

# Hunter Tourism Satellite Account

## 2015-16

In 2015-16, the tourism industry contributed an estimated \$1.8 billion to the Hunter regional economy (4.5% of Hunter's gross regional product) and directly employed approximately 12,200 people (3.8% of Hunter'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 Hunter 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 Hunter (Table 1.1) generated:

#### Tourism output

- \$1.7 billion and \$1.8 billion in direct and indirect tourism output, and \$3.5 billion in total tourism output.

#### Gross Value Added (GVA)

- \$890 million and \$767 million in direct and indirect tourism GVA, and \$1.7 billion in total tourism GVA.

#### Gross Regional Product (GRP)

- \$967 million and \$880 million in direct and indirect tourism GRP, and \$1.8 billion in total tourism GRP; and

#### Employment

- 12,200 jobs for people employed directly by the tourism industry, 5,300 indirect jobs and a total employment impact of 17,500 people.

**Table 1.1: Key tourism aggregates, Hunter, 2015-16**  
(\$ million)

Visitor segment	Consumption	Output	GVA	GRP	Employed ('000)
Day-trippers	827	331	174	178	
Intrastate	1,686	706	368	405	
Interstate	323	284	153	180	
International	230	333	196	204	
<b>Direct</b>	<b>3,066</b>	<b>1,654</b>	<b>890</b>	<b>967</b>	<b>12.2</b>
<b>Indirect*</b>		<b>1,840</b>	<b>767</b>	<b>880</b>	<b>5.3</b>
<b>Total impact</b>		<b>3,494</b>	<b>1,657</b>	<b>1,847</b>	<b>17.5</b>
<b>Total Hunter economy</b>			<b>38,181</b>	<b>41,320</b>	<b>319.7</b>

Source: Deloitte Access Economics' Regional TSA model.

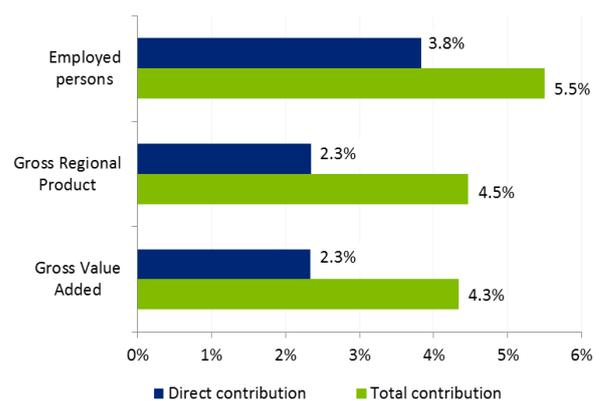
\* Regional indirect contribution does not include regional contribution to the rest of Australia. Total indirect contribution in the State Tourism Satellite Account however includes contribution to the rest of Australia.

### Economic importance of tourism to the Hunter

The ratio of Hunter's direct tourism contribution to Hunter'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 2.3% (Chart 1.1) of the total Hunter economy (in GRP terms), compared to 4.0% for regional New South Wales.

The Hunter region has a strong tourism sector however it is also supported by a strong mining sector, and solid tertiary industry operations. The Hunter region represents about 5.9% of the state-wide direct contribution of tourism to GRP.

**Chart 1.1: Tourism's contribution to the Hunter economy, 2015-16**



Source: Deloitte Access Economics' Regional TSA model.

## Consumption

In 2015-16, tourism consumption in Hunter was \$3.1 billion, or 8.0% of total tourism consumption in New South Wales. Hunter makes up a bigger share of consumption at the state level for day-trippers (12.6%) and intrastate overnight visitors (14.4%).

In the year to 2015-16, Hunter tourism consumption grew by 0.4%. Since 2006-07, tourism consumption in Hunter has increased by 39%, representing an average growth rate of 3.7% per annum.

Hunter's share of New South Wales tourism consumption has decreased over the last year, from 8.4% in 2014-15 to 8.0% in 2015-16.

At the industry level, the tourism products that contributed most to tourism consumption in Hunter in 2015-16 were: (1) \$568 million on takeaway and restaurant meals; (2) \$402 million on long distance passenger transportation; and (3) \$370 million on shopping (Table 1.2). Total consumption of these products was \$1.3 billion or 44% of all Hunter tourism consumption.

**Table 1.2: Tourism consumption by product, Hunter, 2015-16**

Tourism product	Consumption (\$ million)	Share of total (%)
Takeaway and restaurant meals	568	18.5
Long distance passenger transportation	402	13.1
Shopping (including gifts and souvenirs)	370	12.1
Fuel (petrol, diesel)	351	11.4
Accommodation services	287	9.4
All other	1,088	35.5
<b>Total - tourism</b>	<b>3,066</b>	<b>100.0</b>

Source: Deloitte Access Economics' Regional TSA model.

The majority (55%) of visitor consumption in Hunter was contributed by intrastate overnight visitors (\$1.7 billion). In relative terms, these visitors also spent the most per night, \$249 on average (Table 1.3).

**Table 1.3: Tourism activity summary, Hunter, 2015-16**

Visitor segment	Nights ('000)	Nights (%)	Consumption (\$ million)	Consumption (%)	\$ per night
Day-trippers	6,582*	37.4	827	27.0	126**
Intrastate	6,772	38.5	1,686	55.0	249
Interstate	1,575	8.9	323	10.5	205
International	2,674	15.2	230	7.5	86

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 Hunter was \$890 million. In the year to 2015-16, Hunter direct GVA grew 3.2%. Since 2006-07, direct tourism GVA in Hunter has increased by 57%, representing an average rate of 5.1% per annum.

Hunter contributed 5.9% of the total New South Wales direct tourism GVA. Hunter's share of New South Wales direct tourism GVA has decreased over the last year, from 6.1% in 2014-15.

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

- Cafes, restaurants and takeaway food services with \$165 million in direct GVA and \$182 million in direct GRP;
- Other retail trade with \$144 million in direct GVA and \$149 million in direct GRP; and
- Accommodation with \$117 million in direct GVA and \$132 million in direct GRP.

**Table 1.4: Direct tourism GVA and GRP by industry, Hunter, 2015-16**

Tourism industry	Direct GVA (\$ million)	Share of total (%)	Direct GRP (\$ million)	GRP share (%)
Cafes, restaurants and takeaway food services	165	18.6	182	18.8
Other retail trade	144	16.2	149	15.5
Accommodation	117	13.2	132	13.6
Clubs, pubs, taverns and bars	82	9.2	87	9.0
Ownership of dwellings	79	8.9	86	8.9
All other	302	33.9	330	34.2
<b>Total - tourism</b>	<b>890</b>	<b>100.0</b>	<b>967</b>	<b>100.0</b>

Source: Deloitte Access Economics' Regional TSA model.

In 2015-16, Hunter direct tourism GVA accounted for 54% of total tourism GVA for the region, with total tourism GVA in Hunter being \$1.7 billion. Hunter made up 6.0% of the New South Wales total tourism GVA.

## Gross Regional Product

In 2015-16, tourism's direct contribution to Hunter's GRP was \$967 million, equal to 2.3% of total regional GRP. In the year to 2015-16, direct tourism GRP in Hunter grew by 3.9%. Since 2006-07, direct tourism GRP in Hunter has increased by 55%, representing an average growth rate of 5.0% per annum.

Hunter's share of direct tourism GRP in New South Wales was 5.9% in 2015-16, decreasing from 6.1% in 2014-15.

In 2015-16, direct contribution to GRP of \$967 million accounted for 52% of total tourism GRP in Hunter. The remaining \$880 million came from indirect supply industry contributions to tourism GRP in Hunter.

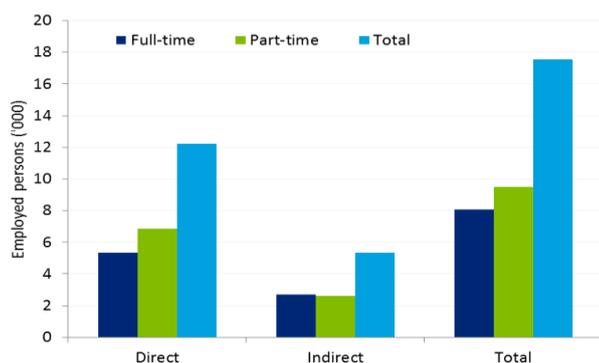
### Tourism employment

TSA's define tourism employment as the number of tourism employed persons. In 2015-16 there were 12,200 persons (made up of 5,300 full-time and 6,900 part-time) directly employed in tourism in the Hunter (Chart 1.2).

In the year to 2015-16, direct tourism employment in Hunter decreased by 1.7%. Since 2006-07, direct tourism employment has grown by 8.6%, representing an average growth rate of 0.9% per annum.

Hunter's share of direct tourism employment was 7.5% of the New South Wales direct tourism employment in 2015-16, decreasing from 7.6% in 2014-15.

**Chart 1.2: Contribution of tourism to employment, Hunter, 2015-16**



Source: Deloitte Access Economics' Regional TSA model.

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

- Cafes, restaurants and takeaway food services (1,310 full time and 3,010 part time employed persons);
- Retail trade (1,150 full time and 1,490 part time employed persons); and
- Accommodation (610 full time and 690 part time employed persons).

**Table 1.5: Direct tourism employed persons, Hunter, 2015-16**

Tourism industry	Jobs	Share (%)
Cafes, restaurants and takeaway food services	4,320	35.4
Retail trade	2,630	21.6
Accommodation	1,300	10.7
Clubs, pubs, taverns and bars	850	7.0
Education and training	660	5.4
Travel agency and tour operator services	660	5.4
All other industries	500	4.1
Other sports and recreation services	480	3.9
Road transport and transport equipment rental	410	3.4
Air, water and other transport	150	1.2
Rail transport	130	1.1
Cultural services	120	1.0
Casinos and other gambling services	10	0.1
<b>Total</b>	<b>12,200</b>	<b>100.0</b>

Source: Deloitte Access Economics' Regional TSA model.

In 2015-16, tourism's direct contribution to Hunter's employment, 12,200 jobs, accounted for 70% of total tourism employment in Hunter, and 1 in 26 jobs in the Hunter economy (Table 1.6).

The remaining 5,300 jobs represented tourism's indirect contribution to employment, 1 in 60 jobs in the Hunter economy.

**Table 1.6: Tourism employment and job ratio, Hunter, 2015-16**

Job type	Jobs ('000)	Share (%)	Job ratio
Direct	12.2	69.7	1 in 26 jobs
Indirect	5.3	30.3	1 in 60 jobs
<b>Total</b>	<b>17.5</b>	<b>100.0</b>	<b>1 in 18 jobs</b>

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 Hunter 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.