

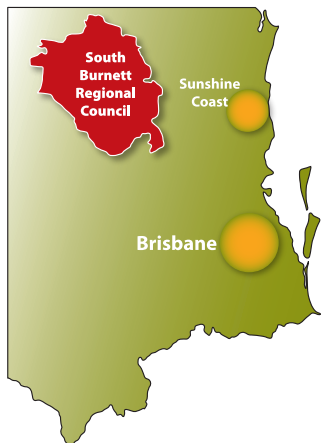
South Burnett ECONOMIC BRIEF

December 2013

Introduction

The South Burnett region is located on top of the Great Dividing Range in the southern catchment of the Burnett River, two hours drive north-west of Brisbane and directly west of the Sunshine Coast.

The South Burnett is Queensland's largest wine region, home to the State's biggest vineyards and more than 20 wineries and cellar doors. The region also has two of Queensland's biggest inland waterways (Lake Boondooma and the Bjelke-Petersen Dam) and the scenic Bunya Mountains.



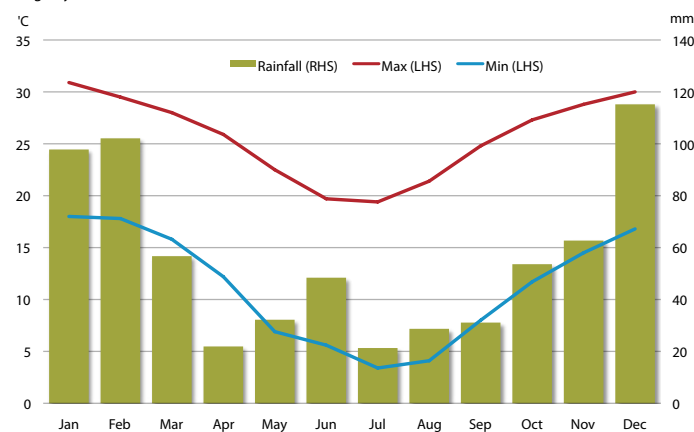
South Burnett local government area (LGA) covers an area 8,399 square kilometres and is an amalgamation of four shires: Kingaroy, Murgon, Nanango and Wondai.

Climate

The average mean maximum temperature for Kingaroy ranges from 19.4°C in July to 30.9°C in January, whilst the mean minimum temperature ranges from 3.4°C in July to 18.0°C in January. Average annual rainfall in Kingaroy is 663.2mm, with December typically being the wettest month (115.2mm).

Climate Averages

Kingaroy



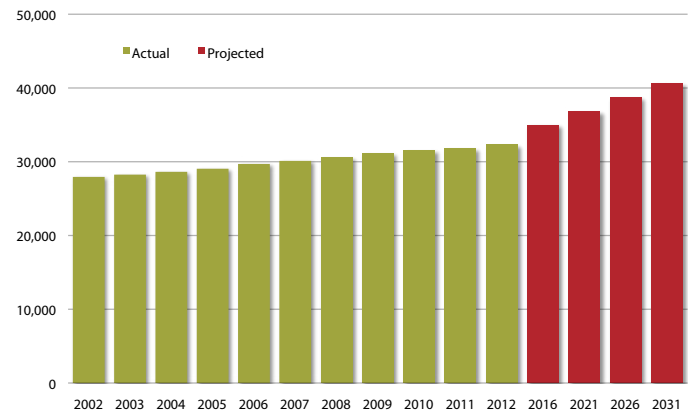
Source: Bureau of Meteorology

Population

The revised estimated resident population of the South Burnett region was 32,285 in 2012, representing an annual increase of 482 persons, or 1.5% from the level recorded in 2011. The South Burnett region grew at a higher rate than the Wide Bay-Burnett region (1.4%) in 2012 but slightly lower than the average for Queensland (2.0%).

Population

South Burnett Region

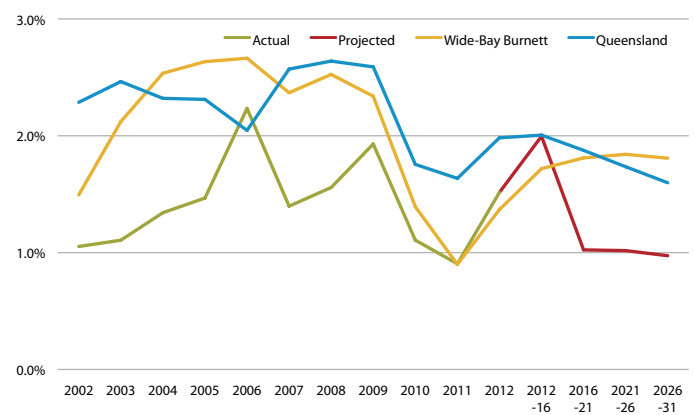


Source: ABS 3218.0, OESR

Over the past five years, the population of the South Burnett region has increased at an average annual rate of 1.4%, which was lower than the averages for the Wide-Bay Burnett region (1.7%) and Queensland (2.1%) over the same period.

Population Growth

South Burnett Region



Note: Changes are average annual % changes for 2012-31
Source: ABS 3218.0, OESR, Lawrence Consulting

Projections to the year 2031 show that the population of the South Burnett region is expected to increase by 8,307 persons, or 1.2% per annum, to approximately 40,592 persons.

Population

	Level 2012	Annual % change	Avg ann % chg (2007-12)	Avg ann % chg (2002-12)	Level 2031	Avg ann % chg (2012-31)
South Burnett (R)	32,285	1.5	1.4	1.5	40,592	1.2
Wide-Bay Burnett	283,834	1.4	1.7	2.1	398,249	1.8
Queensland	4,565,529	2.0	2.1	2.3	6,398,812	1.8

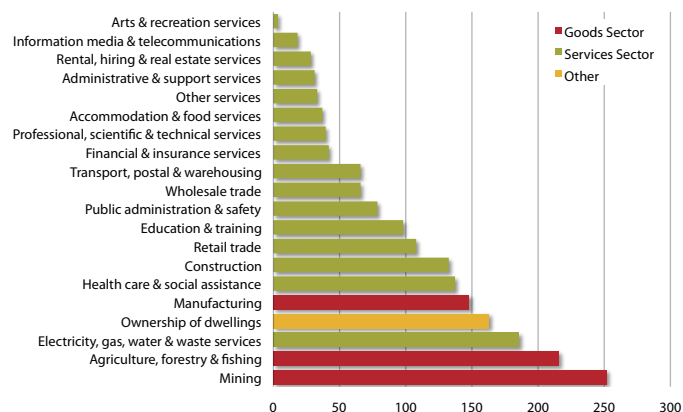
Source: ABS 3218.0, OESR, Lawrence Consulting

Gross Regional Product

The estimated Gross Regional Product (GRP) for the South Burnett region was \$2.0 billion in 2012/13, whilst the regional economy grew in real terms by 8.7%, significantly higher than the rate for Queensland (3.6%). The South Burnett region contributed 15.3% and 0.7%, respectively, to the gross regional / state products of the Wide Bay-Burnett region (\$13.1 billion) and Queensland (\$290.2 billion) in 2012/13.

Gross Regional Product

South Burnett, 2012/13 (\$ million)



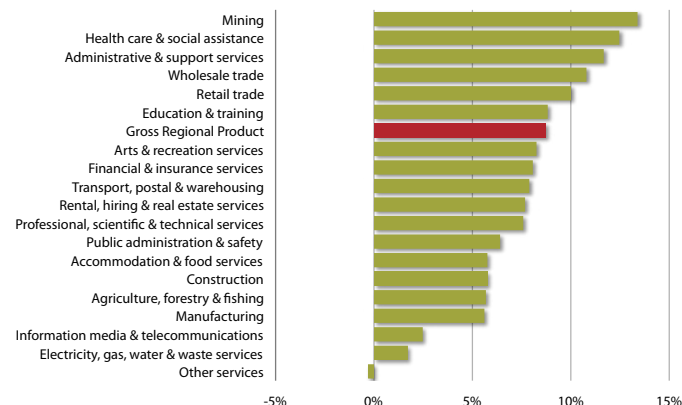
Source: Lawrence Consulting

With regard to industry, the largest contribution was made by the Mining industry, with approximately 12.6% of the total GRP for the South Burnett region. Other significant contributors to GRP were the Agriculture, Forestry & Fishing (10.8%), Electricity, Gas, Water & Waste Services (9.3%), Manufacturing (7.4%) and Health Care & Social Assistance (6.9%) and sectors.

The Mining industry experienced the highest annual increase in contribution to the GRP of the South Burnett region in 2012/13 (up 13.4%), followed by the Health Care & Social Assistance (up 12.5%), Administrative & Support Services (up 11.7%), Wholesale Trade (up 10.8%) and Retail Trade (up 10.0%) sectors.

Gross Regional Product, Annual Industry Growth

South Burnett Region, 2012/13



Source: Lawrence Consulting

The South Burnett region received a relatively higher industry contribution to total GRP from the Agriculture, Forestry & Fishing; Mining; Manufacturing; Electricity, Gas, Water & Waste Services; Retail Trade; and Education & Training than Queensland in 2012/13.

Gross Regional Product

Industry	South Burnett Region			Queensland		
	Level (\$m) 2012/13	% of total	Annual % change	Level (\$m) 2012/13	% of total	Annual % change
Agriculture, forestry & fishing	215.8	10.8	5.7	7,873	2.7	1.2
Mining	251.7	12.6	13.4	25,579	8.8	8.0
Manufacturing	147.9	7.4	5.6	18,783	6.5	0.4
Electricity, gas, water & waste services	185.4	9.3	1.7	9,292	3.2	-3.1
Construction	132.5	6.6	5.8	26,977	9.3	0.4
Wholesale trade	65.9	3.3	10.8	14,661	5.1	5.3
Retail trade	107.9	5.4	10.0	13,681	4.7	4.5
Accommodation & food services	37.0	1.8	5.8	7,070	2.4	0.4
Transport, postal & warehousing	65.8	3.3	7.9	16,893	5.8	2.6
Information media & telecommunications	18.2	0.9	2.5	5,391	1.9	-2.8
Financial & insurance services	41.9	2.1	8.1	16,135	5.6	2.7
Rental, hiring & real estate services	28.3	1.4	7.7	7,795	2.7	2.2
Professional, scientific & technical services	39.5	2.0	7.6	14,865	5.1	2.2
Administrative & support services	31.1	1.6	11.7	6,890	2.4	6.0
Public administration & safety	78.6	3.9	6.4	16,515	5.7	1.1
Education & training	98.0	4.9	8.8	13,023	4.5	3.4
Health care & social assistance	137.2	6.9	12.5	20,662	7.1	6.9
Arts & recreation services	3.5	0.2	8.3	1,552	0.5	2.5
Other services	33.1	1.7	-0.3	5,521	1.9	-5.2
Total Industry Value Added	1,719.3	85.9	8.0	249,158	85.9	2.9
Ownership of dwellings	163.1	8.1	7.8	23,633	8.1	2.7
Taxes less subsidies on production and imports	119.6	6.0	6.0	17,335	6.0	1.0
Statistical discrepancy	0.2	0.0		33	0.0	
Gross Regional Product	2,002.3	100.0	8.7	290,158	100.0	3.6

Note: All values are in current prices, whilst annual changes represent real growth in chain volume measures.
Source: Lawrence Consulting

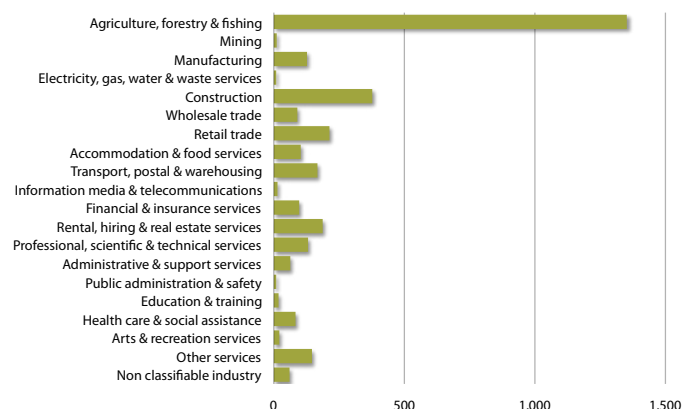
Local Business Turnover

The most recent ABS Australian Business Register indicated there were 3,278 local business entities registered in the South Burnett region in June 2012, which represented a marginal annual increase of 0.3% from the level in June 2011 (3,267).

Agriculture, Forestry & Fishing is the largest industry in terms of business numbers in the South Burnett region, accounting for 42.8% of the total number of businesses, followed by Construction (11.8%), Retail Trade (6.4%) and Rental, Hiring & Real Estate Services (6.1%).

Businesses by Industry

South Burnett Region, June 2012

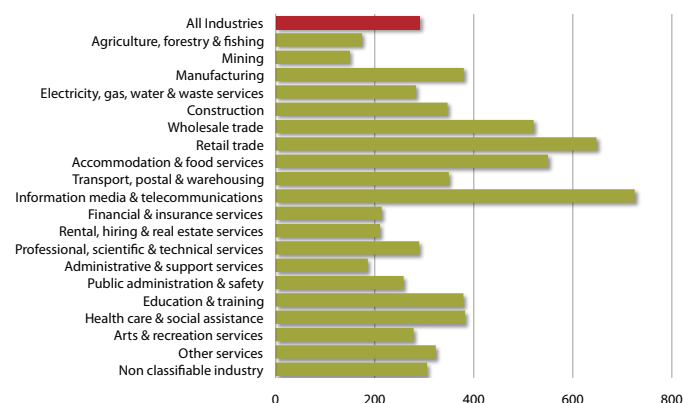


Source: ABS 8165.0

The estimated total turnover of all local industry in the South Burnett region was \$951.4 million in 2011/12, representing an annual increase of 5.9%, whilst the average turnover of all businesses was approximately \$290,200 (up 5.5%).

Average Industry Turnover

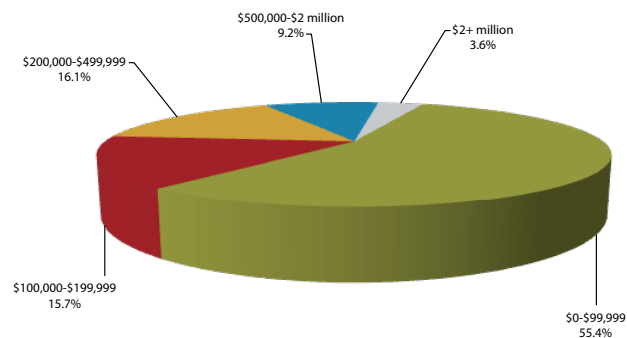
South Burnett Region, 2011/12 (\$'000)



Source: ABS 8165.0

Businesses by Turnover

South Burnett Region, 2011/12



Source: ABS 8165.0

Businesses by Industry

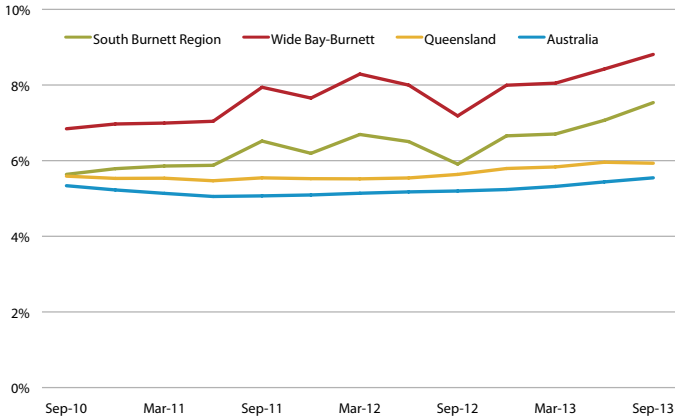
Industry	Level 2011/12	% of total	Total turnover (\$ million)	% of total	Avg turnover (\$'000)
Agriculture, forestry & fishing	1,352	41.2	235.8	24.8	174.4
Mining	11	0.3	1.7	0.2	150.0
Manufacturing	127	3.9	48.3	5.1	379.9
Electricity, gas, water & waste services	9	0.3	2.6	0.3	283.3
Construction	377	11.5	130.9	13.8	347.1
Wholesale trade	90	2.7	46.9	4.9	520.8
Retail trade	213	6.5	138.0	14.5	647.9
Accommodation & food services	103	3.1	56.7	6.0	550.0
Transport, postal & warehousing	167	5.1	58.4	6.1	349.7
Information media & telecommunications	14	0.4	10.2	1.1	725.0
Financial & insurance services	97	3.0	20.8	2.2	214.2
Rental, hiring & real estate services	187	5.7	39.4	4.1	210.8
Professional, scientific & technical services	131	4.0	38.0	4.0	289.9
Administrative & support services	63	1.9	11.7	1.2	186.1
Public administration & safety	9	0.3	2.3	0.2	258.3
Education & training	18	0.5	6.8	0.7	379.2
Health care & social assistance	83	2.5	31.8	3.3	382.5
Arts & recreation services	21	0.6	5.9	0.6	278.6
Other services	146	4.5	47.2	5.0	323.3
Non classifiable industry	60	1.8	18.4	1.9	305.8
Total, 2011/12	3,278	100.0	951.4	100.0	290.2
Total, 2010/11	3,267		898.5		275.0
Annual % change	0.3		5.9		5.5

Source: ABS 8165.0

Labour Market

The estimated number of employed persons in the South Burnett region fell by 2.8% to 14,603 in the September Quarter 2013, which also represented an annual decrease of 4.4% from the September Quarter 2012.

Unemployment Rate



Source: DEEWR

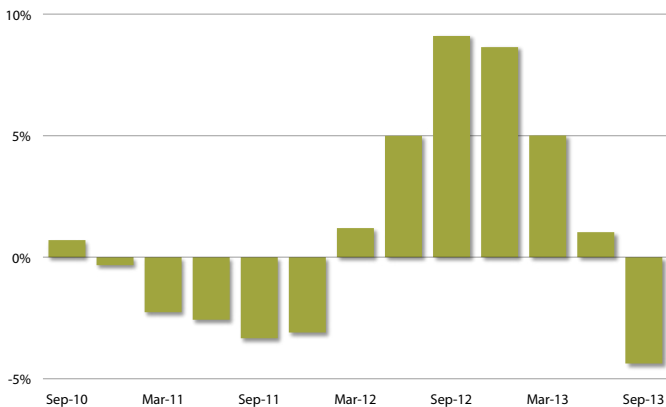
Labour Market			
	Level Sep Qtr 2013	Qtrly % chg	Ann % chg
Employed persons (no.)	14,603	-2.8	-4.4
Unemployed (no.)	1,190	4.2	24.1
Unemployment rate ^(a) (%)	7.5	0.5	1.6
Labour force (no.)	15,793	-2.3	-2.7

Note: (a) Unemployment rate changes are percentage point changes.
Source: DEEWR

The unemployment rate in the South Burnett region was 7.5% in the September Quarter 2013, which represented a significant annual increase of 1.6 percentage points and the highest level since the December Quarter 2004.

Annual Employment Growth

South Burnett Region



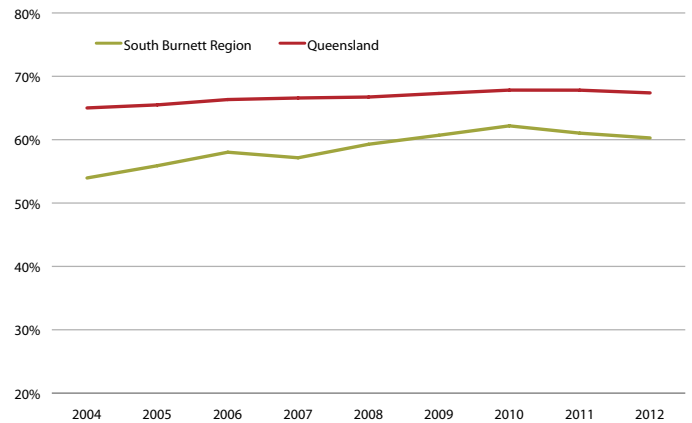
Source: DEEWR

The annual decrease in employed persons contributed to a fall of 2.7% in the size of the labour force in the South Burnett region, to approximately 15,793 persons in the September Quarter 2013. In contrast, the number of unemployed persons in the region increased annually by 24.1%.

Participation Rate

The participation rate (i.e. the proportion of the resident population aged 15 and over in the labour force) in the South Burnett region was estimated at 60.3% in 2012, which represented a small annual decrease of 0.8 percentage points from the level recorded in 2011 (61.0%). The participation rate in the South Burnett region was lower than the rate for Queensland (67.4%) in 2012.

Participation Rate



Source: ABS 3235.0, DEEWR & Lawrence Consulting

Participation Rate			
	Level (%) 2012	Level (%) 2011	Annual % change ^(a)
South Burnett Region	60.3	61.0	-0.8
Queensland	67.4	67.8	-0.4

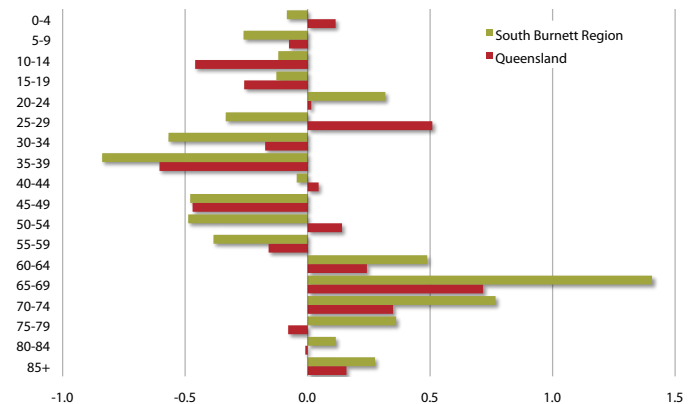
Note: (a) Changes are percentage point changes.
Source: ABS 3235.0, DEEWR & Lawrence Consulting

Age Distribution & Dependency Ratio

Between 2007 and 2012, the average age of the population of the South Burnett region increased by 1.1 years to 40.2 years. By comparison, the average age for Queensland increased by 0.5 years to 37.1 years in 2012.

Age Distribution

Change in % share, 2007-12



Source: ABS 3235.0

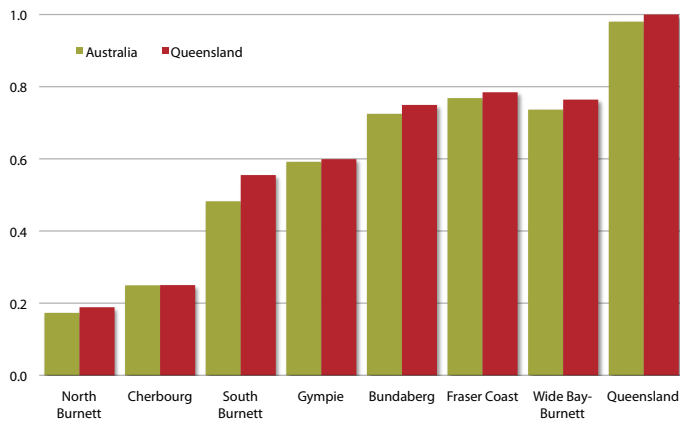
The dependency ratio – i.e. the ratio of the economically dependent proportion of the population to the productive part – for the South Burnett region was 67.2% in 2012, which was higher than the average for Queensland (49.7%).

Economic Diversity

The Index of Economic Diversity measures economic or industrial diversity within a region by determining the degree to which the region's industry mix differs from that of the national economy. When the index value is close to one, the industrial profile of a region mirrors that of the national economy and is considered more diverse.

The index value for the South Burnett region is 0.482, which is lower than the average values for the Wide Bay-Burnett region (0.736) and Queensland (0.980). When the index is calculated using the State economy as the comparative benchmark, the index value for the South Burnett region is 0.555, whilst the value for the Wide Bay-Burnett region is 0.764.

Index of Economic Diversity

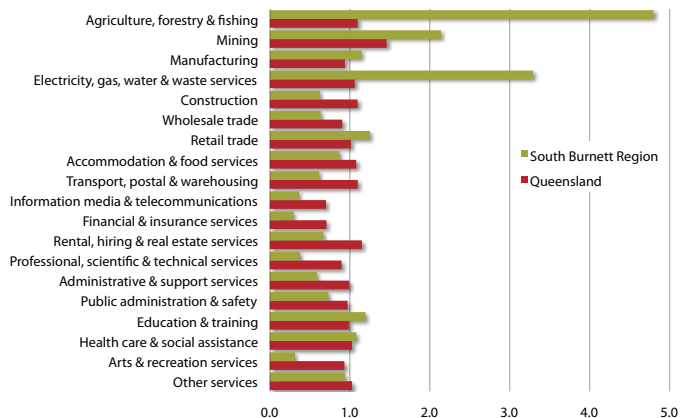


Source: Lawrence Consulting

Location Quotients

The South Burnett region has a greater industry concentration (i.e. location quotient greater than 1) than the national economy – and therefore has net exports of services from the region – in the Agriculture, Forestry & Fishing (4.80); Electricity, Gas, Water & Waste Services (3.29); Mining (2.14); Retail Trade (1.25); Education & Training (1.20); Manufacturing (1.15); and Health Care & social Assistance (1.08) sectors.

Location Quotients



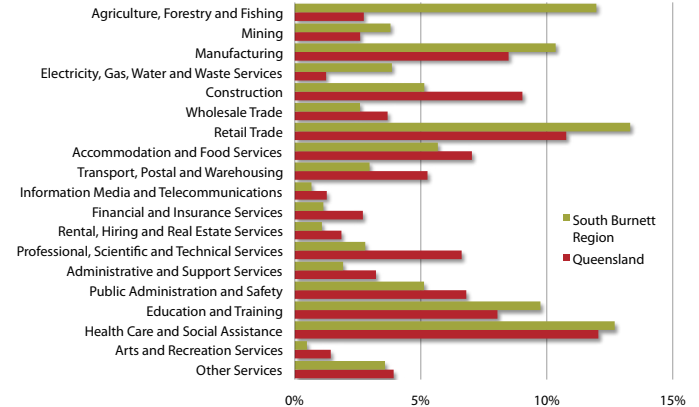
Source: Lawrence Consulting

Employment by Industry

The total working population of the South Burnett region (i.e. the number of persons whose place of employment is within the LGA), as at the 2011 Census, was approximately 10,584 persons. This represented an increase of 233 persons, or 2.3%, from the level recorded at the 2006 Census.

Employment by Industry

Working Population, 2011



Source: ABS 2011 Census

In 2011, the largest industry employer in the South Burnett region was the Retail Trade sector with 13.3% of the total workforce, followed by Health Care & Social Assistance (12.7%), Agriculture, Forestry & Fishing (12.0%), Manufacturing (10.4%) and Education & Training (9.8%).

Employment by Industry, Working Population

Industry	South Burnett		Queensland	
	Total	% of total	Total	% of total
Agriculture, forestry & fishing	1,267	12.0	54,563	2.7
Mining	402	3.8	51,656	2.6
Manufacturing	1,096	10.4	169,025	8.5
Electricity, gas, water & waste services	408	3.9	24,764	1.2
Construction	544	5.1	179,947	9.0
Wholesale trade	274	2.6	73,377	3.7
Retail trade	1,409	13.3	214,617	10.8
Accommodation & food services	601	5.7	140,036	7.0
Transport, postal & warehousing	314	3.0	104,924	5.3
Information media & telecommunications	70	0.7	25,282	1.3
Financial & insurance services	120	1.1	53,833	2.7
Rental, hiring & real estate services	114	1.1	36,875	1.9
Professional, scientific & technical services	296	2.8	131,921	6.6
Administrative & support services	203	1.9	64,185	3.2
Public administration & safety	543	5.1	135,586	6.8
Education & training	1,032	9.8	160,241	8.0
Health care & social assistance	1,344	12.7	240,017	12.1
Arts & recreation services	51	0.5	28,418	1.4
Other services	379	3.6	78,157	3.9
Not stated	117	1.1	24,329	1.2
Total	10,584	100.0	1,991,753	100.0

Source: ABS 2011 Census

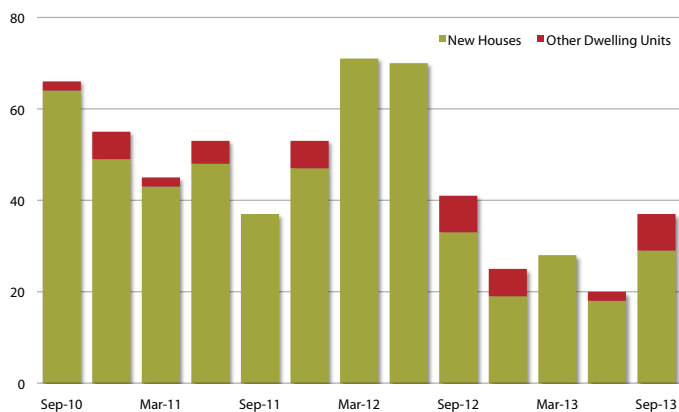
The South Burnett region had a higher proportion of employment share in the Agriculture, Forestry & Fishing; Mining; Manufacturing; Electricity, Gas, Water & Waste Services; Retail Trade; Education & Training; and Health Care & Social Assistance sectors than Queensland in 2011.

Dwelling Approvals

The number of dwellings approved in the South Burnett region was 110 in the year to the September Quarter 2013, which represented a significant annual decrease of 53.2%.

Number of Dwelling Approvals

South Burnett Region



Source: ABS 8731.3

Building Approvals

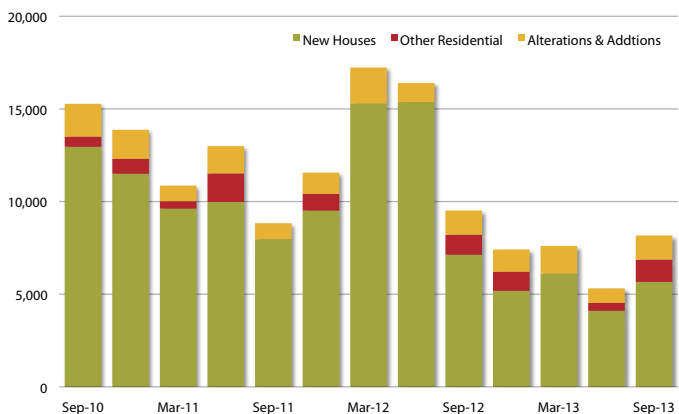
	South Burnett Region	Ann % chg	Wide Bay-Burnett	Ann % chg
Number	Level Yr to Sep Qtr 2013		Level Yr to Sep Qtr 2013	
Dwellings:	110	-53.2	1,240	-13.8
New houses	94	-57.5	1,083	-20.1
Other dwellings	16	14.3	157	91.5
Value (\$'000)	Level Yr to Sep Qtr 2013	Ann % chg	Level Yr to Sep Qtr 2013	Ann % chg
Dwellings:	28,502	-47.9	314,251	-8.3
New houses	21,058	-55.5	240,854	-17.8
Other dwellings	2,659	34.1	26,704	105.8
Alterations & additions	4,784	-11.9	46,695	27.3
Non-dwelling	11,844	-36.6	271,019	174.7
Total building	40,345	-45.0	585,269	32.6

Source: ABS 8731.3

The total value of residential buildings approved in the South Burnett region was \$28.5 million in the year to the September Quarter 2013, representing an annual decrease of 47.9%.

Value of Dwelling Approvals

South Burnett Region (\$'000)



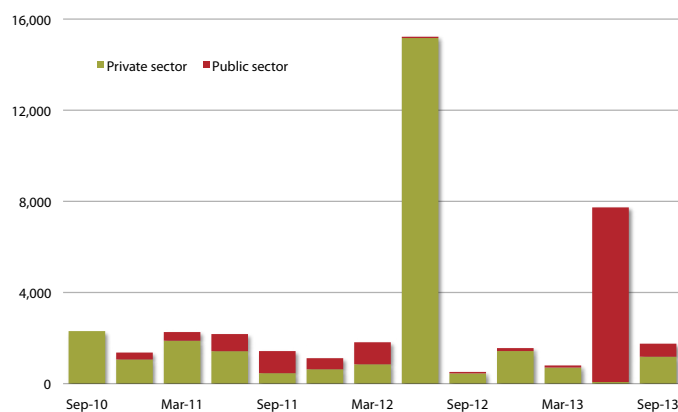
Source: ABS 8731.3

Construction

The value of non-residential building approvals in the South Burnett region decreased annually by 36.6% to \$11.8 million in the year to the September Quarter 2013.

Value of Non-Residential Building Approvals

South Burnett Region (\$'000)



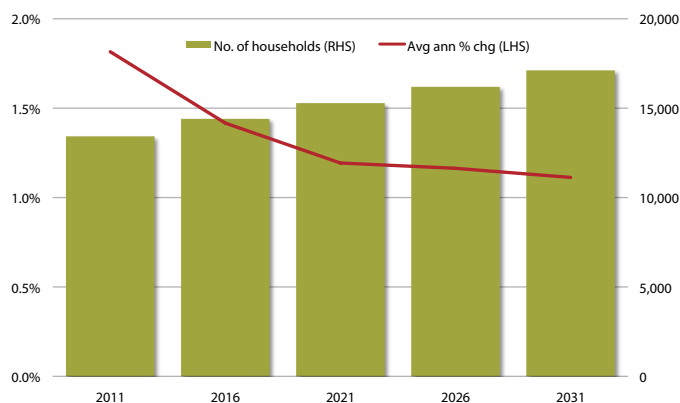
Source: ABS 8731.3

Household Projections

Household projections to the year 2031 indicate that the number of households in the South Burnett region will increase from 13,424 in 2011 to 17,113 in 2031. This represents a total increase of 3,689 households, or an average annual increase of 1.2% over the period.

Number of Households

South Burnett Region



Source: Dept of Infrastructure & Planning

Household Projections

Household type	Level 2011	Level 2031	Avg ann % chg 2011-31
Couple family with children	3,313	3,549	0.3
Couple without children	4,404	5,669	1.3
One parent family	1,456	1,882	1.3
Other family	108	129	0.9
Group	314	386	1.0
Lone person	3,335	4,877	1.9
Non-classifiable	494	623	1.2
Total households	13,424	17,113	1.2

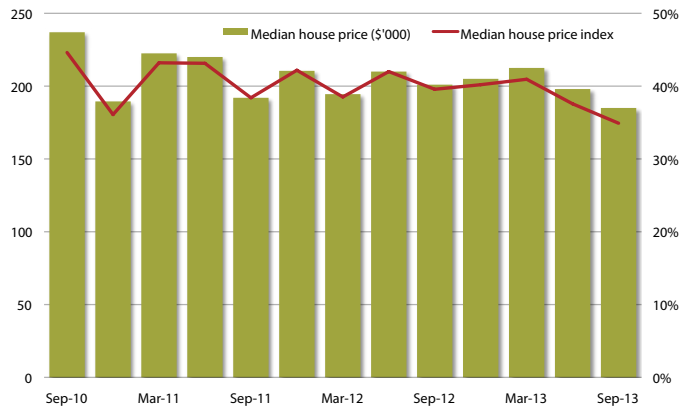
Source: Dept of Infrastructure & Planning

Median Sales Prices

The median house price for the South Burnett region was \$185,000 in the September Quarter 2013, representing an annual decrease of 8.0% from the figure recorded in the September Quarter 2012 (\$201,000).

Median House Prices

South Burnett Region



Source: REIQ

Median House Price

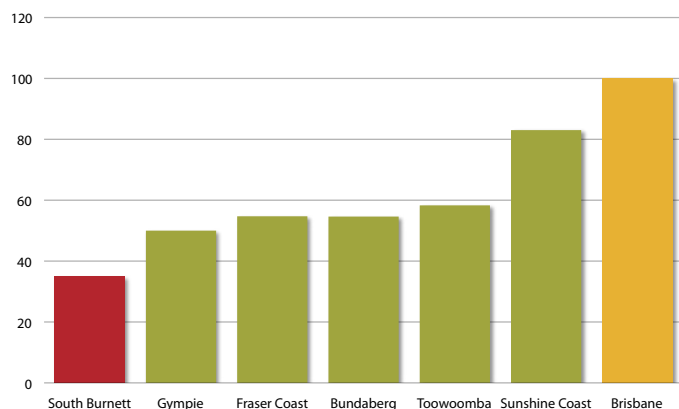
	Level Sep Qtr 2013	Quarterly % change	Annual % change
South Burnett	185,000	-6.6	-8.0
Gympie	265,000	6.4	-1.2
Fraser Coast	290,000	0.0	3.6
Bundaberg	265,000	-1.9	-8.6
Toowoomba	309,000	-2.4	6.6
Sunshine Coast	440,000	-1.3	2.3
Brisbane	530,000	0.6	4.3

Source: REIQ

The median house price index for the South Burnett region in the September Quarter 2013 was 34.9 when compared to Brisbane (index of 100), which represented an annual decrease of 4.7 points from the level recorded in the September Quarter 2012 (39.6).

Median House Price Index

September Quarter 2013



Note: Brisbane = 100

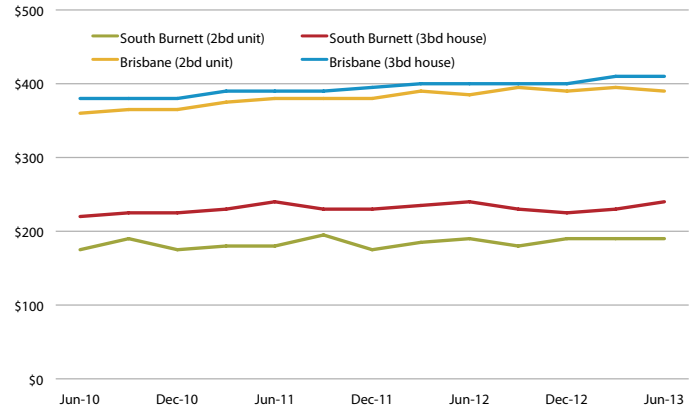
Source: REIQ, Lawrence Consulting

Rental Market

Median weekly rental prices for two bedroom units in the South Burnett region increased by 2.8% over the year to the September Quarter 2013, whilst rents for three bedroom houses remained unchanged.

Median Weekly Rents

Separate Houses & Units/Flats



Source: Residential Tenancies Authority

Rental Market

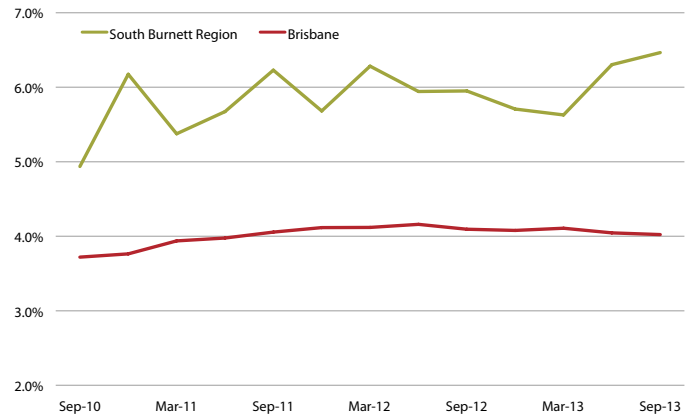
	South Burnett		Brisbane	
	Level Sep Qtr 2013	Annual % change	Level Sep Qtr 2013	Annual % change
Median weekly rent (\$)				
Two bedroom flats	185	2.8	395	0.0
Three bedroom houses	230	0.0	410	2.5
Gross rental yield (%)				
Separate houses	6.5	0.5	4.0	-0.1
Vacancy rate (%)				
All rentals	4.9	0.0	2.1	0.4

Source: Residential Tenancies Authority, REIQ, Lawrence Consulting

The average gross housing rental yield in the South Burnett region was 6.5% in the September Quarter 2013, which was significantly higher than the average for Brisbane (4.0%). The vacancy rate for all rentals in the South Burnett region fell by 2.8 percentage points to 4.9% in the September Quarter 2013.

Gross Rental Yields

Separate Houses



Source: Residential Tenancies Authority, REIQ, Lawrence Consulting

Key Economic Indicators

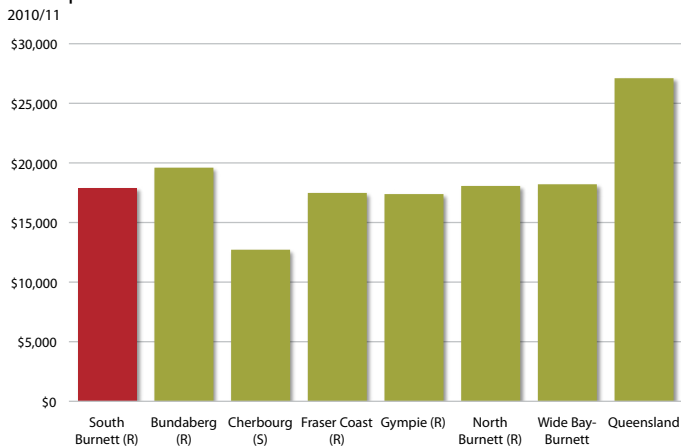
	Period	Level	Level – 12 mths ago	Change	Annual % change
Population & Households					
Estimated resident population	2012	32,285	31,803	+482	1.5%
Projected population	2031	40,592	n.a.	+8,307	1.2%
Projected households	2031	17,113	n.a.	+3,689	1.2%
Per capita income (\$)	2010/11	17,870	17,153	+717	4.2%
Average wage & salary income (\$)	2010/11	43,535	41,627	+1,908	4.6%
Employment					
Employed persons (no.)	Sep Qtr 2013	14,603	15,271	-668	-4.4%
Unemployment rate (%) ^(a)	Sep Qtr 2013	7.5	5.9	+1.6	1.6%
Labour force (persons)	Sep Qtr 2013	15,793	16,230	-437	-2.7%
Participation rate (%) ^(a)	2012	60.3	61.0	-0.8	-0.8%
Business Investment					
Gross regional product (\$ million)	2012/13	2,002.3	1,864.0	+138.3	8.7%
GRP per capita (\$)	2012/13	62,872	58,680	+4,192	7.1%
Number of businesses	June 2012	3,278	3,267	+11	0.3%
Total industry turnover (\$ million)	2011/12	951.4	898.5	+52.9	5.9%
Average industry turnover (\$'000)	2011/12	290.2	275.0	+15.2	5.5%
Building & Construction					
Number of dwelling approvals	Yr to Sep Qtr 2013	110	235	-125	-53.2%
Value of dwelling approvals (\$'000)	Yr to Sep Qtr 2013	28,502	54,709	-26,207	-47.9%
Value of non-dwelling approvals (\$'000)	Yr to Sep Qtr 2013	11,844	18,669	-6,825	-36.6%
Property Market					
Median sales price – houses (\$)	Sep Qtr 2013	185,000	201,000	-16,000	-8.0%
Median weekly rent – 3bd house (\$)	Sep Qtr 2013	230	230	0	0.0%
Rental yield – separate houses (%) ^(a)	Sep Qtr 2013	6.5	6.0	+0.5	0.5%
Vacancy rate – all rentals (%) ^(a)	Sep Qtr 2013	4.9	4.9	0.0	0.0%

Note: (a) Changes are percentage point changes.

Personal Income

Per capita income for the South Burnett region was estimated at \$17,870 in 2010/11, representing an annual increase of 4.2% from the level recorded in 2009/10 (\$17,153). The average wage and salary income for the South Burnett region increased annually by 4.6% to \$43,535 in 2010/11.

Per Capita Income



Source: ABS 6524.0

For More Information

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