



## STATE TOURISM SATELLITE ACCOUNTS 2021-22 SUMMARY

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### **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 \$8.3 billion in the year to December 2022.

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 2022. 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 2023.

This paper relates to the release of the State Tourism Satellite Account for 2021-22. For ease of interpretation, results have been compared to both the previous financial year (2020-21) and to the pre-COVID year of 2018-19. Note that this data does not include the significant tourism rebound that has been experienced since mid-2022, and as such in the next release we expect 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 2021-22 release.

### **ISSUES/DISCUSSION**

#### **Impact of COVID-19**

The impacts of the COVID pandemic are clearly reflected in the State Tourism Satellite Account, with different impacts across different States. While initiatives like Job Keeper likely showed artificially high job numbers for tourism in the 2019-20 data set, this impact is not relevant for the most recent 2021-22 data.

As can be seen in the following analysis, while the COVID pandemic has had a negative impact on the value and employment of tourism in South Australia, the impacts have been less severe than what has occurred nationally.

### **Tourism Employment**

Employment in the South Australian tourism industry dropped by 1.7 per cent to 34,000 people in the year to June 2022. Overall, the decrease since the pre-COVID comparison point is 21 per cent from 42,800. This decline is in line with the overall economic decline in tourism, which at the time had recovered to only \$6.1 billion and well below the current \$8.3b to December 2022.

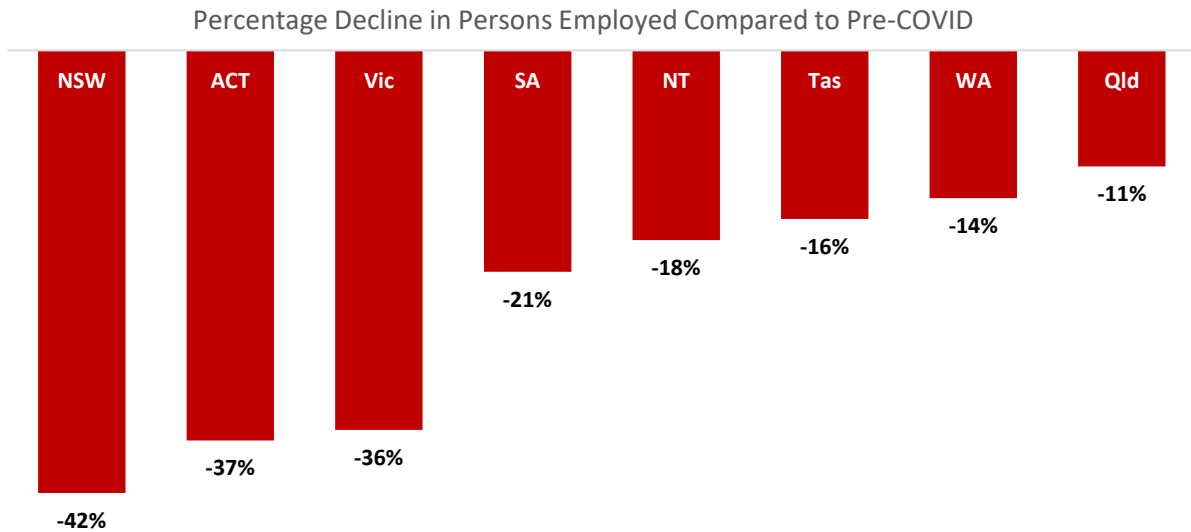
**Figure 1: Filled Jobs in South Australian Tourism**



South Australia and NSW were the only 2 states that saw a decline in tourism employment, down 1.7 per cent and 2.9 per cent respectively on 2020-21. All the other states saw growth in tourism employment with Victoria up 56 per cent and Queensland up 33 per cent. This growth was only possible as these states suffered much more significant declines in the initial stages of COVID.

Even with this growth, NSW was still 42 per cent down, Victoria 36 per cent down and overall Australia 28 per cent down on 2018-19 employment results.

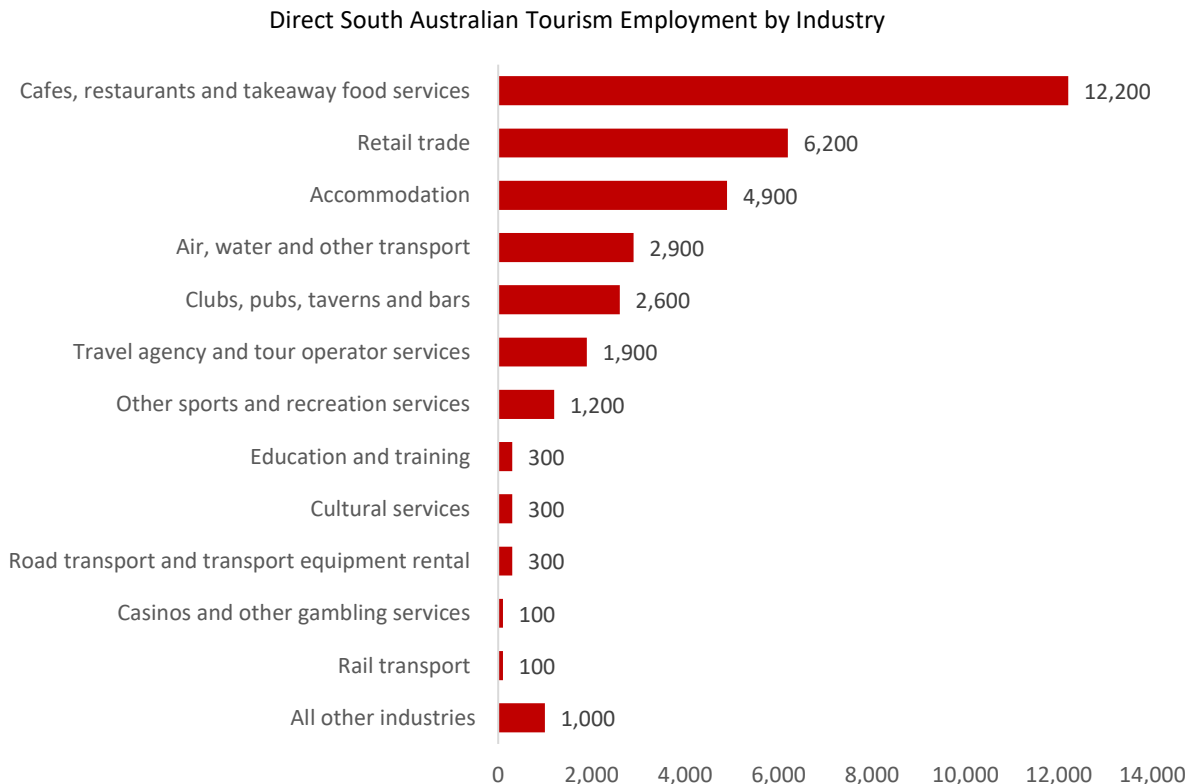
**Figure 2: Percentage Decline in Persons Employed Compared to Pre-COVID**



Direct tourism employment holds a 3.4 per cent share of all employment in South Australia (a decrease compared to 4.6 per cent in 2018-19). This compares to a 3.4 per cent contribution of direct tourism to all employment in Australia.

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 16,700 people, bringing the total number of people employed in tourism to 50,700. Total tourism employment was in line with 2020-21 and 26 per cent down compared to pre-COVID.

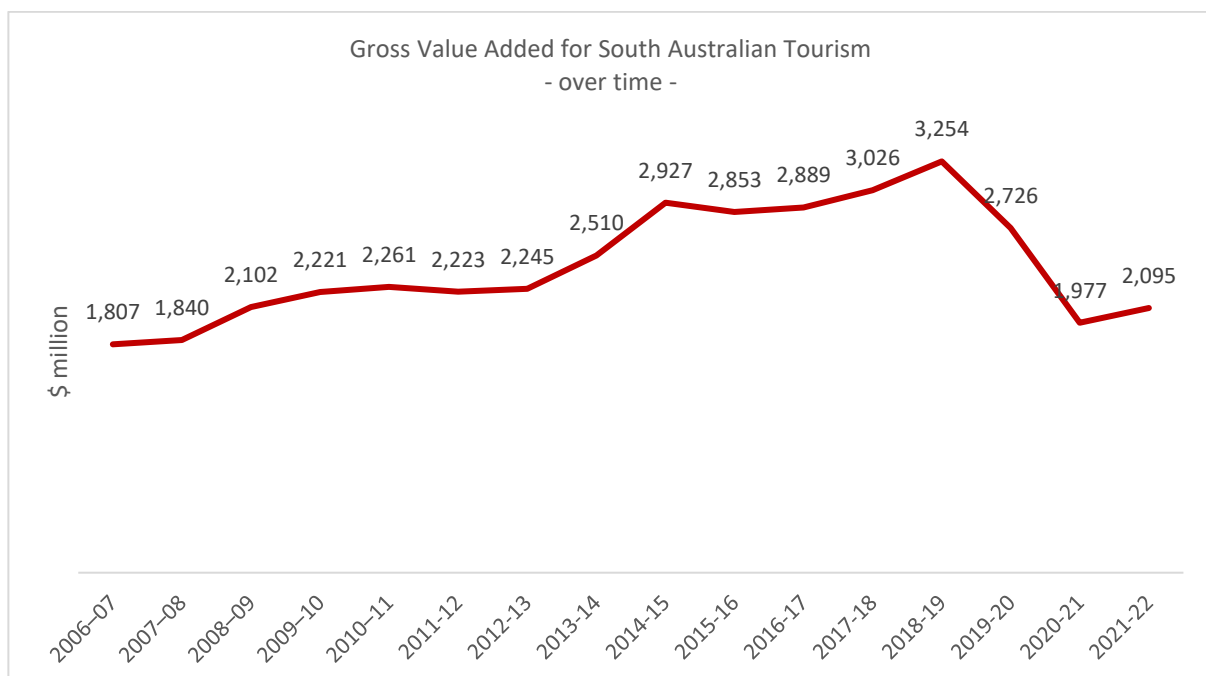
Please note that a breakdown of jobs in Adelaide compared to regions will not be available until TRA releases the South Australian Regional Satellite Accounts.

### **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.

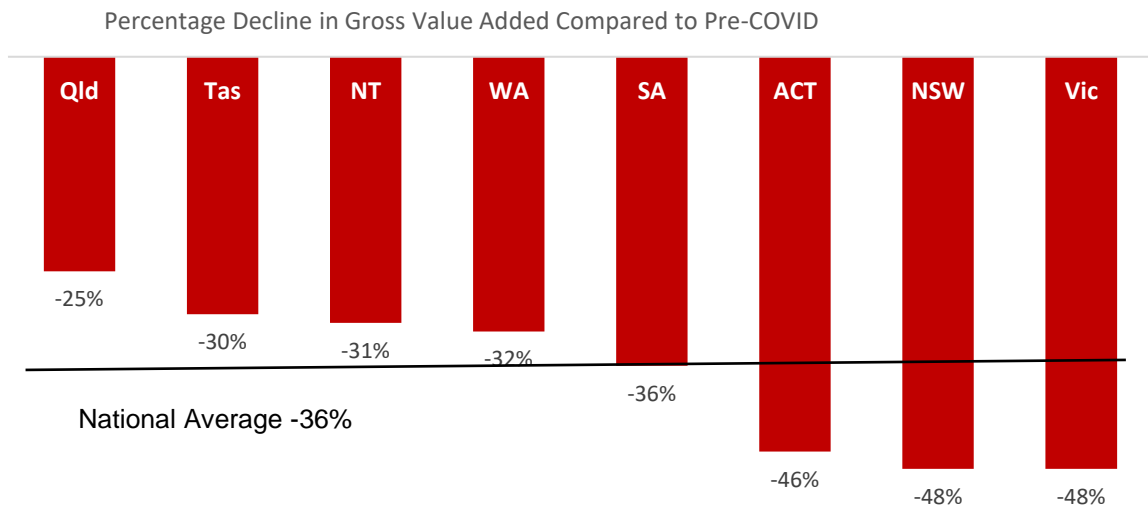
The direct GVA of tourism in South Australia was \$2.1 billion in 2021-22, a 6 per cent rise on last year and a 36 per cent decrease compared to the pre-COVID year 2018-19.

**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 badly affected as the ACT, NSW and Victoria. As can be seen in Figure 5, South Australia has shown a large decline in comparison to the pre-COVID result and sits in the middle of the pack, in line with the national average of 36 per cent.

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



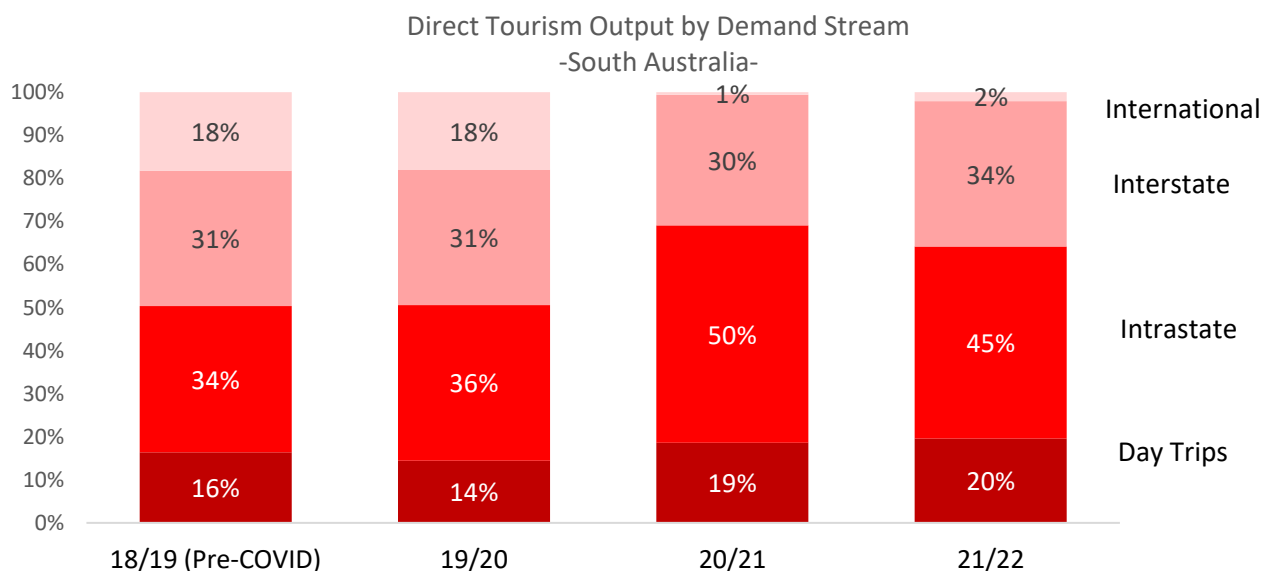
**Tourism Output**

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 2021-22 intrastate tourism is still the largest source of Tourism Output even though it is down on 2020-21. Intrastate contribution has increased from 34 per cent pre-COVID to 45 per cent of total Tourism Output. The significant decrease in the international contribution has been offset by slight proportional increases in the contribution of the day trip and interstate demand streams.

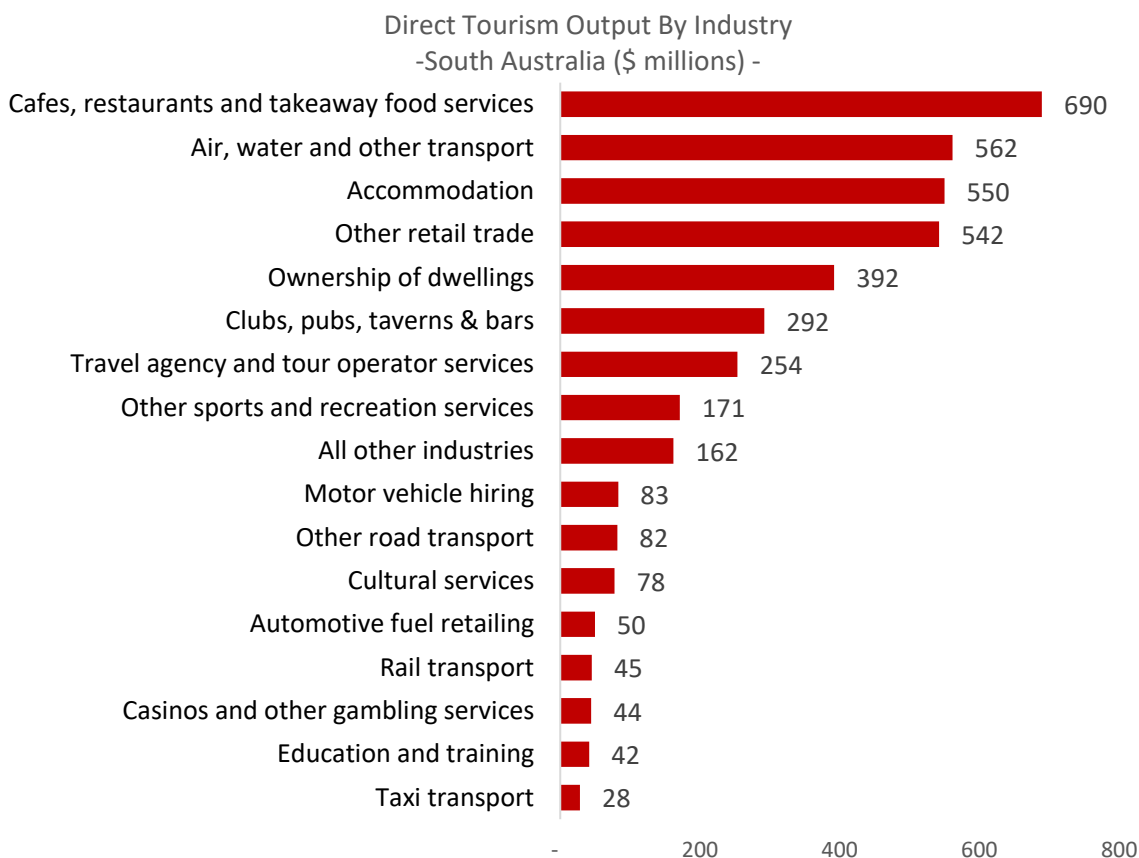
**Figure 6: Direct Tourism Output by Demand Stream**



## Industry Contribution

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

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



### Technical note:

As is common with estimates of this kind, TRA regularly conducts a review of the underlying assumptions for these job estimates. This year it means that there are two changes, a recast of data previously published from 2006-07 to 2021-22 results and a change in the data source for jobs.

The ABS, for the first time, reported tourism filled jobs (sourced from the Labour Account) instead of tourism employment (sourced from the Labour Force Survey). The ABS applied this change because tourism filled jobs provide a more meaningful measure of the tourism workforce. Importantly, tourism filled jobs captures the many secondary jobs that people have in the tourism sector and the highly casualised nature of work within the industry. The change in methodology has had little impact on the results.

In keeping with best practice, TRA has followed the lead of the ABS, by reporting tourism filled jobs for the first time in the 2021-22 issue of the State TSA. This has seen the complete time series (2006-07 to 2021-22) revised from previous issues to report tourism filled jobs for all states and territories.