

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 2020–21 edition of the State Tourism Satellite Account (STSA) captures the full 12 months impact of COVID-19 on the visitor economy and describes where the largest impacts occurred.



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

COVID-19 caused severe disruptions to the tourism industry in the last quarter of 2019-20 and through all of 2020-21. A successful tourism industry relies on person-to-person interactions and the freedom to travel. NSW's visitor economy in 2020-21 was still affected by international and state and territory border closures, local lockdowns and mobility restrictions, and also new COVID-19 variants. These led to a large downturn in tourism demand in 2020-21.

Tourism is vital to the NSW economy contributing billions in revenue and supporting many jobs throughout the state. In 2020-21, tourism contributed \$26.4 billion (Tourism Consumption) to the NSW economy and employed 197,000 people. NSW experienced a fall in tourism consumption, down 29.9 per cent (or \$11.3 billion) when compared to 2019-20. Tourism employment also fell, down 22.8 per cent.

In 2020-21 tourism made the following contributions to the economy of NSW:

Employment

- Tourism employed 197,000 persons, of whom 146,800 were directly employed and a further 50,200 employed indirectly.

Consumption

- Tourism consumption reached \$26.4 billion. Domestic tourism accounted for \$25.7 billion and international tourism contributed \$0.7 billion.

Gross Value Added (GVA)

- Tourism's GVA was \$18.1 billion. Direct GVA accounted for \$9.3 billion with indirect GVA accounting for a further \$8.8 billion.

Gross State Product (GSP)

- Tourism's GSP contribution was \$20.8 billion. The direct GSP contribution was \$10.3 billion with an indirect contribution of \$10.5 billion.

Tourism Businesses (as at June 2021)

- There were 112,825 businesses involved in tourism in NSW; 67.8 per cent were located in Sydney and 32.2 per cent in regional NSW.

EMPLOYMENT

NSW Tourism Employment and Job Ratio 2020-21

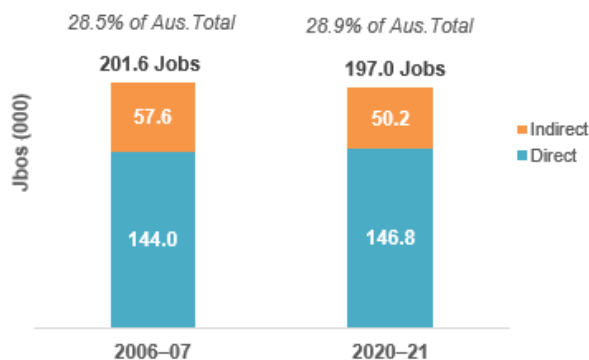
Job Type	Jobs (000s)	Share	NSW Job Ratio
Direct	147	74.5%	1 in 28 jobs
Indirect	50	25.5%	1 in 85 jobs
Total	197	100%	1 in 21 jobs

In 2020-21, total tourism employment (both direct and indirect) in NSW was equal to 197,000 jobs or 28.9 per cent of the total tourism jobs in Australia. Tourism is responsible for 4.8 per cent of total employment in NSW (or 1 in 21 jobs).

There were 146,800 direct tourism jobs in NSW (or 3.6 per cent of all jobs in the State) with half of these persons employed on a full-time basis (52.2 per cent).

Direct tourism employment in NSW decreased by 18.5 per cent on previous year. Compared to 2006-07, direct tourism employment in NSW has increased by 1.9 per cent.

Direct and Indirect Contribution of Tourism to Employment in NSW



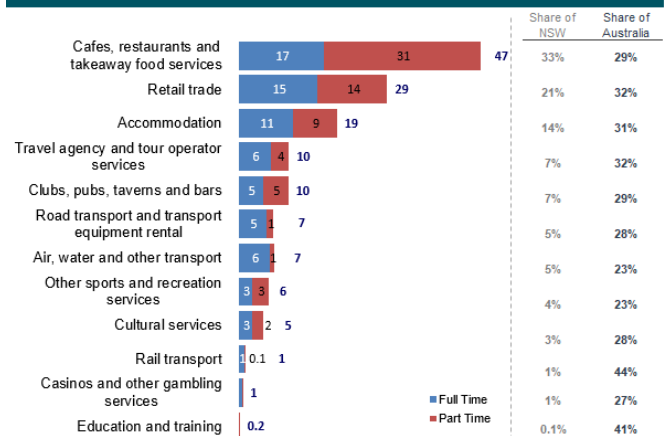
Nationally, NSW had the highest share of direct tourism employment at 29.0 per cent, followed by Queensland (23.8 per cent) and Victoria (21.7 per cent).

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 47,100 jobs or 28.6 per cent of total state direct tourism employment. Other major contributors to the NSW direct tourism employment include *retail trade, accommodation, and travel agency and tour operator services* sectors.

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

NSW – Direct Tourism Employment (000) 2020-21

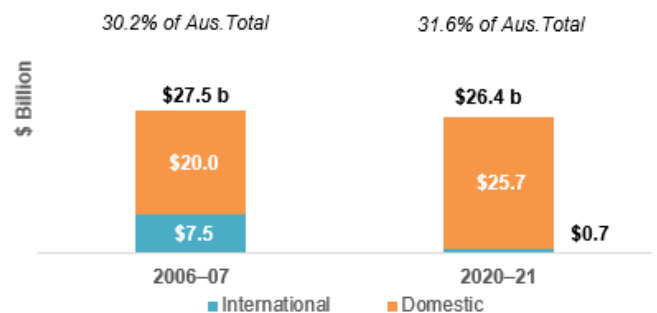


CONSUMPTION

In 2020-21, tourism consumption in NSW was \$26.4 billion. NSW had the highest share of tourism consumption in Australia at 31.6 per cent, followed by Queensland (25.6 per cent) and Victoria (16.5 per cent).

In 2020-21, tourism consumption in NSW decreased by 29.9 per cent on previous year. Domestic tourism consumption decreased by 3.3 per cent and international consumption by 93.7 per cent.

NSW Tourism Consumption by International and Domestic Visitors

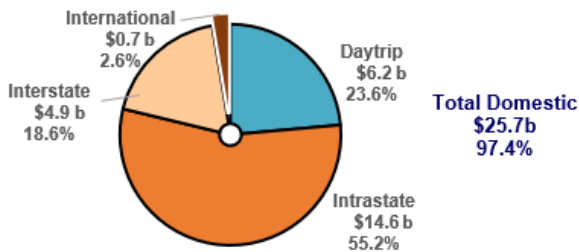


Compared to 2006-07, tourism consumption in NSW has decreased by 4.2 per cent. Domestic consumption has increased by 28.2 per cent, while international consumption has seen a large decrease (90.7 per cent).

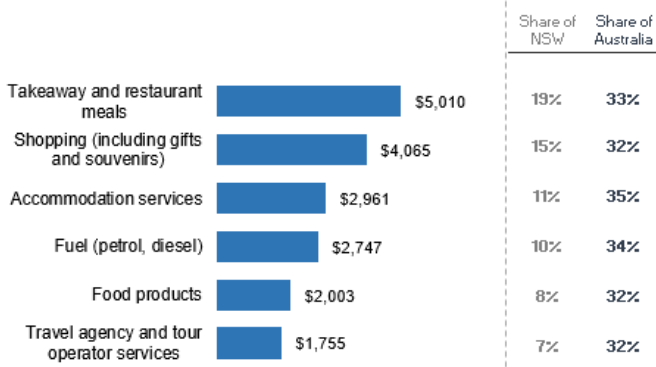
In terms of the domestic market, intrastate travel contributed the most in 2020-21, accounting for 55.2 per cent of total consumption.

When comparing to 2006-07, intrastate consumption grew the most, up 58.3 per cent. Day trip consumption grew by 22.6 per cent, while interstate consumption dropped by 14.8 per cent.

NSW Tourism Consumption by Visitor Source Market 2020-21 (\$ billion)



NSW Tourism Consumption by Product 2020-21 (\$ million and share)



The largest share of tourism consumption in NSW comes from *takeaway and restaurant meals*, valued at \$5.0 billion or 19.0 per cent of the total State tourism consumption. Other major contributors to NSW tourism consumption include *shopping, accommodation services, fuel, food products and travel services*.

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

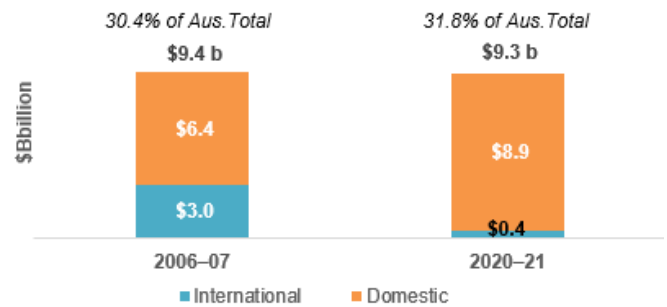
GROSS VALUE ADDED (GVA)

In 2020-21, total tourism GVA (both direct and indirect) in NSW was equal to \$18.1 billion, which equates to 31.7 per cent of the national tourism GVA and 3.1 per cent of the total NSW GVA. Direct tourism GVA contributed \$9.3 billion which was the highest share of national direct tourism GVA at 31.8 per cent, followed by Queensland (25.6 per cent) and Victoria (16.6 per cent).

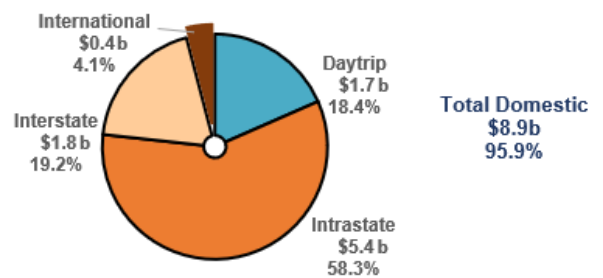
In 2020-21, direct tourism GVA in NSW decreased by 34.8 per cent on previous year. Compared to 2006-07, direct tourism GVA in NSW has decreased by 0.8 per cent. Domestic visitation accounted for 95.9 per cent of direct tourism GVA, with Intrastate tourism accounting for the largest share of the domestic market.

The largest share of direct tourism GVA in NSW comes from the *accommodation* sector. The direct GVA contribution of this industry equates to \$1.4 billion or 14.5 per cent of the State direct tourism GVA.

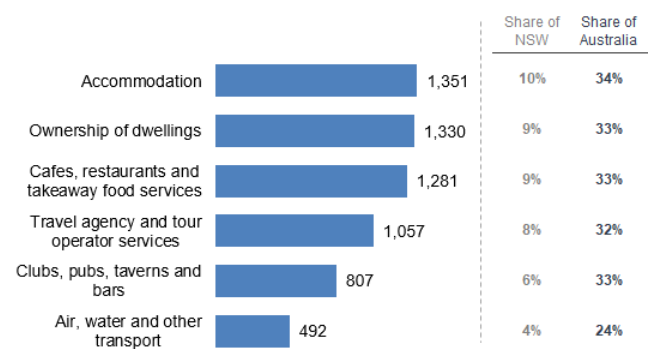
NSW Direct Tourism Gross Value Added by International and Domestic Visitors



NSW Direct Tourism Gross Value Added by Visitor Source Market 2020-21 (\$ billion)



NSW Direct Tourism Gross Value Added by Industry 2020-21 (\$ million and share)



Of the top six industries listed above, the *ownership of dwellings* sector in NSW has the largest share of those industries in Australia.

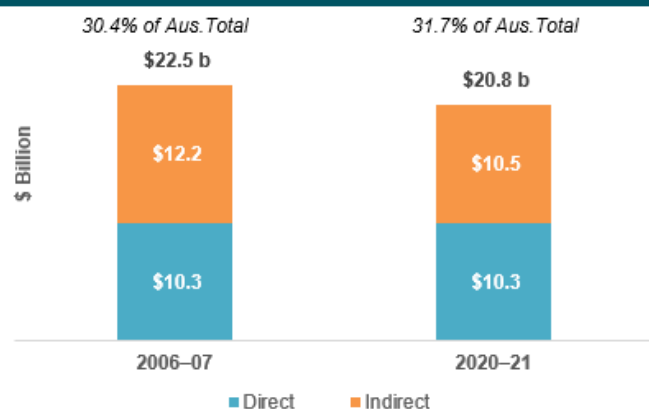
GROSS STATE PRODUCT (GSP)

In 2020-21, total tourism contribution to GSP (both direct and indirect) in NSW was \$20.8 billion, which equates to 31.7 per cent of the national tourism GSP and 3.2 per cent of the total NSW GSP.

Direct tourism contribution to GSP in NSW was \$10.3 billion, recording the highest share of national direct tourism GSP at 31.8 per cent, followed by Queensland (25.7 per cent) and Victoria (16.5 per cent).

In 2020-21, direct tourism GSP in NSW recorded a decrease, down 33.6 per cent on previous year. Direct tourism GSP in NSW has increased slightly by 0.3 per cent since 2006-07.

Direct and Indirect Contribution of Tourism to GSP in NSW



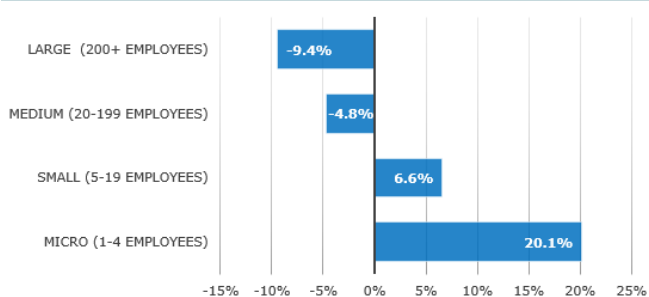
TOURISM BUSINESSES

As at June 2021, NSW had the highest number of tourism businesses nationally (33.7 per cent share), followed by Victoria (28.7 per cent) and Queensland (18.3 per cent).

Over half (55.6 per cent) of NSW tourism businesses were employing businesses and 44.4 per cent were non-employing businesses. When compared to 2019-20, the number of employing businesses increased by 13.6 per cent or 7,521 businesses.

Nearly two-thirds (62.9 per cent) of the employing businesses in NSW were micro businesses, 29.8 per cent were small, 7.0 per cent were medium and 0.3 per cent were large businesses.

Annual percentage change in businesses by employment size June 2021



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 confidentiality process by the Australian Bureau of Statistics.

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.

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 2020-21 report at the Tourism Research Australia website at www.tra.gov.au

Tourism Businesses - Sydney and Regional NSW, June 2021

Two in three tourism businesses were located in Sydney while 32.2 per cent were in regional NSW.

	Number of Businesses	Share of NSW Total
Sydney	76,515	67.8%
Regional	36,310	32.2%
Total Tourism in NSW*	112,825	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	7,930	21.8%
Hunter	6,781	18.7%
South Coast	5,474	15.1%
Central Coast	3,569	9.8%
Central NSW	2,980	8.2%
All other regions	9,576	26.4%
Total Regional NSW	36,310	100%

Tourism Businesses by Industry, June 2021

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

Industry	Number of Businesses	Share of NSW Total
Cafes, restaurants and takeaway food services	27,724	24.3%
Taxi transport	11,759	10.3%
Cultural services	6,653	5.8%
Other sports and recreation services	4,828	4.2%
Accommodation	4,407	3.9%
All other regions	58,564	51.4%
Total NSW*	113,935	100%