

# Value of Tourism to Victoria's High Country 2013-14

## Tourism Victoria

*In 2013-14, the tourism industry contributed an estimated \$737 million to Victoria's High Country economy (20.3% of gross regional product) and employed approximately 7,900 people (20.2% of 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 Victoria's High Country regional profile presents (and ranks) 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 and National Tourism Satellite Accounts.

### TOURISM VICTORIA REGIONS

Victoria's High Country (VHC) region comprises one tourism region: High Country.



Each tourism region is defined using smaller geographical building blocks called Statistical Areas Level 2 (SA2s), developed by the Australian Bureau of Statistics. SA2s do not precisely align with the boundaries of Local Government Areas (LGAs).

Region	SA2
VHC	Beechworth, Benalla, Benalla Region, Bright - Mount Beauty, Chiltern - Indigo Valley, Mansfield, Myrtleford, Rutherglen, Towong, Wangaratta, Wangaratta Region, Yackandandah

### KEY RESULTS

In 2013-14, the tourism activity in Victoria's High Country generated:

#### Tourism output

- \$493 million in direct and \$908 million in indirect tourism output, and \$1.4 billion in total tourism output.

#### Gross Value Added (GVA)

- \$261 million and \$377 million in direct and indirect tourism GVA, and \$637 million in total tourism GVA.

#### Gross Regional Product (GRP)

- \$285 million and \$453 million in direct and indirect tourism GRP and \$737 million in total tourism GRP.
- Total tourism GRP in Victoria's High Country region has increased at an average annual rate of 2.8 per cent over the period 2006-07 to 2013-14. Total tourism GRP decreased by 4.2 per cent year-on-year from 2012-13 to 2013-14.

#### Employment

- 4,600 jobs for people employed directly by the tourism industry, 3,400 indirect jobs and a total employment impact of 7,900 people.
- Total tourism employment in Victoria's High Country region has increased at an average annual rate of 0.6 per cent over the period 2006-07 to 2013-14. Total tourism employment decreased by an estimated 9.3 per cent year-on-year from 2012-13 to 2013-14.

*To note: Some results may not add due to rounding*

Source: Victorian Regional Tourism Satellite Accounts 2013-14, model developed by Deloitte Access Economics for Tourism Victoria. Research Factsheet produced by Tourism Victoria, October 2015.



# Research Factsheet: Value of Tourism to Victoria's High Country

## Key tourism aggregates (\$ million) – Victoria's High Country

Visitor segment	Consumption	Output	GVA	GRP	Employed ('000)
Day-trippers	163	62	32	33	
Intrastate overnight	526	281	149	166	
Interstate overnight	153	108	57	61	
International overnight	27	42	23	24	
<b>Direct</b>	<b>870</b>	<b>493</b>	<b>261</b>	<b>285</b>	<b>4.6</b>
<b>Indirect</b>		<b>908</b>	<b>377</b>	<b>453</b>	<b>3.4</b>
<b>Total impact</b>	<b>870</b>	<b>1,401</b>	<b>637</b>	<b>737</b>	<b>7.9</b>
Total economy			3,371	3,637	39.1

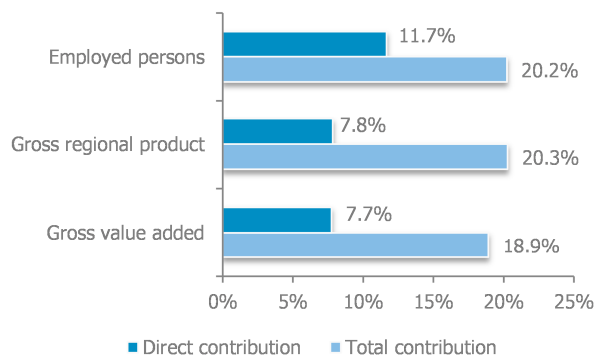
Source: DAE Regional TSA model, ABS National Accounts and Census data.

## ECONOMIC IMPORTANCE OF TOURISM IN THE REGION

The ratio of the Victoria's High Country's direct tourism contribution to the total regional economy aggregates provides a point of reference snapshot for the importance of tourism to the region. In 2013-14, it is estimated that tourism directly represented 7.8% of the total Victoria's High Country economy (in GRP terms), compared to 4.2% for regional Victoria on average.

Victoria's High Country ranked 2nd overall in the comparative importance of tourism across Tourism Victoria Regions (i.e. direct share of regional economy). In terms of industry size, Victoria's High Country supplies 3.1% of the state-wide direct contribution of tourism.

## Tourism's contribution to the regional economy, Victoria's High Country, 2013-14



Source: Deloitte Access Economics' Regional TSA model.

## TOURISM RELATED INDUSTRY PROFILE

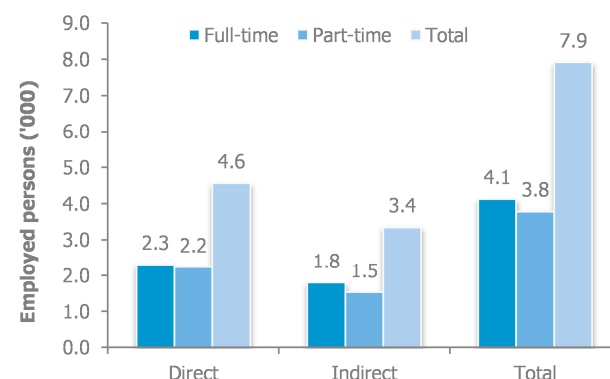
In terms of overall economic contribution, the tourism industries that generated the highest economic benefit to Victoria's High Country in 2013-14 were:

- accommodation with \$56 million in direct GVA and \$61 million in direct GRP;
- air, water and other transport with \$41 million in direct GVA and \$47 million in direct GRP;
- retail trade with \$34 million in direct GVA and \$36 million in direct GRP; and
- cafes, restaurants and takeaway food services with \$32 million in direct GVA and \$35 million in direct GRP.

## TOURISM EMPLOYMENT

The TSAs define tourism employment as the number of tourism employed persons. In 2013-14 there were 4,600 persons (made up of 2,300 full-time and 2,200 part-time) directly employed in tourism in Victoria's High Country.

## Contribution of tourism to direct employment, Victoria's High Country, 2013-14



Source: Deloitte Access Economics' Regional TSA model.

The tourism related industries that contributed most to direct regional tourism employment in Victoria's High Country in 2013-14 were:

- cafes, restaurants and takeaway food services (510 full time and 850 part time employed persons);
- retail trade (380 full time and 440 part time employed persons); and
- accommodation (380 full time and 380 part time employed persons).

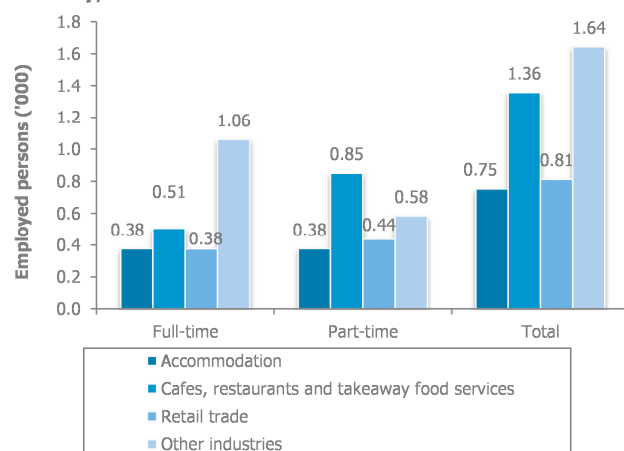
To note: Some results may not add due to rounding.

Source: Victorian Regional Tourism Satellite Accounts 2013-14, model developed by Deloitte Access Economics for Tourism Victoria. Research Factsheet produced by Tourism Victoria, October 2015.



# Research Factsheet: Value of Tourism to Victoria's High Country

## Direct tourism employed persons, Victoria's High Country, 2013-14



Source: Deloitte Access Economics' Regional TSA model.

## REGIONAL TOURISM PROFILE

In 2013-14, visitors to Victoria's High Country contributed a total of \$870 million in direct tourism consumption to the Victoria's High Country economy. The majority of visitor consumption in the region was contributed by intrastate overnight visitors (\$526 million). In relative terms, intrastate overnight visitors to Victoria's High Country spend the most per night (\$199) on average.

### Tourism activity summary – Victoria's High Country

Visitor segment	Nights/ Trips ('000)	Nights/ Trips (%)	Consumption (\$ million)	Consumption (%)	\$ per night/ trip
Day-trippers	1,610	30%	163	19%	\$101
Intrastate overnight	2,645	49%	526	61%	\$199
Interstate overnight	800	15%	153	18%	\$192
International overnight	337	6%	27	3%	\$81

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

## METHODOLOGY

Tourism Victoria has worked with Deloitte Access Economics to produce regional Tourism Satellite Account (TSA) estimates of the value of tourism to Tourism Victoria's regions.

Tourism Satellite Accounts (TSAs) 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 Victoria's High Country's 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 2013-14 state TSA data.

*Note: It is important that these results are not compared to previously published estimates as historical results have been revised due to refinements in the methodology and changes in input data. Results should also not be compared to alternative studies which are not based on the same methodology.*

## GLOSSARY

**Direct contribution of tourism:** The contribution generated by transactions between the visitor and provider that involve 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.

**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.

To note: Some results may not add due to rounding.

Source: Victorian Regional Tourism Satellite Accounts 2013-14, model developed by Deloitte Access Economics for Tourism Victoria. Research Factsheet produced by Tourism Victoria, October 2015.



## Research Factsheet: Value of Tourism to Victoria's High Country

**Tourism gross regional product (GRP):** Tourism GRP (the equivalent to Gross State Product (GSP) but at a regional level) 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 (GVA):** 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.

### TOURISM'S TOTAL CONTRIBUTION TO VICTORIA'S HIGH COUNTRY ECONOMY (DIRECT AND INDIRECT ESTIMATES) 2006-07 TO 2013-14

Victoria's High Country	Tourism's Total <sup>^</sup> contribution to the Economy								AAG* 2006-07 to 2013-14	% Change 2012-13 vs 2013-14
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14		
GRP (\$ millions basic prices)	609	627	698	724	770	810	770	737	2.8%	-4.2%
% share of the regional economy	23.6%	21.9%	24.0%	23.5%	23.7%	23.8%	22.0%	20.3%		
Employment (000s)	7.6	7.6	8.7	8.7	9.5	9.5	8.7	7.9	0.6%	-9.3%
% share of the regional economy	19.4%	19.4%	22.2%	22.2%	24.2%	24.3%	22.3%	20.2%		

\*Average annual growth rate. <sup>^</sup>Direct and Indirect contribution.

### MORE INFORMATION

For further information on the methodology and key concepts for the *Victorian Regional Tourism Satellite Accounts 2013-14*, please refer to the Regional Tourism Satellite Account User Guide at this link:

<http://www.tourism.vic.gov.au/research/economic-significance.html>

For more detail on the *State Tourism Satellite Accounts 2013-14*, published by Tourism Research Australia refer to the full report:

<http://www.tra.gov.au/research/State-tourism-satellite-accounts-2013-14.html>

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