

New England North West Tourism Satellite Account

2015-16

In 2015-16, the tourism industry contributed an estimated \$589 million to the New England North West regional economy (6.0% of New England North West's gross regional product) and directly employed approximately 4,200 people (4.6% of New England North West'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 New England North West 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 New England North West (Table 1.1) generated:

Tourism output

- \$531 million and \$570 million in direct and indirect tourism output, and \$1.1 billion in total tourism output.

Gross Value Added (GVA)

- \$289 million and \$237 million in direct and indirect tourism GVA, and \$527 million in total tourism GVA.

Gross Regional Product (GRP)

- \$317 million and \$273 million in direct and indirect tourism GRP, and \$589 million in total tourism GRP; and

Employment

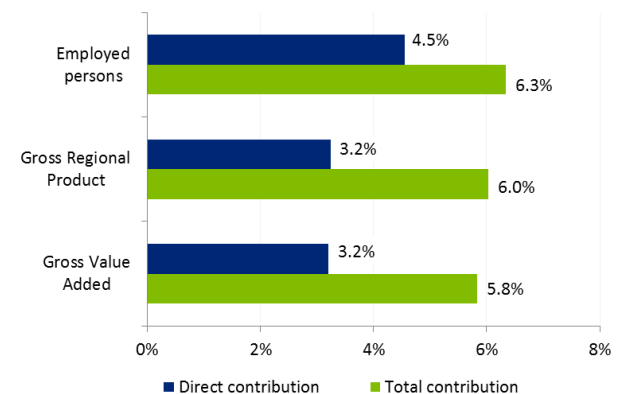
- 4,200 jobs for people employed directly by the tourism industry, 1,700 indirect jobs and a total employment impact of 5,800 people.

Economic importance of tourism to New England North West

The ratio of New England North West's direct tourism contribution to New England North West'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 3.2% (Chart 1.1) of the total New England North West economy (in GRP terms), compared to 4.0% for regional New South Wales.

New England North West has a strong tourism sector however the region is also supported by a sizeable agricultural industry. In 2015-16, the New England North West region represented about 1.9% of the state-wide direct contribution of tourism to GRP.

Chart 1.1: Tourism's contribution to the New England North West economy, 2015-16



Source: Deloitte Access Economics' Regional TSA model.

Table 1.1 Key tourism aggregates, New England North West, 2015-16 (\$ million)

Visitor segment	Consumption	Output	GVA	GRP	Employed ('000)
Day-trippers	259	97	52	53	
Intrastate	435	195	101	113	
Interstate	239	121	63	76	
International	70	117	73	75	
Direct	1,003	531	289	317	4.2
Indirect*		570	237	273	1.7
Total impact		1,100	527	589	5.8
Total New England & North West economy			9,025	9,767	92.0

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 2015-16, tourism consumption in New England North West was \$1.0 billion, or 2.6% of total tourism consumption in New South Wales. New England North West makes up a bigger share of consumption at the state level for day-trippers (3.9%) and intrastate overnight visitors (3.7%).

In the year to 2015-16, New England North West tourism consumption fell by 12.0%. Since 2006-07, tourism consumption in New England North West has marginally decreased by 2.6%. This represents an average rate of -0.3% per annum.

New England North West's share of New South Wales tourism consumption has decreased over the last year, from 3.1% in 2014-15 to 2.6% in 2015-16.

At the industry level, the tourism products that contributed most to tourism consumption in New England North West in 2015-16 were: (1) \$187 million on takeaway and restaurant meals; (2) \$133 million on long distance passenger transportation; and (3) \$119 million on shopping (Table 1.2).

Total consumption of these products equates to \$439 million or 44% of the total New England North West tourism consumption.

Table 1.2: Tourism consumption by product, New England North West, 2015-16

Tourism product	Consumption (\$ million)	Share of total (%)
Takeaway and restaurant meals	187	18.6
Long distance passenger transportation	133	13.3
Shopping (including gifts and souvenirs)	119	11.9
Fuel (petrol, diesel)	110	11.0
Accommodation services	99	9.9
All other	355	35.3
Total - tourism	1,003	100.0

Source: Deloitte Access Economics' Regional TSA model.

The majority of visitor consumption in New England North West was contributed by intrastate overnight visitors (\$435 million). In relative terms, these visitors also spent the most per night in New England North West, \$186 on average (Table 1.3).

Table 1.3: Tourism activity summary, New England North West, 2015-16

Visitor segment	Nights ('000)	Nights (%)	Consumption (\$ million)	Consumption (%)	\$ per night
Day-trippers	1,548*	24.3	259	25.8	167**
Intrastate	2,333	36.7	435	43.4	186
Interstate	1,421	22.3	239	23.8	168
International	1,060	16.7	70	7.0	66

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 New England North West was \$289 million. In the year to 2015-16, New England North West direct GVA fell by 3.6%. Since 2006-07, direct tourism GVA in New England North West has increased by 30%, representing an average rate of 2.9% per annum.

In 2015-16, New England North West contributed 1.9% of the total New South Wales direct tourism GVA, lower than the 2.1% in 2014-15.

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

- Accommodation with \$53 million in direct GVA and \$60 million in direct GRP;
- Cafes, restaurants and takeaway food services with \$45 million in direct GVA and \$50 million in direct GRP.
- Other retail trade with \$47 million in direct GVA and \$49 million in direct GRP; and

Table 1.4: Direct tourism GVA and GRP by industry, New England North West, 2015-16

Tourism industry	Direct GVA (\$ million)	Share of total (%)	Direct GRP (\$ million)	GRP share (%)
Accommodation	53	18.4	60	19.1
Cafes, restaurants and takeaway food services	45	15.5	50	15.7
Other retail trade	47	16.3	49	15.5
Education and training	37	12.8	40	12.7
All other industries	21	7.3	24	7.6
All other	86	29.7	93	29.5
Total - tourism	289	100.0	317	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2015-16, New England North West direct tourism GVA accounted for 55% of total tourism GVA for the region, with total tourism GVA in New England North West being \$527

million. New England North West contributed 1.9% of the New South Wales total tourism GVA.

Gross Regional Product

In 2015-16, tourism’s direct contribution to New England North West’s GRP was \$317 million, equal to 3.2% of total regional GRP. In the year to 2015-16, direct tourism GRP in New England North West fell by 3.6%. Since 2006-07, direct tourism GRP in New England North West has increased by 28%, representing an average growth rate of 2.8% per annum.

New England North West’s share of direct tourism GRP in New South Wales has fallen from 2.1% in 2014-15 to 1.9% in 2015-16.

In 2015-16, direct contribution to GRP of \$317 million accounted for 54% of total tourism GRP in New England North West. The remaining \$273 million came from indirect supply industry contributions to tourism GRP in New England North West.

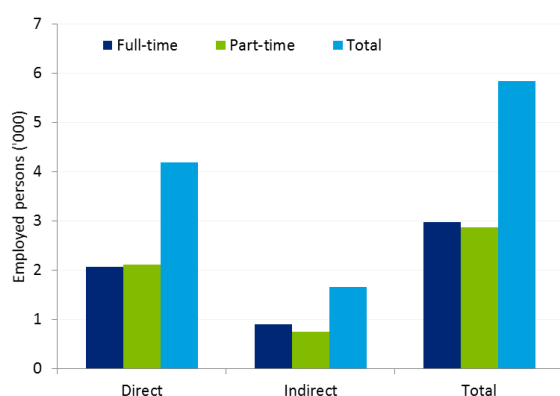
Tourism employment

TSA’s define tourism employment as the number of tourism employed persons. In 2015-16 there were 4,200 persons (made up of 2,100 full-time and 2,100 part-time) directly employed in tourism in New England North West (Chart 1.2).

In the year to 2015-16, direct tourism employment in New England North West fell by 9.4%. Since 2006-07, direct tourism employment has decreased by 14.4%, representing an average fall of 1.7% per annum.

New England North West’s share of direct tourism employment was 2.6% of the New South Wales direct tourism employment in 2015-16, lower than its 2014-15 performance of 2.8%.

Chart 1.2: Contribution of tourism to employment, New England North West, 2015-16



Source: Deloitte Access Economics’ Regional TSA model.

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

- Cafes, restaurants and takeaway food services (390 full time and 810 part time employed persons);
- Retail trade (470 full time and 440 part time employed persons); and
- Accommodation (290 full time and 320 part time employed persons).

Table 1.5: Direct tourism employed persons, New England North West, 2015-16

Tourism industry	Jobs	Share (%)
Cafes, restaurants and takeaway food services	1,210	28.8
Retail trade	920	21.9
Accommodation	610	14.5
Education and training	380	9.0
Clubs, pubs, taverns and bars	240	5.7
All other industries	230	5.5
Road transport and transport equipment rental	200	4.8
Travel agency and tour operator services	180	4.3
Other sports and recreation services	90	2.1
Air, water and other transport	60	1.4
Cultural services	60	1.4
Rail transport	20	0.5
Casinos and other gambling services	0	0.0
Total	4,200	100.0

Source: Deloitte Access Economics’ Regional TSA model.

In 2015-16, tourism’s direct contribution to New England North West’s employment, 4,200 jobs, accounted for 72% of total tourism employment in New England North West, and 1 in 22 jobs in the New England North West economy (Table 1.6).

The remaining 1,700 jobs represented tourism’s indirect contribution to employment, 1 in 56 jobs in the New England North West economy.

Table 1.6: Tourism employment and job ratio, New England North West, 2015-16

Job type	Jobs ('000)	Share (%)	Job ratio
Direct	4.2	71.7	1 in 22 jobs
Indirect	1.7	28.3	1 in 56 jobs
Total	5.8	100.0	1 in 16 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 New England North West 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.