

# Riverina Tourism Satellite Account

## 2015-16

In 2015-16, the tourism industry contributed an estimated \$456 million to the Riverina regional economy (5.5% of Riverina's gross regional product) and directly employed approximately 3,000 people (3.9% of Riverina'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 Riverina 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 Riverina (Table 1.1) generated:

#### Tourism output

- \$401 million and \$447 million in direct and indirect tourism output, and \$848 million in total tourism output.

#### Gross Value Added (GVA)

- \$221 million and \$186 million in direct and indirect tourism GVA, and \$407 million in total tourism GVA.

#### Gross Regional Product (GRP)

- \$242 million and \$213 million in direct and indirect tourism GRP, and \$456 million in total tourism GRP; and

#### Employment

- 3,000 jobs for people employed directly by the tourism industry, 1,300 indirect jobs and a total employment impact of 4,300 people.

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

| Visitor segment               | Consumption | Output     | GVA          | GRP          | Employed ('000) |
|-------------------------------|-------------|------------|--------------|--------------|-----------------|
| Day-trippers                  | 179         | 71         | 39           | 39           |                 |
| Intrastate                    | 309         | 147        | 77           | 86           |                 |
| Interstate                    | 179         | 96         | 51           | 61           |                 |
| International                 | 43          | 88         | 54           | 56           |                 |
| <b>Direct</b>                 | <b>710</b>  | <b>401</b> | <b>221</b>   | <b>242</b>   | <b>3.0</b>      |
| <b>Indirect*</b>              |             | <b>447</b> | <b>186</b>   | <b>213</b>   | <b>1.3</b>      |
| <b>Total impact</b>           |             | <b>848</b> | <b>407</b>   | <b>456</b>   | <b>4.3</b>      |
| <b>Total Riverina economy</b> |             |            | <b>7,599</b> | <b>8,224</b> | <b>76.4</b>     |

Source: Deloitte Access Economics' Regional TSA model.

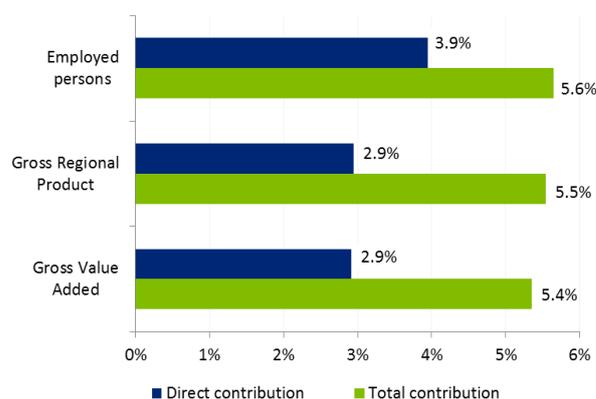
\* Regional indirect contribution does not include regional contribution to the rest of Australia. Total indirect contribution in the State Tourism Satellite Account however includes contribution to the rest of Australia.

### Economic importance of tourism to Riverina

The ratio of Riverina's direct tourism contribution to Riverina'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 2.9% (Chart 1.1) of the total Riverina economy (in GRP terms), compared to 4.0% for regional New South Wales.

The Riverina region has a strong tourism sector however the region is also supported by a strong agriculture sector and robust tertiary industry presence. The Riverina region represents about 1.5% of the state-wide direct contribution of tourism to GRP.

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



Source: Deloitte Access Economics' Regional TSA model.

## Consumption

In 2015-16, tourism consumption in Riverina was \$710 million, equal to 1.9% of total tourism consumption in New South Wales. The Riverina region makes up a bigger share of consumption at the state level for day-trippers (2.7%) and intrastate overnight visitors (2.6%).

In the year to 2015-16, Riverina tourism consumption declined by 13.9%. Since 2006-07, tourism consumption in Riverina has increased by 31%, representing an average growth rate of 3.1% per annum.

Riverina's share of New South Wales tourism consumption declined over the last year, from 2.3% in 2014-15. At the industry level, the tourism products that contributed most to tourism consumption in Riverina in 2015-16 were: (1) \$133 million on takeaway and restaurant meals; (2) \$96 million on long distance passenger transportation; and (3) \$84 million on shopping (Table 1.2).

Total consumption of these products was \$313 million or 44% of the total Riverina tourism consumption.

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

| Tourism product                          | Consumption (\$ million) | Share of total (%) |
|--|--------------------------|--------------------|
| Takeaway and restaurant meals            | 133                      | 18.7               |
| Long distance passenger transportation   | 96                       | 13.5               |
| Shopping (including gifts and souvenirs) | 84                       | 11.8               |
| Fuel (petrol, diesel)                    | 78                       | 11.0               |
| Accommodation services                   | 71                       | 10.0               |
| All other                                | 248                      | 34.9               |
| <b>Total - tourism</b>                   | <b>710</b>               | <b>100.0</b>       |

Source: Deloitte Access Economics' Regional TSA model.

The majority of visitor consumption in Riverina was contributed by intrastate overnight visitors (\$309 million). In relative terms, these visitors also spent the most per night, \$180 on average (Table 1.3).

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

| Visitor segment | Nights ('000) | Nights (%) | Consumption (\$ million) | Consumption (%) | \$ per night |
|-----------------|---------------|------------|--------------------------|-----------------|--------------|
| Day-trippers    | 1,191*        | 25.6       | 179                      | 25.3            | 151**        |
| Intrastate      | 1,717         | 36.9       | 309                      | 43.5            | 180          |
| Interstate      | 1,141         | 24.5       | 179                      | 25.1            | 156          |
| International   | 608           | 13.1       | 43                       | 6.1             | 71           |

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 Riverina was \$221 million, its highest level since 2006-07 (nominally). In the year to 2015-16, Riverina direct GVA declined by 3.2%. Since 2006-07, direct tourism GVA in Riverina has increased by 53%, representing an average rate of 4.9% per annum.

Riverina contributed 1.5% of the total New South Wales direct tourism GVA. This is a slight decrease from the 1.6% share in 2014-15.

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

- Accommodation with \$38 million in direct GVA and \$43 million in direct GRP;
- Other retail trade with \$38 million in direct GVA and \$40 million in direct GRP; and
- Cafes, restaurants and takeaway food services with \$32 million in direct GVA and \$35 million in direct GRP.

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

| Tourism industry                              | Direct GVA (\$ million) | Share of total (%) | Direct GRP (\$ million) | GRP share (%) |
|---|-------------------------|--------------------|-------------------------|---------------|
| Accommodation                                 | 38                      | 17.1               | 43                      | 17.8          |
| Other retail trade                            | 38                      | 17.1               | 40                      | 16.3          |
| Cafes, restaurants and takeaway food services | 32                      | 14.4               | 35                      | 14.6          |
| Education and training                        | 25                      | 11.1               | 27                      | 11.0          |
| Ownership of dwellings                        | 21                      | 9.4                | 23                      | 9.4           |
| All other                                     | 68                      | 30.8               | 75                      | 31.0          |
| <b>Total - tourism</b>                        | <b>221</b>              | <b>100.0</b>       | <b>242</b>              | <b>100.0</b>  |

Source: Deloitte Access Economics' Regional TSA model.

In 2015-16, Riverina direct tourism GVA accounted for 54% of total tourism GVA for the region, with total tourism GVA in Riverina being \$407 million. Riverina made up 1.5% of the New South Wales total tourism GVA.

## Gross Regional Product

In 2015-16, tourism's direct contribution to Riverina's GRP was \$242 million, equal to 2.9% of total regional GRP. In the year to 2015-16, direct tourism GRP in Riverina declined by 2.6%. Since 2006-07, direct tourism GRP in Riverina has increased by 54%, representing an average growth rate of 4.9% per annum.

In 2015-16, Riverina's share of direct tourism GRP in New South Wales was 1.5%, marginally lower than the 2014-15 1.6% performance.

In 2015-16, direct contribution to GRP of \$242 million accounted for 53% of total tourism GRP in Riverina. The remaining \$213 million came from indirect supply industry contributions to tourism GRP in Riverina.

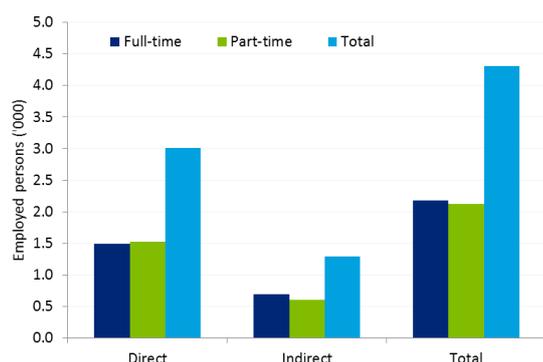
### Tourism employment

TSA's define tourism employment as the number of tourism employed persons. In 2015-16 there were 3,000 persons (made up of 1,500 full-time and 1,500 part-time) directly employed in tourism in Riverina (Chart 1.2).

In the year to 2015-16, direct tourism employment in Riverina declined by 9.3%. Since 2006-07, direct tourism employment has grown by 2.8%, representing an average growth rate of 0.3% per annum.

Riverina's share of direct tourism employment was 1.8% of the New South Wales direct tourism employment in 2015-16, a decline from the 2014-15 2.0% contribution.

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



Source: Deloitte Access Economics' Regional TSA model.

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

- Cafes, restaurants and takeaway food services (330 full time and 540 part time employed persons);
- Retail trade (370 full time and 360 part time employed persons); and
- Accommodation (180 full time and 260 part time employed persons).

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

| Tourism industry                              | Jobs         | Share (%)    |
|---|--------------|--------------|
| Cafes, restaurants and takeaway food services | 870          | 29.0         |
| Retail trade                                  | 720          | 24.0         |
| Accommodation                                 | 440          | 14.7         |
| Education and training                        | 240          | 8.0          |
| All other industries                          | 170          | 5.7          |
| Clubs, pubs, taverns and bars                 | 170          | 5.7          |
| Road transport and transport equipment rental | 140          | 4.7          |
| Travel agency and tour operator services      | 100          | 3.3          |
| Air, water and other transport                | 50           | 1.7          |
| Other sports and recreation services          | 50           | 1.7          |
| Cultural services                             | 20           | 0.7          |
| Rail transport                                | 20           | 0.7          |
| Casinos and other gambling services           | 0            | 0.0          |
| <b>Total</b>                                  | <b>3,000</b> | <b>100.0</b> |

Source: Deloitte Access Economics' Regional TSA model.

In 2015-16, tourism's direct contribution to Riverina's employment, 3,000 jobs, accounted for 70% of total tourism employment in Riverina, and 1 in 25 jobs in the Riverina economy (Table 1.6).

The remaining 1,300 jobs represented tourism's indirect contribution to employment, 1 in 59 jobs in the Riverina economy.

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

| Job type     | Jobs ('000) | Share (%)    | Job ratio           |
|--------------|-------------|--------------|---------------------|
| Direct       | 3.0         | 69.9         | 1 in 25 jobs        |
| Indirect     | 1.3         | 30.1         | 1 in 59 jobs        |
| <b>Total</b> | <b>4.3</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 Riverina 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.