

# Blue Mountains Tourism Industry Profile

Issue 2: 2019



<b>Contents</b>	<b>Page</b>
<b>Introduction</b>	<b>03</b>
<b>Employment in the Tourism Sector</b>	<b>05</b>
<b>Economic impact of the Tourism Sector</b>	<b>07</b>
<b>Summary</b>	<b>14</b>

Front and back cover image: Blue Mountains Botanic Garden, Mount Tomah © Destination NSW

Disclaimer

The details provided in this report are based on information available at the time of preparation and terms of reference of the project. All statements made are given in good faith and in the belief that such statements are not false or misleading. All sources of information are detailed in the report. Readers are recommended to make appropriate enquiries and/or take appropriate advice before acting on information supplied in this report. BMEE and A.P. SHEERE CONSULTING, are not liable to any person for loss or damage incurred or suffered as a result of acting on or accepting any offer contained in this report.

# 1.0 Introduction

Tourism plays a significant part in Australia's economy, contributing 3.2% to GDP and 4.9% to employment in 2016–17. With almost nine million international visitors during 2016–17 and solid growth in domestic travel, tourism is an increasingly important part of Australia's economy. As an industry, tourism provides jobs to one-in-twenty Australians, helps support one-in-eight Australian businesses, and contributes one-tenth of national exports. The economic benefits of tourism are also widespread, with almost half of all visitor spend going into regional Australia. (Source: Tourism Research Australia, Economic Analysis).

Tourism Research Australia's forecasts predict that total tourism spend will provide a \$225 billion stimulus to Australia's economy in 2026–27, a significant increase from the \$123 billion reported in 2016–17. This will be off the back of 117 million overnight trips and 247 million day trips by Australian travellers and international visitors. (Source: Tourism Research Australia, Tourism Satellite Account 2016-17).

## Background to local tourism industry

The Blue Mountains National Park has the highest visitation of any National Park in Australia, with more than 5 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 to view The Three Sisters, with the next most popular attraction being Scenic World, which recorded 1 million visitors in 2016-17 (Source: Scenic World website). The majority of recreational visitors are day-trip visitors and the most popular reasons for coming to the Blue Mountains are for holidays and visiting friends and family. (Source: Tourism Research Australia, LGA Profile, 2017).



### Tourism industries

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. When completing the ABS Census it is not possible to select Tourism as a principal sector of employment.

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 to develop this document, consistency is maintained with the ABS TSA hence 'Ownership of Dwellings' is listed, where appropriate, as a separate entry.

In the Blue Mountains Local Government Area (LGA), the industries listed in Table A have been identified, through consultation with industry specialists, as contributing to the local tourism sector. Those showing an \* are those additional sectors considered to be directly effected by Tourism activity in the Blue Mountains LGA, in addition to those sectors listed by REMPLAN.

**Table A 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



Image: Fairmont Resort & Spa, Leura, Blue Mountains © Destination NSW

## 2.0 Employment in the Tourism Sector

Australia's economy benefits significantly from tourism, generating jobs, investment and growth in communities throughout Australia. Tourism has the potential to be one of Australia's key strengths and a sector which is set for supercharged growth in the Australian economy. Australia has competitive advantages in tourism through its proximity to Asia, appealing natural assets, a safe environment, a good climate and the services provided by low-cost airlines. (Source: Austrade 2019).

According to the ABS 5249.0 – Australian National Accounts: Tourism Satellite Account, 2016-17, people employed by Tourism increased by approximately 17,500 employees (or 3%) to 598,200 employed persons. Hours worked in tourism increased by 2.0%, compared with an increase of 1.3% for the overall economy.

### Tourism industry jobs available locally

The employment data in Table B 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 18,457 jobs identified in the Blue Mountains LGA itself based on Census 2016 data. The 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 (see Table A).

Health Care and Social Assistance as defined by the ABS, provided the most employment locally with 3,184 jobs or 17.3% of total jobs. This is followed by the tourism sector (2,920 jobs) at 15.8% with Education and Training (2,090 jobs) accounting for 11.3% of the total number of jobs available locally.

**Table B Ranking of local employing sectors**

INDUSTRY SECTOR	NUMBER OF LOCAL JOBS	% OF TOTAL NUMBER OF LOCAL JOBS
Health Care & Social Assistance	3,184	17.3
<b>Tourism</b>	<b>2,920</b>	<b>15.8</b>
Education & Training	2,090	11.3
Retail Trade	1,834	9.9
Public Administration & Safety	1,134	6.1
Construction	1,093	5.9
Professional, Scientific & Technical Services	1,060	5.7
Other Services	730	4.0
Accommodation & Food Services	650	3.5
Inadequately described/not stated	648	3.5
Administrative & Support Services	520	2.8
Rental, Hiring & Real Estate Services	423	2.3
Arts & Recreation Services	393	2.1
Manufacturing	381	2.1
Transport, Postal & Warehousing	363	2.0
Financial & Insurance Services	251	1.4
Information Media & Telecommunications	231	1.3
Wholesale Trade	226	1.2
Agriculture, Forestry & Fishing	218	1.2
Electricity, Gas, Water & Waste Services	90	0.5
Mining	19	0.1
<b>Total</b>	<b>18,457</b>	<b>100.0</b>

Source: 2016 Australian Bureau of Statistics (ABS), Tourism Satellite Account REMPLAN April 2017, 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 C shows the number of estimated jobs in each Blue Mountains industry sector servicing the 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.

**Tourism is the second largest employer in the Blue Mountains LGA, providing approximately 2,920 local jobs.**

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 9.5% was used to determine the number of jobs in these sectors which are directly effected by Tourism. 9.5% is the standard REMPLAN estimated output generated by Tourism in the Blue Mountains in 2017 (gross revenue generated by businesses and organisations).

The total Tourism-related employment estimate for Blue Mountains is therefore 2,920 jobs. Those showing an \* are the additional sectors listed above.

Note: To allow cross references to the standard REMPLAN numbers regularly updated on the BMEE website, the total Tourism-related employment without these five additional sectors is 2,539.

**Table C 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 & Food Services	1,864	63.8
Retail Trade	197	6.7
Transport, Postal & Warehousing	190	6.5
* Public Administration & Safety	119	4.1
* Construction	115	3.9
* Professional, Scientific & Technical Services	111	3.8
Arts & Recreation Services	108	3.7
Education & Training	76	2.6
Administrative & Support Services	37	1.3
* Financial & Insurance Services	26	0.9
Manufacturing	23	0.8
Rental, Hiring & Real Estate Services	12	0.4
Other Services	10	0.3
* Electricity, Gas, Water & Waste Services	10	0.3
Health Care & Social Assistance	9	0.3
Wholesale Trade	5	0.2
Agriculture, Forestry & Fishing	4	0.1
Information Media & Telecommunications	4	0.1
<b>Total</b>	<b>2,920</b>	<b>100.0</b>

## 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 Australian and NSW economy. In 2016–17, the tourism industry directly contributed \$17.3 billion to New South Wales' economy (Gross State Product, or GSP) and directly employed approximately 171,000 people. Together with the indirect impacts, the industry's total contribution to the economy reached an estimated \$34.2 billion, or 6 per cent of NSW's GSP. (Source: Destination NSW, Economic Contribution of Tourism to NSW, 2016-2017).

### Industry Value Added – Blue Mountains LGA

Table D 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 \$2714.409 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 2016 Australian Bureau of Statistics (ABS) Tourism Satellite Account (TSA), the adjusted tourism sector is valued at approximately \$286.94 million in 2017 (see Table D). Note that REMPLAN does not calculate Value Added for the 'Inadequately described/not stated sector' as it needs to be clearly defined.

**Table D Estimated value added to local economy by industry sector, 2017**

INDUSTRY SECTOR	VALUE ADDED (\$M)	VALUE ADDED (%)	FULL TIME EQUIVALENT LOCAL JOBS	% SHARE OF TOTAL LOCAL EMPLOYMENT
Ownership of Dwellings	447.571	16.5	0	0.0
Health Care & Social Assistance	316.156	11.6	3184	17.3
<b>Tourism</b>	<b>286.940</b>	<b>10.6</b>	<b>2920</b>	<b>15.8</b>
Education & Training	213.333	7.9	2090	11.3
Construction	204.059	7.5	1093	5.9
Public Administration & Safety	191.814	7.1	1134	6.1
Professional, Scientific & Technical Services	150.485	5.5	1060	5.7
Retail Trade	144.147	5.3	1834	9.9
Rental, Hiring & Real Estate Services	139.810	5.2	423	2.3
Financial & Insurance Services	114.184	4.2	251	1.4
Administrative & Support Services	93.170	3.4	520	2.8
Transport, Postal & Warehousing	60.466	2.2	363	2.0
Other Services	60.064	2.2	730	4.0
Accommodation & Food Services	53.421	2.0	650	3.5
Information Media & Telecommunications	50.877	1.9	231	1.3
Wholesale Trade	45.056	1.7	226	1.2
Agriculture, Forestry & Fishing	39.938	1.5	218	1.2
Manufacturing	37.506	1.4	381	2.1
Electricity, Gas, Water & Waste Services	32.389	1.2	89	0.5
Arts & Recreation Services	28.076	1.0	393	2.1
Mining	4.948	0.2	19	0.1
Inadequately described/not stated	unknown	unknown	648	3.5
<b>Total</b>	<b>2714.409</b>	<b>100.0</b>	<b>18,457</b>	<b>100.0</b>

Source: 2016, Australian Bureau of Statistics (ABS), Tourism Satellite Account REMPLAN 2017 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.

Table E All industry sectors in Blue Mountains ranked by output 2017

INDUSTRY SECTOR	OUTPUT \$M	%
Construction	704.090	13.8
<b>Tourism</b>	<b>624.202</b>	<b>12.2</b>
Ownership of Dwellings	584.340	11.4
Health Care & Social Assistance	439.293	8.6
Professional, Scientific & Technical Services	312.052	6.1
Public Administration & Safety	296.816	5.8
Education & Training	296.380	5.8
Rental, Hiring & Real Estate Services	268.598	5.2
Retail Trade	237.463	4.6
Manufacturing	183.317	3.6
Financial & Insurance Services	173.898	3.4
Administrative & Support Services	163.387	3.2
Information Media & Telecommunications	138.821	2.7
Transport, Postal & Warehousing	132.866	2.6
Accommodation & Food Services	130.022	2.5
Other Services	111.991	2.2
Wholesale Trade	89.299	1.7
Agriculture, Forestry & Fishing	80.145	1.6
Electricity, Gas, Water & Waste Services	70.166	1.4
Arts & Recreation Services	70.693	1.4
Mining	12.380	0.2
<b>Total</b>	<b>5,120.219</b>	<b>100.0</b>

Source: 2016, Australian Bureau of Statistics (ABS), Tourism Satellite Account REMPLAN 2017, 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.

## 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 A 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 \$5,120.219 million.

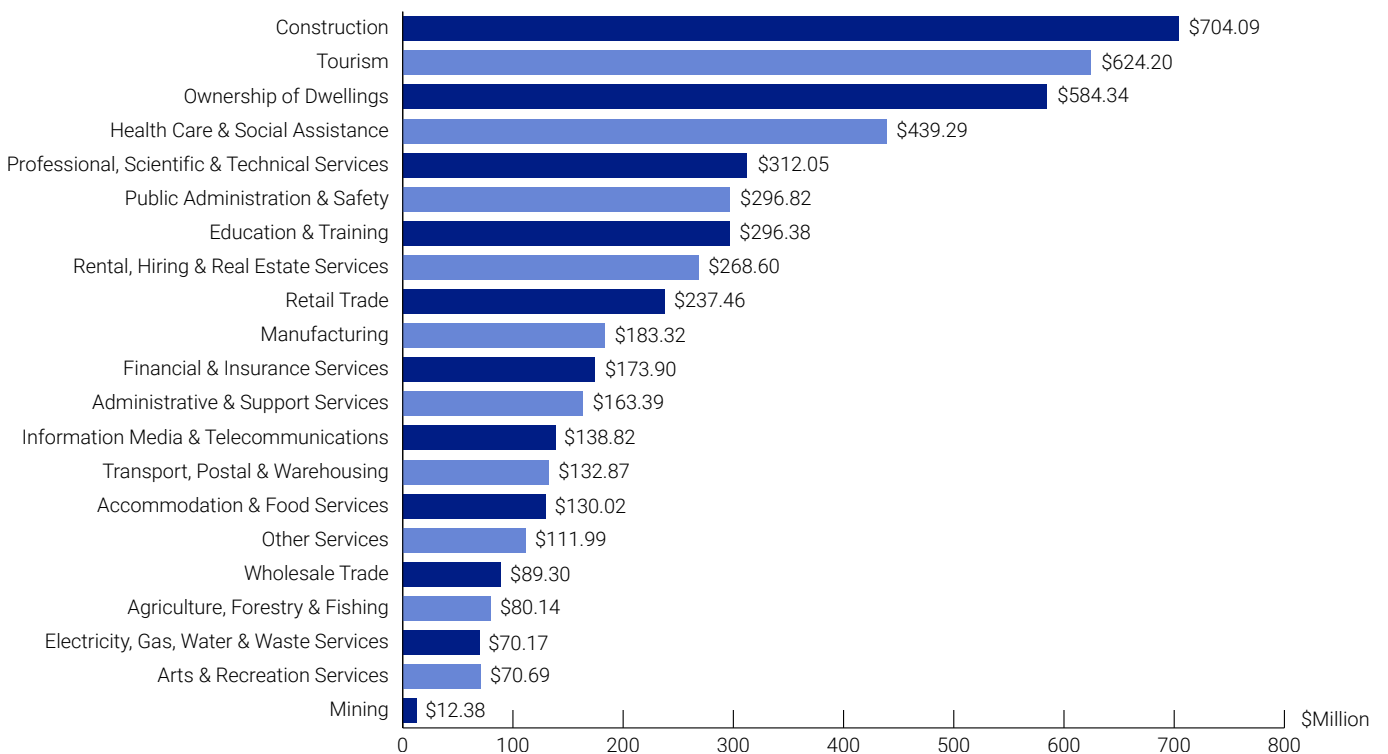
The total value of Tourism-related output for the Blue Mountains is estimated at \$624.202 million contributing 12.2% to the estimated total Output in 2017 (See Table E).

**Tourism industries contribute up to \$624.20 million and 12.2% of the total output in the Blue Mountains LGA.**





**Figure A Estimated output incorporating tourism in the Blue Mountains LGA, 2017**



Source: ABS 2016 Census of Population and Housing, REMPLAN 2017, A.P. SHEERE CONSULTING

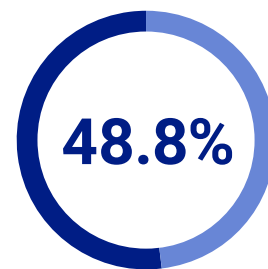
Note: Output figures have been adjusted to take into account the additional industry sectors identified as making up the tourism sector in the Blue Mountains thus avoiding any double counting of figures.

## Tourism output – industry breakdown of figures

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

Figure B on page 11 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 \$624.202 million in 2017. Within the tourism sector, Accommodation and Food Services are estimated to contribute the most in terms of output totalling \$304.503 million (48.8%) followed by Transport, Postal and Warehousing at \$58.83 million (9.4%). See Table F.



**Accommodation and Food Services are estimated to contribute 48.8% of the total tourism-related output.**

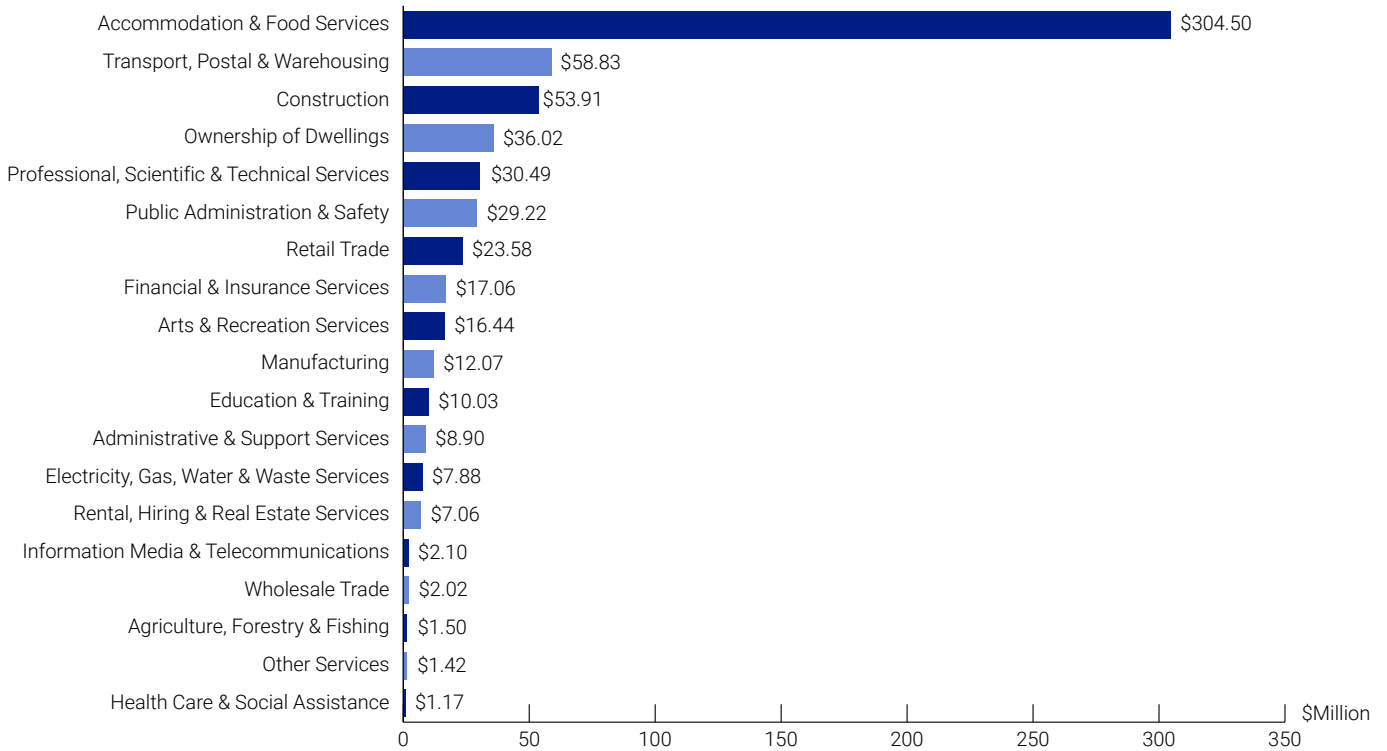
**Table F All industry sectors in Blue Mountains ranked by Tourism-related output 2017**

Industry Sector	\$M	%
Accommodation & Food Services	304.503	48.8
Transport, Postal & Warehousing	58.833	9.4
Construction	53.908	8.6
Ownership of Dwellings	36.023	5.8
Professional, Scientific & Technical Services	30.491	4.9
Public Administration & Safety	29.215	4.7
Retail Trade	23.581	3.8
Financial & Insurance Services	17.062	2.7
Arts & Recreation Services	16.437	2.6
Manufacturing	12.074	1.9
Education & Training	10.027	1.6
Administrative & Support Services	8.897	1.4
Electricity, Gas, Water & Waste Services	7.884	1.3
Rental, Hiring & Real Estate Services	7.056	1.1
Information Media & Telecommunications	2.102	0.3
Wholesale Trade	2.023	0.3
Agriculture, Forestry & Fishing	1.498	0.2
Other Services	1.416	0.2
Health Care & Social Assistance	1.172	0.2
Mining	0.000	0.0
<b>Total</b>	<b>624.202</b>	<b>100.0</b>

Source: 2016, Australian Bureau of Statistics (ABS), Tourism Satellite Account REMPLAN 2017 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.

**Figure B Tourism-related output (\$M) by industry sector, 2017**



Source: ABS 2016 Census of Population and Housing, REMPLAN 2017, A.P. SHEERE CONSULTING

Note: Output 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.



Image: Mountain biking in the Blue Mountains National Park © Destination NSW

### 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 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 2,920 Tourism jobs in terms of local purchases of goods and services, is estimated to result in up to 766 further jobs.

Figure C shows the wages and salaries paid to employees working in the Blue Mountains LGA 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.

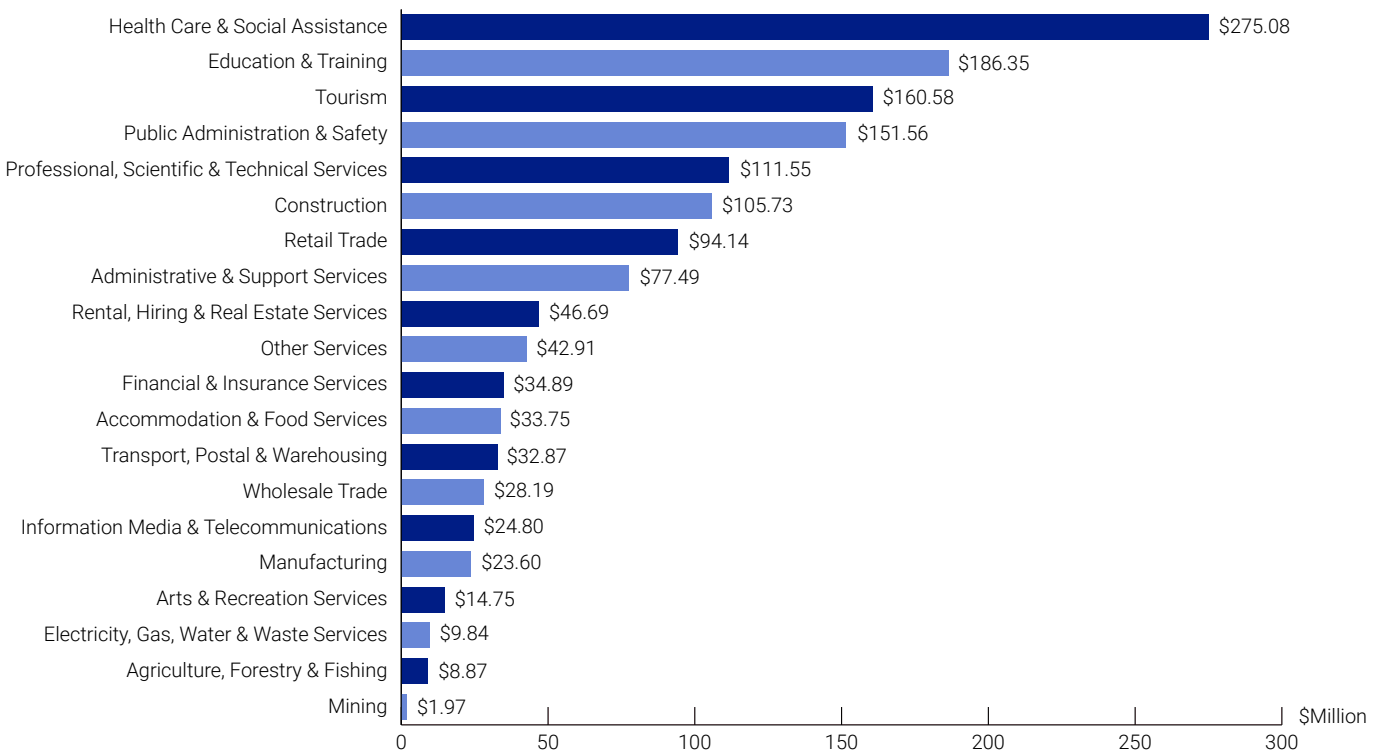
The total wages and salaries estimate for the Blue Mountains LGA across all industries in April 2017 is \$1,465.64 million.

Tourism is estimated to contribute \$160.58 million in wages and salaries which is 11% of the total in the Blue Mountains LGA (2017) and is ranked third (see Table G).



Image: South Lawson Waterfall, Blue Mountains © Destination NSW

**Figure C Estimated wages and salaries Incorporating Tourism in the Blue Mountains LGA, 2017**



Source: ABS 2016 Census of Population and Housing, REMPLAN 2017, 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 G All industry sectors in Blue Mountains ranked by wages and salaries 2017**

Industry Sector	\$M	%
Health Care & Social Assistance	275.08	18.8
Education & Training	186.35	12.7
<b>Tourism</b>	<b>160.58</b>	<b>11.0</b>
Public Administration & Safety	151.56	10.3
Professional, Scientific & Technical Services	111.55	7.6
Construction	105.73	7.2
Retail Trade	94.14	6.4
Administrative & Support Services	77.49	5.3
Rental, Hiring & Real Estate Services	46.69	3.2
Other Services	42.91	2.9
Financial & Insurance Services	34.89	2.4
Accommodation & Food Services	33.75	2.3
Transport, Postal & Warehousing	32.87	2.2
Wholesale Trade	28.19	1.9
Information Media & Telecommunications	24.80	1.7
Manufacturing	23.60	1.6
Arts & Recreation Services	14.75	1.0
Electricity, Gas, Water & Waste Services	9.84	0.7
Agriculture, Forestry & Fishing	8.87	0.6
Mining	1.97	0.1
Ownership of Dwellings	0.00	0.0
<b>Total</b>	<b>1,465.64</b>	<b>100.0</b>

Source: 2016 Australian Bureau of Statistics (ABS), Tourism Satellite Account REPLAN 2017, 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 H provides a summary of the estimated economic impact of the tourism sector in the Blue Mountains in 2017.

The tourism sector is estimated to make a direct contribution of \$286.94 million to the Blue Mountains' Gross Regional Product (GRP).

**Table H Blue Mountains tourism impact summary, 2017**

Impact	Direct effect (\$M)
Output (\$M)	\$624.20
Employment (Jobs)	2,920
Wages and salaries (\$M)	\$160.58
Value added (\$M)	\$286.94

## 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 approximately 2,920 jobs or 15.8% of the total number of jobs. This makes it the second largest employing sector after Health Care and Social Assistance. 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 \$286.94 million according to REMPLAN data (using ABS input/output data). This was the third greatest contributor to the local economy in 2017.***

Tourism in Australia represents a large sector of the economy. As Sydney's population continues to grow and interstate and international visitor numbers increase due to improving infrastructure servicing Western Sydney, tourism in the Blue Mountains is expected to continue to thrive despite international competition.

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.



Image: Street art in Katoomba, Blue Mountains © Destination NSW



Supported by:



T: +61 (0) 2 4782 6555

F: +61 (0) 2 4782 5211

E: [admin@bmee.org.au](mailto:admin@bmee.org.au)

W: [www.bmee.org.au](http://www.bmee.org.au)

PO BOX 538, Katoomba NSW 2780

Economic Hub, 2 Civic Place,

Katoomba NSW 2780 Australia

