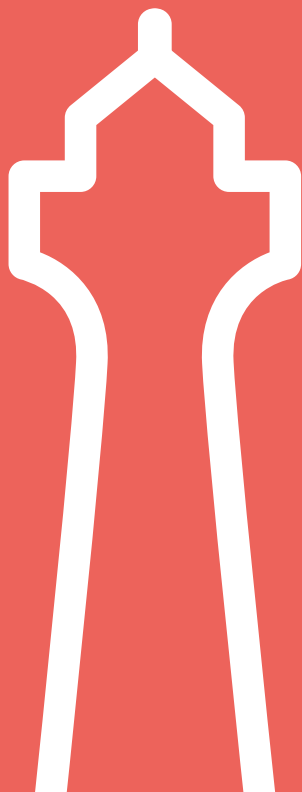


# PROFILE ILLAWARRA

MARCH 2016



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# HIGHLIGHTS



Coal production for the year to December 2015 fell 6.5% to 15.7 million tonnes. Average employment contracted 8.1% to 2,658, leading to a 1.7% rise in productivity.

Port Kembla saw exports fall 17.1% to 14.2 million tonnes and imports lift 15.1% to 12.0 million tonnes.

Tourism expenditure in the region rose 17.3% to \$942 million. This was driven by stronger international tourism with boosts in both number of visitors (up 22.4% to 67,300) and nights (up 76.6% to 2.2 million).

On the back of increased workforce participation there were increases in the number of persons employed (140,200) and the local unemployment rate (6.4%).

## ANNUAL STATE OF THE REGION

HOUSE SALES	3,258
UNIT SALES	1,417
LAND LOT SALES	233
UNEMPLOYMENT	6.4%
YOUTH UNEMPLOYMENT	12.6%
EMPLOYED PERSONS	140,200



The rental market saw positive results for investors with the median weekly house price up 10.9% to \$499 and the median weekly unit price up 6.1% to \$377.

Looking at the WSD property market, the median house price grew 13.4% to \$561,250 (3,258 sales) and the median unit price lifted 10.1% to \$435,000 (1,417 sales).

A total of 3,342 dwellings were approved in the ISD during the 12 months to December (up 24.0%), consisting of 1,682 houses (up 0.8%) and 1,660 units, flats and townhouses (up 61.5%).

The value of ISD non-residential building approvals strengthened 70.3% to \$539.9 million on the back of a 92.0% boost in private investment to \$348.0 million.

TONNES OF COAL	15.7 MILLION
TONNES OF EXPORTS	14.2 MILLION
TONNES OF IMPORTS	12.0 MILLION
DOMESTIC VISITOR NIGHTS	3.2 MILLION
TOURISM EXPENDITURE	\$942 MILLION
NON-RES BUILDING APPROVALS	\$540 MILLION

# TRADE

## SOUTHERN MINES COAL PRODUCTION

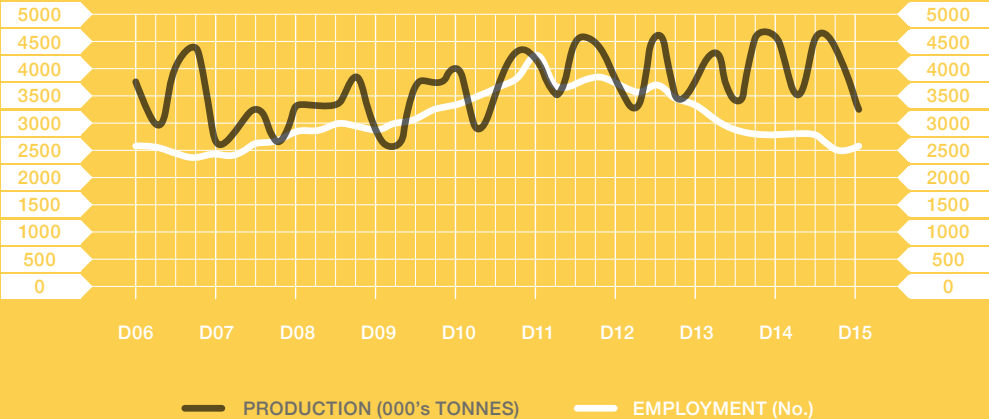


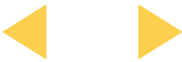
**Both total coal production and employment declined during the year to December 2015.**

**During the three months to December 2015:**

- A total of 15.7 million tonnes was produced, down 6.5% from the year to December 2014 (16.8 million tonnes). Meanwhile, average employment fell 8.1% to 2,658.
- The disproportionate fall in employment caused yearly productivity to increase from 5.82 to 5.92 thousand tonnes per employee, a 1.7% rise.
- Total coal production fell to 3.3 million tonnes in the December quarter, down 23.3% from the September quarter result of 4.3 million tonnes.
- Employment saw a 2.7% rise to 2,566 over the period. The significant fall in production led to quarterly productivity decreasing to 1.29 million tonnes per employee, down 25.4% on the preceding quarter (1.73 million).

## SOUTHERN MINES COAL PRODUCTION





# PORT KEMBLA TRADE

**The year to December 2015 saw a fall in exports and rise in imports, reducing the overall trade balance.**

Port Kembla reported a lift in imports to 12.0 million tonnes, up 15.1% from the year to December 2014 (10.4 million tonnes). Over the twelve-month period there was a 17.1% fall in exports to 14.2 million tonnes.

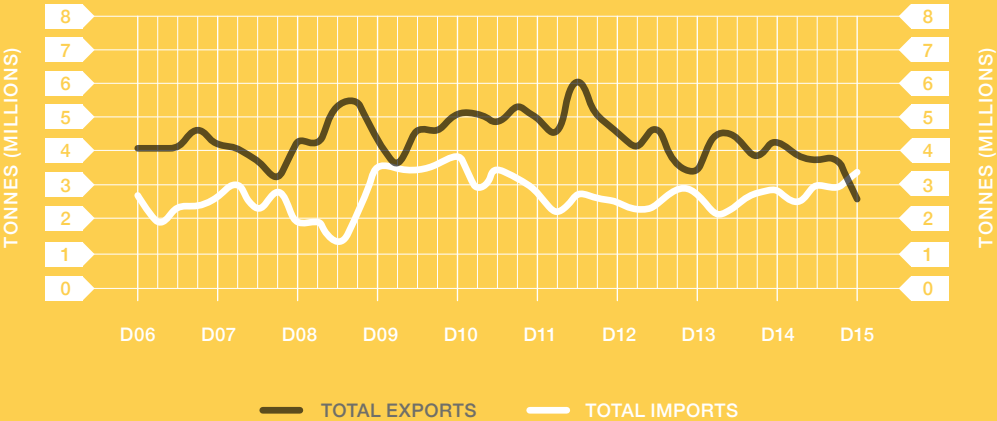
**Results for the December quarter:**

Imports totalled 3.4 million tonnes, the highest December quarter result since 2010. This represents a 13.3% increase on the September quarter and is 15.7% higher than the December quarter average.

Exports totalled 2.7 million tonnes, a 28.9% decrease on the September quarter. The result was 36.1% lower than the December quarter average of 4.2 million tonnes. This low outcome can be explained by lower than average exports in November (0.5 million tonnes).

The December quarter was the first quarter on record where imports outweighed exports.

# PORT KEMBLA TRADE



# TOURISM ACTIVITY



The latest data from Destination NSW has shown that tourism to the Illawarra is up in terms of guest nights and expenditure.

On average, domestic daytrip travellers spent \$92 per trip, down 6.0% on the year to December 2014. However, a 17.2% boost in the number of daytrips to 4.0 million led to an overall 10.4% increase in domestic daytrip expenditure to \$372 million.

Over the year 1.0 million domestic overnight tourists visited the Illawarra. Whilst the number of visitors was down 6.9% on last year, the number of nights spent lifted 14.5% to 3.2 million. These visitors spent approximately \$118 per night, down 13.0% on last year. These results combined to leave domestic overnight expenditure relatively stagnant at \$377 million.

## NIGHTS (,000)

	Year to Dec 14	Year to Dec 15	Change (%)
Domestic Daytrips	3,439	4,032	17.2
Domestic Visitor Nights	2,787	3,190	14.5
International Visitor Nights	1,258	2,221	76.6





- The year to December 2015 saw 67,300 international visitors to the region, up 22.4% on last year. This rise, combined with lengthier holidays led to a 76.6% increase in international visitor nights to 2.2 million. On average, they spent \$87 per night, up 25.7% on the year to December 2014.
- The collective result of these increases was international overnight expenditure more than doubling to \$193 million, up 121.8%. This can largely be attributed to improved exchange rates for international visitors. At the end of December 2014, the AUD was trading at US\$0.82. At the end of December 2015, the AUD had depreciated to US\$0.73, down 10.9%.
- Overall, tourism expenditure totalled \$942 million, up 17.3% on the year to December 2014 (\$803 million). This was driven by aforementioned increases in international overnight travel.

# EXPENDITURE (\$M)

	Year to Dec 14	Year to Dec 15	Change (%)
Domestic Daytrips	337	372	10.4
Domestic Visitor Nights	379	377	-0.5
International Visitor Nights	87	193	121.8
<b>TOTAL</b>	<b>803</b>	<b>942</b>	<b>17.3</b>



# LABOUR MARKET



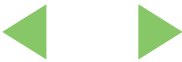
**A boost in workforce participation led to increases in employment figures as well as the unemployment rate.**

- On average, there were 140,200 persons employed across the Illawarra, up 5.1% on the year to December 2014.
- The local participation rate strengthened 2.2% pts to 60.5% over the period.
- The average yearly youth unemployment rate saw a decline of 3.0% pts to 12.6%.
- In the same timeframe, the regional unemployment rate increased 0.7% pts to 6.4%.
- On average, 8,070 persons received unemployment benefits in the Illawarra, up 9.3% on the previous year.

## ISD LABOUR MARKET STATISTICS YEAR OVER YEAR

	Year to Dec 14 (Ave.)	Year to Dec 15 (Ave.)
EMPLOYMENT (000's)	133.4	140.2
UNEMPLOYMENT RATE (%)	5.7	6.4
PARTICIPATION RATE (%)	58.3	60.5
YOUTH UNEMPLOYMENT RATE (%)	15.6	12.6
UNEMPLOYMENT BENEFIT RECIPIENTS (No.)	7,380	8,070





Labour force results for  
the three months to  
December:

- The number of persons employed in the Illawarra climbed 3.5% to 146,900, showing relatively slower growth compared to the year-on-year result.
- The participation rate in the ISD lifted 1.3% pts to 62.0% while the local unemployment rate fell 0.9% pts to 4.6%.
- Conversely, the youth unemployment rate increased 2.2% pts to 12.0% over the quarter.
- Decreased unemployment led to an 11.9% decline in the number of persons receiving unemployment benefits to 7,880.
- The findings of the December 2015 edition of the IRIS Illawarra Business Survey align with these results, with the Employment Index rising 1.9% pts during the quarter.

ISD LABOUR  
MARKET STATISTICS  
BY QUARTER

	Sep 15 Qtr (Ave.)	Dec 15 Qtr (Ave.)
EMPLOYMENT (000's)	142	146.9
UNEMPLOYMENT RATE (%)	5.5	4.6
PARTICIPATION RATE (%)	60.7	62.0
YOUTH UNEMPLOYMENT RATE (%)	9.8	12.0
UNEMPLOYMENT BENEFIT RECIPIENTS (No.)	8,949	7,880

# RENTAL MARKET

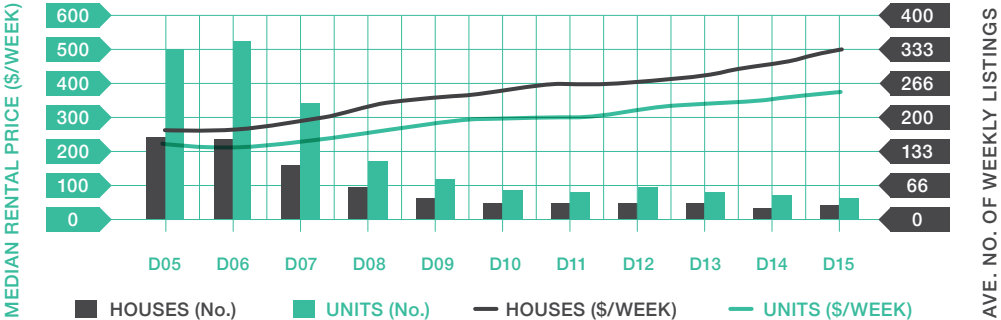
The year to December 2015 saw stronger results for the housing rental market compared to units, though median rental prices for both increased.

Looking at the three months to December 2015:

- There was a rise in the median weekly unit price to \$377 per week, up 6.1% on the year to December 2014. In the same timeframe there was a decline in the average number of units advertised per week from 48 to 44.
- Growth was stronger for housing, with the median weekly house price increasing to \$499 per week, a gain of 10.9% on December 2014. The average number of houses advertised per week jumped from 23 to 29.
- The average number of weekly rentals advertised fell 27.7% to 34 for units and 19.4% to 25 for houses.
- The median weekly rental price for units climbed \$20 over the three months to December, a rise of 5.3%. The value for houses showed similar modest growth of 4.1%, increasing \$22.

## RENTAL MARKET VALUES

		YEAR TO DEC 14	YEAR TO DEC 15	CHANGE (%)
HOUSES	MEDIAN WEEKLY RENTAL (\$)	449	499	11.1
	AVERAGE WEEKLY LISTINGS (NO.)	23	29	26.1
UNITS 1BR UNF	MEDIAN WEEKLY RENTAL (\$)	250	255	2.0
	AVERAGE WEEKLY LISTINGS (NO.)	8	7	12.5
UNITS 2BR UNF	MEDIAN WEEKLY RENTAL (\$)	340	360	5.9
	AVERAGE WEEKLY LISTINGS (NO.)	27	24	-11.1
UNITS TOTAL	MEDIAN WEEKLY RENTAL (\$)	356	377	6.1
	AVERAGE WEEKLY LISTINGS (NO.)	48	44	-8.3





# SELECTED AREAS

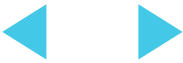
Looking at selected areas during the twelve months to December 2015:

- In terms of houses, Wollongong to Figtree saw the median rental price climb to \$520, up 15.6%. Austinmer/Thirroul (down 0.7% to \$690), Albion Park to Albion Park Rail (down 2.2% to \$440) and Kiama (down 6.7% to \$485) went against this trend.
- For units, Unanderra to Mount Kembla experienced the highest growth, up 25.9% to \$365. Several areas saw falls in median weekly rental price including Bulli/Woonona, Albion Park to Albion Park Rail, Lake Illawarra Sth. to Oak Flats and Shellharbour.

## MEDIAN RENTS FOR SELECTED AREAS

	HOUSES			UNITS/FLATS/TOWNHOUSES		
	YEAR TO DEC 14	YEAR TO DEC 15	YEARLY CHANGE	YEAR TO DEC 14	YEAR TO DEC 15	YEARLY CHANGE
AUSTINMER/THIRROUL	695	690	-0.7	405	470	16.0
BULLI/WOONONA	500	570	14.0	380	350	-7.9
RUSSELL VALE TO FAIRY MEADOW	475	500	5.3	330	350	6.1
WOLLONGONG TO FIGTREE	450	520	15.6	350	380	8.6
UNANDERRA TO MOUNT KEMBLA	400	450	12.2	290	365	25.9
DAPTO/KANAHOOKA/KOONAWARRA	400	450	12.2	300	350	16.7
LAKE HEIGHTS TO WINDANG	360	380	5.6	250	270	8.0
ALBION PARK TO ALBION PARK RAIL	450	440	-2.2	387	380	-1.8
LAKE ILLAWARRA STH. TO OAK FLATS	400	450	12.2	350	330	-5.7
SHELLHARBOUR	540	570	5.6	430	400	-7.0
KIAMA	520	485	-6.7	430	450	4.7

# PROPERTY



## Median property prices in the Wollongong Statistical District continued to strengthen over the 12 months to December 2015.

- The median house price for the WSD rose 13.4% to \$561,250. Over the same period, the median WSD unit price was up 10.1% to \$435,000. Land experienced similar growth, up 9.3% to \$305,000.
- Looking at the market for houses in the ISD, Shellharbour LGA recorded the highest growth at 15.1% (to \$507,500). This was followed by Wingecarribee LGA (up 14.0% to \$490,000) and Wollongong LGA (up 13.0% to \$565,000)
- For units, Shoalhaven LGA experienced the highest growth, up 13.3% to \$315,000). Closely following was Shellharbour LGA (up 13.0% to \$401,000).
- Looking at land sales, Wingecarribee LGA saw a 27.0% boost in median price to \$235,000. The next highest was Wollongong LGA, up 13.0% to \$260,000.

## MEDIAN PROPERTY VALUES

	YEAR TO DEC 14	YEAR TO DEC 15	CHANGE (%)
HOUSES			
WOLLONGONG STATISTICAL DISTRICT	495,000	561,250	13.4
WOLLONGONG LGA	500,000	565,000	13.0
SHELLHARBOUR LGA	441,000	507,500	15.1
KIAMA LGA	630,000	710,000	12.7
SHOALHAVEN LGA	360,000	685,000	6.9
WINGECARRIBEE LGA	430,000	490,000	14.0
UNITS/FLATS/TOWNHOUSES			
WOLLONGONG STATISTICAL DISTRICT	395,000	435,000	10.1
WOLLONGONG LGA	395,000	440,000	11.4
SHELLHARBOUR LGA	355,000	401,000	13.0
KIAMA LGA	441,500	482,500	9.3
SHOALHAVEN LGA	278,000	315,000	13.3
WINGECARRIBEE LGA	451,500	475,000	5.2
LAND			
WOLLONGONG STATISTICAL DISTRICT	279,000	305,000	9.3
WOLLONGONG LGA	230,000	260,000	13.0
SHELLHARBOUR LGA	312,000	327,500	5.0
KIAMA LGA	350,000	360,000	2.9
SHOALHAVEN LGA	148,000	159,825	8.0
WINGECARRIBEE LGA	185,000	235,000	27.0

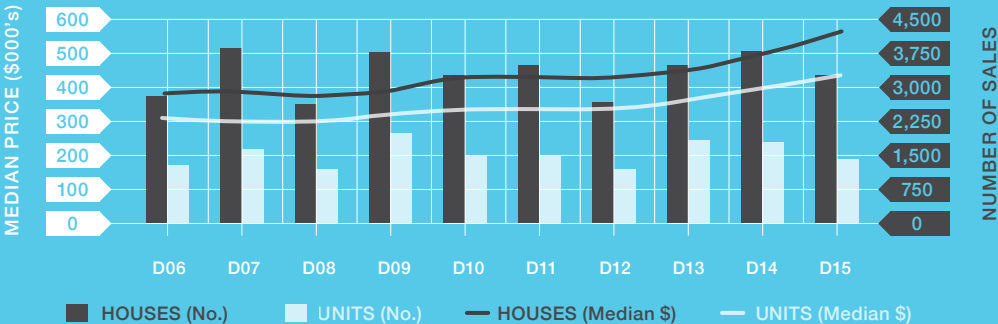


Looking at the December quarter:

- Median house prices in Wollongong LGA contracted 7.3% (to \$550,000). Shellharbour LGA and Kiama LGA increased 3.6% and 3.1% to \$508,000 and \$720,000, respectively. Shoalhaven LGA rose 9.3% to \$429,000 and Wingecarribee LGA increased to \$550,000, up 10.0%.
- The median unit price for Wingecarribee LGA skyrocketed 44.9% to \$645,000 (up from \$445,000). Shellharbour LGA was up 10.5% to \$422,500 and Wollongong LGA rose 7.0% to \$481,500. Median unit price for Kiama LGA (0.1%) and Shoalhaven LGA (-3.3%) were relatively stagnant.
- For land, the highest growth over the three-month period was for Wollongong LGA, up 45.7% to \$335,000. Shellharbour LGA (up 44.0% to \$540,000), Wingecarribee LGA (up 10.2% to \$270,000) and Shoalhaven LGA (up 8.5% to \$187,750) also saw growth. In contrast, the median land price for Kiama LGA fell 10.7% to \$335,000.

SALES

	HOUSES	UNITS	LAND
WOLLONGONG STATISTICAL DISTRICT	3,258	1,417	233
WOLLONGONG LGA	1,966	1,042	138
SHELLHARBOUR LGA	944	247	50
KIAMA LGA	348	128	45
SHOALHAVEN LGA	2,041	208	316
WINGECARRIBEE LGA	653	124	50



# DWELLING APPROVALS

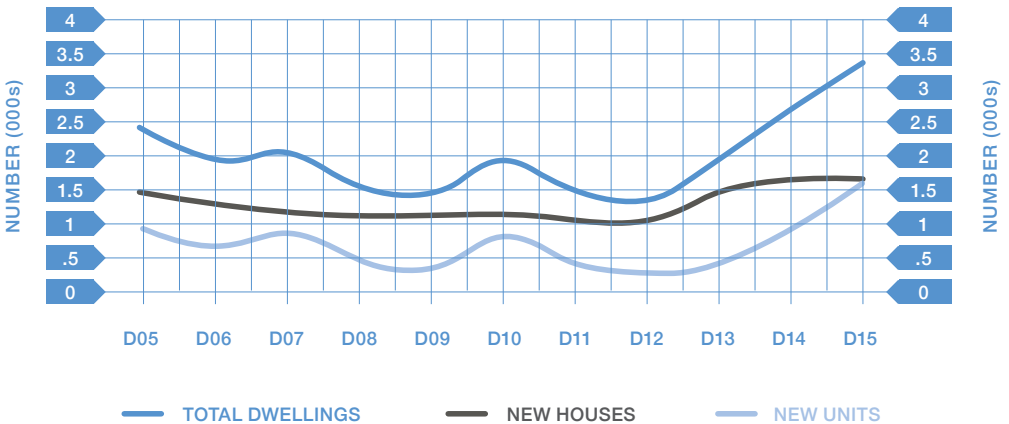
The number of dwelling approvals lifted in both annual and quarterly terms.

A total of 3,342 dwellings were approved in the ISD during the 12 months to December (up 24.0%), consisting of 1,682 houses (up 0.8%) and 1,660 units, flats and townhouses (up 61.5%).

Across the WSD, annual dwelling approvals rose by 27.7% to 1,745. Whilst housing approvals fell by 4.0% to 726, the volume of approvals for units, flats and townhouses continued to strengthen with a 67.0% upsurge to 1,019.

Looking at the three months to December: ISD approvals totalled 1,016, up 51.6%. Approvals for houses were stagnant at 406, while unit approvals soared 128.5% to 610.

## NUMBER OF DWELLING APPROVALS





# DWELLING APPROVALS BY LGA

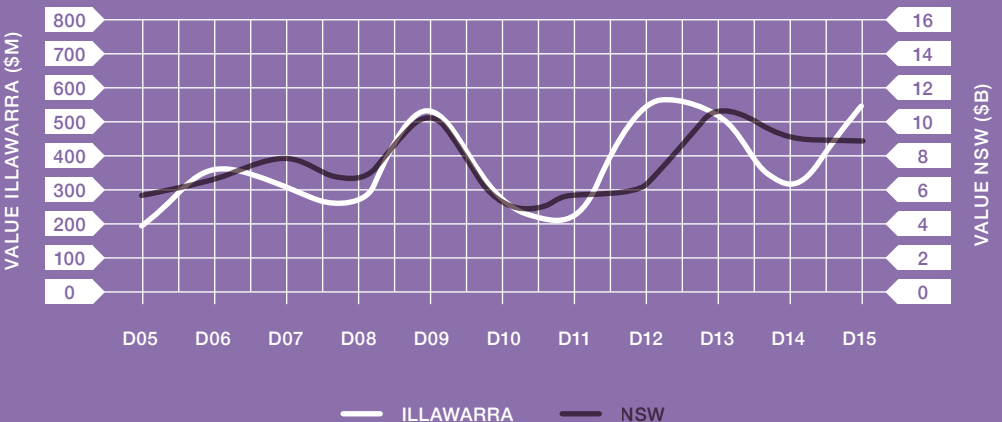
	YEAR TO QUARTER				
	D11	D12	D13	D14	D15
WOLLONGONG LGA	613	421	781	971	1,061
SHELLHARBOUR LGA	246	292	416	522	592
KIAMA LGA	38	10	32	73	92
SHOALHAVEN LGA	473	511	568	661	677
WINGECARRIBEE LGA	131	144	126	469	920

# NON-RESIDENTIAL BUILDING APPROVALS

Key results for the year to December 2015 were as follows:

- The value of non-residential building approvals totalled \$539.9 million for the ISD, up 70.3% on the year to December 2014. Private investment strengthened 92.0% to \$348.0 million while public investment grew 41.3% to \$191.9 million.
- Sectors showing growth include education (to \$142.3 million), entertainment and recreation (to \$70.1 million), health (to \$48.1 million), and hotels (to \$48.1 million).
- Commercial building approvals in NSW waned slightly, down 3.0% for the year and now sitting at \$8.8 billion. Private investment accounted for 80.4% (\$7.1 billion) of the total investment in NSW.

## VALUE OF NON-RESIDENTIAL BUILDING APPROVALS







## Analysis shows a positive December quarter result:

- Total ISD non-residential building approvals increased to \$92.8 million, up \$33.8 million on the previous December quarter.
- WSD accounted for approximately two thirds (66.5%) of the aforementioned investment. Meanwhile, there was \$2.3 billion of non-residential approvals in NSW.



# INVESTMENT

The following list represents 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 'A', a project which has been completed is indicated by 'C' and those currently under construction or have had their construction certificates approved are indicated by 'U/C'.

	GPT
	Illawarra Shoalhaven Local Health District
	IRT
	NSW Public Works
	NSW Ports
	University of Wollongong
	Roads and Maritime Services
	Housing NSW
	Wollongong LGA



Wollongong – West Keira Development	C	<b>\$200.0m</b>
Wollongong – Elective Surgery Centre ED and Ambulatory Care	C	<b>\$106.1m</b>
Wollongong – New Multi-Storey Car Park	C	<b>\$32.3m</b>
Tarrawanna – IRT Care Centre	C	<b>\$26.0m</b>
Kanahooka – Restart NSW Pathway Project	C	<b>\$3.5m</b>
Wollongong – Crown St Mall Redevelopment	C	<b>\$22.0m</b>
Port Kembla – Outer Harbour Expansion	U/C	<b>\$600.0m</b>
Port Kembla – Soy Bean Processing and Bio Diesel Plant	A	<b>\$273.0m</b>
New Works – Bus Interchange – Northfields Av	C	<b>\$1.5m</b>
URAC Facilities Upgrade	C	<b>\$2.0m</b>
Unicentre Alterations	U/C	<b>\$4.3m</b>
Gerringong – Princes Hwy upgrade between Mount Pleasant and Toolijooa Rd	C	<b>\$340.0m</b>
Berry Bypass – Princes Hwy upgrade between Toolijooa Rd and south of Andersons Ln	U/C	<b>\$580.0m</b>
Mount Ousley Climbing Lanes – 4 uphill locations on M1 Princes Motorway	A	<b>\$84.0m</b>
Bellambi – Bramsen Street Development	U/C	<b>\$3.6m</b>
Fairy Meadow – Integrated residential development – 78 units, car parking	A	<b>\$12.5m</b>
Russell Vale – Demolition of existing buildings and construction of new building	A	<b>\$20.0m</b>
Wollongong – Seniors Living Development – 75 units, car parking, café	A	<b>\$33.7m</b>



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#### **Report Notes**

The Profile Illawarra Report is produced quarterly by IRIS as an indicator of the regional. 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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