Overview – Wollongong LGA

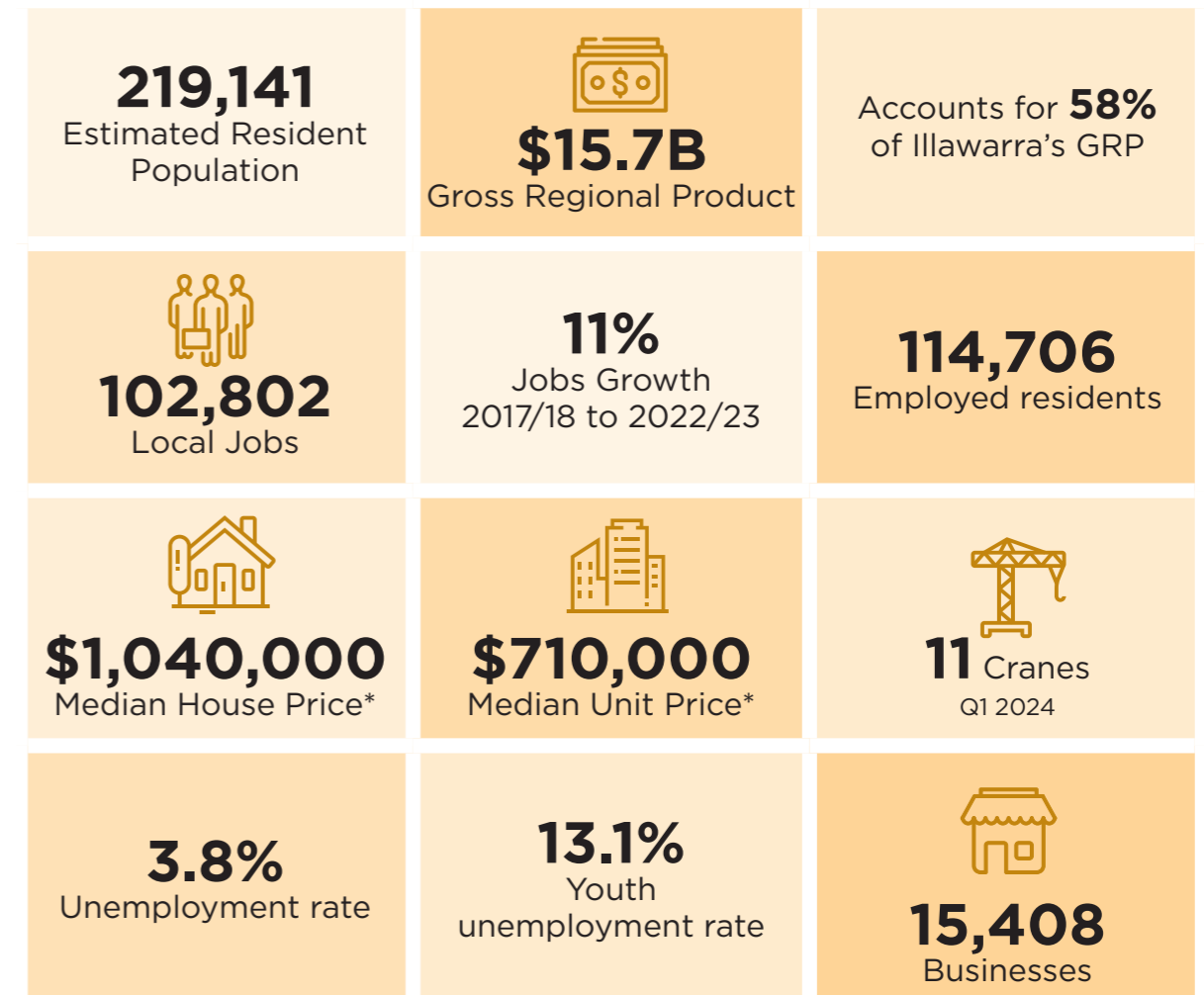|		
219,141 Estimated Resident Population	**$15.7B** Gross Regional Product	Accounts for **58%** of Illawarra's GRP
102,802 Local Jobs	**11%** Jobs Growth 2017/18 to 2022/23	**114,706** Employed residents
$1,040,000 Median House Price*	**$710,000** Median Unit Price*	**11** Cranes Q1 2024
3.8% Unemployment rate	**13.1%** Youth unemployment rate	**15,408** Businesses

Key Drivers of Jobs Growth (2017-18 to 2022-23):

1. Health Care and Social Assistance: +4,430
2. Construction: +3,049
3. Public Administration and Safety: +951
4. Professional, Scientific and Technical Services: +897
5. Wholesale Trade: +536

Above data is the latest available at publication date.

*Source: Economy.id/REA group.

Wollongong City Council

Wollongong Economic Insights Report

July 2024

wollongong
city of innovation

State of the Regions Update

The National Economics State of the Regions Dataset was recently released, which provides the latest estimates of local jobs, employed residents and Gross Regional Product (GRP) for local government areas across Australia.

Figure 1 – Wollongong LGA Key Results

|	2017-18	2022-23	Change (5-yr)	Change (5-yr, %)
Gross Regional Product ($B)	13.89	15.74	+1.85	13.3%
Local Jobs	92,641	102,802	+10,161	11.0%
Employed Residents	101,349	114,706	+13,358	13.2%

Source: National Institute of Economic and Industry Research (NIEIR) 2024

Gross Regional Product

Gross Regional Product (GRP) is the amount of wealth generated by businesses, organisations and individuals working in the area. Figures on GRP have been adjusted for inflation.

In 2022-23, Wollongong's Gross Regional Product (GRP) reached a new high of $15.7B, up 4.9% over the year and 13.3% over five years. The broader Illawarra-Shoalhaven economy is now estimated to be worth $27.3B, with Wollongong representing 57.6% as the regional capital.

Figure 2 – Illawarra-Shoalhaven GRP

- Kiama
- Shellharbour
- Shoalhaven
- Wollongong
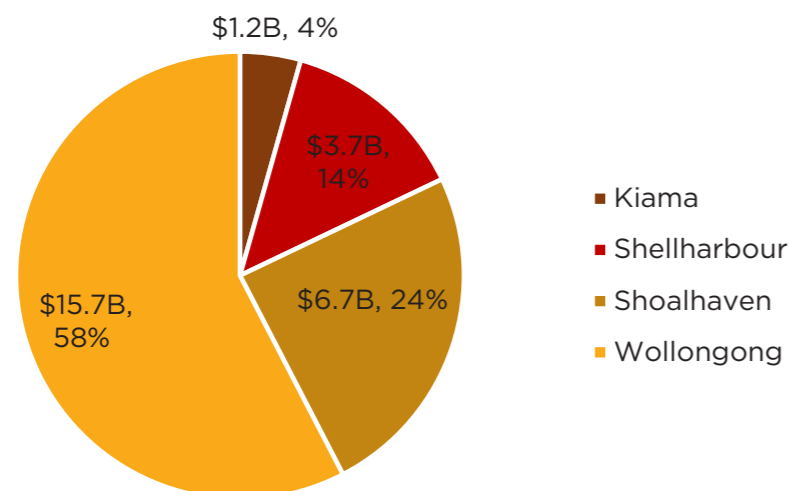
Source: National Institute of Economic and Industry Research (NIEIR) 2024

Wollongong City Council Economic Development Strategy 2019-2029

Jobs target update 2022-23

In 2019, Wollongong City Council adopted the Economic Development Strategy 2019-29, which outlines the key priorities, goals and actions of Council in supporting economic activity in Wollongong. There are 56 action items across seven Council policy levers, with one central focus: Jobs Growth.

With a focus on jobs, the Strategy adopted a jobs target of 10,500 net new jobs over the next decade. This was more than double the 5,000 net new jobs created in the decade to 2018.

As at 2022-23, there were 102,802 local jobs within the Wollongong LGA, an increase of 5,143 jobs (+5.3%) over the past year and a 10,161 (+11%) increase against the base line over the first five years of the Strategy. This equates to achieving 96% of the adopted jobs target, or 415 jobs remaining to reach 100% of the jobs target, as shown in Figure 3 below.

Figure 3 – Progress on the jobs target to date
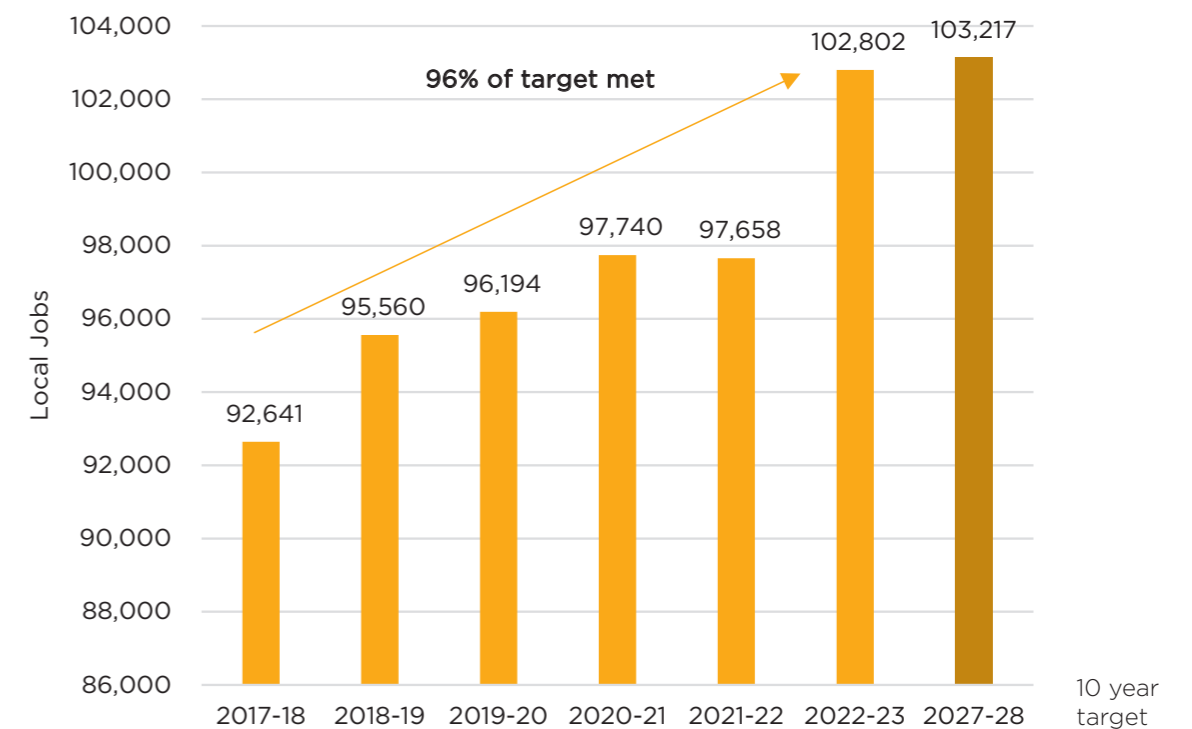
Source: National Institute of Economic and Industry Research (NIEIR) 2024

It's worth noting the number of employed residents grew slightly more over the past five years totalling 114,706 at 2022-23, an increase of 13,358 (+13.2%).

Industry sector analysis

In 2022-23, the five largest local employing sectors within Wollongong LGA were:

1. Health Care and Social Assistance: 20,628 jobs (20.1%)
2. Construction: 10,753 (10.5%)
3. Education and Training: 10,693 (10.4%)
4. Retail Trade: 8,237 (8%)
5. Manufacturing: 7,464 (7.3%)

The sectors with the largest job gains since 2017-18 (last five years) were:

1. Health Care and Social Assistance: +4,430
2. Construction: +3,049
3. Public Administration and Safety: +951
4. Professional, Scientific and Technical Services: +897
5. Wholesale Trade: +536

The following sectors saw the largest job declines since 2017-18:

1. Retail Trade: -1,184
2. Information Media and Telecommunications: -248
3. Other Services: -134
4. Arts and Recreation Services: -60
5. Agriculture, Forestry and Fishing: -46

Source: National Institute of Economic and Industry Research (NIEIR) ©2024.

Unemployment

In the December 2023 quarter, the unemployment rate for Wollongong was 3.8%. During 2023, we saw a historic low quarterly unemployment rate of 2.7% in June 2023 for the Wollongong LGA, a 50 year low.

We acknowledge that whilst the LGA unemployment rate remains at relatively low levels, the unemployment rate has started to increase over the last six months. The local economy and particularly those sectors underpinned by consumer spending are experiencing a softening in business conditions in line with the broader state and national trends.
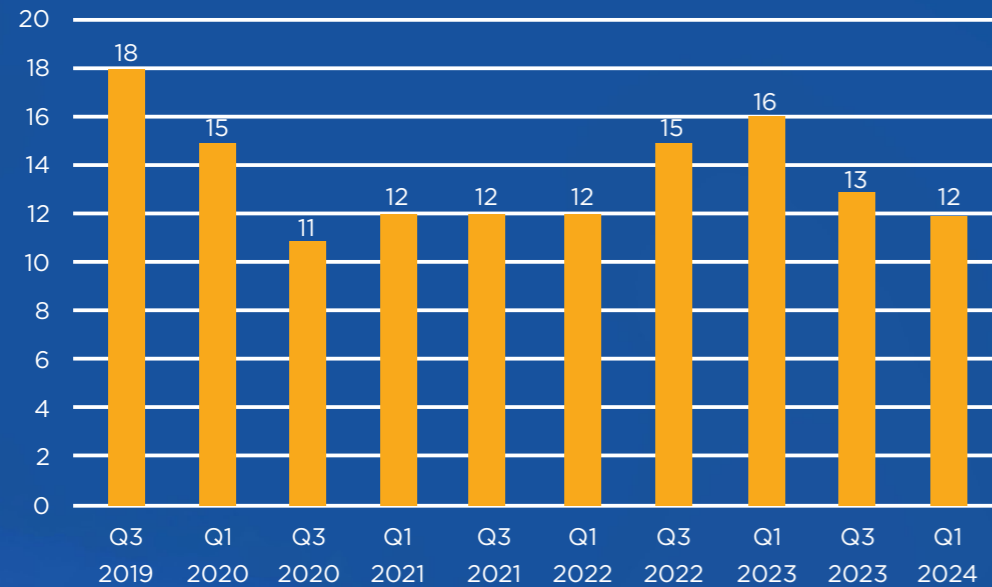
Figure 4 – December 2023 Quarterly Unemployment Rate
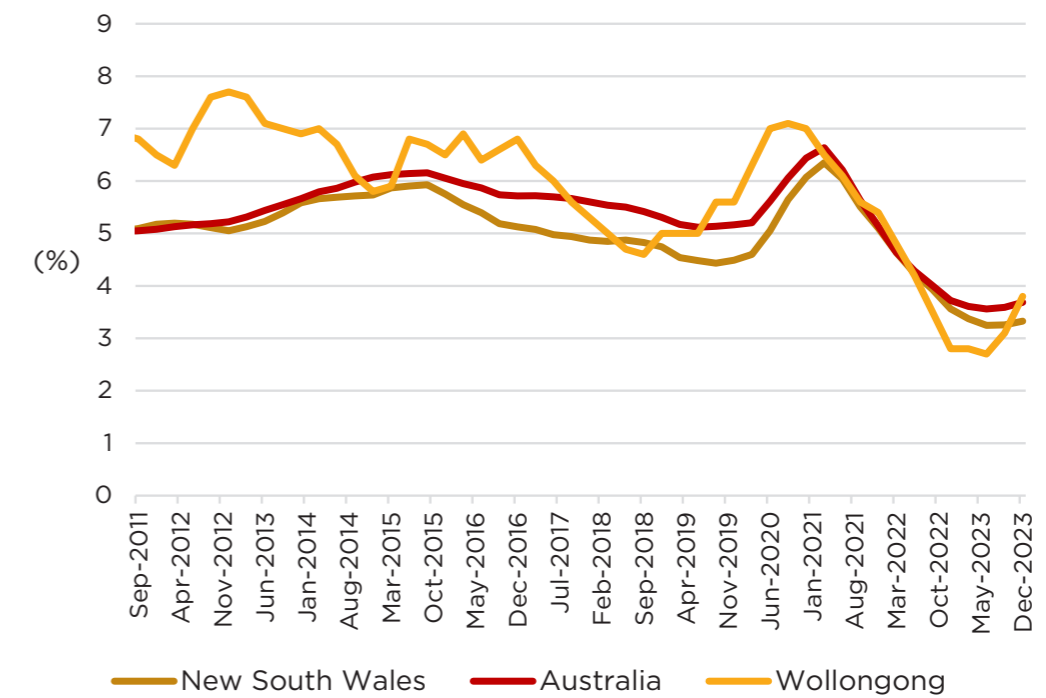
Source: Jobs and Skills Australia and ABS Labour Force

Crane Index

Figure 5 - RLB Crane Index – Wollongong Area

Source: Q3 2023 RLB Crane Index

Rider Levett Bucknall (RLB) releases a report on the number of cranes across cities in Australia every six months. Counting cranes on a city skyline is a simple way to understand the health of the construction industry. Figure 5 shows the number of cranes since Wollongong joined in Quarter 3 2019. In Q1 2024, there were 12 cranes across the combined Wollongong and Shellharbour LGAs, 11 in Wollongong and 1 in Shellharbour. This is the same number of cranes as the Central Coast, and more than Hobart (2 cranes), Geelong (1 crane), and Darwin (0 cranes).


Latest Spendmapp Data for the Wollongong LGA

Spendmapp is a bank transaction analytics application used by Wollongong City Council to track real expenditure activity across the LGA. It does this by aggregating all EFTPOS and credit card transactions.

Figure 6 shows the total local spending across the Wollongong LGA over the past five years since May 2019. The figure shows peak spending levels over the key holiday periods and troughs during COVID-19 restriction periods.

Figure 6 - Total Local Spending
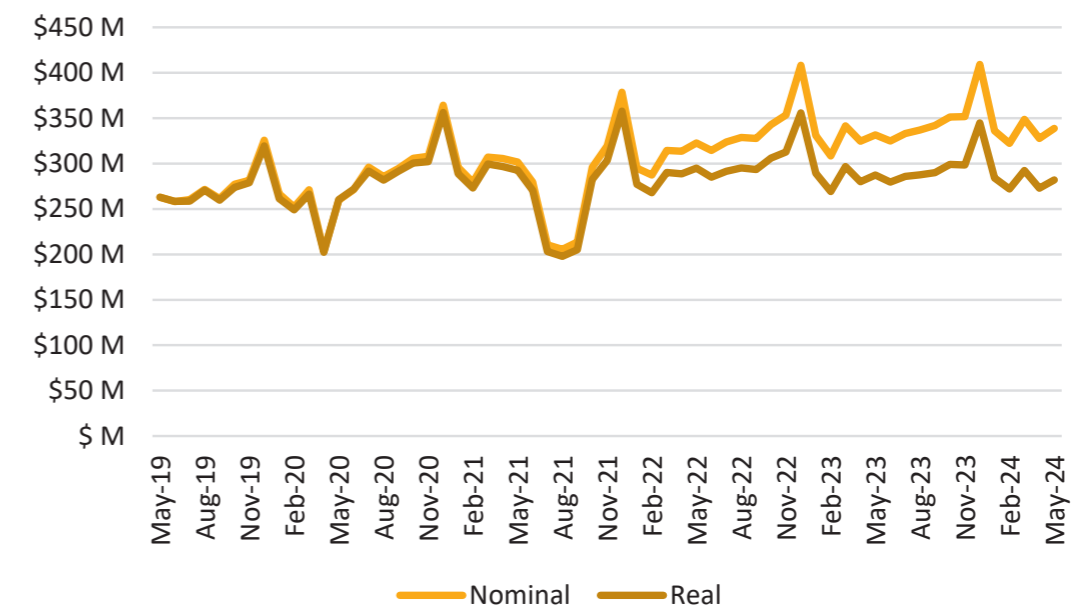
Source: Spendmapp by Geografia

Nominal Spending - nominal spending data is the actual spending levels recorded by Spendmapp.

Real Spending – the real spending data is the spending levels after being adjusted for inflation. The data is indexed at the inflation levels in April 2020. The real value is more important when measuring the extent to which spending increases over a time period are driven by price increases (inflation) or by general spending growth.

Over the last 12 months, total local spending (June 2023 - May 2024) fell by 2.1% in real terms compared to the previous year (June 2022 – May 2023).

It is the usual pattern for monthly spending to fall following its seasonal peak in December. The last three months to May 2024 was 1.9% lower than the same period a year prior.

The data suggests that ongoing cost of living pressures as well as rises in interest rates are contributing to lower levels of monthly spending.

**Figure 7 – Expenditure level by suburb (June 2023 to May 2024)**
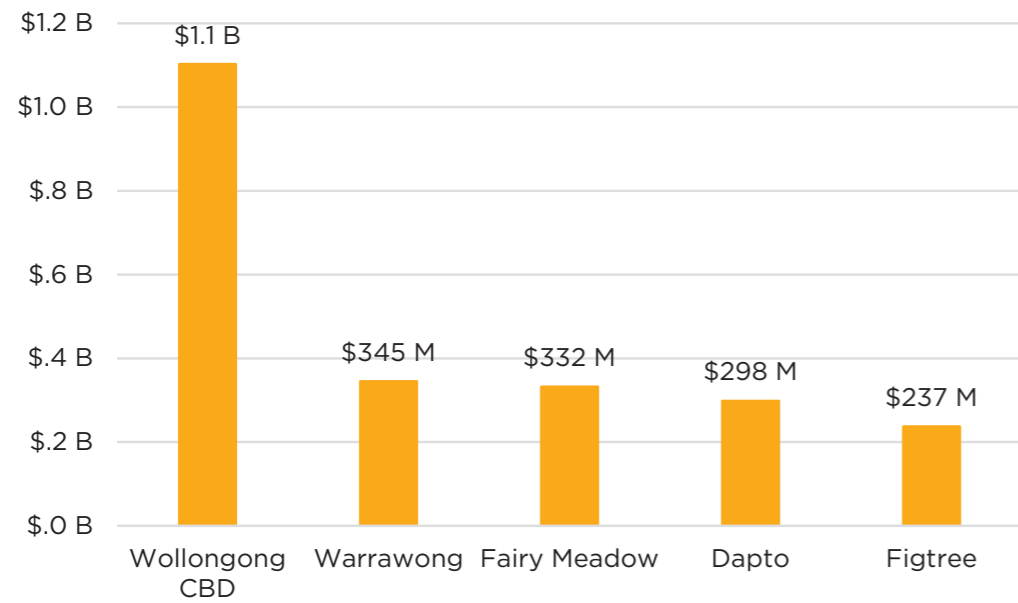
Source: Spendmapp by Geografia

Figure 7 shows total Spendmapp expenditure for the top 5 suburbs in the Wollongong LGA over the last 12 months. Highlighting the role the Wollongong CBD plays, expenditure is three times more than the next highest retail centre – Warrawong.

Latest Spendmapp Data for the Wollongong CBD

Figure 8 - Total Local Spending
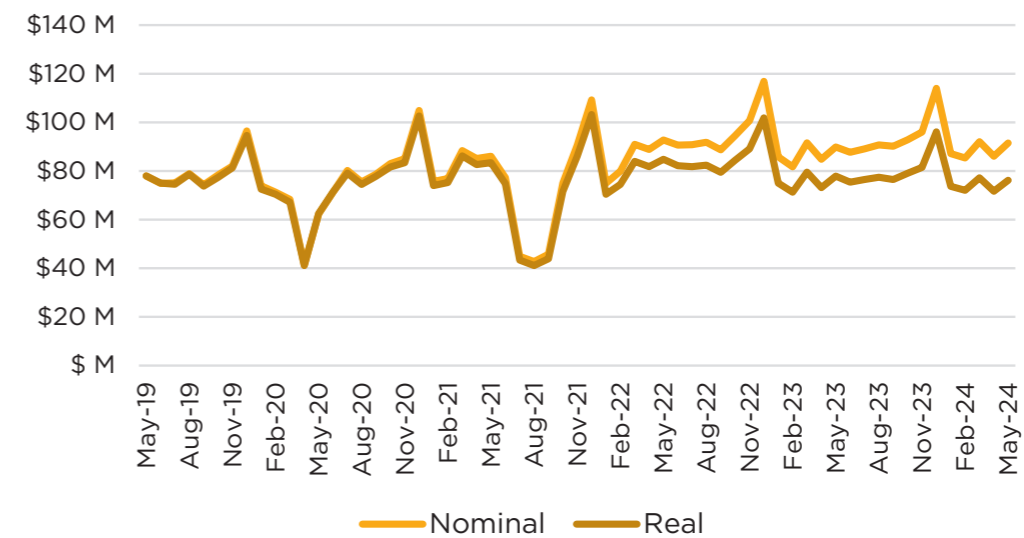
Source: Spendmapp by Geografia

Figure 8 shows the total local spending within the Wollongong CBD over the past five years, which reflects similar trends to the LGA wide data, including peak spending levels over key holiday periods and troughs during COVID-19 restriction periods.

Total real expenditure in the CBD has fell in the last 12 months by 4.6% compared to the previous 12 months (June 2023 - May 2024 compared to June 2022 – May 2023).

Figure 9 – Dining and Entertainment Spend (inflation adjusted), Work vs. Non-Work Hours
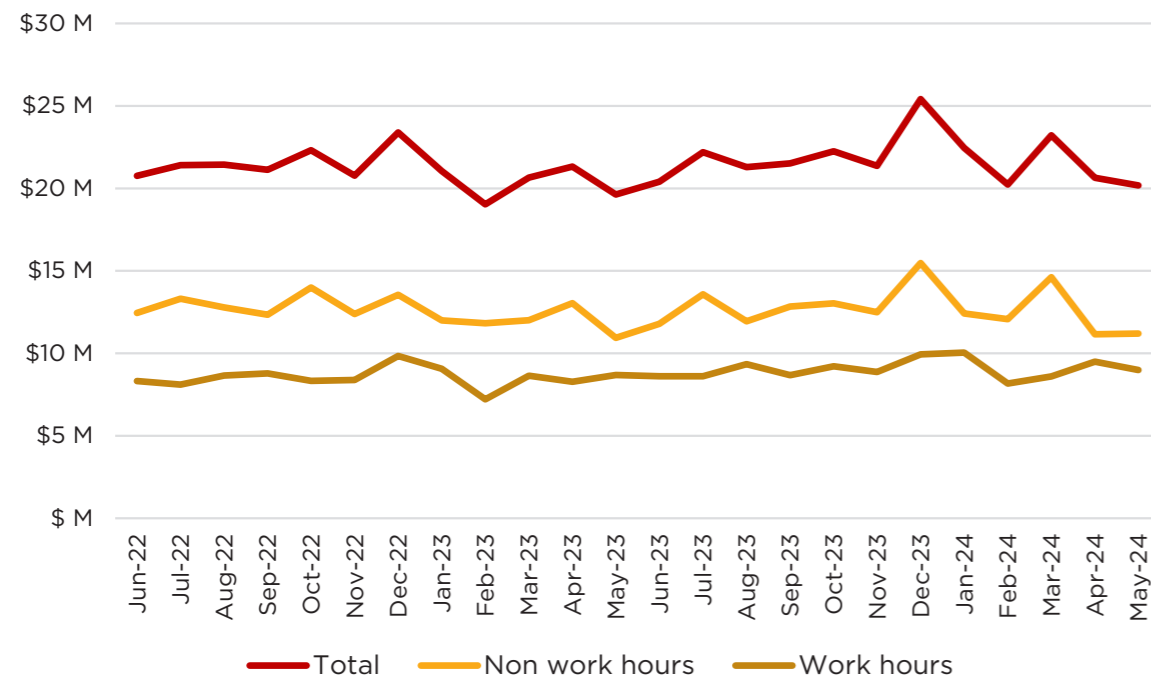
Source: Spendmapp by Geografia

> **Work hours** - 8am-6pm, Monday to Friday
> **Non-work hours** – 6pm -8am, Monday to Friday and weekends

Figure 9 shows the dining and entertainment spend in real terms, including a breakdown of both work hours and non-work hours. Dining and entertainment expenditure has consistently been the top spending category within the CBD.

In contrast to overall CBD spend, spending in dining & entertainment saw an increase of 3.3% over the 12 months to May 2024 compared to the prior year (June 2022 – May 2023). This can be further broken down into:

• Work hours (+ 6.1% year over year)
• Non-work hours (+1.3% year over year)

The increase in spend during work hours highlights that overall spending has likely been supported by the return of workers to Wollongong CBD during daytime trade despite the impact of cost of living pressures. Further, over 40% of CBD dining and entertainment spending comes from workers from outside of the LGA, principally residents from Shellharbour and Kiama LGA's.

It is also acknowledged that whilst total spending over the year was slightly up overall, during this period many businesses likely experienced reduced margins due to higher input costs which is not reflected in the spending data.