



"Photo: James Horan Courtesy Destination New South Wales"

Blue Mountains Tourism Industry Profile

Issue 1: 2014/15



1.0 Introduction

Tourism is a significant industry for Australia. It generates \$107 billion in consumption, directly employs around half a million Australians and is Australia's number one services export. It helps fund critical infrastructure like airports, roads and hotels and plays an important role in the economic development of regional Australia with 45 cents in every tourist dollar spent in regional Australia. Every dollar spent on Tourism generates 91 cents in other parts of the economy which is a higher multiplier than those achieved for mining, agriculture and financial services. (Source: Tourism Australia, Global Marketing Prospectus 2014/15.)

According to the latest data from the Australian Bureau of Statistics (ABS) there were 6.5 million short term visitor arrivals to Australia during the 2013 calendar year, a rise of 5.5% compared to 2012. The latest International Visitor Survey (IVS) results show that international expenditure for the 12 months ending September 2013 reached a record of \$28.4 billion, an increase of 5%.

Background to the Tourism sector

The Blue Mountains National Park has the highest visitation of any National Park in Australia, more than 4 million visitors per annum, due to its accessibility and impressive natural features. (Source: National Parks Wildlife Service statistics).

More than 2 million visitors per annum are estimated to converge on Echo Point (Three Sisters), with the next popular attraction being Scenic World with 850,000 visitors (Scenic World statistics). An estimated 1.25 million visitors per annum (Tourism Research Australia statistics) physically undertake a bushwalk. The majority of recreational visitors are day trip visitors and the most popular activities are dining, bushwalking, abseiling and canyoning. (Source: Blue Mountains Lithgow Oberon Tourism Destination Management Plan, 2013).

Tourism industries

In the Blue Mountains Local Government Area (LGA), the industries listed in Table 1.0 have been identified as contributing to the local Tourism sector.

In the ABS Tourism Satellite Account (TSA) the Rental, Hiring and Real Estate Services sector is disaggregated into Ownership of Dwellings and Rental, Hiring and Real Estate Services. The ABS applies this structure to highlight the contributions made by holiday homes and short-term rentals to the Tourism sector. In the REMPLAN Tourism Analysis Module which has been used in this document, consistency is maintained with the ABS TSA hence 'Ownership of Dwellings' is listed, where appropriate, as a separate entry.

TABLE 1.0 SECTORS CLASSIFIED AS THOSE WHICH ARE IMPACTED BY TOURISM IN THE BLUE MOUNTAINS
Accommodation and Food Services
Retail Trade
Transport, Postal and Warehousing
Arts and Recreation Services
Education and Training
Administrative and Support Services
Manufacturing
Rental, Hiring and Real Estate Services: - Ownership of Dwellings
Health Care and Social Assistance
Other Services
Wholesale Trade
Agriculture, Forestry and Fishing
Information Media and Telecommunications
Financial and Insurance Services
Professional, Scientific and Technical Services
Electricity, Gas, Water and Waste Services
Public Administration and Safety
Construction

Source: 2012-13, Australian Bureau of Statistics (ABS), Tourism Satellite Account REMPLAN April 2014, Blue Mountains Economic Enterprise

2.0 Employment within the Tourism sector

Tourism is an important source of employment in Australia, accounting for 4.7% of total employed persons in the economy in 2012-13. Tourism's share of total employment is greater than its share of gross value added (2.7%). This is because tourism tends to be more labour-intensive than, on average, other forms of economic activity. The Tourism industry employed 543,600 persons in 2012-13, an increase of 11,400 (2.1%) on 2011-12. This compares with an increase of 1.2% in total employed persons in the Australian economy (which is inclusive of Tourism and non-Tourism employed persons). (Source: ABS (a) Labour Force (cat. no. 6202.0), by ANZSIC division, is inclusive of Tourism employed persons.)

Due to the nature of Tourism which impacts a vast number of industry sectors it is not possible to fully break down all the employment sub-sectors that are related to Tourism. For some residents the association with Tourism is evident but due to the nature of the ABS Census, it is not possible to clearly identify Tourism itself as the principle sector of employment. Other industries such as the Creative Industries and Health and Wellbeing have sub-categories where clearer identification is possible. However, this is not possible for the Tourism sector in the Blue Mountains.

Tourism industry jobs available locally

The employment data in Table 1.1 below represents the number of people employed by businesses/organisations in each of the industry sectors within the Blue Mountains LGA itself. This 'place of work' data represents the total number of jobs without conversion to full-time equivalent employment. It includes the addition of the Tourism sector in order to see where this industry sector ranks in terms of number of local jobs available.

In total there were 16,517 jobs identified in the Blue Mountains LGA itself based on Census 2011 data. Health Care and Social Assistance as defined by the ABS provided the most employment locally with 2,874 jobs or 17.4% of total jobs. This is followed by the Tourism sector (2,127 jobs) at 12.9% with Retail Trade (2,024 jobs) accounting for 12.3% of the total number of jobs available locally.

TABLE 1.1 RANKING OF LOCAL EMPLOYING SECTORS

INDUSTRY SECTOR	NUMBER OF LOCAL JOBS	% OF TOTAL NUMBER OF LOCAL JOBS
Health Care and Social Assistance	2874	17.4
Tourism	2127	12.9
Retail Trade	2024	12.3
Education and Training	1947	11.8
Professional, Scientific and Technical Services	1048	6.3
Public Administration and Safety	1011	6.1
Construction	982	5.9
Accommodation and Food Services	776	4.7
Other Services	745	4.5
Manufacturing	471	2.9
Administrative and Support Services	414	2.5
Transport, Postal and Warehousing	396	2.4
Arts and Recreation Services	339	2.1
Wholesale Trade	320	1.9
Rental, Hiring and Real Estate Services	300	1.8
Financial and Insurance Services	261	1.6
Information Media and Telecommunications	246	1.5
Agriculture, Forestry and Fishing	150	0.9
Electricity, Gas, Water and Waste Services	83	0.5
Mining	3	0.0
Total	16,517	

Source: 2012-13, Australian Bureau of Statistics (ABS), Tourism Satellite Account REMPLAN April 2014, A.P. SHEERE CONSULTING
 Note: industry employment figures have been adjusted to take into account the sub-industry sectors identified as making up the Tourism sector in the Blue Mountains thus avoiding any double counting of figures.

Employment attributable to Tourism

Table 1.2 shows the number of estimated jobs in each industry sector in the Blue Mountains which service demand generated by tourists to the area. The estimates of the value of tourism by industry sector for the Blue Mountains are based on ABS estimates of National Tourism Product Output by industry, and the degree to which Tourism industry related jobs are located in the Blue Mountains. The greater the number of Tourism related jobs in an area, the greater the estimated value of Tourism in the local economy.

The following sectors were added to those listed by the REMPLAN report as they are also considered to be directly effected by Tourism activity in the Blue Mountains LGA:

- Financial and Insurance Services
- Professional, Scientific and Technical Services
- Electricity, Gas, Water and Waste
- Public Administration and Safety
- Construction

A rate of 8.1% was used to determine the number of jobs in these sectors which are directly effected by Tourism. 8.1% is the estimated output (gross revenue generated by businesses and organisations) generated by Tourism in the Blue Mountains.

The total Tourism related employment estimate for Blue Mountains is therefore 2,127 jobs.

TABLE 1.2 EMPLOYMENT ATTRIBUTABLE TO TOURISM

INDUSTRY SECTOR	NUMBER OF LOCAL JOBS WHICH SERVICE DEMAND DRIVEN BY TOURISTS	% OF TOTAL NUMBER OF JOBS ATTRIBUTABLE TO TOURISM
Accommodation and Food Services	1,225	57.6
Retail Trade	193	9.1
Transport, Postal and Warehousing	169	7.9
Professional, Scientific and Technical Services	92	4.3
Public Administration and Safety	89	4.2
Construction	87	4.1
Arts and Recreation Services	82	3.9
Education and Training	51	2.4
Administrative and Support Services	47	2.2
Financial and Insurance Services	23	1.1
Manufacturing	17	0.8
Rental, Hiring and Real Estate Services	11	0.5
Health Care and Social Assistance	11	0.5
Other Services	10	0.5
Electricity, Gas, Water and Waste Services	7	0.3
Wholesale Trade	6	0.3
Agriculture, Forestry and Fishing	4	0.2
Information Media and Telecommunications	3	0.1
Total	2,127	100.00

Source: 2012-13, Australian Bureau of Statistics (ABS), Tourism Satellite Account REMPLAN April 2014, A.P. SHEERE CONSULTING

Note: industry employment figures have been adjusted to take into account the sub-industry sectors identified as making up the Tourism sector in the Blue Mountains thus avoiding any double counting of figures.



Tourism is the second greatest employer in the Blue Mountains

Approximately 12.9% of local jobs are attributable to the Tourism sector

There are approximately 2,127 local Tourism jobs

3.0 Economic impact of the Tourism sector

Industry Value Added

Industry Value Added (IVA) is a measure of an industry's economic size in terms of its contribution to the value of goods and services produced in a country or region.

Tourism is an important part of the NSW economy. Between 2012-13, Tourism contributed \$25.1 billion (Gross Value Added) to the NSW economy. In 2012-13, the Tourism industry in NSW directly employed 158,000 people. This equates to 29.1% of the total direct Tourism employment in Australia and 4.4% of all jobs in NSW. The state of NSW contributed the most to the Australian economy in terms of Tourism with 29.1% of direct national Tourism employment, 30.0% of national Tourism consumption, 31.6% of national direct Tourism Gross Value Added and 31.5% of direct Tourism contribution to the national Gross Domestic Product (GDP). (Source: Destination NSW, Economic Contribution of Tourism to NSW, 2012-13.)

Industry Value Added – Blue Mountains LGA

Table 1.3 below shows the value that is added by industry sectors in the Blue Mountains to intermediate inputs. The estimated value added generated by Tourism for each industry sector has been deducted and consolidated into a separate Tourism sector as detailed below.

The total value added estimate for the Blue Mountains in this scenario is \$2,046.919 million per annum.

To estimate the value added by the five additional industries identified as impacting Tourism in the Blue Mountains LGA, input/output data was analysed using the REMPLAN Impact tool. These sectors were then reviewed and adjusted where necessary to avoid double counting to create a more accurate figure for Tourism.

Taking the estimate of direct value added (\$m) to the economy based on 2012-13 Australian Bureau of Statistics (ABS) Tourism Satellite Account (TSA), the adjusted Tourism sector is valued at approximately \$195.85 million in April 2014 (see Table 1.3 below).

INDUSTRY SECTOR	VALUE ADDED (\$M)	VALUE ADDED (%)	FULL TIME EQUIVALENT LOCAL JOBS	% SHARE OF TOTAL LOCAL EMPLOYMENT
Ownership of Dwellings	352.558	17.2	0	0.0
Health Care and Social Assistance	224.073	10.9	2874	17.4
Tourism	195.846	9.6	2127	12.9
Education and Training	163.239	8.0	1947	11.8
Professional, Scientific and Technical Services	133.260	6.5	1048	6.3
Retail Trade	103.913	6.3	982	12.3
Public Administration and Safety	127.417	6.2	1011	6.1
Construction	129.297	6.2	2024	5.9
Financial and Insurance Services	115.487	5.1	261	1.6
Information Media and Telecommunications	57.717	2.8	246	1.5
Manufacturing	56.505	2.8	471	2.9
Rental, Hiring and Real Estate Services	56.483	2.8	300	1.8
Wholesale Trade	55.986	2.7	320	1.9
Transport, Postal and Warehousing	54.246	2.7	396	2.4
Other Services	53.815	2.6	745	4.5
Accommodation and Food Services	47.675	2.3	776	4.7
Administrative and Support Services	42.128	2.1	414	2.5
Electricity, Gas, Water and Waste Services	23.049	1.1	83	0.5
Agriculture, Forestry and Fishing	20.135	1.0	150	0.9
Arts and Recreation Services	20.025	1.0	339	2.1
Mining	2.314	0.1	3	0.0
Total	2046.919	100.0	16,517	100.0

Source: 2012-13, Australian Bureau of Statistics (ABS), Tourism Satellite Account REMPLAN April 2014, A.P. SHEERE CONSULTING
 Note: Value Added figures have been adjusted to take into account the additional industry sectors identified as making up the Tourism sector in the Blue Mountains thus avoiding any double counting of figures.

Output attributable to Tourism

Output data represents the gross revenue generated by businesses/organisations in each of the industry sectors in a defined region. Gross revenue is also referred to as total sales or total income.

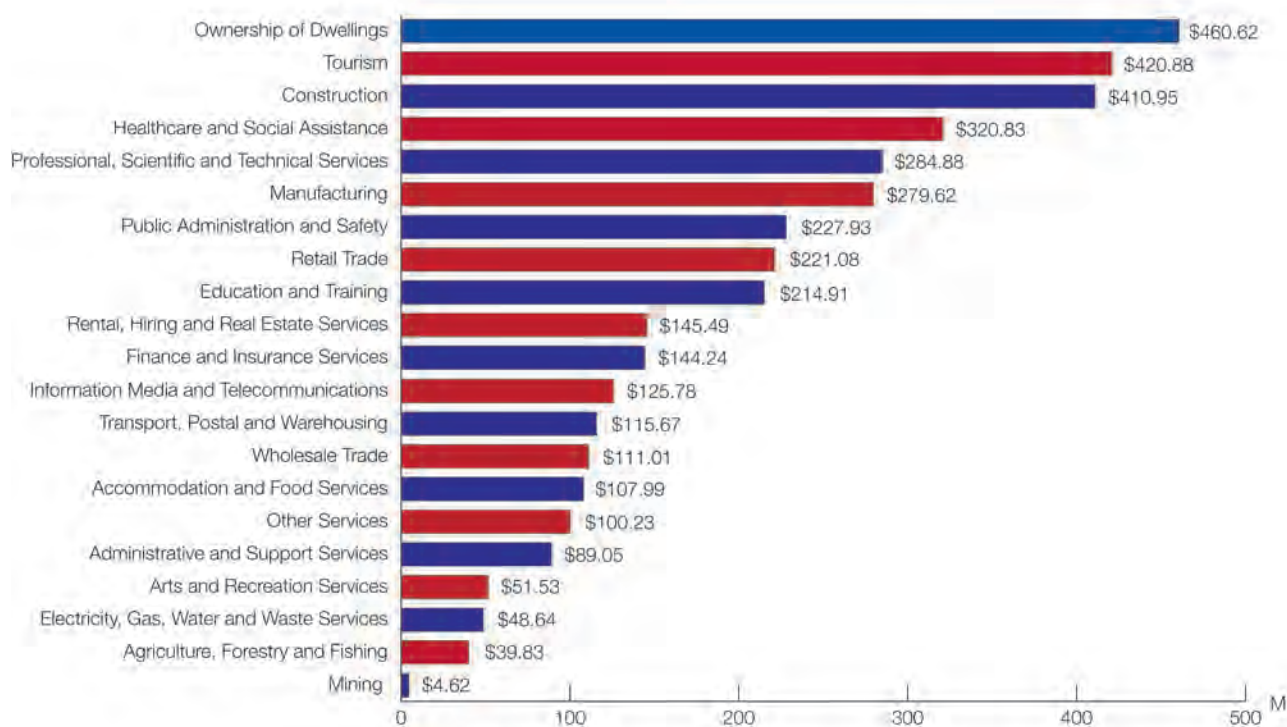
Figure 1.0 shows the total gross revenue generated by businesses and/or organisations in the Blue Mountains LGA. The estimated output generated by Tourism for each

industry sector has been deducted and consolidated into a separate Tourism sector.

The total output estimate for the Blue Mountains LGA is \$3,925.788 million.

The total value of Tourism related output for the Blue Mountains is estimated at \$420.884 million contributing 10.7% to the estimated total Output in April 2014 (See Table 1.4)

FIGURE 1.0 ESTIMATED OUTPUT INCORPORATING TOURISM IN THE BLUE MOUNTAINS LGA, APRIL 2014



Source: ABS 2011 Census of Population and Housing, REMPLAN April 2014, A.P. SHEERE CONSULTING

Note: Output figures have been adjusted to take into account the additional industry sectors identified as making up the Tourism sector in the Blue Mountains thus avoiding any double counting of figures.

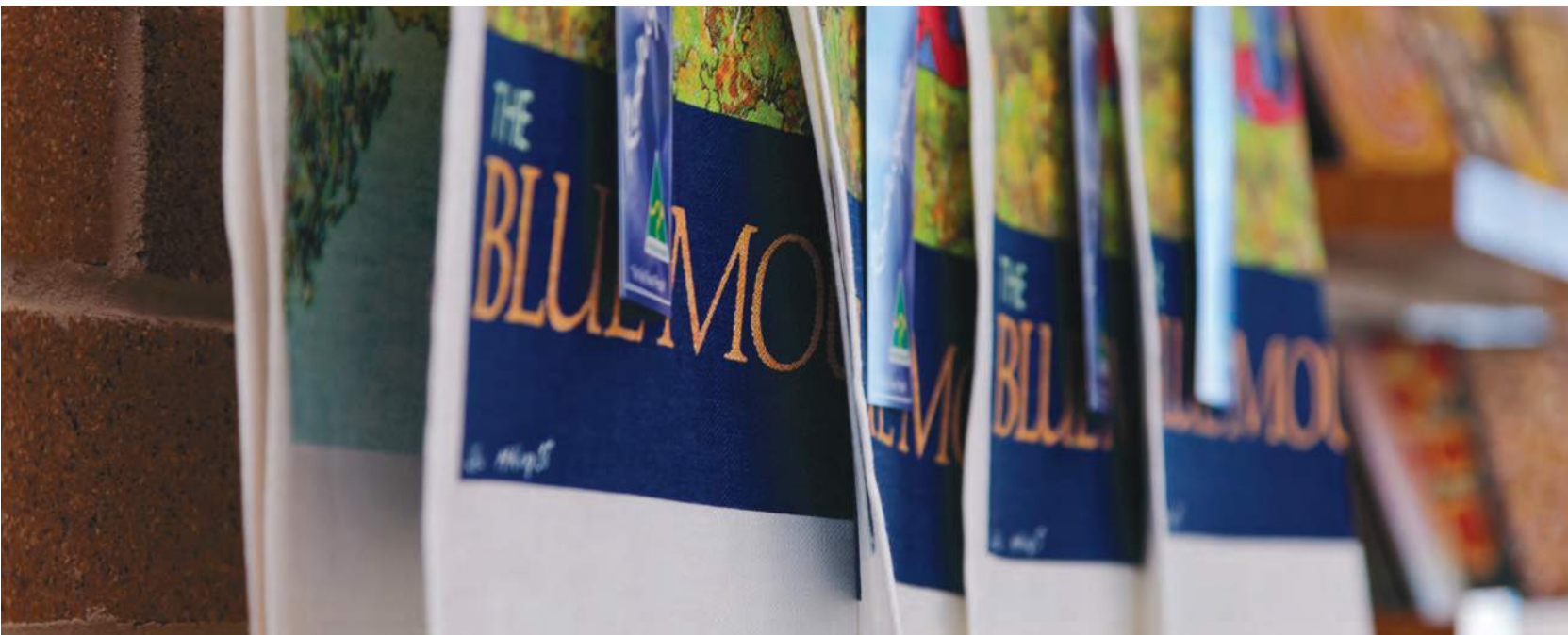


TABLE 1.4 ALL INDUSTRY SECTORS IN BLUE MOUNTAINS RANKED BY OUTPUT APRIL 2014

INDUSTRY SECTOR	OUTPUT \$M	%
Ownership of Dwellings	460.617	11.7
Tourism	420.884	10.7
Construction	410.950	10.5
Healthcare and Social Assistance	320.834	8.2
Professional, Scientific and Technical Services	284.881	7.3
Manufacturing	279.619	7.1
Public Administration and Safety	227.934	5.8
Retail Trade	221.079	5.6
Education and Training	214.914	5.5
Rental, Hiring and Real Estate Services	145.494	3.7
Finance and Insurance Services	144.236	3.7
Information Media and Telecommunications	125.779	3.2
Transport, Postal and Warehousing	115.670	2.9
Wholesale Trade	111.006	2.8
Accommodation and Food Services	107.989	2.8
Other Services	100.231	2.6
Administrative and Support Services	89.048	2.3
Arts and Recreation Services	51.530	1.3
Electricity, Gas, Water and Waste Services	48.642	1.2
Agriculture, Forestry and Fishing	39.834	1.0
Mining	4.617	0.1
Total	3925.788	100.0

Source: 2012-13, Australian Bureau of Statistics (ABS), Tourism Satellite Account REMPLAN April 2014, A.P. SHEERE CONSULTING
 Note: Output figures have been adjusted to take into account the additional industry sectors identified as making up the Tourism sector in the Blue Mountains thus avoiding any double counting of figures.



Tourism Output - industry breakdown of figures

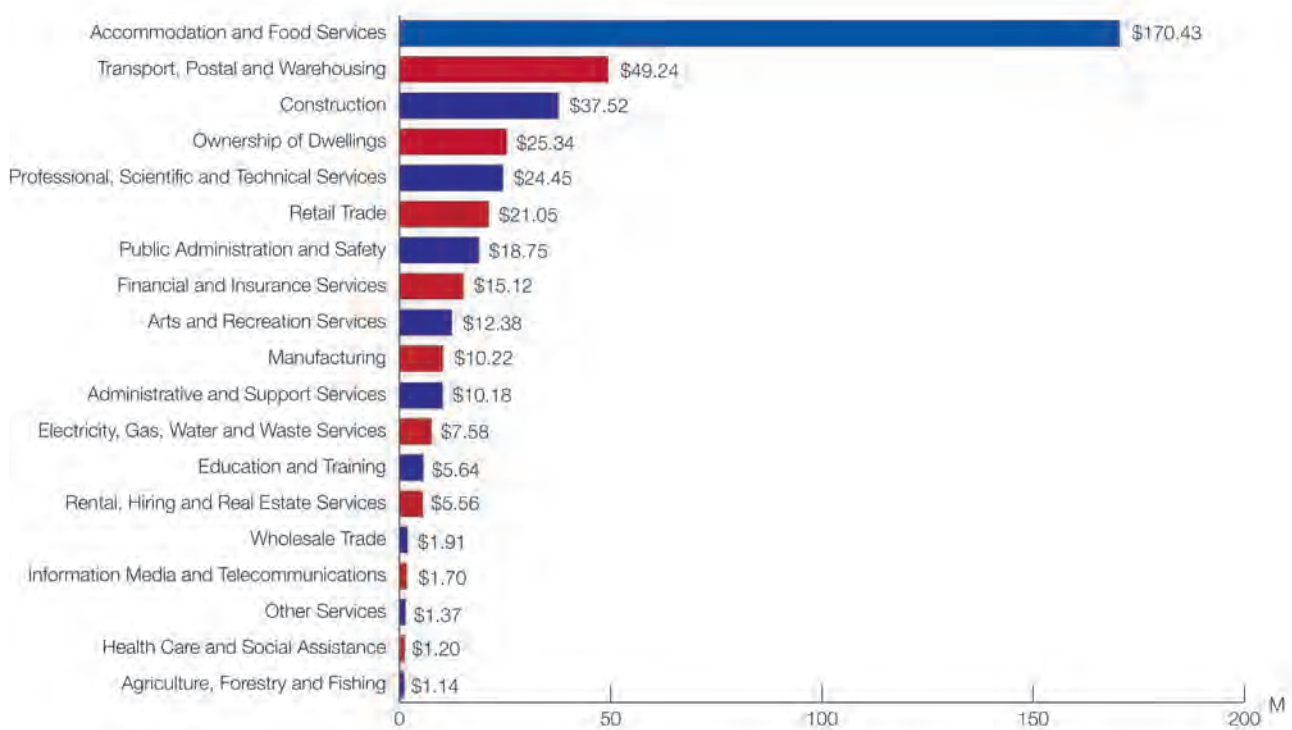
Output data represents the gross revenue generated by businesses/organisations in each of the industry sectors in a defined region. Gross revenue is also referred to as total sales or total income.

Figure 1.1 shows the gross revenue generated by businesses and/or organisations in the Blue Mountains LGA to service demand generated by tourists to the area. The data is listed by those industry sectors which have

been identified as forming the Tourism sector in the Blue Mountains LGA.

The total value of Tourism related output for the Blue Mountains LGA is estimated to be \$420.884 million in April 2014. Within the Tourism sector, Accommodation and Food Services are estimated to contribute the most in terms of Output totalling \$170.43 million (40.7%) followed by Transport, Postal and Warehousing at \$49.24 million (11.7%). (See Table 1.5)

FIGURE 1.1 TOURISM RELATED OUTPUT (\$M) BY INDUSTRY SECTOR, APRIL 2014



Source: ABS 2011 Census of Population and Housing, REMPLAN April 2014, A.P. SHEERE CONSULTING

Note: Output figures have been adjusted to take into account the sub-industry sectors identified as making up the Health and Wellbeing sector in the Blue Mountains thus avoiding any double counting of figures.



TABLE 1.5 ALL INDUSTRY SECTORS IN BLUE MOUNTAINS RANKED BY TOURISM RELATED OUTPUT APRIL 2014

INDUSTRY SECTOR	\$M	%
Accommodation and Food Services	170.43	40.5
Transport, Postal and Warehousing	49.34	11.7
Ownership of Dwellings	37.52	8.9
Retail Trade	25.34	6.0
Arts and Recreation Services	24.45	5.8
Manufacturing	21.05	5.0
Administrative and Support Services	18.75	4.5
Education and Training	15.12	3.6
Rental, Hiring and Real Estate Services	12.38	2.9
Wholesale Trade	10.22	2.4
Information Media and Telecommunications	10.18	2.4
Other Services	7.58	1.8
Health Care and Social Assistance	5.64	1.3
Agriculture, Forestry and Fishing	5.56	1.3
Financial and Insurance Services	1.91	0.5
Professional, Scientific and Technical Services	1.70	0.4
Mining	1.37	0.3
Electricity, Gas, Water and Waste Services	1.20	0.3
Construction	1.14	0.3
Public Administration and Safety	0.00	0.0
Total	420.88	100.0

Source: 2012-13, Australian Bureau of Statistics (ABS), Tourism Satellite Account REMPLAN April 2014, A.P. SHEERE CONSULTING
 Note: Output figures have been adjusted to take into account the additional industry sectors identified as making up the Tourism sector in the Blue Mountains thus avoiding any double counting of figures.



Impact on Wages and Salaries

Wages and salaries in this report refers to the value of entitlements earned by employees from their employers for services rendered and 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.

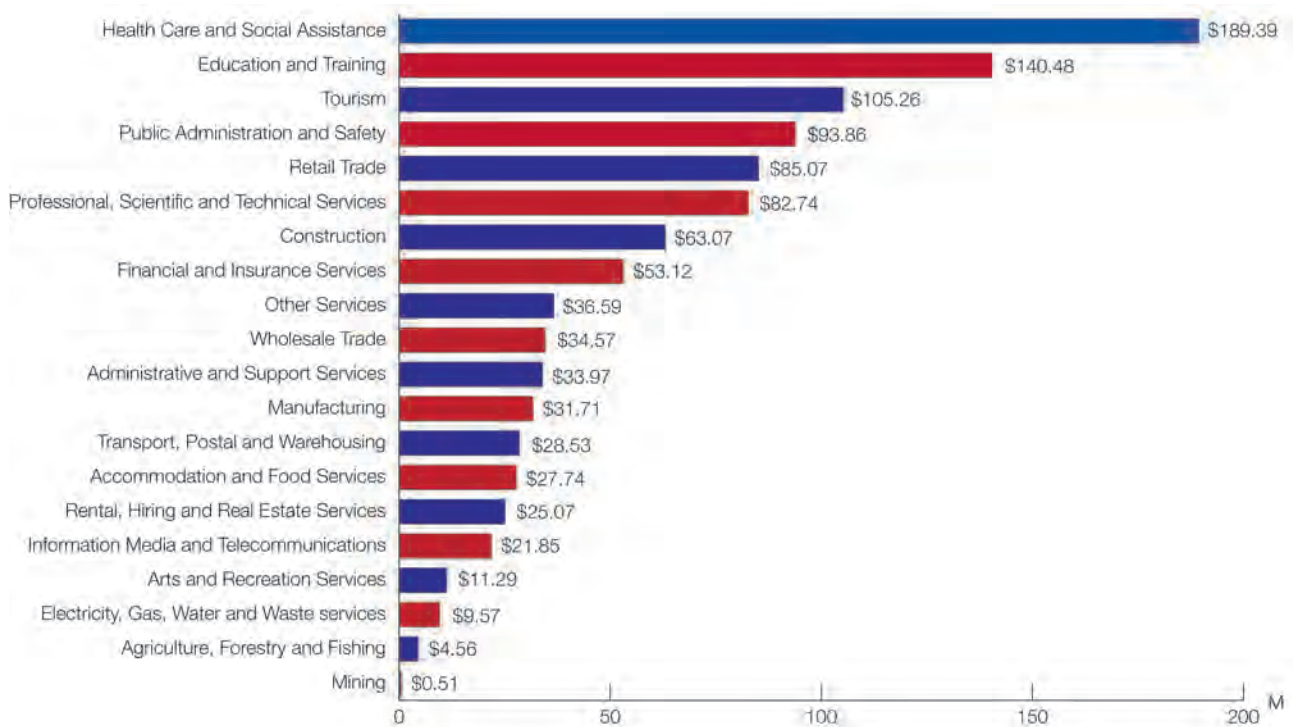
The flow-on industrial effects of 2,127 Tourism jobs in terms of local purchases of goods and services, is estimated to result in the gain of up to 700 additional jobs.

Figure 1.2 shows the wages and salaries paid to employees who work in the Blue Mountains LGA incorporating the Tourism sector.

The estimated wages and salaries generated by Tourism for each industry sector has been deducted and consolidated into a separate Tourism sector to avoid double counting.

The total wages and salaries estimate for the Blue Mountains LGA in April 2014 is \$1,078.94 million. Tourism is estimated to contribute \$105.26 million in wages and salaries which is 9.8% of the total in the Blue Mountains LGA (April 2014) and is ranked third (see Table 1.6).

FIGURE 1.2 ESTIMATED WAGES AND SALARIES INCORPORATING TOURISM IN THE BLUE MOUNTAINS LGA, APRIL 2014



Source: ABS 2011 Census of Population and Housing, REMPLAN April 2014, A.P. SHEERE CONSULTING

Note: Wages and Salaries figures have been adjusted to take into account the additional industry sectors identified as making up the Tourism sector in the Blue Mountains thus avoiding any double counting of figures.



TABLE 1.6 ALL INDUSTRY SECTORS IN BLUE MOUNTAINS RANKED BY WAGES AND SALARIES APRIL 2014

INDUSTRY SECTOR	\$M	%
Health Care and Social Assistance	189.39	17.6
Education and Training	140.48	13.0
Tourism	105.26	9.8
Public Administration and Safety	93.86	8.7
Retail Trade	85.07	7.9
Professional, Scientific and Technical Services	82.74	7.7
Construction	63.07	5.8
Financial and Insurance Services	53.12	4.9
Other Services	36.59	3.4
Wholesale Trade	34.57	3.2
Administrative and Support Services	33.97	3.1
Manufacturing	31.71	2.9
Transport, Postal and Warehousing	28.53	2.6
Accommodation and Food Services	27.74	2.6
Rental, Hiring and Real Estate Services	25.07	2.3
Information Media and Telecommunications	21.85	2.0
Arts and Recreation Services	11.29	1.0
Electricity, Gas, Water and Waste services	9.57	0.9
Agriculture, Forestry and Fishing	4.56	0.4
Mining	0.51	0.0
Ownership of Dwellings	0.00	0.0
Total	1078.94	100.0

Source: 2012-13, Australian Bureau of Statistics (ABS), Tourism Satellite Account REMPLAN April 2014, A.P. SHEERE CONSULTING
 Note: Wages and Salaries figures have been adjusted to take into account the additional industry sectors identified as making up the Tourism sector in the Blue Mountains thus avoiding any double counting of figures.

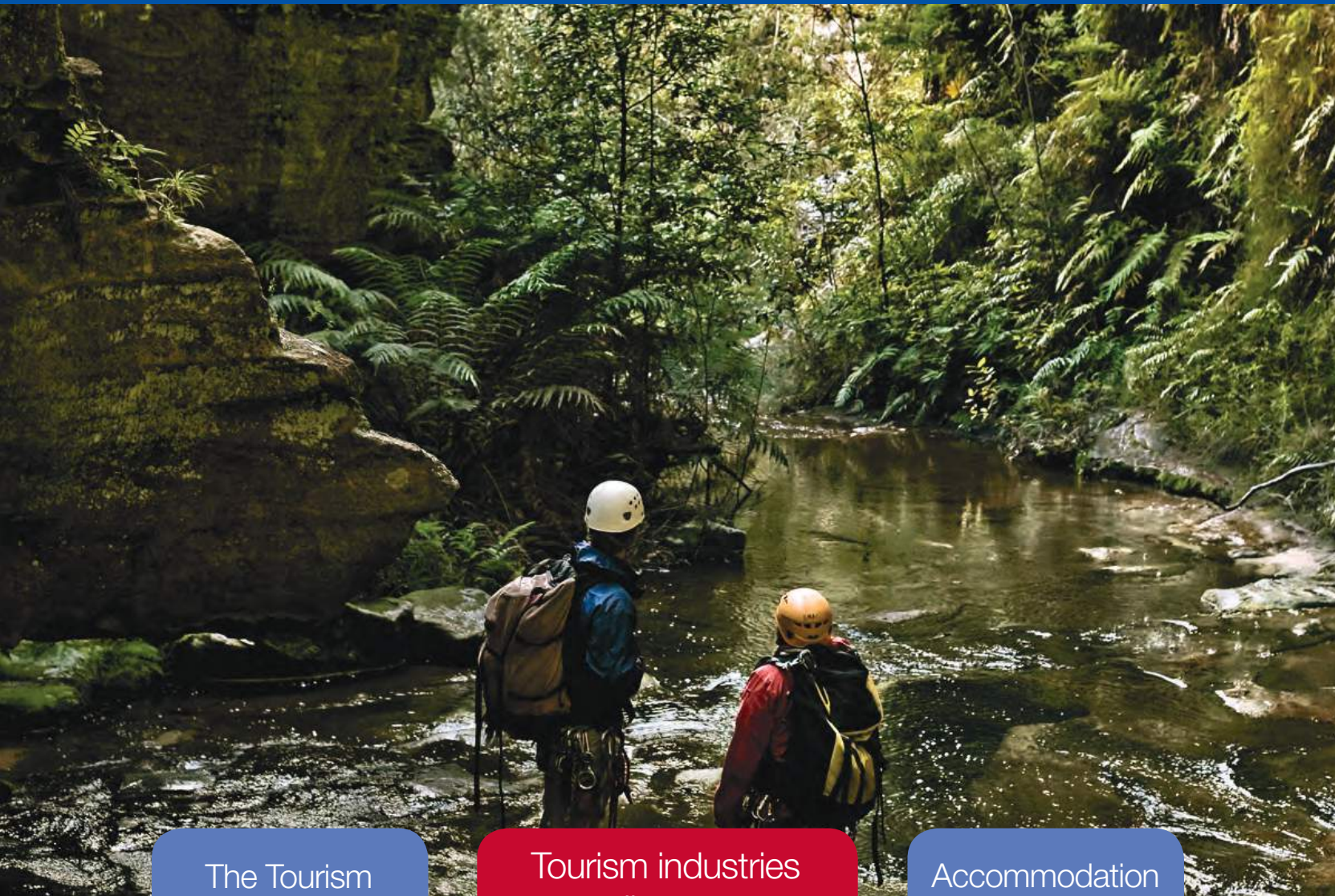
Tourism Economic Impact Summary

Table 1.7 below provides a summary of the estimated economic impact of the Tourism sector in the Blue Mountains in April 2014.

The Tourism sector is estimated to make a direct contribution of \$195.846 million to the Blue Mountains' Gross Regional Product (GRP).

TABLE 1.7 BLUE MOUNTAINS TOURISM IMPACT SUMMARY, 2014

IMPACT	DIRECT EFFECT (\$M)
Output (\$M)	\$420.884
Employment (Jobs)	2,127
Wages and Salaries (\$M)	\$105.26
Value added (\$M)	\$195.846



The Tourism sector generates approximately \$105.26 million in wages and salaries

Tourism industries contribute up to \$420.88 million in total output to the Blue Mountains LGA

Accommodation and Food Services contribute the most output in terms of Tourism

4.0 Summary

A significant number of residents in the Blue Mountains LGA are employed locally within the Tourism sector.

Tourism is well established within the region, providing employment locally with approximately 2,127 jobs or 12.9% of the total number of jobs. The Accommodation and Food Services sector provided the most jobs servicing tourism driven demand followed by Retail Trade.

Total Value Added to the local economy by the Tourism sector, is estimated to equal up to \$195.846 million according to REMPLAN data (using ABS input/output data). This was the third greatest contributor to the local economy in April 2014.

Tourism in Australia represents a large sector of the economy. The Tourism industry operates in a globally competitive market and is experiencing tight but improving conditions as the global economy recovers from the economic downturn.

Operators that concentrate on factors under their direct control, such as new product investment, service and training, product positioning and pricing, are expected to experience relatively solid performance.

Industry trends point to a bright future in the Blue Mountains LGA with continued development and diversification expected within the Tourism sector.





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