

Regional NSW Tourism Satellite Account

2015-16

In 2015-16, the tourism industry contributed an estimated \$11.4 billion to Regional NSW regional economy (7.4 % of Regional NSW's gross regional product) and directly employed approximately 81,300 people (5.9% of Regional NSW's total 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 Regional NSW 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 Regional NSW (Table 1.1) generated:

Tourism output

- \$10.6 billion and \$10.7 billion in direct and indirect tourism output, and \$21.3 billion in total tourism output.

Gross Value Added (GVA)

- \$5.7 billion and \$4.5 billion in direct and indirect tourism GVA, and \$10.2 billion in total tourism GVA.

Gross Regional Product (GRP)

- \$6.3 billion and \$5.1 billion in direct and indirect tourism GRP, and \$11.4 billion in total tourism GRP; and

Employment

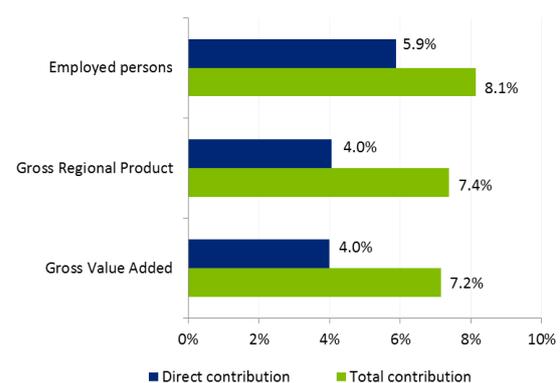
- 81,300 jobs for people employed directly by the tourism industry, 31,200 indirect jobs and a total employment impact of 112,500 people.

Economic importance of tourism to Regional NSW

The ratio of Regional NSW's direct tourism contribution to the Regional NSW overall 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 4.0% (Chart 1.1) of the total Regional NSW economy (in GRP terms), compared to 2.6% for Sydney.

Regional NSW has a strong tourism sector, attracting many visitors to the North Coast, Hunter, South Coast and other regions. Regional NSW represents about 38% of the state-wide direct contribution of tourism to GRP.

Chart 1.1: Tourism's contribution to the Regional NSW economy, 2015-16



Source: Deloitte Access Economics' Regional TSA model.

Table 1.1 Key tourism aggregates, Regional NSW, 2015-16 (\$ million)

Visitor segment	Consumption	Output	GVA	GRP	Employed ('000)
Day-trippers	4,135	1,805	955	976	
Intrastate	9,314	4,411	2,310	2,554	
Interstate	4,030	2,432	1,286	1,524	
International	1,216	1,977	1,158	1,201	
Direct	18,695	10,625	5,709	6,256	81.3
Indirect*		10,685	4,500	5,163	31.2
Total impact		21,310	10,209	11,419	112.5
Total regional NSW economy			142,779	154,516	1,383

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 Regional NSW was \$18.7 billion, equal to 49% of total tourism consumption in New South Wales. Regional NSW makes up a bigger share of consumption at the state level for day-trippers (63%) and intrastate overnight visitors (79 %).

In the year to 2015-16, Regional NSW tourism consumption remained constant. Since 2006-07, tourism consumption in Regional NSW has increased by 32%, representing an average growth rate of 3.1% per annum. Regional NSW's share of New South Wales tourism consumption has decreased over the last year, from 52% in 2014-15 to 49% in 2015-16.

At the industry level, the tourism products that contributed most to tourism consumption in Regional NSW in 2015-16 were: (1) \$3.5 billion on takeaway and restaurant meals; (2) \$2.6 billion on long distance passenger transportation; and (3) \$2.2 billion on accommodation services (Table 1.2). Total consumption of these products equates to \$8.3 billion or 44% of the total Regional NSW tourism consumption.

Table 1.2: Tourism consumption by product, Regional NSW, 2015-16

Tourism product	Consumption (\$ million)	Share of total (%)
Takeaway and restaurant meals	3,498	18.7
Long distance passenger transportation	2,601	13.9
Accommodation services	2,154	11.5
Shopping (including gifts and souvenirs)	2,032	10.9
Fuel (petrol, diesel)	1,937	10.4
All other	6,473	34.6
Total - tourism	18,695	100.0

Source: Deloitte Access Economics' Regional TSA model.

The largest portion of visitor consumption in Regional NSW was contributed by intrastate overnight visitors (\$9.3 billion). In relative terms, those visitors also spent the most per night, \$209 on average (Table 1.3).

Table 1.3: Tourism activity summary, Regional NSW, 2015-16

Visitor segment	Nights ('000)	Nights (%)	Consumption (\$ million)	Consumption (%)	\$ per night
Day-trippers	36,302*	30.7	4,135	22.1	114**
Intrastate	44,660	37.8	9,314	49.8	209
Interstate	23,497	19.9	4,030	21.6	172
International	13,714	11.6	1,216	6.5	89

Source: Tourism Research Australia Visitor Surveys and Deloitte Access Economics' Regional TSA model.

* Relates to visitor numbers for day-trippers.

** Related to \$ spend per day-trip visitor.

Gross Value Added

In 2015-16, direct tourism GVA in Regional NSW was \$5.7 billion. In the year to 2015-16, Regional NSW direct GVA grew by 2.3%. Since 2006-07, direct tourism GVA in Regional NSW has increased by 52%, representing an average rate of 4.8% per annum.

Regional NSW contributed 38% of the total New South Wales direct tourism GVA. Regional NSW's share of New South Wales direct tourism GVA has decreased over the last year, from 40% in 2014-15.

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

- Accommodation with \$1.1 billion in direct GVA and \$1.2 billion in direct GRP;
- Cafes, restaurants and takeaway food services with \$1.0 billion in direct GVA and \$1.1 billion in direct GRP;
- Other retail trade with \$0.9 billion in direct GVA and \$0.9 billion in direct GRP.

Table 1.4: Direct tourism GVA and GRP by industry, Regional NSW, 2015-16

Tourism industry	Direct GVA (\$ million)	GVA share (%)	Direct GRP (\$ million)	GRP share (%)
Accommodation	1,095	19.2	1,243	19.9
Cafes, restaurants and takeaway food services	1,014	17.8	1,119	17.9
Other retail trade	909	15.9	948	15.2
Clubs, pubs, taverns and bars	502	8.8	536	8.6
Ownership of dwellings	473	8.3	516	8.2
All other	1,714	30.0	1,894	30.3
Total - tourism	5,709	100.0	6,256	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2015-16, Regional NSW direct tourism GVA accounted for 56% of total tourism GVA for the region, with total tourism GVA in Regional NSW being \$10.2 billion. Regional NSW made up 37% of the New South Wales total tourism GVA.

Gross Regional Product

In 2015-16, tourism's direct contribution to Regional NSW GRP was \$6.3 billion, equal to 4.0% of total regional GRP. In the year to 2015-16, direct tourism GRP in Regional NSW grew by 3.2%. Since 2006-07, direct tourism GRP in Regional NSW has increased by 50%, representing an average growth rate of 4.6 % per annum.

Regional NSW's share of direct tourism GRP in New South Wales was 38% in 2015-16, falling slightly from 40% in 2014-15.

In 2015-16, direct contribution to GRP of \$6.3 billion accounted for 55% of total tourism GRP in Regional NSW. The remaining \$5.2 billion came from indirect supply industry contributions to tourism GRP in Regional NSW.

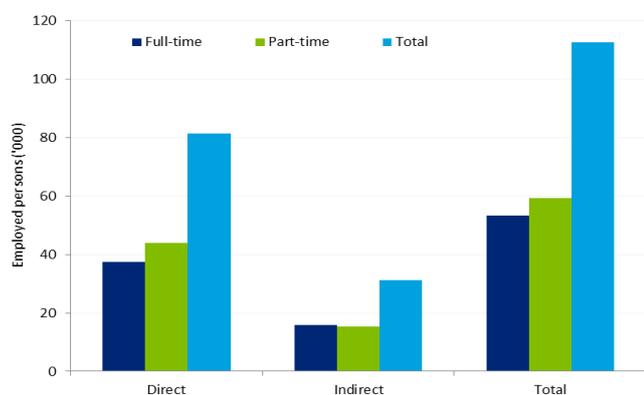
Tourism employment

TSA's define tourism employment as the number of tourism employed persons. In 2015-16 there were 81,300 persons (made up of 37,400 full-time and 43,900 part-time) directly employed in tourism in Regional NSW (Chart 1.2).

In the year to 2015-16, direct tourism employment in Regional NSW fell by 2.8%. Since 2006-07, direct tourism employment has grown by 3.2%, representing an average increase of 0.4% per annum.

Regional NSW's share of direct tourism employment was 50% of the New South Wales direct tourism employment in 2015-16, decreasing from 51% in 2014-15.

Chart 1.2: Contribution of tourism to employment, Regional NSW, 2015-16



Source: Deloitte Access Economics' Regional TSA model.

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

- Cafes, restaurants and takeaway food services (8,660 full time and 17,660 part time employed persons);
- Retail trade (8,110 full time and 9,300 part time employed persons);
- Accommodation (5,700 full time and 6,350 part time employed persons).

Table 1.5: Direct tourism employed persons, Regional NSW, 2015-16

Tourism industry	Jobs	Share (%)
Cafes, restaurants and takeaway food services	26,320	32.4
Retail trade	17,400	21.4
Accommodation	12,050	14.8
Education and training	5,160	6.3
Air, water and other transport	4,250	5.2
Travel agency and tour operator services	3,870	4.8
Clubs, pubs, taverns and bars	3,160	3.9
All other industries	3,020	3.7
Road transport and transport equipment rental	2,920	3.6
Cultural services	1,430	1.8
Other sports and recreation services	1,330	1.6
Rail transport	370	0.5
Casinos and other gambling services	50	0.1
Total	81,300	100.0

In 2015-16, tourism's direct contribution to Regional NSW employment, 81,300 jobs, accounted for 72% of total tourism employment in Regional NSW, and 1 in 17 jobs in the Regional NSW economy (Table 1.6).

The remaining 31,200 jobs represented tourism's indirect contribution to employment, 1 in 44 jobs in the Regional NSW economy.

Table 1.6: Tourism employment and job ratio, Regional NSW, 2015-16

Job type	Jobs ('000)	Share (%)	Job ratio
Direct	81.3	72.3	1 in 17 jobs
Indirect	31.2	27.7	1 in 44 jobs
Total	112.5	100.0	1 in 12 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 Regional NSW 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.