

Economy - Economic Diversity

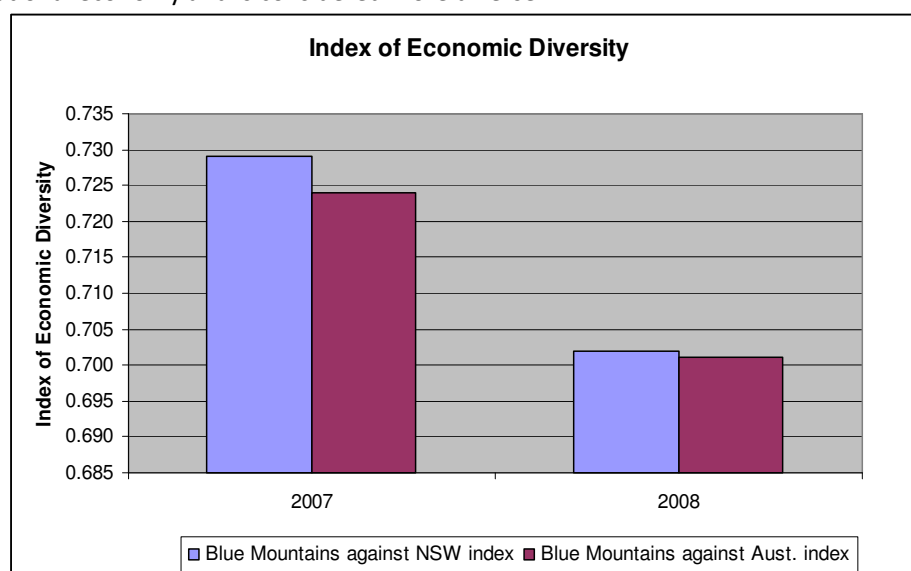
What are we monitoring?

Economic diversity of the LGA against the NSW Index of Economic Diversity

What is the trend?

The economic diversity of the LGA has declined slightly between 2007 and 2008, both as compared to NSW and as compared to Australia. The Blue Mountains ranks 6th out of the 14 LGAs in Greater Western Sydney – reflecting a relatively diverse industry mix in the region.

The Index of Economic Diversity measures economic or industrial diversity within a region by determining the degree to which the region's industry mix differs from that of the state or national economy. When the index value is close to one, the industrial profile of a region mirrors that of the state / national economy and is considered more diverse.



INDEX OF ECONOMIC DIVERSITY	2007	2008
Blue Mountains against NSW	0.729	0.702
Blue Mountains against Australia	0.724	0.701

INDEX OF ECONOMIC DIVERSITY – BLUE MOUNTAINS COMPARED TO GREATER WESTERN SYDNEY LGAS				
LGA	Diversity Index (Australia)	Rank (Greater Western Sydney)	Diversity Index (New South Wales)	Rank (Greater Western Sydney)
City of Blue Mountains	0.701	6	0.702	6
Penrith	0.830	1	0.814	1
Camden	0.745	2	0.742	2
Campbelltown	0.725	3	0.712	4
Liverpool	0.717	4	0.699	7
Blacktown	0.716	5	0.708	5
Baulkham Hills	0.692	7	0.729	3
Parramatta	0.670	8	0.697	8

INDEX OF ECONOMIC DIVERSITY – BLUE MOUNTAINS COMPARED TO GREATER WESTERN SYDNEY LGAS				
LGA	Diversity Index (Australia)	Rank (Greater Western Sydney)	Diversity Index (New South Wales)	Rank (Greater Western Sydney)
Bankstown	0.639	9	0.608	10
Fairfield	0.630	10	0.612	9
Auburn	0.509	11	0.536	11
Holroyd	0.487	12	0.467	12
Hawkesbury	0.474	13	0.435	13
Wollondilly	0.148	14	0.183	14

INDEX OF ECONOMIC DIVERSITY - INTER-REGIONAL		
Region	Diversity Index (Australia)	Diversity Index (New South Wales)
Greater Western Sydney	0.875	0.871
Sydney Region	0.905	0.957
New South Wales	0.992	-

“Of the 67 industry sub-divisions in the City of Blue Mountains, the largest contribution to the total Gross Regional Product was made by the Business Services sector, with approximately \$161.2. This was followed by the Education (\$138.1 million), Health Services (\$113.1 million), Accommodation, Cafes & Restaurants (\$104.0 million) and Government Administration (\$60.6 million) industry sub-divisions.”

Why is monitoring this trend important?

Economic diversity contributes to economic stability in a region – for example, when there is a downturn in one sector of the regional economy (e.g. tourism) the existence of a number of other areas of activity and employment can reduce the impact on workers and the overall regional economy. Therefore, for the Blue Mountains, maintaining a relatively high level of economic diversity is desirable.

Source: Lawrence Consulting (2008). City of Blue Mountains: Economic indicators 2008.