

# North Coast Tourism Satellite Account

## 2015-16

In 2015-16, the tourism industry contributed an estimated \$2.8 billion to the North Coast regional economy (12.0% of North Coast's gross regional product) and directly employed approximately 20,700 people (8.4% of North 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 North 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 2015-16, the tourism activity in North Coast (Table 1.1) generated:

#### Tourism output

- \$2.6 billion and \$2.7 billion in direct and indirect tourism output, and \$5.3 billion in total tourism output.

#### Gross Value Added (GVA)

- \$1.4 billion and \$1.1 billion in direct and indirect tourism GVA, and \$2.5 billion in total tourism GVA.

#### Gross Regional Product (GRP)

- \$1.5 billion and \$1.3 billion in direct and indirect tourism GRP, and \$2.8 billion in total tourism GRP; and

#### Employment

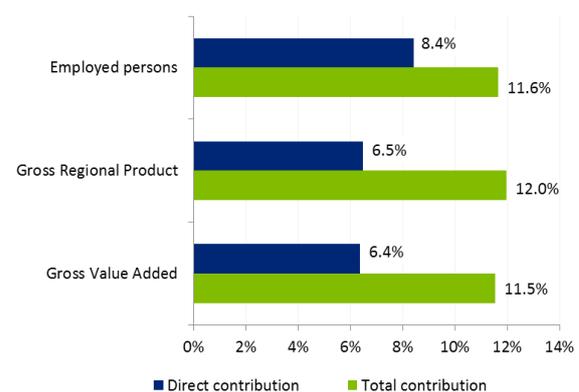
- 20,700 jobs for people employed directly by the tourism industry, 7,900 indirect jobs and a total employment impact of 28,500 people.

### Economic importance of tourism to North Coast

The ratio of North Coast's direct tourism contribution to North Coast'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 6.5% (Chart 1.1) of the total North Coast economy (in GRP terms), compared to 4.0% for regional New South Wales.

The North Coast region hosts some of the state's most popular tourist destinations, including Byron Bay, Ballina and Coffs Harbour. Accordingly, tourism is relatively more important to the region's economy. In 2015-16, the North Coast region represented about 9.5% of the state-wide direct contribution of tourism to GRP.

Chart 1.1: Tourism's contribution to the North Coast economy, 2015-16



Source: Deloitte Access Economics' Regional TSA model.

Table 1.1: Key tourism aggregates, North Coast, 2015-16 (\$ million)

Visitor segment	Consumption	Output	GVA	GRP	Employed ('000)
Day-trippers	709	345	183	187	
Intrastate	2,305	1,077	566	625	
Interstate	1,528	747	393	464	
International	284	442	257	267	
<b>Direct</b>	<b>4,825</b>	<b>2,610</b>	<b>1,399</b>	<b>1,544</b>	<b>20.7</b>
<b>Indirect*</b>		<b>2,685</b>	<b>1,136</b>	<b>1,304</b>	<b>7.9</b>
<b>Total impact</b>		<b>5,295</b>	<b>2,536</b>	<b>2,848</b>	<b>28.5</b>
<b>Total North Coast economy</b>			<b>21,989</b>	<b>23,797</b>	<b>245.2</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.

## Consumption

In 2015-16, tourism consumption in North Coast was \$4.8 billion, or 12.7% of total tourism consumption in New South Wales. North Coast makes up a bigger share of consumption at the state level for intrastate overnight (19.6%) and interstate overnight visitors (19.2%).

In the year to 2015-16, North Coast tourism consumption grew by 5.2%. Since 2006-07, tourism consumption in North Coast has increased by 31%, representing an average growth rate of 3.1 % per annum.

North Coast's share of New South Wales tourism consumption has remained stable at 12.7% over the last year.

At the industry level, the tourism products that contributed most to tourism consumption in North Coast in 2015-16 were: (1) \$917 million on takeaway and restaurant meals; (2) \$734 million on long distance passenger transportation; and (3) \$570 million on accommodation services (Table 1.2). Total consumption of these products was \$2.2 billion or 46% of the total North Coast tourism consumption.

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

Tourism product	Consumption (\$ million)	Share of total (%)
Takeaway and restaurant meals	917	19.0
Long distance passenger transportation	734	15.2
Accommodation services	570	11.8
Shopping (including gifts and souvenirs)	519	10.8
Fuel (petrol, diesel)	491	10.2
All other	1,595	33.1
<b>Total - tourism</b>	<b>4,825</b>	<b>100.0</b>

Source: Deloitte Access Economics' Regional TSA model.

The majority (48%) of visitor consumption in North Coast was contributed by intrastate overnight visitors (\$2.3 billion). Intrastate overnight visitors spent the most per night, \$189 on average (Table 1.3).

**Table 1.3: Tourism activity summary, North Coast, 2015-16**

Visitor segment	Nights ('000)	Nights (%)	Consumption (\$ million)	Consumption (%)	\$ per night
Day-trippers	6,615*	21.7	709	14.7	107**
Intrastate	12,170	39.9	2,305	47.8	189
Interstate	8,257	27.0	1,528	31.7	185
International	3,484	11.4	284	5.9	81

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 North Coast was \$1.4 billion. In the year to 2015-16, North Coast direct GVA grew 4.6%. Since 2006-07, direct tourism GVA in North Coast has increased by 50%, representing an average rate of 4.6% per annum.

In 2015-16, North Coast contributed 9.3% of the total New South Wales direct tourism GVA. North Coast's share of New South Wales direct tourism GVA has decreased marginally over the last year, from 9.5% in 2014-15.

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

- Accommodation with \$312 million in direct GVA and \$356 million in direct GRP;
- Cafes, restaurants and takeaway food services with \$251 million in direct GVA and \$278 million in direct GRP;
- Other retail trade with \$233 million in direct GVA and \$245 million in direct GRP.

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

Tourism industry	Direct GVA (\$ million)	GVA share (%)	Direct GRP (\$ million)	GRP share (%)
Accommodation	312	22.3	356	23.0
Cafes, restaurants and takeaway food services	251	18.0	278	18.0
Other retail trade	233	16.6	245	15.9
Clubs, pubs, taverns and bars	124	8.9	134	8.7
Ownership of dwellings	116	8.3	127	8.2
All other	363	25.9	405	26.2
<b>Total - tourism</b>	<b>1,399</b>	<b>100.0</b>	<b>1,544</b>	<b>100.0</b>

Source: Deloitte Access Economics' Regional TSA model.

In 2015-16, North Coast direct tourism GVA accounted for 55% of total tourism GVA for the region, with total tourism GVA in North Coast being \$2.5 billion. This made up 9.2% of the New South Wales total tourism GVA.

## Gross Regional Product

In 2015-16, tourism's direct contribution to North Coast's GRP was \$1.5 billion, 6.5% of total regional GRP. In the year to 2015-16, direct tourism GRP in North Coast grew by 6.0%. Since 2006-07, direct tourism GRP in North Coast has increased by 49%, representing an average growth rate of 4.5% per annum.

North Coast's share of direct tourism GRP in New South Wales was 9.5% in 2015-16, the same level with 2014-15.

In 2015-16, direct contribution to GRP of \$1.5 billion accounted for 54% of total tourism GRP in North Coast. The remaining \$1.3 billion came from indirect supply industry contributions to tourism GRP in North Coast.

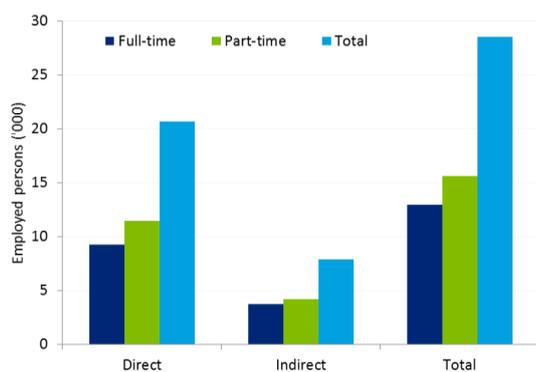
### Tourism employment

TSA's define tourism employment as the number of tourism employed persons. In 2015-16 there were 20,700 persons (made up of 9,200 full-time and 11,500 part-time) directly employed in tourism in North Coast (Chart 1.2).

In the year to 2015-16, direct tourism employment in North Coast fell by 0.2%. Since 2006-07, direct tourism employment has grown by 1.7%, representing an average growth rate of 0.2% per annum.

North Coast's share of direct tourism employment was 12.6% of the New South Wales direct tourism employment in 2015-16, the same level with 2014-15.

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



Source: Deloitte Access Economics' Regional TSA model.

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

- Cafes, restaurants and takeaway food services (2,140 full time and 4,330 part time employed persons);
- Retail trade (2,110 full time and 2,470 part time employed persons); and
- Accommodation (1,560 full time and 1,860 part time employed persons).

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

Tourism industry	Jobs	Share (%)
Cafes, restaurants and takeaway food services	6,470	31.3
Retail trade	4,580	22.1
Accommodation	3,420	16.5
Clubs, pubs, taverns and bars	1,270	6.1
Travel agency and tour operator services	1,110	5.4
Education and training	880	4.3
Road transport and transport equipment rental	810	3.9
Other sports and recreation services	720	3.5
All other industries	630	3.0
Cultural services	380	1.8
Air, water and other transport	330	1.6
Rail transport	40	0.2
Casinos and other gambling services	20	0.1
<b>Total</b>	<b>20,700</b>	<b>100.0</b>

Source: Deloitte Access Economics' Regional TSA model.

In 2015-16, tourism's direct contribution to North Coast's employment, 20,700 jobs, accounted for 72% of total tourism employment in North Coast, and 1 in 12 jobs in the North Coast economy (Table 1.6).

The remaining 7,900 jobs represented tourism's indirect contribution to employment, 1 in 31 jobs in the North Coast economy.

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

Job type	Jobs ('000)	Share (%)	North Coast job ratio
Direct	20.7	72.4	1 in 12 jobs
Indirect	7.9	27.6	1 in 31 jobs
<b>Total</b>	<b>28.5</b>	<b>100.0</b>	<b>1 in 9 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 North 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 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.