

# FINANCIAL SUSTAINABILITY REVIEW & SRV PROCESS - SOCIO-ECONOMIC PROFILE

UPPER LACHLAN SHIRE COUNCIL

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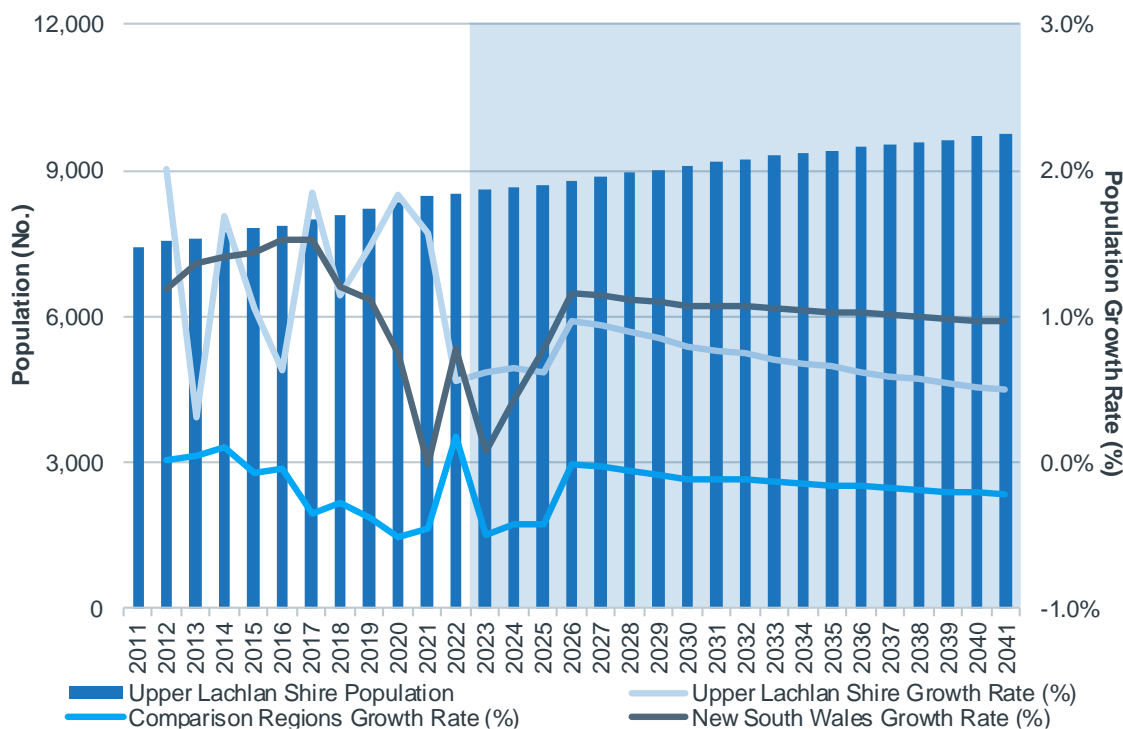
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# UPPER LACHLAN SOCIO-ECONOMIC PROFILE

This report provides an overview of the current socio-economic environment of the Upper Lachlan Local Government Area (LGA) (hereafter referred to as Upper Lachlan), with comparisons to other regions across New South Wales where relevant. The comparison regions include the following LGA's:

- Berrigan
- Bland
- Blayney
- Cobar
- Dungog
- Edward River
- Forbes
- Glen Innes  
Severn
- Gwydir
- Junee
- Kyogle
- Lachlan
- Liverpool Plains
- Narrandera
- Narromine
- Oberon
- Temora
- Tenterfield
- Uralla
- Walgett
- Warrumbungle  
Shire
- Wenworth

**Figure 1. Historical and Projected Population, Upper Lachlan LGA, 2011 to 2041**



Source: ABS (2023 b), NSW Department of Planning and Environment (2022).

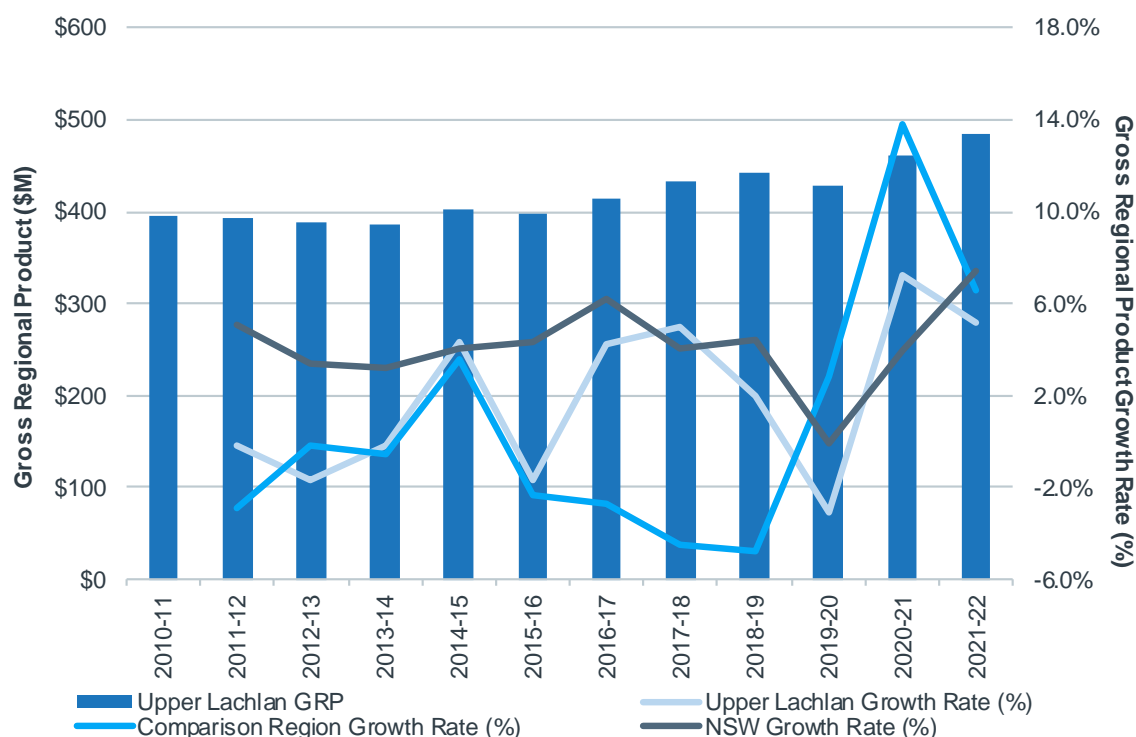
The following highlights key characteristics of the existing socio-economic environment in Upper Lachlan:

- Upper Lachlan has a recorded population of approximately 8,540 residents, which has historically grown at a faster rate than New South Wales: Upper Lachlan recorded a population of over 8,500 residents in 2022 and experienced an average annual growth rate of 1.3% since 2011. This growth rate is more in line with the overall state, which grew by 1.1% per annum over the 11-year period than the comparison regions which experienced negative growth of 0.2% per annum (ABS, 2023 b). Population within Upper Lachlan is projected to grow by an average annual rate of 0.7% from 2022 to 2041 to 9,740 residents in 2041. Meanwhile, the comparison regions are anticipated to follow historical trends and experience a decline in overall population (at an average annual rate of 0.2%) (NSW Department of Planning and Environment, 2022).

- Upper Lachlan’s economy experienced stronger growth than the comparison regions, reaching a Gross Regional Product of over \$480 million in 2021-22:** Upper Lachlan’s Gross Regional Product (GRP) increased from \$394.8 million in 2010-11 to \$483.9 million in 2021-22, which equates to an average annual rate of 1.9% (AEC, unpublished a). In comparison, Upper Lachlan’s average annual growth has been higher than the comparison regions (average of 0.7% per annum), however, substantially lower compared to the average annual growth rate of New South Wales (4.2% from 2010-11 to 2021-22).

Growth in Upper Lachlan’s GRP over the past 11 years is predominantly attributable to the construction industry which saw an increase of \$13.1 million between 2010-11 and 2021-22. This was followed by ownership of dwellings and health care and social assistance, experiencing a \$12.1 million and \$9.5 million increase respectively.

**Figure 2. Gross Regional Product (\$M), Upper Lachlan, 2010-11 to 2021-22**



Source: AEC (unpublished a).

- Upper Lachlan’s economy is underpinned by a strong agriculture presence:** Agriculture, forestry and fishing was the largest contributing sector to Upper Lachlan’s Industry Value Add (IVA) in 2021-22 contributing \$155.2 million (40.0%) to Upper Lachlan’s total IVA. Construction was the second largest contributing sector to IVA contributing \$32.9 million (8.5%) followed by health care and social assistance with \$28.0 million (7.2%).

**Table 1. Industry Value Add (IVA) Contribution (%), 2016-17 & 2021-22**

| Industry  | Upper Lachlan  |                | Comparison Regions |                   | New South Wales    |                    |
|---|----------------|----------------|--------------------|-------------------|--------------------|--------------------|
|   | 2016-17        | 2021-22        | 2016-17            | 2021-22           | 2016-17            | 2021-22            |
| Agriculture, forestry and fishing               | 42.0%          | 40.0%          | 30.1%              | 29.5%             | 2.4%               | 2.9%               |
| Construction                                    | 6.9%           | 8.5%           | 6.3%               | 5.6%              | 8.7%               | 8.4%               |
| Health care and social assistance               | 6.8%           | 7.2%           | 5.1%               | 5.0%              | 7.5%               | 8.7%               |
| Manufacturing                                   | 4.7%           | 5.5%           | 4.9%               | 4.1%              | 6.4%               | 6.3%               |
| Public administration and safety                | 5.2%           | 5.3%           | 4.5%               | 4.3%              | 5.3%               | 5.3%               |
| Professional, scientific and technical services | 4.8%           | 5.0%           | 2.6%               | 2.4%              | 9.6%               | 11.0%              |
| Education and training                          | 4.5%           | 4.8%           | 4.4%               | 4.2%              | 5.5%               | 5.8%               |
| Retail trade                                    | 3.5%           | 3.5%           | 3.3%               | 3.0%              | 5.1%               | 4.9%               |
| Administrative and support services             | 2.4%           | 2.8%           | 2.7%               | 2.5%              | 4.5%               | 4.7%               |
| Electricity, gas, water and waste services      | 4.2%           | 2.6%           | 3.0%               | 2.5%              | 2.4%               | 2.0%               |
| Other services                                  | 2.8%           | 2.4%           | 1.5%               | 1.2%              | 2.1%               | 1.6%               |
| Wholesale trade                                 | 2.4%           | 2.3%           | 3.0%               | 2.8%              | 5.2%               | 5.1%               |
| Transport, postal and warehousing               | 2.4%           | 2.0%           | 3.5%               | 3.4%              | 6.3%               | 5.1%               |
| Financial and insurance services                | 1.1%           | 2.0%           | 2.0%               | 1.4%              | 12.9%              | 12.2%              |
| Accommodation and food services                 | 2.8%           | 1.9%           | 2.2%               | 1.8%              | 3.1%               | 2.3%               |
| Rental, hiring and real estate services         | 1.4%           | 1.6%           | 1.5%               | 1.3%              | 4.6%               | 4.2%               |
| Mining  | 0.8%           | 0.9%           | 19.0%              | 24.2%             | 3.6%               | 5.0%               |
| Information media and telecommunications        | 0.9%           | 0.8%           | 0.3%               | 0.4%              | 3.9%               | 3.8%               |
| Arts and recreation services                    | 0.6%           | 0.7%           | 0.4%               | 0.4%              | 0.9%               | 0.7%               |
| <b>IVA (\$M)</b>                                | <b>\$327.1</b> | <b>\$387.6</b> | <b>\$10,157.8</b>  | <b>\$11,640.3</b> | <b>\$474,056.0</b> | <b>\$582,335.1</b> |

Source: AEC (unpublished a).

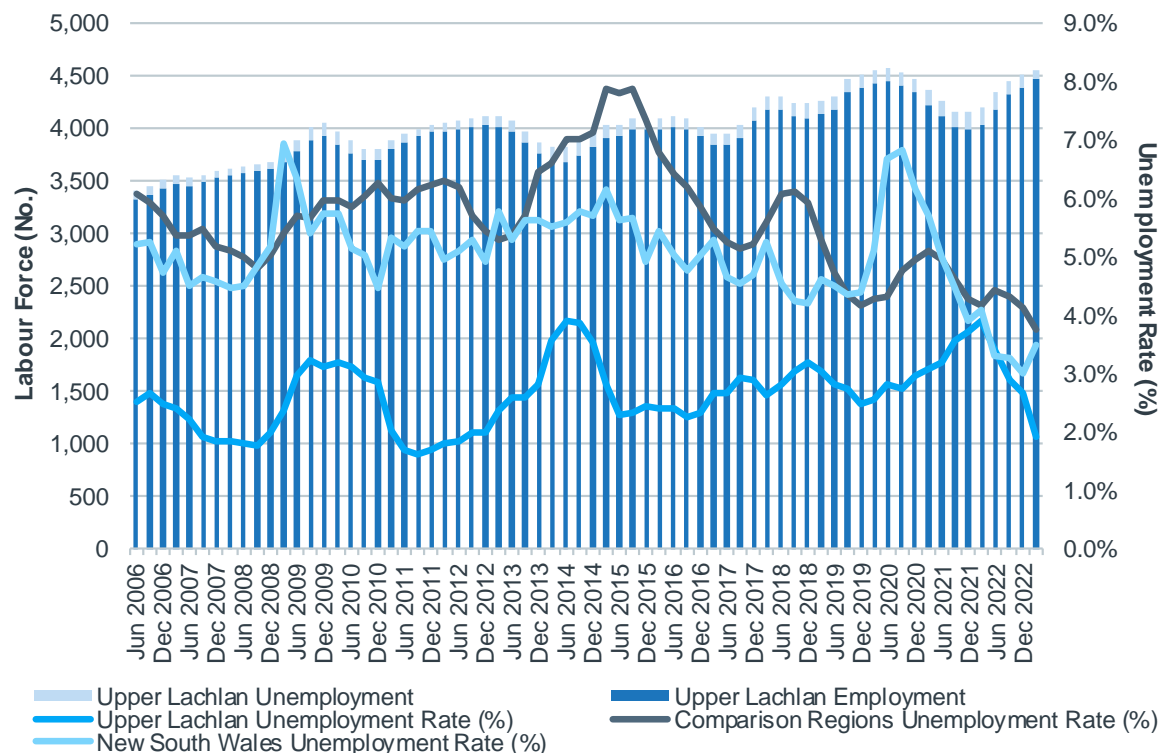
- Upper Lachlan has grown its employment base to over 2,750 jobs in 2021-22 and has recorded stronger growth compared to the comparison regions:** Upper Lachlan experienced an increase of 255 jobs between 2010-11 and 2021-22 to 2,758 jobs in 2021-22, equating to an average annual growth rate of 0.9% over the period (AEC, unpublished b). This rate was higher than the comparison regions (average annual growth rate of -0.1%), but lower than the growth experienced in New South Wales (1.6% per annum) (AEC, unpublished b). Agriculture, forestry and fishing was the largest employing industry in Upper Lachlan in 2021-22 representing 33.9% of jobs (or 934 persons). Health care and social assistance was the second largest employing industry representing 11.9% of all jobs, followed by construction representing 8.0% of jobs (AEC, unpublished b).

Health care and social assistance recorded the largest increases in the number of jobs in Upper Lachlan from 2010-11 to 2021-22 with an increase of 104 jobs (AEC, unpublished b). Construction experienced the second largest increase of 67 jobs over the same period of time (AEC, unpublished b).

- Upper Lachlan has historically recorded lower unemployment rates lower than the comparison regions and New South Wales:** Upper Lachlan has consistently recorded lower unemployment rates than the comparison regions and New South Wales. Upper Lachlan's unemployment rate was resilient during the peak of the pandemic where it recorded an unemployment rate of 2.7% in September 2020. During the same time, comparison regions recorded an unemployment rate of 4.8% and New South Wales unemployment rate reached 6.7%. Upper Lachlan's unemployment rate reached a recent peak of 3.9% in March 2022 however

remained lower than the comparison regions and New South Wales (4.2% and 4.1% respectively) (Jobs and Skills Australia, 2023) during the same period. As of March 2023, Upper Lachlan recorded an unemployment rate of 1.9% which is lower than the comparison regions and New South Wales (3.8% and 3.5% respectively) (Jobs and Skills Australia, 2023).

**Figure 3. Labour Market, Upper Lachlan, Jun 2006 to March 2023**



Source: Jobs and Skills Australia (2023).

- Weekly household incomes in Upper Lachlan average approximately \$300 more than the comparison regions:** Weekly household incomes averaged approximately \$1,925 per week in 2021, \$309 higher than the comparison regions average of \$1,616 per week (ABS, 2022a). Despite this, the average weekly household income in Upper Lachlan was lower compared to New South Wales, which recorded an average weekly household income of \$2,272 per week (ABS, 2022a). A large proportion of the workforce in Upper Lachlan (33.9%) were employed in agriculture, forestry and fishing in 2021-22 which has a lower wage (\$1,193 per week) and New South Wales has a higher proportion of employment in higher income industries such as financial and insurance services and professional, scientific and technical services.
- Upper Lachlan’s vacancy rate was 21.5% in 2021, which was relatively higher than the comparison regions and New South Wales more broadly:** Over the years, the vacancy rate in upper Lachlan has declined, reducing from 25.2% in 2011 to 21.5% in 2021 (ABS, 2022 a). Despite this decrease, Upper Lachlan still has a substantially higher vacancy rate compared to the comparison regions (13.5%) and New South Wales (8.9%).
- Upper Lachlan has experienced an increase in the number of building approvals in recent years:** Residential building approvals in Upper Lachlan have fluctuated over the years between 10 and 55 building approvals in 2018-19 and 2021-22, with growth recorded year on year from 2018-19 (ABS, 2023). The surge in the number of buildings approved since 2018-19 can be attributed to record low interest rates during these periods (RBA, 2023) and the Federal Government’s response to protect and generate construction jobs during the pandemic. Eligible owner-occupiers were able to access a \$15,000 to \$25,000 HomeBuilder grant to help build or substantially renovate an existing home (NSW Revenue, 2023).

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## TOURISM

- **Upper Lachlan recorded over 557,000 visitors in 2021-22, down from the pre-pandemic visitation of over 690,000 visitors in 2019-20:** Between 2015-16 and 2018-19, Upper Lachlan's visitation ranged from approximately 391,000 visitors to over 690,000 visitors in 2019-20. Strong visitation growth was experienced pre-pandemic, with visitation growing by an average annual rate of 12.2% (TRA, 2023a 2023b 2023c). The largest yearly growth experienced was between 2016-17 and 2017-18 where visitation increased by approximately 111,000 visitors (25.3% increase). This growth was predominantly due to an increase in overnight visitation which increased by approximately 91,000 visitors (TRA, 2023a 2023b 2023c). Visitation numbers experienced a significant decrease during the pandemic where average visitation in 2020-21 declined to approximately 436,000 visitors with daytrip visitation experiencing the largest decline of over 205,000 visitors (TRA, 2023a 2023b 2023c).
- **In 2021-22, domestic overnight visitors to Upper Lachlan stayed an average of 2.6 nights per trip:** Upper Lachlan recorded an average of 2.6 nights per domestic overnight visitor in 2021-22 and 11.3 per international overnight visitor. The average length of stay for domestic overnight visitors in 2021-22 was the highest experienced since 2017-18. Length of stay was higher than the comparison regions, however, lower than New South Wales (2.2 nights per trip and 4.8 nights per trip respectively) (TRA, 2023b 2023c).
- **Tourism provides significant expenditure within the Upper Lachlan economy:** In 2019, domestic day trip visitors to Upper Lachlan spent approximately \$72 per day and domestic overnight visitors spent \$217 per trip (TRA, 2019).
- **Visitation to Upper Lachlan is predominantly holiday and visiting friends and relative's visitation:** Holiday visitation accounted for 48.0% of visitation on average over the past five years (2017-18 to 2021-22), followed by visiting friends and relatives with 33.3% of visitation (on average). Business visitation accounted for 13.8% of visitation with other reasons accounting for 5.0% of visitation on average from 2017-18 to 2021-22) (TRA, 2023a 2023b 2023c).

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OUTCOME DRIVEN

