



## Profile Illawarra

MARCH 2013

### Highlights

- » Southern Mines recorded the production of 16.2 Million tonnes of coal during the year to December 2012, which is a 7.8% increase from the previous year, when 15.0 Million tonnes were produced.
- » The total number of jobs advertised in the region fell 16.0% during the twelve months to December, to 5,048. Advertisements for full time jobs were down 15.4% to 3,319 and ads for part time jobs weakened by 18.3% to 1,726.
- » Domestic overnight visitors stayed 2.6 Million nights, a gain of 11.0%. International visitors spent 1.2 Million nights in the WSD, an 18.1% reduction since the previous year.

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#### Annual State of the Region

2,697 house sales

1,187 unit sales

304 land lot sales

Unemployment = 7.2%

Youth unemployment = 13.9%

191,300 employed persons

5,048 job ads

16.2M tonnes of coal

20.4M tonnes of exports

10.3M tonnes of imports

2.6M domestic visitor nights

Tourist spending = \$689.0M

- » Total tourist expenditure suffered a slight decline, with visitors to the Wollongong SD spending \$689.0 Million (down 0.3%). Domestic overnight travellers spent \$315.6 Million (up 6.9%) and daytrip expenditure grew 2.3% to \$284.4 Million, however international visitors recorded \$88.9 Million of expenditure, down 24.4%.
- » The average yearly unemployment rate climbed 0.8% pts to 7.2%, while the youth unemployment rate improved by 1.2% pts to 13.9%.
- » The WSD median house price was stable at \$430,000, while the median unit price rose by 1.2% to \$339,000 and the median land price was 7.3% lower at \$255,000 during the year to December 2012. House sales contracted by 23.2% to 2,697 and unit sales were down 21.5% to 1,187. In the WSD, 304 land lots were sold, down 25.7%.
- » During the year, Port Kembla saw export tonnage expand by 0.5% to 20.4 Million tonnes while imports weakened by 18.5% to 10.3 Million tonnes.

## Southern Mines Coal Production

Year to December 2012 figures were positive for coal production in the Illawarra:

- » 16.2 Million tonnes of coal was produced in Southern Mines, a 7.8% increase on the previous year result of 15.0 Million.
- » Average employment fell 2.1% to 3,742, while productivity improved by 10.1% to 4.3 Thousand tonnes per employee.

During the three months to December 2012, there were fewer employees at Southern Mines:

- » Employment decreased to 3,732 persons, down 3.1% from 3,853 at September.
- » The production of coal weakened by 17.1% to 3.7 Million tonnes and productivity waned, with 1.0 Thousand tonnes produced per person, a 14.4% contraction.

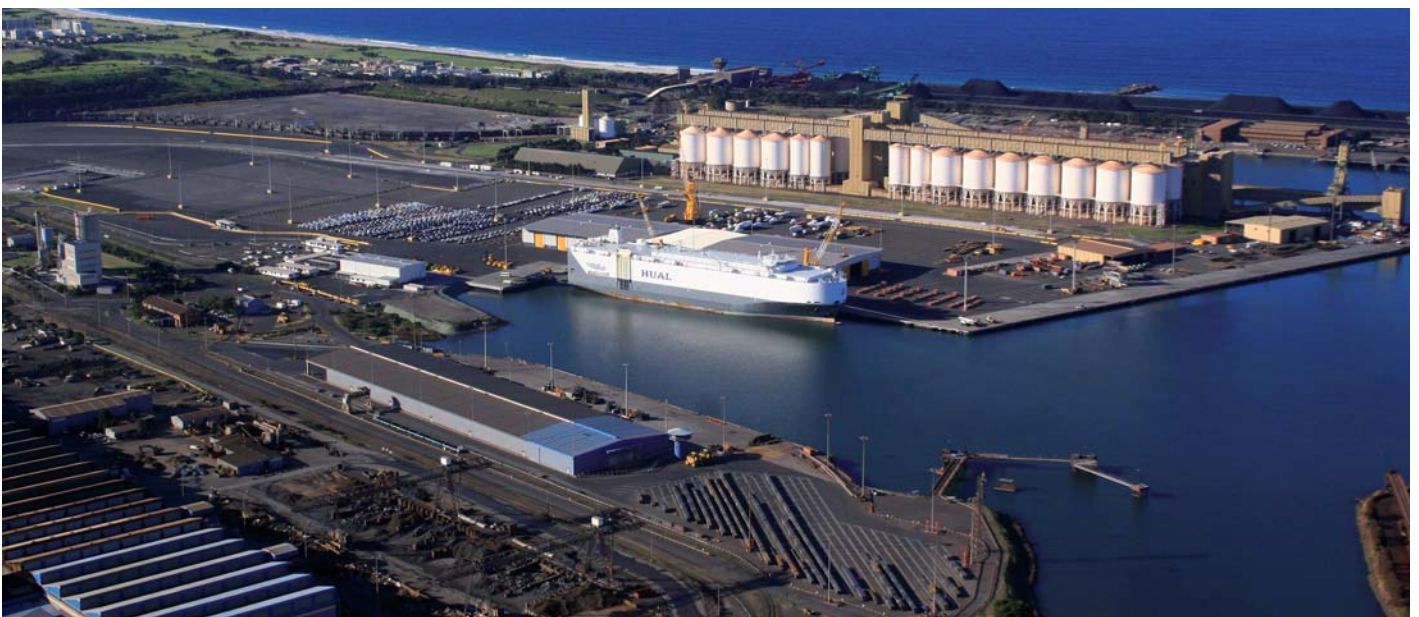
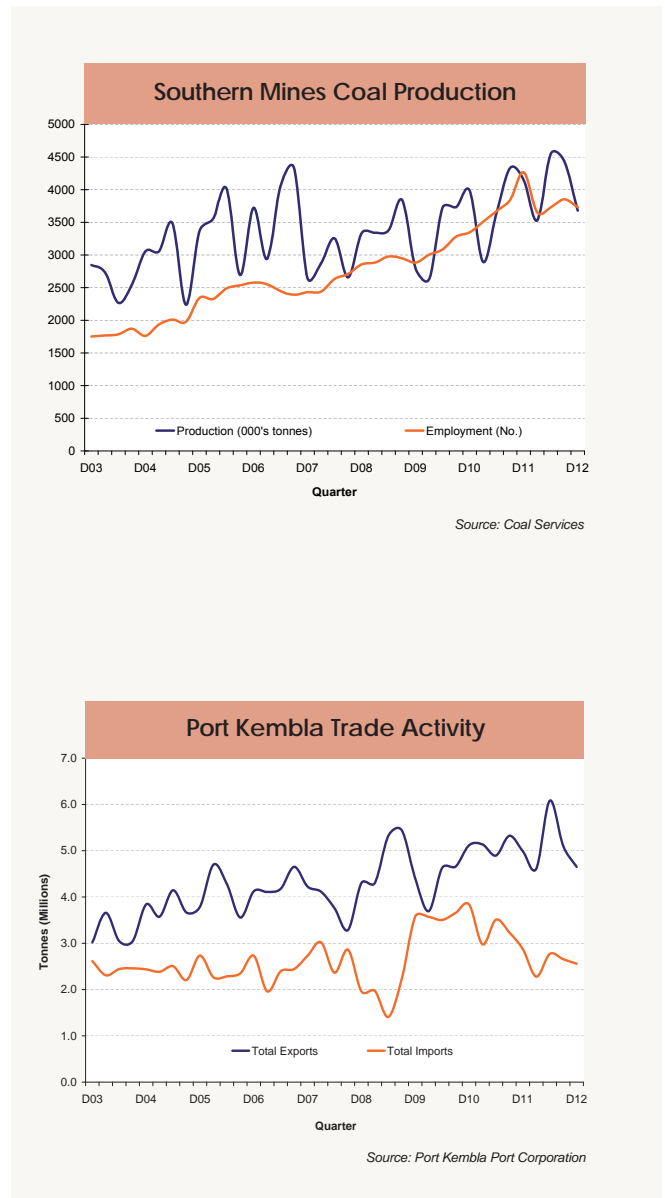
## Port Kembla Trade

Port Kembla felt mixed changes during the year to December 2012:

- » Export tonnage expanded slightly to 20.4 Million tonnes, up 0.5% from the year to December 2011 result of 20.3 Million tonnes.
- » Overseas bulk coal comprised 70.1% of total exports.
- » Overseas exports saw a 3.7% increase, while interstate and intrastate decreased over this period, by 34.6% and 9.8% respectively.
- » Import tonnage weakened by 18.5% to 10.3 Million tonnes, down from 12.6 Million tonnes recorded in the previous year.

The volume of trade activity declined during the December quarter:

- » There was an 8.9% reduction in exports to 4.7 Million tonnes.
- » The volume of imports fell from 2.7 Million tonnes in the September quarter, to 2.6 Million tonnes, which represents a 3.7% decrease.
- » Overseas assembled passenger motor cars made up 44.1% of total imports at 1.1 Million tonnes.



# Consumer Sentiment & Business Conditions



## Consumer Sentiment

The March 2013 quarter saw a slight increase in consumer confidence across the Illawarra:

- » The *Illawarra Consumer Sentiment Index* increased by 2 pts to sit at 80 pts.
- » This result is 7 pts below the long term March quarter average and 20 pts under the key index level of 100 pts.

Nationally, there was a strong gain in consumer confidence:

- » Westpac's *Australian Consumer Sentiment Index* reached 111 pts, up 11 pts from the December quarter result of 100 pts.
- » This result is 4 pts stronger than the long term March quarter average.

## Financial Position

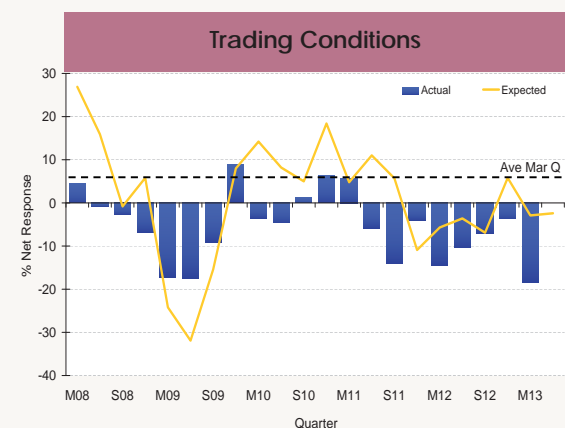
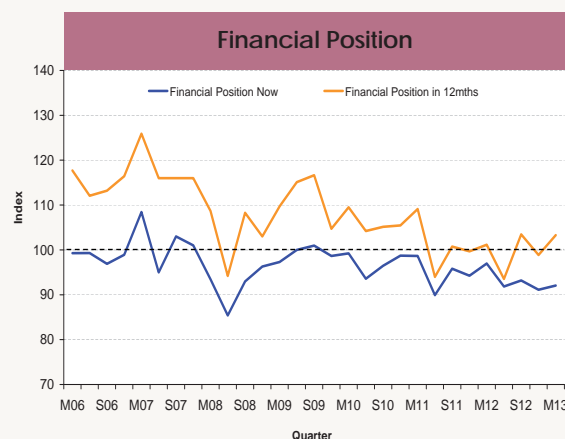
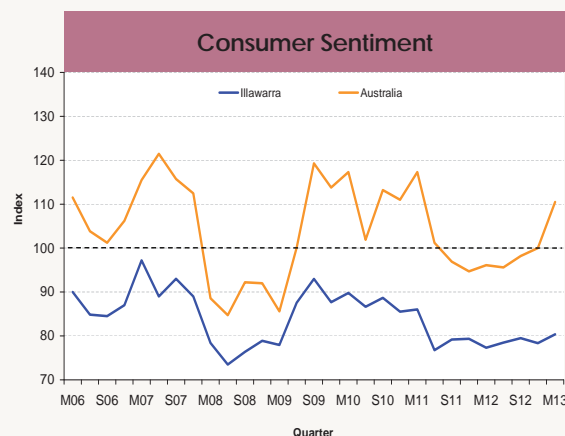
There was a minor lift in the perceived financial position of local households over the three months to March:

- » The *Current Financial Position Index* increased marginally to 92 pts (up 1 pt). This is 6 pts weaker than the long term March quarter average of 98 pts.
- » The outlook for family finances showed signs of improvement, as the *Future Financial Position Index* saw a 4 pt boost to 103 pts.
- » This result was 10 pts below the average level for a March quarter, of 113 pts.

## Trading Conditions

More Illawarra businesses experienced slower trading activity during first three months of 2013:

- » The *Trading Conditions Index* fell 14.8% pts, with a net 18.5% of businesses experiencing slower sales activity. This is 24.3% pts short of the long term March quarter average.
- » Expectations for the June 2013 quarter are stronger, with a net 2.4% of local businesses forecasting poorer trading conditions.
- » A net 18.7% of small businesses experienced poorer trading conditions, a worsening of 12.2% pts. The *Trading Conditions Index* for medium size firms lost 29.7% pts, with a net 23.4% of businesses indicating poorer trade activity. Meanwhile trading conditions strengthened for large firms, as a net 11.1% indicated a recovery, with a net 22.2% expecting additional improvement during the upcoming June quarter.





# Labour Market



## Labour Market Statistics

Illawarra's labour market conditions remained fairly constant during the twelve months to December 2012:

- » The average number of employed persons across the Illawarra sat at 191,300, on par with the year to December 2011 result of 191,400.
- » No change was seen in the average yearly participation rate, at 56.4%.
- » The average annual unemployment rate climbed 0.8% pts from 6.4% to 7.2%, while the youth unemployment rate improved by 1.2% pts to 13.9%, down from 15.0% in the year to December 2011.
- » An average of 6,301 persons received unemployment benefits, a 1.8% increase on the previous year to December result.

Improvements were seen in the labour market during the December quarter:

- » The Illawarra Statistical District's participation rate rose to 58.0%, a 1.1% pt rise, while the average number of persons employed strengthened from 192,000 to 197,900, a gain of 3.1%.
- » Meanwhile, the average unemployment rate fell to 6.9%, down 0.9% from the September quarter result of 7.8%.
- » At the same time, the youth unemployment rate halved from 17.8% to 8.8%.
- » The average number of persons receiving unemployment benefits across the region grew to 6,382, a 2.9% lift on the three months to September.

## Job Advertisements

The volume of local job advertisements published in the Saturday edition of the Illawarra Mercury over the twelve months to December 2012 declined:

- » The total number of jobs advertised in the Illawarra region fell by 16.0% to 5,048, when compared to the year to December 2011.
- » There was a 15.4% fall in the quantity of full time jobs advertised, to 3,319, while part time job advertisements weakened by 18.3% from 2,113 to 1,726.

There were mixed results recorded during the December quarter :

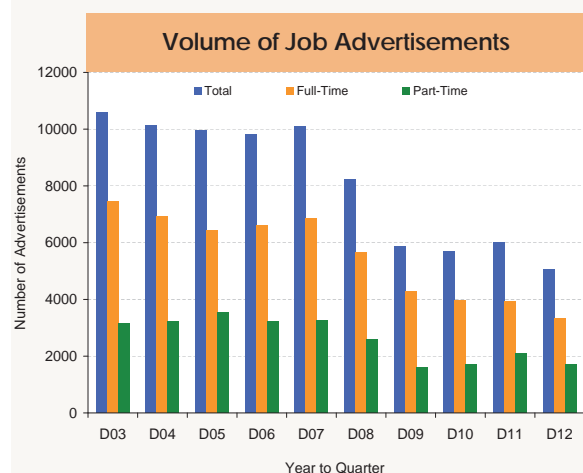
- » There were 1,063 jobs advertised across the region, a 4.7% decline on the three months to September. This drop was primarily due to the 16.0% fall in the volume of part time jobs advertised (to 361).
- » At the same time, the number of full time job advertisements strengthened by 1.1% to 707.

	Yr to D11 (Ave.)	Yr to D12 (Ave.)
<b>ISD Labour Market Statistics</b>		
Employment (000's)	191.4	191.3
Unemployment Rate (%)	6.4	7.2
Participation Rate (%)	56.5	56.4
Youth Unemployment Rate (%)	15.0	13.9
Unemp. Benefit Recipients (No.)	6188	6103

Source: ABS Labour Force Survey

	S12 Qtr (Ave.)	D12 Qtr (Ave.)
<b>ISD Labour Market Statistics</b>		
Employment (000's)	192.0	197.9
Unemployment Rate (%)	7.8	6.9
Participation Rate (%)	56.9	58.0
Youth Unemployment Rate (%)	17.8	8.8
Unemp. Benefit Recipients (No.)	6200	6382

Source: ABS Labour Force Survey



Source: IRIS/The Saturday Edition of the Illawarra Mercury

# Tourism

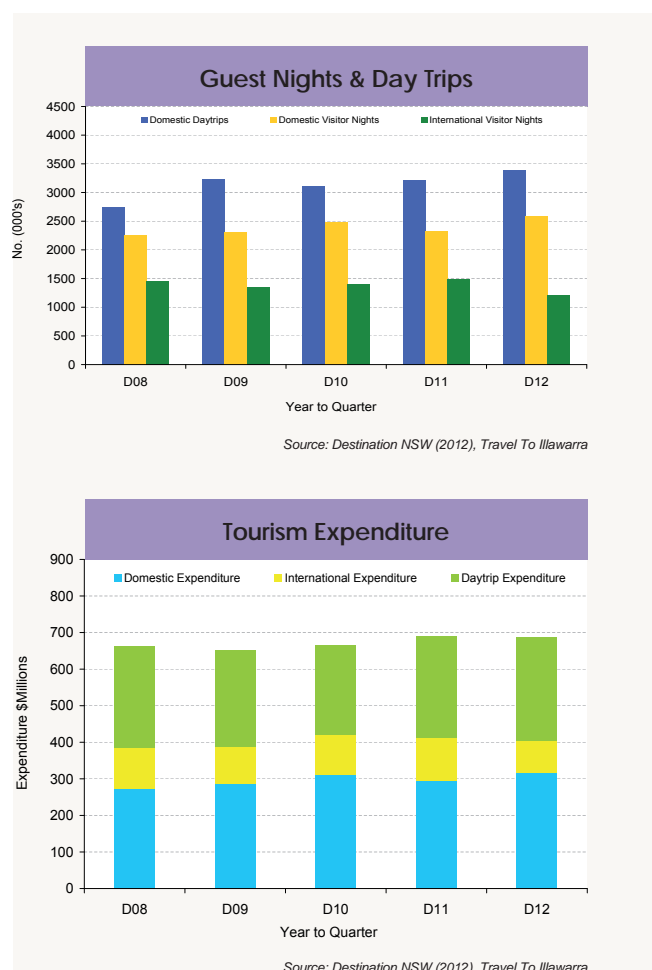
## Tourism Activity (WSD)

The latest figures from Destination NSW show that expenditure from domestic overnight visitors has increased during the year to December 2012:

- » The number of domestic overnight visitors to the WSD improved by 16.5% to 1.0 Million, while the quantity of visitor nights that these travellers stayed grew 11.0% to 2.6 Million.
- » Domestic daytrips to the region climbed to 3.4 Million, a 5.1% rise on the year to December 2011.
- » 55,000 international travellers visited the WSD during the twelve months to December, staying a total of 1.2 Million nights.

Tourist expenditure suffered a slight decline, with visitors to the WSD spending less per day during the year to December 2012:

- » Total tourist expenditure in the Wollongong SD fell by 0.3% to \$689 Million, down from \$690.9 Million in the previous year.
- » Domestic overnight travellers spent \$122 on average per night (down 3.7%), with expenditure totalling \$315.6 Million for this group, a 6.9% rise.
- » Total expenditure by international visitors decreased by 24.4% to \$88.9 Million, with these travellers spending \$73 per night on average (down 7.7%).
- » Domestic daytrip travellers spent \$84 on average per daytrip to the WSD (down 2.7%), with daytrip expenditure totalling \$284.4 Million during the year to December 2012 (up 2.3%).



The December quarter 2012 release of Tourist Accommodation data is the fourth to incorporate the Australian Statistical Geography Standard as the geographical framework for the collection. Small area data is now produced at Statistical Area Level 2 (SA2) and is not released for Local Government Areas. Data is not available for the following SA2s: Dapto - Avondale, Warilla, Balgownie - Fairy Meadow, Figtree - Keiraville, Thirroul - Austinmer - Coalcliff, Woonona - Bulli - Russell Vale, North Nowra - Bomaderry, Ulladulla Region, Moss Vale - Berrima, Southern Highlands.

Table: December Qtr 2012 Tourist Accommodation Data - Hotels, motels and serviced apartments with 15 or more rooms

	Establishments (no.)	Rooms (no.)	Bed spaces (no.)	Bed occupancy rate (%)	Room nights occupied (no.)	Room occupancy rate (%)	Guest arrivals (no.)	Guest nights occupied (no.)	Takings (\$'000)
Berkeley - Warrawong - Windang	3	152	481	16.0	3,780	27.0	4,845	7,062	436,702
Wollongong	17	890	2,392	40.9	53,957	65.9	41,804	90,029	8,437,742
Shellharbour - Flinders	3	78	215	27.5	3,091	43.1	2,709	5,433	404,948
Kiama	5	183	445	54.5	10,807	64.2	10,691	22,302	1,758,752
Kiama Hinterland - Gerringong	4	143	411	37.3	6,577	50.0	8,747	14,101	768,622
Wollongong SD	39	NP	NP	NP	NP	NP	NP	NP	NP
Berry - Kangaroo Valley	4	113	406	21.7	3,903	37.5	5,466	8,124	696,741
Huskisson - Vincentia	4	96	283	42.5	5,475	62.0	7,339	11,071	744,304
Nowra	8	235	690	30.9	13,618	63.0	12,782	19,596	1,419,117
Ulladulla	9	191	681	31.5	9,947	56.6	11,092	19,756	1,914,840
Bowral	9	273	642	38.2	13,392	53.3	13,743	22,553	2,187,895
Mittagong	5	153	391	34.0	8,453	60.1	8,314	12,233	1,116,771
Illawarra SD	87	NP	NP	NP	NP	NP	NP	NP	NP

Note: NP = Not provided

Source: ABS Survey of Tourist Accommodation

# Property



## Property Market (WSD)

For the year to December 2012, the median prices for property across the Wollongong Statistical District (WSD) recorded mixed changes:

- » The WSD median house price was stable at \$430,000, with 2,697 sales (down 23.2%). The median unit price rose 1.2% to \$339,000, with 1,187 unit sales (down 21.5%), while the median land price was 7.3% lower at \$255,000. In this region, 304 land lots were sold (down 25.7%).
- » In Wollongong LGA the median house price fell 2.4% to \$439,000 and sales were down 24.7% to 1,792. The median unit price grew 2.1% to \$345,000, and the median land price decreased by 9.5% to \$248,750.
- » At the same time, the median house price in Shellharbour LGA was unchanged at \$380,000, the median unit price weakened 3.6% to \$294,000 and the median land price was \$257,500 (down 2.8%).
- » Kiama LGA saw decreases for the median prices of units (down 4.6% to \$355,000) and land (down 5.2% to \$265,000). However the median house price recorded a 1.6% rise to \$560,000, with 251 sales (down 0.4%).

During the three months to December:

- » The median house price in the WSD gained 5.4% to \$442,750, with 820 sales recorded. There were increases in Wollongong LGA to \$454,500 (up 8.2%), Shellharbour to \$395,000 (up 9.7%) and Kiama to \$545,000 (up 3.4%).
- » In the WSD, the median unit price rose 7.0% to \$350,000, with 390 sales. The median price grew in Wollongong LGA by 6.6% (to \$355,000), by 9.1% in Kiama to \$370,000 and to \$296,500 in Shellharbour.
- » Looking at median land prices, the WSD saw a 0.6% rise to \$260,000, with 95 sales. Wollongong LGA was down 6.0% to \$230,000 and Kiama fell 8.8% to \$257,500. Shellharbour was up 6.5% to \$285,000.

## Rental Market

The volume of rental listings strengthened during the year to December:

- » In the WSD, there were an average of 31 houses advertised, up 10.7%. Rental listings for units rose 13.2% to 60 per week.
- » The median weekly rental price for houses remained stable at \$400, while the median weekly unit price grew 6.7% to \$320.

Looking at the results for the December quarter:

- » The average number of weekly rental listings in the WSD declined 29.4% for houses (to 24), and fell 19.1% for units to 55 per week.
- » The median weekly rental price decreased by 2.6% for medium to high density properties to \$302, but was unchanged for houses at \$400.

MEDIAN PROPERTY VALUES	Year to Dec 11 (\$)	Year to Dec 12 (\$)	Yearly Change (%)
<b>HOUSES</b>			
Wollongong Statistical District	430,000	430,000	0.0
Wollongong LGA	450,000	439,000	-2.4
Shellharbour LGA	380,000	380,000	0.0
Kiama LGA	551,250	560,000	1.6
<b>UNITS/TOWNHOUSES</b>			
Wollongong Statistical District	335,000	339,000	1.2
Wollongong LGA	338,000	345,000	2.1
Shellharbour LGA	305,000	294,000	-3.6
Kiama LGA	372,000	355,000	-4.6
<b>LAND</b>			
Wollongong Statistical District	275,000	255,000	-7.3
Wollongong LGA	275,000	248,750	-9.5
Shellharbour LGA	265,000	257,500	-2.8
Kiama LGA	279,500	265,000	-5.2

Source: IRIS/Valuer General's Land and Housing Database

RENTAL MARKET VALUES	Year to Dec 11 (\$)	Year to Dec 12 (\$)	Yearly Change (%)
<b>HOUSES</b>			
Median Weekly Rental (\$)	400	400	0.0
Average Weekly Listings (No.)	28	31	10.7
<b>UNITS - 1 Bedroom</b>			
Median Weekly Rental (\$)	200	220	10.0
Average Weekly Listings (No.)	10	10	0.0
<b>UNITS - 2 Bedroom</b>			
Median Weekly Rental (\$)	300	312	4.0
Average Weekly Listings (No.)	28	33	17.9
<b>UNITS - Total</b>			
Median Weekly Rental (\$)	300	320	6.7
Average Weekly Listings (No.)	53	60	13.2

Source: IRIS/The Saturday Edition of the Illawarra Mercury/Domain.com/RealEstate.com

# Building Approvals



## Dwelling Approvals

The volume of dwelling approvals across the Illawarra Statistical District (ISD) fell during the year to December 2012:

- » A total of 1,378 dwellings were approved, a decline of 8.2% on the twelve months to December 2011. The number of house approvals sat at 1,059, a 2.2% dip, while unit approvals deteriorated by 23.7% to 319.
- » Approvals in Kiama LGA dwindled to just 10, a fall of 73.7%, while Wollongong LGA saw approvals drop by 31.3% to 421.
- » At the same time, dwelling approvals rebounded by 18.7% to 292 in Shellharbour, while approvals in Wingecarribee and Shoalhaven lifted by 9.9% to 144 and 8.0% to 511 respectively.

In the December quarter:

- » There was a 6.9% strengthening in the volume of dwelling approvals, to 371. House approvals decreased by 0.4% to 274, while unit approvals grew to 97, up 34.7%.
- » Dwelling approvals increased by 4.1% to 102 in Wollongong LGA and by 6.9% to 77 in Shellharbour LGA. Kiama was stable with 2 approvals.
- » Shoalhaven LGA recorded 153 approvals, up 12.5% from 136 in the September 2012 quarter. Meanwhile, a 5.1% decrease was seen in Wingecarribee LGA, falling to 37 approvals.

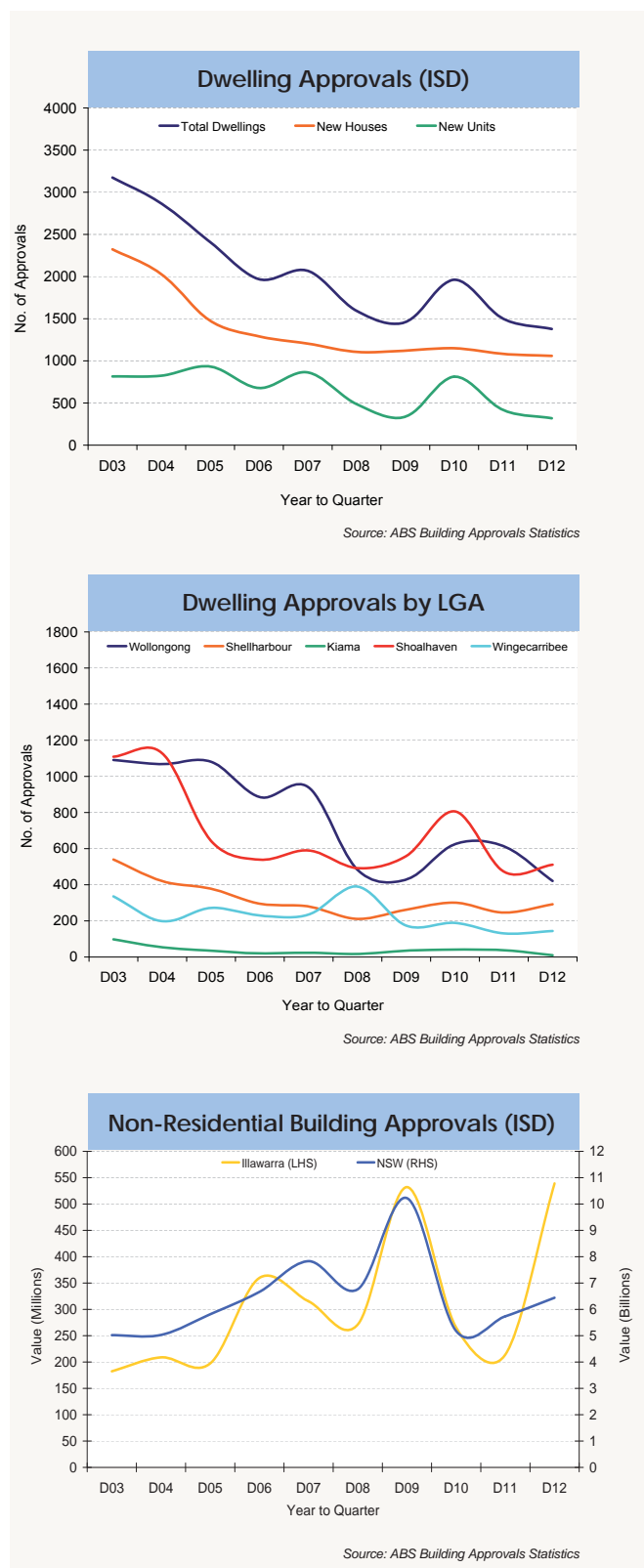
## Non-Residential Building Approvals

During the year to December 2012, there was a substantial increase in the value of non-residential construction investment:

- » Non-residential approval values in the ISD jumped 151.5% to \$539.1 Million. Private investment grew 352.3% to \$510.7 Million, while public investment declined by 71.9% to \$28.5 Million.
- » Commercial building approvals in NSW were valued at \$6.4 Billion, up 12.3% compared to the previous year's result of \$5.7 Billion.

Figures show that the total value of non-residential building approvals declined over the three months to December 2012:

- » The ISD saw a fall in the value of non-residential approvals to \$63.7 Million, down 12.9% from the September result of \$73.1 Million. Private investment declined by 26.3% to \$53.9 Million, however public approvals grew to \$9.8 Million.
- » The value of NSW approvals climbed 10.2% to \$1.5 Billion, up from \$1.4 Billion in the three months to September. Public investment increased by 130.8% to \$344.4 Million, but at the same time, private investment fell to \$1.2 Billion (down 4.1%).





# Investment



The following list represents the majority of large developments (\$1M and over) taking place in the region up to the date of publishing. Those developments that have been approved to be built are indicated by an 'A', a project which has been completed in the current quarter is indicated by a 'C' and those currently under construction or have had their construction certificates approved are indicated by a 'U/C'. (A full list of current and recently completed projects is available by contacting IRIS Research).

Organisation	Development	Status	Value
GPT	Wollongong - West Keira Development	U/C	\$200.0M
Illawarra Area Health Service	Wollongong - Elective Surgery Centre ED and Ambulatory Care	U/C	\$106.1M
	Shoalhaven - Regional Cancer Centre	U/C	\$34.2M
	Wollongong - Cancer Centre extension	U/C	\$15.4M
	Wollongong - New multi-storey car park	Lodged	\$27.8M
IRT	Tarrawanna - IRT Care Centre	U/C	\$18.0M
Metronode	Unanderra - Construction of data storage facility	A	\$27.0M
NSW Public Works	St Georges Basin - St Georges Basin Public School, new classroom and covered ways	A	\$1.0M
Port Kembla Port Corporation	Port Kembla - Outer Harbour Expansion	U/C	\$600.0M
	Port Kembla - Soy Bean Processing and Bio Diesel Plant	U/C	\$273.0M
UnitingCare Ageing	Shellharbour City Centre - Senior Living Development	Lodged	\$119.0M
The University Of Wollongong	Sustainable Buildings Research Centre	U/C	\$17.2M
	Building 19 refurbishment	U/C	\$4.0M
	Innovation Campus - Demolition of causeway structure and construction of road bridge	U/C	\$3.3M
Roads and Maritime Services	Gerringong - Princes Hwy upgrade between Mount Pleasant and Toolijooa Rd	U/C	\$310.0M
	South Nowra - Upgrade of the Princes Hwy from Kinghorne St to Forest Rd	U/C	\$62.0M
	Picton Road - Road Safety Strategy - a range of projects to upgrade the 27kms of Picton Rd	U/C	\$43.5M
Stockland	Shellharbour City Centre - Shellharbour Square Expansion	U/C	\$300.0M
Warrigal Care	Shell Cove - 128 bed aged care facility and 98 independent living units	A	\$60.0M
Wollongong LGA	Wollongong - Demolition of existing building and construction of a multi-storey building	A	\$29.9M

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## Report Notes

The Profile Illawarra Report is produced quarterly by IRIS as an indicator of the regional economy. Information is based on data sourced from ABS publications, State Government, regional commercial and industrial establishments and from the IRIS database.

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