

Snowy Mountains Satellite Account

2015-16

In 2015-16, the tourism industry contributed an estimated \$422 million to the Snowy Mountains regional economy (20.1% of Snowy Mountains' gross regional product) and directly employed approximately 3,200 people (16.0% of Snowy Mountains' 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 Snowy Mountains 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 Snowy Mountains (Table 1.1) generated:

Tourism output

- \$484 million and \$315 million in direct and indirect tourism output, and \$799 million in total tourism output.

Gross Value Added (GVA)

- \$242 million and \$133 million in direct and indirect tourism GVA, and \$375 million in total tourism GVA.

Gross Regional Product (GRP)

- \$269 million and \$153 million in direct and indirect tourism GRP, and \$422 million in total tourism GRP; and

Employment

- 3,200 jobs for people employed directly by the tourism industry, 900 indirect jobs and a total employment impact of 4,100 people.

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

Visitor segment	Consumption	Output	GVA	GRP	Employed ('000)
Day-trippers	73	39	18	19	
Intrastate	496	249	126	141	
Interstate	127	116	56	68	
International	20	80	41	41	
Direct	717	484	242	269	3.2
Indirect*		315	133	153	0.9
Total impact		799	375	422	4.1
Total Snowy Mountains economy			1,944	2,104	19.8

Source: Deloitte Access Economics' Regional TSA model.

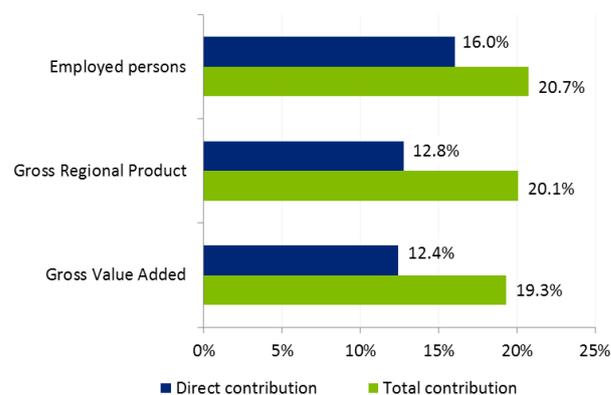
* Regional indirect contribution does not include regional contribution to the rest of Australia. Total indirect contribution in the State Tourism Satellite Account however includes contribution to the rest of Australia.

Economic importance of tourism to Snowy Mountains

The ratio of Snowy Mountains direct tourism contribution to the Snowy Mountains 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 12.8% (Chart 1.1) of the total Snowy Mountains economy (in GRP terms), compared to 4.0% for regional New South Wales.

The Snowy Mountains region is home to some of Australia's leading skiing destinations, including Perisher and Thredbo. Accordingly, its economy is relatively dependent on the tourism sector. The Snowy Mountains region represents about 1.7% of the state-wide direct contribution of tourism to GRP.

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



Source: Deloitte Access Economics' Regional TSA model.

Consumption

In 2015-16, tourism consumption in Snowy Mountains was \$717 million, equal to 1.9% of total tourism consumption in New South Wales. Snowy Mountains makes up a bigger share of consumption at the state level for intrastate overnight visitors (4.2%).

In the year to 2015-16, tourism consumption in Snowy Mountains declined by 5.8%. Since 2006-07, tourism consumption in Snowy Mountains has increased by 32%, representing an average growth rate of 3.1% per annum.

The Snowy Mountains' share of New South Wales tourism consumption has decreased over the last year, from 2.1% in 2014-15 to 1.9% in 2015-16.

At the industry level, the tourism products that contributed most to tourism consumption in the Snowy Mountains in 2015-16 were: (1) \$136 million on takeaway and restaurant meals; (2) \$115 million on long distance passenger transportation; and (3) \$86 million on accommodation (Table 1.2).

Total consumption of these products equates to \$338 million or 47% of the total Snowy Mountains tourism consumption.

Table 1.2: Tourism consumption by product, Snowy Mountains, 2015-16

Tourism product	Consumption (\$ million)	Share of total (%)
Takeaway and restaurant meals	136	19.0
Long distance passenger transportation	115	16.1
Accommodation services	86	12.0
Fuel (petrol, diesel)	75	10.4
Shopping (including gifts and souvenirs)	71	9.9
All other	234	32.6
Total - tourism	717	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2015-16, the majority (69%) of visitor consumption in Snowy Mountains was contributed by intrastate overnight visitors (\$496 million). In relative terms, these visitors also spent the most per night, \$284 on average (Table 1.3).

Table 1.3: Tourism activity summary, Snowy Mountains, 2015-16

Visitor segment	Nights ('000)	Nights (%)	Consumption (\$ million)	Consumption (%)	\$ per night
Day-trippers	719*	20.0	73	10.3	102*
Intrastate	1,748	48.7	496	69.2	284
Interstate	823	22.9	127	17.7	154
International	299	8.3	20	2.9	68

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 per day.

Gross Value Added

In 2015-16, direct tourism GVA in Snowy Mountains was \$242 million. In the year to 2015-16, Snowy Mountains direct GVA decreased by 1.2%. Since 2006-07, direct tourism GVA in the Snowy Mountains has increased by 48%, representing an average rate of 4.4% per annum.

In 2015-16, Snowy Mountains contributed 1.6% of the total New South Wales direct tourism GVA. The Snowy Mountains' share of New South Wales direct tourism GVA has decreased over the last year, from 1.7% in 2014-15.

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

- Accommodation with \$94 million in direct GVA and \$107 million in direct GRP;
- Cafes, restaurants and takeaway food services with \$32 million in direct GVA and \$35 million in direct GRP; and
- Air, water and other transport with \$21 million in direct GVA and \$25 million in direct GRP.

Table 1.4: Direct tourism GVA and GRP by industry, Snowy Mountains, 2015-16

Tourism industry	Direct GVA (\$ million)	Share of total (%)	Direct GRP (\$ million)	GRP share (%)
Accommodation	94	39.1	107	39.7
Cafes, restaurants and takeaway food services	32	13.1	35	12.9
Air, water and other transport	21	8.7	25	9.2
Other retail trade	20	8.2	20	7.6
Clubs, pubs, taverns and bars	16	6.5	17	6.1
All other	59	24.5	66	24.5
Total - tourism	242	100.0	269	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2015-16, direct tourism GVA in Snowy Mountains accounted for 64% of total tourism GVA for the region, with total tourism GVA being \$375 million. This made up 1.4% of the New South Wales total tourism GVA.

Gross Regional Product

In 2015-16, tourism's direct contribution to the Snowy Mountains' GRP was \$269 million, or 12.8% of total GRP. In the year to 2015-16, direct tourism GRP in Snowy Mountains remained stable. Since 2006-07, direct tourism GRP in Snowy Mountains has increased by 48%, representing an average growth rate of 4.5% per annum.

The Snowy Mountains' share of direct tourism GRP in New South Wales was 1.7% in 2015-16, decreasing from 1.8% in 2014-15.

In 2015-16, direct tourism contribution to GRP of \$269 million accounted for 64% of total tourism GRP in Snowy Mountains. The remaining \$153 million came from indirect supply industry contributions to total tourism GRP in Snowy Mountains.

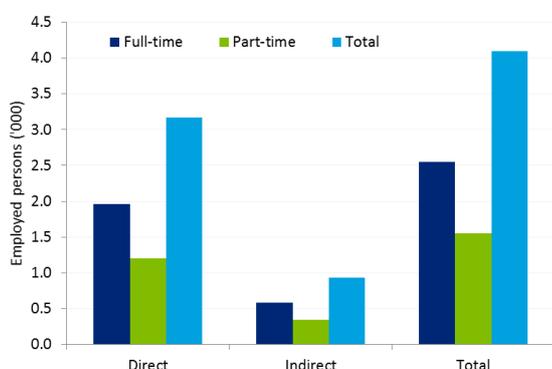
Tourism employment

TsAs define tourism employment as the number of tourism employed persons. In 2015-16 there were 3,200 persons (made up of 2,000 full-time and 1,200 part-time) directly employed in tourism in Snowy Mountains (Chart 1.2).

In the year to 2015-16, direct tourism employment in Snowy Mountains fell by 7.0%. Since 2006-07, direct tourism employment grew by 0.9%, representing an average growth rate of 0.1% per annum.

Snowy Mountains' share of New South Wales direct tourism employment was 1.9% in 2015-16, decreasing from 2.1% in 2014-15.

Chart 1.2: Contribution of tourism to employment, Snowy Mountains, 2015-16



Source: Deloitte Access Economics' Regional TSA model.

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

- Accommodation (680 full time and 300 part time employed persons);
- Cafes, restaurants and takeaway food services (370 full time and 380 part time employed persons); and
- Retail trade (210 full time and 180 part time employed persons).

Table 1.5: Direct tourism employed persons, Snowy Mountains, 2015-16

Tourism industry	Jobs	Share (%)
Accommodation	970	30.3
Cafes, restaurants and takeaway food services	750	23.4
Retail trade	390	12.2
Other sports and recreation services	310	9.7
Clubs, pubs, taverns and bars	150	4.7
Travel agency and tour operator services	150	4.7
Road transport and transport equipment rental	130	4.1
Air, water and other transport	100	3.1
Cultural services	80	2.5
All other industries	80	2.5
Education and training	60	1.9
Casinos and other gambling services	0	0.0
Rail transport	0	0.0
Total	3,200	100.0

Source: Deloitte Access Economics' Regional TSA model.

In 2015-16, tourism's direct contribution to Snowy Mountains' employment, 3,200 jobs, accounted for 77% of total tourism employment in the region, or 1 in 6 jobs in the Snowy Mountains economy (Table 1.6).

The remaining 900 jobs represented tourism's indirect contribution to employment, 1 in 21 jobs in the Snowy Mountains economy.

Table 1.6: Tourism employment and job ratio, Snowy Mountains, 2015-16

Job type	Jobs ('000)	Share (%)	Job ratio
Direct	3.2	77.3	1 in 6 jobs
Indirect	0.9	22.7	1 in 21 jobs
Total	4.1	100.0	1 in 5 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 Snowy Mountains 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.