

ECONOMIC PROFILE

SOUTH EAST AND TABLELANDS

Prepared for the Economic
Development Strategy for
Regional NSW

February 2015



The new state
of business



MESSAGE FROM

THE DEPUTY PREMIER

Since coming to office this Government has put Regional NSW back at the heart of government – driving huge investment in infrastructure and services, as well as focussing on sectors with strong growth potential.

To date, over \$13 billion to support critical infrastructure and improve regional connectivity has been budgeted and 30% of the multi-billion dollar Restart NSW fund is allocated to regional infrastructure.

Our programs and services have helped to generate more than 39,000 new jobs in Regional NSW and almost \$4 billion in private investment.

These economic profiles highlight the many strengths and opportunities in our regions. We also recognise Regional NSW challenges and have a plan to address them.

The new Economic Development Strategy for Regional NSW sets out clear goals and a comprehensive action plan to achieve them.

If we are going to keep being successful in attracting more people, more businesses and more investment to the regions, the availability of world-class infrastructure and services is a given.

We now have a once-in-a-generation opportunity to tackle that challenge.

The Rebuilding NSW initiative proposes the long term leasing of 49% of the State's electricity distribution and transmission businesses. This initiative is expected to generate a further \$6 billion of investment for Regional NSW infrastructure.

I am confident it is the next essential step in our work to ensure a strong and prosperous future for Regional NSW.



TROY GRANT

DEPUTY PREMIER

MINISTER FOR TRADE & INVESTMENT

MINISTER FOR REGIONAL
INFRASTRUCTURE & SERVICES

MINISTER FOR TOURISM & MAJOR EVENTS

MINISTER FOR HOSPITALITY,
GAMING & RACING

MINISTER FOR THE ARTS

Regional NSW is the **largest** and most diverse **regional** **economy** in Australia.

It is home to about **2.9 million** people, representing **41%** of **NSW's population.**



South East and Tablelands headline economic indicators

Indicator	South East and Tablelands				Regional NSW			
	2006	2011	2013	% change	2006	2011	2013	% change
GRP (\$m)	6,960	9,610	10,237	5.7**	99,172	130,740	137,687	4.8**
GRP/capita (\$)	28,976	36,709	-	4.8*	36,490	44,588	-	4.1*
GRP / FTE employee (\$)	85,148	117,396	-	6.6*	101,369	130,705	-	5.2*
Population	240,211	261,800	-	1.7*	2,717,774	2,932,200	-	1.5*
Dependency ratio (%)	57.2	59.0	-	1.7 pp	58.9	59.1	-	0.2 pp
Employment (persons) Census	105,824	113,852	-	7.6	1,123,142	1,202,450	-	7.1
Employment (persons) LFS	-	-	126,371	-	-	-	1,343,411	-
Employment (FTE)	81,743	81,862	-	0.1	978,327	1,000,271	-	2.2
Local jobs	79,301	80,922	-	2.0	954,884	994,524	-	4.2
Residents (%) who commute out for work	-	6.9	-	-	-	-	-	-
Unemployment rate (%) Census	5.0	4.5	-	-0.5 pp	7.0	6.2	-	-0.8 pp
Unemployment rate (%) LFS	-	-	4.4	-	-	-	6.2	-
Indigenous unemp. rate (%)	14.9	16.9	-	2.0 pp	19.9	18.7	-	-1.2 pp
Average hours worked	35.4	36.6	-	1.2 ¹	35.5	36.0	-	0.6 ¹
Tertiary qualifications (% of working age population)	49.4	57.2	-	7.8 pp	46.5	53.7	-	7.2 pp
Housing affordability (%)	29.8	30.8	-	1.0 pp	32.2	30.9	-	-1.3 pp
Participation rate (%)	-	58.5	-	-	-	56.3	-	-

Data provided by Deloitte Access Economics and NSW Trade & Investment. Data source is ABS Census unless otherwise noted in definitions.

Definitions

GRP:	Gross Regional Product. Source: Deloitte Access Economics
Dependency ratio:	Ratio of population aged <15 or 65+ to the working population aged 15-64
pp:	Percentage points
LFS:	ABS Labour Force Survey is source - not comparable with ABS Census
Employment (FTE):	Full-time equivalent employment. Source: Deloitte Access Economics
Local jobs:	Number of jobs in region, employment by Local Government Area
Residents who commute out for work:	Residents who commute out of the region for employment. Source: Bureau of Transport Statistics (BTS) Journey to Work data
Unemployment rate:	Proportion of labour force not employed but actively seeking work. Source: ABS Census or ABS Labour Force Survey
Housing affordability:	Mortgage repayment as % income
Participation rate:	Proportion of population (aged 15+) in the labour force

Notes

- * Compound annual growth rate
- ^ Change refers to period 2006-2013
- ¹ Increase/decrease in number of hours

Regional NSW



- Central Coast
- Central West and Orana
- Far West
- Hunter
- Illawarra
- Murray-Murrumbidgee
- New England-North West
- North Coast
- **South East and Tablelands**

- Metropolitan Sydney
- ACT

Metropolitan Sydney and ACT not included within Regional NSW

The regions are aligned with the Department of Planning and Environment's draft growth and infrastructure planning regions.

790,355 km²

(98.7%) of NSW's total land mass



GRP share by region

- **8%** Central Coast
- **12%** Central West and Orana
- **2%** Far West
- **28%** Hunter
- **12%** Illawarra
- **10%** Murray-Murrumbidgee
- **6%** New England-North West
- **15%** North Coast
- **7%** **South East and Tablelands**



Population share by region

- **11%** Central Coast
- **9%** Central West and Orana
- **2%** Far West
- **21%** Hunter
- **13%** Illawarra
- **9%** Murray-Murrumbidgee
- **6%** New England-North West
- **20%** North Coast
- **9%** **South East and Tablelands**

Source: Economic profiling and strategy analysis for regional economic development in NSW, Deloitte Access Economics (August 2014)

In 2013, Gross Regional Product (GRP) for Regional NSW was \$138 billion - 29% of NSW's total output - having grown by an average 4.8% each year since 2006.

Capitalising on its rich natural resources, the agriculture and mining sectors are significant drivers of regional growth. But the value of Regional NSW goes beyond its primary industries - its traditional sectors of regional advantage. Increasingly integrated and evolving global markets provide new opportunities to leverage both existing and emerging competitive advantages.

Regional NSW is underpinned by strong manufacturing, visitor economy, energy, and service sectors. Continual industry diversification has seen the knowledge economy, such as Financial and Insurance Services and Professional, Scientific and Technical Services, increase its share of employment and output. Education and human services also play an important role in the ongoing prosperity of Regional NSW.

About a third of the NSW manufacturing sector (Australia's largest) is based in Regional NSW, making this sector the single largest contributor to GRP.

In 2012-13, the minerals sector generated over \$12.5 billion in goods, services, wages, and local government payments and paid around \$1.3 billion in mining royalties. Coal, NSW's largest export product, also powered over 80% of the State's electricity supply.

In 2012-13 Regional NSW, a key contributor to the State's \$33 billion agrifood sector, exported around 60% of its agricultural product - worth around \$3.9 billion.

Domestic and international visitors are drawn to regional tourist destinations showcasing the State's world-class national parks, pristine coastlines, unique outback and quality food and wine. The regional tourism industry is worth about \$12.9 billion to the economy.

NSW agriculture is set to gain from the 'dining boom' - driven by demand from Asia - and tourism is also forecast to be a growth driver for the State. The mining sector will continue to play a significant part in the economy.

The NSW Government's record investment in regional infrastructure not only helps to unlock regional business potential and its ability to compete in the global economy, but also drives construction and allied industries in regional economies.

Major trends that affect Regional NSW include an ageing population, a shift to urban and coastal living, declining national productivity, accelerated global market integration and climate change.

Economic Development Strategy for Regional NSW

To position Regional NSW for long-term growth, the NSW Government has developed the first Economic Development Strategy for Regional NSW. This regional profile accompanies the Strategy.

The Strategy has five goals to drive and enable regional economic growth:

1. Promote key regional sectors and regional competitiveness
2. Drive regional employment and regional business growth
3. Invest in economic infrastructure and connectivity
4. Maximise government efficiency and enhance regional governance
5. Improve information sharing and build the evidence base.

The NSW Government is committed to boosting the regional economy by:

- enabling competition and building capability in the economy
- fostering strategic engagement and partnerships with industry
- implementing innovative and fiscally responsible economic policy.

South East and Tablelands overview

In 2013, the South East and Tablelands region contributed \$10.2 billion to Gross Regional Product (GRP), about 7% of NSW's total GRP of \$137.7 billion.

The South East and Tablelands is one of the most geographically diverse regions in NSW. It stretches from Wingecarribee in the north, to Bega and the Snowy River regions in the south, and Young to the west.

Sharing borders with Sydney, the ACT and Victoria, the region is home to rural, coastal and urban areas that include the visitor and economic hubs of Bega, Bowral, Goulburn, Yass, Queanbeyan, Batemans Bay, Moruya and the Port of Eden.

The South East and Tablelands region is renowned for its quality produce and stable and diverse economy. The region contains pristine coastline, marine environments and well known national parks, including the popular Kosciuszko National Park and Australia's largest ski fields.

With no single sector comprising more than 10% of GRP, the region's top five industries contribute around 37% to the region's economy (based on GRP). They also account for over half the region's employment. While the region enjoys a reputation for exceptional quality viticulture and agricultural produce, it is also home to a significant manufacturing sector.

This diversity supports the region's resilience to economic shocks and enhances its responsiveness to opportunity.

The services sector accounts for over 70% of the region's employment and about 50% of regional output. With higher than average population growth forecast in the region over the next 20 years (around 310,000 by 2031), the expansion of industries servicing the local population, such as Health Care and Social Assistance, is expected to continue.

Proximity to the nation's capital provides additional employment and educational opportunities, particularly in Public Administration and Safety. It also provides access to major social and economic infrastructure, including Canberra's international airport. The visitor economy benefits from the large number of people visiting from the ACT and Sydney each year.

Labour participation rates are higher and unemployment rates generally lower than Regional NSW averages. A higher proportion of workers have tertiary qualifications (57.2%) than the regional average (53.7%).

The South East and Tablelands region is renowned for its quality produce and stable and diverse economy.

South East and Tablelands profile

54,361 km²

(6.9% of Regional NSW total)

Local Government Areas

Bega Valley, Eurobodalla, Bombala, Boorowa, Cooma-Monaro, Goulburn-Mulwaree, Harden, Palerang, Queanbeyan, Snowy River, Upper Lachlan, Wingecarribee, Yass Valley, Young



261,800

(8.9% of Regional NSW total)

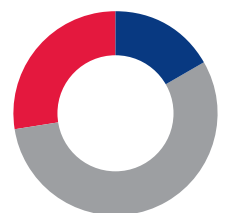
Total population 2011

17%
under 15 (52,150)

56%
15-64 (173,050)

27%
65 or older (85,150)

310,400
Total population 2031



Population by age segment may not sum due to rounding in the projections.

Industry and employment

More than 80,000 people are employed in the South East and Tablelands region, representing 8% of the Regional NSW total.

Between 2006 and 2013, the South East and Tablelands region experienced compound annual economic growth of 5.7%, higher than both Regional NSW (4.8%) and NSW as a whole (5.5%).

Agriculture continues to be a strong economic driver in the region (with output growth of 7.7% between 2006 and 2013), as does the Health Care and Social Assistance sector (9.7%) and knowledge sectors, including Professional, Scientific and Technical Services (8.4%) and the allied Administrative and Support Services sector (7.9%).

Mining also experienced growth, around 7% during the same period, up from a relatively small base. In contrast to other regions of the State, the mining sector plays a smaller role in the region, with the main mining operations in Goulburn and Wingecarribee.

The South East and Tablelands region experienced jobs growth of around 2% between 2006 and 2011. This was about half that of the Regional NSW average, with declines in some of the more capital-intensive industries (such as manufacturing and agriculture). Employment in the service sector grew quite substantially during this period (over 10% in some sectors) and accounted for over 70% of the region's total employment.

The services sector helped absorb the impact of some of the structural changes with growth in Health Care and Social Assistance, Professional, Scientific and Technical Services, Administrative and Support Services, Electricity, Gas, Water and Waste Services, and Public Administration and Safety.

With a high proportion of self-employed workers, the region accommodates an entrepreneurial and flexible workforce. This helps to enhance flexibility and economic resilience. The region has a high workforce participation rate (58.5%) and a low unemployment rate (4.5%) relative to Regional NSW (56.3% and 6.2% respectively). Youth unemployment (9.5%) is the lowest in regional and metropolitan NSW and the Indigenous unemployment rate (16.9%) is also lower than the Regional NSW average of 18.7%.

Despite lower than average high school completion rates, a higher proportion of residents in the region have tertiary qualifications, either University (19.4%) or vocational (37.9%) when compared to Regional NSW (15.8% and 37.8% respectively). This suggests the region has a strong lifestyle and employment appeal for skilled knowledge workers.

Top 5 industries by contribution to GRP in 2013 (compared to Regional NSW)

South East and Tablelands	Regional NSW
1. Manufacturing (7.6%)	1. Manufacturing (8.3%)
2. Construction (7.4%)	2. Health Care and Social Assistance (8.1%)
3. Health Care and Social Assistance (7.3%)	3. Mining (7.7%)
4. Public Administration and Safety (7.3%)	4. Construction (6.0%)
5. Agriculture, Forestry and Fishing (7.1%)	5. Education and Training (5.9%)

Top 5 employers by industry in 2011 (compared to Regional NSW)

South East and Tablelands	Regional NSW
1. Retail Trade (13.1%)	1. Health Care and Social Assistance (14.3%)
2. Health Care and Social Assistance (12.3%)	2. Retail Trade (12.5%)
3. Accommodation and Food Services (10.6%)	3. Education and Training (9.2%)
4. Education and Training (8.2%)	4. Manufacturing (8.7%)
5. Manufacturing (7.9%)	5. Accommodation and Food Services (8.4%)



Photo credit: Holly Bradford, Capital Country Tourism

Drivers and opportunities

Its accessibility, natural endowment and established food production and visitor infrastructure provides the South East and Tablelands region with a range of opportunities for economic growth.

The major transport corridors between Sydney, the ACT and Melbourne (the most active business markets in Australia) pass directly through the region, providing easy road and rail access to markets, as well as opportunities for developing supply chain businesses.

Investment in transport infrastructure will be critical to improve the region's access to markets, increase viability for regional producers and support growth in the visitor economy. Upgrades to bridges – being delivered through the NSW Government's Bridges for the Bush program – will see the region benefit significantly from improvements in road freight productivity.

The abundance of renewable resources in the region, particularly wind, presents significant opportunities for further investment into the region's burgeoning renewable energy generation sector. Continued development and growth in regional food production is also expected.

The Port of Eden is home to a significant fishing fleet and supports a growing tourism sector, as well as vessels servicing the Bass Strait oil and gas fields. The port is a major export hub for woodchip and timber products and also provides the region with import access to breakbulk. The breakwater wharf extension will enable the port to accommodate larger cruise ships for increased tourism opportunities.

Along with its established food production infrastructure, the region's inherent natural attributes support continued growth in the agricultural sector. This, combined with proximity to other tourism hubs in Sydney and Canberra, offers opportunities to further develop regional tourism.

It is likely the region will see increasing demands in health care and aged-care services and Public Administration and Safety, with the number of available clerical and administrative jobs likely to rise – particularly in those parts of the region closer to large urban centres.



Photo credit: Hamilton Lund, Destination NSW

Highlights



Project	Investment
New South East Regional Hospital – Bega This facility will combine primary, community, ambulatory and acute health services onto one campus. The project is jointly funded with the Commonwealth Government.	\$171m
Bridges for the Bush: Bemboka Bridge upgrade - Snowy Mountains Highway Planned widening of the bridge over the Bemboka River on the Snowy Mountains Highway at Moran's Crossing. About 14,000 trucks cross the bridge each year. Widening the bridge will open up an additional 370 km for Higher Mass Limit vehicles.	\$7.3m
New Carpentry and Joinery Workshop and Student Support Facility, Cooma TAFE Students and employers from the Cooma-Monaro region will benefit from a new state-of-the-art training facility at TAFE Cooma Campus. The project includes a purpose-built carpentry and joinery workshop, a new customer service and student support centre, and expanded student support facilities (including a new virtual learning environment).	\$5.9m
Business Investment Schemes Since 2011 funding of \$5.5 million from the Regional Industries and Investment Fund and State Investment Attraction Scheme, as well as the services provided by NSW Trade & Investment, have helped projects expected to generate \$77.5 million in private investment and over 1,400 jobs in the South East and Tablelands.	\$5.5m in project funding \$77.5m in private investment

NSW Trade & Investment

Level 47, MLC Centre
19 Martin Place, Sydney NSW 2000
GPO Box 5477, Sydney NSW 2001
Australia
Tel: +61 2 9338 6600

Wollongong Office

Block E, Level 3
84 Crown Street
Wollongong NSW 2500
PO Box 5106
Wollongong NSW 2520
Australia
Tel: +61 2 4222 8338

Nowra Office

Ground Floor, Government Office Block
5 O'Keefe Avenue
Nowra NSW 2541
PO Box 112
Nowra NSW 2541
Australia
Tel: +61 2 4428 9138

Twitter: @BusinessNSW
Facebook: NSWBusiness

www.trade.nsw.gov.au

**For more information on doing business in Regional NSW
and the Economic Development Strategy for Regional NSW**

Visit: **www.trade.nsw.gov.au/regional-opportunities**
Tel: **+61 2 9338 6719**

Version 1 (February 2015)



**Trade &
Investment**