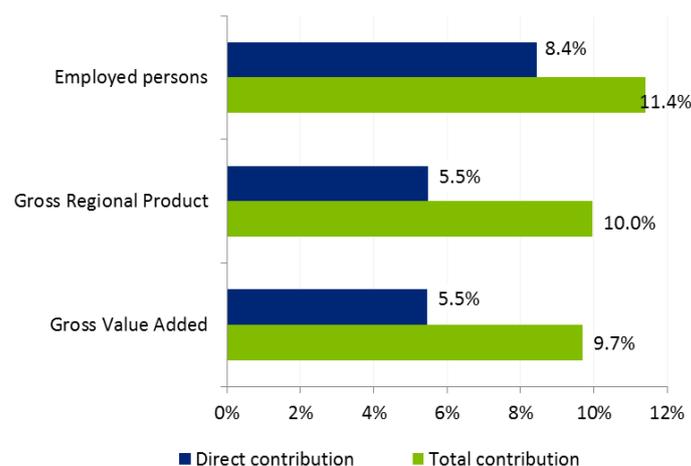
* Regional indirect contribution does not include regional contribution to the rest of Australia. Total indirect contribution in the State Tourism Satellite Account however includes contribution to the rest of Australia.

Economic importance of tourism to Blue Mountains

The ratio of Blue Mountains' direct tourism contribution to Blue Mountain's total regional economy provides a point of reference snapshot for the importance of tourism to the region. In 2015-16, it is estimated that tourism directly represented 5.5% (Chart 1.1) of the total Blue Mountains economy (in GRP terms), compared to 4.0% for regional New South Wales.

The Blue Mountains region has a strong tourism sector, supported by its World Heritage listing. However, it also has sizeable education, public administration, and health sectors. The Blue Mountains region represents about 1.3% of the state-wide direct contribution of tourism to GRP.

Chart 1.1: Tourism's contribution to the Blue Mountains economy, 2015-16



Source: Deloitte Access Economics' Regional TSA model.

Consumption

In 2015-16, tourism consumption in Blue Mountains was \$822 million, 2.2% of total tourism consumption in New South Wales. Blue Mountains makes up a bigger share of consumption at the state level for day trippers (3.8%) and intrastate overnight visitors (3.5%).

In the year to 2015-16, tourism consumption in the Blue Mountains increased by 3.8%. Since 2006-07, tourism consumption in the Blue Mountains has increased by 67%, representing an average growth rate of 5.9% per annum.

Blue Mountains' share of New South Wales tourism consumption has remained stable over the last year at 2.2%.

At the industry level, the tourism products that contributed most to tourism consumption in the Blue Mountains in 2015-16 were: (1) \$159 million on takeaway and restaurant meals; (2) \$108 million on long distance transportation; and (3) \$107 million on shopping (Table 1.2).

Total consumption of these products equates to \$373 million or 45% of the total Blue Mountains tourism consumption.

Table 1.2: Tourism consumption by product, Blue Mountains, 2015-16

Tourism product	Consumption (\$ million)	Share of total (%)
Takeaway and restaurant meals	159	19.3
Long distance passenger transportation	108	13.1
Shopping (including gifts and souvenirs)	107	13.1
Fuel (petrol, diesel)	99	12.1
Accommodation services	77	9.3
All other	272	33.1
Total - tourism	822	100.0

Source: Deloitte Access Economics' Regional TSA model.

The majority of visitor consumption in the Blue Mountains was contributed by intrastate overnight visitors (\$413 million). In relative terms, these visitors also spent the most per night in the Blue Mountains, \$241 on average (Table 1.3).

Table 1.3: Tourism activity summary, Blue Mountains, 2015-16

Visitor segment	Nights ('000)	Nights (%)	Consumption (\$ million)	Consumption (%)	\$ per night
Day-trippers	3,024*	52.8	250	30.4	83**
Intrastate	1,711	29.9	413	50.2	241
Interstate	504	8.8	92	11.2	182
International	483	8.4	68	8.2	140

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 2015-16, direct tourism GVA in the Blue Mountains was \$200 million. In the year to 2015-16, Blue Mountains direct GVA increased by 4.2%. Since 2006-07, direct tourism GVA in the Blue Mountains has increased by 73%, representing an average rate of 6.3% per annum.

Blue Mountains contributed 1.3% of the total New South Wales direct tourism GVA in 2015-16. Blue Mountains' share of New South Wales direct tourism GVA has decreased from 1.4% in 2014-15.

The tourism industries that generated the highest economic contribution to the Blue Mountains in 2015-16 (Table 1.4) were:

- Accommodation with \$43 million in direct GVA and \$48 million in direct GRP;
- Cafes, restaurants and takeaway food services with \$40 million in direct GVA and \$45 million in direct GRP; and
- Other retail trade with \$30 million in direct GVA and \$31 million in direct GRP.

Table 1.4: Direct tourism GVA and GRP by industry, Blue Mountains, 2015-16

Tourism industry	Direct GVA (\$ million)	Share of total (%)	Direct GRP (\$ million)	GRP share (%)
Accommodation	43	21.5	48	22.2
Cafes, restaurants and takeaway food services	40	20.3	45	20.5
Other retail trade	30	15.0	31	14.1
Clubs, pubs, taverns and bars	20	10.0	21	9.8
All other industries	13	6.3	14	6.4
All other	54	26.9	58	26.9
Total - tourism	200	100.0	217	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2015-16, the Blue Mountains direct tourism GVA accounted for 56% of total tourism GVA for the region, with total tourism GVA in the Blue Mountains being \$355 million. Blue Mountains made up 1.3% of the New South Wales total tourism GVA.

Gross Regional Product

In 2015-16, tourism's direct contribution to Blue Mountains' GRP was \$217 million, 5.5% of total regional GRP. In the year to 2015-16, direct tourism GRP in Blue Mountains increased by 5.1%. Since 2006-07, direct tourism GRP in Blue Mountains has increased by 70%, representing an average growth rate of 6.1% per annum.

The Blue Mountains' share of direct tourism GRP in New South Wales was 1.3% in 2015-16, decreasing from 1.4% in 2014-15.

In 2015-16, direct contribution to GRP of \$217 million accounted for 55% of total tourism GRP in the Blue Mountains. The remaining \$178 million came from indirect supply industry contributions to tourism GRP in the Blue Mountains.

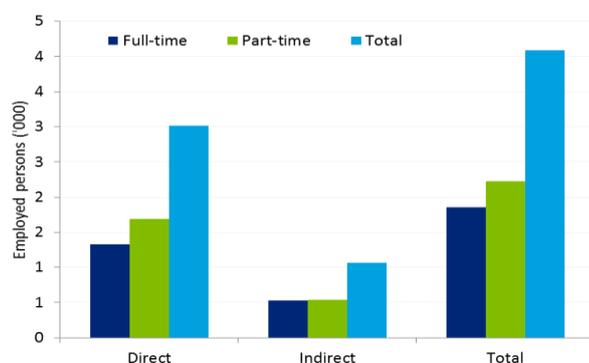
Tourism employment

TsAs define tourism employment as the number of tourism employed persons. In 2015-16 there were 3,000 persons (made up of 1,300 full-time and 1,700 part-time) directly employed in tourism in the Blue Mountains (Chart 1.2).

In the year to 2015-16, direct tourism in Blue Mountains fell by 0.7%. Since 2006-07, direct tourism employment has increased by 20%, representing an average growth rate of 2.0% per annum.

The Blue Mountains' share of direct tourism employment was 1.8% of the New South Wales direct tourism employment in 2015-16, the same level with the 2014-15 performance.

Chart 1.2: Contribution of tourism to employment, Blue Mountains, 2015-16



Source: Deloitte Access Economics' Regional TSA model.

The tourism related industries that contributed most to regional tourism employment in Blue Mountains in 2015-16 (Table 1.5) were:

- Cafes, restaurants and takeaway food services (350 full time and 660 part time employed persons);
- Retail trade (240 full time and 360 part time employed persons); and
- Accommodation (220 full time and 230 part time employed persons).

Table 1.5: Direct tourism employed persons, Blue Mountains, 2015-16

Tourism industry	Jobs	Share (%)
Cafes, restaurants and takeaway food services	1,010	33.7
Retail trade	600	20.0
Accommodation	450	15.0
Clubs, pubs, taverns and bars	200	6.7
Cultural services	150	5.0
Education and training	150	5.0
Travel agency and tour operator services	130	4.3
All other industries	110	3.7
Road transport and transport equipment rental	80	2.7
Other sports and recreation services	80	2.7
Air, water and other transport	40	1.3
Rail transport	30	1.0
Casinos and other gambling services	0	0.0
Total	3,000	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2015-16, tourism's direct contribution to Blue Mountains' employment, 3,000 jobs, accounted for 74% of total tourism employment in the Blue Mountains, and 1 in 12 jobs in the Blue Mountains economy (Table 1.6).

The remaining 1,100 jobs represented tourism's indirect contribution to employment, 1 in 34 jobs in the Blue Mountains economy.

Table 1.6: Tourism employment and job ratio, Blue Mountains, 2015-16

Job type	Jobs ('000)	Share (%)	Job ratio
Direct	3.0	73.9	1 in 12 jobs
Indirect	1.1	26.1	1 in 34 jobs
Total	4.1	100.0	1 in 9 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 Blue 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 2015-16 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.