



STATE TOURISM SATELLITE ACCOUNTS 2022-23 SUMMARY

Background

A National Account is the mechanism by which impact on the economy of a specific industry is measured. Tourism is not a distinct industry such as mining, but rather draws on many different industries such as transport, retail and hospitality. Therefore, tourism is a “satellite” account sitting alongside the National Accounts. Measurement of the “tourism industry” draws on multiple National Accounts and data from visitor surveys.

The Tourism Satellite Account provides measures of tourism Gross State Product (GSP), tourism Gross Value Added (GVA), Tourism Output, Tourism Consumption and employment in tourism. This paper focusses on three measures: employment, GVA and Tourism Output. While the measures of GSP and Consumption are also useful, it is important to note that the headline targets for the *South Australian Visitor Economy Plan 2030* are consistently reported in terms of the total visitor expenditure as reported directly from the visitor surveys, which is the most straightforward measure and is currently \$10.1 billion in the year to December 2023.

The Tourism Satellite Account is calculated at cascading levels. The National Tourism Satellite Account is created by the Australian Bureau of Statistics and provides a nation-wide view of the value of the “tourism industry” and was released in December 2023. This information is used by Tourism Research Australia (TRA) to develop the State Tourism Satellite Account which provides the value of the “tourism industry” in each State and Territory. The State Tourism Satellite Account cascades down to the Regional Tourism Satellite Account providing figures for individual regions and “Regional SA” overall. These regional figures are anticipated to be released in June 2024.

This paper relates to the release of the State Tourism Satellite Account for 2022-23. For ease of interpretation, results have been compared to both the previous financial year (2021-22) and to the pre-COVID year of 2018-19. The latest data includes a significant tourism rebound that has been experienced since mid-2022, and as such in the latest results we have seen a significant growth in tourism employment and economic measures.

Because the Tourism Satellite Account is based on modelling and on data drawn from multiple sources, there are regular revisions to the figures as these data inputs are revised. It should be noted that these data revisions have impacted the published results for previous years in the 2022-23 release.

ISSUES/DISCUSSION

Tourism Employment

Employment in the South Australian tourism industry grew 32 per cent to 40,600 people in the year to June 2023. The growth has been strong with a full year of travel unaffected by border closers or lockdowns allowing the tourism industry to climb closer to the pre COVID employment high of 42,900 in 2018-19. Despite this significant growth, employment remains 5% below pre-COVID levels.

The increase in employment hasn't matched the strong growth seen in tourism overall, which had rebounded to \$9.9 billion at June 2023, marking a 63 percent rise from the \$6.1 billion recorded at the end of June 2022. It also needs to be noted that growth in tourism expenditure has been accentuated by higher than usual inflation. If we were to take out inflation the growth in the visitor economy over 2022-23 would be 41 per cent, closer to the growth in employment of 32 per cent.

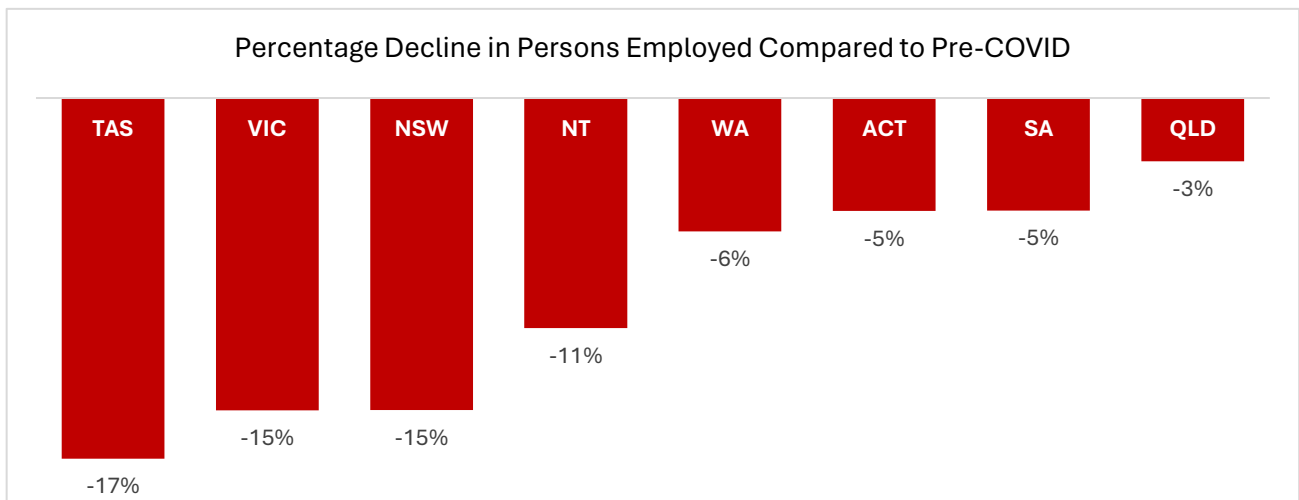
Figure 1: Filled Jobs in South Australian Tourism



Tourism employment saw growth across all states, New South Wales and the Australian Capital Territory both up 63 per cent and Victoria up 50 per cent, seeing the largest growth. This growth was only possible as these states suffered much more significant declines in the initial stages of COVID. Employment growth in Queensland (29%), South Australia (32%), Western Australia (24%) and Tasmania (10%) were all below the national growth of 42 per cent.

Despite this growth, both New South Wales and Victoria are still 15 percent below their 2018-19 employment levels, while overall Australia is down by 11 percent compared to the same period, while South Australia is a mere 5% behind pre-COVID levels of employment.

Figure 2: Percentage Decline in Persons Employed Compared to Pre-COVID



Direct tourism employment holds a 4.0 per cent share of all employment in South Australia, up from the 3.1 per cent in 2021-22, however down when compared to 4.7 per cent in 2018-19. This compares to a 4.1 per cent contribution of direct tourism to all employment in Australia in 2022-23.

The main industries contributing to South Australian tourism employment remain “cafes, restaurants and takeaway food services” and retail trade, with accommodation, transport and tour operators also making a significant contribution.

Figure 3: Direct South Australian Tourism Employment by Industry



In addition to those directly employed in tourism, the Tourism Satellite Account provides an estimate of indirect employment. The indirect employment component refers to the flow-on impact from those providing services directly to visitors. For example, the indirect tourism employment generated from supplying a meal to a visitor. This starts with production of what the restaurant needs to make the meal. This might include production of fresh produce or the generation of electricity for cooking.

The tourism industry indirectly employed an additional 29,200 people, bringing the total number of people employed in tourism to 69,800. Total tourism employment was up 45 per cent on 2021-22 and 2 per cent up compared to pre-COVID.

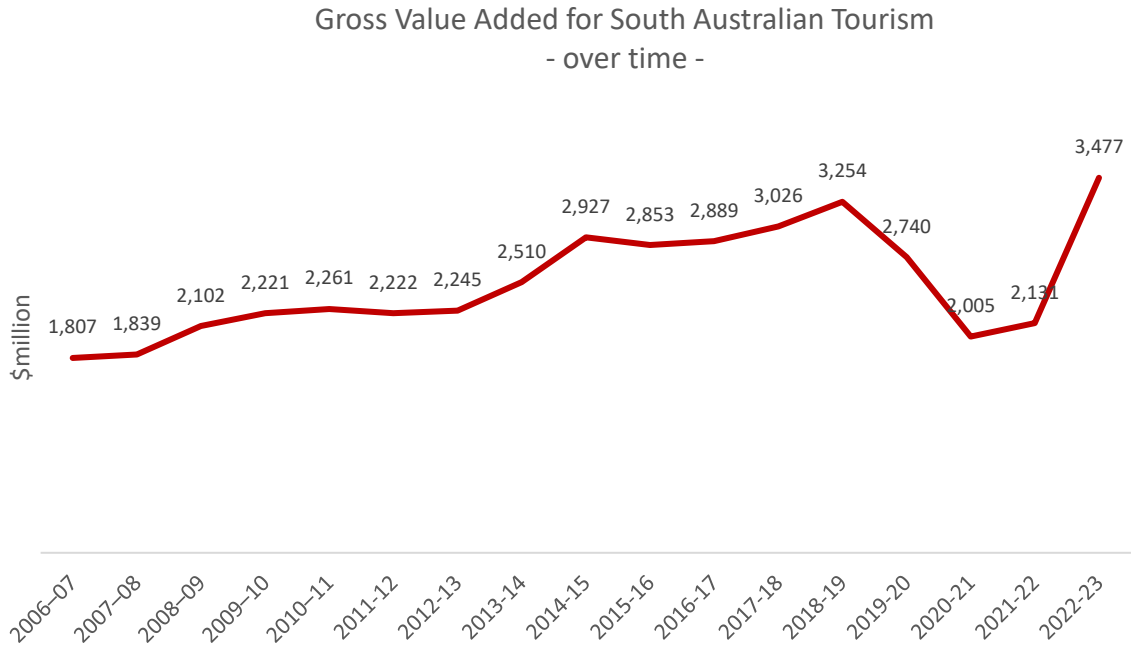
Please note that a breakdown of jobs in Adelaide compared to regions will not be available until TRA releases the South Australian Regional Satellite Accounts.

Gross Value Added

Gross Value Added (GVA) is considered the most accurate measure of the contribution of the tourism industry to the economy as it is directly comparable with the value added of “conventional” industries such as mining and manufacturing. It includes the labour income and capital revenue received by the industry and the net taxes that the government received from production.

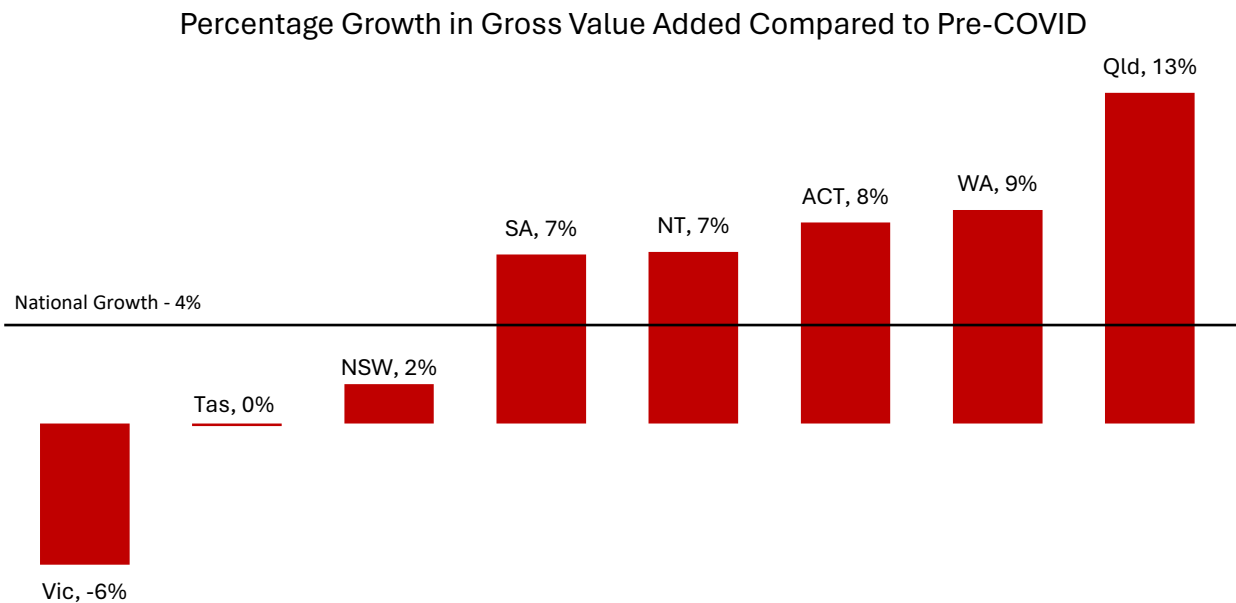
The direct GVA of tourism in South Australia was \$3.5 billion in 2022-23, a 63 per cent rise on last year and a 7 per cent rise compared to the pre-COVID year 2018-19.

Figure 4: Gross Value Added for South Australian Tourism



While this reflects a huge impact on the tourism industry, South Australia has not been as strong as Queensland, Western Australia, the Australian Capital Territory and the Northern Territory since 2018-19. As can be seen in Figure 5, South Australia has shown a growth of 7 per cent when compared to the pre-COVID result and sits in the middle of the pack, above the national average of 4 per cent.

Figure 5: Percentage Growth in Gross Value Added Compared to Pre-COVID



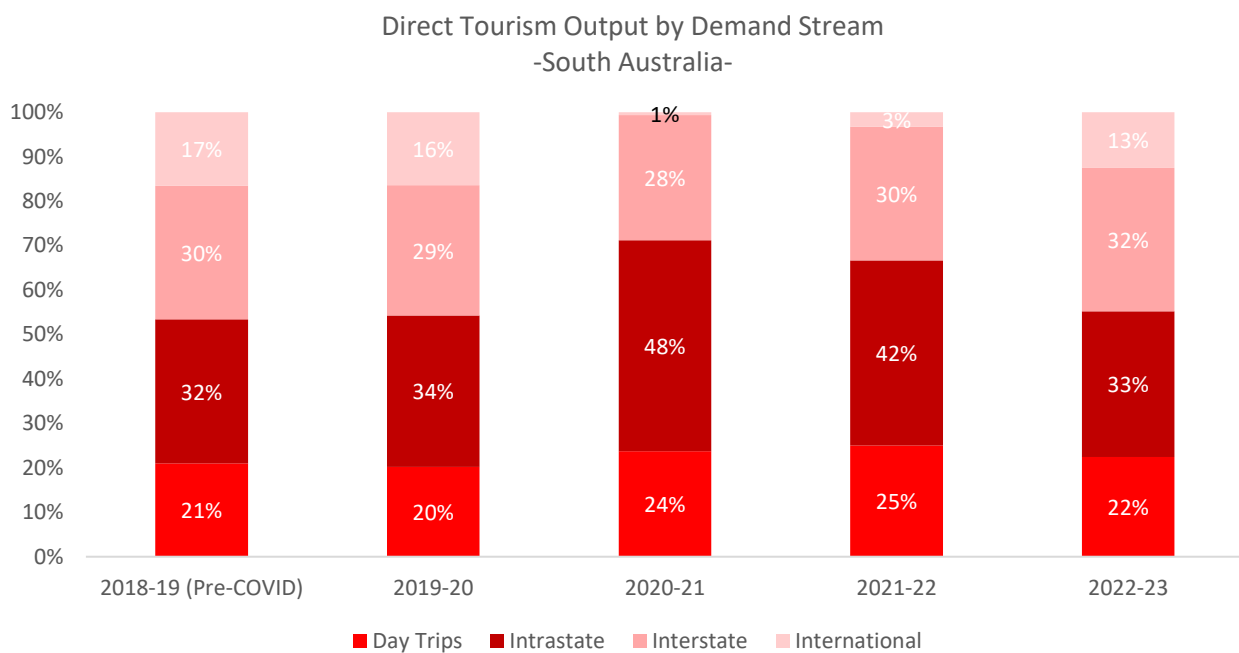
Tourism Output

Tourism output is the value of goods and services, at basic prices, which are consumed by visitors and produced by industries in a direct relationship with visitors. It takes into account the sales or revenue less the cost of goods sold, or the service provided. Because it does not take into account the cost of running the business, or providing the service, it is the most equitable measure to consider the level of economic activity produced by each tourism demand stream and industry.

Demand Stream Contribution

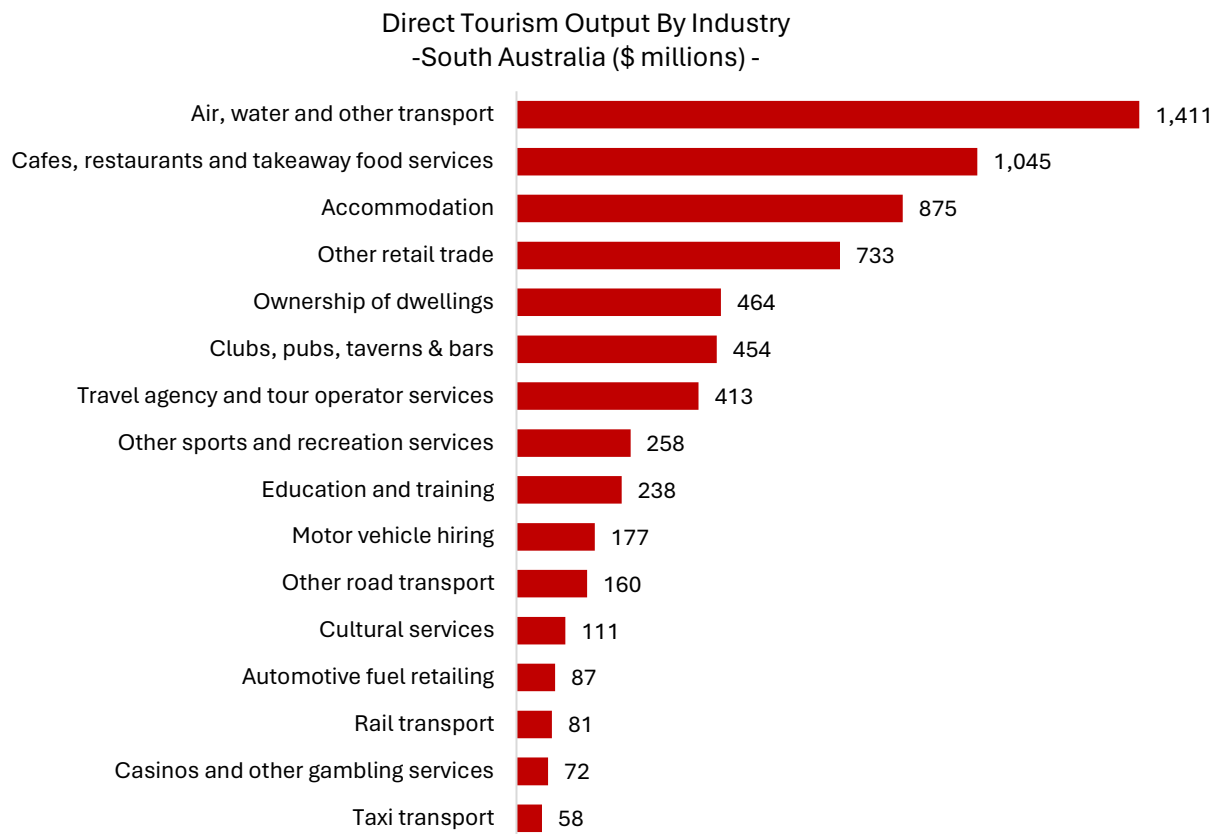
In 2022-23, intrastate tourism remains the largest source of Tourism Output, narrowly ahead of Interstate Tourism output. In the last year we have seen each source markets contribution move closer to pre-COVID levels as normality returns. With international travel experiencing strong growth over the past year, the international contribution has rebounded significantly to 13 percent. This marks a substantial increase from the 3 percent recorded in 2021-22 and signifies a promising progress towards returning to pre-COVID levels.

Figure 6: Direct Tourism Output by Demand Stream



Industry Contribution

In terms of industry, the strongest contribution to Tourism Output comes from air, water and other transport, the cafes, restaurants and takeaway food sector, accommodation and other retail trade.

Figure 7: Direct Tourism Output by Industry**Technical note:**

As is common with estimates of this kind, Tourism Research Australia regularly conducts a review of the underlying assumptions for these job estimates. This year there has been a recast of data previously published from 2006-07 to 2022-23 results.