

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 Account (STSA)** – 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** – focusses on tourism business count by employment size, industry type, location and financial performance.

The 2019–20 edition of the State Tourism Satellite Account (STSA) is the first to capture the impacts of the bushfires and the early months of COVID-19 at a state level.



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. 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.

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.

More definitions are contained within and at the end this document.

KEY RESULTS

From 2009 to the end of 2019, Australia's tourism industry experienced sustained growth, however the outbreak of COVID-19 has had an unprecedented impact on the industry, with border closures and travel restrictions causing a sharp decline in tourism activity not only in Australia but across the world.

Tourism is vital to the NSW economy contributing billions in revenue and supporting many jobs throughout the state. In 2019-20, tourism contributed \$37.1 billion (Tourism Consumption) to the NSW economy and employed 256,100 people. NSW experienced fall in tourism consumption, down 20.5 per cent (or \$9.6 billion) when compared to 2018-19. Tourism employment also fell, down 13.5 per cent (or 40,095 employees less than in the previous year).

In 2019-20 tourism made the following contributions to the economy of NSW:

Employment

- Tourism employed 256,100 persons, of which 175,100 people directly employed and a further 81,000 people employed indirectly.

Consumption

- Tourism consumption reached \$37.1 billion. Domestic tourism accounted for \$26.6 billion and international tourism contributed \$10.6 billion.

Gross Value Added (GVA)

- Tourism's GVA was \$27.0 billion. Direct GVA accounted for \$14.0 billion with indirect GVA accounting for a further \$13.0 billion.

Gross State Product (GSP)

- Tourism's GSP contribution was \$30.2 billion. The direct GSP contribution was \$15.2 billion with an indirect contribution of \$15.0 billion.

Tourism Businesses (as at June 2020)

- There were 108,214 businesses involved in tourism in NSW; sixty-eight per cent were located in Sydney and 32 per cent in regional NSW.



EMPLOYMENT

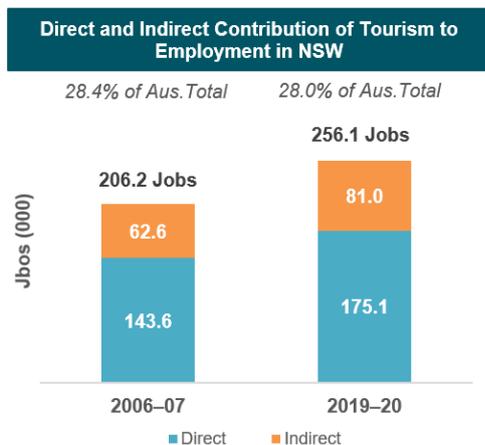
NSW Tourism Employment and Job Ratio 2019-20

| Job Type | Jobs (000s) | Share | NSW Job Ratio |
|--------------|--------------|-------------|---------------------|
| Direct | 175.1 | 68.4% | 1 in 23 jobs |
| Indirect | 81.0 | 31.6% | 1 in 49 jobs |
| Total | 256.1 | 100% | 1 in 16 jobs |

In 2019-20, total tourism employment (both direct and indirect) in NSW was equal to 256,100 jobs or 28.0 per cent of the total tourism jobs in Australia. Tourism is responsible for 6.3 per cent of total employment in NSW (or 1 in 16 jobs).

There were 175,100 direct tourism jobs in NSW (or 4.3 per cent of all jobs in the State) with nearly half of these persons employed on a full-time basis (54.3 per cent).

Direct tourism employment in NSW decreased by 8.5 per cent on previous year. However, since 2006-07, direct tourism employment in NSW has increased by 22.0 per cent, equal to a compound average growth rate of 1.5 per cent per annum.

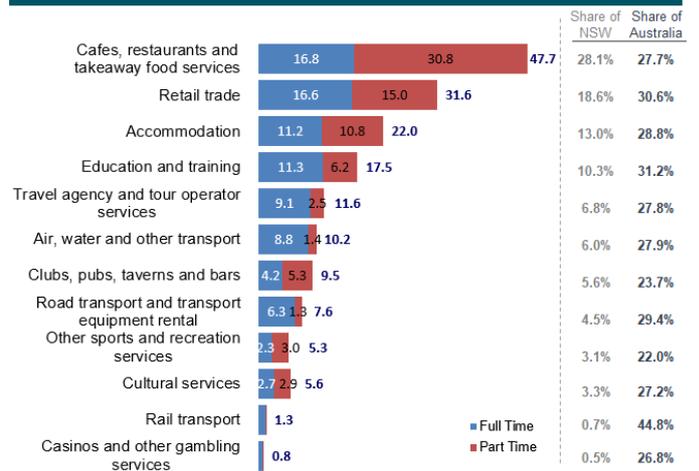


Nationally, NSW had the highest share of direct tourism employment at 28.2 per cent, followed by Victoria (26.8 per cent) and Queensland (21.9 per cent).

Direct Tourism Employment by Industry

The largest share of direct tourism employment in NSW comes from the *cafés, restaurants and takeaway food services* sector with 47,700 jobs or 28.1 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*.

NSW – Direct Tourism Employment by Industry 2019-20 (000)

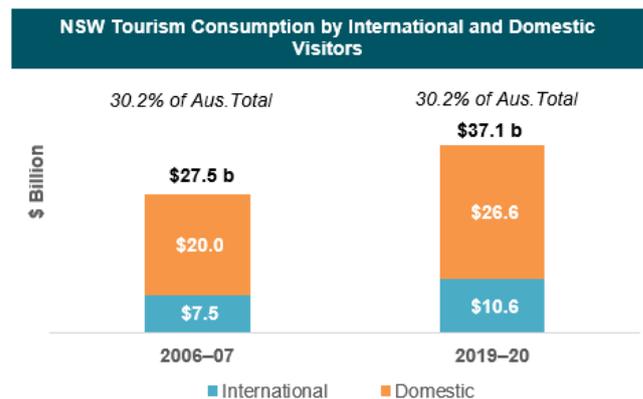


Compared to the same industry segment in Australia, *rail transport* had the largest share of national direct tourism employment, followed by *education and training*.

CONSUMPTION

In 2019-20, tourism consumption in NSW was \$37.1 billion. NSW had the highest share of tourism consumption in Australia at 30.2 per cent, followed by Victoria (23.7 per cent) and Queensland (22.8 per cent).

In 2019-20, tourism consumption in NSW decreased by 20.5 per cent on previous year. Domestic tourism consumption decreased by 18.7 per cent and international consumption by 24.7 per cent.

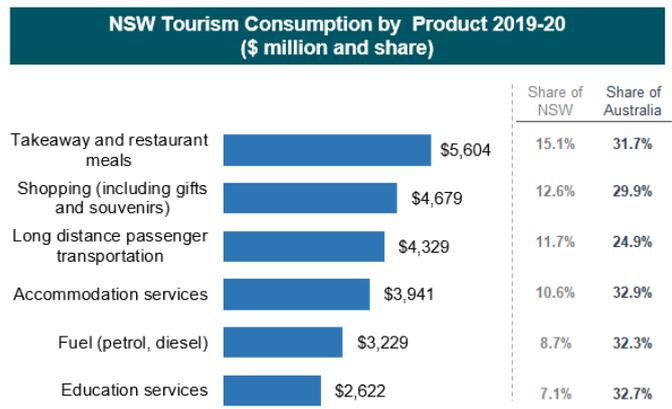
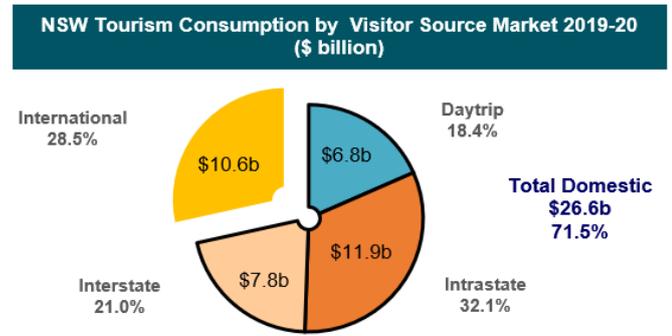


Since 2006-07, tourism consumption in NSW has increased by 34.9 per cent, equal to a compound average growth rate of 2.3 per cent per annum. International consumption has seen a larger increase (40.8 per cent) than domestic consumption (32.7 per cent).



In terms of domestic market, intrastate travel contributed the most in 2019-20, accounting for 32.1 per cent of total consumption.

When comparing to 2006-07, interstate consumption grew the most, up 35.5 per cent. Intrastate and day trip consumption grew by 29.8 per cent and 34.7 per cent respectively.



The largest share of tourism consumption in NSW comes from *takeaway and restaurant meals*, valued at \$5.6 billion or 15.1 per cent of the total State tourism consumption. Other major contributors to NSW tourism consumption include *shopping, long distance passenger transportation, accommodation services, fuel and education*.

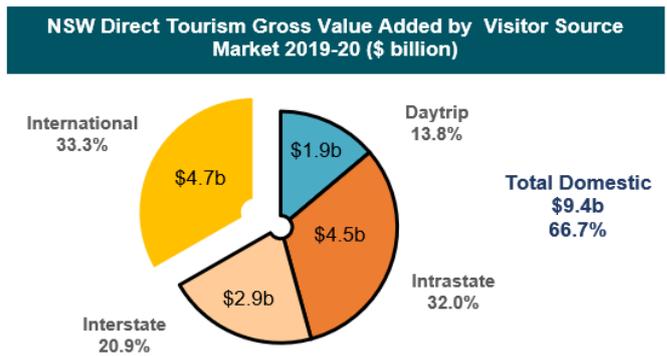
Among the top six contributors, *accommodation services* had the largest shares of tourism consumption products in Australia.

GROSS VALUE ADDED (GVA)

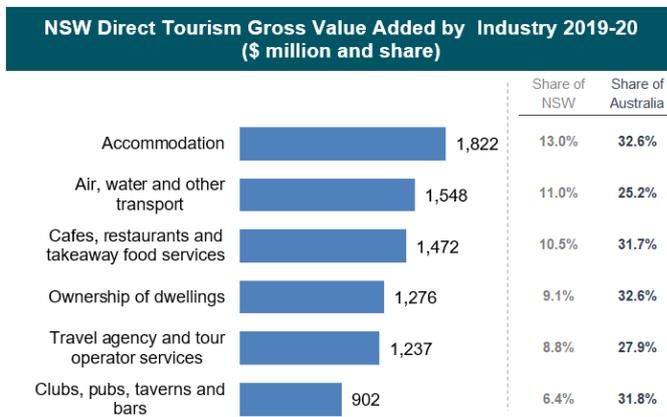
In 2019-20, total tourism GVA (both direct and indirect) in NSW was equal to \$27.0 billion, which equates to 30.2 per cent of the national tourism GVA and 4.6 per cent of the total NSW GVA. Direct tourism GVA contributed \$14 billion which was the highest share of national direct tourism GVA at 30.2 per cent, followed

by Victoria (23.9 per cent) and Queensland (22.5 per cent).

In 2019-20, direct tourism GVA in NSW decreased by 18.1 per cent on previous year. However, since 2006-07, direct tourism GVA in NSW has increased by 49.9 per cent, equal to a compound average rate of 3.2 per cent per annum.



Domestic visitation accounted for two-thirds of direct tourism GVA, with Intrastate tourism accounting for the largest share of the domestic market.



The largest share of direct tourism GVA in NSW comes from the *accommodation* sector. The direct GVA contribution of this industry equates to \$1.8 billion or 13.0 per cent of the State direct tourism GVA. Of the



top six industries listed above, the *accommodation* and *ownership of dwellings* sectors in NSW have the largest share of those industries in Australia.

GROSS STATE PRODUCT (GSP)

In 2019-20, total tourism contribution to GSP (both direct and indirect) in NSW was equal to \$30.2 billion, which equates to 30.2 per cent of the national tourism GSP and 4.8 per cent of the total NSW GSP.

Direct tourism contribution to GSP in NSW was \$15.2 billion, recording the highest share of national direct tourism GSP at 30.2 per cent, followed by Victoria (23.9 per cent) and Queensland (22.6 per cent).

In 2019-20, direct tourism GSP in NSW recorded a decrease, down 18.4 per cent on previous year. However, direct tourism GSP in NSW has increased by 48.2 per cent since 2006-07, at a compound average rate of 3.1 per cent per annum.



TOURISM BUSINESSES

As at June 2020, NSW had the highest number of tourism businesses nationally (34.1 per cent share), followed by Victoria (28.0 per cent) and Queensland (18.8 per cent).

Half of NSW tourism businesses were employing businesses and half were non-employing businesses. When compared to 2019, the number of employing businesses decreased by 1.2%, while 1,283 businesses became non-employing (up 2.4 per cent).

Over half (59.2 per cent) of the employing businesses in NSW were micro businesses, 31.6 per cent were small, 8.5 per cent were medium and 0.7 per cent were large businesses.

Annual percentage change in businesses by employment size, June 2020



Tourism Businesses - Sydney and Regional NSW, June 2020

Two in three tourism businesses were located in Sydney while 32.0 per cent were in regional NSW.

| | Number of Businesses | Share of NSW Total |
|------------------------------|----------------------|--------------------|
| Sydney | 73,485 | 67.9% |
| Regional NSW | 34,729 | 32.1% |
| Total Tourism in NSW* | 108,214 | 100% |

Of the tourism regions in regional NSW, the North Coast had the most tourism businesses, followed by the Hunter and the South Coast.

| | Number of Businesses | Share of Regional NSW Total |
|---------------------------|----------------------|-----------------------------|
| North Coast NSW | 7,271 | 20.9% |
| Hunter | 6,417 | 18.5% |
| South Coast | 5,061 | 14.6% |
| Central Coast | 3,276 | 9.4% |
| Central NSW | 2,853 | 8.2% |
| All other regions | 9,851 | 28.4% |
| Total Regional NSW | 34,729 | 100% |

Tourism Businesses by Industry, June 2020

Cafes, restaurants and takeaway food services had the greatest share of tourism businesses in NSW, followed by *taxi transport*.

| Industry segment | Businesses | Share of NSW Total |
|---|----------------|--------------------|
| Cafes, restaurants and takeaway food services | 24,603 | 22.7% |
| Taxi transport | 14,324 | 13.2% |
| Cultural services | 6,346 | 5.9% |
| Other sports and recreation services | 4,333 | 4.0% |
| Accommodation | 4,046 | 3.7% |
| All Other | 54,555 | 50.4% |
| Total | 108,207 | 100% |

DEFINITIONS

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

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.

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 2019-20 report at the Tourism Research Australia website at www.tra.gov.au

