

Economic Snapshot

The data presented in this document has been sourced from <https://profile.id.com.au/lismore> and has been summarised and presented for Councillors as Attachment H to the SRV Application Report - November 12th Meeting 2019.

Summary

A review of research into the factors contributing to economic prosperity in Lismore demonstrated that Lismore could benefit greatly from investment in economic development. It also suggests that a lack of investment could lead to economic stagnation, a lack of industry growth, and job losses.

Data from the Australian Bureau of Statistics and Census shows that Lismore has a decreasing population and a changing demographic structure that has significant implications for the future economy of Lismore if no intervention is forthcoming.

Lismore is steadily losing the population that requires state-based infrastructure (schools, tertiary education and hospital services that cater to younger people such as maternity services). However, Lismore gains empty nesters and retirees, seniors and the elderly.

The implications of this demographic change for the economy includes changes in infrastructure demands, less people making and building homes, and the loss of an economically productive workforce.

Data shows a reduction in jobs over the last two Census periods with less jobs in the retail trade, manufacturing and wholesale trade. Industries that are gaining employment include health care and social assistance; agriculture, forestry and fishing; and administrative and support services. In the 2016 Census, Lismore had an unemployment rate of 7.8% in comparison to the NSW unemployment rate of 6.3%.

Figures show that much of Lismore's workforce (almost one third) live outside the LGA and that Lismore relies heavily on the public sector (health, education, public administration etc) to boost the overall economy rather than having a sustainable and diverse spread of private industries. There are currently 4206 businesses in the Lismore LGA. In 2018, an additional 401 businesses entered the LGA, however 404 exited. This indicates a stagnant business environment.

The most pressing economic issues facing Lismore in summary are:

- The CBD is in decline – as evidenced by the significant job losses in retail trade (269 job losses between 2011 and 2016, even before the 2017 floods).
- Industry stagnation – there are more businesses exiting (404) than entering (401) the local economy.
- The rate of part-time employment has increased by 1.8% or 175 people between the 2011 and 2016 Census periods. However, full-time employment has decreased by 479 persons over the same period.
- There is an over reliance on publicly funded employment.
- One third of the LGA workforce does not live in the Lismore LGA, providing evidence that Lismore is a job node but need to work on strategies to promote the amenity of the Lismore LGA to attract people to live *and* work.
- Lismore is seeing a decline in young families and an increase in retirees and seniors, which could result in a skills shortage within our workforce and reduced demand for essential infrastructure.

- Our export market is dominated by the public sector industries of education and training and health care and social assistance. Manufacturing and agriculture are strong private sector industries – however agriculture has experienced a significant downturn in total export value production over the period 2012/13 to 2017/18.
- Manufacturing growth is accounted for by increases in food production (macadamia nuts) and primary metal and metal products. However, this industry sector has lost 231 jobs in the period between the 2011 and 2016 Census.
- Jobs that are available to the Lismore LGA workforce provide a lower income by comparison to overall NSW household incomes.
- Lismore City Council has no mechanism to attract and retain new private sector industries or people to work in these.

Population of Lismore

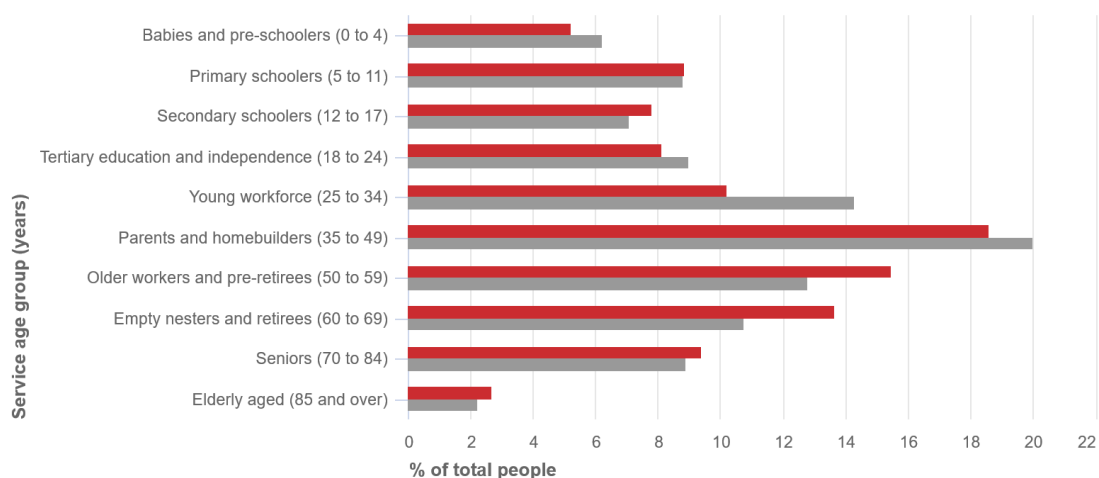
Lismore City Council LGA covers an area of 128,956 km² and has an estimated residential population of 43,843 (as at 2016), this represents a decrease of 226 people from the 2011 census.

The graph below shows the age structure by service age groups. The data in this graph shows that Lismore has lower proportions of tertiary education/independence, young workforce, and parents and homebuilders than the rest of the state. However, Lismore has an over representation of older workers/pre retirees and empty nesters and retirees.

Age structure - service age groups, 2016

Total persons

■ Lismore City ■ New South Wales



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Usual residence data). Compiled and presented in profile.id by .id, the population experts.

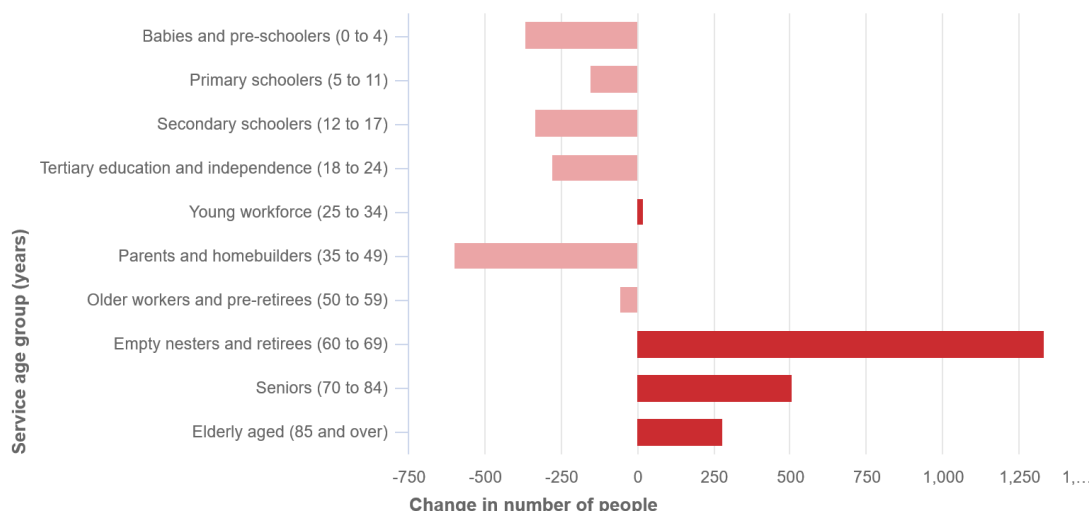
.id the population experts
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The changes in the demographic structure (below graph) of the Lismore population over the two census periods has significant implications for the future economy of Lismore if no intervention is sought. Of note is the following:

- Lismore is steadily losing the population that requires state-based infrastructure (schools, tertiary education and hospital services that cater to younger people such as maternity). However, Lismore gains empty nesters and retirees, seniors and elderly.
- The implications of this demographic change for the economy includes changes in infrastructure demands, less people making and building homes, and the loss of an economically productive workforce.

Change in age structure - service age groups, 2011 to 2016

Lismore City - Total persons



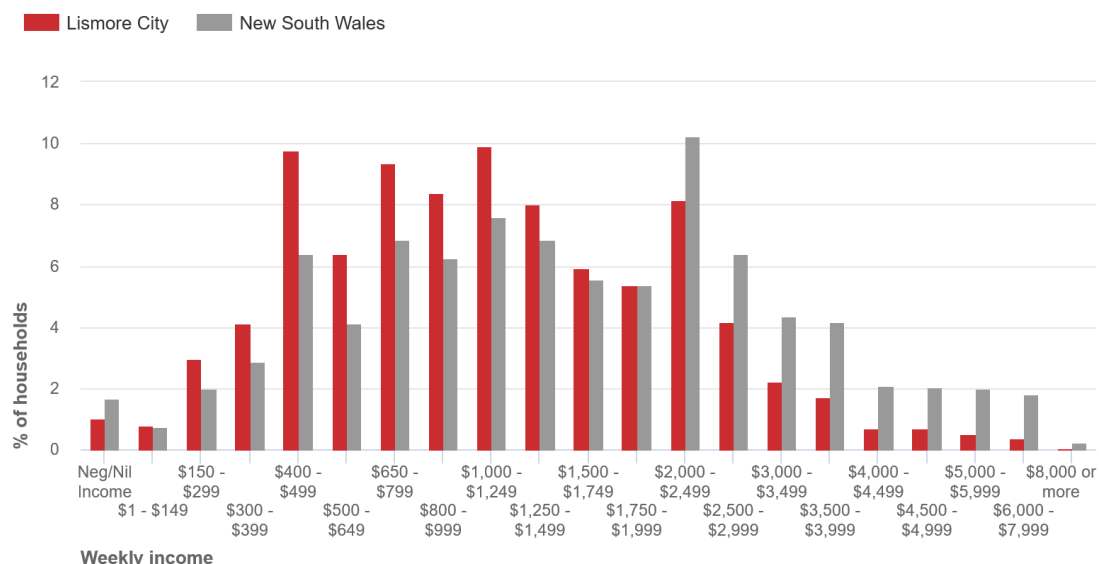
Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016 (Usual residence data). Compiled and presented in profile.id by .id, the population experts.



Household Income

Analysis of household income levels in the Lismore City in 2016 compared to New South Wales shows (below graph) that there was a smaller proportion of high-income households (those earning \$2,500 per week or more) and a higher proportion of low-income households (those earning less than \$650 per week). The graph below shows the extent of disparity between Lismore and NSW.

Weekly household income, 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.



Overall, 10.4% of the Lismore households earned a high income and 25.0% were low income households, compared with 23.1% and 17.8% respectively for New South Wales.

The major differences between the household incomes of Lismore LGA and New South Wales were:

- A larger percentage of households who earned \$400 - \$499 (9.8% compared to 6.4%)
- A larger percentage of households who earned \$650 - \$799 (9.4% compared to 6.9%)
- A larger percentage of households who earned \$1,000 - \$1,249 (9.9% compared to 7.6%)
- A smaller percentage of households who earned \$3,500 - \$3,999 (1.7% compared to 4.2%)

Industry of Employment

When analyzing the industry of employment, it is important to consider the extent to which the resident population live and work in the LGA. Three quarters (74.5%) of Lismore LGA residents live and work in the shire. However, one fifth (21.2%) live in the Lismore LGA but work in another LGA.

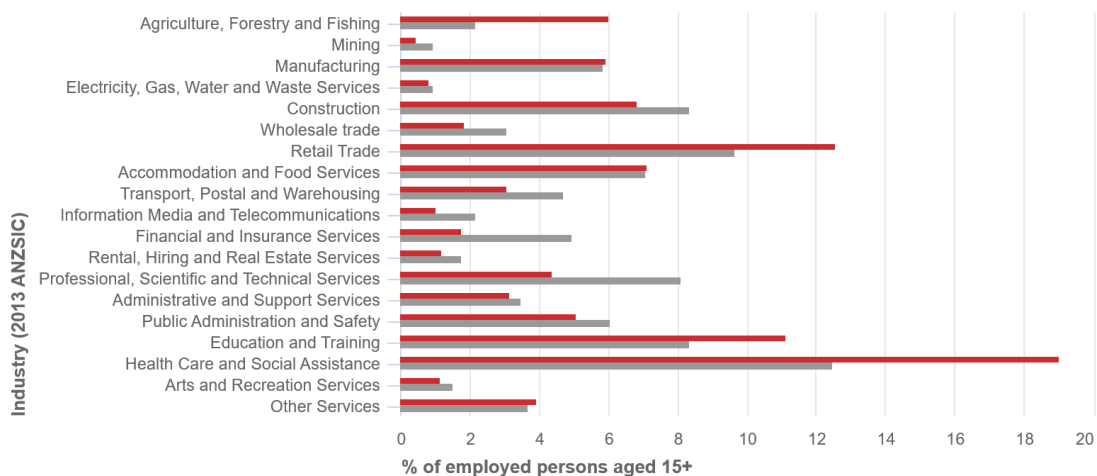
An analysis of the jobs held by the resident population in Lismore City in 2016 shows the three largest industry sectors were (in terms of the number of people employed):

- Health Care and Social Assistance (3,453 people or 19.0%)
- Retail Trade (2,279 people or 12.5%)
- Education and Training (2,023 people or 11.1%)

Industry sector of employment, 2016

Total employed persons

■ Lismore City ■ New South Wales



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Usual residence data). Compiled and presented in profile.id by .id, the population experts.

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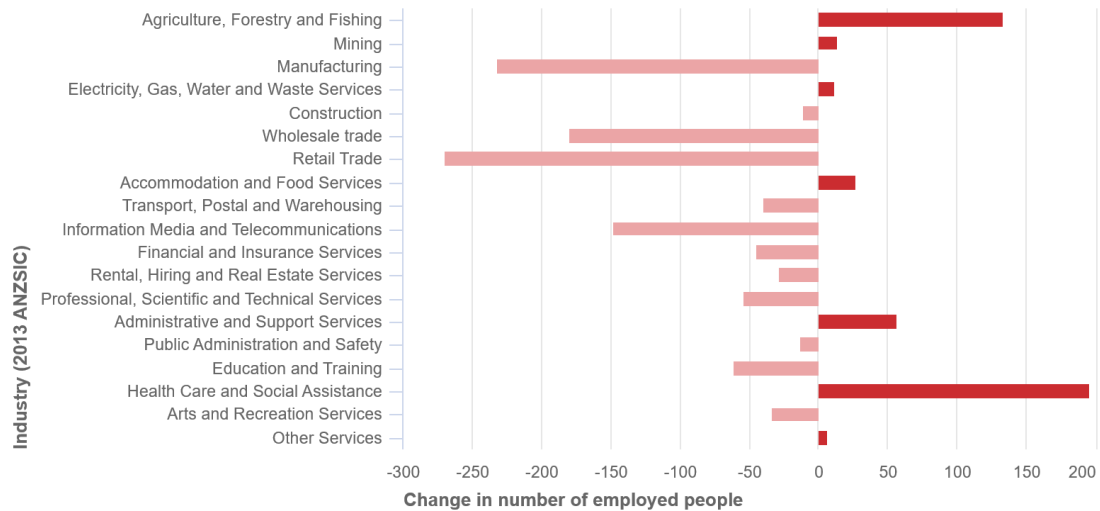
In combination, these three industries employed 7,755 people in total or 42.7% of the total employed resident population. In comparison, New South Wales employed 12.5% in Health Care and Social Assistance; 9.7% in Retail Trade; and 8.4% in Education and Training.

There has been a significant change in the industry sector of employment over the two census periods. The number of people that were employed in Lismore LGA decreased by 320, however these were most felt in retail trade (-269 persons); manufacturing (-231 persons) and wholesale trade (-179 persons). In total 679 jobs were lost in these three industries alone. The loss of these jobs was softened by the employment of 196 persons in

health care and social assistance industry, 134 persons in agriculture, forestry and fishing and 57 persons in administrative and support services. The employment by industry losses and gains are presented in the below graph.

Change in industry sector of employment, 2011 to 2016

Lismore City - Total employed persons



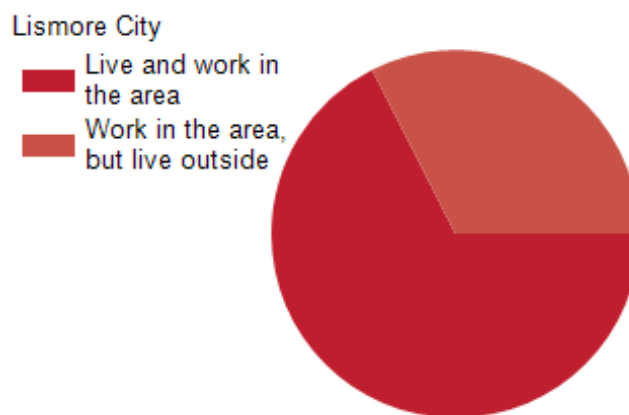
Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016 (Usual residence data). Compiled and presented in profile.id by .id, the population experts.



Where does the workforce live?

When the entire workforce of Lismore is examined according to the residential status of the worker, the analysis shows that one third (32.5%) of the workforce lives outside of the LGA and two thirds (67.5%) live and work in the LGA.

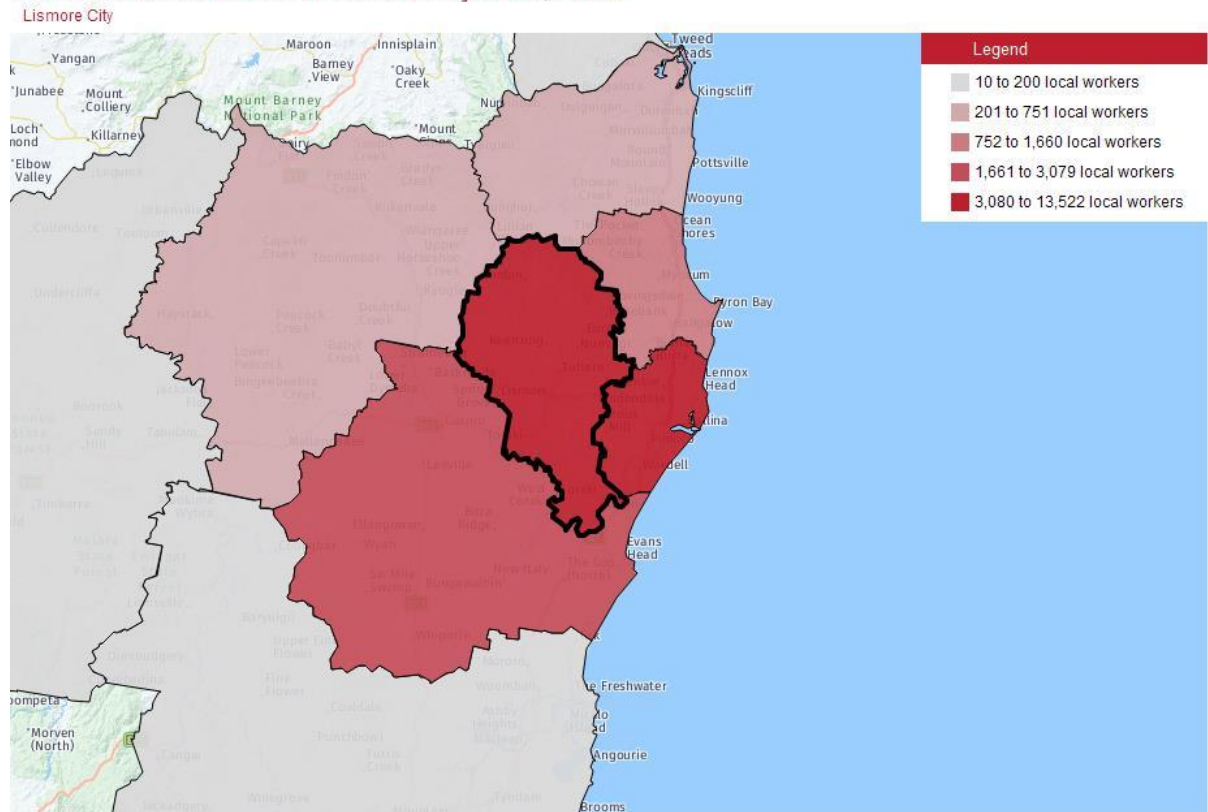
Residential location of local workers, 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Usual residence data). .id the population experts

The residential LGA of the Lismore workforce includes Ballina (15.4%), Richmond (8.3%), Byron (3.8%) and Kyogle (1.9%). The below map highlights the residential LGA of the Lismore workforce.

Residential locations of workers by LGA, 2016



Source: Australian Bureau of Statistics, Census of Population and Housing 2016. Compiled and presented in profile.id by .id, the population experts.



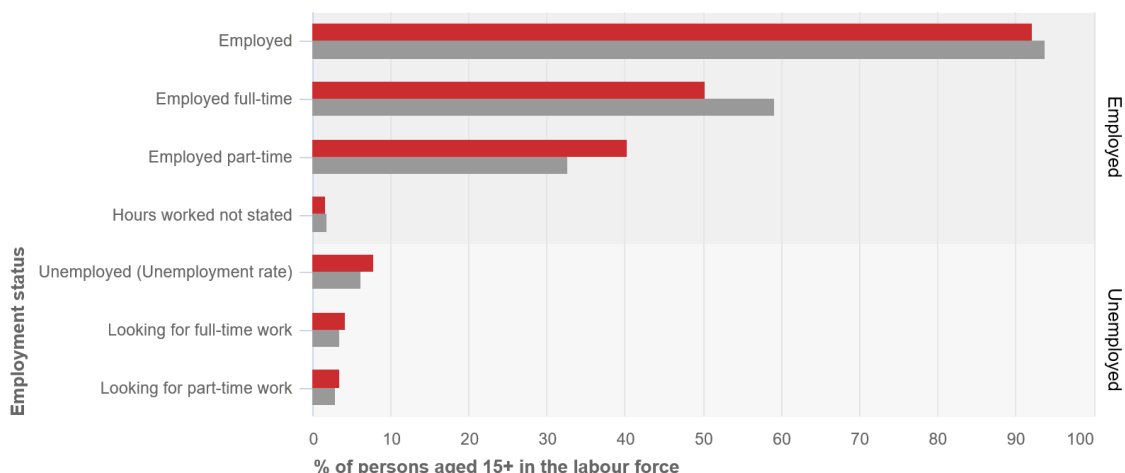
Employment status of residential population

In 2016, the unemployment rate for Lismore LGA was 7.8%. By way of comparison the NSW unemployment rate was 6.3% at the same time. The below graph highlights that the employment status of the Lismore residential workforce shows a high rate of part time employment and lower rates of fulltime employment by comparison to NSW as a whole.

Employment status, 2016

Total persons in the labour force

■ Lismore City ■ New South Wales



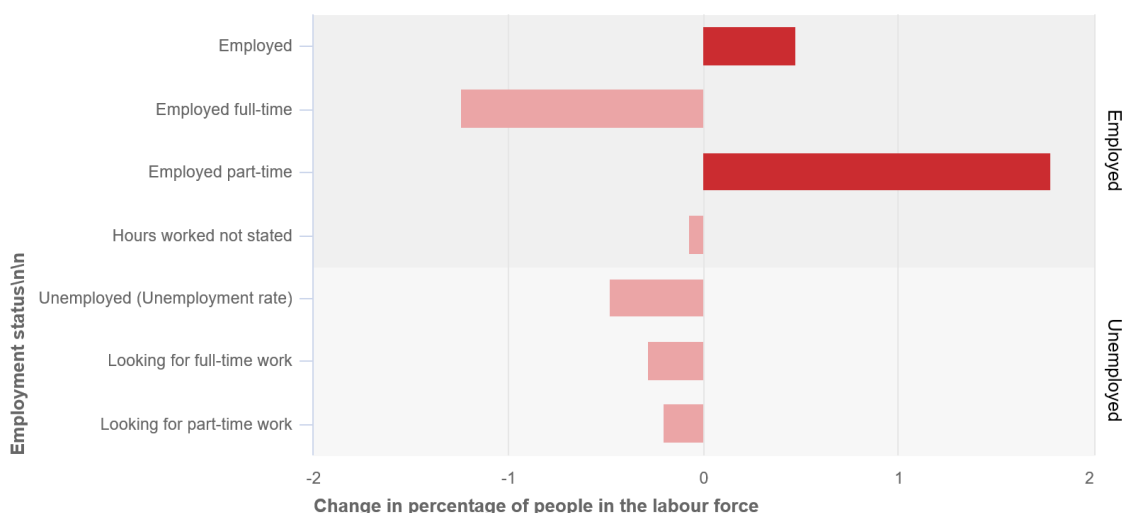
Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Usual residence data). Compiled and presented in profile.id by .id, the population experts.



Between 2011 and 2016 the number of employed people in Lismore LGA showed a decrease of 326 and the number of unemployed shows a decrease in 131. In the same period the number of people in the labour force showed a decrease of 457 people or 2.3%. The graph below shows the change in employment status between 2011 and 2016. Of note is the high rate of part time employment which accounts for the higher number of overall employed people. The issue is that there is a decrease in the proportion of the workforce employed full time and an increase in the unemployment rate as well as the number of people looking for full and part time work.

Change in employment status, 2011 to 2016

Lismore City - Total persons in the labour force



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016 (Usual residence data). Compiled and presented in profile.id by .id, the population experts.



Exports Lismore LGA

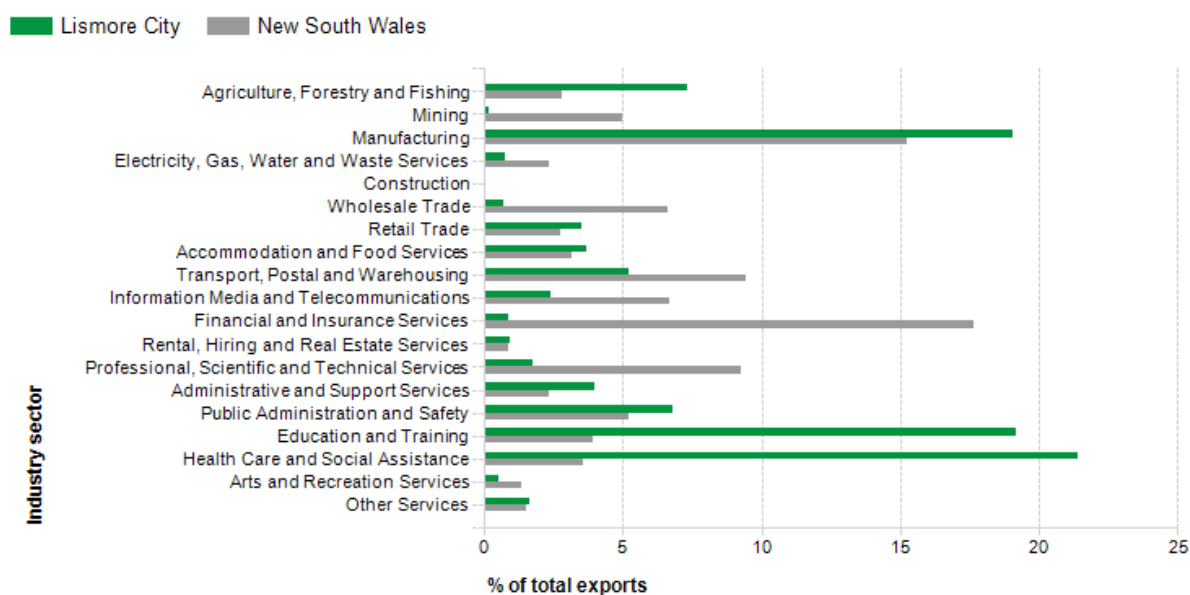
The total LGA export that is generated by Lismore industries is \$1.03 billion. The three most significant export industry sectors for the Lismore LGA are:

- Health Care and Social Assistance (\$220 million or 21.4%)
- Education and Training (\$197 million or 19.2%)
- Manufacturing (\$196 million or 19.0%)

In combination these three industries accounted for \$614 million or 59.6% of the total exports by total industry to the Lismore LGA.

The below graph highlights the contribution that the Lismore LGA export industries contribute relative to the total export industry sector for NSW. Lismore LGA is overrepresented by publicly funded industries such as public administration and safety, education and training and health care and social assistance. The private sector export industries of agriculture (\$75.6 million) and manufacturing (\$196 million) are strong relative to the NSW economy, but are weak by comparison to the contributions that the public sector makes to the overall economy. This reliance upon government capital transfers to generate this income is not sustainable in the long term and new industries must be found to enable the economy to grow without dependence on the public purse.

Total exports by industry sector 2017/18



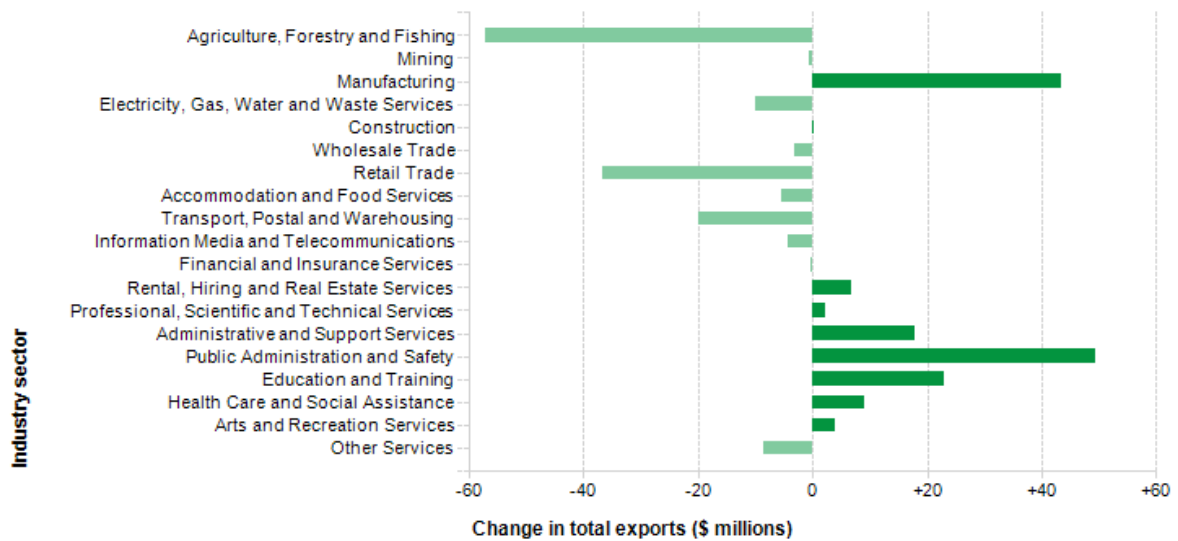
Source: National Institute of Economic and Industry Research (NIEIR) ©2018
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The greatest changes over the 5 years since 2012/13 saw a combined increase in publicly funded industries such as public administration and safety, education and training and administrative and support services.

Change in total exports by industry sector, 2012/13 to 2017/18

Lismore City



Source: National Institute of Economic and Industry Research (NIEIR) @2018
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Business exits and entries

There are 4,206 businesses in Lismore LGA. In 2018, an additional 401 businesses entered the LGA, however 404 exited. This indicates a stagnate business environment.

