

Coffs Harbour Economic Insight Report – Dec Quarter 2017



	ECONOMIC ACTIVITY	JOBS GROWTH	INVESTMENT PIPELINE	TOURISM
	Growth in GRP Year to Dec Qtr 2017	Growth in Local Jobs Year to Dec Qtr 2017	Growth in Building Approvals Value Dec Qtr 2017	Growth in day and overnight visitors Dec Qtr 2017
Quarter % Change	0.8% ▲	0.3% ▲	40.5% ▲	-0.4% ▼
Annual % Change	1.8% ▲	-1.4% ▼	69.8% ▲	5.6% ▲

KEY INSIGHTS

- Local GRP and jobs growth for Coffs harbor was estimated to have increased from the Sept quarter. However, jobs are still down from a year ago which is reflected in higher unemployment rates recorded in the broader region.
- The value of building approvals increased substantially in December, led by the approval of a large new short-term accommodation facility.
- Visitation numbers were down for the quarter but up for the year.

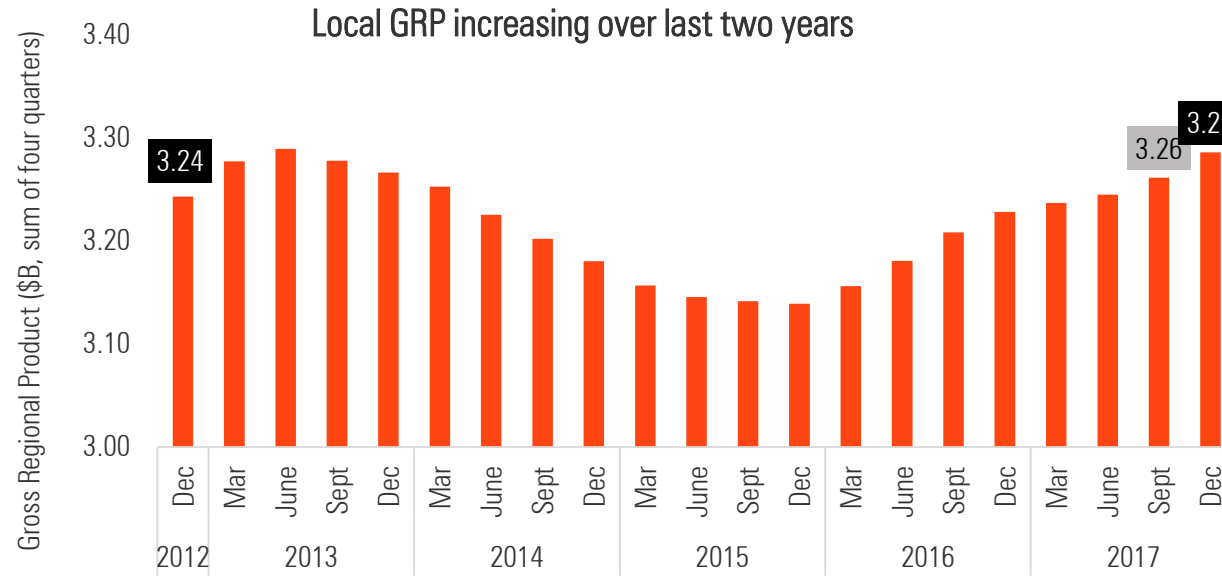
ECONOMIC ACTIVITY

Gross Regional Product in the year to December 2017 Quarter was estimated to be \$3,286m, up \$24.6m from the year to Sept Quarter.

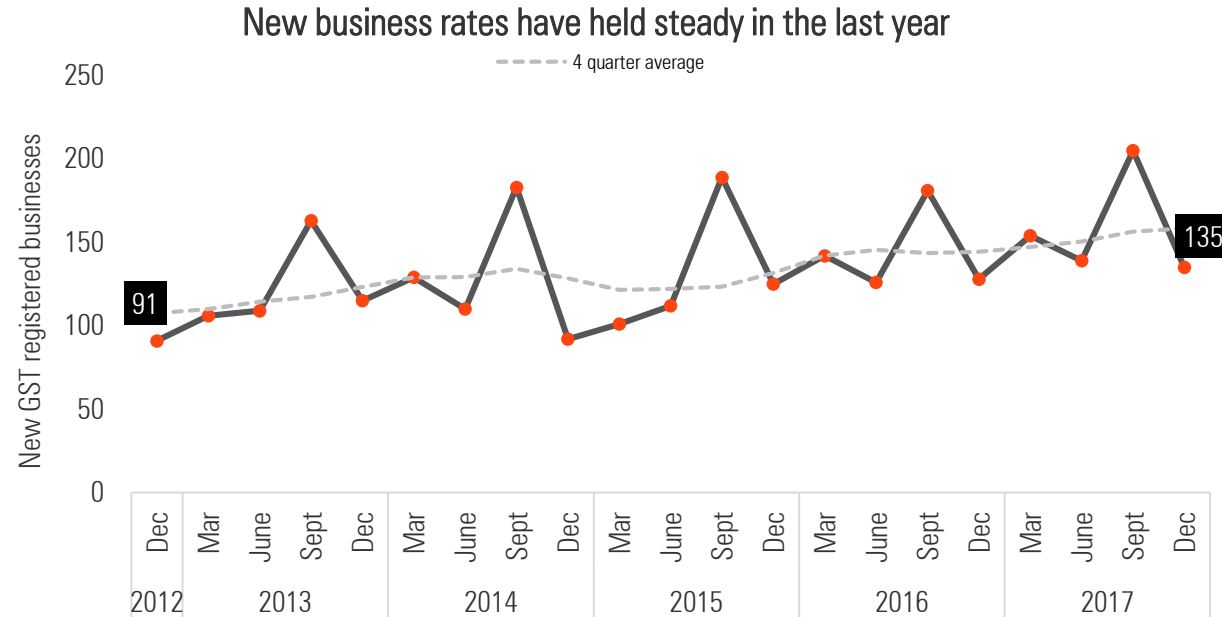
This represents a return to stronger growth after a period of weaker growth results. This data incorporates updated estimates* prepared by NIEIR to take account of a new price base and updated ABS data based on census results.

There were an estimated 135 new GST registered businesses in Coffs Harbour City in the December quarter. This was down from the September Quarter, however that Quarter is always the highest for registrations. As a comparison, December 2016 saw 128 new registrations.

¹ See page 9 for further details



Source: National Institute of Economic and Industry Research (NIEIR), 2018. Data is based on 2015-16 constant prices for all years. NIEIR data are inflation adjusted each year to allow direct comparison, and new data releases normally adjust previous years' figures to a new base year.



Source: Australian Business Register, Sept 2017

Annual GRP to Dec was up \$24.6m from Sept Qtr.

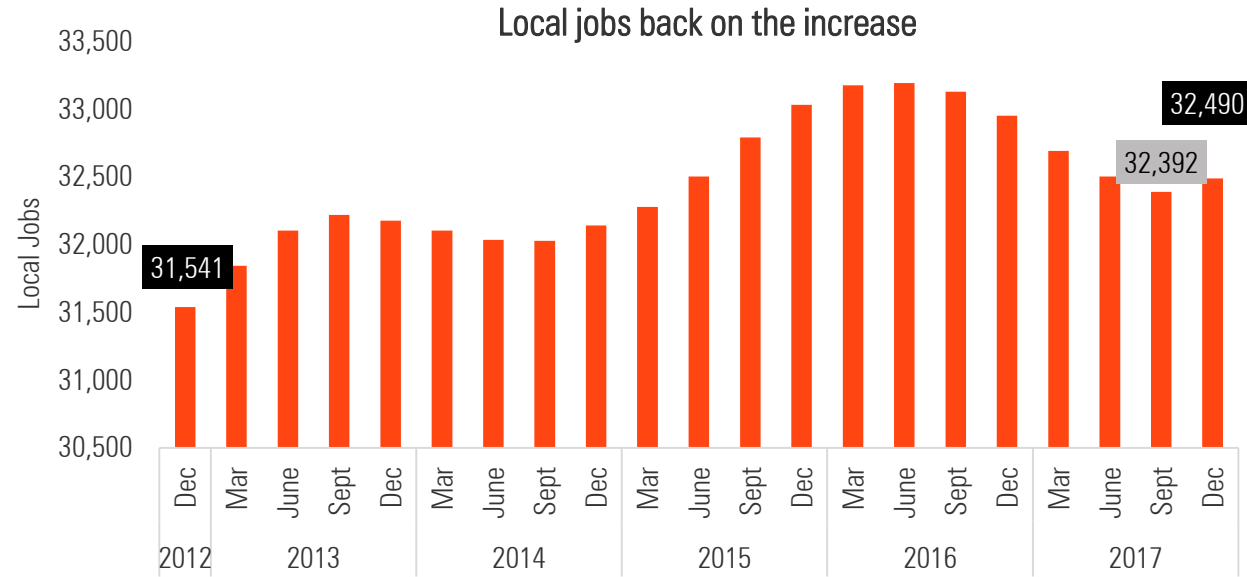
New GST registrations up 5.5% on Dec Qtr last year



JOBS ACTIVITY

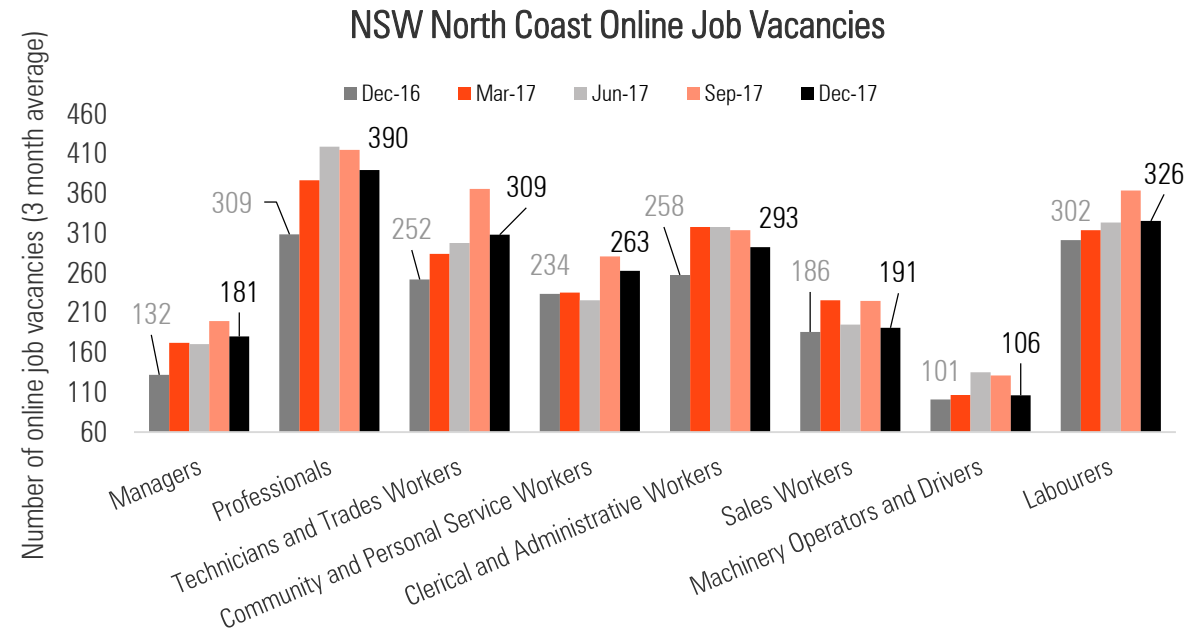
Local Jobs reversed recent declines in the December Quarter and are estimated to have increased by almost 100.

Over the year since December Quarter 2016, Professional occupations experienced the largest online job vacancies growth in the NSW North Coast region, especially in Health and IT.



Source: National Institute of Economic and Industry Research (NIEIR), 2018

Local jobs are up 99 from Sept Qtr.



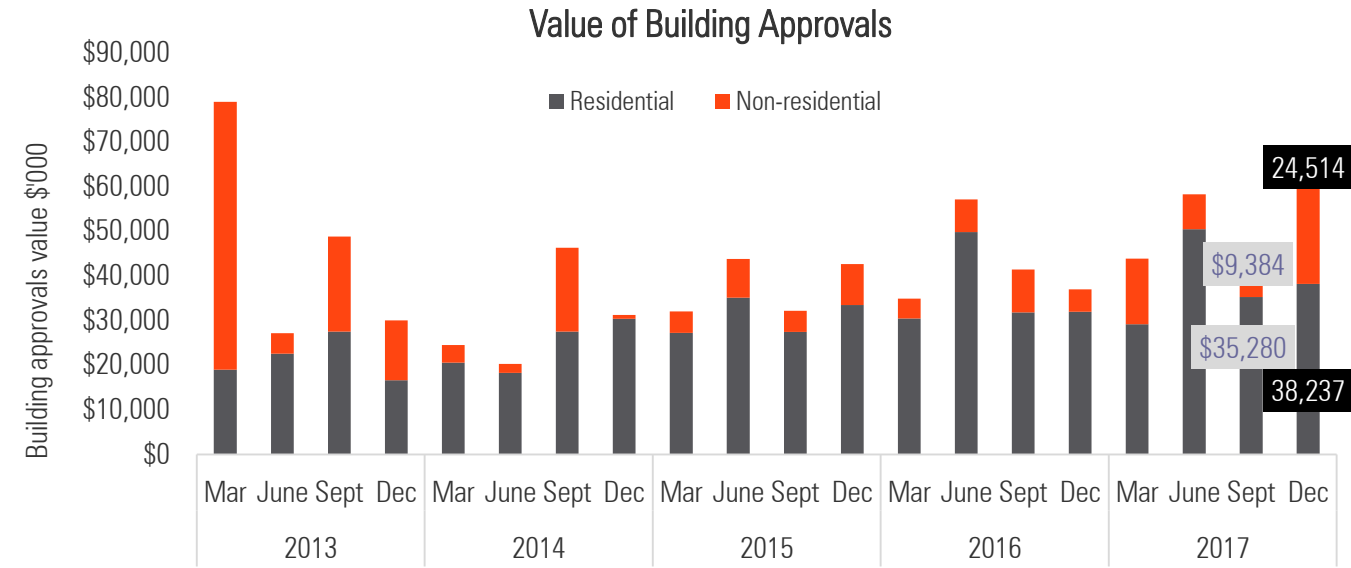
Source: Department of Employment, Jan 2018

Technicians and Trades experienced the largest vacancy growth in the Dec Qtr



INVESTMENT PIPELINE

The value of building approvals in Dec was up \$18.1m from the previous quarter to \$62.8m, driven largely by a substantial increase in non-residential building approvals value. Most of this uplift was the approval of a new hotel in Coffs Harbour CBD.



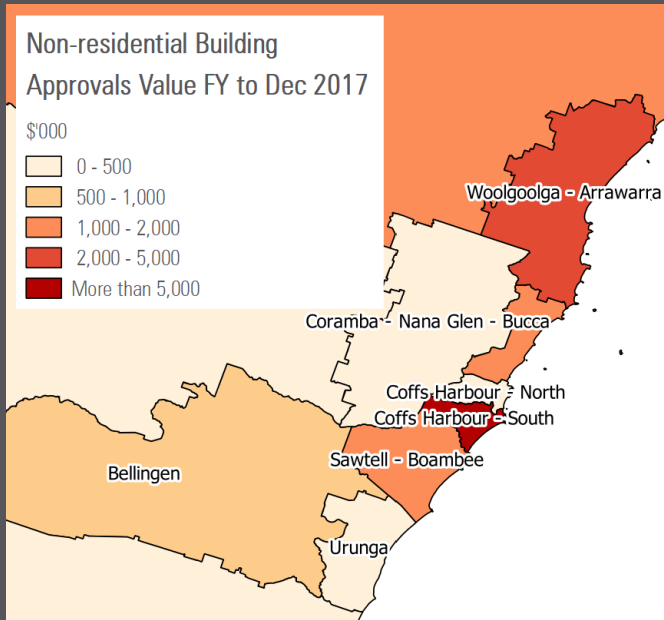
Source: Australian Bureau of Statistics, Building Approvals, Australia, Cat: 8731. Dec 2017

Residential up \$3m from Sept Qtr.

Non-residential approvals were up \$15m

Value of Non-Residential Building Approvals by Type \$'000, Dec Qtr 2017

Type	Private Sector	Public Sector	Total
Retail and wholesale trade buildings	\$ 1,686	\$ -	\$ 1,686
Transport buildings	\$ -	\$ -	\$ -
Offices	\$ -	\$ -	\$ -
Factories and other secondary production buildings	\$ -	\$ -	\$ -
Warehouses	\$ 600	\$ 80	\$ 680
Agricultural and aquacultural buildings	\$ -	\$ -	\$ -
Other industrial buildings	\$ 63	\$ -	\$ 63
Education buildings	\$ -	\$ 535	\$ 535
Religion buildings	\$ -	\$ -	\$ -
Aged care facilities	\$ -	\$ -	\$ -
Health buildings	\$ -	\$ -	\$ -
Entertainment and recreation buildings	\$ -	\$ -	\$ -
Short term accommodation buildings	\$ 21,500	\$ -	\$ 21,500
Other non-residential	\$ 50	\$ -	\$ 50
Total Non-residential	\$ 23,899	\$ 615	\$ 24,514



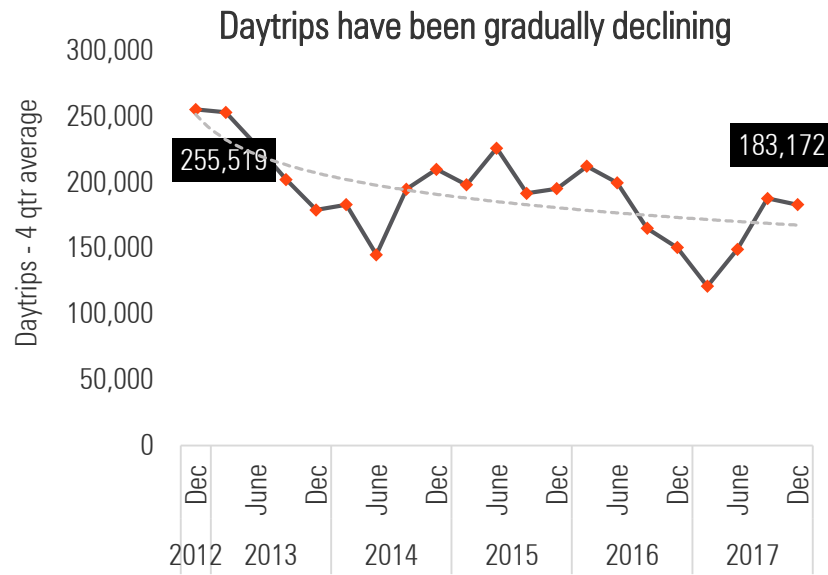
TOURISM VISITATION

Average visitation to Coffs Harbour City LGA was roughly unchanged in the four quarters to Dec 2017 compared to Sept¹. **Total visitation fell slightly by 1,400 visitors (per quarter)**, driven by a slight fall in daytrips.

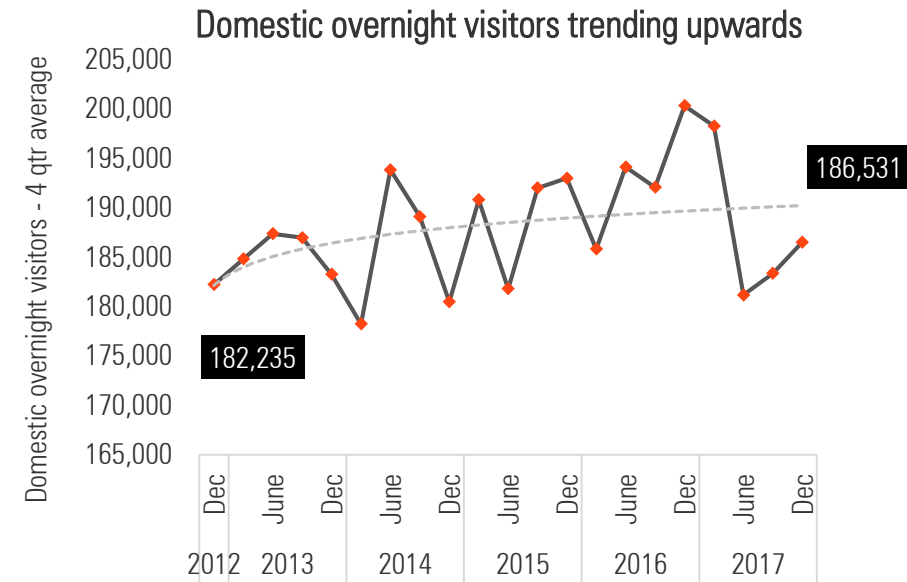
However, **total nights stayed by visitors was up 36,100 (per quarter)** largely due to a substantial increase in international nights. The average length of stay in the four quarters to Dec 2017 was 3.18 nights (domestic) and 8.91 nights (international).

The domestic overnight visitors result represents the second consecutive quarterly increase after a period of decline.

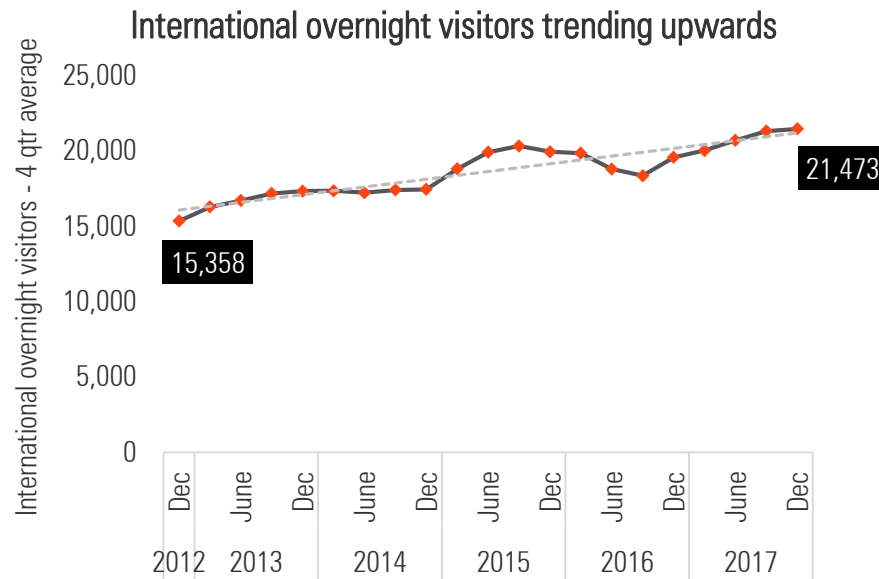
¹ A four quarter average is reported due to the high variability in small area visitation estimates



Source: Tourism Research Australia - National Visitor Survey. Jan 2018



Source: Tourism Research Australia - National Visitor Survey. Jan 2018



Source: Tourism Research Australia - International Visitor Survey. Jan 2018

Average Visitor Stay

Domestic
3.18 nights

3.22 nights
Dec 2016 ▼

International
8.91 nights

7.26 nights
Dec 2016 ▲

Average of previous four quarters – Dec Quarter 2017

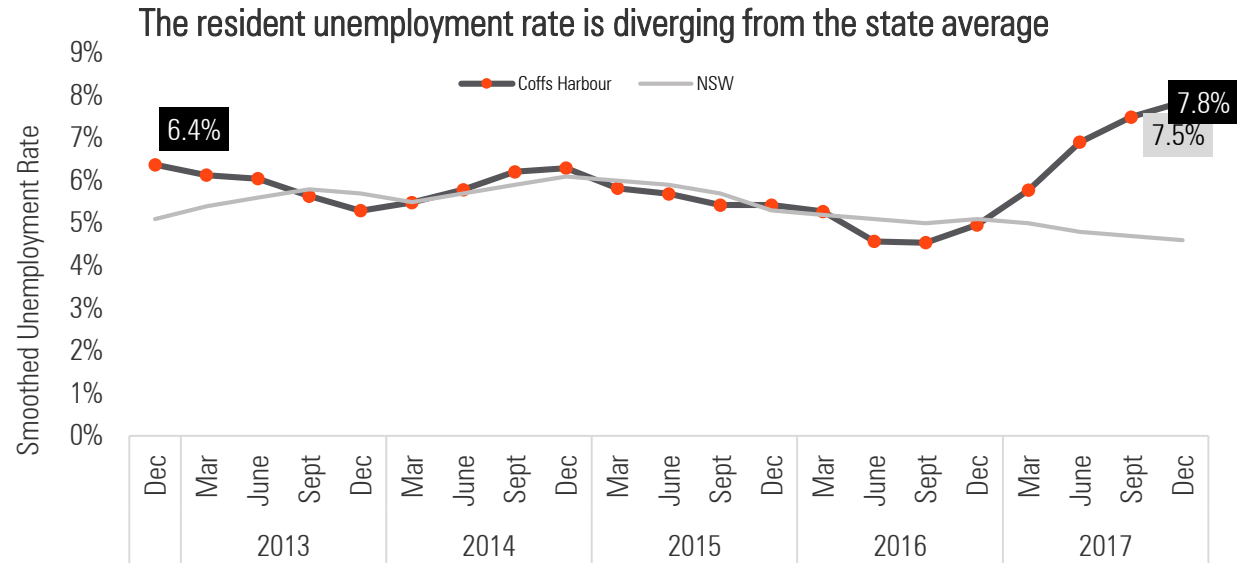


SOCIO-ECONOMIC CONDITIONS

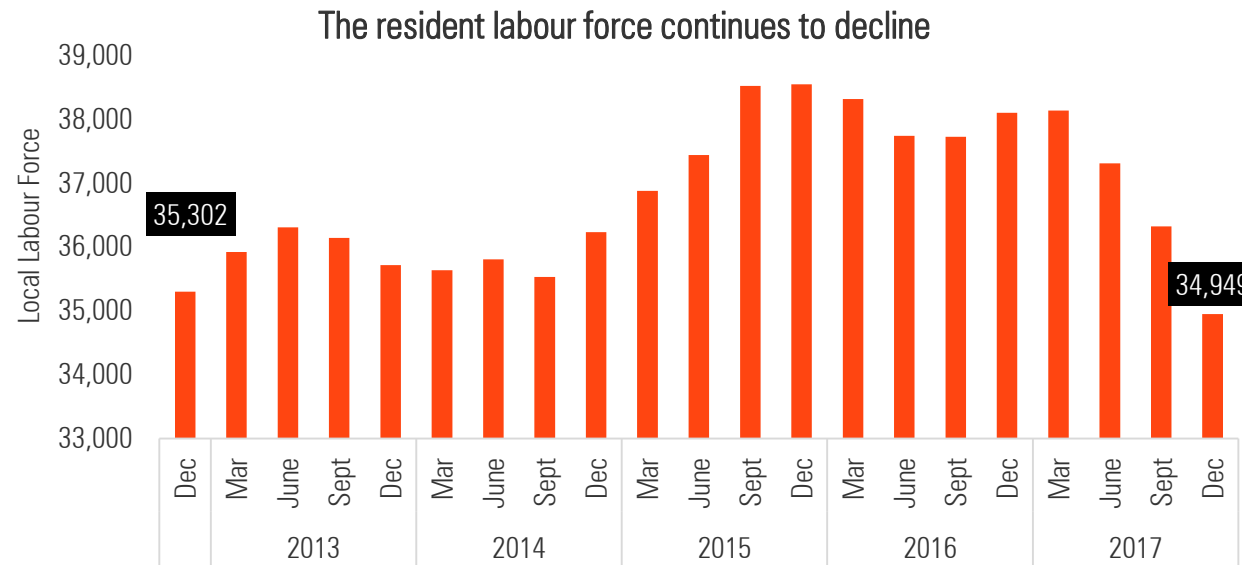
After tracking the state average for most of the last three years, unemployment in Coffs Harbour¹ has diverged considerably of recent. It continued its rise from the June Quarter, and is now the highest in five years.

The local labour force has declined for three consecutive quarters suggesting a decline in participation.

¹ Small area labour force estimates should be viewed with a high level of caution due to the variability involved in extrapolation of small sample sizes



Source: Australian Bureau of Statistics, Labour force survey, Cat: 6202.0; Department of Employment, Small Area Labour Markets, Dec 2018



Source: Department of Employment, Small Area Labour Markets, Dec 2018

Unemployment has increased by almost 3% in the last year

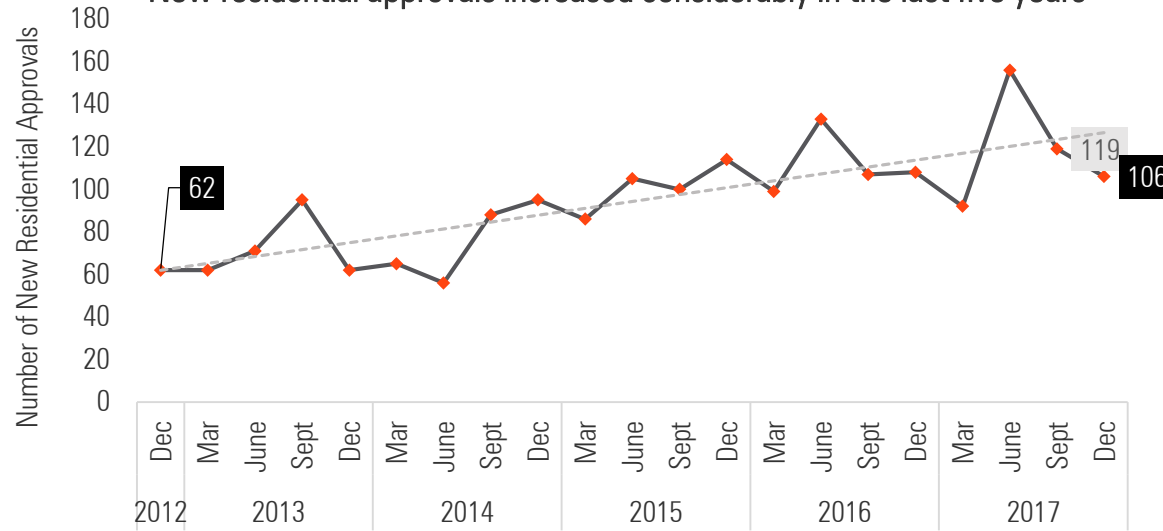


SOCIO-ECONOMIC CONDITIONS

Building approvals for new residential dwellings decreased by 13 in the December quarter from that experienced in Sept. The figure of 106 approvals was also slightly lower than the Dec Qtr in 2016 (108).

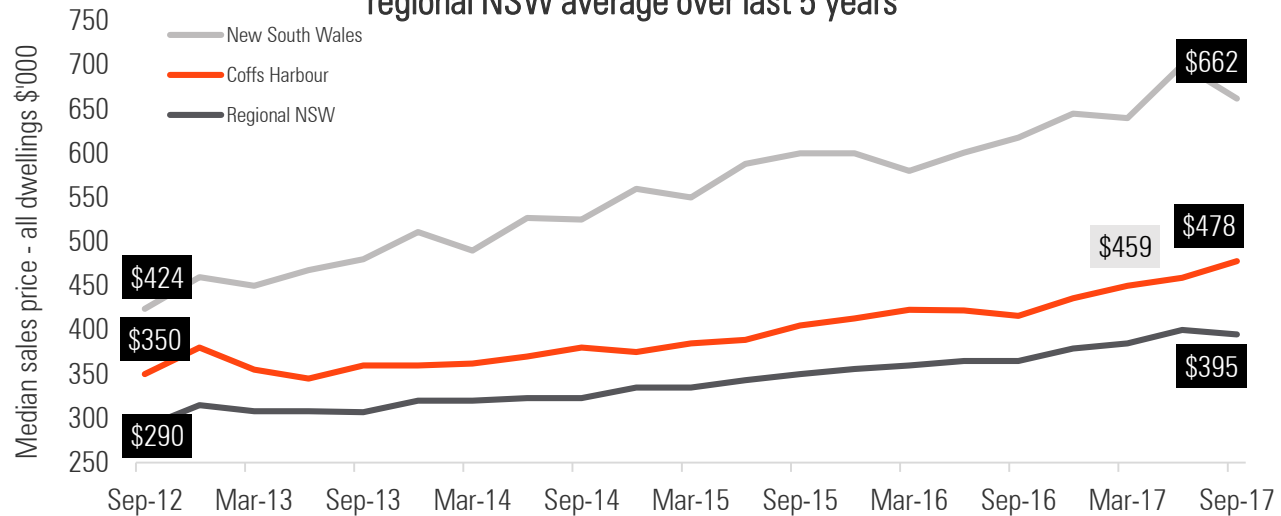
Median dwelling prices in Coffs Harbour are still well below the NSW average, which is propped up by Sydney, but above that for regional NSW. The median price grew by \$19,000 or 4.1% in the Sept Quarter. This bucked the state trend which was a fall in median house prices.

New residential approvals increased considerably in the last five years



Source: Australian Bureau of Statistics, Building Approvals, Australia, Cat: 8731. Jan 2018

The median dwelling price in Coffs Harbour has increased by more than the regional NSW average over last 5 years



Source: NSW Department of Housing, Apr 2018

Residential approvals experienced a fall in the Dec Qtr.

Median dwelling price up \$19,000 from June Qtr.



MACRO ECONOMIC PERFORMANCE

Coffs Harbour's economy will inevitably be influenced by a number of macro forces that are outside its control. Tracking key state and national indicators identifies trends that could impact future local prosperity.

Economic growth at the national level fell in the December Quarter but unemployment is lower than last year. Retail conditions at the state and national level increased in the December Quarter but was down upon the same quarter in 2016.

National Indicators

GDP Growth

2.4%

Year on Year – Dec Quarter 2017

Dec 2016 – 2.5% ▼

Inflation

1.9%

Year on Year – Dec Quarter 2017

Dec 2016 – 1.5% ▲

Exchange Rate

A\$1 = US\$0.78

Dec 2017

Dec 2016 – US\$0.72 ▲

Retail trade

2.5%

Year on Year – Dec Quarter 2017

Dec 2016 – 3.1% ▼

U/E Rate

5.5%

Year on Year – Dec Quarter 2017

Dec 2016 – 5.7% ▼

Business Confidence

114.4

Annual Average – Dec 2017

Dec 2016 – 115.1 ▼

State Indicators

GSP Growth

2.9%

Year on Year – June 2017

June 2016 – 3.9% ▼

Retail trade

2.7%

Year on Year – Dec 2017

Dec 2016 – 3.4% ▼

U/E Rate

4.8%

Year on Year – Dec Quarter 2017

Dec 2016 – 5.1% ▼

Sources: ABS 5206.0 - Australian National Accounts (GDP chain volume, seasonally adjusted); ABS 5220.0 - Australian National Accounts: State Accounts; ABS 6401.0 - Consumer Price Index; RBA Exchange Rates – Monthly; ABS 6202.0 - Labour Force (seasonally adjusted); ABS 8501.0 - Retail Trade (seasonally adjusted); ANZ-Roy Morgan Business Confidence Rating

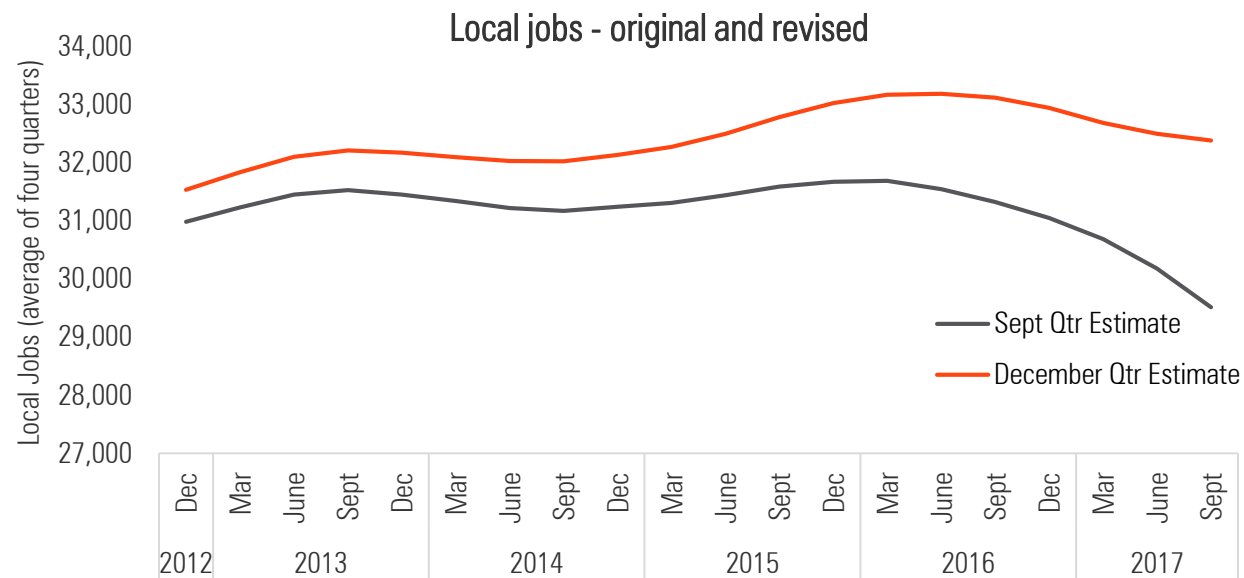


DATA NOTE - ADJUSTMENT TO HEADLINE ECONOMIC ESTIMATES

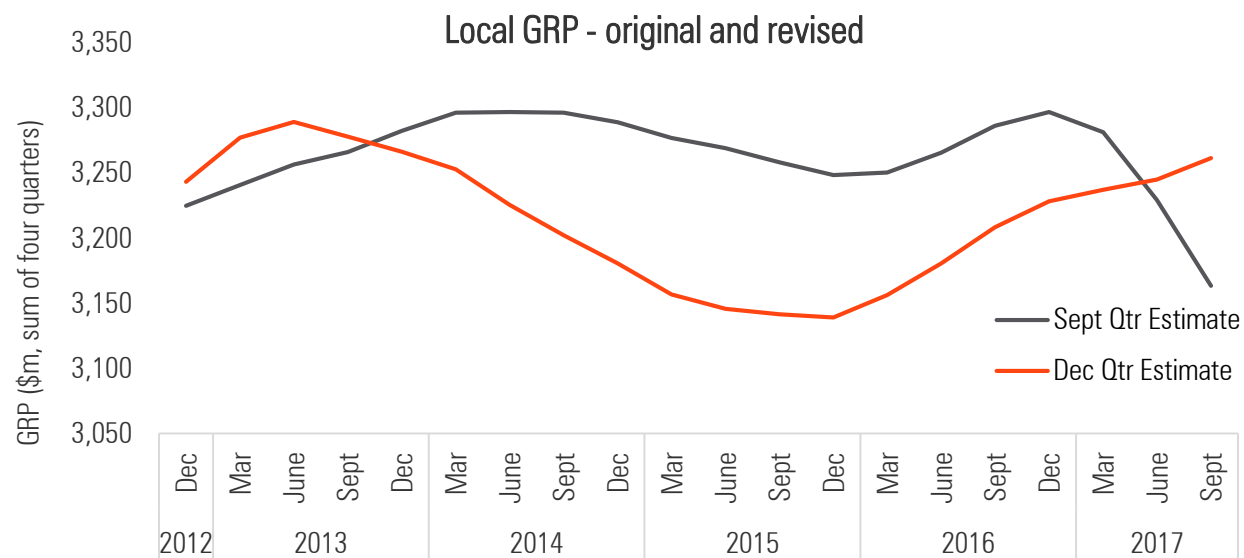
The December Quarterly report fully incorporates updated economic estimates based on the 2016 Census results. The ABS is currently also adjusting their Labour Force Survey estimates based on Census results and this may not be fully completed until towards the end of this year.

In addition, it includes a change in the price base used for headline GRP figures. For the current data update the price base is the 2015-16 fiscal year, whereas the previous price base was the 2014-15 fiscal year. Changes in the price base can lead to large variations in industry value added in industries open to price fluctuations, such as mining and agriculture, and any flow on input industries. The method of rebasing historical estimates based on updated price bases is consistent with ABS methodology.

The inclusion of both these updates, however, means the data in this report differs considerably from that reported in the previous quarterly report (see charts). They are the best estimates based on current information and data sources.



Source: National Institute of Economic and Industry Research (NIEIR), 2018



Source: National Institute of Economic and Industry Research (NIEIR), 2018. Sept Qtr is based on 2014-15 constant prices for all years; Dec Qtr is based on 2015-16 constant prices.



ABOUT THE DATA

The data used within this report is the most recent available at the time of publication. The accuracy of small area estimates is limited due to a number of factors including availability of input data and small sample sizes. A number of modelling techniques, including local input-output tables and micro-simulation modelling, are applied to generate best estimates.

Quarterly data at all geographic levels is often revised based on the adoption of new methodologies for estimation and/or identification of past errors. This can lead to revisions of previous estimates which can then impact trends identified in the data.

Due to these limitations, caution is advised. An understanding of the data's level of reliability should be considered when using it to analyse regional performance.

Disclaimer

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