Regional Development Australia – Southern Inland

Regional Plan Discussion Paper

April 2010

1 Introduction

This discussion paper is to be used as part of the consultative workshops that will inform the Southern Inland's Regional Plan. The paper presents socio-economic information and issues relevant to the Southern Inland Region (SIR).

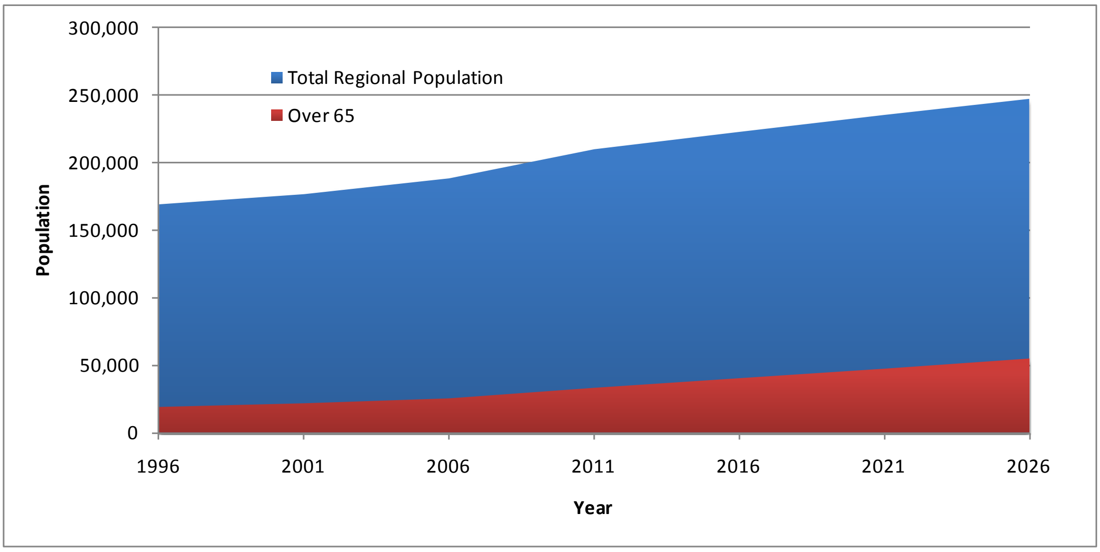
The SIR is composed of 14 Local Government areas: Bombala, Boorowa, Cooma-Monaro, Goulburn-Mulwaree, Harden, Palerang, Queanbeyan, Snowy River Tumbarumba, Tumut, Upper Lachlan, Wingecarribee, Yass Valley and Young.

In the workshops this regional-wide information will be complemented by shire-specific information on the same themes.

2 Socio-economic Snapshot

The chart below shows the total population counts for the Southern Inland Region up to the 2006 census, combined with forecasts until 2026. Forecasts suggest that by 2026, the population of the region is expected to be around 248,000 people. The estimated resident population for the region in June 2008 was 202,200, so another 46,000 residents are expected over the next 16 years.

Figure 1 Population counts and forecasts for Southern Inland Region



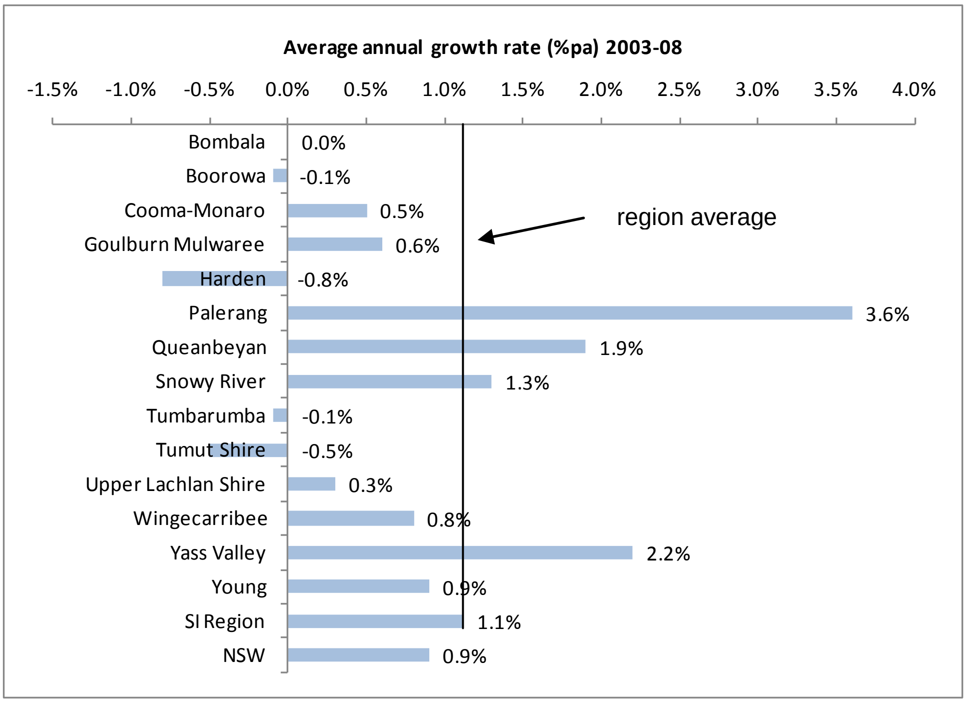
Sources: ABS Census (1996, 2001, 2001) and forecasts by ABS/DOHA 2008

The region's population will show a rapid increase in the number (and percentage) of older residents over the next 16 years – reflecting national demographic trends. In 2006 there were approximately 25,000 people in the region aged over 65 (13% of the total population). This is expected to more than double to 55,000 (22% of the population) by 2026. Harden had the highest proportion of people aged over 65 in 2006 at 20% of its population. Queanbeyan had the lowest proportion of over 65 year olds in the region at 9%.

The regional picture masks other wide variances across the region. The three LGAs with the largest populations in mid-2008 were Wingecarribee (45,400), Queanbeyan (39,600) and Goulburn-Mulwaree (27,700). Boorowa had the smallest population at 2,400 in mid 2008. Wingecarribee and Queanbeyan are both forecast to have around 55,000 residents by 2026.

Population growth rates also show great variation across the region. Between 2003 and 2008, Palerang was the fastest growing shire in the region with an annual average growth rate of 3.6%, while Harden Shire had the lowest growth with a negative annual rate of -0.8%. The average annual population growth across the region was 1.3%. This divergence in population growth rates is forecast to continue over the next 16 years (see appendix for LGA tables).

Figure 2 Population growth rates



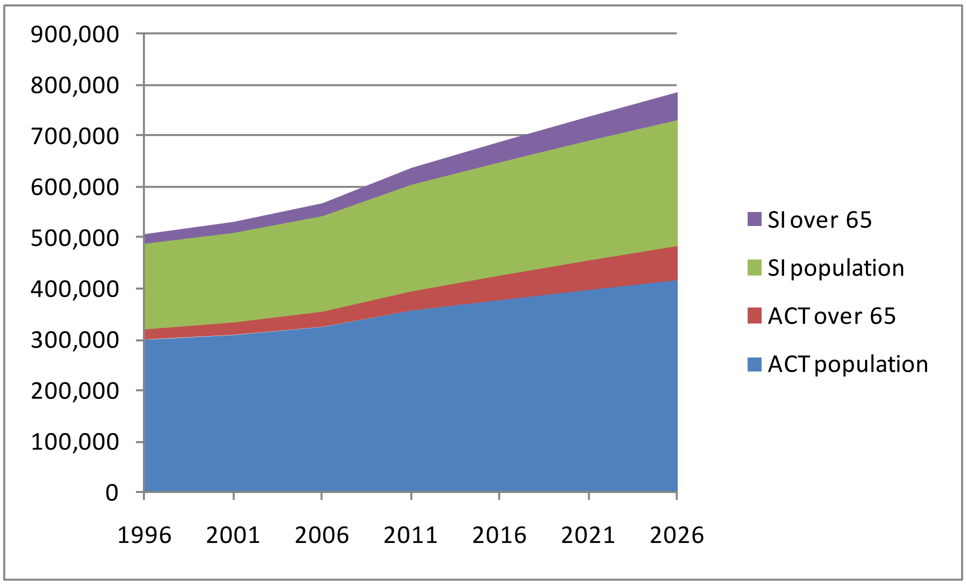
Source: ABS *Estimated Resident Population* (cat 3218.0).

These overall growth rates hide the high level of turnover amongst residents of Southern Inland LGAs. While the growth rates are up to 3.6% pa, over the 5 years from 2001 to 2006 between 20 and 45% of residents in Southern Inland shires were newcomers. This has significant implications for:

- Social capital.
- Engagement in local and regional planning
- Employee turnover
- Customer turnover

The next chart shows the ACT population and forecasts from 2011 to 2026. While the ACT is not part of the Southern Inland Region, its growth and the composition of its population will have a significant impact on surrounding areas. The ACT had an estimated 345,500 residents in mid-2008, and this population is projected to grow steadily, reaching 416,000 people by 2026. The composition of the population will remain fairly similar over time, with a substantial proportion of its population being in the age range of 35 to 65 years old. It is projected that there will be 68,000 people over 65 years old in the ACT by 2026 (16% of the population, below the number forecast for Southern Inland, and well below the percentage for the Southern Inland Region).

Figure 3 Population trends for Southern Inland Region and ACT



Source: *ABS Estimated Resident Population* (cat 3218.0).

For detailed tables of regional population data, see Appendix 1.

Goulburn-Mulwaree, Palerang and Queanbeyan fall under the *NSW Government Regional Strategy for the Canberra-Sydney Corridor*. The Strategy caters for a population increase of 46,350 by 2031, requiring an additional 25,200 dwellings and 27,800 new jobs. The Strategy highlights Bowral, Goulburn and Queanbeyan as the major centres for the Corridor, becoming locations for considerable employment growth. The Strategy also recognises the important role played by Canberra (along with Sydney and Wollongong) as an employment centre. This focus has significant implications for regional development in the SIR.

3 Economic Resilience and Vulnerability

The labour market

The table below shows industry employment figures for the SIR between 1996 and 2006. It can be seen that ‘Public Administration and Safety’ and ‘Retail Trade’ had high levels of employment and were also growing industries. The industries with the largest falls in the number of people employed 1996-2006 were ‘Mining’ and ‘Information Media and Telecommunications’. Also worth noting is the decline in employment in ‘Agriculture, Forestry and Fishing’ and the strong growth in ‘Construction’ and ‘Arts and Recreation Services.’

Table 1 Industry of employment trends 1996-2006

	number 2006	% of total 2006	change 1996-2006	% change 1996-2006
Agriculture, forestry & fishing	7,371	8	-1,073	-13
Mining	384	0.4	-223	-37
Manufacturing	7,069	7.6	465	7
Electricity, gas, water & waste services	1,336	1.4	-66	-5
Construction	7,580	8.1	2,557	51
Wholesale trade	2,774	3.0	-893	-24
Retail trade	9,996	10.7	2,266	29
Accommodation & food services	7,376	7.9	-4	0
Transport, postal & warehousing	4,100	4.4	343	9
Information media & telecommunications	1,266	1.4	-532	-30
Financial & insurance services	1,808	1.9	-64	-3
Rental, hiring & real estate services	1,482	1.6	279	23
Professional, scientific & technical services	5,256	5.6	1,426	37
Administrative & support services	2,243	2.4	412	23
Public administration & safety	10,985	11.7	3,327	43
Education & training	6,694	7.2	1,340	25
Health care & social assistance	8,880	9.5	2,238	34
Arts & recreation services	1,623	1.7	671	70
Other services	3,275	3.5	-54	-2
Inadequately described/Not stated	2,096	2.2	-155	-7
Total	**93,594**	**100**	**12,260**	**15**

Source: ABS Census 2006

In the report *The ACT and Its Region: Economic relationships and key drivers of economic growth* (2008), Access Economics makes several points of interest about the labour market of the ACT and its surrounding region. These include:

- The Australian Capital Region (ACR – which includes Eurobodalla and Bega Valley but excludes Wingecarribee, Tumut and Tumbarumba) is relatively over-represented in the Government administration and Defence sector, in part due to the strong Defence presence that spills over from the ACT into the ACR.
- The relative over-representation of cultural and recreational services owes much to the recreation activities based on both the South Coast and on the NSW ski fields.
- The farm, forestry and fishing sector of the ACR’s southern coast is its stand-out area. Relative to the rest of Australia, the ACR clearly has considerable strengths in this sector. Despite this, this decade to date has seen employment in the sector drop back to a third of the levels seen in the 1990s, due to environmental concerns and changed forestry practices.

The Role of the ACT

In the report *The ACT and Its Region: Economic relationships and key drivers of economic growth* (2008), Access Economics likens the ACT to an “emporium” for the people of southern NSW, who travel there to access a variety of public and private services, work opportunities, commerce and other facilities.

The report outlines a number of characteristics of the ACT and its neighbouring regions, including:

- Queanbeyan has the strongest regional economy, not merely because it services much the same district as the ACT itself, but also because many ACT workers live in Queanbeyan or Jerrabomberra.
- Similar factors help employment to population ratios in the Yass Valley.
- The ski fields of the Snowy River also stand out as a relatively employment rich district.
- There is notable weakness in inland farming districts such as Goulburn and the surrounding regions. Much of this area has been in drought since 2002-03 (and indeed, water is a notable constraint to the future growth of the region unless new water catchments or linkages are built and the pricing of water sales is changed).
- The Eurobodalla and the Bega Valley have very low employment to population ratios. In part that is explained by the popularity of these regions with retirees, but the collapse of forestry as a major employer over the past decade has also had a notable impact.
- Shires further away from the ACT and outside of the 'Canberra-Sydney Corridor' are less impacted by the development of the ACT.

The table below shows the amount of people travelling into the ACT from adjacent areas of the SIR, and vice versa. In total, 18,399 people travelled into the ACT for work from the selected shires. The strongest link between the capital and the region is Queanbeyan with over 14,000 people crossing the border (in both directions). Just over 4,000 ACT residents worked in neighbouring shires in 2006, mostly in Queanbeyan.

Table 2 Cross ACT border worker flows 2006

ACT Workers come from	No.	ACT residents work in	No.
ACT	163,525	ACT	163,525
Yass Valley	2,843	Yass Valley	260
Goulburn Mulwaree	326	Goulburn Mulwaree	56
Palerang	3,228	Palerang	130
Queanbeyan	11,710	Queanbeyan	3,594
Upper Lachlan	241	Upper Lachlan	17
Imports	**18,348**	**Exports**	**4,057**
Total jobs in ACT	**181,873**		

Source: ABS Census (customised data)

Employment growth

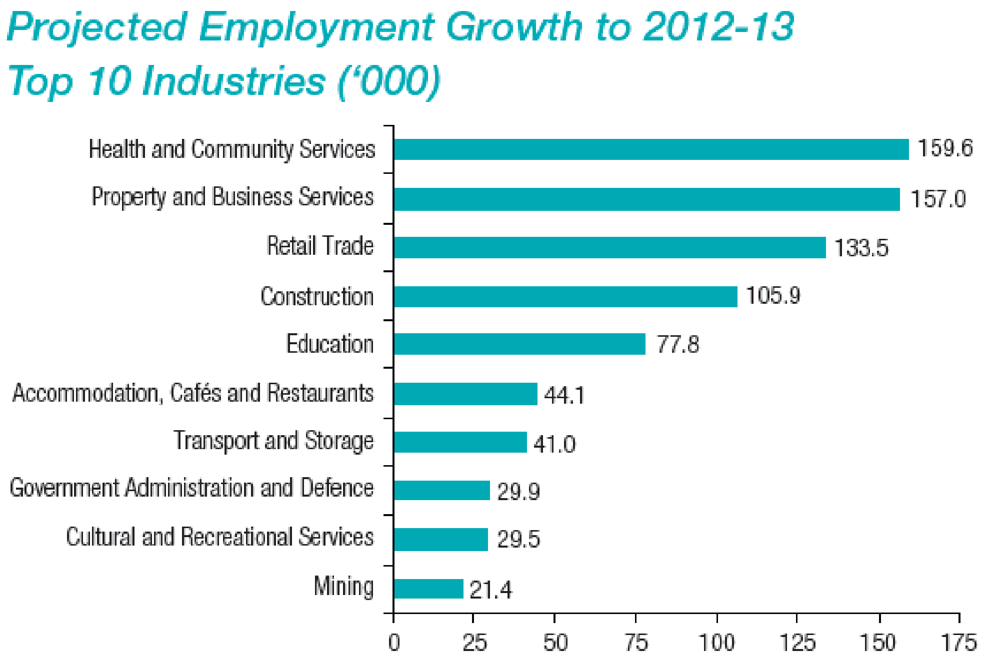
The mix of jobs in the Southern Inland Region is changing in line with the overall trends in the national economy – which has seen growth in tertiary and higher order service sector industries, little growth in manufacturing, and a decline in primary production employment as farms diversify and holdings become larger.

Employment growth in different industries is analysed by the Department of Employment, Education, and Workplace Relations each year in its *Australian Jobs* publication. The current forecasts (from the 2008 edition) show that the majority of new jobs in Australia through to 2013 will be in just five industries:

1. Health & community service (public and private sector)

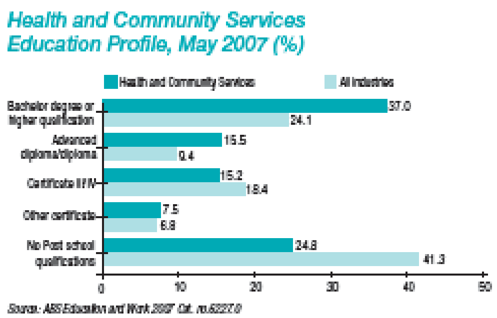
2. Property & business services (business services include legal, accounting, design, marketing, exporting services etc)
3. Retail trade
4. Construction
5. Education (public and private sector).

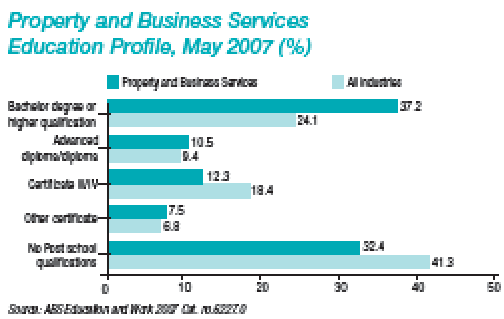
These five industries are expected to account for over two-thirds of the new jobs forecast.



Source: *Australian Jobs 2008*, DEEWR

Four of these five industries rely heavily on skilled workers, and for the top two, the profile of skill demand has a strong emphasis on degrees and diplomas. Clearly, for young people in the SI Region to give themselves the best employment prospects, high levels of education will be crucial success factor.





The *2008-09 State of the Regions Report* argues that the challenges associated with climate change will continue to increase in priority. The report highlights an important opportunity to link climate change measures to measures which could alleviate the impact of the Global Financial Crisis by creating a new "green" economy based on a low carbon emissions future.

Agriculture

The SI Region falls in the 'wheat-sheep' zone in the west and continues east into the higher rainfall areas towards the coast. The region encompasses horticulture, cropping, grazing, wool, viticulture and other specialist and, increasingly, 'boutique' areas such as grapes, alpacas and truffles. Important points to note include:

- Farm cash incomes for beef cattle and sheep farms in NSW are expected to remain relatively low, being constrained by livestock numbers and low turn-off as some herd and flock rebuilding occurs following improvement in seasonal conditions in late 2009 and early 2010. The benefits of higher wool prices are expected to be limited by lower wool production in 2009-10, particularly in southern regions.
- Based on the *2007-08 ABARE Farm Surveys*, farm cash-incomes are projected to be relatively low across much of southern New South Wales, where dry seasonal conditions have continued, particularly in the irrigated areas of the southern Murray-Darling Basin. On average, farm cash income of broadacre farms in New South Wales is projected to fall from $50 800 in 2008-09 to $23 000 a farm in 2009-10, which is less than half the average farm cash income for the 10 years to 2008-09.

As part of the *NSW Government Regional Strategy for the Canberra-Sydney Corridor* (affecting Goulburn-Mulwaree, Palerang and Queanbeyan shires), new urban development will not be permitted on land assessed as being of high conservation value. Councils will be encouraged to identify and protect areas of high conservation value and biodiversity corridors, through their new local environmental plans.

Tourism

The tourism market is significantly different for shires in the southern part of the region (Bombala, Cooma-Monaro, Snowy-River, Tumbarumba and Tumut) compared to those in the north or 'Capital Country' (Boorowa, Harden, Goulburn-Mulwaree, Palerang, Queanbeyan, Yass Valley, Young, Upper Lachlan, Wingecarribee).

For the year ending September 2009, the Southern shires (Snowy Mountains):

- Received 640,000 domestic overnight visitors - up by 2.4% from September 2008.
- Received 4.0% of overnight visitors in regional NSW. Compared to September 2008, the share of visitors was up by 0.3%.
- Had a majority of overnight visits from people '35 to 44 years' (28.1%) followed by those '45 to 54 years' (19.5%).
- Received 18,300 international overnight visitors - down by 4.9% from September 2008.

For the year ending September 2009, the region known as 'Capital Country':

- Received 818,000 domestic overnight visitors - down by 10.9% from September 2008. Based on statistics from the ACT Government, the ACT alone, in the year ending September 2009 received 1.78 million domestic overnight visitors. The ACT also received 1.36 million domestic day visitors in the year.
- Received 5.1% of visitors in regional NSW. Compared to September 2008, the share of visitors was down by 0.3%.
- Had a majority of overnight visits from people '65 years and over' (21.1%), followed by '35 to 44 years' (19.9%).
- Received 19,100 international overnight visitors - down by 17.8% from September 2008.

(source: Tourism NSW)

4 Priority Issues for Discussion

Based on the above information, a number of priority issues for discussion have been identified. The following questions are intended to be discussion starters for the workshops and are based on the topics discussed above.

Economic development …

- How can the region build on its under-represented industries?
- How can the region continue to improve on its industry strengths?
- Where are the priority employment areas in the region and how should they be supported?
- How will business be supported at a regional level?

The Role of the ACT …

- What demands will the growing population place on services in the ACT?
- What role should the ACT play in regional development?

Population and planning …

- How will the region cater to the needs of the ageing population?
- Which areas in the region need to promote greater population growth?
- Is it a problem if some areas in the region don't grow?
- What infrastructure bottlenecks are looming for areas with high population growth?
- How should the region deal with population growth that is concentrated in certain areas and not others?
- What role should/can the community adopt with its council around local planning and the Local Environmental Plan (LEP) process?
- How will regional planning integrate with broader sustainable development?

Climate and natural resource management …

- How will climate change risk be managed as the region develops?
- Is there scope for the region tap into the 'green' economy?
- How will primary industries be supported at a regional level?
- How can 'value adding' be incorporated into agricultural operations in the region?
- How can agriculture, tourism and other industries adapt to long term climate change impacts to ensure commercial viability and sustainability?

Tourism …

- Is the region taking full advantage of the tourism market?
- How well integrated are tourism services across the region?
- Is there scope to improve the value of tourism to the region?
- Is the ACT tourism offer relevant to and connected to the rest of the region?

Transport (people and freight) …

- How can we best ensure safe and timely travel by road for people commuting in and out of the ACT, and travelling around the region for business and leisure?
- Can we improve public transport connections within the region?
- How can we improve links out of the region to Sydney, Melbourne and beyond?
- Should Canberra airport become the regional passenger and freight hub?

Appendix – Additional Data

Figure A1. Service Population for the ACT and ACR

ACR service population estimates - excl. ACT	1996	2006	2016	2026
ACR population	205,719	233,561	256,061	279,769
Education - No. students in ACT	4,135	4,494	4,121	4,054
Health - No. public hospital separations in ACT	14,282	16,215	17,777	19,423
Health service population - No. people	68,543	77,820	85,317	93,216
Law and order - No. defendants ACT magistrates court	2,605	2,958	3,243	3,543
Traffic infringements - No. people	4,031	4,576	5,017	5,481
Road usage - Cross border vehicle movements per day	109,527	124,350	136,329	148,952
Employment - No. people working inside the ACT (census)	16,939	19,231	21,084	23,036

ACT service population estimates - only ACT	1996	2006	2016	2026
ACT population	308,251	334,225	373,991	402,264
Education - No. students in ACT	59,115	55,648	55,294	61,157
Health - No. public hospital separations in ACT	51,575	55,921	62,574	67,305
Health service population - No. people	308,251	334,225	373,991	402,264
Law and order - No. defendants ACT magistrates court	16,633	18,035	20,181	21,706
Traffic infringements - No. people	38,658	41,915	46,902	50,448
Road usage - Total vehicle movements per day	n.a.	n.a.	n.a.	n.a.
Employment - No. people working inside the ACT (census)	162,586	176,286	197,260	212,173

Combined service population estimates - ACR + ACT	1996	2006	2016	2026
Combined ACT and ACR population	513,970	567,786	630,052	682,033
Education - No. students in ACT	63,250	60,142	59,415	65,211
Health - No. public hospital separations in ACT	65,857	72,136	80,352	86,728
Health service population - No. people	376,794	412,045	459,308	495,480
Law and order - No. defendants ACT magistrates court	19,239	20,993	23,424	25,250
Traffic infringements - No. people	42,688	46,491	51,919	55,929
Road usage - Total vehicle movements per day	n.a.	n.a.	n.a.	n.a.
Employment - No. people working inside the ACT (census)	179,525	195,517	218,344	235,209

Source: ACT Government, Australian Institute of Health and Welfare, ACT Treasury submission to Commonwealth Grants Commission review 2004, ABS Special data request, Access Economics.

Note: This table is based on the average service usage grossed up to estimate the service population from the relevant region. While a useful estimation technique, actual policy costing or projection would require that this methodology be applied to a more detailed data set to allow for specific demographic cohort effects and service delivery cost estimates per service unit provided (based on service complexity).

Table A1. Population Counts and Forecasts by Age Group for the SIR

Age	1996	2001	2006	2011	2016	2021	2026
0-4	12,857	12,222	11,931	12,288	12,563	13,002	13,331
5-9	13,563	13,840	13,300	14,007	14,051	14,425	14,938
10-14	13,057	13,941	14,341	14,833	15,220	15,446	15,898
15-19	11,491	11,854	12,556	14,124	14,190	14,481	14,725
20-24	9,885	8,645	9,280	11,277	11,725	11,603	11,703
25-29	11,052	9,729	9,153	10,891	11,656	12,006	11,818
30-34	12,694	11,859	11,376	11,769	12,716	13,443	13,854
35-39	13,537	13,652	13,410	13,639	13,366	14,502	15,251
40-44	12,552	13,950	14,522	14,910	14,761	14,566	15,841
45-49	12,231	12,679	14,475	15,856	15,654	15,617	15,485
50-54	9,995	12,270	13,089	15,391	16,188	16,031	16,113
55-59	8,541	10,266	13,091	14,202	16,013	16,728	16,617
60-64	7,193	8,544	10,715	13,794	14,637	16,420	17,095
65-69	6,833	6,982	8,544	10,959	13,534	14,421	16,134
70-74	5,580	6,249	6,545	8,289	10,353	12,900	13,781
75-79	3,923	4,707	5,456	5,790	7,256	9,129	11,476
80-84	2,499	2,994	3,771	4,301	4,595	5,780	7,323
85+	1,751	2,386	2,939	3,753	4,472	5,030	6,093
TOTAL	**169,234**	**176,769**	**188,494**	**210,073**	**222,950**	**235,530**	**247,476**
over 65	18,910	21,628	25,277	33,092	40,210	47,260	54,807

	Estimated resident population		Forecast				Average annual growth rates (% pa)	
Local Government Area	**2003**	**2008**	**2011**	**2016**	**2021**	**2026**	**2003-2008**	**2011-2026**
Bombala	2,603	2,601	2,609	2,604	2,587	2,567	0.0%	-0.1%
Boorowa	2,402	2,390	2,277	2,188	2,090	1,982	-0.1%	-0.9%
Cooma-Monaro	9,929	10,202	10,313	10,503	10,650	10,740	0.5%	0.3%
Goulburn Mulwaree	2,6854	27,706	27,828	28,486	29,073	29,549	0.6%	0.4%
Harden	3,776	3,636	3,621	3,511	3,381	3,225	-0.8%	-0.8%
Palerang	11,620	13,852	15,224	17,506	19,798	22,079	3.6%	2.5%
Queanbeyan	35,958	39,603	42,192	46,582	51,092	55,646	1.9%	1.9%
Snowy River	7,407	7,894	8,234	8,826	9,418	10,008	1.3%	1.3%
Tumbarumba	3,687	3,672	3,611	3,534	3,450	3,350	-0.1%	-0.5%
Tumut Shire	11,494	11,236	11,183	11,075	10,934	10,728	-0.5%	-0.3%
Upper Lachlan Shire	7,265	7,392	7,364	7,387	7,376	7,328	0.3%	0.0%
Wingecarribee	43,678	45,418	47,162	49,944	52,535	54,839	0.8%	1.0%
Yass Valley	12,896	14,395	15,576	17,424	19,281	21,127	2.2%	2.1%
Young	12,008	12,547	12,879	13,380	13,865	14,308	0.9%	0.7%
SI Region	191,577	202,544	210,073	222,950	235,530	247,476	1.1%	1.1%

Sources: ABS Estimated Resident Population (ABS 3218.0) and forecasts by ABS/DOHA 2008