Tourism is a significant part of the NSW economy. In 2017-18, tourism contributed $42.5 billion (Tourism Consumption) to the NSW economy and employed 278,200 people.

This document provides a summary of tourism’s contribution to the economy of NSW based on the following reports from Tourism Research Australia:

- **State Tourism Satellite Accounts** – details the economic contribution of tourism in terms of Employment, Consumption, Gross Value Added (GVA) and Gross State Product (GSP). These indicators are measured in terms of direct and indirect contribution to the economy, with direct contribution being the key measure.

- **Tourism Businesses in Australia** – focuses on tourism business count by employment size, industry type, location and financial performance.

**KEY RESULTS**

In 2017-18 tourism made the following contributions to the economy of NSW:

**Employment**
- Tourism employed 278,200 persons, or 1 in every 14 jobs in the state. Tourism directly employed 182,900 people with a further 95,400 people employed indirectly.

**Consumption**
- Tourism consumption reached $42.5 billion. Domestic tourism accounted for $29.4 billion with international tourism contributing a further $13.1 billion.

**Gross Value Added (GVA)**
- Tourism’s GVA was $31.9 billion. Direct GVA accounted for $16.1 billion with indirect GVA accounting for a further $15.7 billion.

**Gross State Product (GSP)**
- Tourism’s GSP contribution was $35.6 billion. The direct GSP contribution was $17.5 billion with an indirect contribution of $18.1 billion.

**Tourism Businesses**
- There were 98,164 businesses involved in tourism in NSW as at June 2017. Around 65.6 per cent of tourism businesses were in Sydney and 34.4 per cent were in regional NSW.

**NOTES**

Tourism Consumption is the total value of tourism goods and services consumed by residents and visitors from overseas in Australia.

Gross Value Added (GVA) is total labour income and capital revenue by industry plus net taxes that government receives from production.

Gross State Product (GSP) is the Tourism GVA plus net taxes on products attributable to the tourism industry.

More definitions are contained within and at the end this document.
NSW contributed the most to the Australian economy – 28.3 per cent of national direct tourism employment, 29.6 per cent of national tourism consumption, 30.7 per cent of national direct tourism Gross Value Added, 30.6 per cent of national direct Gross Domestic Product and 34.2 per cent of all tourism businesses in Australia.

**EMPLOYMENT**

In 2017-18, there were 182,900 direct tourism jobs in NSW, which equates to 4.6 per cent of all jobs or 1 in 22 jobs in the State. Direct tourism employed persons accounted for 65.7 per cent of NSW tourism jobs in 2017-18. More than half of these persons worked full time (53 per cent).

NSW had the highest share of direct tourism employment in Australia at 28.3 per cent, followed by Victoria (24 per cent) and Queensland (23 per cent).

In 2017-18, direct tourism employment in NSW increased by 4 per cent on previous year. Since 2006-07, direct tourism employment in NSW has increased by 26 per cent, equal to a compound average growth rate of 2.1 per cent per annum.

In 2017-18, direct tourism employment in NSW increased by 4 per cent on previous year. Since 2006-07, direct tourism employment in NSW has increased by 26 per cent, equal to a compound average growth rate of 2.1 per cent per annum.

NSW had 95,400 indirect tourism jobs, which equates to 1 in 41 jobs in NSW and accounted for 34.3 per cent of NSW tourism jobs. In 2017-18, the State recorded its highest number of indirect tourism jobs since 2006-07.

The largest share of direct tourism employment in NSW comes from the café / restaurant / takeaway food sector with 48,300 jobs or 27.3 per cent of total state direct tourism employment. Other major contributors to NSW direct tourism employment include the retail trade, accommodation, and education and training.

Compared to the same industry segment in Australia, rail transport had the largest share of national direct tourism employment (1,200 or 44.4 per cent), followed by cultural services (5,200 or 31.3 per cent).

**NSW Tourism Employment and Job Ratio 2017-18**

<table>
<thead>
<tr>
<th>JOB TYPE</th>
<th>JOBS (000’s)</th>
<th>SHARE</th>
<th>NSW JOB RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>182.9</td>
<td>65.7%</td>
<td>1 in 22 Jobs</td>
</tr>
<tr>
<td>Indirect</td>
<td>95.4</td>
<td>34.3%</td>
<td>1 in 41 Jobs</td>
</tr>
<tr>
<td>Total</td>
<td>278</td>
<td>100%</td>
<td>1 in 14 Jobs</td>
</tr>
</tbody>
</table>

**Employed Person** – A person aged 15 years or over who during the reference week worked for one hour or more for pay, profit, commission or payment in kind in a job or business or on a farm, or worked for one hour or more without pay in a family business or on a farm.
CONSUMPTION

In 2017-18, tourism consumption in NSW was $42.5 billion, the highest level since 2006-07.

NSW had the highest share of tourism consumption in Australia at 29.6 per cent, followed by Victoria (23.1 per cent) and Queensland (22.7 per cent).

In 2017-18, tourism consumption in NSW grew by 6.6 per cent on previous year. Since 2006-07, tourism consumption in NSW has increased by 54.4 per cent, equal to a compound average growth rate of 4.0 per cent per annum.

In 2017-18, domestic tourism consumption was $29.4 billion, accounting for 69.1 per cent of total tourism consumption in NSW. The remaining $13.1 billion or 30.9 per cent was international consumption, which achieved its second highest share of total consumption since 2006-07.

Both domestic and international tourism consumption achieved their highest levels in 2017-18.

In 2017-18, domestic tourism consumption was $29.4 billion, accounting for 69.1 per cent of total tourism consumption in NSW. The remaining $13.1 billion or 30.9 per cent was international consumption, which achieved its second highest share of total consumption since 2006-07.

Both domestic and international tourism consumption achieved their highest levels in 2017-18.

Intrastate travel contributed the most to domestic tourism consumption, accounting for 32.3 per cent of total consumption.

Intrastate consumption has outgrown interstate and day trip consumption, up 49.2 per cent on 2006-07 (interstate and day trip, both up 44.8 per cent).

The largest share of tourism consumption in NSW comes from takeaway and restaurant meals, valued at $6.6 billion or 16 per cent of the total State tourism consumption. Other major contributors to NSW tourism consumption include long distance passenger shopping, transport and accommodation services.

NSW education services had the largest share of tourism consumption products in Australia, valued at $2.5 billion or 33.5 per cent of national education services.

Tourism Consumption – The total value of tourism goods and services consumed by residents and visitors from overseas in Australia. It includes household, business and government tourism consumption. It represents the price paid by the visitor (which therefore includes taxes and subsidies) and is measured in purchasers’ prices.
GROSS VALUE ADDED (GVA)

In 2017-18, direct tourism GVA in NSW was $16.1 billion, the highest level since 2006-07. This equates to 2.9 per cent of the total NSW GVA.

NSW had the highest share of national direct tourism GVA at 30.7 per cent, followed by Queensland (23.3 per cent) and Victoria (22.4 per cent).

In 2017-18, direct tourism GVA in NSW grew by 7 per cent on previous year. Since 2006-07, direct tourism GVA in NSW has increased by 67.1 per cent, equal to a compound average rate of 4.8 per cent per annum.

In 2017-18, direct tourism GVA accounted for 50.6 per cent of total tourism GVA for NSW. This was the highest share of direct tourism GVA to total NSW tourism GVA since 2006-07.

The remaining $15.7 billion or 49.4 per cent was indirect tourism GVA.

Both direct and indirect tourism GVA achieved their highest levels in 2017-18.

Total tourism GVA (both direct and indirect) in NSW was equal to $31.9 billion, the highest level since 2006-07. This equates to 30.4 per cent of the national tourism GVA and 5.7 per cent of the total NSW GVA.

Domestic visitation accounts for 67.5 per cent of direct tourism GVA compared to international tourism which accounts for 32.5 per cent. Intrastate tourism accounts for the largest share of the domestic market with 35.0 per cent of NSW direct tourism GVA.

The largest share of direct tourism GVA in NSW comes from the air, water and other transport sector. The direct GVA contribution of this industry equates to $2.3 billion or 14.4 per cent of the State direct tourism GVA. While the accommodation sector in NSW has the largest share of that industry in Australia (33.3 per cent).

Other major contributors to NSW direct tourism GVA include accommodation, other retail trade and cafes/restaurants/takeaway food.

Gross Value Added (GVA) – GVA includes the total labour income and capital revenue received by the industry and the net taxes that government receives from the production, and is measured in basic prices.
GROSS STATE PRODUCT (GSP)

In 2017-18, direct tourism contribution to GSP in NSW was $17.5 billion, the highest level since 2006-07. This equates to 2.9 per cent of the total NSW GSP.

NSW had the highest share of national direct tourism GSP at 30.6 per cent, followed by Queensland (23.4 per cent) and Victoria (22.3 per cent).

In 2017-18, direct tourism GSP in NSW grew by 7 per cent on previous year. Since 2006-07, direct tourism GSP in NSW has increased by 65.8 per cent, equal to a compound average rate of 4.7 per cent per annum.

In 2017-18, direct contribution to tourism GSP accounted for 49.2 per cent of total tourism GSP for NSW.

The remaining $18.1 billion or 50.8 per cent were from indirect contribution, the highest level since 2006-07. This has grown by 6 per cent in 2017-18. Since 2006-07, indirect tourism GSP in NSW has increased by 49.2 per cent, equal to a compound average rate of 3.7 per cent per annum.

The total tourism contribution to GSP (both direct and indirect) in NSW was equal to $35.6 billion, the highest level since 2006-07. This equates to 30.3 per cent of the national tourism to GSP, highest contribution of any State/Territory in Australia for the year. Tourism's direct and indirect contribution to GSP accounts for 5.9 per cent of the total NSW GSP.

In 2017-18, total tourism contribution to GSP in NSW grew by 6.3 per cent. Since 2006-07, direct tourism GSP in NSW has increased by 56.9 per cent, equal to a compound average rate of 4.2 per cent per annum.

Gross State Product (GSP) – Tourism GVA plus net taxes on products that are attributable to the tourism industry. As such it generally has a higher value than tourism GVA. It is the equivalent of a Gross Domestic Product (GDP) but at a state level.

DEFINITIONS

Tourism Satellite Account (TSA) – A set of financial accounts that measure the economic impact of tourism. The TSA calculates the impact of tourism by using data on the purchase and consumption of different goods and services across the economy.

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. For example, a visitor purchasing a meal in a restaurant.

Indirect Contribution of Tourism – The subsequent or flow-on effects created by the requirement for inputs from those industries supplying goods and services to tourists. For example, a restaurant purchasing ingredients in order to make a meal for a paying visitor.

NOTES

For more detailed information including a more extensive range of definitions and information on how the Tourism Satellite Account is modelled, please see State Tourism Satellite Accounts 2017-18 report at the Tourism Research Australia website at www.tra.gov.au
TOURISM BUSINESSES

As at June 2017, NSW led the country in the number of tourism businesses (34 per cent share), followed by Victoria (27 per cent) and Queensland (19 per cent).

Fifty-five per cent of NSW tourism businesses were employing businesses and 45 per cent were non-employing businesses.

Sixty per cent of the employing businesses in NSW were micro businesses (1-4 employees), 31 per cent were small (5-19 employees), 8 per cent were medium (20-199 employees) and 1 per cent were large businesses (200+ employees).

Sixty-six per cent of the total tourism businesses were located in Sydney while 34 per cent were in regional NSW.

Of the tourism regions in regional NSW, the North Coast (6,953 or 21 per cent share of regional NSW) had the most tourism businesses, followed by the Hunter (5,961 or 18 per cent share) and the South Coast (4,830 or 14 per cent).

Tourism Businesses - Sydney and Regional NSW June 2017

<table>
<thead>
<tr>
<th>Sydney vs Reg. NSW</th>
<th>Businesses</th>
<th>SHARE OF NSW TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney</td>
<td>64,370</td>
<td>65.6%</td>
</tr>
<tr>
<td>Regional NSW</td>
<td>33,794</td>
<td>34.4%</td>
</tr>
<tr>
<td><strong>Total - Tourism</strong></td>
<td><strong>98,164</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tourism Region</th>
<th>Businesses</th>
<th>SHARE OF REGIONAL NSW TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Coast NSW</td>
<td>6,953</td>
<td>20.6%</td>
</tr>
<tr>
<td>Hunter</td>
<td>5,961</td>
<td>17.6%</td>
</tr>
<tr>
<td>South Coast</td>
<td>4,830</td>
<td>14.3%</td>
</tr>
<tr>
<td>Central Coast</td>
<td>2,962</td>
<td>8.8%</td>
</tr>
<tr>
<td>Central NSW</td>
<td>2,929</td>
<td>8.7%</td>
</tr>
<tr>
<td>All other regions</td>
<td>10,159</td>
<td>30.1%</td>
</tr>
<tr>
<td><strong>Total - Tourism in Regional NSW</strong></td>
<td><strong>33,794</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Other retail trade had the greatest share of tourism businesses in NSW (43 per cent), followed by café, restaurants and takeaway food services (24 per cent), taxi (10 per cent) and cultural services industries (6 per cent).

NOTES

Tourism business count methodology was developed by Tourism Research Australia with data derived from ABS’ publication ‘Count of Australian Businesses Entries and Exits’ (ABS Cat. No. 8165.0).

*Totals may be different due to rounding of the number of businesses undertaken in the confidentialisation process by the Australian Bureau of Statistics.