

ECONOMIC DEVELOPMENT STRATEGY

2017 – 2020

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ABOUT SOUTHERN DOWNS

Situated two hours south west of Brisbane, the Southern Downs is a Local Government Area located in the Darling Downs region of Queensland, along the state’s boundary with New South Wales.

The Southern Downs is a thriving regional business hub centred around major towns Warwick and Stanthorpe, and smaller towns Allora, Killarney, Leyburn and Wallangarra. It offers an outstanding mix of investment and business opportunities, industrial and rural locations and relaxed country lifestyle. The region’s abundant land, industry diversity and transport infrastructure underpin its role as a major hub for South East Queensland’s agricultural, manufacturing, construction, tourism and transport sectors. The region’s two major centres are both easily accessible by a vast highway network while further train, road and air networks connect the region to national and international markets. The Southern Downs economy benefits from its strategic location, a stable skilled workforce, value-for-money land prices and an overall high level of community



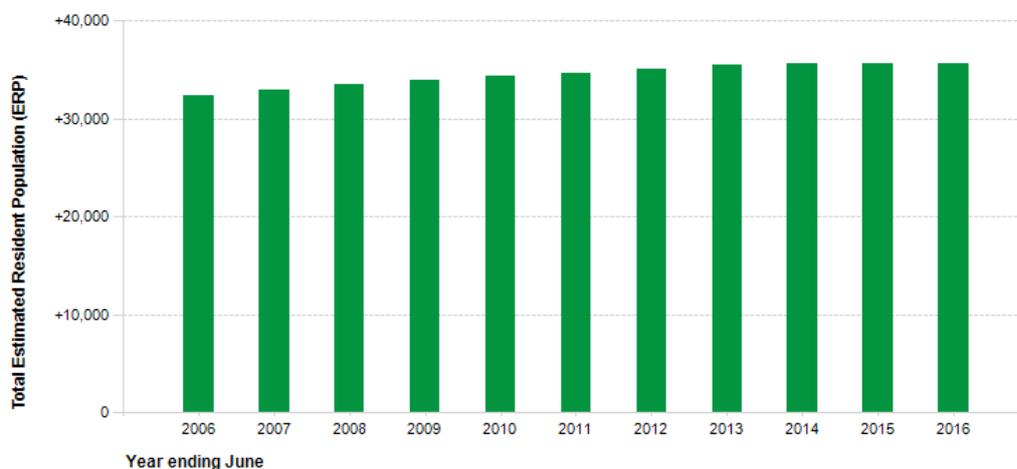
amenity.

The Southern Downs offers affordable living in a stunning natural setting with three national parks, four major dams, and the Condamine and Severn Rivers. The region also boasts a number of historical and natural attractions alongside a vibrant events calendar, all celebrated across four distinct seasons. Impressive education facilities, extensive community services and enviable real estate prices make living and working in the Southern Downs attractive.

The estimated resident population of the Southern Downs was 35,622 in 2016.

Estimated Resident Population (ERP)

Southern Downs Regional Council



Source: Australian Bureau of Statistics, Regional Population Growth, Australia (3218.0). Compiled and presented by .id the population experts

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ECONOMIC SNAPSHOT

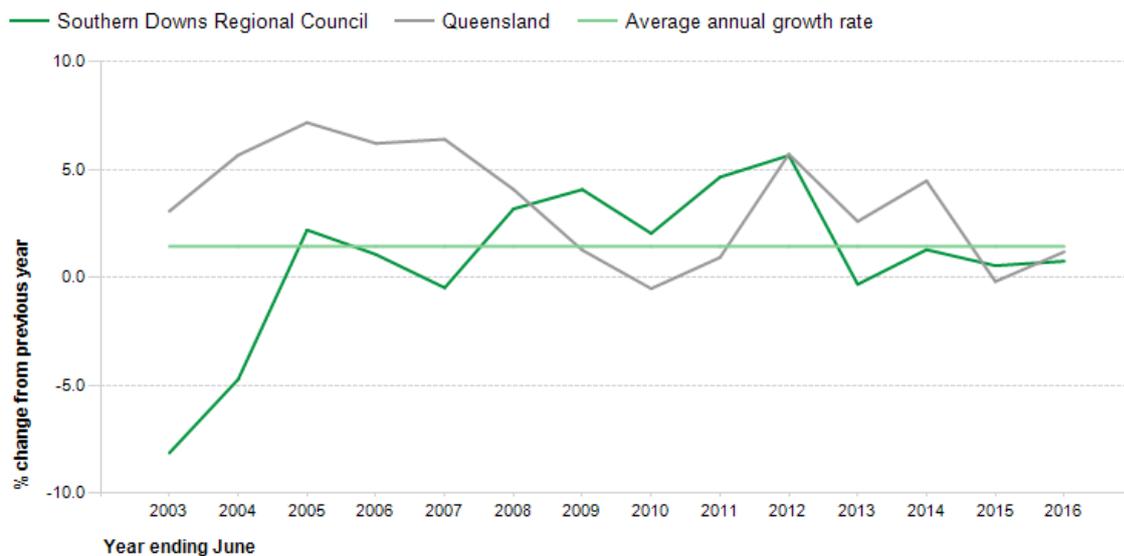
The Southern Downs economy has grown from having a strong reliance on primary industries to a more diversified economy centred on the major centres of Warwick and Stanthorpe. Industries such as transport, logistics and warehousing, food processing, tourism and health care have all contributed to creating an economically diverse and stable region.

BUSINESS ACTIVITY

GROSS REGIONAL PRODUCT

The Southern Downs' Gross Regional Product (GRP) was \$1,758m in 2015-16, a 0.8% increase on 2014-15. The region's GRP estimates have grown strongly by an average of 2.12% per annum since 2010-11, slightly lower than the Queensland average of 2.45% across the same period. The Southern Downs contributed 0.56% to the Gross State Product of Queensland in 2015-16.

Annual change in Gross Regional Product



Source: National Institute of Economic and Industry Research (NIEIR) ©2016
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Southern Downs' leading sectors (by value) in 2015-16 were:

- Agriculture, Forestry and Fishing, which generated \$751 million
- Manufacturing, which generated \$447.2 million
- Construction, which generated \$411.5 million
- Electricity, Gas, Water and Waste Services, which generated \$222.6 million
- Transport, Postal and Warehousing, which generated \$214.6 million

Key growth sectors in Southern Downs from 2010-11 to 2015-16 included:

- Agriculture, Forestry and Fishing (40% growth from 2010-11 to 2015-16)
- Rental, Hiring and Real Estate Services (42% growth)
- Mining (27% growth)
- Arts and Recreation Services (23% growth)
- Financial and Insurance Services (22% growth)

Key exports out of the Southern Downs in 2015-16 included:

- Agriculture, Forestry and Fishing - \$481 million (46.9% of all export value)
- Manufacturing - \$230 million (22.4%)
- Transport, Postal and Warehousing - \$100.3 million (9.8%)

BUSINESSES BY INDUSTRY

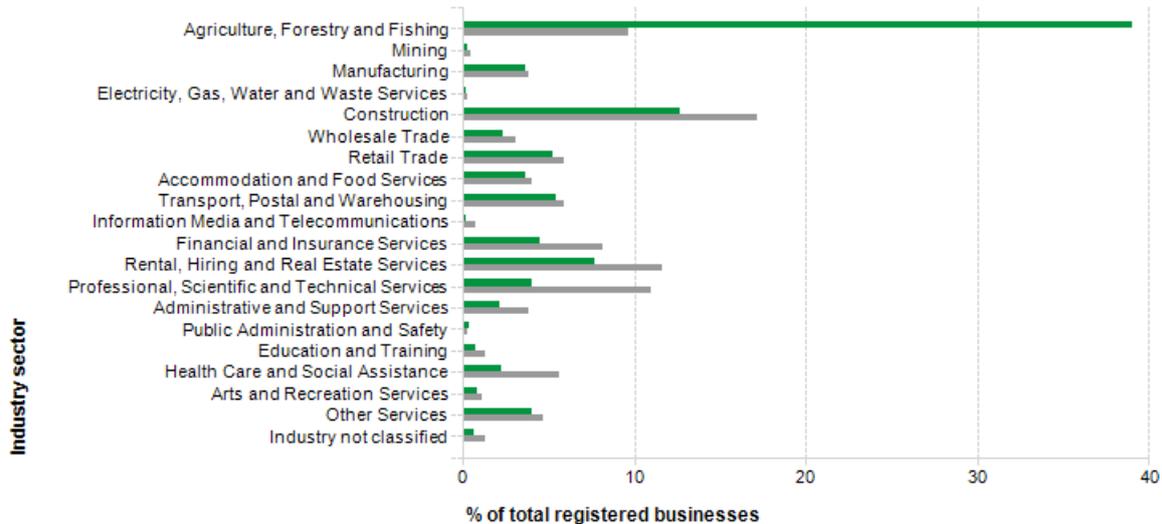
Agriculture, Forestry and Fishing is the largest industry in terms of business numbers in the Southern Downs, accounting for 39.1% of the total number of businesses, followed by Construction (12.7%),

Rental, Hiring and Real Estate Services (7.7%), Transport, Postal and Warehousing (5.5%) and Retail Trade (5.2%).

Registered businesses by industry 2016

Total registered businesses

■ Southern Downs Regional Council ■ Queensland



Source: Australian Bureau of Statistics, Counts of Australian Businesses, including Entries and Exits, 2011 to 2015 Cat. No. 816. 

EMPLOYMENT

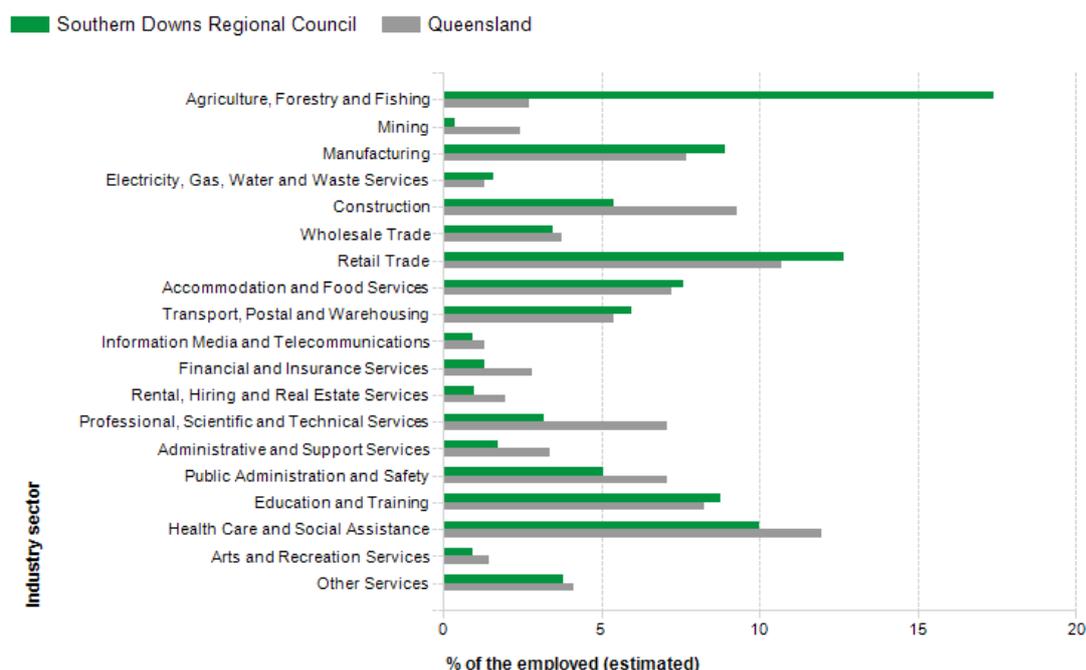
LABOUR FORCE AND UNEMPLOYMENT

The estimated number of employed persons in the Southern Downs as at June 2016 was 15,512, representing an annual decrease of 0.35% from the level recorded in June 2015. The unemployment rate in the Southern Downs as at June 2016 was 4.43%, compared with the Queensland rate of 6.40%. Southern Downs' unemployment rates have trended significantly below the State average over the last five years, reflecting a solid overall employment outlook.

EMPLOYMENT BY INDUSTRY

In the Southern Downs region Agriculture, Forestry and Fishing is the largest employer, generating 2,702 local jobs (17.4%) in 2015-16, followed by Retail Trade (12.7%) and Health Care and Social Assistance (10%).

Employment (total) by industry 2015/16



Source: National Institute of Economic and Industry Research (NIEIR) ©2016
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EMPLOYMENT BY OCCUPATION

The Southern Downs employment market is diverse, with the two largest categories reported as labourers (17.7%) and managers (16.5%), based on the most recent data from 2011. The proportions of these occupations are greater than those observed at a State level.

41.5% of the local labour force has qualifications, compared to 55.6% for Queensland. 12.5% of workers have a Bachelor or Higher Degree, compared with 21.5% in the rest of the State, reflective of the region's core blue collar occupations in agriculture and manufacturing industries.

PROPERTY MARKET

HOUSING AND RENTAL MARKET

The median house price in the Southern Downs was \$274,941 at June 2016, which represented an annual increase of 0.03% from the level recorded in June 2015 (\$267,622). At June 2016, the Southern Downs had a median house rental of \$265, \$110 lower than the media house rental for Queensland.

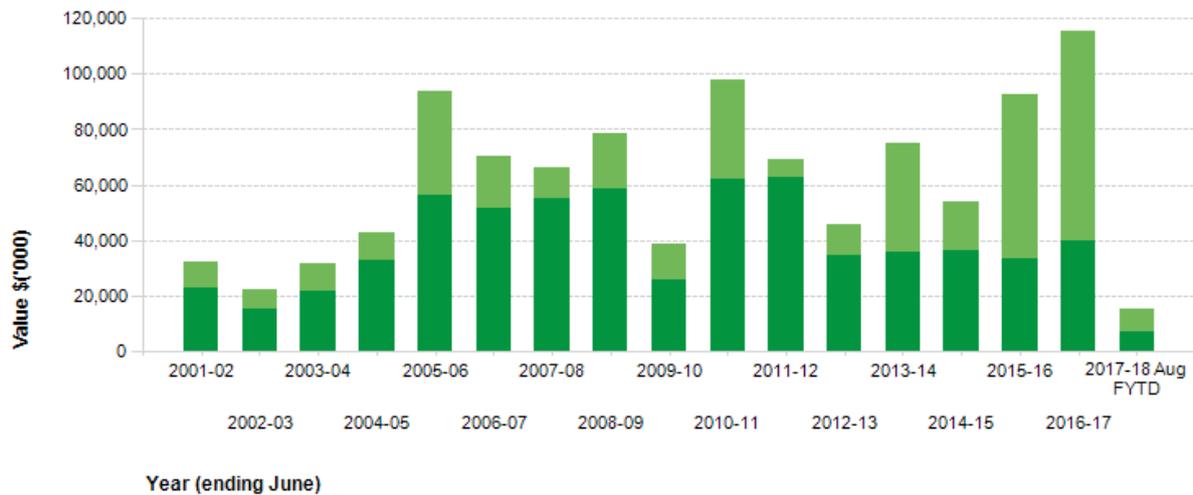
BUILDING APPROVALS

The total value of buildings approved in the Southern Downs was over \$115 million in the year 2016-17, which represented a substantial increase of 25% from the level recorded in 2015-16. The value of

residential building approvals rose by 19% while the value of non-residential approvals rose by 28%. In the same period, the value of all building approvals state wide decreased by 3%.

Value of total building approvals

Southern Downs Regional Council
 Residential NonResidential



Source: Australian Bureau of Statistics, Building Approvals, Australia, catalogue number 8731.0. Compiled and presented in economy.id by .id the population experts



OUR GOALS

1. INCREASE POPULATION BY 10% BY 2020
2. ATTRACT \$300MILLION OF INVESTMENT BY 2020
3. ATTRACT 1500 NEW JOBS BY 2020

TARGET SECTORS

AGRICULTURE

Agriculture, Forestry and Fishing is the region's primary industry across employment, exports, industry growth and economic value. It employs 17.4% of the workforce and accounts for 22.5% of the region's economic turnover. The sector has many industry-leading operators located in the region and accounts for almost half of the value of the region's exports. Southern Downs is well positioned to supply increased demand for agricultural produce with capacity to expand. Furthermore, there is strong growth in demand for higher value food products to come from the

growing and middle and upper class in Asia. Premium foods grown in the Southern Downs, such as meats and fruits, can expect increased demand over the longer term.¹

FOOD PROCESSING

Most of the economic data for manufacturing on the Southern Downs is generated by food processing. It is the fourth largest employing sector and the second largest generator of output. The Southern Downs has available and affordable industrial land, close to raw material and well connected to highway routes to Sydney and Brisbane.

HEALTH AND AGED CARE

Health Care and Social Assistance is the region's 3rd largest employer and 7th largest contributor to economic output. The Australian population continues to age, and the Southern Downs is no exception. The ageing population also brings enhanced opportunities to leverage related expansions of certain markets including health services and aged care facilities. Ageing in place policies and tele-health are making it more viable to grow old in one's home town. The National Disability Insurance Scheme (NDIS) will offer new opportunities for businesses and jobs in the community and health sector.

TRANSPORT AND LOGISTICS

Transport, Postal and Warehousing is the region's 7th largest employer and 5th largest contributor to economic output. The Southern Downs is well located on the crossroads of the New England and Cunningham Highways; it is two hours from Brisbane and one hour from Toowoomba Wellcamp Airport. Land prices in the Southern Downs are about 20% of the price of land in South East Queensland and there is an existing support industry for transport and logistics in the region.

EDUCATION

The Southern Downs has a comprehensive range of education and research institutions from kindergarten to university and research facilities. Education and training accounts for 8.8% of all employment in the region. The proximity to South East Queensland and diversity of the region means that the educational institutions can focus on rural and remote issues while being very close to the major population base. Diversity of education will be the focus of investment attraction in the sector but will also be utilised as an attractor for residential growth.

TOURISM

The tourism sector in the region accounts for approximately 6% of the economy. The region is a recognised short-break destination for South East Queensland, particularly during the colder months. Opportunities exist for the region through the attraction of more visitors and events to the region, as well as highlighting the potential of the region to be used for film and television production. The Southern Downs Tourism Strategy, as a complementary strategy to this Economic Development Strategy focusses on maintaining and growing the tourism sector in the region.

¹ SDRC Socio-Economic Profile, AEC Group, 2015

STRATEGIC ACTIONS

In order to achieve the three identified goals of this strategy, the main pillars of activity include business growth, investment attraction, workforce development and advocacy.

STRATEGIC ELEMENT	ACTIVITIES	OUTCOMES
Business Growth	<ul style="list-style-type: none"> • Business retention and expansion • Building capacity • Facilitating more local business 	<ul style="list-style-type: none"> • Increase jobs • Increase local business profitability • Improve business sustainability
Investment Attraction	<ul style="list-style-type: none"> • Targeted sectors and firms • Gap and trend analysis • Business case development • Targeted attraction activities 	<ul style="list-style-type: none"> • New jobs • New investment • Building economic resilience
Workforce Development	<ul style="list-style-type: none"> • Skills development • Skilled workforce attraction • Employer capacity building 	<ul style="list-style-type: none"> • Population increase • Work ready workforce • Better match of jobs and skills
Advocacy	<ul style="list-style-type: none"> • Influence Commonwealth and State policy frameworks • Advocate for infrastructure to support the Southern Downs economy • Represent the interests of local businesses 	<ul style="list-style-type: none"> • Cutting red tape • Assisting economic and jobs growth • Becoming a destination of choice for investment

PLANNING AND POLICY

This Strategy will be implemented by the Economic Development and Tourism Department and is underpinned by an annual workplan.

