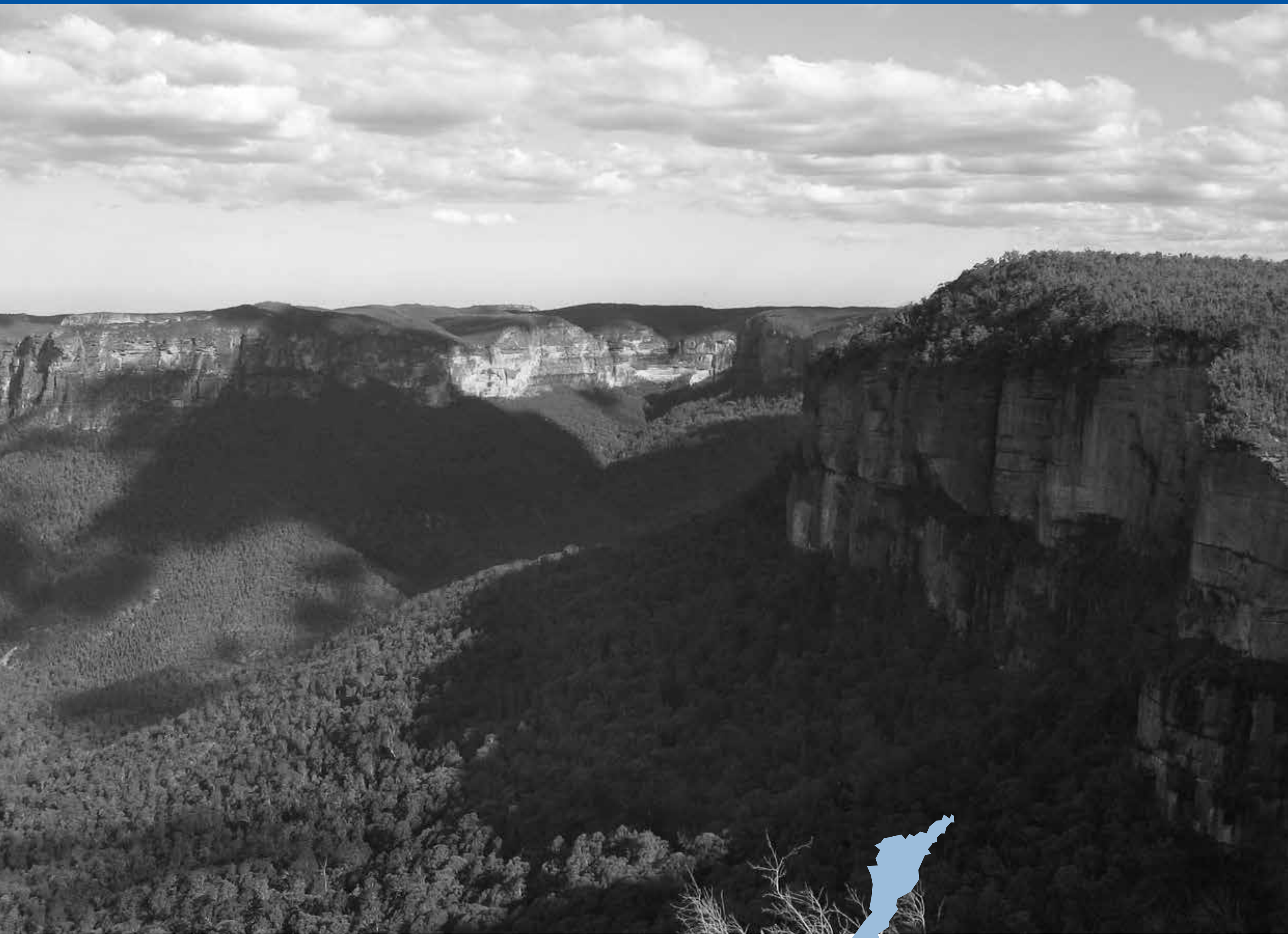
blue mountains ECONOMIC ENTERPRISE
bmEE

Blue Mountains Demographic and Economic Profile

Issue 1: 2014




MT IRVINE
BELL
MT WILSON
BILPIN
BERAMBING
MT TOMAH
MT VICTORIA
Blue Mountains National Park
BLACKHEATH
MEDLOW BATH
WENTWORTH FALLS
MEGALONG VALLEY
KATOOMBA
LEURA
BULLABURRA
LAWSON
HAZELBROOK
WOODFORD
LINDEN
FAULCONBRIDGE
SPRINGWOOD
VALLEY HEIGHTS
WINMALEE
HAWKESBURY HEIGHTS
YELLOW ROCK
SUN VALLEY
MT RIVERVIEW
WARRIMOO
BLAXLAND
GLENBROOK
LAPSTONE
Blue Mountains National Park

1.0 Introduction

The Blue Mountains Local Government Area (LGA) covers 143,000 hectares of land in the Greater Western Sydney Region. Approximately 70% of the area is incorporated into the World Heritage Blue Mountains National Park, with approximately 11% of the total land area in private ownership.

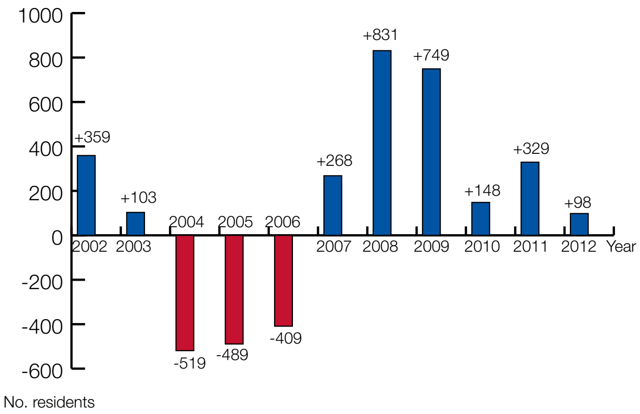
A place of great natural beauty and rich in cultural resources, the Blue Mountains attracts over 4 million visitors per year, making it one of the top three tourist destinations in Australia.

2.0 Population

In 2012, there were an estimated 78,489 persons residing in the Blue Mountains, representing an increase of 98 persons, or 0.1% from the population level in 2011.

This equates to an increase of 2,155 persons or 2.8% since 2007 indicating a steady growth in resident numbers for the region.

CHANGE IN NUMBER OF BLUE MOUNTAINS RESIDENTS BETWEEN 2001-2012



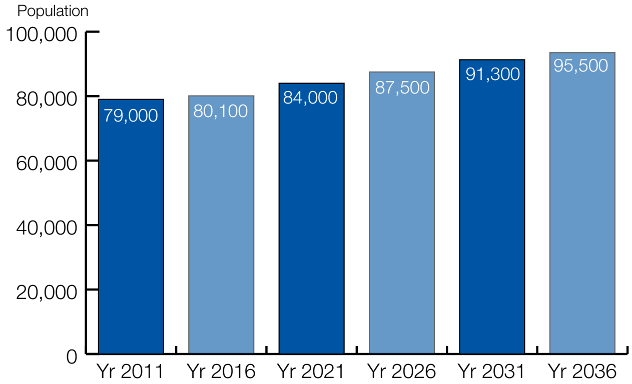
Source: Australian Bureau of Statistics, Regional Population Growth, Australia (3218.0), A.P. SHEERE CONSULTING

KEY FACTS
Estimated resident population of 78,489 persons (2012)
March quarter (2013) unemployment rate was 4.1%
High SEIFA ranking of 125 out of 152 LGAs
Dwellingapprovalsaverageannualgrowth2007-2012was12%
34.8% of residents are tertiary qualified (2011)
28.4% of residents earn in excess of $1,000/wk

Population Projections

Population projections issued by Department of Planning and Infrastructure from 2011 to the year 2036 show that the population of the Blue Mountains is expected to increase by 16,500 persons – or an average annual growth rate of 0.8% per annum – to a level of approximately 95,500 persons by 2036. This is slightly lower than the average annual growth rates for NSW at 1.2%; Sydney at 1.6% and Penrith at 1.3%.

BLUE MOUNTAINS POPULATION PROJECTIONS 2011-2036



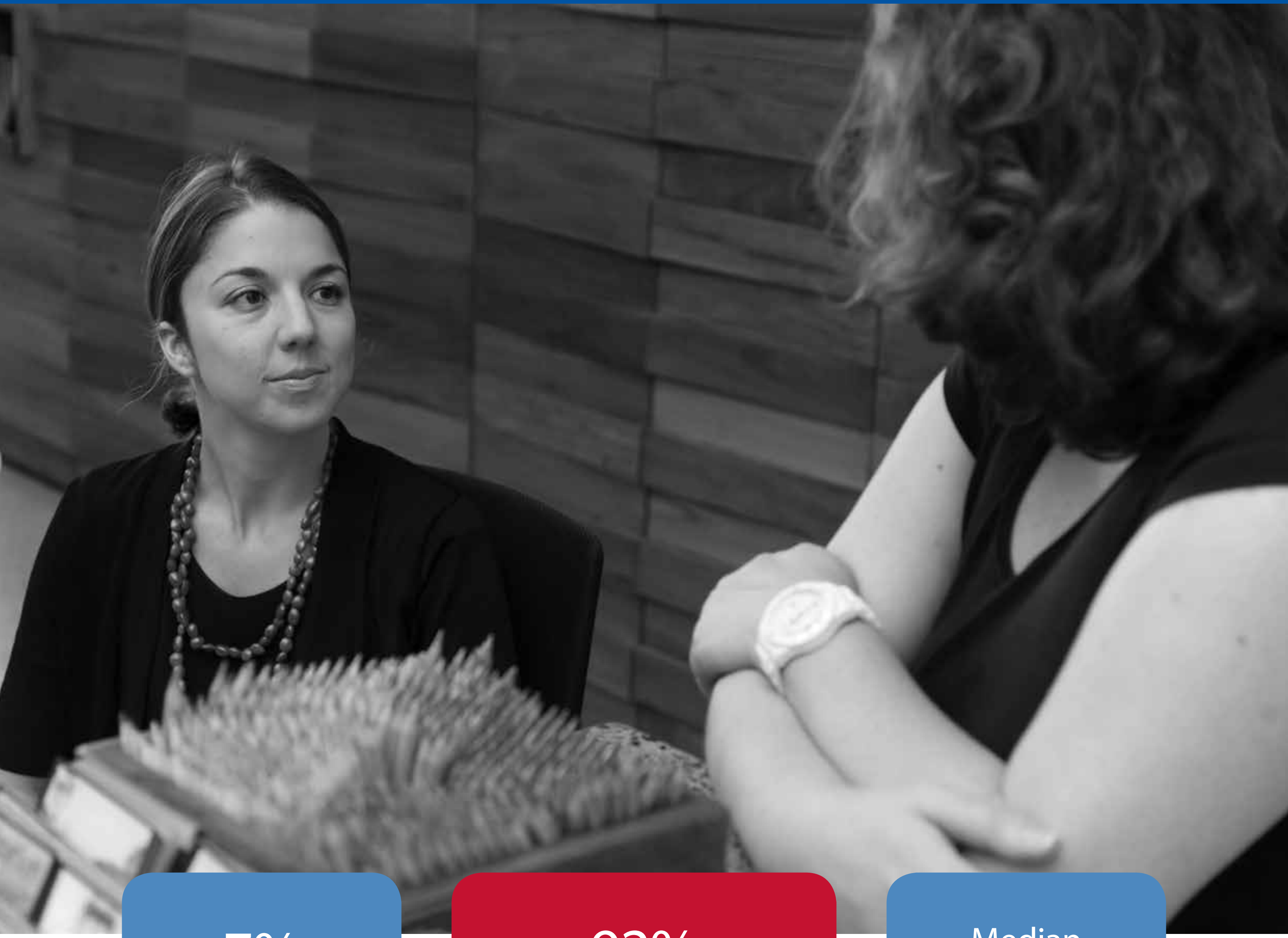
Source: Dept. of Planning and Infrastructure 2011, A.P. SHEERE CONSULTING

Age Distribution

The median age of people in the Blue Mountains LGA was 42 years based on Census 2011 data which is marginally higher than the NSW median age of 38 years. Children aged 0 - 14 years made up 19.5% of the population and people aged 70 years and over made up 10.5% of the population which was almost equal to the NSW average of 10.3%.

AGE (YEARS)	BLUE MOUNTAINS%	NEW SOUTH WALES %
0-4	6.2	6.6
5-9	6.6	6.3
10-14	6.7	6.3
15-19	6.6	6.4
20-24	4.9	6.5
25-29	4.3	6.8
30-39	11.4	13.9
40-49	14.7	14.0
50-59	15.9	12.9
60-69	12.5	10.0
70-84	8.3	8.3
85+	2.2	2.0

Source: ABS Census 2011 data, A.P. SHEERE CONSULTING



7%
annual yield
for houses

92%
of all dwellings are
separate houses

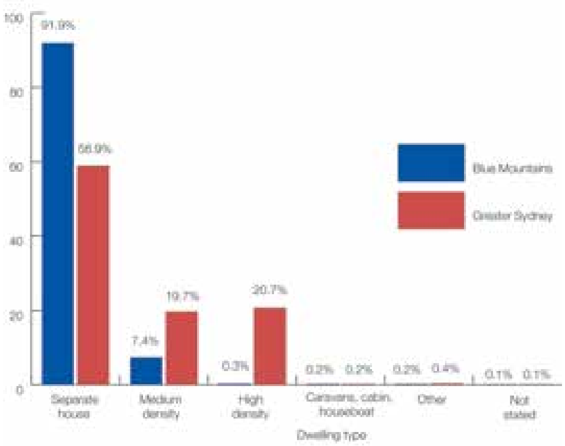
Median
age of
42 yrs

3.0 Housing Characteristics

Dwelling Type

In 2011, 7.7% of the total 33,254 dwellings within the Blue Mountains LGA were either medium or high density, compared to 40% in Greater Sydney. Separate Houses accounted for 92% of all dwellings within the LGA which is significantly higher than the figure for Greater Sydney at 59%.

DWELLING TYPE AS A PERCENTAGE OF TOTAL PRIVATE DWELLINGS, 2011



Source: ABS Census 2011 data, A.P. SHEERE CONSULTING

Between 2006 and 2011 there were an additional 522 private dwellings within the LGA representing an average annual increase of 0.4%. During the same period High Density developments fell by 43% with Medium Density dwellings accounting for the greatest increase at 28%.

Average Weekly Rents

Figures issued by the NSW Department of Housing 2012 indicate that the average median weekly rent for a three bedroom house was $363.00 in the Blue Mountains LGA representing an annual increase of 3.6%. By comparison, the Greater Metropolitan Region recorded no change in median rents whilst Penrith's annual change was lower at 2%.

Both one bedroom and two bedroom units showed high annual % changes in median weekly rents at 10% and 16% respectively. The rate of 16% for two bedroom units was significantly higher than the rate shown for Penrith at 1.8% and the Greater Metropolitan Region at 2.3%.

Capitalised Annual Yield for houses was 7% according to figures released by Residex in 2013.

CAPITALISED ANNUAL YIELD FOR HOUSES WAS 7% ACCORDING TO FIGURES RELEASED BY RESIDEX IN 2013.

MEDIAN WEEKLY RENTS BY DWELLING TYPE - DEC 2012						
	Blue Mountains Dec 2012		Greater Metropolitan Region		Penrith	
	Median weeklyrent$	Annual%change	Median weeklyrent$	Annual%change	Median weeklyrent$	Annual%change
SEPARATE HOUSES						
Two bedrooms	295	-1.7	360	+2.9	310	n/a
Threebedrooms	363	+3.6	400	0.0	378	+2.0
FLATS/UNITS						
One bedroom	220	+10	420	+5.0	250	+13.6
Two bedrooms	290	+16	450	+2.3	280	+1.8

Source: NSW Department of Housing, December Quarter 2012, A.P. SHEERE CONSULTING

Median Weekly Rents Over Time

Median weekly rents for all dwellings in the Blue Mountains LGA increased steadily between December 2003 and December 2012 from $210/week to $350/week.

BLUE MOUNTAINS ALL DWELLINGS' MEDIAN RENT
($ PER WEEK)

Source: NSW Dept of Housing, Dec. Quarter 2012,
A.P. SHEERE CONSULTING

Housing Tenure

Of occupied private dwellings in the Blue Mountains LGA in 2011, 37.4% were owned outright compared to 33.2% in NSW; 40.6% were owned with a mortgage and 19.2% were rented compared to 30.1% in NSW.

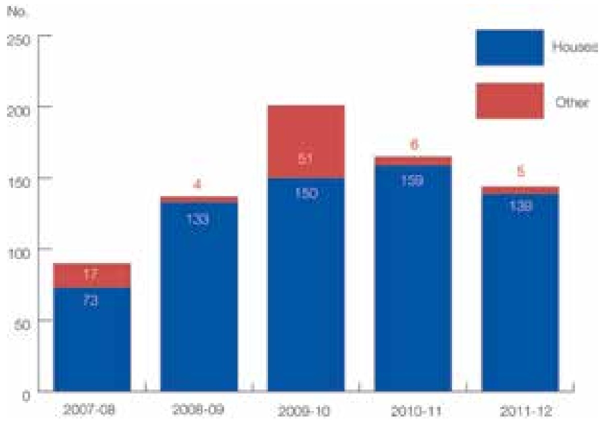
TENURE	BM LGA	%	NSW	%	AUS	%
OCCUPIED PRIVATE DWELLINGS						
Owned outright	10,489	37.4	820,006	33.2	2,488,149	32.1
Owned with a mortgage	11,384	40.6	824,292	33.4	2,709,433	34.9
Rented	5,377	19.2	743,050	30.1	2,297,458	29.6
Other tenure type	275	1	20,418	0.8	70,069	0.9
Tenure type not stated	506	1.8	63,530	2.6	195,213	2.5

Source: ABS 2012, A.P. SHEERE CONSULTING

Building Approvals

There were 144 residential buildings approved to be built in the Blue Mountains LGA in the financial year 2011-12, 139 of which were categorised as Houses. This represents an average annual increase of 12% between 2007 and 2012.

BUILDING APPROVALS BLUE MOUNTAINS 2007-2012



Source: ABS 2012, A.P. SHEERE CONSULTING

4.0 Employment

Labour Force

There were 37,458 who reported being in the labour force in the week before Census 2011 night in the Blue Mountains LGA. Of these 56.2% were employed full time, 33.3% were employed part-time and 4.9% were unemployed.

As at March 2013 the quarterly unemployment rate estimate issued by the Department of Education and Employment and Work Relations for the Blue Mountains LGA was 4.1% with 44,384 listed as being in the Labour Force. This makes the unemployment rate in the Blue Mountains lower than the averages for the Sydney Region (4.9%), New South Wales (5.1%) and Australia (5.3%).

BLUE MOUNTAINS UNEMPLOYMENT RATES
BETWEEN MARCH 2008 AND MARCH 2013

Source: DEEWR 2013, A.P. SHEERE CONSULTING

Residential Location of Workers

Based on ABS Census data, 20,531 or 59% of Blue Mountains LGA resident workers travel outside of the area to work. 41% (14,142 persons) of working residents worked within the Blue Mountains LGA itself followed by Penrith - 18% (6,199 persons) and Sydney – 7% (2,417 persons).

TOP 10 BLUE MOUNTAINS RESIDENT WORKFORCE PLACE OF WORK		
RANK	PLACE OF WORK	WORKFORCE
1	Blue Mountains (C)	14142
2	Penrith (C)	6199
3	Sydney (C) and North Syd	2417
4	Blacktown (C)	1958
5	Parramatta (C)	1684
6	POW No Fixed Address (NSW)	1505
7	POW State/Territory undefined (NSW)	960
8	Hawkesbury (C)	706
9	Lithgow (C)	535
10	Auburn (C)	467

Source: ABS 2011 Census of Population and Housing, A.P. SHEERE CONSULTING

Employment by Industry

According to Census 2011 data, the three industry sectors which employed the majority of Blue Mountains residents were:

- Health Care and Social Assistance (5,243 people or 14.72%)
- Education and Training (5,217 people or 14.65%)
- Retail Trade (3,265 people or 9.17%)

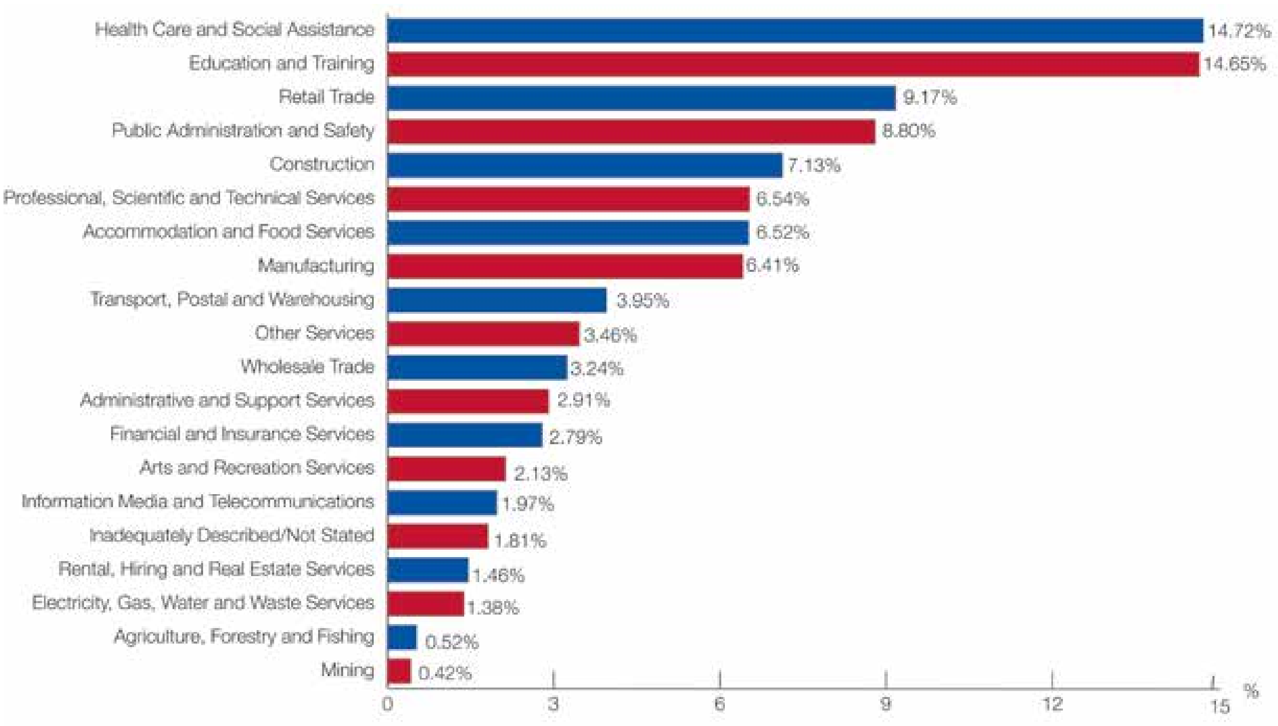
In total these three sectors employed 13,725 people or 38.5% of the resident working population. In comparison, Greater Sydney employed 10.9% in Health Care and Social Assistance; 7.6% in Education and Training; and 9.8% in Retail Trade.

Emerging Groups

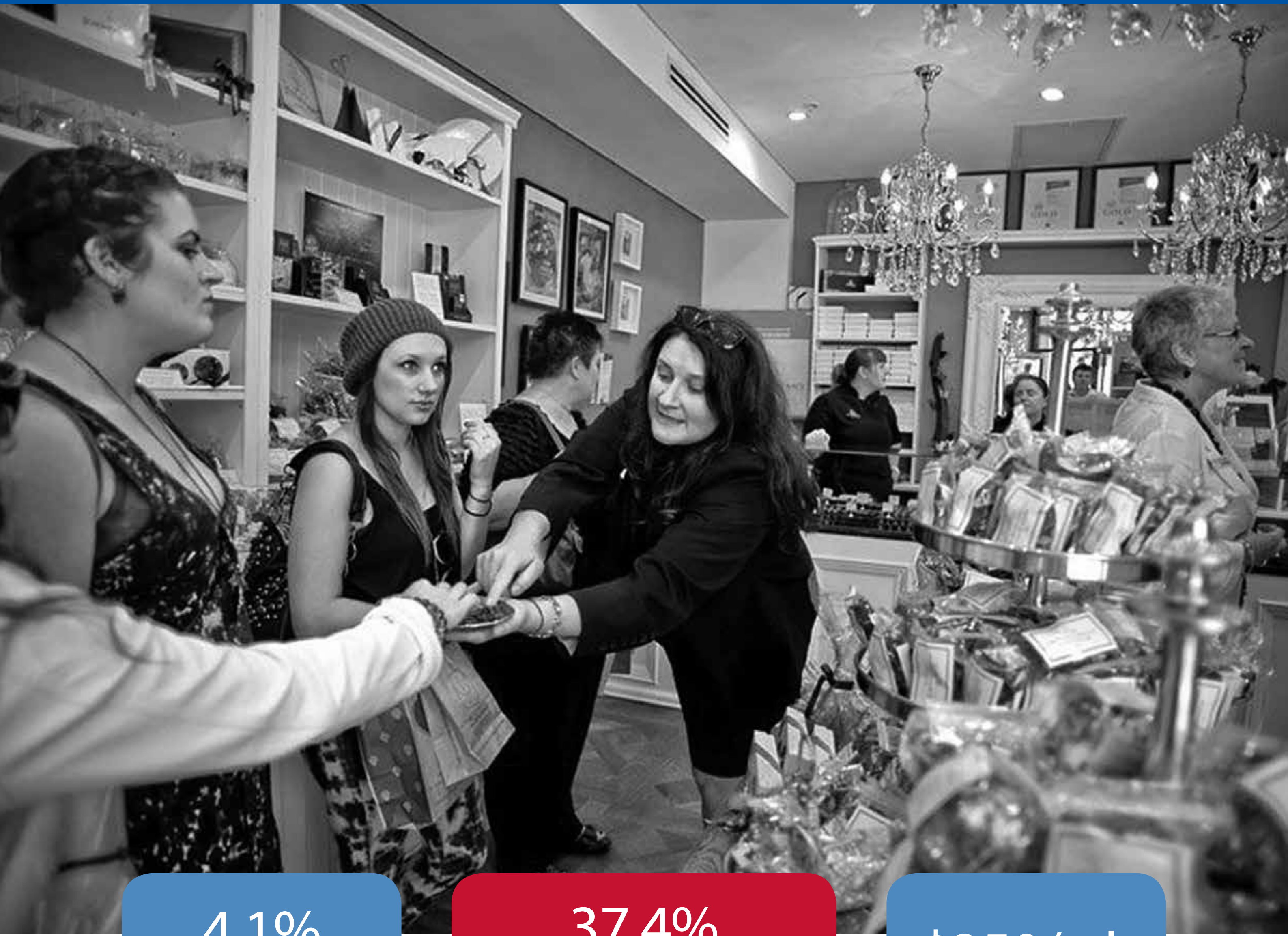
The number of residents employed increased by 437 between 2006 and 2011. The largest changes in the jobs held by the resident population between 2006 and 2011 were for those employed in:

Health Care and Social Assistance (+357 persons)
Retail Trade (-299 persons)
Education and Training (+227 persons)
Manufacturing (-210 persons)

RESIDENT WORKFORCE BY INDUSTRY SECTOR OF EMPLOYMENT, 2011



Source: ABS 2011 Census of Population and Housing, A.P. SHEERE CONSULTING



4.1%
March 2013 unemployment rate

37.4%
occupied private dwellings owned outright

$350/wk
median weekly rents

Home Based Businesses

Census 2011 data indicates that 2,208 Blue Mountains residents worked from home. This represents an increase of 10.5% from Census 2006 figures or an average annual growth rate of 2.1%. Home Based business operators represented 6.3% of the total resident workforce in the Blue Mountains LGA in 2011.

BLUE MOUNTAINS LGA	2011			2006			CHANGE
	NUMBER	%	GREATER SYDNEY %	NUMBER	%	GREATER SYDNEY %	2006-2011
Worked at home	2,208	6.3	4.0	1,998	5.8	3.9	+210
Total workforce	34,949	100.0	100.0	34,717	100.0	100.0	+232

Source: Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011.

Top Employing Sectors of Blue Mountains Residents

Of those Blue Mountains residents working within the Blue Mountains, the top 5 employing sectors were:

TOP EMPLOYING SECTORS OF BLUE MOUNTAINS RESIDENTS WITHIN THE BLUE MOUNTAINS LGA				
RANK	EMPLOYING INDUSTRY (2011)	NUMBER EMPLOYED INSIDE THE BM LGA	TOTAL EMPLOYED IN SECTOR	% OF TOTAL EMPLOYED IN SECTOR INSIDE THE BM LGA
1	Health Care and Social Assistance	2410	5247	46
2	Retail Trade	1896	3264	58
3	Education and Training	1774	5216	34
4	Accommodation and Food Services	1698	2319	73
5	Professional, Scientific and Technical Services	1048	2328	45

Source: ABS Census 2011; A.P. SHEERE CONSULTING

Of those Blue Mountains residents working outside the Blue Mountains LGA, the top 5 employing sectors were:

TOP EMPLOYING SECTORS OF BLUE MOUNTAINS RESIDENTS OUTSIDE THE BLUE MOUNTAINS LGA				
RANK	EMPLOYING INDUSTRY (2011)	NUMBER EMPLOYED OUTSIDE THE BM LGA	TOTAL EMPLOYED IN SECTOR	% OF TOTAL EMPLOYED IN SECTOR OUTSIDE THE BM LGA
1	Education and Training	3442	5216	66
2	Health Care and Social Assistance	2837	5247	54
3	Public Administration and Safety	2332	3136	74
4	Manufacturing	1851	2283	81
5	Construction	1704	2542	67

Source: ABS Census 2011; A.P. SHEERE CONSULTING

Regions Employing Most Resident Workers By Industry Sector

The Penrith LGA provides most jobs for Blue Mountains residents outside of the Blue Mountains LGA followed by Sydney. Penrith's proximity to the Blue Mountains region helps facilitate access to jobs and the ability to commute by rail and road directly to Sydney's CBD also provides employment opportunities.

LOCAL GOVERNMENT AREAS PROVIDING THE MOST JOBS BY INDUSTRY SECTOR FOR BLUE MOUNTAINS RESIDENT WORKERS (NOT INCLUDING THE BLUE MOUNTAINS LGA)

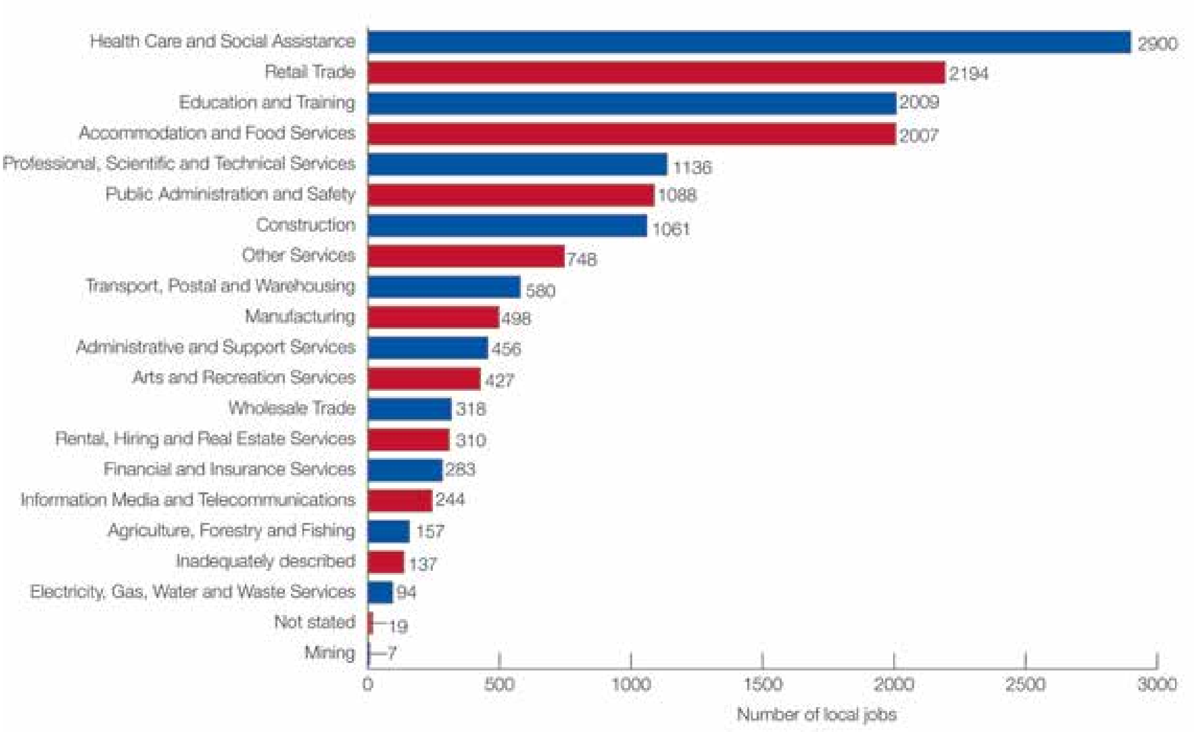
INDUSTRY OF EMPLOYMENT	RESIDENT EMPLOYMENT LOCATION OUTSIDE THE BM LGA
Electricity, Gas, Water and Waste Services	Blacktown
Wholesale Trade	Blacktown
Agriculture, Forestry and Fishing	Hawkesbury
Mining	Lithgow
Manufacturing	Penrith
Retail Trade	Penrith
Accommodation and Food Services	Penrith
Transport, Postal and Warehousing	Penrith
Rental, Hiring and Real Estate Services	Penrith
Public Administration and Safety	Penrith
Education and Training	Penrith
Health Care and Social Assistance	Penrith
Other Services	Penrith
Construction	POW no fixed address – followed by Penrith
Administrative and Support Services	POW no fixed address – followed by Penrith
Information Media and Telecommunications	Sydney
Financial and Insurance Services	Sydney
Professional, Scientific and Technical Services	Sydney
Arts and Recreation Services	Sydney

Source: ABS Census 2011; A.P. SHEERE CONSULTING

The employment data on the following page represents the number of people employed by businesses/organisations in each of the industry sectors in the Blue Mountains LGA. This 'place of work' data represents the total number of jobs without conversion to full-time equivalent employment. In total there are 16,517 jobs in the Blue Mountains LGA based on Census 2011 data.

Health Care and Social Assistance provides the most employment with 2,900 jobs or 18% of the total number of jobs. This is followed by the Retail Trade sector (2,194 jobs) at 13% with both Education and Training (2,009 jobs) and Accommodation and Food Services (2,007 jobs) each accounting for 12% of the total number of local jobs.

EMPLOYMENT WITHIN THE BLUE MOUNTAINS LGA, 2011



Source: ABS 2011 Census of Population and Housing, A.P. SHEERE CONSULTING

5.0 Income

Weekly Individual Income

Analysis of individual income levels in the Blue Mountains LGA in 2011 compared to Greater Sydney shows that there was a similar proportion of people earning a high income (those earning $1,500 per week or more) as well as a similar proportion of low income earners (those earning less than $400 per week).

Overall, 28.4% of resident workers earned in excess of $1,000 per week and 27.5% earned a low income – less than $400 per week.

Wages and Salaries

Wages and Salaries refers to the value of entitlements earned by employees from their employers for services rendered, includes wages and salaries received by employees in cash and in-kind (e.g. provision of food, accommodation or motor vehicles), and employers' social contributions such as superannuation contributions and workers' compensation premiums.

INDUSTRY	WAGES/SALARIES(M)
Health Care and Social Assistance	$187.20
Education and Training	$141.16
Public Administration and Safety	$95.30
Professional, Scientific and Technical Services	$89.30
Retail Trade	$85.08
Accommodation and Food Services	$68.48
Construction	$65.29
Financial and Insurance Services	$54.76
Administrative and Support Services	$41.36
Transport, Postal and Warehousing	$40.40
Other Services	$36.68
Wholesale Trade	$34.38
Manufacturing	$32.77
Rental, Hiring and Real Estate Services	$23.87
Information Media and Telecommunications	$20.82
Arts and Recreation Services	$12.56
Electricity, Gas, Water and Waste Services	$9.46
Agriculture, Forestry and Fishing	$4.54
Mining	$0.49
TOTAL	$1043.88

Source: REMPLAN, incorporating data sourced from the ABS 2011 Census, 2008/2009 ABS National Input/Output Tables, and ABS Gross State Product (June 2012)

SEIFA Index

The Socio-Economic Indices for Areas (SEIFA) Index of Advantage/Disadvantage is published by the ABS. The SEIFA Index takes into account and summarises high values (advantages) and low values (disadvantages) taken from Census variables such as households with low income (disadvantage) and people with a tertiary education (advantage).

A lower rank indicates that an area is relatively disadvantaged compared to an area with a higher rank. All areas are ordered from the lowest to highest rank (the lowest rank being 1) and placed in deciles ranging from 1 to 10, with 1 representing the most disadvantage. The area with the highest rank of 152 having the highest level of advantage) would therefore be placed in the 10th decile of advantage/ disadvantage.

The Blue Mountains is ranked highly within the 9th decile and in 125th position out of 152 Local Government Areas in NSW. The Blue Mountains LGA is in fact ranked in the top 30 of all NSW LGAs above Penrith and Parramatta City highlighting the high level of advantage attributed to the region.

The Blue Mountains LGA is placed within the 9th percentile representing significant advantage.

INDEXOFRELATIVESOCIO-ECONOMICADVANTAGEAND DISADVANTAGE BY LGA, 2011		
LGA	RANKWITHINNSW (OUTOF152LGAS)	PERCENTILE
Blue Mountains	125	9
Penrith	109	8
Parramatta	112	8
Sydney	130	9
Bathurst Regional	104	7
Lithgow	22	2
Orange	90	6

Source: ABS 2011SEIFA Index

6.0 Education

Analysis of the qualifications of Blue Mountains residents in 2011 compared to Greater Sydney shows that there was a higher proportion of people holding formal qualifications (Bachelor or higher degree; Advanced Diploma or Diploma; or Vocational qualifications), and a lower proportion of people with no formal qualifications.

Overall, 54.9% of the population aged 15 and over held educational qualifications, and 34.9% had no qualifications, compared with 48.3% and 40.5% respectively for Greater Sydney.

The largest changes in the qualifications of the population in the Blue Mountains LGA between 2006 and 2011 were in those with:

- Bachelor or Higher degrees (+2,060 persons)
- Vocational qualifications (+1,015 persons)
- No qualifications (-961 persons)
- Advanced Diploma or Diplomas (+549 persons)

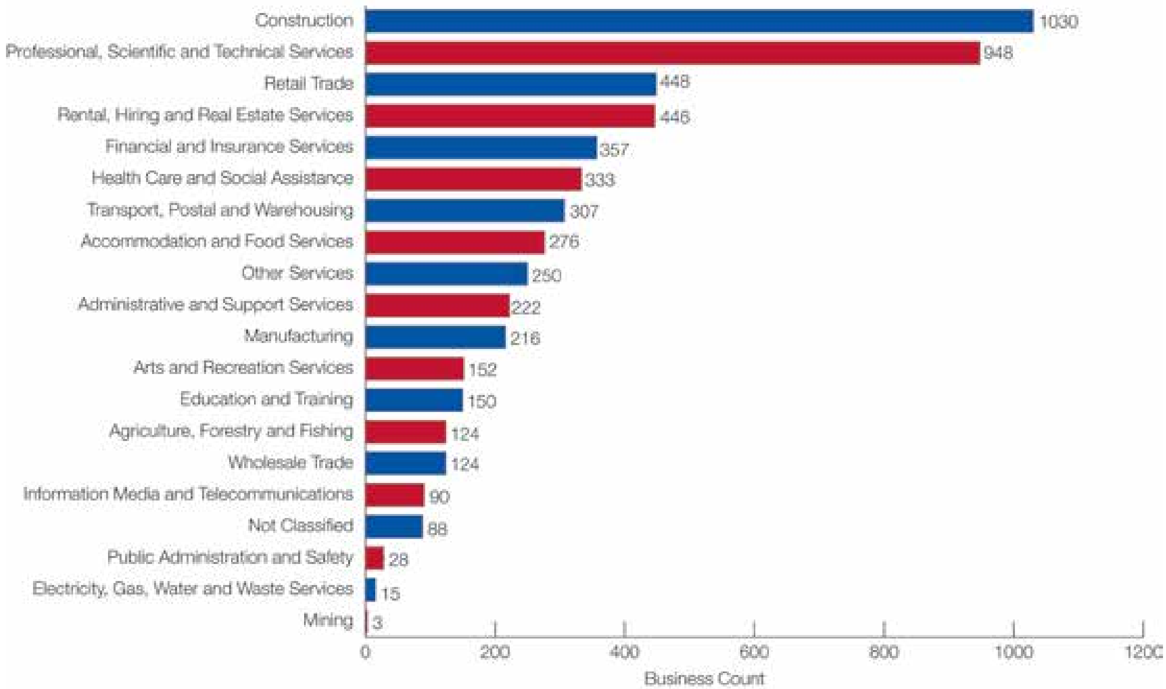
HIGHEST QUALIFICATION ACHIEVED BY BLUE MOUNTAINS RESIDENTS 2006-2011							
	2011			2006			CHANGE
QUALIFICATION LEVEL	NUMBER	%	GREATER SYDNEY %	NUMBER	%	GREATER SYDNEY %	2006 TO 2011
Bachelor or Higher degree	14,766	24.1	24.1	12,707	21.6	20.0	+2,059
AdvancedDiplomaorDiploma	6,518	10.7	9.0	5,968	10.1	8.1	+550
Total of Tertiary qualified	21,284	34.8	33.1	18,675	31.7	28.1	+2,609
Certificate/Vocational	12,312	20.1	15.1	11,297	19.2	14.9	+1,015
Total qualified	33,596	54.9	48.2	29,972	50.9	43.0	+ 3,624
No qualification	21,310	34.9	40.5	22,271	37.8	42.7	-961
Not stated	6,239	10.2	11.3	6,701	11.4	14.3	-462
Total persons aged 15+	61,145	100.0	100.0	58,944	100.0	100.0	+2,201

Source: ABS Census 2011

7.0 Business Numbers and Size

Of the 5,607 registered businesses within the Blue Mountains LGA in 2011, Construction rated the highest in number of entities totalling 1,030. 87% of registered businesses were either 'non employing' or employed 1-4 people with 97% categorised as 'small businesses' – employing less than 20 people.

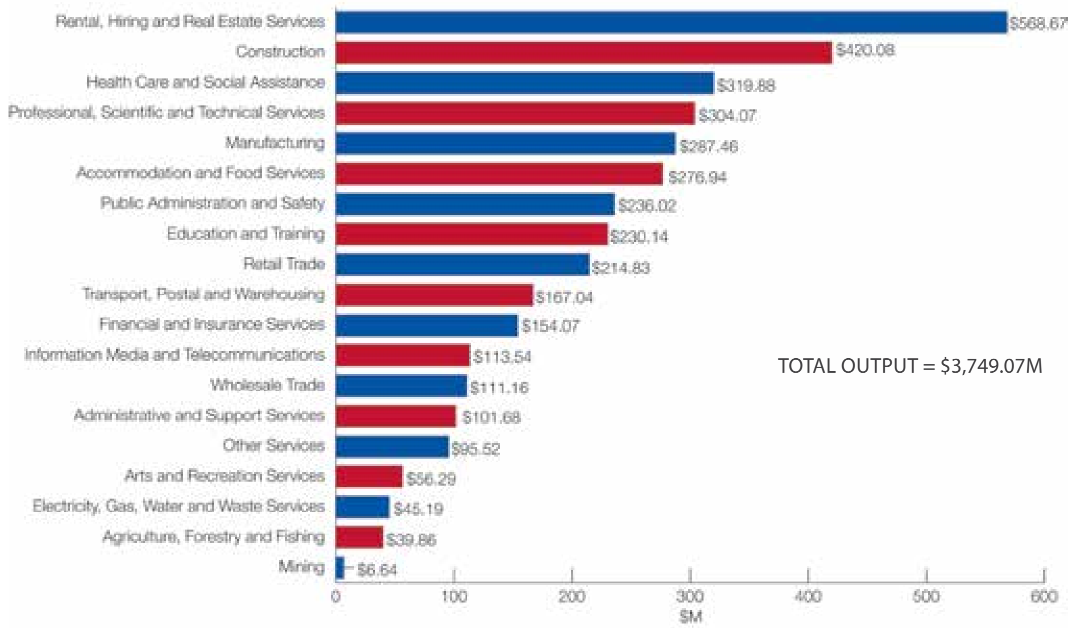
BLUE MOUNTAINS BUSINESS COUNT BY INDUSTRY, 2011



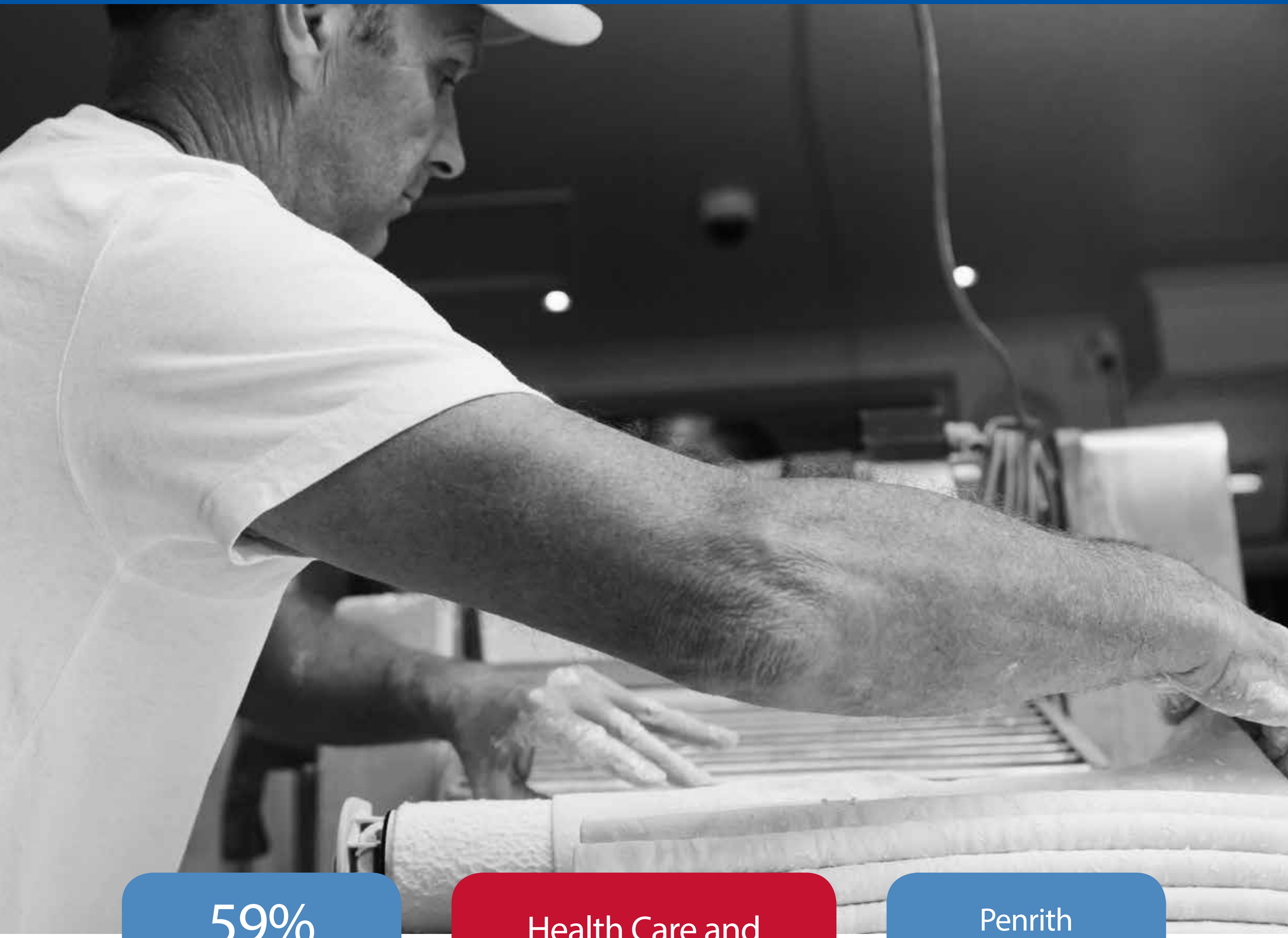
Source: ABR/ABS, A.P.SHEERE CONSULTING

8.0 Industry Performance and Size

Output - represents the gross revenue generated by businesses/organisations in each of the industry sectors in a defined region.



Source: REMPLAN, incorporating data sourced from the ABS 2011 Census, 2008/2009 ABS National Input/Output Tables, and ABS Gross State Product (June 2012). A.P. SHEERE CONSULTING

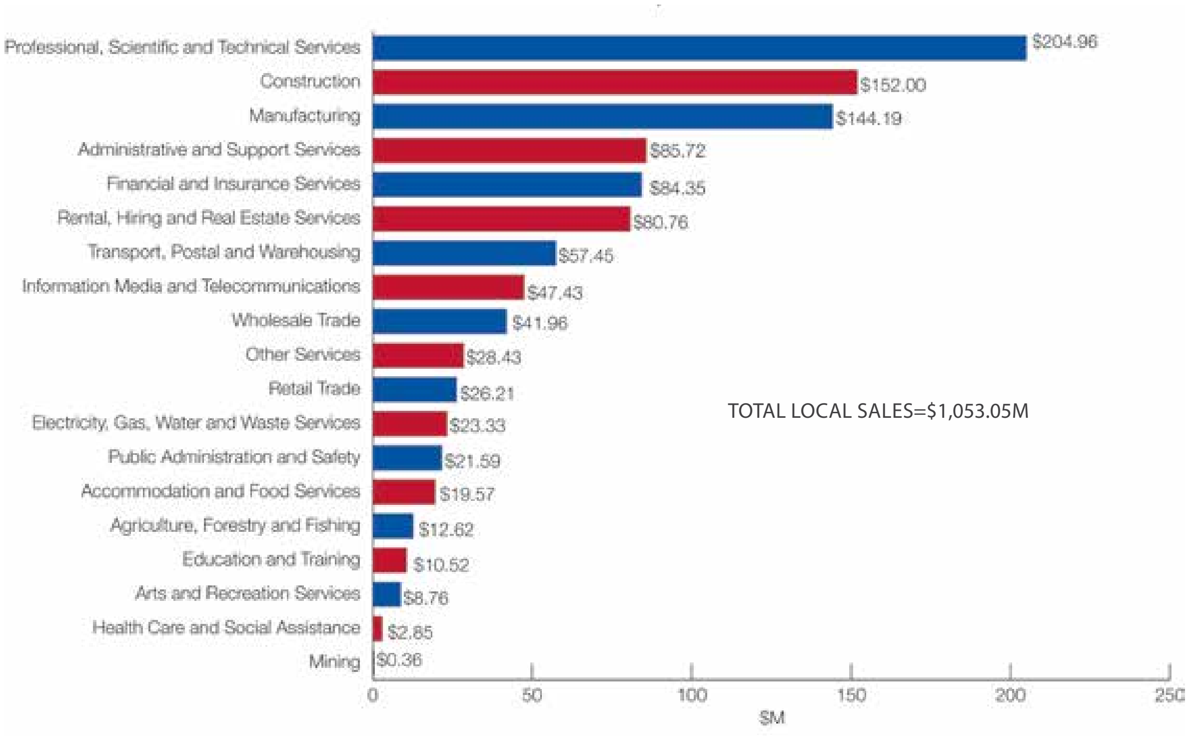


59%
of residents leave the Blue Mountains for work

Health Care and Social Assistance employed the most resident workers

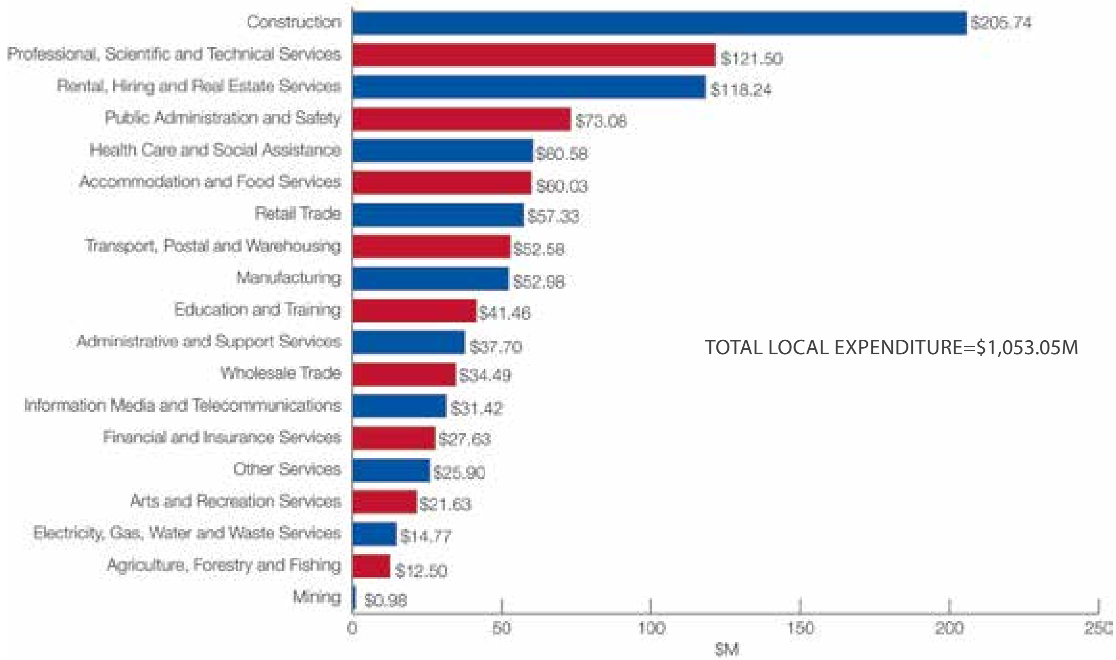
Penrith captured most resident workers who left the Blue Mountains

Local sales - represent the goods and services produced in the Blue Mountains LGA which are sold to local industry sectors as inputs into production for further value-adding.



Source: REMPLAN, incorporating data sourced from the ABS 2011 Census, 2008/2009 ABS National Input/Output Tables, and ABS Gross State Product (June 2012). A.P. SHEERE CONSULTING

Local expenditure - details the value of intermediate goods and services purchased by industry sectors within the Blue Mountains LGA.



Source: REMPLAN, incorporating data sourced from the ABS 2011 Census, 2008/2009 ABS National Input/Output Tables, and ABS Gross State Product (June 2012). A.P. SHEERE CONSULTING

Total value of regional exports = $624.44M

Total Gross Regional Product = $2,208.95M (2012)

Total value of regional imports = $781.83M

Regional Exports

Regional Exports data represents the value ($) of goods and services exported outside of the Blue Mountains LGA that have been generated by businesses/organisations in each of the industry sectors within the region.

Another way of defining exports is as an inflow of money into the region, i.e. Motels and Hotels have an inflow of money from people who live outside the region's boundaries thus they are earning export dollars.

REGIONAL EXPORTS INDUSTRY SECTOR	$M VALUE OF GOODS/SERVICES
Accomodation and Food Services	$100.60
Transport, Postal and Warehousing	$75.10
Professional, Scientific and Technical Services	$60.01
Manufacturing	$57.19
Health Care and Social Assistance	$46.00
Rental, Hiring and Real Estate Services	$43.15
Information Media and Telecommunications	$34.41
Financial and Insurance Services	$32.71
Education and Training	$25.04
Wholesale Trade	$23.81
Retail Trade	$21.87
Public Administration and Safety	$20.70
Arts and Recreation Services	$18.17
Agriculture, Forestry and Fishing	$16.81
Construction	$16.74
Other Services	$10.50
Administrative and Support Services	$7.85
Electricity, Gas, Water and Waste Services	$7.70
Mining	$6.07

Source: REMPLAN, incorporating data sourced from the ABS 2011 Census, 2008/2009 ABS National Input/Output Tables, and ABS Gross State Product (June 2012)

Regional Imports

Regional Imports data represents the value ($) of goods and services imported into the Blue Mountains LGA by businesses/organisations in each of the industry sectors.

Another way of defining imports is as an outflow of money from the region, i.e. A local business outsourcing accountancy services to a firm in another region which results in an outflow of money thus they are importing services.

REGIONAL IMPORTS INDUSTRY SECTOR	$M VALUE OF GOODS/SERVICES
Manufacturing	$176.52
Accommodation and Food Services	$104.71
Construction	$88.11
Rental, Hiring and Real Estate Services	$70.31
Professional, Scientific and Technical Services	$49.98
Health Care and Social Assistance	$38.85
Transport, Postal and Warehousing	$36.62
Public Administration and Safety	$35.05
Retail Trade	$28.98
Information Media and Telecommunications	$27.23
Education and Training	$23.27
Wholesale Trade	$22.68
Other Services	$17.88
Financial and Insurance Services	$17.77
Administrative and Support Services	$14.81
Agriculture, Forestry and Fishing	$10.34
Arts and Recreation Services	$10.14
Electricity, Gas, Water and Waste Services	$7.54
Mining	$1.06

Source: REMPLAN, incorporating data sourced from the ABS 2011 Census, 2008/2009 ABS National Input/Output Tables, and ABS Gross State Product (June 2012)

Gross Regional Product Summary

GRP is the total value of final goods and services produced in the region over the period of one year. GRP in the table below, is calculated using the Expenditure method.

GRP EXPENDITURE METHOD ($M)	
Household consumption	$3,003.05
Government Consumption	$717.48
PrivateGrossFixedCapitalExpenditure	$920.82
Public Gross Capital Expenditure	$218.36
Gross Regional Expenses	$4,859.71
Plus Exports	$629.30
Minus Domestic Imports	-$3,077.94
Minus Overseas imports	-$202.12
Gross Regional Product	$2,208.95
Per Capita GRP ($'000)	$29.09
Per worker GRP ($'000)	$133.74

Source: REMPLAN, incorporating data sourced from the ABS 2011 Census, 2008/2009 ABS National Input/Output Tables, and ABS Gross State Product (June 2012)

Value Added

Value added represents the marginal economic value added by economic activity.

It can be calculated by subtracting local expenditure and expenditure on regional imports from the output generated by an industry sector, or alternatively, by adding the wages and salaries paid to local employees, the gross operating surplus and taxes on products and production. Value-Added by industry sector is the major element in the calculation of Gross Regional Product.

INDUSTRY SECTOR	$M VALUE ADDED
Rental, Hiring and Real Estate Services	$380.11
Health Care and Social Assistance	$220.45
Education and Training	$165.41
Professional, Scientific and Technical Services	$132.60
Retail Trade	$128.52
Public Administration and Safety	$127.89
Construction	$126.23
Accommodation and Food Services	$112.19
Financial and Insurance Services	$108.66
Transport, Postal and Warehousing	$77.44
Manufacturing	$58.56
Wholesale Trade	$54.00
InformationMediaandTelecommunications	$52.19
Other Services	$51.74
Administrative and Support Services	$49.17
Arts and Recreation Services	$24.51
Electricity,Gas,WaterandWasteServices	$22.89
Agriculture, Forestry and Fishing	$17.03
Mining	$4.61
Total	$1,914.19M

Source: REMPLAN,incorporating data sourced from the ABS 2011 Census, 2008/2009 ABS National Input/Output Tables, and ABS Gross State Product (June 2012)

9.0 Economic Diversity

Industry Location Quotient analysis is a way of quantifying how 'concentrated' an industry is in a region compared to a larger geographic area, such as the state or nation. Industry Location Quotients are calculated by comparing the industry's share of regional employment with its share of national employment.

Industry Location Quotient data essentially highlights industries which are comparatively under represented (LQ of <1) in the area in terms of jobs and those industries potentially offering competitive advantage with location quotients greater than 1.

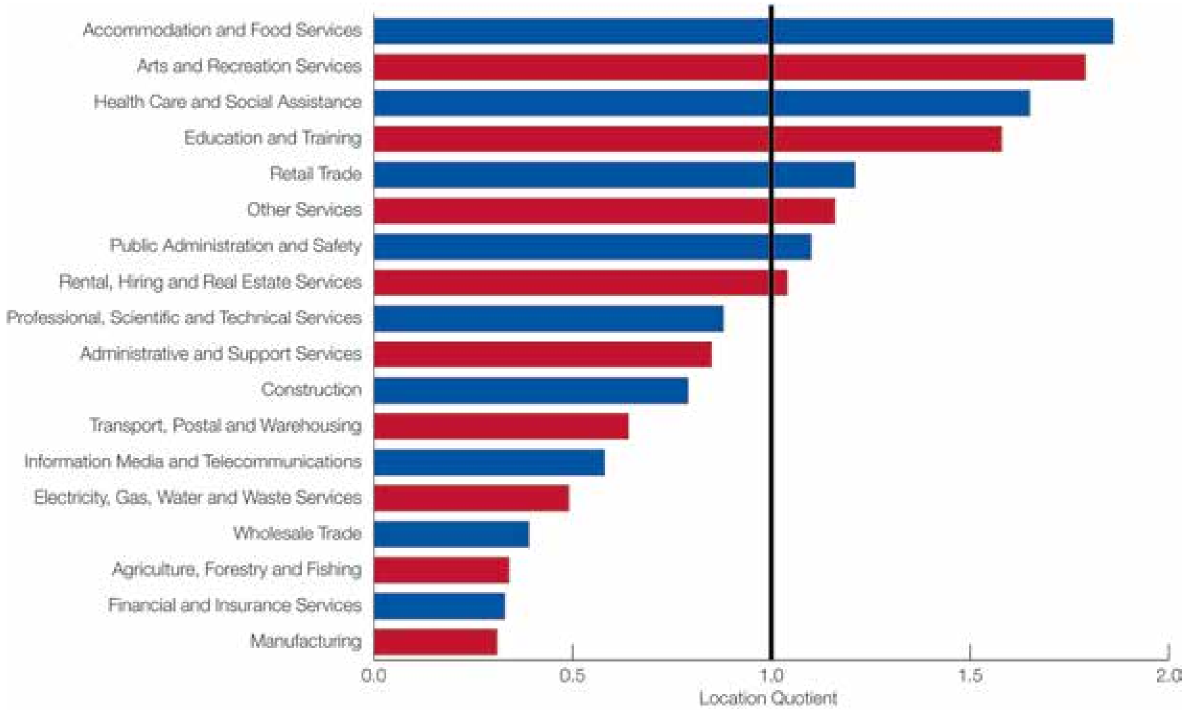
The top 5 sectors with a location quotient greater than one in the Blue Mountains LGA are:

- Accommodation and Food Services
- Arts and Recreation Services
- Health Care and Social Assistance
- Education and Training
- Retail Trade

These industries in particular highlight a level of competitive advantage in the Blue Mountains LGA.

A location quotient less than 1 suggests that the community may not be self-sufficient and may be able to supply locally what it previously imported. A location quotient generally between the values of 0.75 and 1.20 indicates that a community is potentially self-sufficient.

INDUSTRY LOCATION QUOTIENT DATA BENCHMARKED AGAINST NSW, 2011



Source: ABS 2011 Census, A.P. SHEERE CONSULTING blue mountains ECONOMIC ENTERPRISE

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