

Gympie Region LGA - Economic Health Check

July 2023





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Data sources and definitions

- The economic and employment data of the Inner West is developed by NIEIR. For more information on NIEIR and their methodology please refer to [the economy.id website](#).
- The following data is used in this report:
 - Australian Business Register, GST Registration (2023)
 - Australian Bureau of Statistics, Building Approvals (2023)
 - Australian Bureau of Statistics, Regional Population Growth (2023)
 - Australian Bureau of Statistics, Census of Population and Housing 2006, 2011, 2016 and 2021 estimates
 - Australian Bureau of Statistics, Weekly Payroll Jobs and Wages in Australia (2023)
 - Department of Employment, Small Area Labour Market (2023)
 - Department of Social Services, JobSeeker and Youth Allowance (2023)
 - Forecast.id, Population projections (2022)
 - Google Mobility (2022)
 - NIEIR (National Economics), Small area estimates of employment and economic value (2023)
 - Tourism Research Australia (2023)
- The following terms and acronyms are used in this report:
 - **ABS:** Australian Bureau of Statistics
 - **DZN:** Destination Zone (ABS Journey to Work small area geography)
 - **LGA:** Local Government Area
 - **LQ:** A Location Quotient is a way of seeing which are the main industries in an area, relative to a larger benchmark region. A number greater than 1 suggest the industry is over-represented locally and could be a specialisation

- **SA2:** Statistical Areas Level 2 (SA2) are medium-sized general purpose areas used by the ABS for statistical analysis purposes
- **SEIFA:** Socio-Economic Indexes for Areas (SEIFA) measure the relative level of socio-economic disadvantage and/or advantage based on a range of Census characteristics

• Broad industry classification to ANZSIC2006 1-Digit classification Concordance

Broad Industry	ANZSIC 2006 1 Digit Code Name
Business services	Information Media and Telecommunications
	Financial and Insurance Services
	Rental, Hiring and Real Estate Services
	Professional, Scientific and Technical Services
	Administrative and Support Services
Goods distribution	Wholesale Trade
	Transport, Postal and Warehousing
Goods transformation	Manufacturing
	Construction
Household services - essential	Electricity, Gas, Water and Waste Services
	Public Administration and Safety
	Education and Training
	Health Care and Social Assistance
Household services - non-essential	Retail Trade
	Accommodation and Food Services
	Arts and Recreation Services
	Other Services
Primary production	Agriculture, Forestry and Fishing
	Mining

Health check summary

Introduction

This report provides a targeted economic analysis of the Gympie Region LGA economy. The report focuses on the period from 2017 to 2022 to assess recent economic performance, growth drivers, competitive advantages and barriers to growth. This page summarises the main findings, broken down by strengths and weaknesses.

Strengths

Economic conditions

- Job and economic activity rebounded strongly from the impacts of drought and COVID-19. Growth has improved over the last five years to 2022. The recent job growth (2.6% p.a.) was higher than the long-term average (1.4% p.a.).
- Unemployment has fallen since the peak in the last quarter of 2020. The rate in December Quarter 2022 is 5.4%, well below the historical average (8.0% between Dec-10 and Dec-22).
- Strong population growth in 2022 driven by domestic migration. This should help generate additional demand for local businesses.
- Significant increase in new businesses in 2021 and 2022. Net new businesses well above pre COVID-19 average despite the increase in business closures.
- Building approval activity has remained strong driven by residential building activity.
- Tourism visitation remained relatively resilient despite the travel restrictions.

Industry

- Health Care and Social Assistance jobs and economic value increased strongly over the last five years driven by the population growth, ageing population and NDIS investment.
- Strong construction activities from population growth, government incentives (HomeBuilder Program) and renewable energy projects.
- Manufacturing jobs increased, driven primarily by the rising demand for construction inputs (i.e. Wood, Non-metallic Mineral Product and Fabricated Metal Product Manufacturing). But value added fell due to a drop in Food Product Manufacturing export demand.
- Growth in population servicing industries, such as Accommodation and Food Services, Education and Training and Other Services.

Demography

- Ageing of the population can drive demand for health, aged care and wellness services.
- Significant improvement in youth unemployment rate driven by the strong local jobs condition.

Outlook

- Strong labour market conditions are expected to continue in the short term, supporting local consumption and business growth. This is good news for local hospitality and retail.
- Potential to capture opportunities associated with major transport infrastructure projects, renewable energy and digital adoption. Gympie is well positioned to take advantage of these trends given the existing industry profile.

Weaknesses

Economic conditions

- Economic growth was slower than the Wide Bay Burnett region and Regional Qld average between 2017 and 2020. This period was impacted by drought and relatively low construction activity.
- Non-residential building activity was relatively low over the last five years. This has constrained growth in construction jobs and ongoing jobs (e.g. employment in commercial, retail and industrial buildings).
- Economic activity disrupted in the first half of 2022 due to floods.

Industry

- Agricultural production and food product manufacturing was significantly impacted by the drought over the period from 2017 to 2019. Although agricultural production experienced a strong rebound since 2020, the same cannot be said for Food Product Manufacturing activity.
- Forestry and Logging production has declined significantly since it peaked in 2017.
- Tourism sector was impacted by the COVID-19 outbreak. In 2021/22 tourism value added was still 22% below pre-covid levels (2018/19). Despite this, tourism value added increased strongly in 2021/22 with tourism visitor numbers also increasing.
- Fall in Information Media and Telecommunications jobs, business and value added between 2017 and 2022 driven by the telecommunication services sector

Demography

- Older population base leads to lower participation rates, potentially limiting growth.
- Despite the recent improvement, the resident base is less qualified than the average for Wide Bay Burnett and Regional Queensland. This leads to lower incomes, higher unemployment and can limit growth in knowledge based services and businesses looking for high skilled workers.
- Gympie Region residents are increasingly working outside the region. This was due to an outflow of health and construction workers

Outlook

- Population growth linked to older aged and retirees will increase local demand and jobs, but possibly not in high value industries.
- Building commencements and completions started to slow nationally in 2022 as constraints started to really impact the sector. Some companies have gone into administration and there will be an impact on construction jobs in the near term.
- Cost of living pressures and slower domestic and international growth may impact medium term economic and job growth in Gympie. Particularly, lower household spending will have a large impact on the retail and hospitality sectors.
- At a national and global level, businesses are facing a range of issues such as supply chain disruptions, tight labour market and rising prices.

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Economic overview

Strong economic rebound from drought and COVID-19 points to future growth and new opportunities

Gympie Region LGA generated \$2,395m in GRP and supported an estimated 21,131 jobs in 2021/22. This represents 16.1% of Wide Bay Burnett's economy in terms of GRP (17.6% in terms of local jobs).

The economy has expanded over the last 5 years with annual average GRP growth rate of +1.4%. Similarly, the number of local jobs increased at an average of +2.6% per annum over the same period.

The population estimate for Gympie Region LGA was 55,170 in 2021/22. This represented 17.4% of Wide Bay Burnett's population. The local population increased by +1.5% per year between 2017 and 2022. This growth rate was similar to the Wide Bay Burnett average (+1.5%).

In June 2022, the unemployment rate was 6.2% in Gympie Region LGA. By December 2022, the rate had decreased to 5.4%, lower than the Wide Bay Burnett average (5.8%) and was 1.7 percentage points below the pre COVID-19 (December 2019) estimate.

Tourism visitation grew by +1.6% per year between 2017 and 2022, well above the Wide Bay Burnett average of (+0.2%) per year.

Gympie Region LGA economy in 2021/22

	As at 2021/22	5yr Avg Growth	Wide Bay Burnett	Regional QLD
 GRP \$2,395m		+1.4%	(+2.2%)	(+2.0%)
 Local jobs 21,131		+2.6%	(+2.6%)	(+2.4%)
 Population 55,170		+1.5%	(+1.5%)	(+1.4%)
 Unemployment 6.2%		-1.8%	(-1.9%)	(-1.9%)
 Tourism visits 1,217,382		+1.6%	(+0.2%)	(-1.1%)

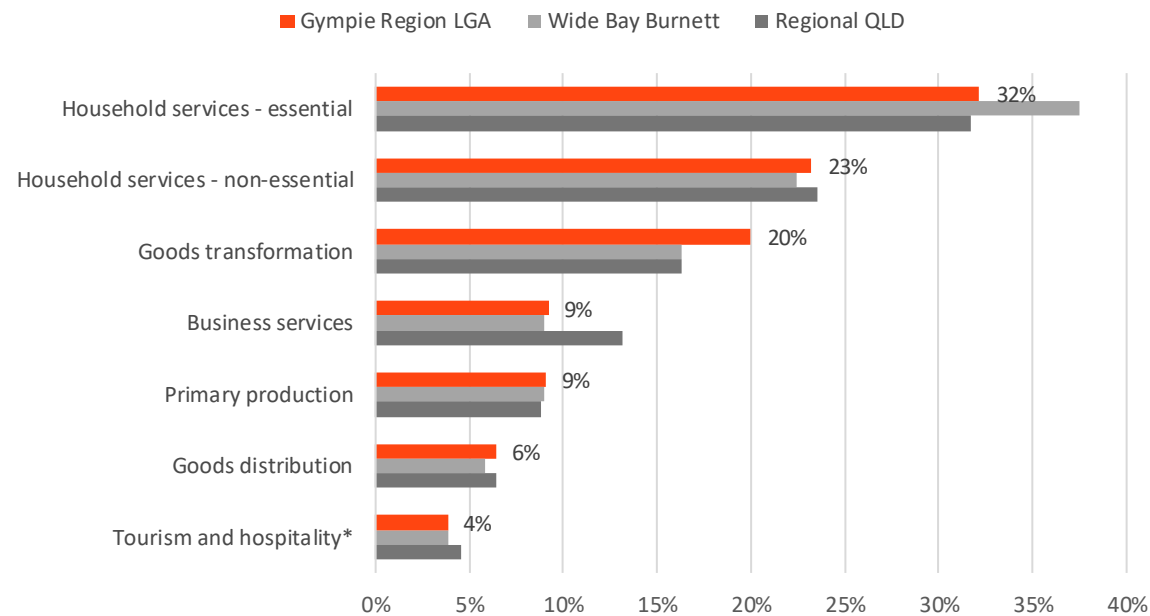
Gympie Region's employment is dominated by Household Service industries but Agriculture and Manufacturing are key generators of economic value.

Household service industries (both essential and non-essential) play a significant role in driving the local economy of Gympie Region LGA, with the number of jobs in these industries higher than the Regional QLD average. However, the share of employment in the business service industries was comparatively lower in the Gympie Region LGA.

The most prominent industries in terms of employment and economic contribution in the Gympie Region LGA comprise Health Care and Social Assistance, Education and Training, Retail Trade, Construction, Agriculture, Forestry and Fishing, Manufacturing.

Industry profile - Gympie Region LGA

% of total local jobs, 2022



Source: NIEIR, 2023 | * Includes activities from other industries

Top 4 Industries in 2022



Source: NIEIR, 2023 | * % of local jobs in Gympie Region LGA; ** % of value added in Gympie Region LGA

How is the economy performing?

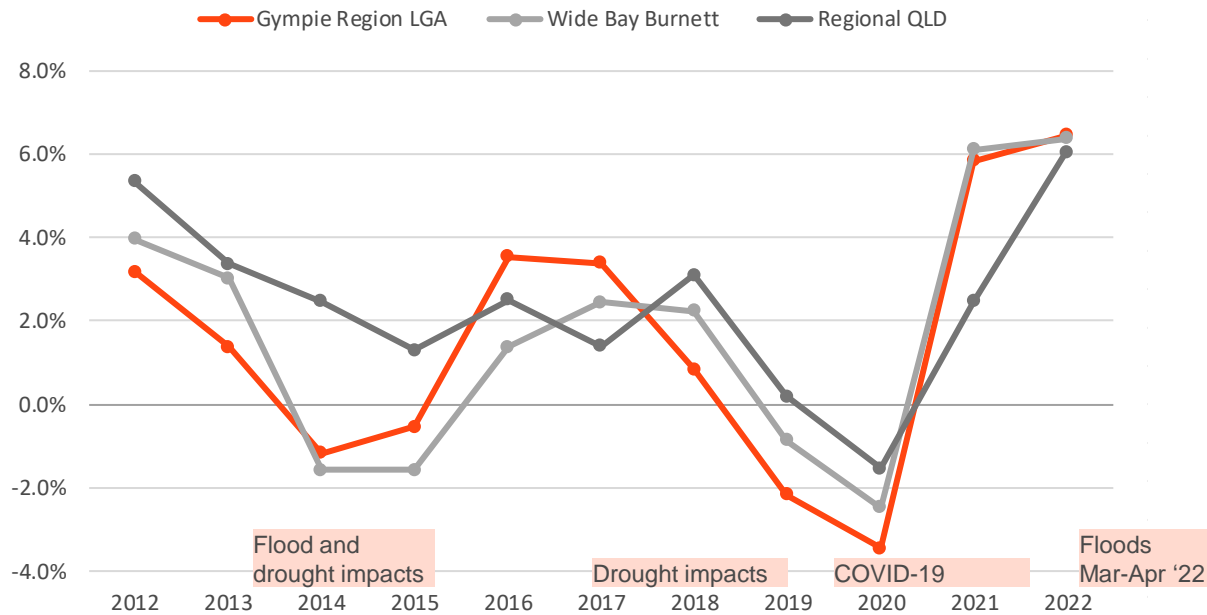
Economic activity rebounds from weak growth (2018-2019) and COVID-19 challenges

Gympie Region LGA's economic growth (GRP terms) increased by 1.4% per year between 2017 and 2022, in line with the decade average growth rate (1.4% p.a.). Gympie Region LGA's economic growth was slower than the Wide Bay Burnett average over the last 5 years. Economic growth accelerated in 2021 and 2022, growing by around 6.0% per year. Based on the data from NIEIR, it seems that the flood events in early 2022 did not impact the annual economic growth rate in the period of 2021-2

Gympie Region LGA's GRP growth between 2017 and 2022 was lower than surrounding LGAs. The average annual GRP growth rate of surrounding LGAs during the same period was 2.1% per year.

Growth in GRP - Gympie Region LGA

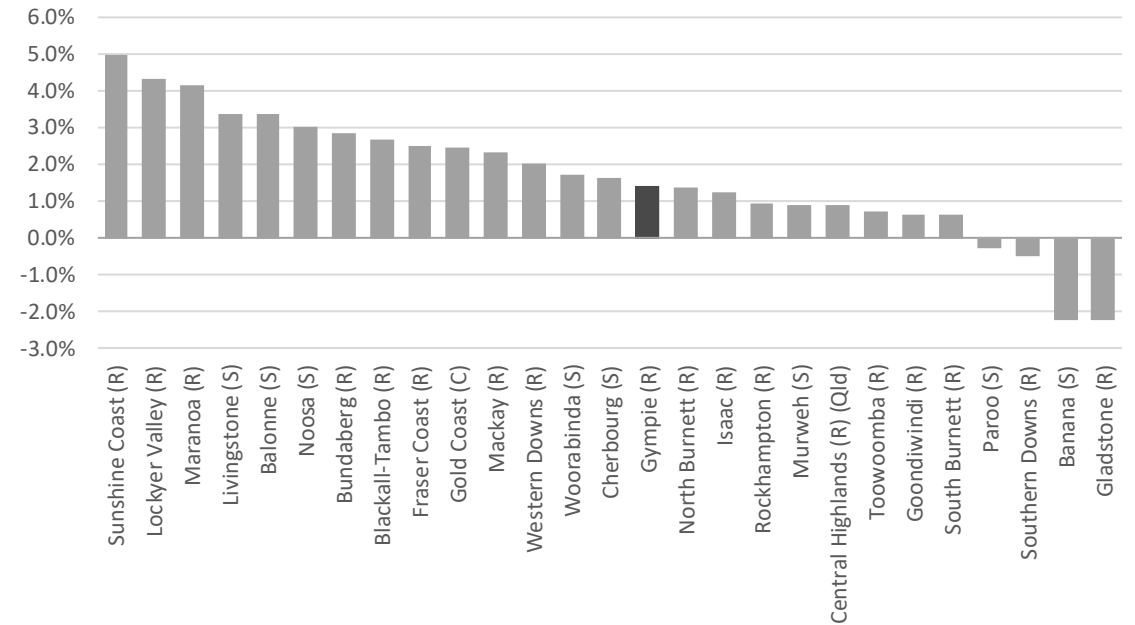
% per annum



Source: NIEIR, 2023

Growth in GRP - Regional LGAs, 2017 to 2022

% average annual growth rate



Source: NIEIR, 2023

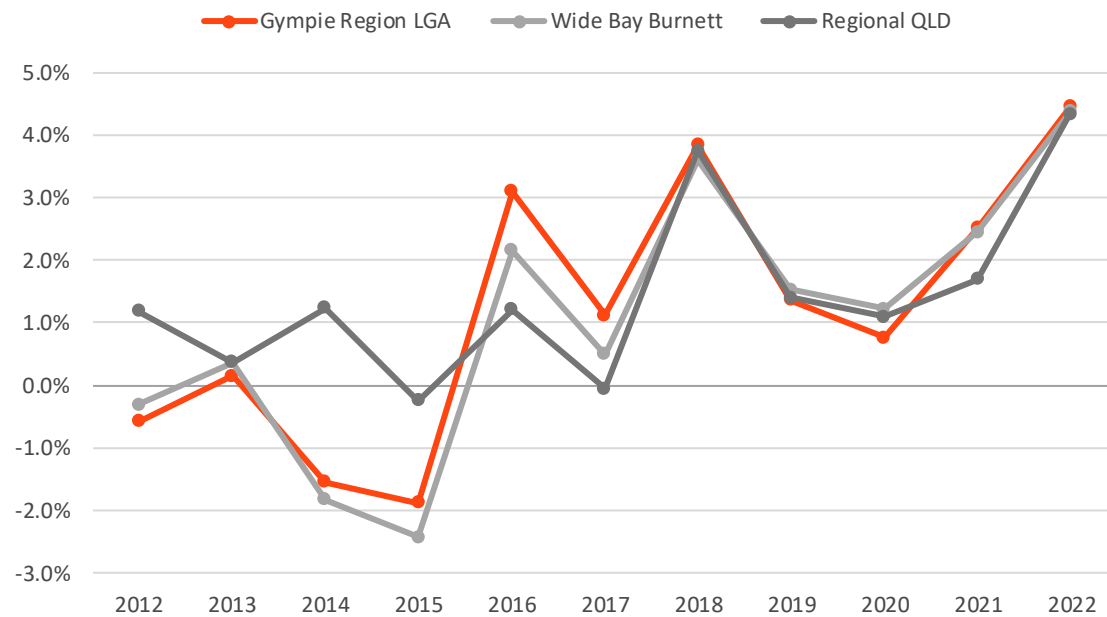
Jobs growth surging despite challenges like natural disasters and COVID-19

Gympie Region LGA's local jobs increased by 2.6% per year between 2017 and 2022. This growth rate was higher than the decade average of 1.4% per year. Gympie Region LGA's local job growth was similar to the Wide Bay Burnett average over the last 5 years.

Gympie Region LGA's local job growth between 2017 and 2022 was higher than surrounding LGAs. The average local jobs growth of surrounding LGAs during the same period was 2.5% per year.

Growth in Local Jobs - Gympie Region LGA

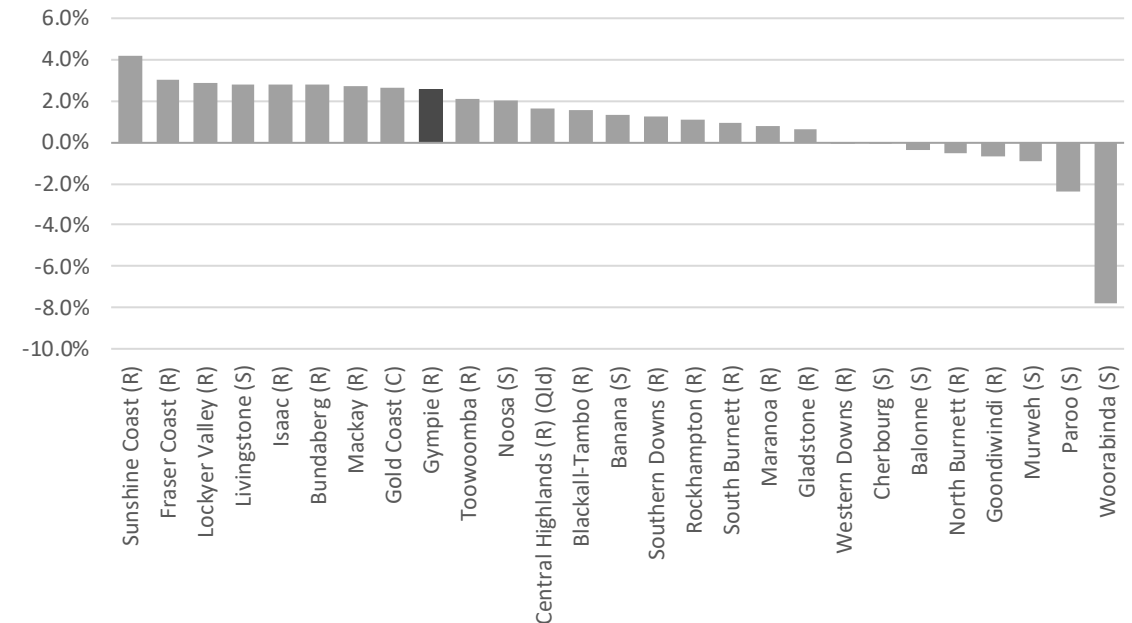
% per annum



Source: NIEIR, 2023

Growth in local jobs - Regional LGAs, 2017 to 2022

% average annual growth rate



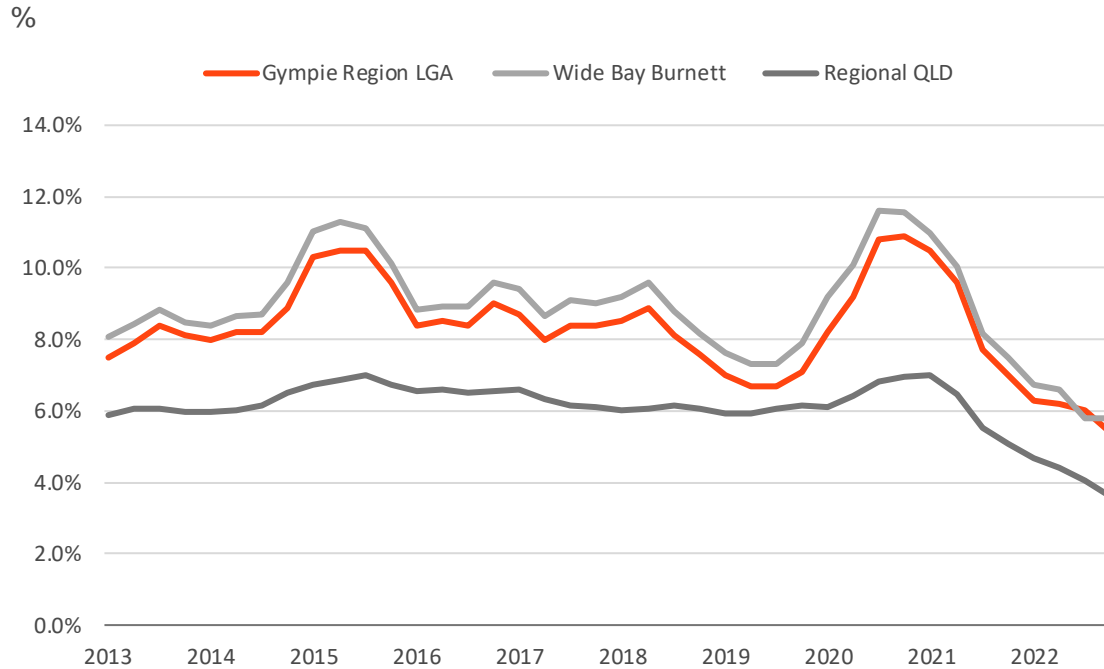
Source: NIEIR, 2023

Labour force conditions have tightened significantly. Unemployment is higher than the Qld average suggesting there is some space capacity.

Gympie Region LGA's unemployment rate decreased over the last 5 years to 2022. In the December Quarter 2022, Gympie Region LGA's unemployment rate was 5.4%, below the historical average. This rate was below the Wide Bay Burnett average but above the Regional QLD average.

Gympie Region LGA's unemployment rate is higher than surrounding LGAs. The surrounding Regional LGA average unemployment rate in the December Quarter 2022 was 4.4%.

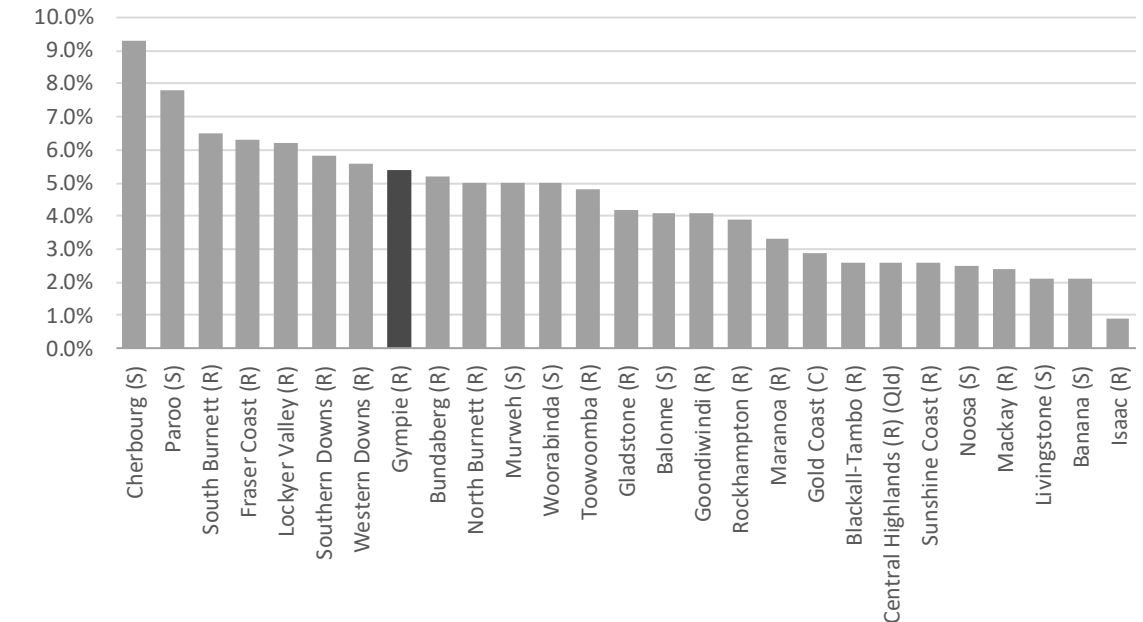
Unemployment rate - Gympie Region LGA



Source: ABS Labour force survey (2022); Department of Employment SALM (2022)

Unemployment rate %, December-2022

Surrounding Regional QLD LGAs

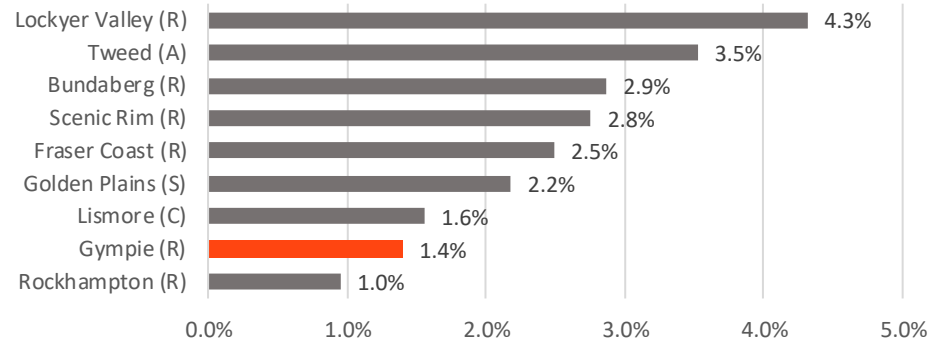


Source: ABS Labour force survey (2022); Department of Employment SALM (2022)

This slide presents Gympie Region's economic performance compared to selected regional LGAs that have a similar role and function. Despite slower GRP growth compared to the benchmarks, local job growth has remained robust. Gympie Region LGA has had a low value of non-residential building approvals over the past five years, indicating a potential area for future attention and improvement.

GRP Change by selected regional city, % p.a.

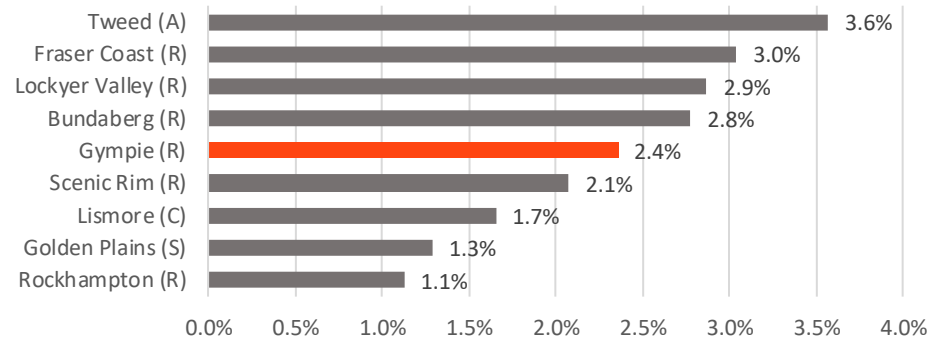
2017-2022



Source: NIEIR, 2023

Job Change by selected regional city, % p.a.

2017-2022

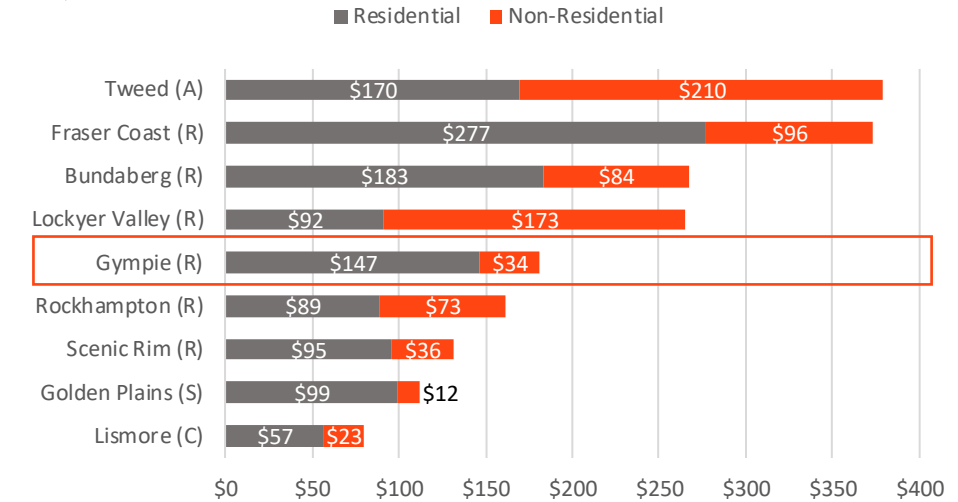


Source: NIEIR, 2023

*Jobs refers to jobs located within LGA

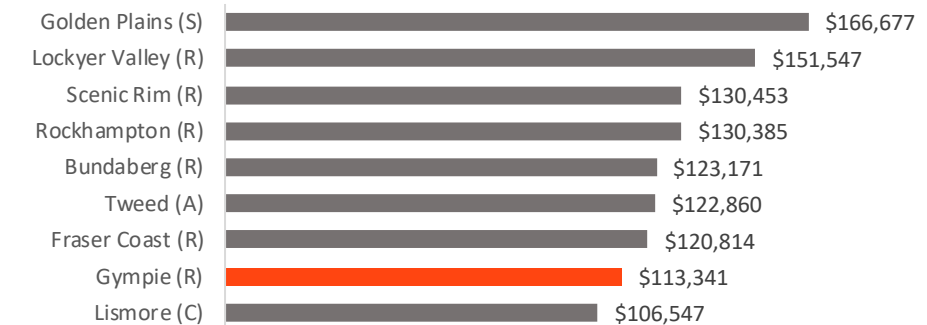
Average Annual Value of Building Approvals

\$m, 2017/18 and 2021/22



Productivity by selected regional city, \$ per worker

2022, in terms of GRP per worker



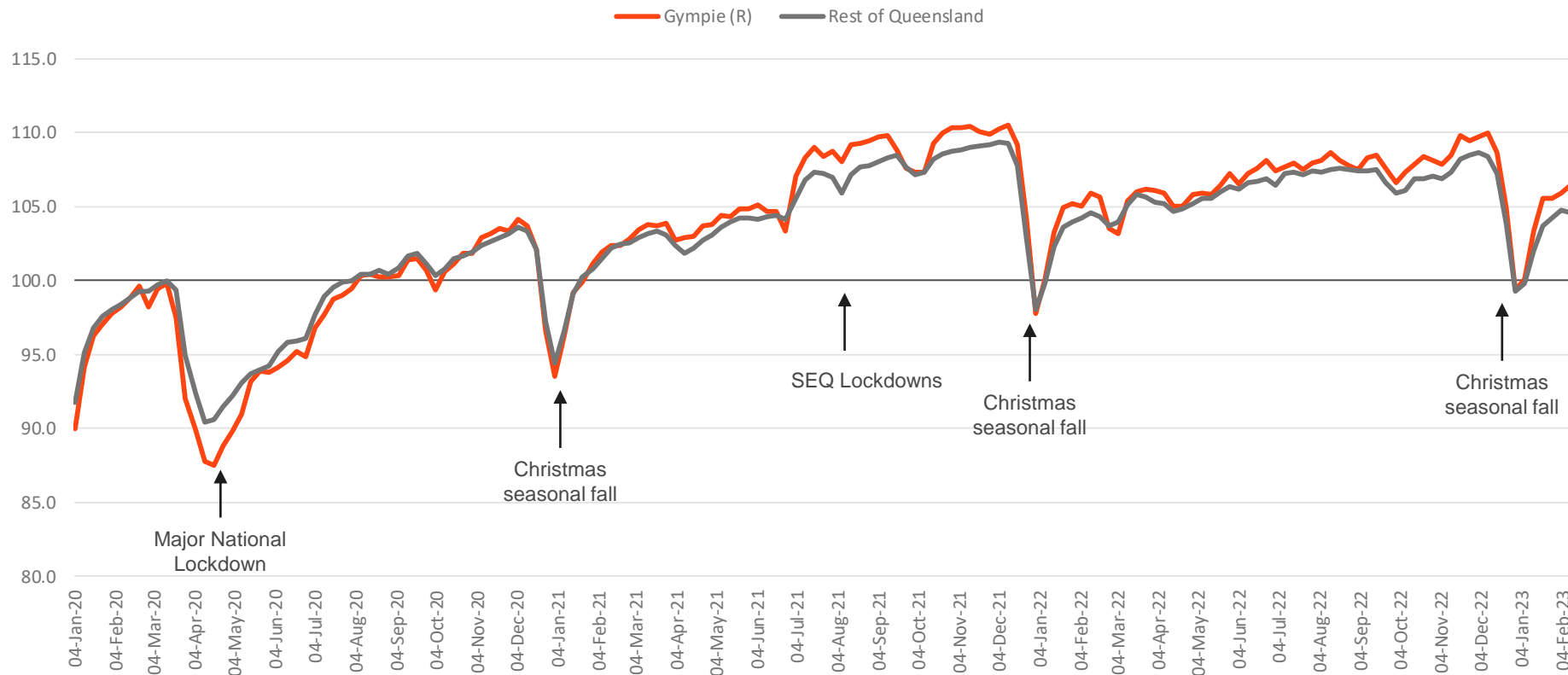
Source: NIEIR, 2023

Payroll jobs data shows that employment is around 6% above pre-covid levels (Feb 2023). However, payroll job growth has slowed through 2022. The ABS reports that tightness in the labour market and sick leave were underlying factors influencing this slower growth.

Payroll jobs decreased immediately following the outbreak of COVID-19. By April 2020, payroll jobs in Gympie Region had fallen by 12.5%. The initial impact on payroll jobs was greater than the fall across the Rest of Queensland (-9.6%). By February 2023, payroll jobs were around 6.4% above pre COVID-19 levels. This rate was higher than the Rest of Queensland average of 4.6% above pre COVID-19 levels.

Payroll Jobs

Index 100 = March 14, 2020



Payroll jobs estimates provide near real-time information about the performance of local labour markets. This data helps us to understand the impact and recovery of local areas in recent years.

Payroll jobs represent jobs, not the number of people employed, hence jobholders working multiple jobs are counted more than once.

Payroll jobs data is based on where employees live, rather than where they work. Payroll job estimates are not seasonally adjusted and will show a high degree of seasonal change during holiday periods.

Source: ABS Weekly Payroll and Wages

Surge in new businesses driving the net business growth above the pre-COVID-19 level

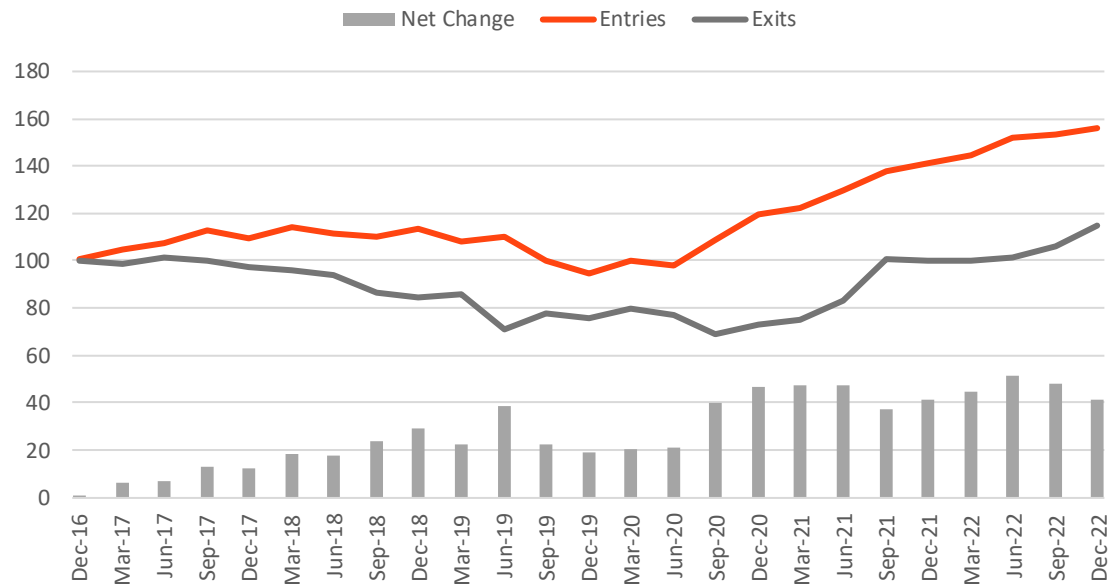
Business exits were at very low levels during the COVID-19 impacted years due to strong government support and debt/bankruptcy policy leniency. As policies reverted to normal, exits began to rise in 2021.

New GST registrations for businesses grew solidly since the second half of 2020. The net change in GST registered businesses was averaging more than 46 per quarter by December 2022, above pre COVID-19 levels.

The increase in new businesses in Gympie Region since the outbreak of COVID-19 has been driven by Construction, Agriculture, Forestry and Fishing, Health Care and Social Assistance and Professional, Scientific and Technical Services industries.

Business entries and exits - Gympie Region LGA

4 Quarter Rolling Average



Source: Australian Business Register, 2022

Net change in GST registered businesses - Gympie Region LGA

From Mar-2020 to Dec-2022



Source: ABS Business Entries and Exits, 2022

What is driving recent economic conditions?

Strong population growth and improved participation behind recent growth. Fall in productivity is due to a change in the industry composition towards lower productivity sectors (e.g. Health and Hospitality)

The main driver of economic growth from 2017 and 2022 was growth in population. Population increased by 1.5% per year over this period, above the decade average (1.4% p.a.)

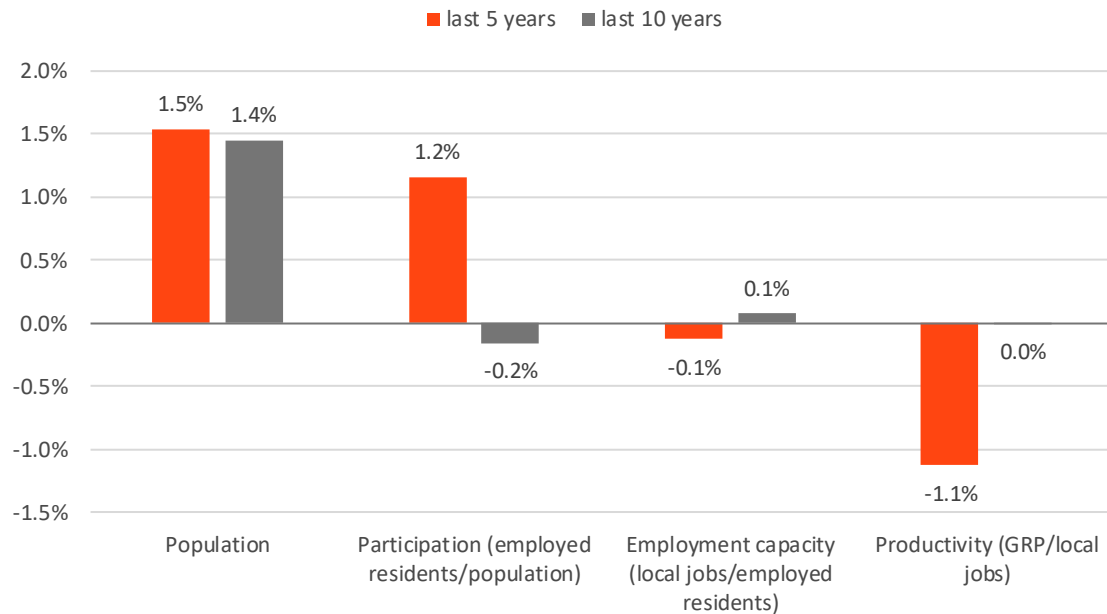
During the same period, the decline in productivity was the main factor that detracted from economic growth.

Compared to the Wide Bay Burnett average, Gympie Region LGA had higher growth in population, participation, and lower growth in employment capacity and productivity during the period from 2017 to 2022.

Over the same period, Gympie Region LGA had higher growth in population, participation, and lower growth in employment capacity and productivity compared to the Regional QLD average.

Components of growth - Gympie Region LGA

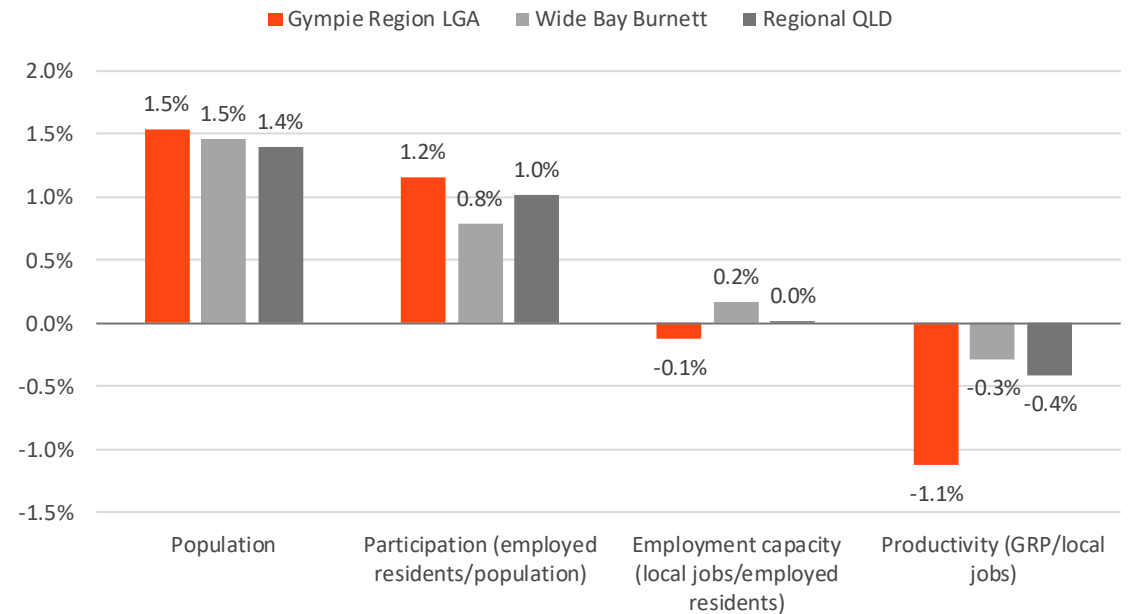
Annual average growth %



Source: NIEIR, 2023

Components of growth - Gympie Region LGA, last 5 years

Annual average growth %



Source: NIEIR, 2023

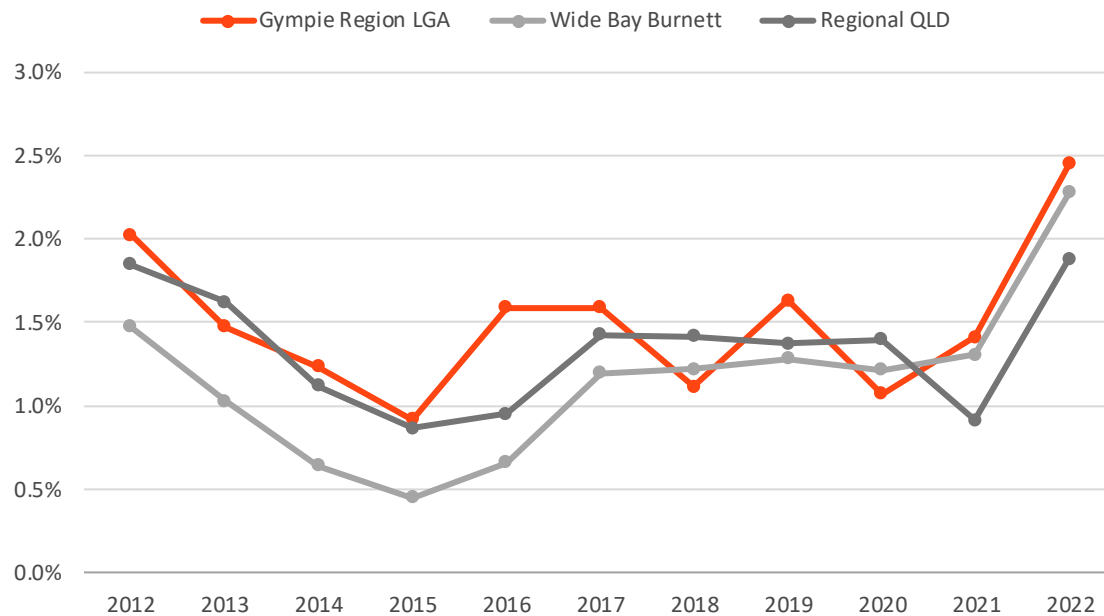
Domestic migration driving population growth with a significant increase in 2022.

The population estimate for Gympie Region LGA as of the 30th June 2022 was 55,170. Since 2017, the population has grown by an average of 1.5% per year. This rate of growth was similar to the Wide Bay Burnett region over this period.

The main driver of population growth between 2021 and 2022 was net internal migration, while the natural increase was the detractor of population growth. Over the period from 2017 to 2022, net internal migration was the biggest contributor to population growth, while net overseas migration was the detractor of population growth.

Recent population growth - Gympie Region LGA

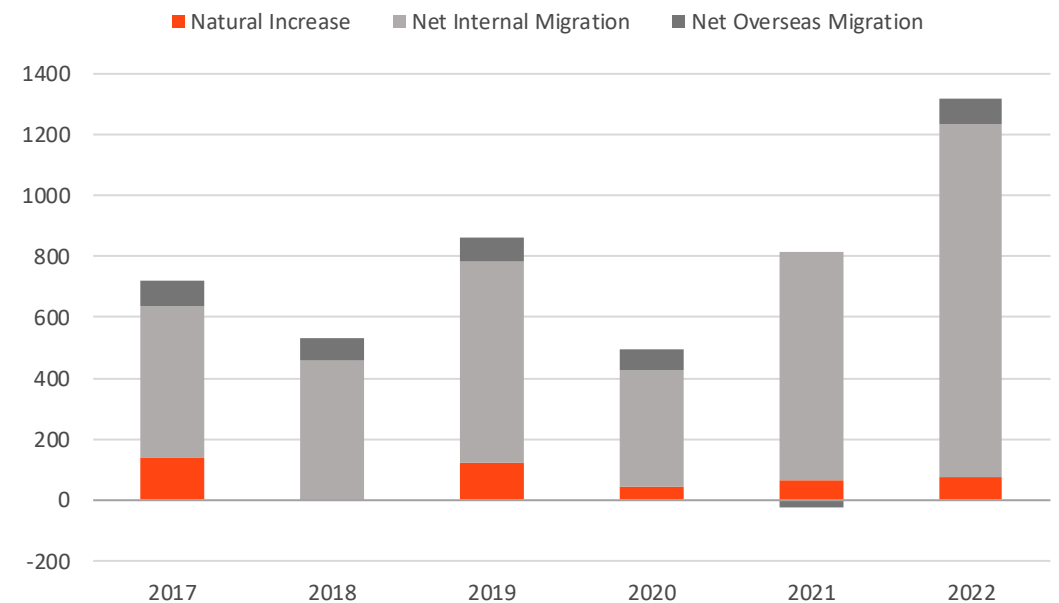
Annual Change in ERP %



Source: ABS, 2021, Cat: 3218.0 - Regional Population Growth, Australia, 2020-21

Population growth components 2022 - Gympie Region LGA

Change in component of population, persons



Source: ABS, 2022, Cat: 3218.0 - Regional Population Growth, Australia, 2020-21

The major source of new residents is from Sunshine Coast, Noosa and the Gold Coast.

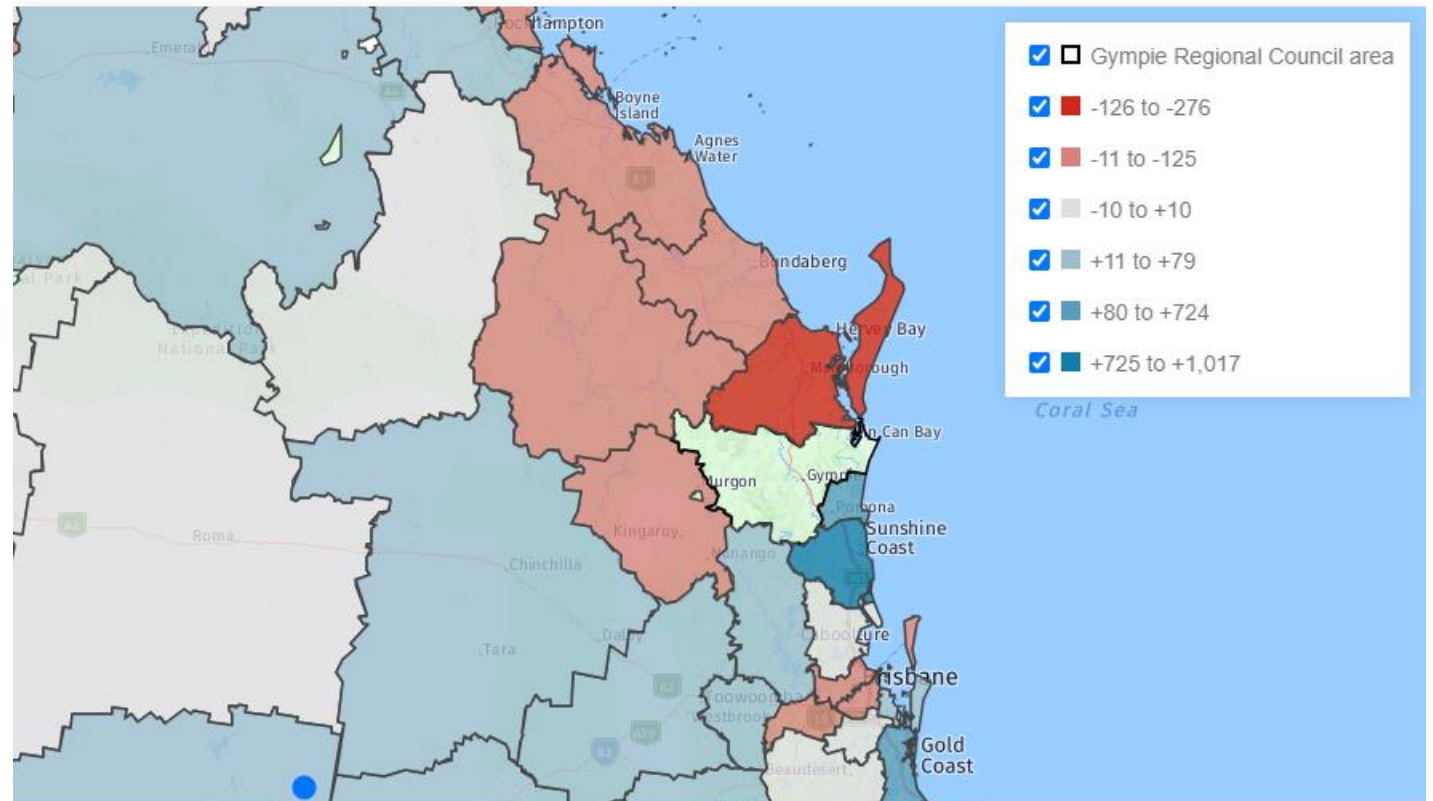
Top 5: Net gains by LGA

- Sunshine Coast +1,017
- Noosa +724
- Gold Coast +136
- Townsville +79
- Tweed +53

Around 34% of Gympie resident workers who previously lived in the Sunshine Coast Region in 2016, still work in the Sunshine Coast Region.

Map of net gains and losses by LGA

Gympie Regional Council - between 2016 and 2021



Source: Australian Bureau of Statistics, Census of Population and Housing 2021.
Compiled and presented in profile.id by .id (informed decisions).

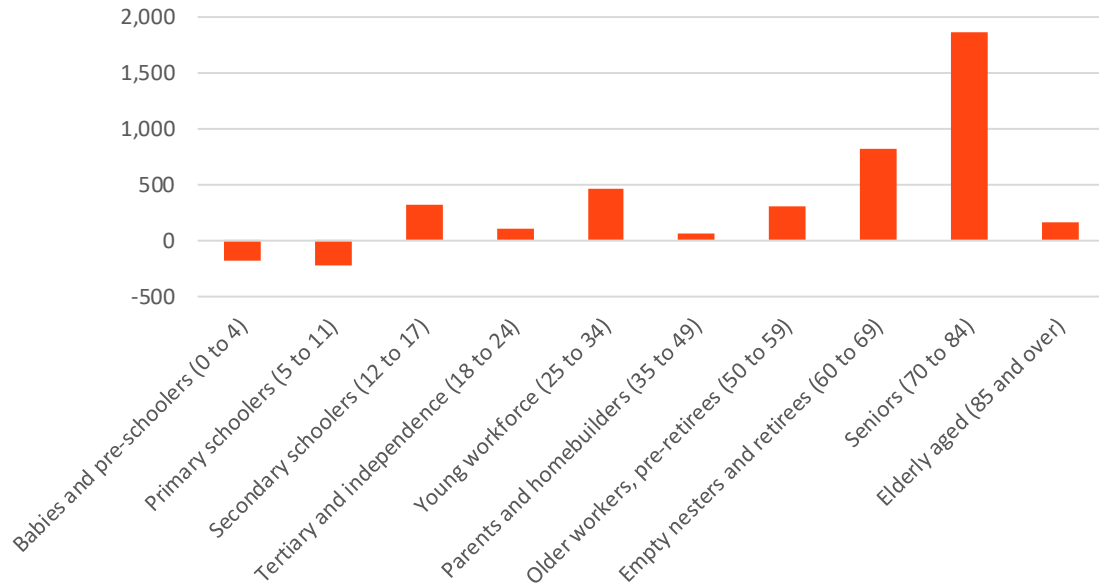
Population growth driven by older age groups. But most migration to Gympie Region is from working families.

The main driver of net migration to the Gympie Region between the census periods were Seniors (aged 70 to 84) and Empty nesters and retirees (60 to 69). Despite the growth in the young workforce (aged 25 to 34) and secondary schoolers (aged 12 to 17), infants, preschool and primary schoolers (aged 0 to 11) population decreased.

Strong growth net-migration of aged 25 plus. The largest growth in terms of age in the resident population was growth in older residents aged between 55 to 64, followed by 45 to 54 years. This is due to the very large existing baby boomer cohort moving into their 70s in this period. Net-migration of 18 to 24 year olds was negative over the same period.

Population Growth by Service Age Groups, 2016 to 2021

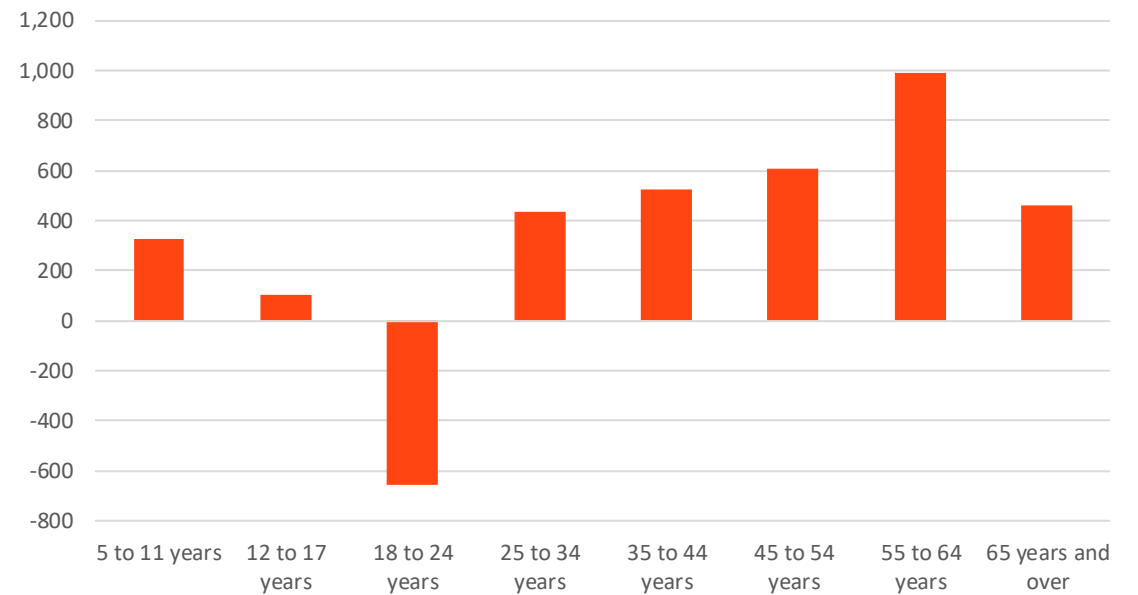
Change in number of persons stating residence in Gympie Region LGA



Source: ABS Census of Population and Houseing, 2016 and 2021

Net Migration by Age, 2016 to 2021

Net of inward minus outward migration in Gympie Region LGA



Source: ABS Census of Population and Houseing, 2021

Gympie Region residents are increasingly working outside the region. This was due to an outflow of health and construction workers

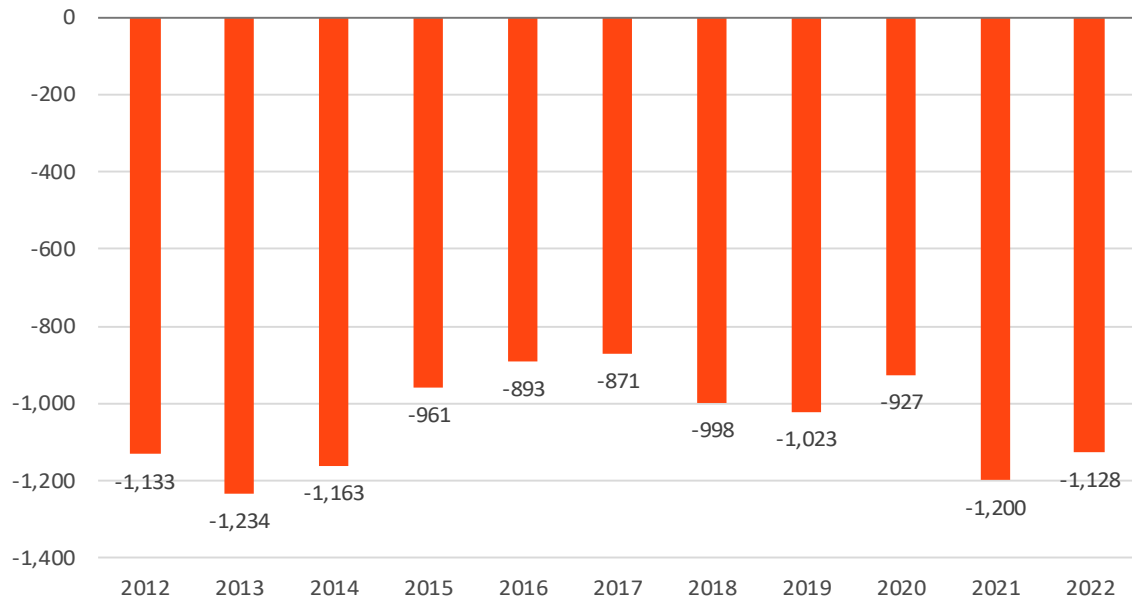
In 2022, there were 1,128 fewer jobs than employed residents. This may suggest the region is not generating enough jobs to support its residence base, or neighbouring regions provide better opportunities.

This jobs 'deficit', difference between jobs and residents, has remained around the similar level over the last ten years.

The share of residents working outside the LGA increased between 2016 and 2021. This suggests more residents are looking elsewhere for opportunities possibly because local jobs are not matching their needs.

Employment capacity - Gympie Region LGA

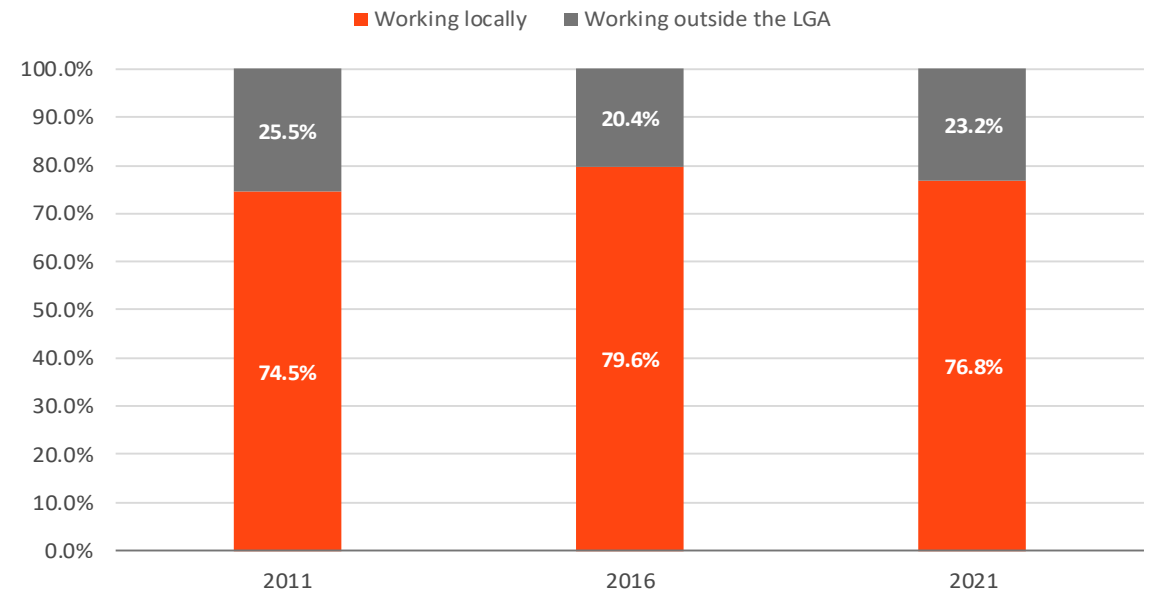
Difference between local jobs and employed residents



Source: NIEIR, 2023

Employment self containment - Gympie Region LGA

Share of residents working locally



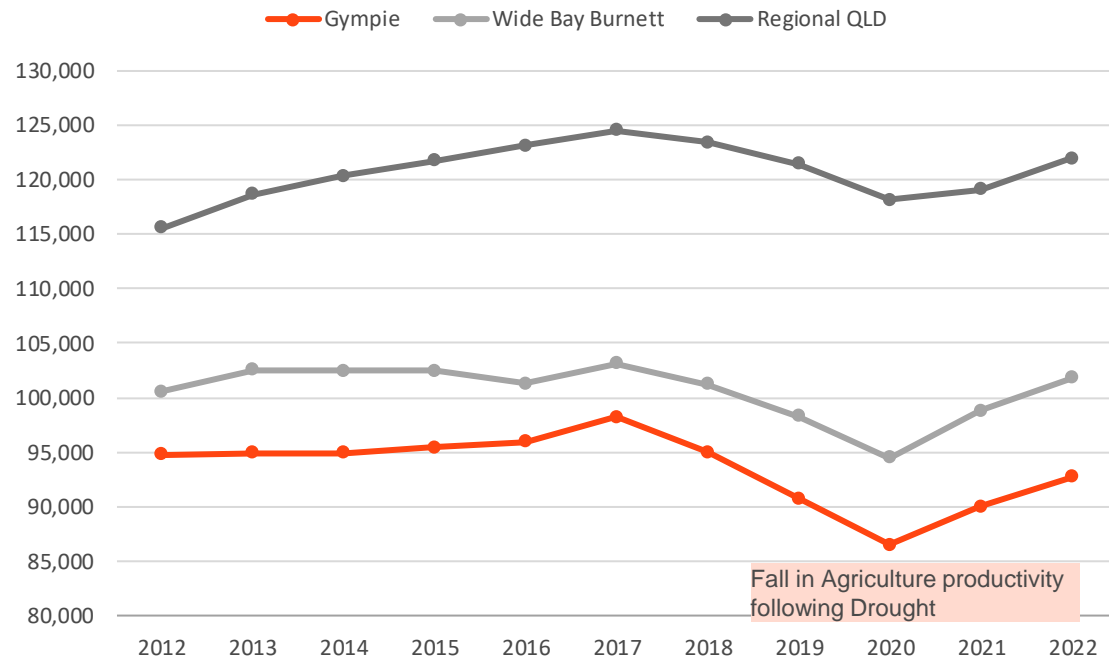
Source: ABS Census of Population and Housing, 2011, 2016 and 2021

Productivity decreased in Gympie Region's biggest industries, namely Construction, Education and Training and Manufacturing.

Gympie Region LGA's worker's productivity decreased over the last five years, faster than the Wide Bay Burnett and Regional Queensland. In 2022, Gympie Region LGA's productivity remains well below both benchmarks. The large fall in productivity from 2018 to 2020 was driven by Agriculture and Forestry industries following the drought, but rebounded strongly in 2022. Gympie Region LGA's large employment industries were Construction, Manufacturing and Education and Training, while productivities increased in Agriculture, Retail Trade and Health Care and Social Assistance industries.

Worker productivity - Gympie Region LGA

\$ Value Added per worker



Source: NIEIR, 2023

Productivity growth by industry - Gympie Region LGA

Industry	Productivity growth p.a., 2017 - 2022	Share of total jobs, 2022
Arts and Recreation Services	11.7%	1.3%
Information Media and Telecommunications	11.5%	0.7%
Electricity, Gas, Water and Waste Services	3.7%	0.8%
Administrative and Support Services	3.5%	3.1%
Agriculture, Forestry and Fishing	3.0%	8.3%
Retail Trade	2.3%	10.7%
Other Services	2.1%	4.5%
Wholesale Trade	2.0%	2.4%
Health Care and Social Assistance	1.7%	14.8%
Public Administration and Safety	1.7%	5.8%
Professional, Scientific and Technical Services	0.9%	3.2%
Rental, Hiring and Real Estate Services	0.1%	1.2%
Financial and Insurance Services	-0.2%	1.0%
Accommodation and Food Services	-0.5%	6.8%
Mining	-0.6%	0.7%
Education and Training	-0.7%	10.8%
Manufacturing	-1.8%	9.5%
Tourism	-2.1%	3.9%
Construction	-2.6%	10.5%
Transport, Postal and Warehousing	-3.6%	4.1%

Source: NIEIR, 2023 | * Includes activities from other industries

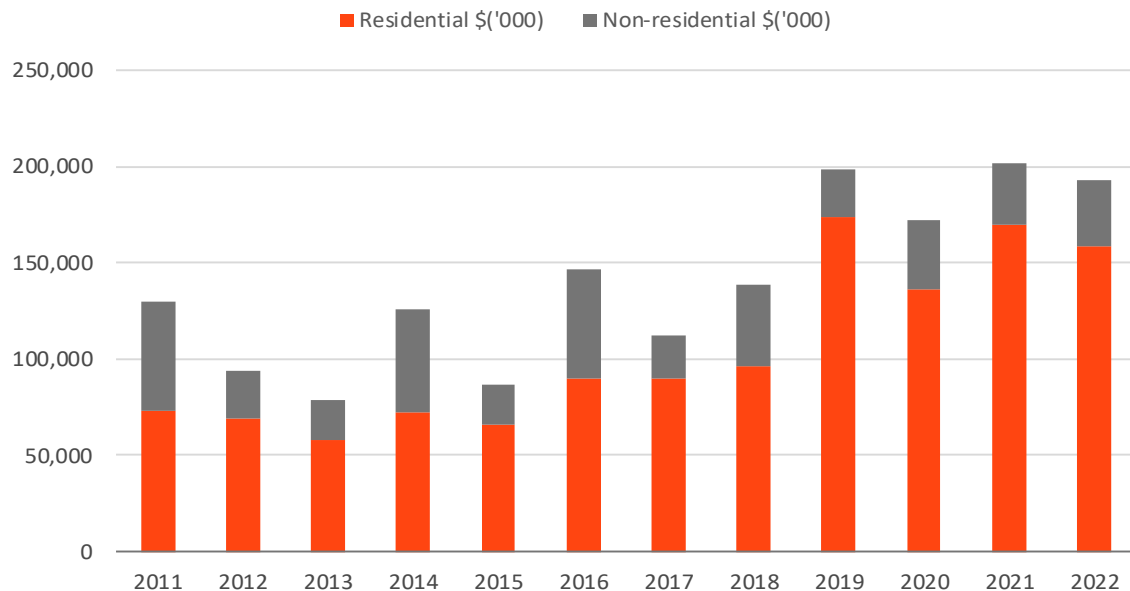
Robust residential building activity, but non-residential building activity remains flat and poses a risk to sustained future job growth

The average annual value of non-residential building approvals between 2017 and 2022 (\$34M) was below the decade average (\$34M). Over the period 2017 to 2022, the total value of residential building approvals (\$734M) has outweighed total non-residential building approvals (\$169M).

The leading driver of non-residential building approvals value in the last five financial years has been retail and wholesale trade buildings, followed by entertainment and recreation buildings and education buildings.

Building approvals - Gympie Region LGA

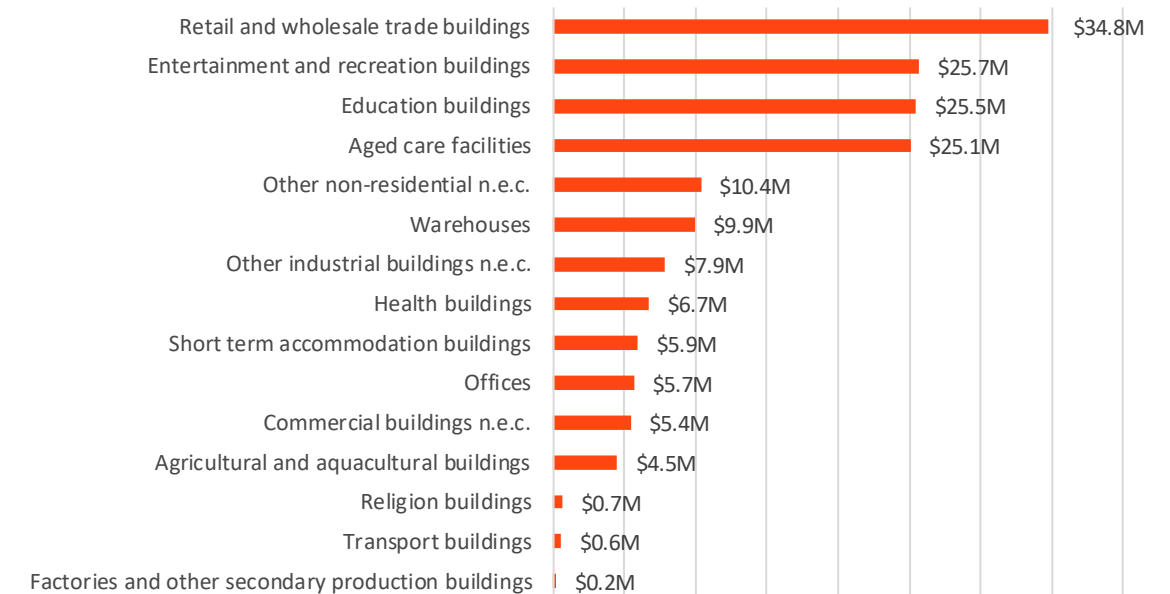
Annual value approved



Source: ABS, 2021, Cat: 8731.0 - Building Approvals, Australia

Non-residential approvals - Gympie Region LGA, last 5 years

Annual value approved by type, five years to Jun-2022



Source: ABS, 2021, Cat: 8731.0 - Building Approvals, Australia

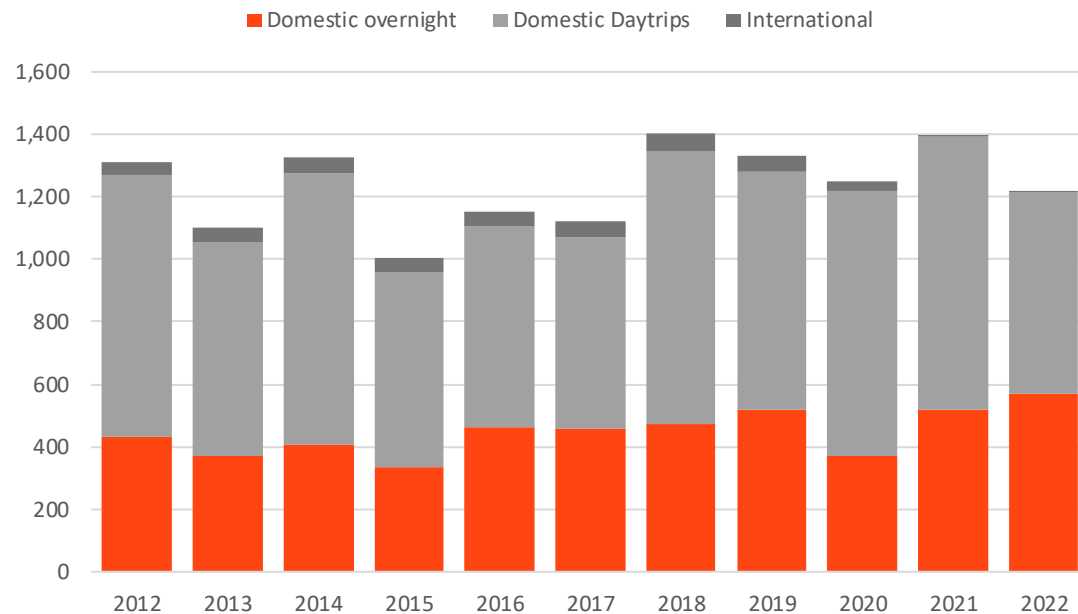
Domestic overnight tourism market has recovered but day trip market still below pre-covid levels.

Domestic overnight visitation in 2021/22 was above the 2018/19 pre-covid level. In 2021/22, day trips were around 14% below the 2018/19 level.

Gympie Region LGA's tourism visitation fared worse than Wide Bay Burnett following the outbreak of COVID-19. Between 2019 and 2022, visitor trips within Gympie Region LGA decreased by 8.5%, while visitor trips in Wide Bay Burnett increased by 1.0%.

Tourism visitors - Gympie Region LGA

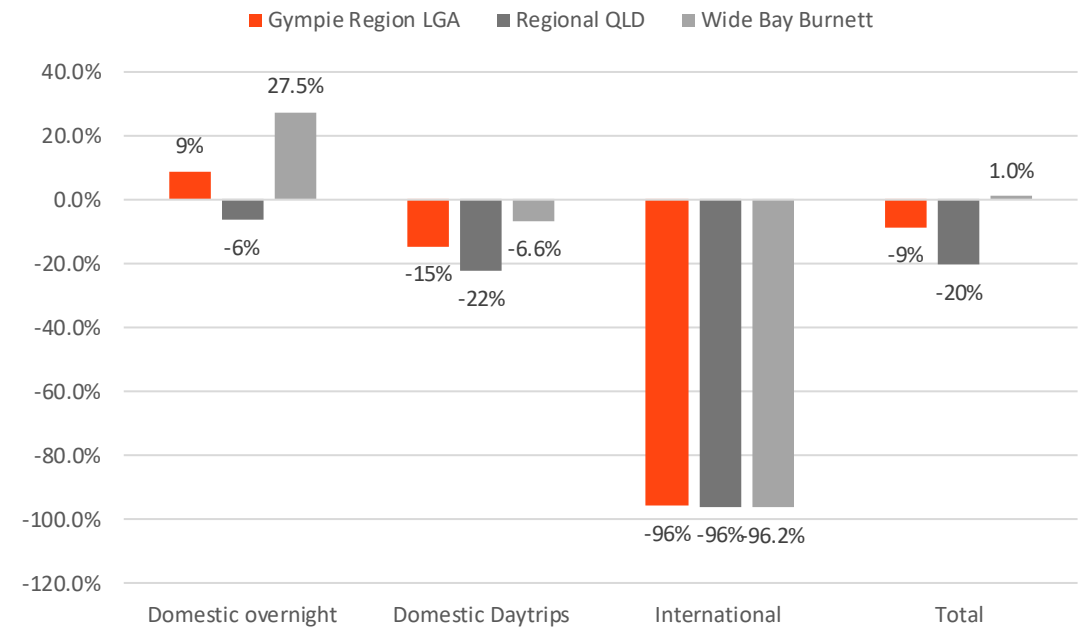
,000s



Source: Tourism Research Australia, 2022

Change in Visitors by Type - Gympie Region LGA

% change 2019 - 2022



Source: Tourism Research Australia, 2022

Which industries are competitive and how is this changing?

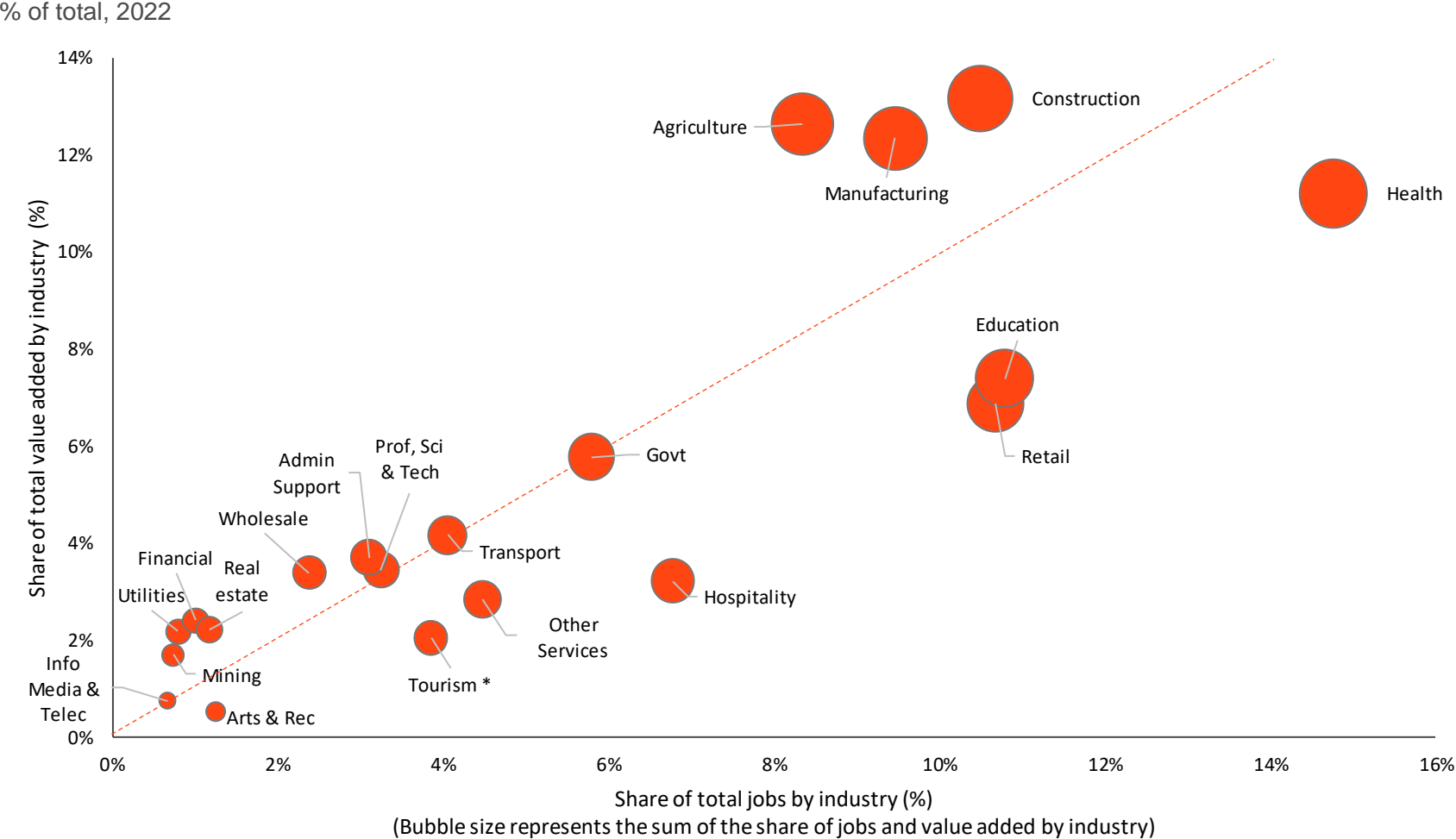
Gympie Region has a large export sector driven by agriculture and manufacturing. Service industries such as construction, health, education and retail are also large drives of local value.

Gympie Region LGA's economy has a large share of local jobs and value added generated by Health Care and Social Assistance, Construction and Manufacturing industries in 2021/22. Combined, these industries supported 36% of jobs and generated 38% of economic value.

Health Care and Social Assistance was the largest employer, supporting 3,119 jobs or 15% of total jobs in 2021/22. Education and Training was the second largest employer (2,280 jobs or 11% of total jobs), followed by Retail Trade (2,257 jobs, 11%).

In terms of value added, Construction generated the largest economic value of \$258 million or 13% of total value added in Gympie Region LGA. Agriculture, Forestry and Fishing generated the second largest economic value of \$248 million or 13% of total value added, followed by Manufacturing (\$242 million, 12%).

Industry share of local jobs and value added - Gympie Region LGA



Source: NIEIR, 2023 | * Includes activities from other industries

Gympie Region's strengths in agricultural and forestry production has supported specialisation in support sectors such as food processing, wood processing and freight and logistics (transport and wholesale).

Gympie Region LGA has a major comparative advantage in Agriculture, Forestry and Fishing, Manufacturing and Education and Training industries compared to Wide Bay Burnett region as a whole.

In terms of detailed industry, Gympie Region LGA has a major comparative advantage in Forestry and Logging, Wood Product Manufacturing, Commission Wholesaling, Textile, Leather, Clothing and Footwear Manufacturing, Heritage Activities and Fuel-Retailing compared to both Wide Bay Burnett and Regional Queensland.

Level of specialisation - Gympie Region LGA

LQ** in terms of jobs, compared to	Wide Bay Burnett	Regional QLD
Manufacturing	1.23	1.50
Construction	1.22	1.05
Arts and Recreation Services	1.18	0.72
Wholesale Trade	1.13	1.05
Information Media and Telecommunications	1.13	0.67
Other Services	1.09	1.03
Transport, Postal and Warehousing	1.09	0.97
Education and Training	1.08	1.19
Professional, Scientific and Technical Services	1.07	0.62
Administrative and Support Services	1.06	0.92
Agriculture, Forestry and Fishing	1.05	1.88
Retail Trade	1.01	1.11
Accommodation and Food Services	1.01	0.87
Tourism *	1.00	0.85
Rental, Hiring and Real Estate Services	0.97	0.64
Public Administration and Safety	0.90	1.03
Financial and Insurance Services	0.87	0.58
Health Care and Social Assistance	0.77	0.94
Mining	0.72	0.17
Electricity, Gas, Water and Waste Services	0.47	0.64

Source: NIEIR, 2023 | * Includes activities from other industries



** Specialisations in terms of Location Quotient (LQ). LQ is a simple way of seeing which are the main industries in an area, relative to the wider region. For example, an LQ of 1.2 means the share of industry jobs in the region is 1.2 times more than that industry job's share in the wider region.

Specialisation by detailed industry - Gympie Region LGA

Number of jobs, Specialisation in jobs LQ terms compared to the benchmark areas

Industry	Jobs	% of total	LQ compared to Wide Bay Burnett	LQ compared to Regional QLD
Forestry and Logging	222	1.1%	2.2	11.4
Wood Product Manufacturing	631	3.0%	2.3	8.9
Commission-Based Wholesaling	72	0.3%	1.7	3.8
Textile, Leather, Clothing and Footwear Manufacturing	105	0.5%	2.7	2.5
Heritage Activities	130	0.6%	1.4	2.4
Fuel Retailing	192	0.9%	1.8	2.2
Non-Metallic Mineral Product Manufacturing	115	0.5%	1.3	1.9
Adult, Community and Other Education	567	2.7%	1.6	1.8
Agriculture	1,373	6.5%	1.0	1.8
Non-Metallic Mineral Mining and Quarrying	60	0.3%	1.7	1.7
Heavy and Civil Engineering Construction	344	1.6%	1.7	1.5
Food Product Manufacturing	641	3.0%	1.2	1.7
Motor Vehicle and Motor Vehicle Parts Retailing	280	1.3%	1.0	1.6
Basic Material Wholesaling	195	0.9%	1.4	1.3
Other Goods Wholesaling	79	0.4%	1.4	1.2
Exploration and Other Mining Support Services	81	0.4%	1.4	0.4
Road Transport	524	2.5%	1.3	1.3
Repair and Maintenance	581	2.7%	1.2	1.3
Public Order, Safety and Regulatory Services	382	1.8%	0.9	1.3
Preschool and School Education	1,627	7.7%	1.0	1.2
Furniture and Other Manufacturing	97	0.5%	1.2	1.0
Agriculture, Forestry and Fishing Support Services	97	0.5%	0.7	1.2

Source: NIEIR, 2023

Specialised against both benchmarks

Strong performance with significant growth in health and construction.

The main drivers of job growth between 2017 and 2022 were Health Care and Social Assistance, Construction, Accommodation and Food Services, Education and Training, Public Administration and Safety.

The main detractors of job growth between 2017 and 2022 were Information Media and Telecommunications, and Telecommunications, Tourism and Hospitality *, Agriculture, Forestry and Fishing, Mining, Transport, Postal and Warehousing.

Industry performance - Gympie Region LGA

Last 5 years (2017-2022)

	Jobs	Value Added \$m
Information Media and Telecommunications	-110	-7
Tourism *	-88	-12
Agriculture, Forestry and Fishing	-60	-1
Mining	-40	-5
Transport, Postal and Warehousing	-37	-12
Rental, Hiring and Real Estate Services	-6	5
Financial and Insurance Services	4	-11
Retail Trade	24	2
Electricity, Gas, Water and Waste Services	31	3
Wholesale Trade	58	7
Arts and Recreation Services	63	4
Professional, Scientific and Technical Services	83	12
Other Services	94	5
Administrative and Support Services	135	11
Public Administration and Safety	175	19
Education and Training	224	14
Manufacturing	278	-10
Accommodation and Food Services	329	14
Construction	502	16
Health Care and Social Assistance	781	64

Source: NIEIR, 2023 | * Includes activities from other industries

Drivers

- **Health Care and Social Assistance** grew strongly and is driven by ageing, local population and NDIS investment. This is reflected in the strong growth of Social Assistance Services.
- **Construction** activity was very strong due to strong population growth, government incentives, and several renewable energy projects (e.g. Woolooga Solar Farm).
- Strong population growth in the Gympie Region LGA has contributed to an increase in **Hospitality** employment. But the decline in domestic overnight visitation has had a dampening effect on overall growth.
- **Manufacturing** employment increased, driven primarily by the rising demand for construction inputs. Wood manufacturing, Non-metallic Mineral Product Manufacturing and Fabricated Metal Product Manufacturing all grew and play an important role in supplying materials and components for the construction industry. But value added fell due to a drop in Food Product Manufacturing export demand.
- Jobs growth in population servicing industries, such as **Accommodation and Food Services, Education and Training and Other Services** are driven by strong growth in population from 2017 to 2022.

Detractors

- **Agricultural** industry experienced a decline (drought 2017-2019) following a spike in forestry activity in 2017. Growth resumed strongly from 2020 to 2022.
- The value of **Tourism** fell due to COVID-19 after peaking in 2019. Despite this, tourism value added increased by 25% in 2021/22 with tourism visitor numbers also increasing.
- **Information Media and Telecommunications** employment and value added fell between 2017 and 2022. This fall appears to be concentrated in the telecommunication services sector. This decline is also reflected in a fall in Information Media and Telecommunications businesses. The latest ABR data shows business growth in this industry from March Quarter 2022.

Gympie's specialised Manufacturing and Education industries have experienced above trend growth over the last five years compared to Regional Queensland while Construction and Hospitality sectors are emerging as potential economic drivers

Industry opportunity analysis – compared to Regional Queensland

Local jobs, 2017 to 2022

Industries can be categorised into four stages of development relative to their recent performance and degree of specialisation. The chart on the right displays which stage of the development each industry is in based on the specialisation and relative jobs growth (growth compared to the benchmark region).

- **Growing** – established with strong growth potential: Industries in this category are well established, specialised and have strong growth potential based on recent trends.

A specialised sector that grew faster than the Regional QLD average was Manufacturing.

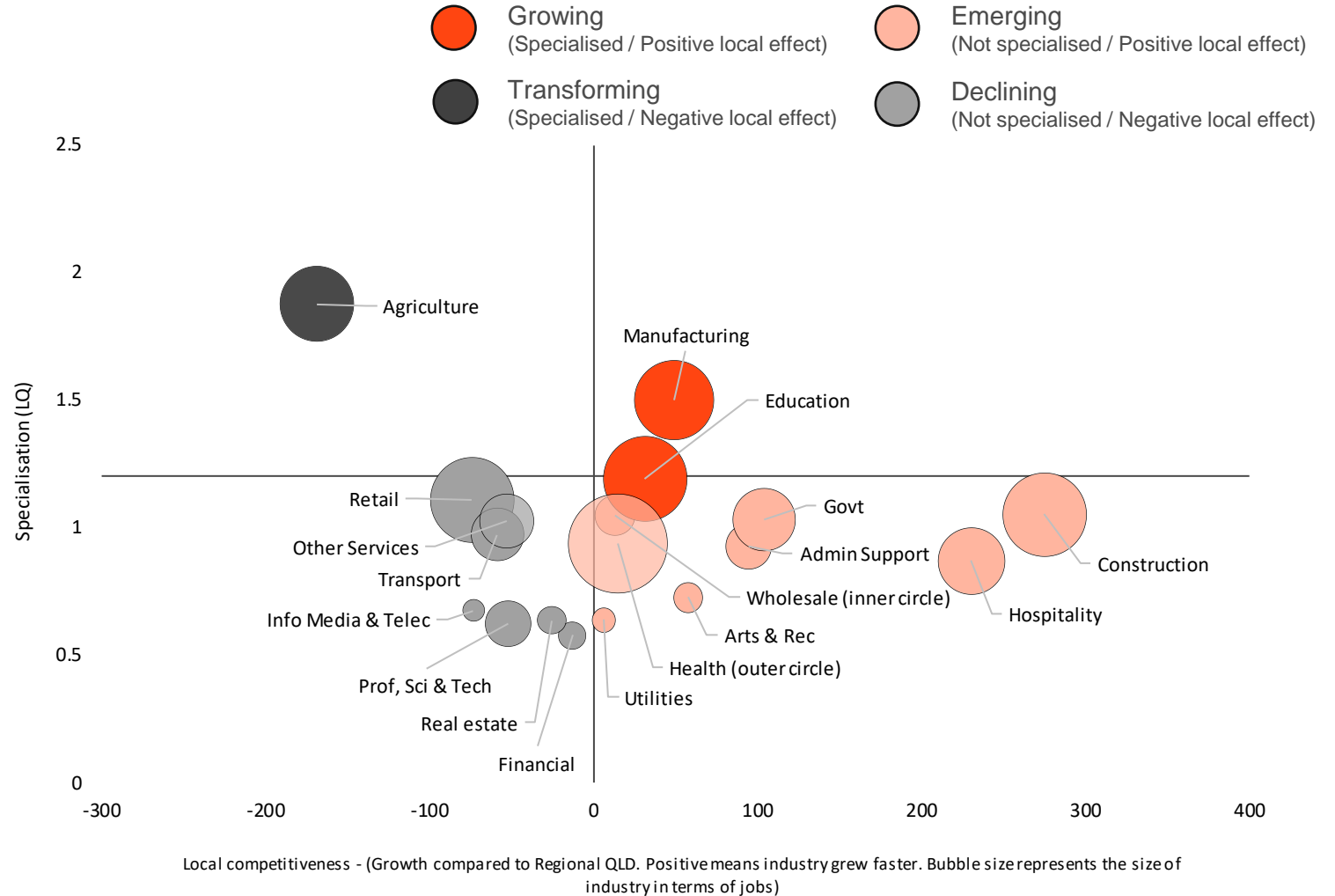
- **Emerging** – growing with potential to become specialised: Despite a low specialisation in jobs, industries in the 'emerging' category have grown faster than the benchmark and may have the future potential to thrive.

The 'emerging' sector in Gympie Region LGA include Electricity, Gas, Water and Waste Services, Construction, Wholesale Trade, Accommodation and Food Services, Administrative and Support Services.

- **Transforming** – established but facing challenges: The 'Transforming' industries are specialised but are not growing as fast as the benchmark average. This suggests they are at risk and need support to maintain competitiveness with other regions.

The sector that falls into the 'transforming' category was Agriculture, Forestry and Fishing.

- **Declining** – neither established nor growing: These industries are either small and do not impact the overall competitiveness of the economy or service sectors that are less specialised compared to the benchmark region.



Population service sectors are emerging as potential economic drivers compared to Wide Bay Burnett region

Industries can be categorised into four stages of development relative to their recent performance and degree of specialisation. The chart on the right displays which stage of the development each industry is in based on the specialisation and relative jobs growth (growth compared to the benchmark region).

- **Growing** – established with strong growth potential: Industries in this category are well established, specialised and have strong growth potential based on recent trends.

A specialised sector that grew faster than the Wide Bay Burnett average was Construction.

- **Emerging** – growing with potential to become specialised: Despite a low specialisation in jobs, industries in the ‘emerging’ category have grown faster than the benchmark and may have the future potential to thrive.

The ‘emerging’ sector in Gympie Region LGA include Retail Trade, Accommodation and Food Services, Financial and Insurance Services, Professional, Scientific and Technical Services, Administrative and Support Services.

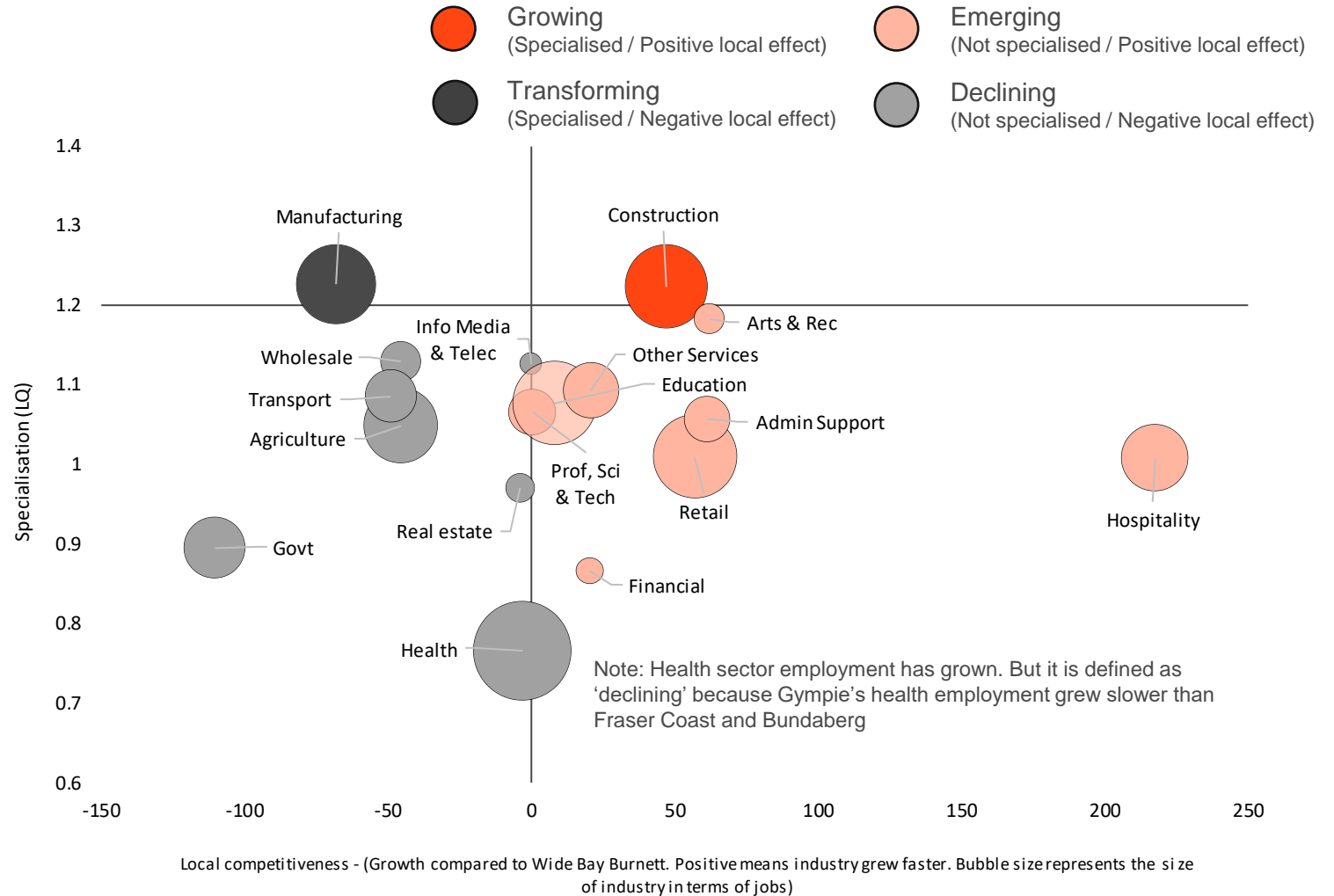
- **Transforming** – established but facing challenges: The ‘Transforming’ industries are specialised but are not growing as fast as the benchmark average. This suggests they are at risk and need support to maintain competitiveness with other regions.

The sector that falls into the ‘transforming’ category was Manufacturing.

- **Declining** – neither established nor growing: These industries are either small and do not impact the overall competitiveness of the economy or service sectors that are less specialised compared to the benchmark region.

Industry opportunity analysis – compared to Wide Bay Burnett

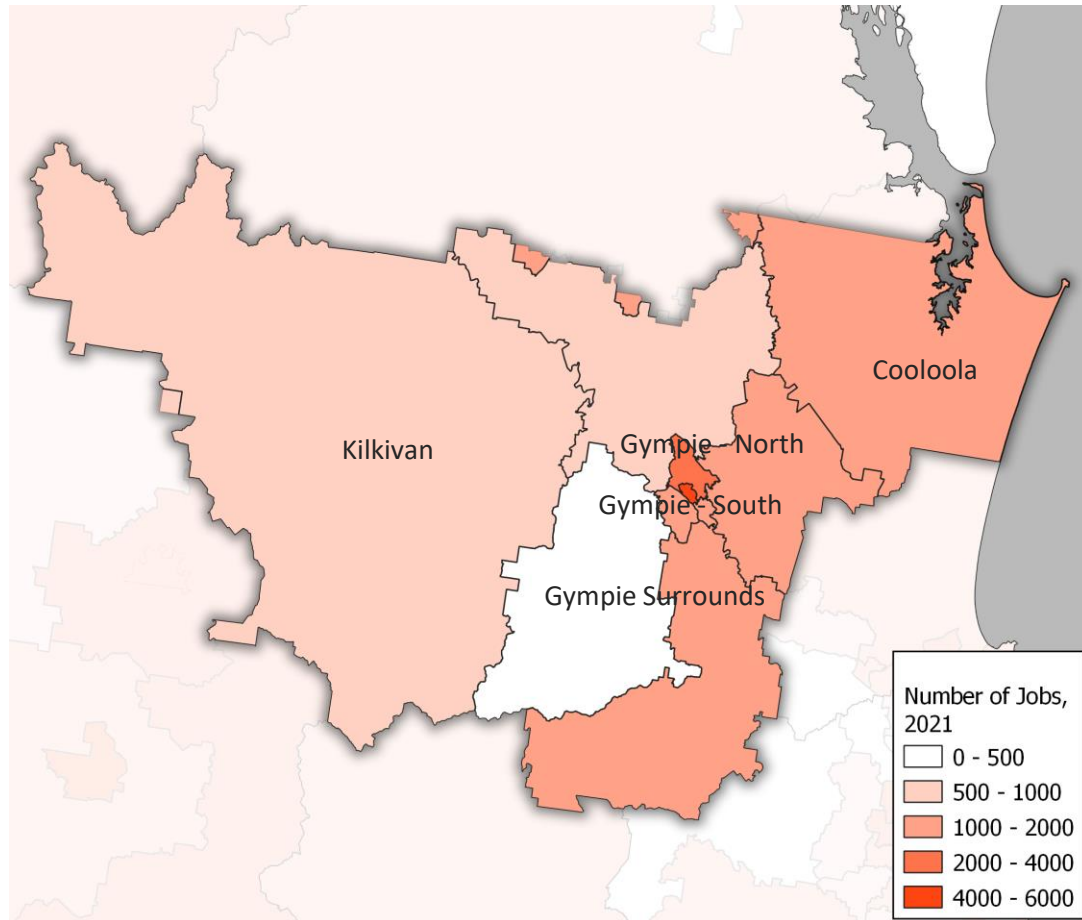
Local jobs, 2017 to 2022



How does the spatial economy operate?

High concentration of jobs in and around in Gympie - North

Local job numbers by ABS Destination zones, 2021



Source: ABS, Census of Population and Housing, 2021

In 2021, the top areas with the largest employment were Gympie - North (10,549 jobs in the SA2) and Gympie Surrounds (3,709 jobs.)

Local jobs by SA2 - 2021

Persons, ASGS2021 SA2

SA2	Local jobs 2021
Gympie - North	10,549
Gympie Surrounds	3,709
Cooloola	1,506
Gympie - South	1,370
Kilkivan	871

Source: ABS Census of Population and Housing, 2021

Gympie – North SA2 is the main regional service centre while Gympie Surrounds is largely a rural area

Gympie – North accounts for around 60% (10,549 jobs) of Gympie Region's total local jobs and Gympie - Surrounds accounts for 21% (3,709 jobs).

Gympie - North is the main regional service centre where the top three industries in the location were Health Care and Social Assistance (2,028 jobs), Retail Trade (1,396 jobs) and Education and Training (1,033 jobs).

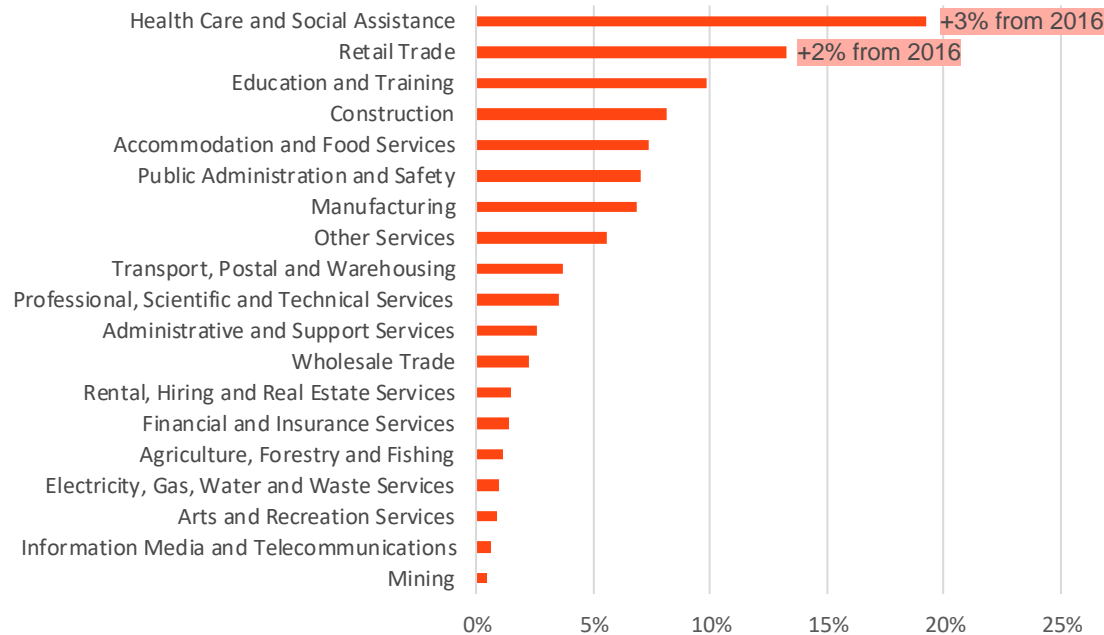
Gympie Surrounds is largely a rural area. Its top three industries were Agriculture, Forestry and Fishing (1,003 jobs), Manufacturing (597 jobs) and Construction (458 jobs).

Health Care and Social Assistance and Retail Trade jobs grew strongly in the five years to 2021 in Gympie - North. Their share of all jobs in the SA2 increased by 3% and 2% at the expense of other industries.

Agriculture, Forestry and Fishing industry share of total SA2 jobs decreased by 3% from 2016 to 2021 while the construction industry share increased by 2% over the same period.

Share of local jobs - Gympie - North

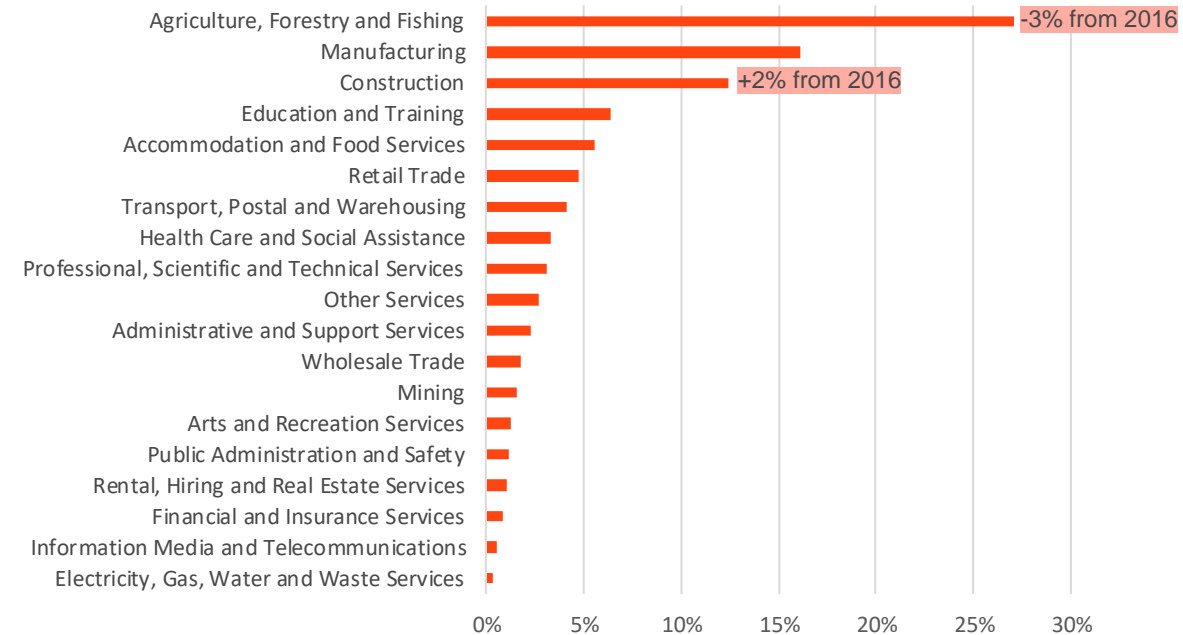
% of total jobs in the location



Source: ABS Census of Population and Housing, 2021

Share of local jobs - Gympie Surrounds

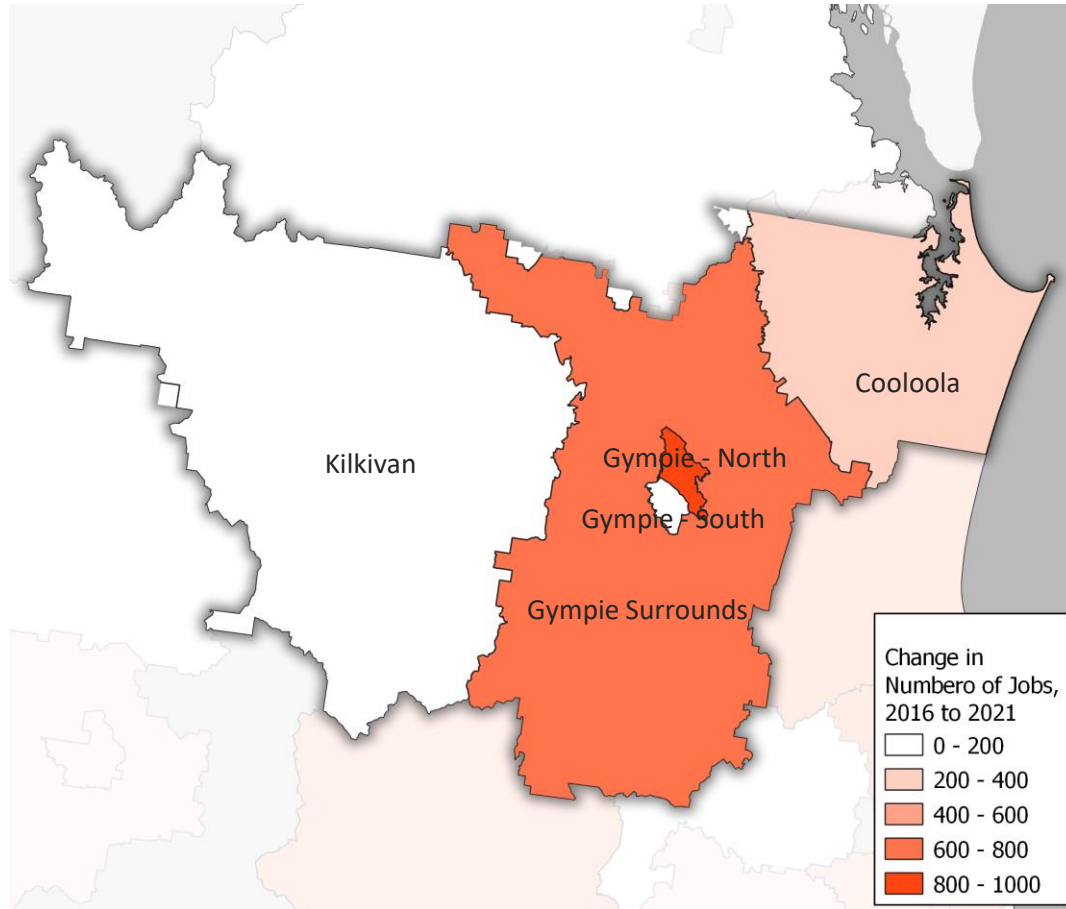
% of total jobs in the location



Source: ABS Census of Population and Housing, 2021

Strong jobs growth in Gympie – North and Surrounds

Change in local job numbers by ABS SA2, 2016 to 2021



Source: ABS, Census of Population and Housing, 2016 and 2021

The SA2 area with the largest growth in number of local jobs from 2016 to 2021 was Gympie - North with an increase of 1,011 jobs.

During the same period, Gympie Region (Surrounds) experienced the second largest jobs increase of 761 jobs.

Change in local jobs by SA2 - from 2016 to 2021

Persons, ASGS2016 SA2

SA2	2016	2021	Change 2016-21
Gympie - North	9,539	10,549	1,010
Gympie Region (Surrounds)	2,944	3,709	765
Cooloola	1,211	1,506	295
Gympie - South	1,172	1,370	198
Kilkivan	834	870	36

Source: ABS Census of Population and Housing, 2016 and 2021

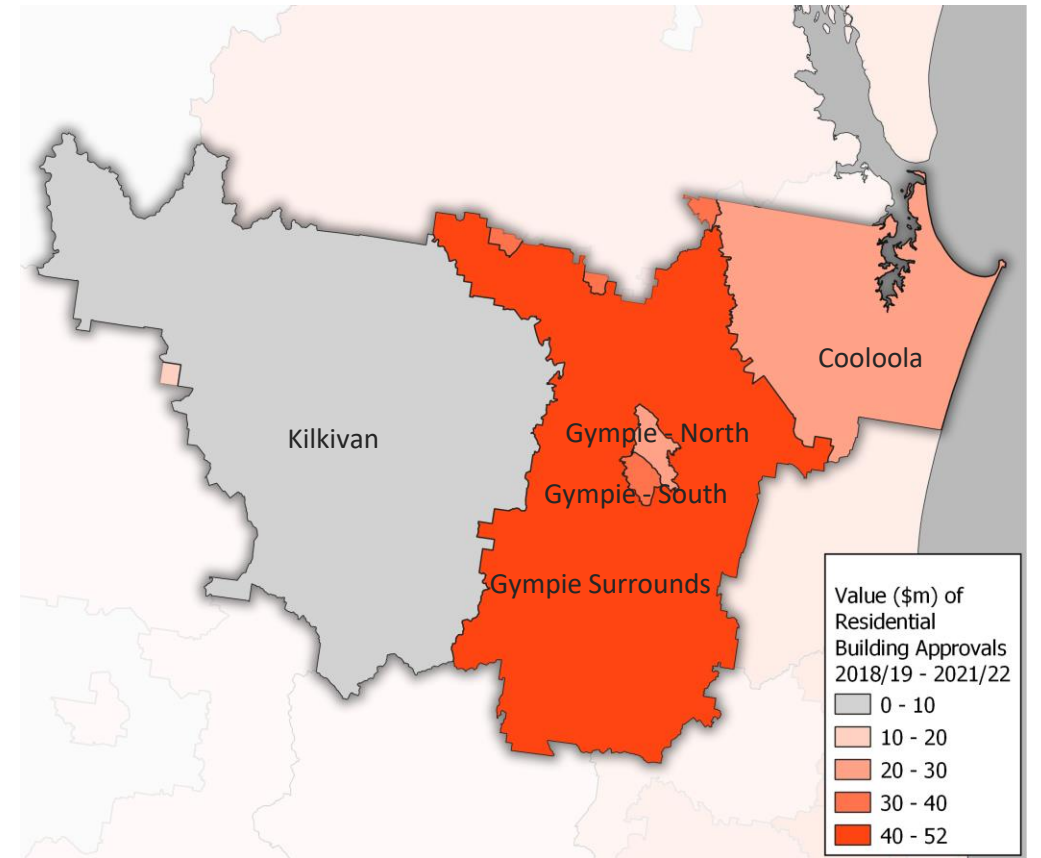
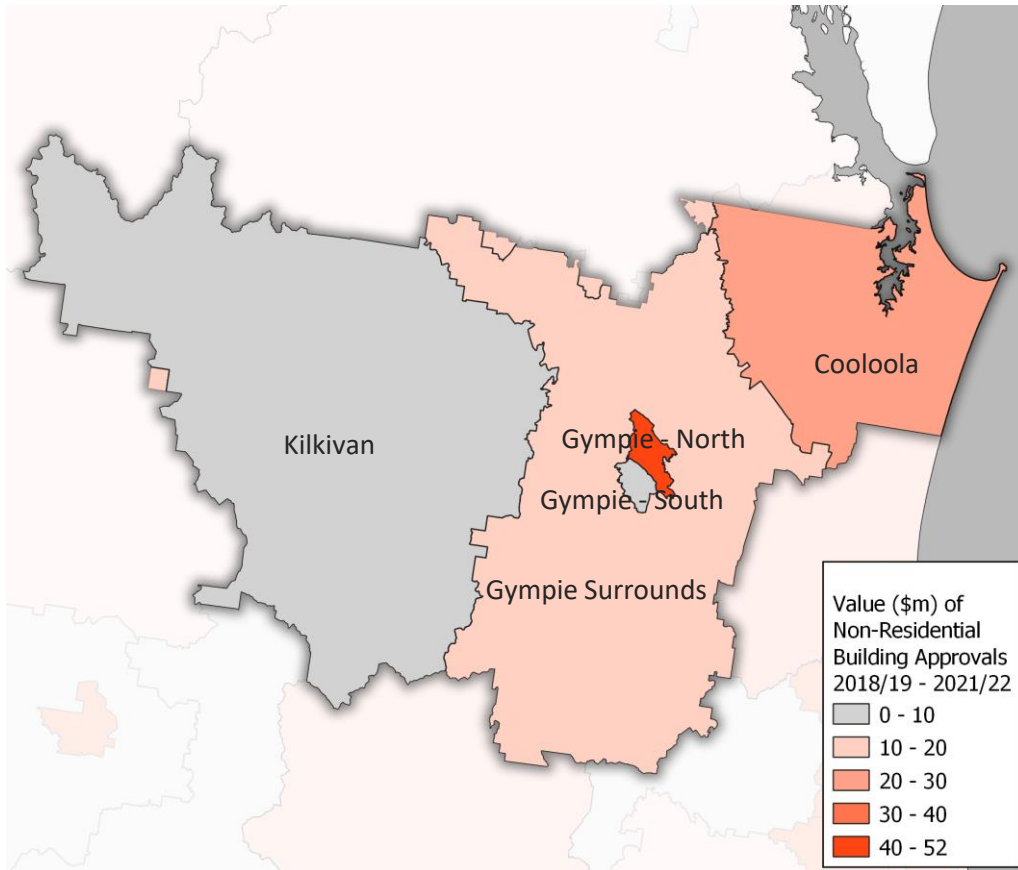
Non-residential building activities were focused in Gympie - North and Central. Residential building activity was strong in Gympie Surrounds.

The area with the largest value of non-residential building approvals over the last three years to 2021/22 was Gympie - North (\$51M), followed by Cooloola (\$22M).

The area with the largest value of residential building approvals over the last three years to 2021/22 was Gympie Surrounds (\$216M), followed by Gympie - South (\$99M).

Value of Non-Residential Building Approvals – 2018/19 to 2020/21, \$million

Value of Residential Building Approvals – 2018/19 to 2020/21, \$million



Specialisations vary from location to location across the region

Level of specialisation - by select SA2s in Gympie Region LGA

Compared to Wide Bay Burnett (in LQ terms)

Gympie Region LGA's specialisations in industries are supported by key employment areas (in terms of SA2s). Some areas in Gympie Region LGA have specialisations in industries that are also specialised in the LGA as a whole. This supports the LGA-wide specialisation in the industries.

The strongest specialisations among the SA2s were Other Services in Gympie - North, Agriculture, Forestry and Fishing in Gympie Surrounds, Accommodation and Food Services in Cooloola, Education and Training in Gympie - South, Agriculture, Forestry and Fishing in Kilkivan.

Top industries that were specialised against Wide Bay Burnett but are not identified as specialised in Gympie as a whole included: Agriculture, Forestry and Fishing (Gympie Surrounds and Kilkivan), Retail Trade (Gympie - North), Accommodation and Food Services (Cooloola) and Education and Training (Gympie - South).

Industry	Gympie Region LGA	Gympie - North	Gympie Surrounds	Cooloola	Gympie - South	Kilkivan
Manufacturing	1.23	0.92	2.19	1.66	0.34	2.69
Construction	1.22	0.98	1.52	0.93	1.02	0.88
Arts and Recreation Services	1.18	0.76	1.15	1.06	1.08	0.68
Wholesale Trade	1.13	1.11	0.86	0.57	0.29	0.61
Information Media and Telecommunications	1.13	0.97	0.81	0.95	0.00	0.40
Other Services	1.09	1.40	0.66	0.93	0.54	0.82
Transport, Postal and Warehousing	1.09	1.03	1.15	1.04	1.47	1.24
Education and Training	1.08	1.03	0.67	0.60	2.18	0.66
Professional, Scientific and Technical Services	1.07	1.21	1.05	0.97	0.97	0.97
Administrative and Support Services	1.06	0.92	0.78	1.70	0.83	0.87
Agriculture, Forestry and Fishing	1.05	0.15	3.58	0.84	0.28	3.90
Retail Trade	1.01	1.32	0.47	1.49	1.44	0.56
Accommodation and Food Services	1.01	1.14	0.86	2.73	0.89	0.64
Rental, Hiring and Real Estate Services	0.97	1.21	0.79	1.79	0.81	0.66
Public Administration and Safety	0.90	1.14	0.17	0.57	0.09	0.35
Financial and Insurance Services	0.87	1.19	0.66	0.36	0.33	0.00
Health Care and Social Assistance	0.77	1.05	0.18	0.39	1.34	0.18
Mining	0.72	0.33	1.50	0.00	0.52	1.25
Electricity, Gas, Water and Waste Services	0.47	0.54	0.18	0.12	0.13	0.14

Source: ABS Census of Population and Housing, 2021, NIEIR, 2022

What is the demographic and socio-economic profile of the region?

The demography of Gympie Region is characterised by older residents, and this may continue to influence growth through lower participation rates and demand for health and aged care services

Labour force participation was relatively higher than the Wide Bay Burnett average in 2021. The participation rate increased from 52.3% in 2016 to 52.4% in 2021. But, the full time employment rate was lower than the Wide Bay Burnett average, and the rate decreased from 59.6% in 2016 to 57.7% in 2021.

The unemployment rate was lower than the Wide Bay Burnett average in 2021 and the rate decreased from 9.6% to 5.9% over the period from 2016 to 2021. Also, youth unemployment decreased from 18.5% in 2016 to 11.1% in 2021. The rate was lower than the Wide Bay Burnett average of 13.5% in 2021.

Gympie Region LGA resident workers aged 15-69 with a university degree increased from 10.6% in 2016 to 12.4% in 2021. However, this rate was lower than the Wide Bay Burnett average of 13.6% in 2021.

In 2021, around 55.1% of residents workers aged 15-69 had a degree level qualification, up from 49.5% in 2016. Compared to the Rest of Qld, Gympie Region LGA resident workers are less qualified in 2021.

Gympie Region LGA labour force profile in 2021

	Rest of Qld	Wide Bay Burnett	Gympie Region LGA	Trend (a)
Labour force conditions (persons aged 15+)				
Participation rate	64.0	50.9	52.4	0.1
Unemployment rate	5.2	7.1	5.9	-3.7
Youth unemployment rate	10.2	13.5	11.1	-7.4
Full time	63.3	60.6	57.7	-1.9
Skills and education (persons aged 15-69)				
% with a bachelor or higher degree	20.7	13.6	12.4	1.9
% no qualification	40.3	46.2	44.9	-5.6
Other characteristics (persons aged 15+)				
% speaks English not well or not at all	1.0	0.6	0.2	0.0
Has child care responsibilities	27.7	22.9	24.3	-3.0

(a) Trend refers to the percentage point change between 2016 and 2021

Source: ABS Census of Population and Housing, 2016 and 2021

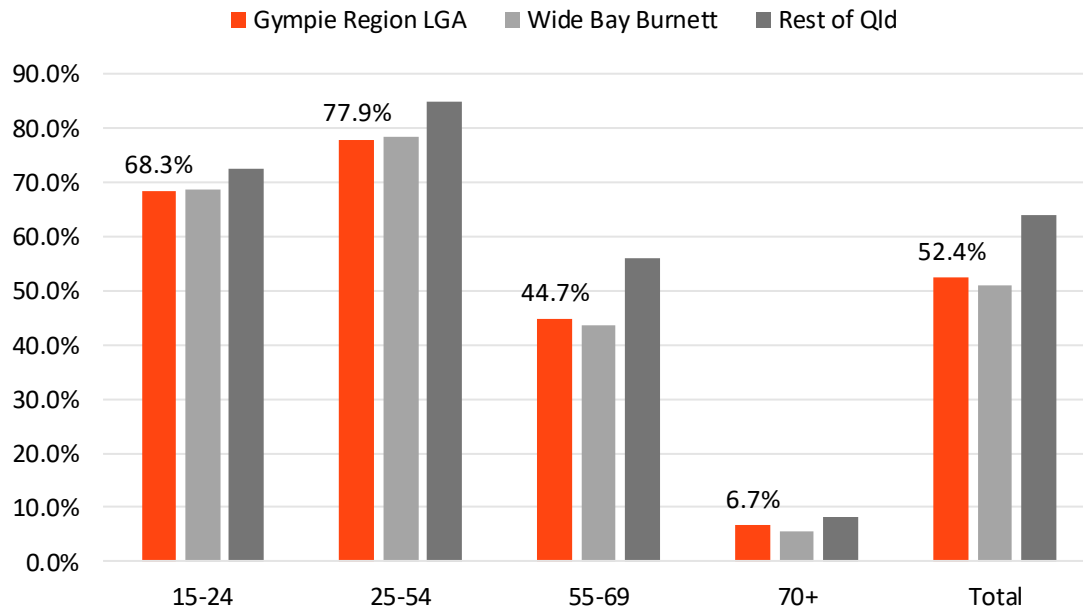
Labour force participation rates were below the regional Queensland average.

Gympie Region LGA's labour force participation rate was 52.4% in 2021. This rate was higher than the Wide Bay Burnett average of 50.9%. Gympie Region LGA's participation rate for persons aged 70+ was higher and persons aged 55-69 was higher than the Wide Bay Burnett average.

Gympie Region LGA's labour force participation rate increased from 52.3% in 2016 to 52.4% in 2021 (+0.1 percentage points). Notably, the rate for persons aged 15-24 was higher by 4.8 percentage points and persons aged 55-69 was 3.6 percentage points higher.

Participation rate by age %, 2021

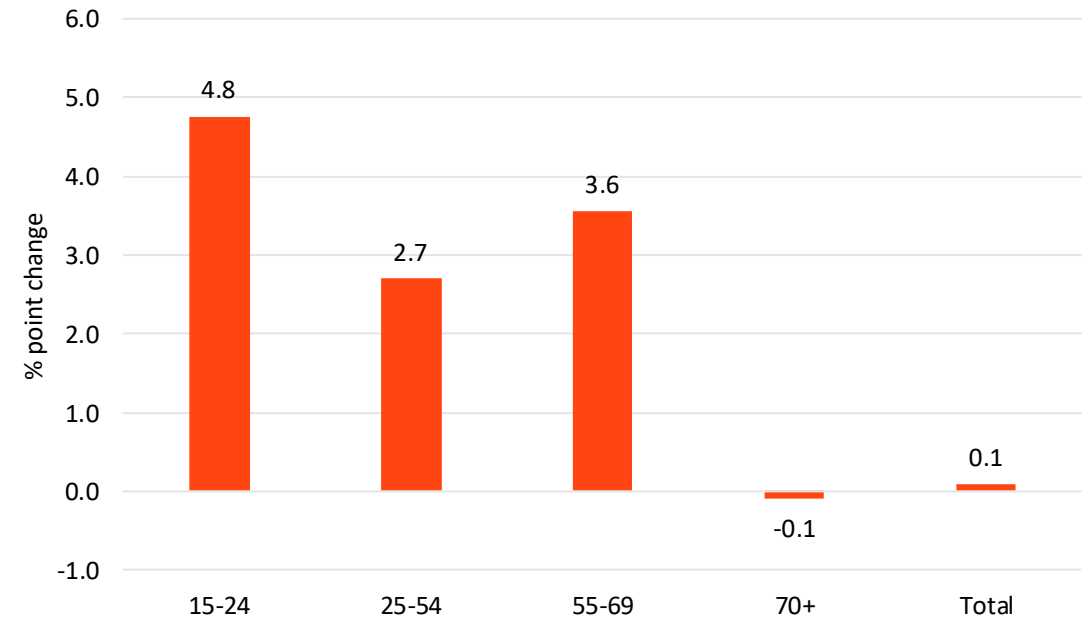
Persons aged 15+



Source: ABS Census of Population and Housing, 2021

Change in participation rate, Gympie Region LGA, 2016 to 2021

Persons aged 15+



Source: ABS Census of Population and Housing, 2016 and 2021

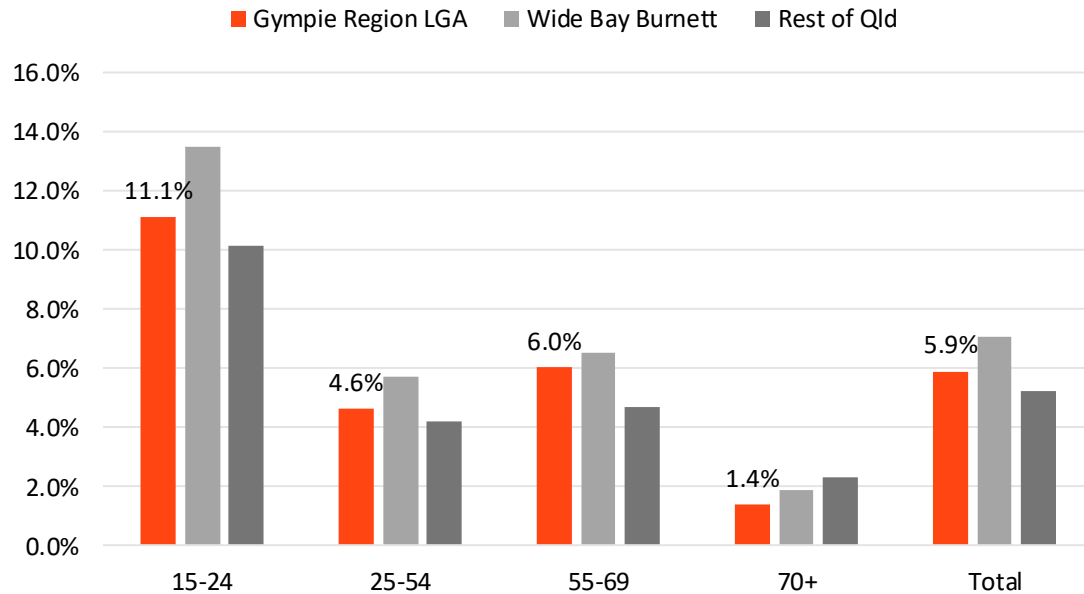
Strong labour demand has helped improve job prospects for Gympie Region's younger workers.

In the week prior to 14th August 2021, Gympie Region LGA's unemployment rate was 5.9%. This rate was lower than the Wide Bay Burnett average of 7.1%. Gympie Region LGA's youth unemployment rate (15-24 year olds) was lower than the Wide Bay Burnett average.

Gympie Region LGA's unemployment rate decreased from 9.6% in 2016 to 5.9% in 2021 (-3.7 percentage points). Notably, the unemployment rate for persons aged 70+ was lower by -0.5 percentage points. Youth unemployment rate was -7.4 percentage points lower.

Unemployment rate by age %

Persons aged 15+

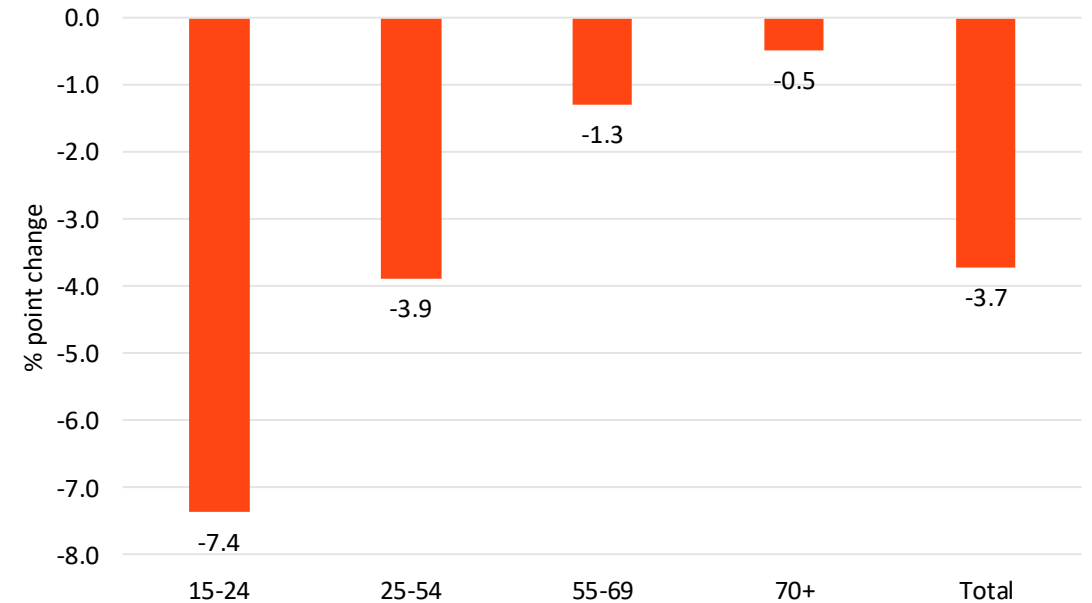


Source: ABS Census of Population and Housing, 2021

*The week before 10th August 2021, when the ABS Census 2021 was conducted

Change in unemployment rate, Gympie Region LGA, 2016 to 2021

Persons aged 15+



Source: ABS Census of Population and Housing, 2016 and 2021

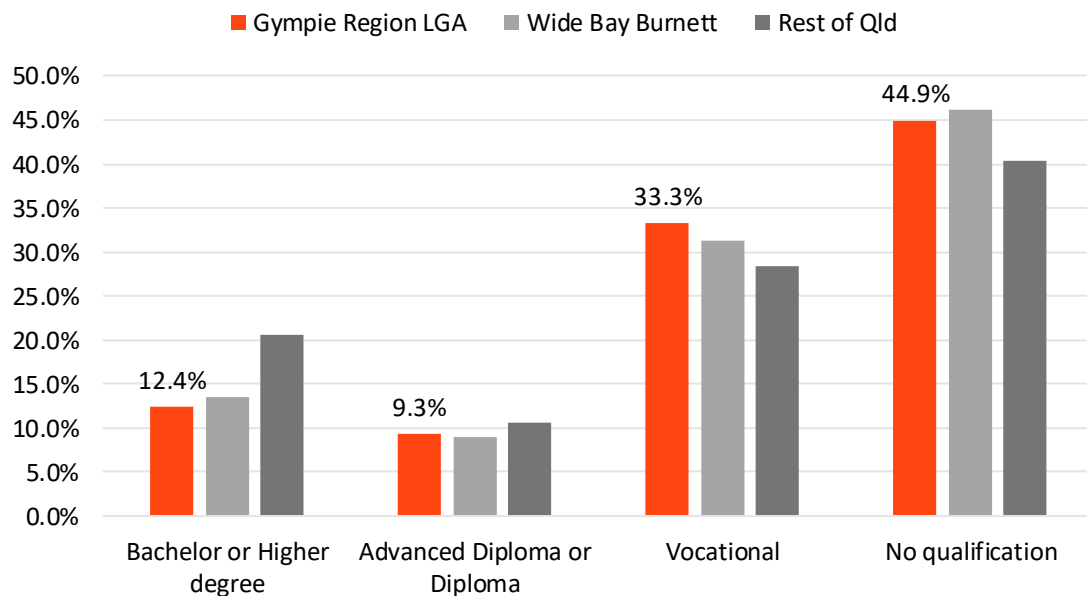
Residents less qualified than the regional Queensland average, but this improved from 2016 to 2021

12.4% of people aged 15-69 in Gympie Region LGA held a Bachelor or Higher degree qualification in 2021, lower than the Wide Bay Burnett average of 13.6%. Also, the share of people with no qualification (44.9%) was lower than the Wide Bay Burnett average in the same year.

The share of residents with a Bachelor or Higher degree qualification increased by +1.9 percentage points from 2016 to 2021. Meanwhile, the share of residents with no qualification decreased significantly by -5.6 percentage points over the same period.

Highest qualification achieved

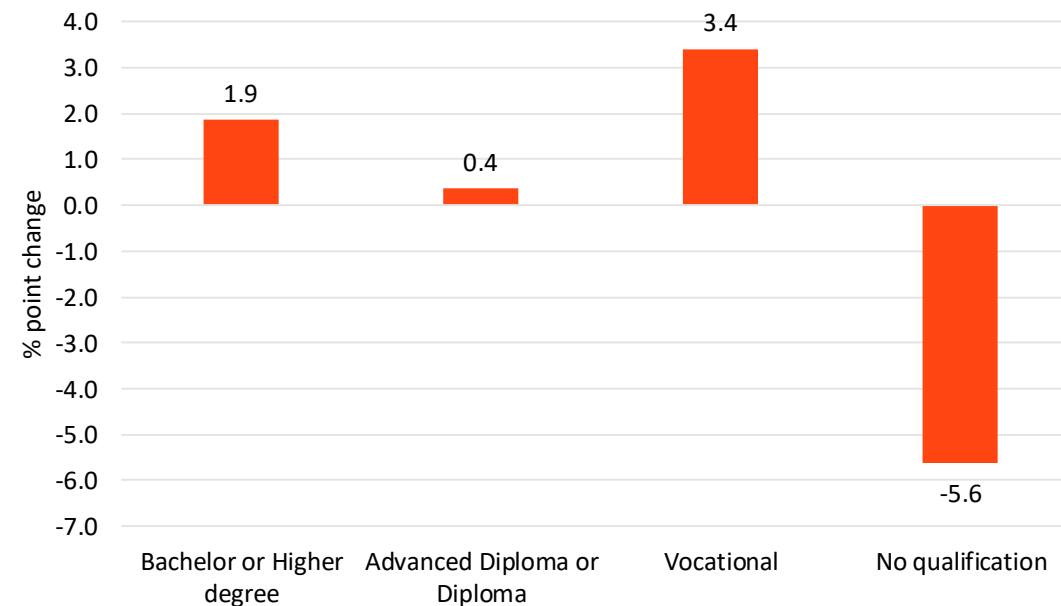
Persons aged 15-69



Source: ABS Census of Population and Housing, 2021

Change in highest qualification achieved, Gympie Region LGA, 2016 to 2021

Persons aged 15-69



Source: ABS Census of Population and Housing, 2016 and 2021

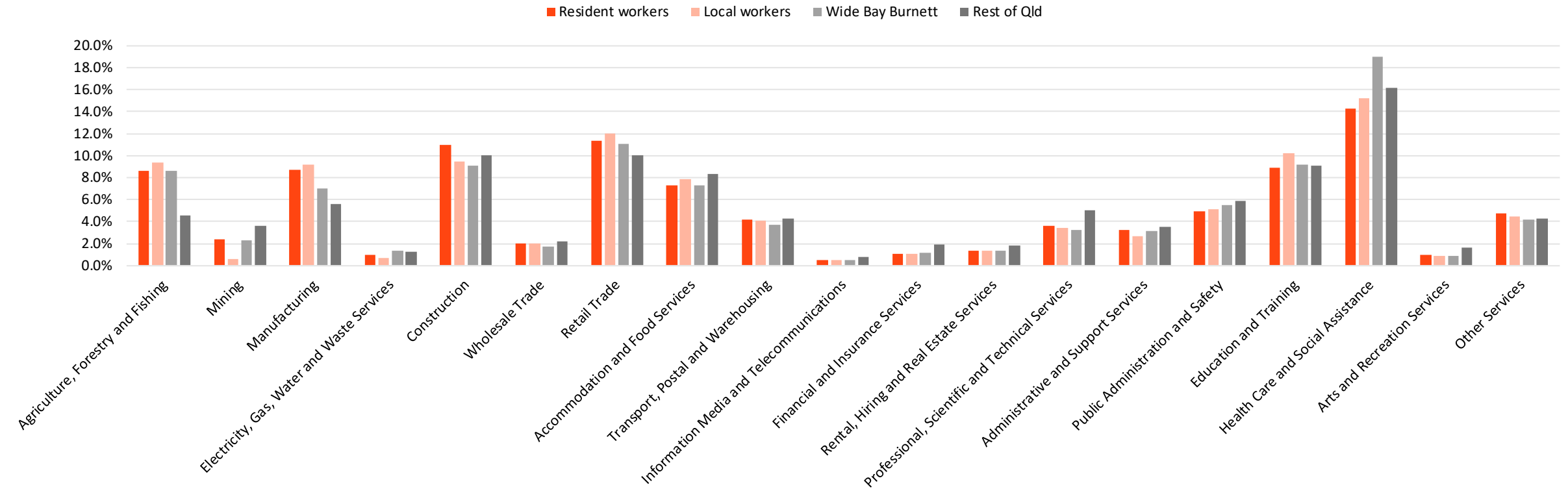
Local and resident worker's industry mix closely mirrors each other due to the high employment self-containment rate

In Gympie Region LGA, Education and Training, Health Care and Social Assistance, Agriculture, Forestry and Fishing industries had a high share of local workers compared to the resident workers. The Mining, Construction, Administrative and Support Services industries had a high share of resident workers compared to the share of local workers.

Industry mix, % of total workers, 2021

Gympie Region LGA

Local worker – place of work is in Gympie Region LGA
Resident workers – live in Gympie Region LGA



Source: NIEIR, 2022

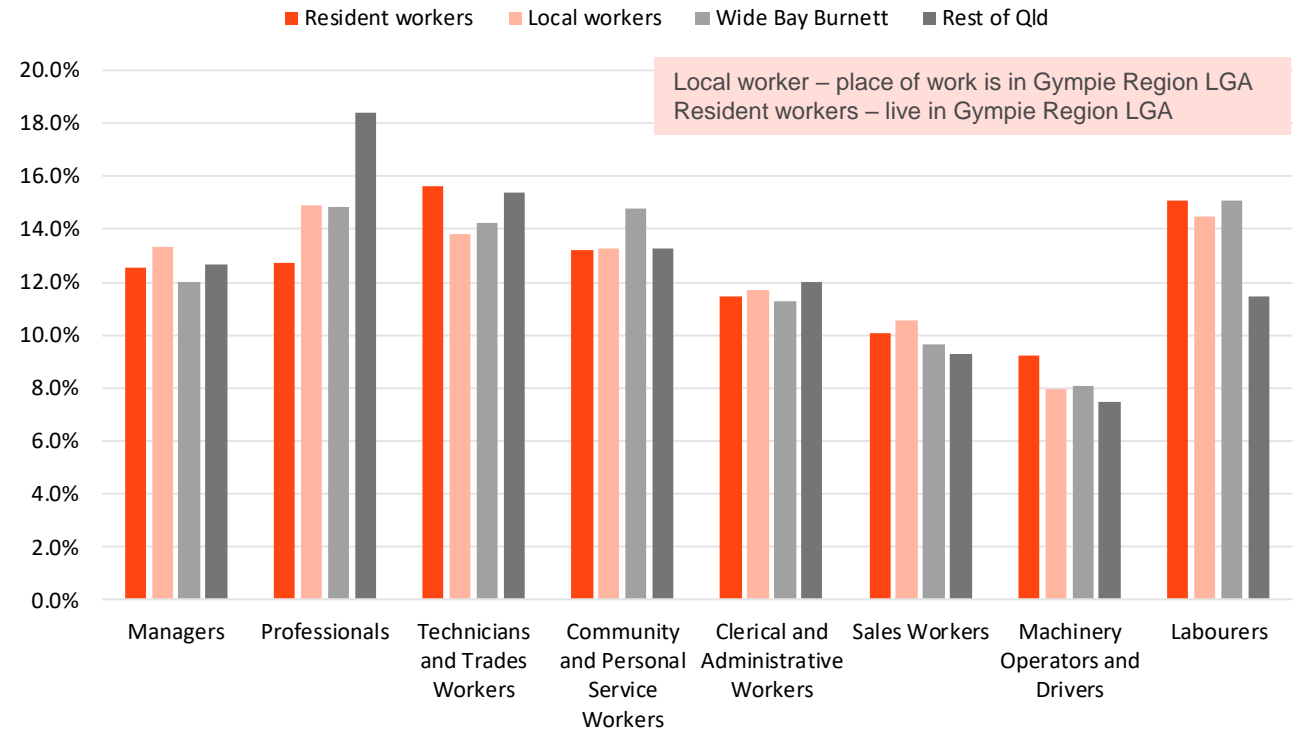
Employed residents are less likely to be in professional roles than local jobs and other benchmark areas

In 2021, the share of resident workers in Technicians and Trades Workers and Machinery Operators and Drivers occupations was higher than the share of local workers in the same occupations. Conversely, the share of resident workers in Professionals and Managers occupations was lower than the share of local workers in the same occupations.

At a detailed occupation level, the top occupations with deficits are Personal Carers and Assistants and Stationary Plant Operators, while the top occupations with surplus are School Teachers and Medical Practitioners.

Occupation mix, % of total workers, 2021

Gympie Region LGA



Source: ABS Census of Population and Housing, 2021

Local workers vs Resident workers by 3 digit occupation

Top 5 deficits	Top 5 surplus
Personal Carers and Assistants	School Teachers
Stationary Plant Operators	Medical Practitioners
Construction and Mining Labourers	Social and Welfare Professionals
Cleaners and Laundry Workers	Engineering Professionals
Mechanical Engineering Trades Workers	Health Therapy Professionals

Source: ABS Census of Population and Housing, 2021

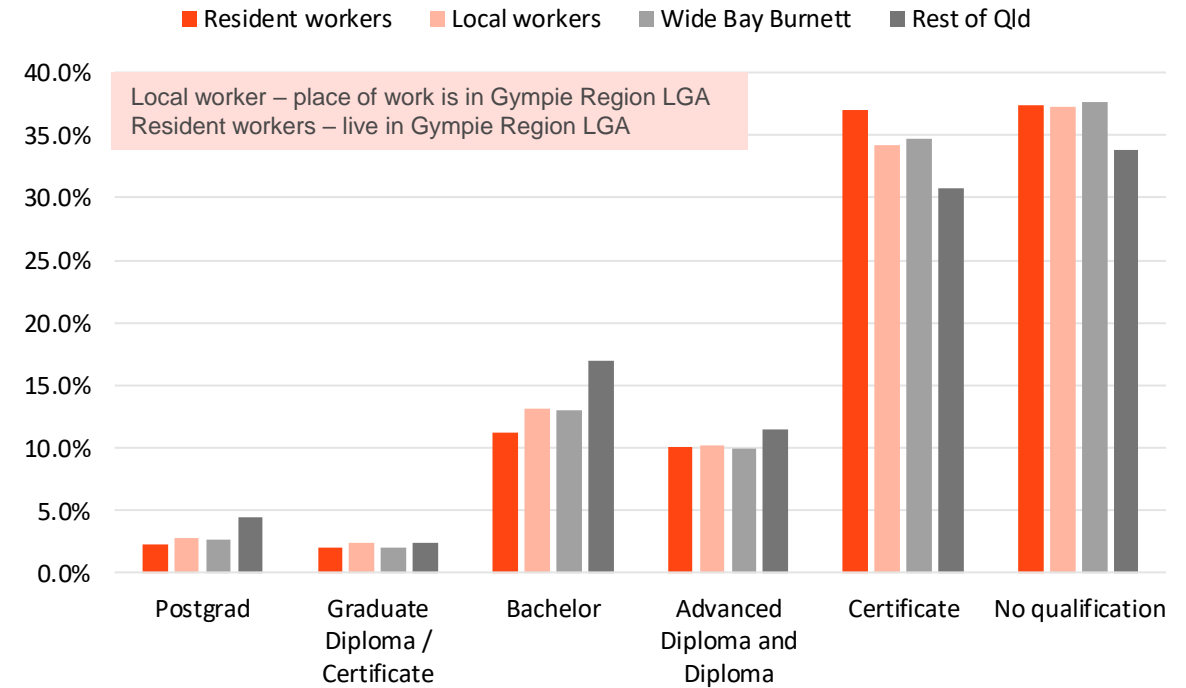
Residents workers are relatively less qualified than the local workers

The share of resident workers with Certificate and no qualification was higher than the share of local workers with the same qualification levels. Also, the share of resident workers with Bachelor and Postgrad level of qualifications was lower than the share of local workers with the same level of qualifications.

At a detailed qualification level, the top qualification with deficits are Building and Mechanical and Industrial Engineering and Technology, while the top qualifications with surplus are Medical Studies and Teacher Education.

Qualification mix, % of total workers, 2021

Gympie Region LGA



Source: ABS Census of Population and Housing, 2021

Local workers vs Resident workers by field of qualification

Top 5 deficits	Top 5 surplus
Building	Medical Studies
Mechanical and Industrial Engineering and Technology	Teacher Education
Business and Management	Education, nfd
Food and Hospitality	Dental Studies
Human Welfare Studies and Services	Behavioural Science

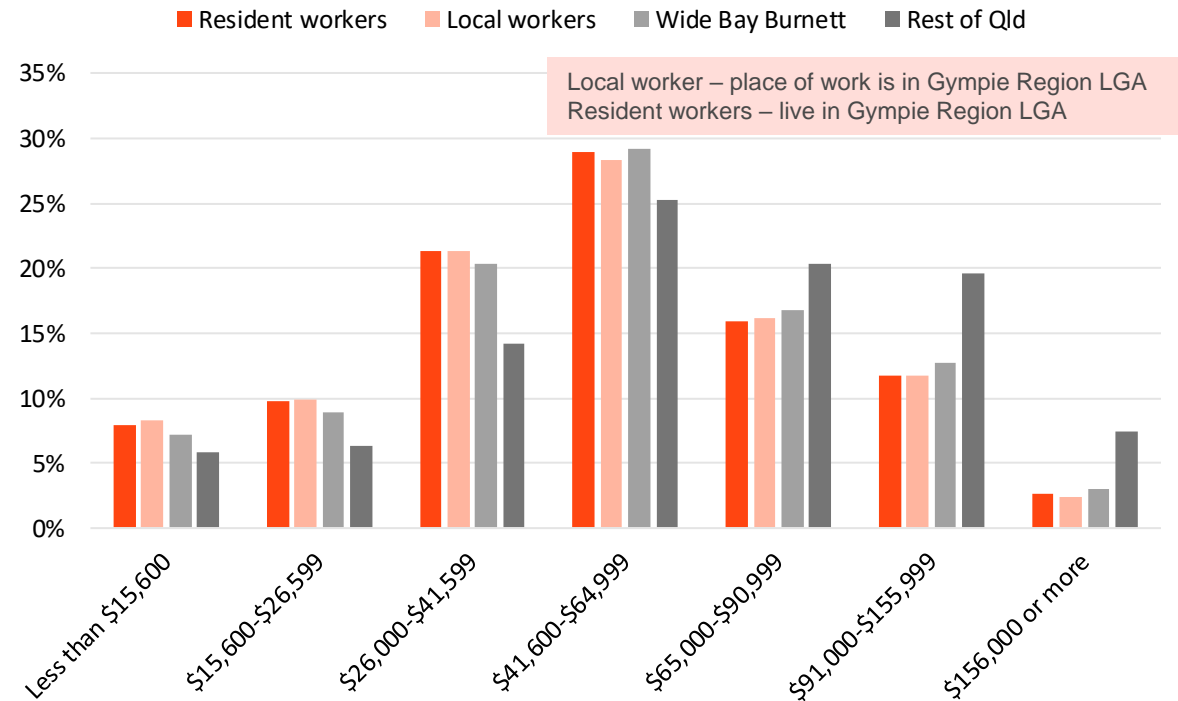
Source: ABS Census of Population and Housing, 2021

nfd: not further defined by the ABS

Local and resident workers are earning relatively lower incomes compared to the regional Queensland average

Employed residents in Gympie Region LGA are earning higher incomes than local workers. In 2021, 30% of Gympie Region LGA resident workers were earning more than \$65,000 per year, compared to 30% for local workers. However employed residents are earning lower incomes compared to resident workers in Wide Bay Burnett in the same year (33%).

Income mix, % of total workers, 2021
Gympie Region LGA



Source: ABS Census of Population and Housing, 2021

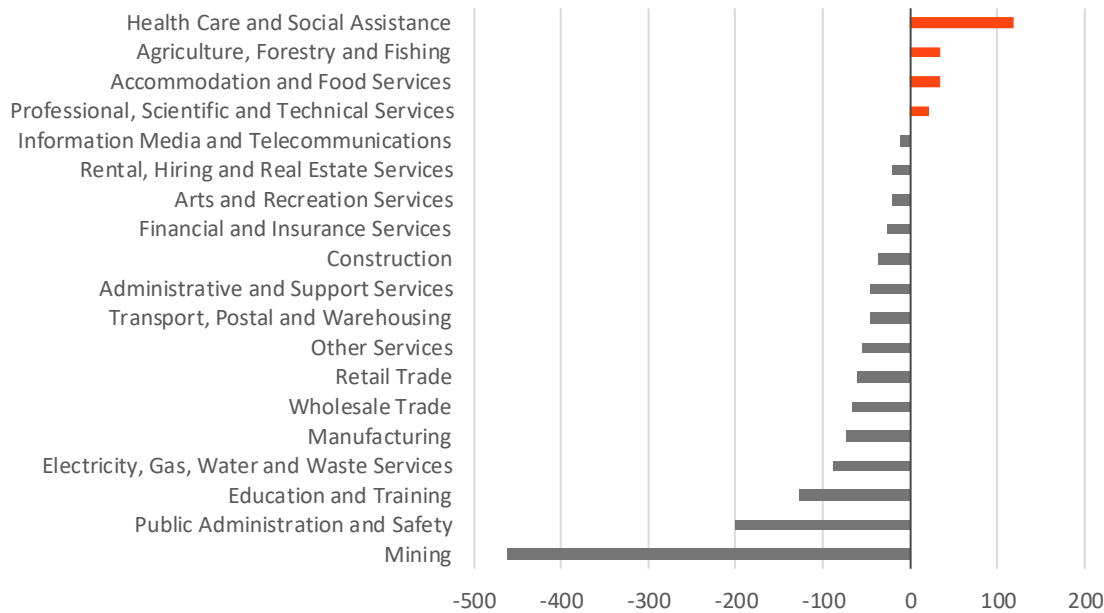
Job deficits in most industries apart from health, agriculture, hospitality and professional services; Gympie Region has a relatively contained economy in terms of jobs

Gympie Region LGA has a strong surplus in Health Care and Social Assistance, Agriculture, Forestry and Fishing and Accommodation and Food Services industry employment. In contrast, Gympie Region LGA has a job deficit in Mining, Public Administration and Safety and Education and Training industries.

Gympie is the largest job node for Gympie Region LGA's residents with 76.8% of employed residents commuting to Gympie everyday, followed by No Fixed Address (Qld) (6.6%) and Sunshine Coast (5.5%). Around 86.6% of Gympie Region LGA local workers who live outside the LGA are residing in Gympie, followed by Sunshine Coast (4.5%) and Noosa (3.6%).

Job deficit by industry - Gympie Region LGA, 2021/22

persons



Source: NIEIR, 2023

Job deficit – there are less jobs in that industry than employed residents in the same industry
 Job surplus – there are more jobs in that industry than employed residents in the same industry

Journey to work patterns - Gympie Region LGA, 2021

% of total

Where residents work	Where workers live
Gympie (76.8%)	Gympie (86.6%)
No Fixed Address (Qld) (6.6%)	Sunshine Coast (4.5%)
Sunshine Coast (5.5%)	Noosa (3.6%)
Noosa (3.3%)	Fraser Coast (2.3%)
Brisbane (1.3%)	Brisbane (0.7%)

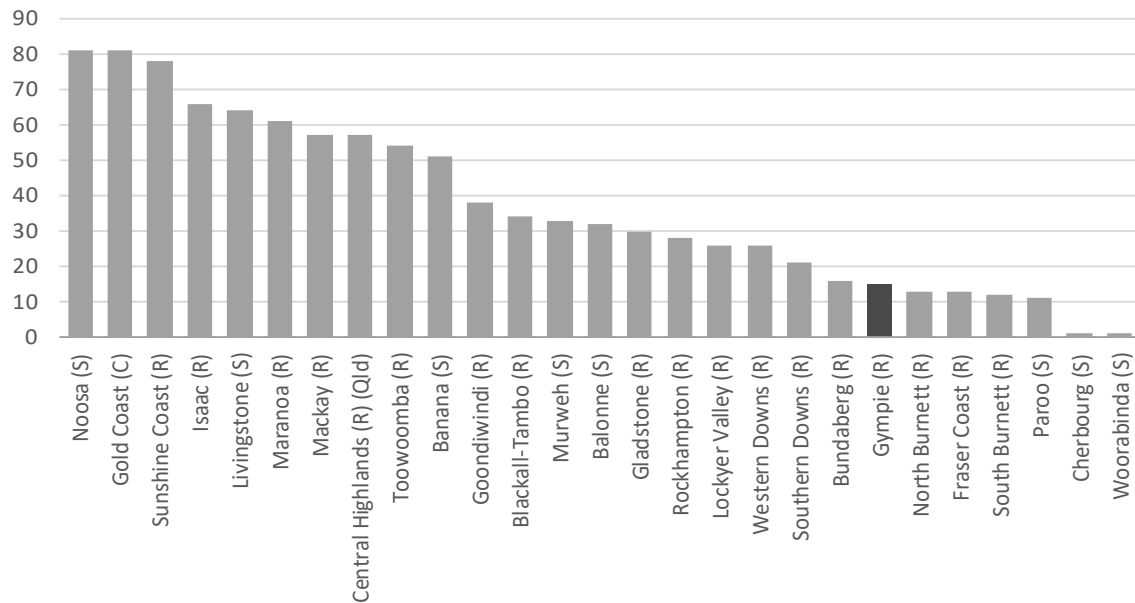
Source: ABS Census of Population and Housing, 2021

Gympie Region has a high level of socio-economic disadvantage compared to other regional Queensland LGAs

Gympie Region LGA has a relatively high socio-economic disadvantage. In 2021, Gympie Region LGA had SEIFA advantage and disadvantage index percentile of 15, lower than surrounding regional LGA average (37). That is, Gympie Region LGA is relatively more disadvantaged than surrounding regional LGAs on average.

SEIFA socio-economic advantage and disadvantage

Percentile



Source: ABS Census of Population and Housing, 2021

Index of Relative Socio-Economic Advantage and Disadvantage (IRSAD)

This index contains indicators of disadvantage (above) as well as additional indicators of advantage (e.g. professional occupations, high income, higher education levels, larger houses). Characteristics are also weighted differently than the IRSD, so areas do score differently on either measure.

SEIFA indexes are a good place to start to get a general view of the relative level of disadvantage in one area compared to others, but it is important to also look at these underlying characteristics as they can differ markedly between areas with similar SEIFA scores and shed light on the type of disadvantage being experienced.

A higher score on the index means a lower level of disadvantage. A lower score on the index means a higher level of disadvantage or, in the case of IRSAD, a higher level of advantage.

What macro forces may influence outlook?

Projects that will influence economic outlook

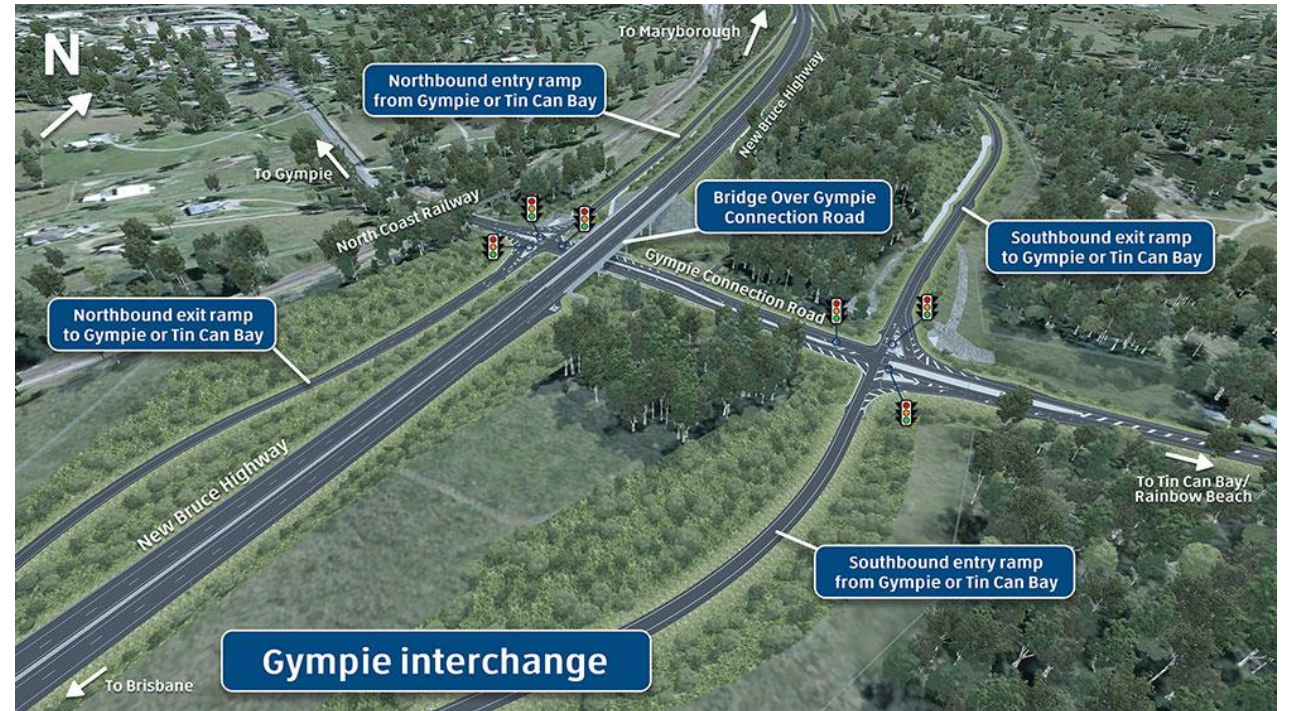
Transport infrastructure developments will increase the competitiveness of local businesses and improve connectivity.

Bruce Highway – Gympie Interchange

As a part of the Bruce Highway (Cooroy to Curra) Section D construction project, an all movements interchange will be constructed at Gympie Connection Road to cater for commuters travelling to Gympie or the Cooloola Coast from the new highway. Traffic signals will be located at each exit ramp and entry ramp intersection with Gympie Connection Road to manage the safe flow of traffic between the new highway and the local road network.

The new interchange will improve transport connections and is expected to provide an economic boost to Gympie and the surrounding regions, while also making it easier for people to commute and visit the Gympie Region. This will also improve connections to the Sunshine Coast employment precincts and international airport, and also to Brisbane CBD, international airport and port.

The interchange is scheduled for completion at the end of 2024.



Gympie interchange plan
Source: Queensland Government Department of Transport and Main Roads

Projects that will influence economic outlook

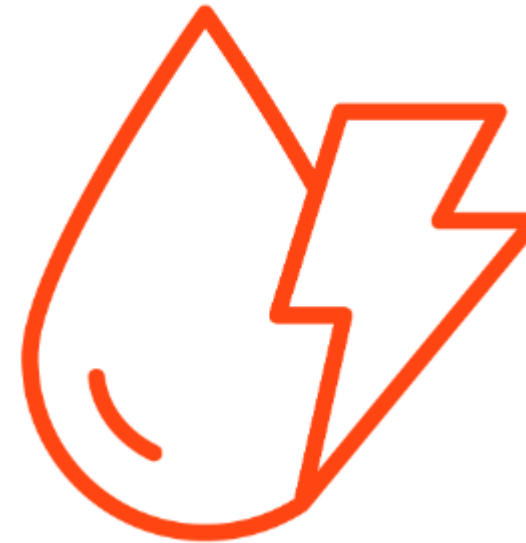
Green/renewable energy infrastructure developments will boost the region's energy and green sector.

Borumba Dam Pumped Hydro

Located 45 mins from Gympie, the proposed Borumba Dam Pumped Hydro project is Queensland's largest pumped hydro project. The proposed project will construct a hydro pump that can produce one gigawatt (maximum generation of 2 GW) and 24 gigawatt-hour storage, with the potential to power up to 1.5 million homes. The project is being led by Queensland Government-owned Powerlink Queensland.

The project will boost Gympie region's energy and green economy as well as environmental sustainability. The project will provide jobs during the construction phase (estimated to be around 2,000 construction jobs) and the operational phase of the project.

The project is currently under the detailed planning/investigation phase. The Queensland State government invested an initial \$22 million for a detailed design and cost analysis of the project in 2021. An additional \$13 million was funded in 2022 to broaden the scope of engineering, environmental, social and recreational studies. The final investment decision for the project is expected during 2023/24.



Indicative Metrics	
Maximum generation	2GW
Storage duration	24 hours
Energy storage	<48 GWh
Height between dams	325 m
Tunnels	~3.5 km
Upper reservoir volume	70 GL
Lower reservoir volume	220 GL

Projects that will influence economic outlook











Gympie Regional Energy Hub

Gympie Regional Energy Hub is a large cluster of renewable energy generation and storage facilities located in Lower Wonga. The hub involves three stages that, once completed, will provide more than 1,000MW of energy and storage capacity.

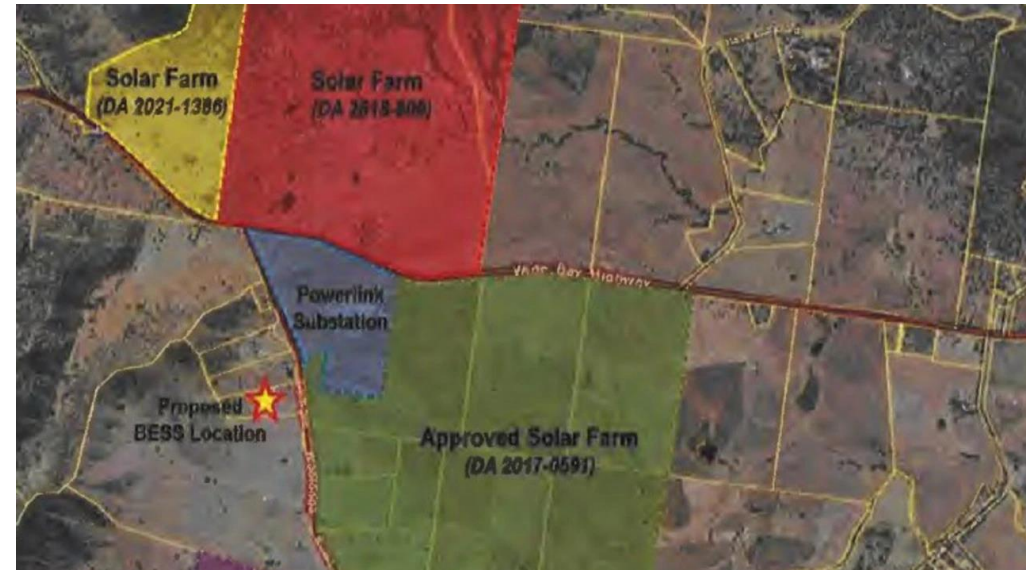
The first stage, Woolooga Solar Farm, was approved in 2017 and involves the development of a 350MW solar farm. The second stage of the project involves the construction of a 1,000MW Battery Energy Storage System (BESS). The BESS has a capacity of up to 200MW and a discharge capacity of up to 800MWh, enough power to supply electricity for up to 53,000 homes for four hours. This stage of the project is the second-largest planned grid-scale battery storage system in the world as of 2023. The third stage involves the construction of an additional solar farm with a capacity of 800MW.

This stage of the project is expected to provide 425 construction jobs and 5 jobs during the operational phase.

Top ten largest planned grid-scale battery storage systems worldwide, as of February 2023 (GW)

 Melbourne Renewable Energy Hub	1.2
 Gympie Regional Energy Hub Stage 2	1
 Ulanqab Hybrid Battery Storage System	0.88
 Hecate Energy Battery Storage System	0.65
 Wuhe Battery Storage System	0.54
 BEI-California Battery Storage System	0.54
 CGDG Golmud City Solar Park Battery Storage System	0.52
 Frye Battery Storage System	0.51
 Sunnica Solar-plus-Battery Storage System	0.5
 Coalburn Battery Storage System	0.5

Source: <https://www.energymonitor.ai/tech/energy-storage/weekly-data-booming-battery-pipeline-heralds-era-of-renewables-dominated-grids/>



Proposed location Gympie Regional Energy Hub

Projects that will influence economic outlook

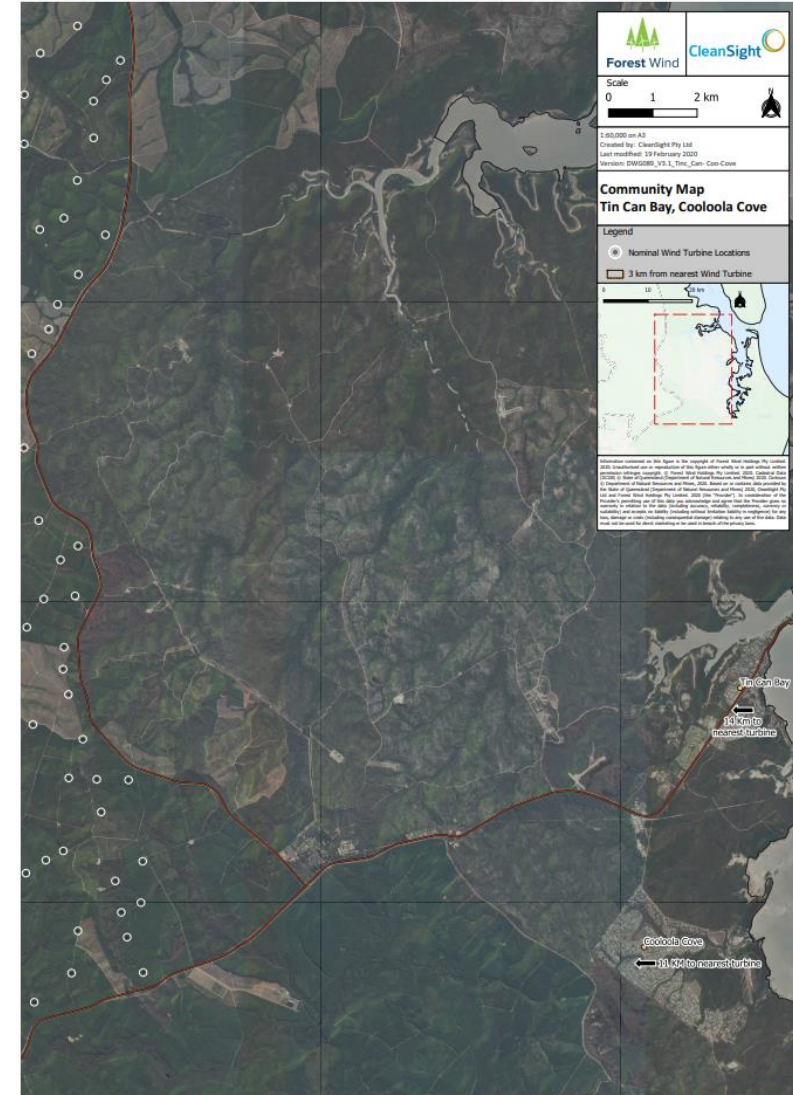
Forest Wind

Forest Wind is a project involving the construction of 226 wind energy generators across the Gympie and Fraser Coast region's. The project, worth \$2bn, is expected to produce up to 1,200MW or provide clean energy to around half a million homes.

The wind turbines are planned to be embedded in an exotic pine plantation, between Maryborough and Gympie, in the Wide Bay region of Queensland. The pine forest covers a very large 65km by 30km area, with the dense pine trees providing a natural buffer between Forest Wind and local residents.

The project will provide a significant boost to Gympie Region LGA and Wide Bay region's energy and green economy sectors. During the construction phase, the project is expected to provide 440 jobs during construction and 50 when in operation.

In 2020, the project was approved by the Queensland State government and is currently under a detailed planning process.



Proposed location of wind turbines near Tin Can Bay/Cooloola Cove

Projects that will influence economic outlook

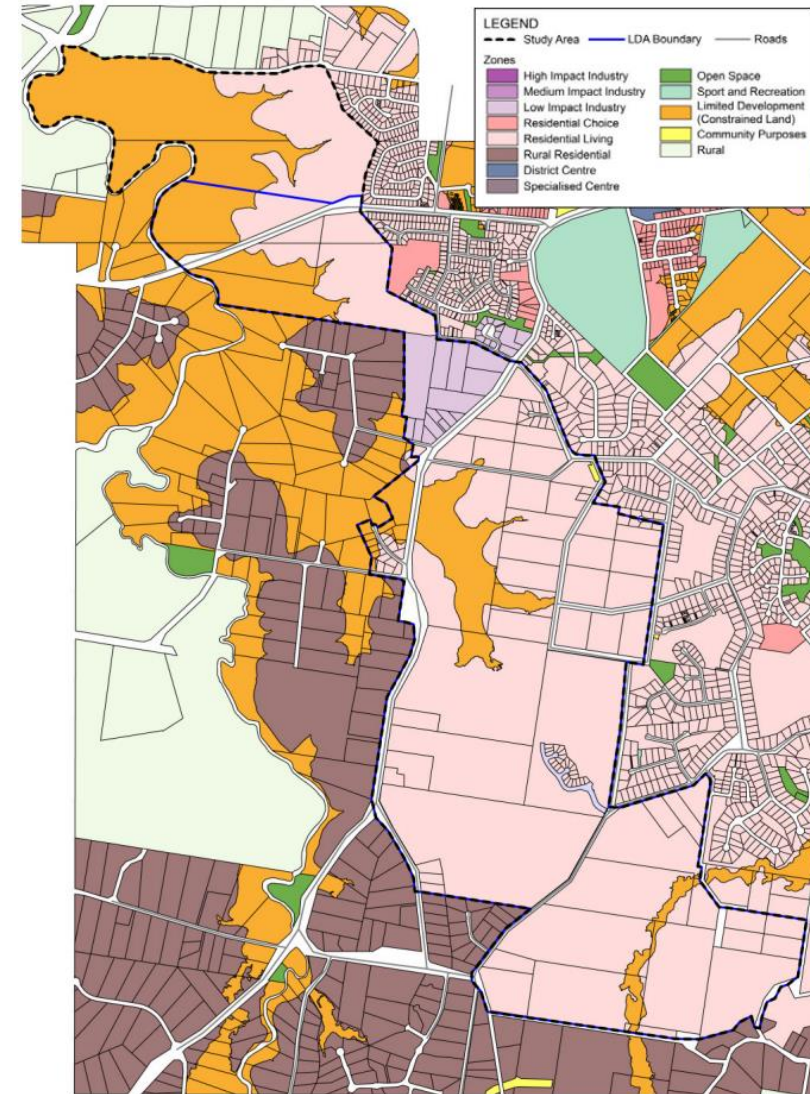
Residential developments will support retail and hospitality demand and increase the supply of skills available to local businesses.

Southside residential development

The Southside LDA structure plan aims to cater to the growing population of Gympie Region LGA by offering additional residential space. This plan presents the largest expanse of greenfield land within Gympie's urban area, specifically designated for residential purposes. The new residential areas will involve construction of new residential, commercial, as well as public spaces and infrastructure.

The new development envisions the creation of a well-designed urban residential framework that embraces the unique character and physical environment of Gympie. This framework will consist of pedestrian-friendly neighbourhoods that revolve around centrally positioned activity centres, supporting employment opportunities and social interactions, ensuring a vibrant community experience.

Rojan Property Development submitted a development application to Gympie Regional Council to develop 72 lots during 2022.



Southside LDA Zoning Map

Macro economy

Before the COVID-19 crisis, there were indications that Australia and the Global economy was heading towards a more weakened economic environment than what was experienced over the last decade. Some of these included:

- Ongoing US-China trade tensions impacting world economic growth.
- The potential for higher interest rates in the US to address excess liquidity created by quantitative easing and likely changes in US fiscal policy at some point to address rising government deficits.
- The likelihood of higher US interest rates triggering an outflow of funds from emerging markets leading to potential exchange rate/banking crises in these countries.
- A credit squeeze on local banks leading to constrained lending growth and in turn, lower residential development commencements going forward. However, this had been offset recently by changes to monetary policy.
- Excess supply in the housing market leading to slower price growth and a weaker market over the next five years before the cycle flips again.
- A reverse wealth effect, where declining (or weaker growth in) house values lead to increases in the household savings ratio and less consumption. However, there were signs that housing conditions in Sydney and Melbourne had stabilised with clearance rates starting to turn around (more potential buyers vs sellers).
- Lower AUD exchange rate vs major currencies due to connection to emerging markets and changing interest rate levels between Australia and other economies, particularly the US. This may have counterbalanced weakened international demand due to trade uncertainty.

However, since the COVID impacts saw the economy bottom out in the June quarter 2020, government spending and incentives have boosted the national economy and reversed some of these indicators.

- Interest rates fell to a record low to lower funding costs and support the supply of credit to the economy.
- Housing approvals were at an all time high boosting construction employment, but causing supply constraints and skill shortages.
- Private investment in machinery and equipment increased strongly in 2021 due to policies such as instant asset write-offs. However, private non-residential building investment did not increase by as much and may face cost pressures due to residential building demands. There are early signs in 2022 that interest is returning to the commercial and industrial market.
- House values have risen considerably, however household saving ratios have not fallen as much due to future uncertainty.
- The AUD exchange rate vs major currencies rose in 2020-21 due to strong international demand for commodities; the perception of a stronger domestic economy relative to other countries and higher interest rate levels between Australia and other economies. In 2022, the exchange rate has fallen a little as the US economy rebounded and investors build in expectations of overseas cash rate rises.
- Unemployment has fallen and is supposedly far below pre-COVID levels as excess capacity is taken up by growth in the construction industry in particular. This has driven participation back in the labour force too. However, the rate is artificially impacted by constrained labour force growth (due to restricted immigration) and much reduced hours for many workers.

Moving into 2022, business and consumer confidence has rebounded from the Omicron driven fall in the Xmas/New Year holiday period. However, inflation driven strongly by rising fuel prices and global uncertainty due to Russia's invasion of Ukraine and associated interest rate increases is a real threat to sustained recovery. The risks are highlighted by falling consumer and business confidence (page 57), slow down in construction projects and a slow down in consumer spending.

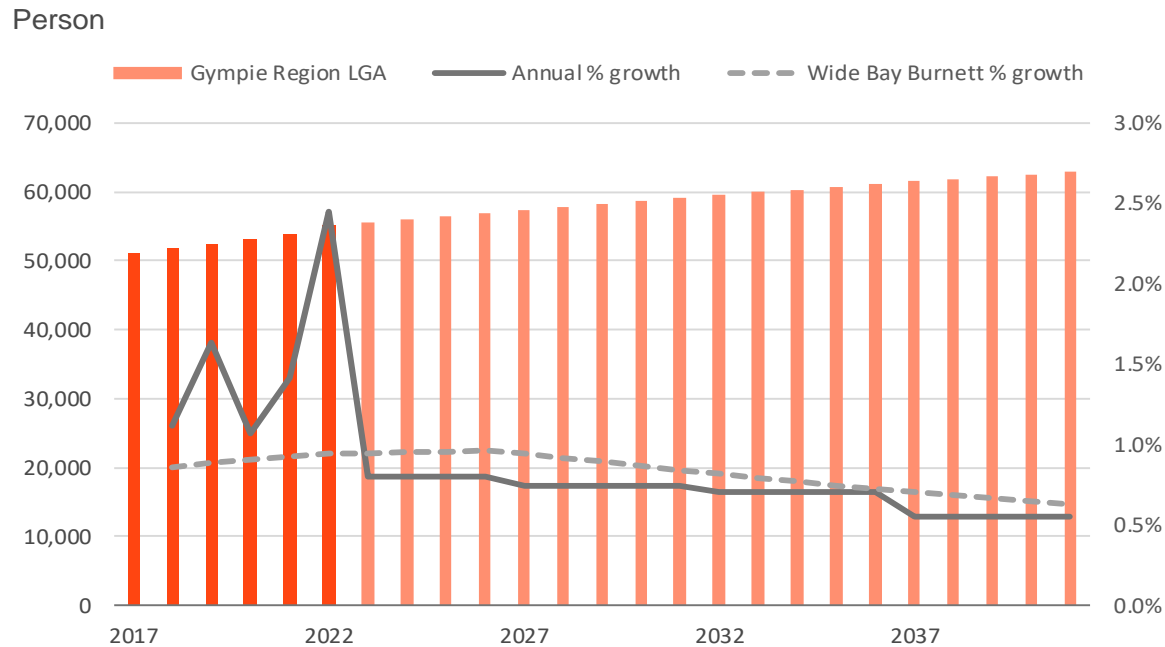
Future population growth is expected to be driven by seniors and elderlies. This is likely to drive demand in the health, social assistance and wellness sectors.

Gympie Region LGA's population estimate for 2022 is 55,170 and is forecast to grow to 62,935 by 2041. This equates to around 0.7% p.a. and is slower than the historical average of 1.7% p.a. (2011 to 2021).

Note: Our internal forecast population growth is higher and suggests that this State Government projection is conservative.

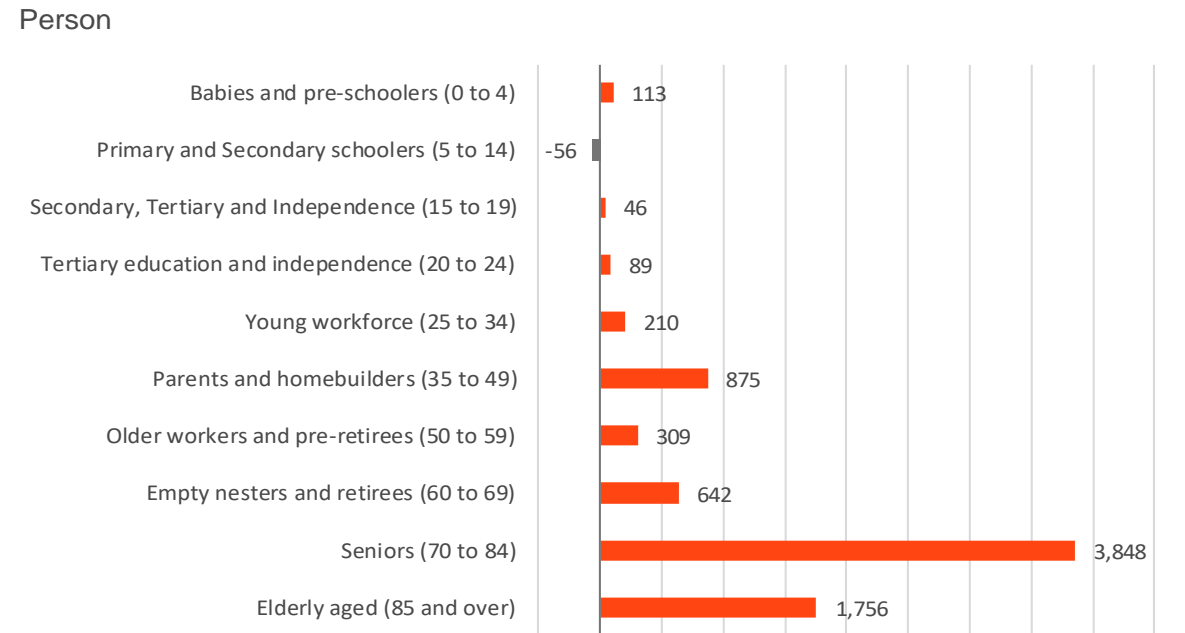
Over the next 20 years, the population in Seniors (70 to 84) and Elderly aged (85 and over) age groups is forecast to have the largest increase with 3,848 and 1,756 people respectively. Conversely, the population in Primary and Secondary schoolers (5 to 14) age groups is forecast to decrease in population over the same period.

Population forecast - Gympie Region LGA



Source: Queensland Government, 2019; .id analysis, 2023

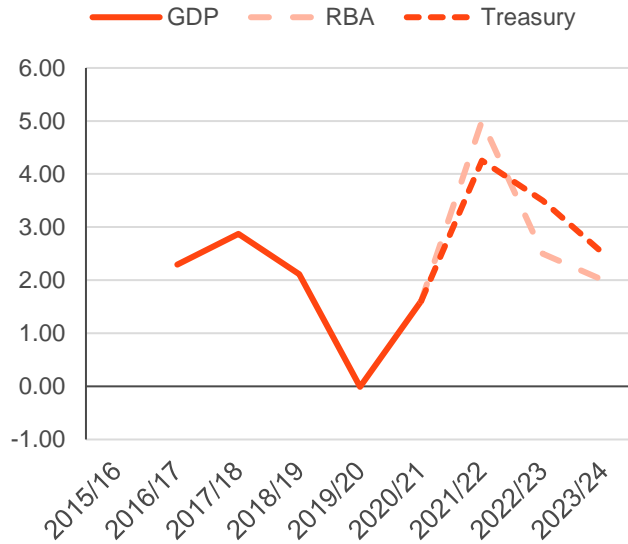
Change in population by service age groups - 2021 to 2041



Source: Queensland Government, 2019

National economic outlook is strong but risks remain. Metropolitan areas expected to benefit from a return to stronger population growth in 2022/23.

Australian Real GDP



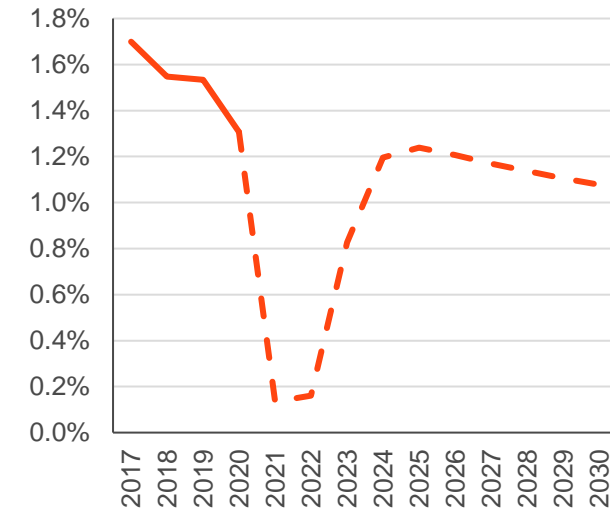
Source: ABS, Budget 2022-23, RBA

Australian Unemployment Rate



Source: ABS, Budget 2022-23

Australian Population Growth



Source: .id forecasts (SAFi)

- Major stimulus has set up a strong growth outlook (\$343b in health and economic support).
- Omnicron had a short term impact but did not have a sustained impact on growth.
- Consumption is expected to be supported by strong income growth and household wealth.
- Imports to weigh on growth (especially tourism).
- Inflation and higher interest rates will increase the cost of living costs and lower business profitability.
- Considerable uncertainty with international conditions – e.g. inflation and Russia's invasion of Ukraine.

- Continued recovery is expected to see the unemployment rate fall to very low levels.
- Labour underutilisation is expected to fall to the lowest level in many years (i.e. labour demand fulfilled by increased hours worked).
- As a result, wage growth is expected to pick up and will support additional consumption spending.
- The RBA forecast the inflation rate to be around 3.0% by the June 2025.

- Population growth is forecast to grow by around 0.2% in 2021/22, 0.8% in 2022/23 and then increase to around 1.2%.
- The Federal Government forecast net overseas migration to reach 41,000 persons in 2021/22 before increasing to 235,000 persons in 2024-25 and 2025-26.

Strong rebound, but recovery is still less advanced than other States.

Economic activity weakening in recent quarters

Economic Activity

% Change from previous quarter, Seasonally Adjusted

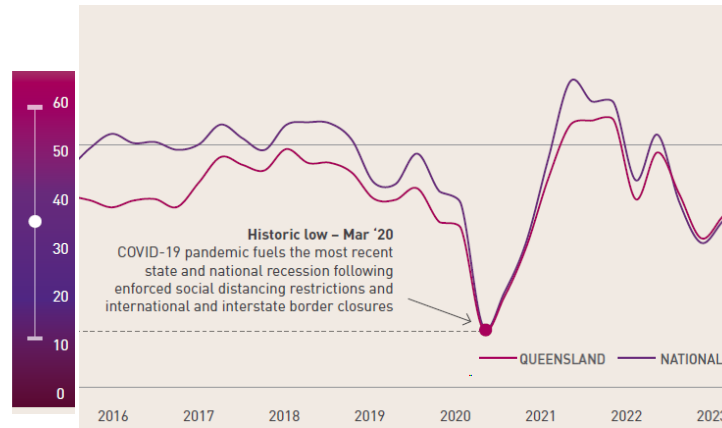
State	Last Qtr Change (Sep 22 - Dec 22)	Change since pre-covid (Dec 19)
Australia	0.0	10.2
NSW	-0.1	9.1
VIC	0.2	9.0
QLD	-0.3	10.8
SA	-0.2	11.8
WA	0.1	13.0
TAS	0	11.6
NT	-0.5	18.4
ACT	0.3	12.5

Source: ABS National Accounts, December 2022

- Slight weakening in household consumption and private investment in the March 2023 quarter

Businesses confidence still running low as inflation and rate hikes play out

QLD Business confidence – Quarterly

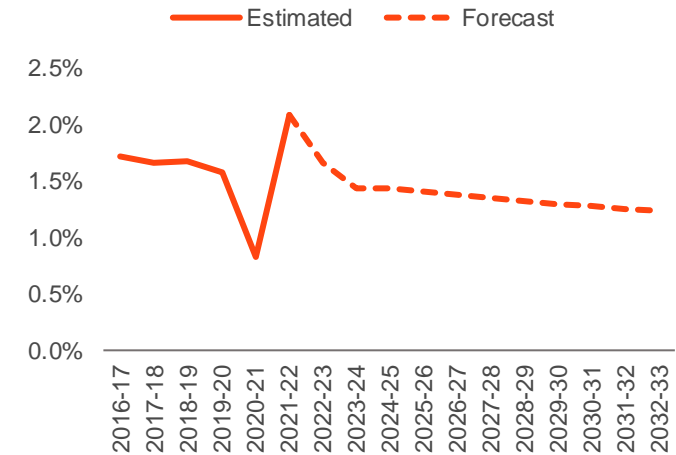


Source: CCIQ, 2023

- According to the Business Chamber Queensland, “Deteriorating confidence appears to be driven by macroeconomic issues relating to inflation and anticipation of a slowing economy caused through higher interest rates, as well as the workforce issues resulting from widespread skills and labour shortages”

Population growth has already returned

QLD population forecast



Source: ABS and Centre for Population

- QLD population forecast to continue to grow at approx. 1.5%.
- Net Overseas Migration forecast to rebound to pre-COVID levels.

Existing and emerging trends

History shows that the recovery period following economic downturns can accelerate the transition of industries or magnify trends that were already occurring in the economy. Some trends that may impact the economy include:



Remote work

A McKinsey report showed that most professional business services work, up to 75% for financial services, could be done from anywhere without the loss of productivity.



Rebalanced supply chains

Cost differences among developed and many developing countries are narrowing due to tech advances. The importance of local supply to offset disruptions, freight costs and improved national security are increasingly important.



Circular economy

A 'circular economy' has been identified as a major (up to \$4.5 trillion WBCSD) commercial opportunity.



5G, smart everything and IoT

Smart capabilities beyond home settings have been limited to date. With 5G, many companies in manufacturing, mining, construction, transport and agriculture will get a reliable alternative that enables the communication critical for mobile tools, machines, and robots.



Automation and AI

About half of the activities (not jobs) carried out by workers could be automated, but only about 5 percent of occupations could be fully automated by currently demonstrated technologies.



E-commerce

Digital activity, including e-commerce, has accelerated since COVID-19. Almost all businesses are connected to the internet, over half have a web presence, 68% have placed orders over the internet and 57% have adopted cloud technology. The proportion of online sales to total retailing rose from 6.3 per cent in May 2019 to 10.9 per cent in May 2023.

Analysis of trends and developments

Forces	Implications
Forecast population growth and change	Strong growth in older age groups will drive demand in health, social assistance and wellness services. As older residents continue to retire, Gympie Region LGA will increasingly face a shortage of workers. Moreover, the ageing population will increase demand for health services, subsequently, increasing demand for health care professionals.
Infrastructure investment	Completion of the Gympie Bypass, scheduled for completion during 2024, and continued upgrade of the Bruce Highway is expected to significantly improve the economic performance of the wider region, providing multiplier opportunities for Gympie Region LGA. This is likely to improve the competitiveness and productivity of businesses in the region and help attract visitors.
Rise of knowledge workers	Most jobs increasingly have a need for more cognitive skills and/or rely on non-routine work. Going forward, these jobs will become more and more important as they are difficult to automate, often requiring creativity, problem solving and/or human presence e.g. Child Care. Gympie Region LGA has a relatively low share of highly skilled residents, posing as a barrier for potential new businesses looking for high skilled workers. Gympie Region could consider several approaches to boost its economy, including attracting high-skilled jobs to the area, providing training and support to residents to improve skills, and enhancing the appeal of the local government area to potential new businesses.
Forces of agglomeration	The shift to knowledge jobs has also led to a substantial shift in the geography of jobs, with a concentration of a disproportionate share of economic activity in a handful of economic regions with strong job density. The industry focus of Gympie Region LGA, like many regional areas, is heavily reliant on agricultural and population-based employment and is likely to lose ground against major population and employment centres. However, the recent increase in remote working and digital connectivity provides rural regions opportunities to retain skilled people and help to alleviate rural decline.
Increasing adoption of digital technologies	Rapid advances in product development and service delivery are occurring via the increasing application of digital technology. Increased internet capacity and accessibility are generating new markets and changing the way we consume. Artificial Intelligence, Machine Learning and the Internet-of-Things is likely to drive the automation of many processes but also provide increased capabilities to manage cities and environments. Technological and consumer-based change places some industries at risk of further job losses. Support needs to be given to these industries to address their changing human capital and land use needs. Innovation and productivity gains are often driven by greater collaboration and sharing of industry knowledge. Gympie Region LGA has the potential to generate substantial value from businesses adoption of these technologies, particularly with its strength in the Health (tele health), Agriculture (agri tech) and manufacturing (wood and food manufacturing) industries. Furthermore, the council can explore opportunities to create links to tertiary programs or establish micro-degrees specifically designed for emerging industry sectors, allowing local workers to transfer their skills and knowledge to these new sectors more easily.
Online shopping	Retail offers will evolve with changing consumer preferences and disruption from online shopping which has accelerated as a result of COVID-19. This trend is already impacting regional centres with a shift to food, lifestyle, health and wellness away from apparel and household goods. An increase in online shopping will negatively affect Gympie Region's brick and mortar retail businesses and support may be needed to increase foot traffic into the regional centre and boost digital literacy to capture opportunities in online retail.

Analysis of trends and developments (cont)

Forces	Implications
Rebalanced supply chains	During the pandemic, consumers displayed a willingness to adjust their spending habits to 'buy local'. In turn, businesses have showcased their ability to adapt their production methods and scale up to meet the evolving demands. The strength in agriculture and food manufacturing offer various avenues to support businesses in the Gympie Region LGA. For example, the council can proactively identify measures to assist businesses that continue to face cost pressures due to supply chain constraints. This could involve exploring the establishment of platforms or networks to connect local businesses along supply chains, identifying opportunities for domestic produces instead of imports, and promoting the adoption of technology and automation within local businesses to reduce labour costs, thereby enhancing the competitiveness of locally produced products.
Circular economy	The transition to a clean economy is strengthening across Australia. The Queensland government has committed to the goal of reducing greenhouse gas emissions by more than 30% below 2005 levels by 2030 and achieve net zero emissions by 2050. Calls for action are likely to see governments dedicate significant resources towards innovative climate solutions that produce clean energy, reduce emissions and waste (e.g. Energy Savings Program). Gympie Region LGA has emerging strengths in renewable energy, with multiple projects that are underway or proposed. For example, Gympie Regional Energy Hub, Forest Wind (wind farms) and Borumba Dam Pumped Hydro. Recently, Gympie Regional Council, along with the green energy business LGI, has shown success in turning waste into energy by recovering biogas from landfills, reducing methane emissions. This is equivalent to taking 5,000 cars off the road, or planting 1.5 million seedlings across a decade.



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