

# Value of Tourism to Yarra Valley and Dandenong Ranges 2013-14

## Tourism Victoria

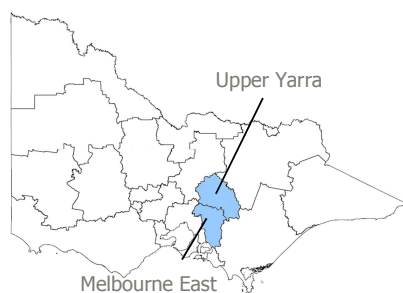
In 2013-14, the tourism industry contributed an estimated \$1.1 billion to the Yarra Valley and Dandenong Ranges economy (13.4% of gross regional product) and employed approximately 10,500 people (11.7% of regional employment).

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 Yarra Valley and Dandenong Ranges 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.

### YARRA VALLEY AND DANDENONG RANGES REGION

The Yarra Valley and Dandenong Ranges region comprises two tourism regions: Melbourne East and Upper Yarra.



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
Melbourne East	Beaconsfield – Officer, Belgrave – Selby, Bunyip – Garfield, Chirnside Park, Eltham, Emerald – Cockatoo, Healesville - Yarra Glen, Hurstbridge, Kilsyth, Koo Wee Rup, Lilydale – Coldstream, Monbulk – Silvan, Montrose, Mooroolbark, Mount Dandenong – Olinda, Mount Evelyn, Pakenham – North, Pakenham – South, Pantom Hill - St Andrews, Plenty – Yarrambat, Research - North Warrandyte, Upwey – Tecoma, Wandin – Seville, Wattle Glen - Diamond Creek, Yarra Valley
Upper Yarra	Alexandra, Kinglake, Upper Yarra Valley, Yea

### KEY RESULTS

In 2013-14, the tourism activity in the Yarra Valley and Dandenong Ranges generated:

#### Tourism output

- \$489 million in direct and \$1.6 billion in indirect tourism output, and \$2.1 billion in total tourism output.

#### Gross Value Added (GVA)

- \$258 million and \$678 million in direct and indirect tourism GVA, and \$936 million in total tourism GVA.

#### Gross Regional Product (GRP)

- \$278 million and \$816 million in direct and indirect tourism GRP and \$1.1 billion in total tourism GRP.
- Total tourism GRP in the Yarra Valley and Dandenong Ranges region has increased at an average annual rate of 5.6 per cent over the period 2006-07 to 2013-14. Total tourism GRP increased by 9.2 per cent year-on-year from 2012-13 to 2013-14.

#### Employment

- 4,700 jobs for people employed directly by the tourism industry, 5,800 indirect jobs and a total employment impact of 10,500 people.
- Total tourism employment in the Yarra Valley and Dandenong Ranges region has increased at an average annual rate of 4.6 per cent over the period 2006-07 to 2013-14. Total tourism employment increased by an estimated 8.3 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 Yarra Valley and Dandenong Ranges

## Key tourism aggregates (\$ million) – Yarra Valley and Dandenong Ranges

Visitor segment	Consumption	Output	GVA	GRP	Employed ('000)
Day-trippers	312	127	63	66	
Intrastate overnight	317	193	101	112	
Interstate overnight	110	97	50	54	
International overnight	58	73	43	46	
<b>Direct</b>	<b>797</b>	<b>489</b>	<b>258</b>	<b>278</b>	<b>4.7</b>
<b>Indirect</b>		<b>1,613</b>	<b>678</b>	<b>816</b>	<b>5.8</b>
<b>Total impact</b>	<b>797</b>	<b>2,102</b>	<b>936</b>	<b>1,093</b>	<b>10.5</b>
Total economy			<b>7,577</b>	<b>8,173</b>	<b>89.6</b>

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

At a sub-regional level, the Melbourne East sub-region contributed the most to the Yarra Valley and Dandenong Ranges' total direct economic impact of tourism (87% or \$241 million of GRP). Indirect impacts could not be quantified at the sub-regional level.

## Key direct tourism aggregates, Yarra Valley and Dandenong Ranges (YVDR) sub-regions (\$m)

Region	Consumption	Output	GVA	GRP	Employed ('000)
Melbourne East	699	427	223	241	4.2
Upper Yarra	98	63	34	37	0.5
YVDR (total)	<b>797</b>	<b>489</b>	<b>258</b>	<b>278</b>	<b>4.7</b>

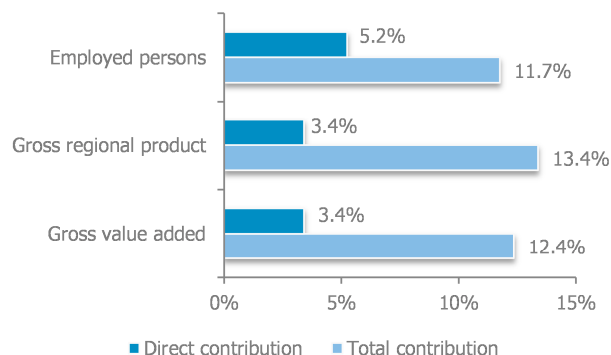
Source: Deloitte Access Economics' Regional TSA model.

## ECONOMIC IMPORTANCE OF TOURISM IN THE REGION

The ratio of the Yarra Valley and Dandenong Ranges' direct tourism contribution to the total regional economy aggregates provides a point of reference snapshot of the importance of tourism to the region. In 2013-14, it is estimated that tourism directly represented 3.4% of the total Yarra Valley and Dandenong Ranges economy (in GRP terms), compared to 4.2% for regional Victoria on average.

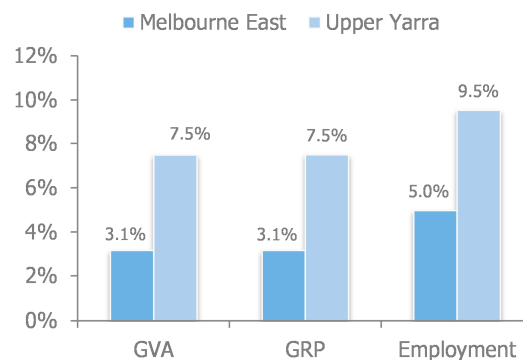
Yarra Valley and Dandenong Ranges ranked 8th overall in the comparative importance of tourism across Tourism Victoria Regions (i.e. direct share of regional economy). In terms of industry size, Yarra Valley and Dandenong Ranges supplies 3.0% of the state-wide direct contribution of tourism.

## Tourism's contribution to the regional economy, Yarra Valley and Dandenong Ranges, 2013-14



Source: Deloitte Access Economics' Regional TSA model.

## Tourism's direct contribution to the sub-regional economy, Yarra Valley and Dandenong Ranges, 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 the Yarra Valley and Dandenong Ranges in 2013-14 were:

- retail trade with \$40 million in direct GVA and \$43 million in direct GRP;
- cafes, restaurants and takeaway food services with \$36 million in direct GVA and \$40 million in direct GRP; and
- accommodation with \$36 million in direct GVA and \$38 million in direct GRP.

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

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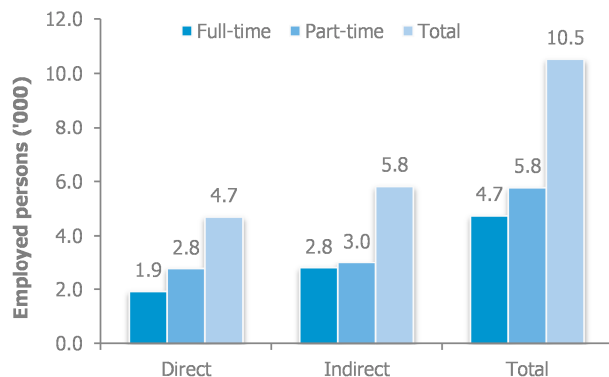


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## TOURISM EMPLOYMENT

The TSAs define tourism employment as the number of tourism employed persons. In 2013-14 there were 4,700 persons (made up of 1,900 full-time and 2,800 part-time) directly employed in tourism in Yarra Valley and Dandenong Ranges.

### Contribution of tourism to direct employment, Yarra Valley and Dandenong Ranges, 2013-14

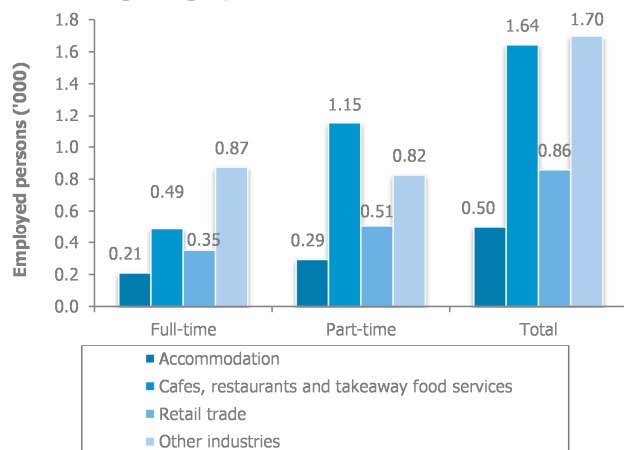


Source: Deloitte Access Economics' Regional TSA model.

The tourism related industries that contributed most to direct regional tourism employment in Yarra Valley and Dandenong Ranges in 2013-14 were:

- cafes, restaurants and takeaway food services (490 full time and 1,150 part time employed persons);
- retail trade (350 full time and 510 part time employed persons); and
- accommodation (210 full time and 290 part time employed persons).

### Direct tourism employed persons, Yarra Valley and Dandenong Ranges, 2013-14



Source: Deloitte Access Economics' Regional TSA model.

## REGIONAL TOURISM PROFILE

In 2013-14, visitors to Yarra Valley and Dandenong Ranges contributed a total of \$797 million in direct tourism consumption to the Yarra Valley and Dandenong Ranges economy. The majority of visitor consumption in the region was contributed by intrastate overnight visitors (\$317 million). In relative terms, intrastate overnight visitors to Yarra Valley and Dandenong Ranges spend the most per night (\$263) on average.

### Tourism activity summary – Yarra Valley and Dandenong Ranges

Visitor segment	Nights/ Trips ('000)	Nights/ Trips (%)	Consumption (\$ million)	Consumption (%)	\$ per night/ trip
Day-trippers	3,482	56%	312	39%	\$90
Intrastate overnight	1,205	19%	317	40%	\$263
Interstate overnight	658	11%	110	14%	\$167
International overnight	840	14%	58	7%	\$69

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 Yarra Valley and Dandenong Ranges' 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.*

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.



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## 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.

**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 THE YARRA VALLEY AND DANDEONONG RANGES ECONOMY (DIRECT AND INDIRECT ESTIMATES) 2006-07 TO 2013-14

Yarra Valley and Dandenong Ranges	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)	746	806	831	854	910	959	1,001	1,093	5.6%	9.2%
% share of the regional economy	12.8%	12.6%	12.7%	12.3%	12.5%	12.5%	12.6%	13.4%		
Employment (000s)	7.7	8.3	8.5	8.4	9.4	9.4	9.7	10.5	4.6%	8.3%
% share of the regional economy	8.6%	9.2%	9.5%	9.4%	10.4%	10.5%	10.8%	11.7%		

\*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>

*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.

