

# ECONOMIC OUTLOOK REPORT 4



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A PROJECT OF  
THE MURRAYLANDS REGIONAL DEVELOPMENT BOARD INC

# Murraylands Economic Outlook Report 4: Standard Economic Analysis (Summary)

A report prepared for



Prepared by



16 June 2008

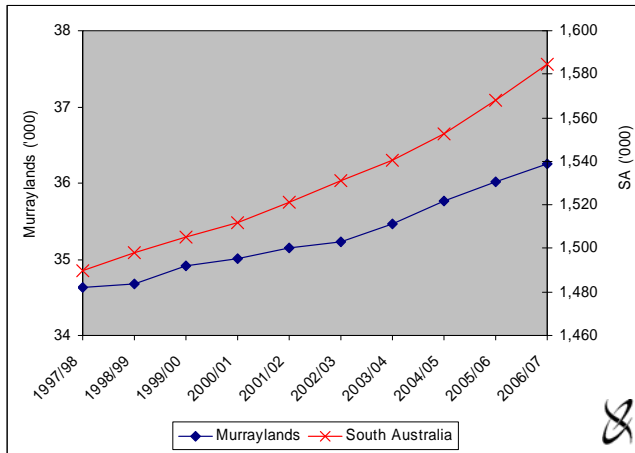
EconSearch Pty Ltd  
214 Kensington Road  
Marryatville SA 5068  
Tel: (08) 8431 5533  
Fax: (08) 8431 7710  
[www.econsearch.com.au](http://www.econsearch.com.au)



## Demographic Profile

In 2006/07 the ERP in the Murraylands region was 36,253 persons (Figure 1), representing 2.3 per cent of the SA total (approximately 1,585,000 persons).

Figure 1 Estimated resident population

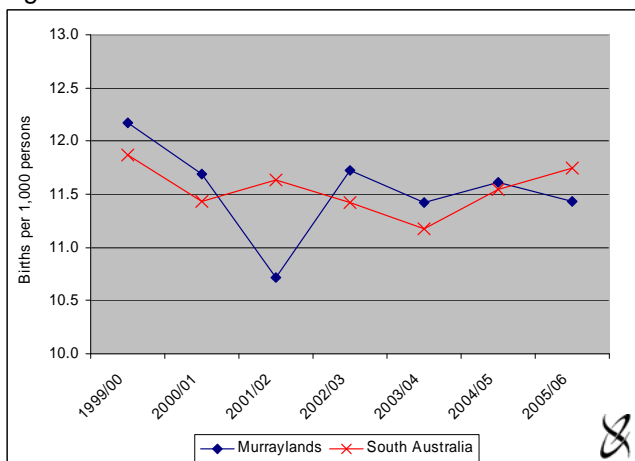


Source: Australian Bureau of Statistics

Population growth in the Murraylands region was a result of an increase in the population of the Murray Bridge and Mid Murray local government areas and a slight decline in population in Karoonda East Murray, the Southern Mallee and the Coorong.

The number of births in the Murraylands region fell from 425 in 1999/00 to 376 in 2001/02 but has increased in subsequent years. The number of births in SA fell from 18,005 in 1999/00 to 17,140 in 2003/04. The number of births in SA has increased in subsequent years reaching 18,260 in 2005/06. (Figure 2).

Figure 2 Crude birth rates

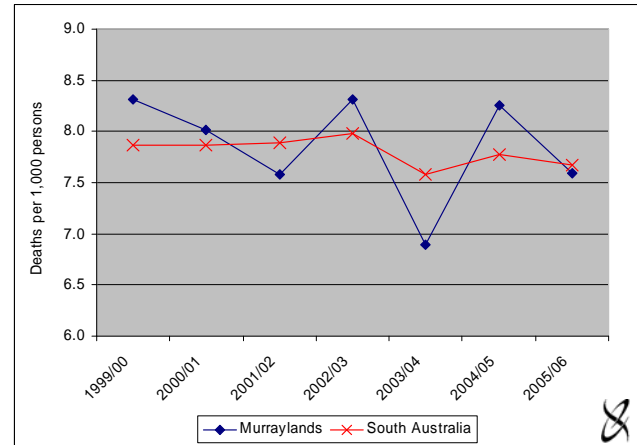


Source: Australian Bureau of Statistics

The annual number of deaths in the Murraylands region fluctuated over the seven years to 2005/06, but generally following a decreasing trend. In 1999/00, there were 290 deaths in the region, while in 2005/06 there were 271 (Figure 3).

The number of deaths in SA decreased between 2002/03 and 2005/06 to 11,921, the corresponding death rate was 7.7 (Figure 3).

Figure 3 Crude death rates



Source: Australian Bureau of Statistics

Compared with SA, the Murraylands has a higher concentration of both younger people (aged 0 to 14 years) and people aged 65 and over and, consequently, a lower than average share of persons aged 15 to 64 years (Table 1).

Table 1 Population age distribution

Age	Murraylands		South Australia	
	2001	2006	2001	2006
0 to 14	7,327	6,848	287,648	280,825
15 to 64	21,670	22,076	966,662	1,000,381
65 or older	4,987	5,760	215,747	233,130
Total	33,984	34,684	1,470,057	1,514,336

Source: Australian Bureau of Statistics

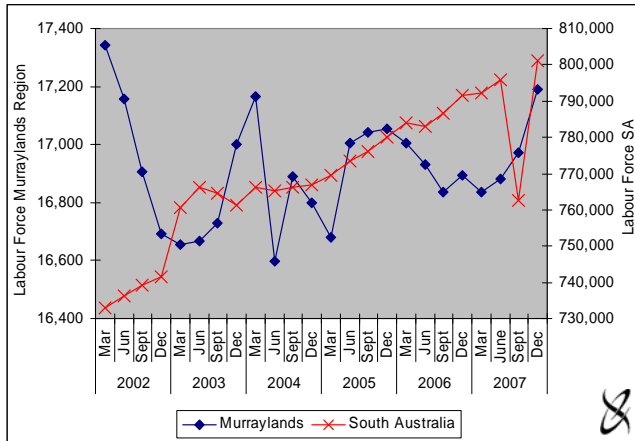
The Murray Bridge Urban Growth Management Plan indicates that the total population in the Rural City of Murray Bridge is expected to increase by between 27 and 45 per cent between 2006 and 2016 (QED 2007).

The latest Murraylands Growth and Investment Survey update (2007) indicates that business owners and managers within the Murraylands region expect the number of new jobs to grow by almost 2,600 over the three years ending at the close of 2008. It is anticipated that the new positions will be concentrated in the retail trade and manufacturing sectors (Clifford, 2007).

### Labour Force Indicators

The total number of persons in the labour force in the Murraylands, fluctuated over the years 2002 to 2007 ranging between 16,597 in June 2004 and 17,344 in March 2002. Despite some fluctuations, the labour force in SA increased over the five years, from 732,900 in March 2002 to 801,100 in December 2007 (Figure 4).

Figure 4 Number of persons in the labour force

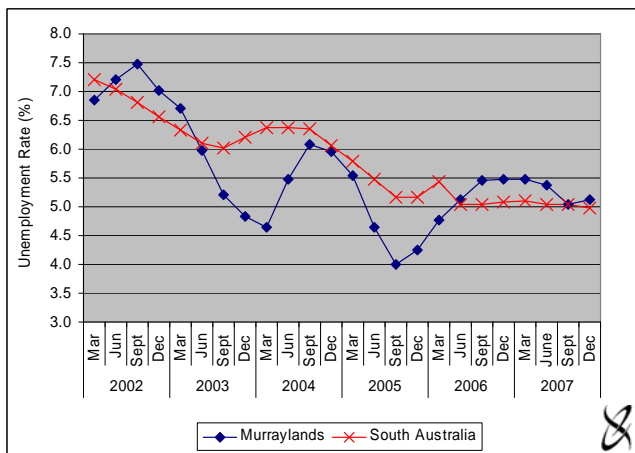


Source: DEWR

The number of unemployed persons in the Murraylands fluctuated over the period 2002 to 2007, but generally followed a declining trend. The number of unemployed persons in SA decreased by approximately 24 per cent overall, but fluctuated over the years.

The unemployment rate in the Murraylands fluctuated over the period 2002 to 2007 but generally followed a declining trend. The unemployment rate in the Murraylands region was, on average, slightly lower than the rate for SA, although it has been 0.2 percentage points higher, on average, for the past four quarters (Figure 5).

Figure 5 Unemployment rate



Source: DEWR and EconSearch analysis.

The labour force participation rate for the Murraylands fluctuated over the 5 years but generally followed a declining trend. The labour force participation rate in SA fluctuated slightly over the four years, ranging between 59 and 62 per cent. In 2005/06 the labour force participation rate in the Murraylands was 58 per cent compared to 61 per cent for SA as a whole.

### Education and Training

Total enrolments for government and non-government schools located within the Murraylands region and SA are detailed in Table 2 for the three census years 1996, 2001 and 2006.

Table 2 Primary and secondary school enrolments

	Census Year		
	1996	2001	2006
<b>Murraylands</b>			
Pre-school	448	499	429
Primary			
- Government	3,324	2,974	2,392
- Non-Government	533	812	1,038
<b>Total Primary Student</b>	<b>3,857</b>	<b>3,786</b>	<b>3,430</b>
Secondary Students			
- Government	1,634	1,662	1,524
- Non-Government	147	377	470
<b>Total Secondary Students</b>	<b>1,781</b>	<b>2,039</b>	<b>1,994</b>
<b>South Australia</b>			
Pre-school	17,218	18,256	18,577
Primary			
- Government	112,199	104,183	93,512
- Non-Government	38,615	43,264	46,003
<b>Total Primary Student</b>	<b>150,814</b>	<b>147,447</b>	<b>139,515</b>
Secondary Students			
- Government	55,044	57,938	52,037
- Non-Government	27,665	31,712	35,259
<b>Total Secondary Students</b>	<b>82,709</b>	<b>89,650</b>	<b>87,296</b>

Source: ABS Census of Population and Housing

The total number of Murraylands residents enrolled in primary school decreased by 11 per cent between 1996 and 2006. This decrease was comprised of a 28 per cent decrease in enrolments in government schools and a 95 per cent increase in enrolments at non-government schools.

The total number of Murraylands residents enrolled in secondary school increased slightly between 1996 and 2006. The increase was comprised of a 7 per cent decrease in government school enrolments and a 220 per cent increase in non-government school enrolments.

Enrolments in non-government schools accounted for 28 per cent of total school enrolments by Murraylands residents in 2006. In 2001 the proportion of enrolments in non-government schools was 12 per cent.

The total number of residents in the Murraylands with a non-school qualification increased steadily over the three Census years. Compared with the whole of SA, persons aged 15 years and older in the Murraylands had an above average level of non-school qualification. In 2006, approximately 37 per cent of all persons aged 15 or over in the Murraylands, held some form of non-school qualification. The level of qualification was generally lower for the Murraylands than for SA, with the proportion of persons with a bachelor degree or higher being significantly lower.

Enrolments at universities, technical colleges and other education institutes for three census years (1996, 2001 and 2006) are summarized in Table 3 for the Murraylands region and South Australia.

Between 1996 and 2006 the total number of Murraylands residents enrolled in an higher education institute increased by 68 per cent. This is significantly greater than for SA as a whole, with the total number of residents undertaking higher education increasing by 33 per cent.

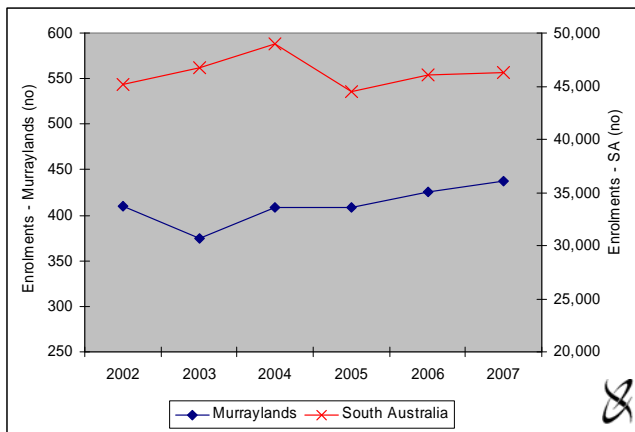
**Table 3 Higher education enrolments**

	Census Year		
	1996	2001	2006
<b>Murraylands</b>			
TAFE	548	643	593
University or other tertiary institution	180	217	268
Other education institution <sup>a</sup>	1,509	1,769	2,893
<b>Total higher education students</b>	<b>2,237</b>	<b>2,629</b>	<b>3,754</b>
<b>South Australia</b>			
TAFE	34,331	37,144	32,747
University or other tertiary institution	47,153	49,352	53,726
Other education institution <sup>a</sup>	70,372	65,466	115,538
<b>Total higher education students</b>	<b>151,856</b>	<b>151,962</b>	<b>202,011</b>

Source: ABS Census of Population and Housing

University enrolments by students from the Murraylands region and SA are detailed in Figure 6.

**Figure 6 University enrolments**

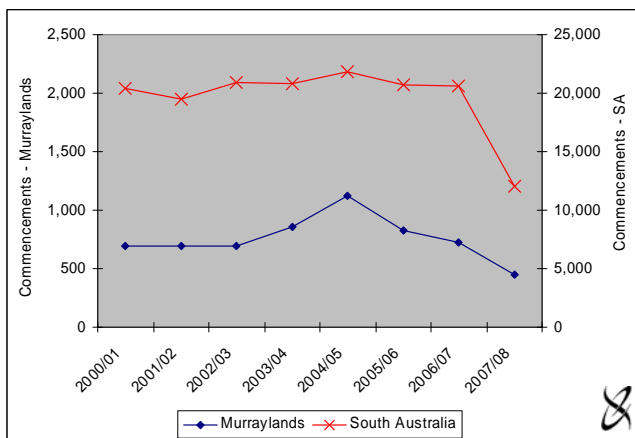


Source: Flinders University, Adelaide University and University of South Australia.

Total university enrolments by students from the Murraylands generally followed an increasing trend over the six years to 2007 despite for a slight decline in 2003.

The number of contract of training commencements in the Murraylands generally followed an increasing trend over the 5 year period to 2005/06 (Figure 7).

**Figure 7 Contract of training commencements**

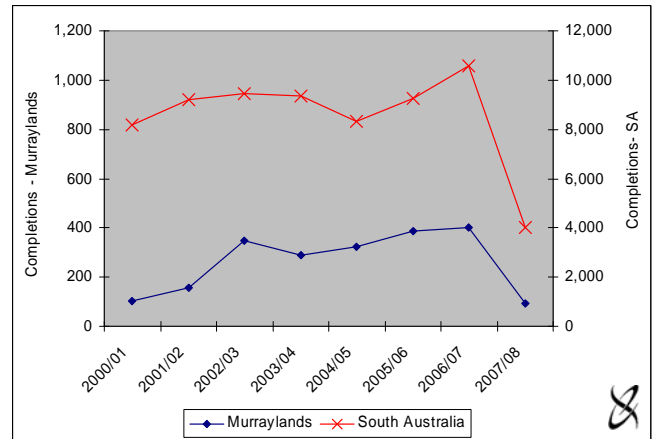


Source: DFEEST

The number of contract of training commencements in the Murraylands fluctuated slightly over the 8 year period to 2007/08 (Figure 7).

The total number of contract of training completions in the Murraylands fluctuated over the 8 year period, but generally followed an increasing trend.

**Figure 8 Contract of training completions**



Source: DFEEST

**Income**

The proportion of taxable individuals (compared to non-taxable individuals) in the Murraylands fluctuated slightly over the eight years, ranging from 75 per cent to 79 per cent. In the 2005/06, there were 17,265 taxable and 5,575 non-taxable individuals in the Murraylands. The proportion of taxable individuals was 75 per cent. Despite a slight decrease over the eight year period (from 84 per cent to 82 per cent), the proportion of taxable individuals in SA as a whole was greater than the Murraylands in all years (Table 4).

The mean individual taxable income in the Murraylands was consistently lower than the state average, over the period 1997/98 to 2005/06, in both nominal and real terms (Table 4).

**Table 4 Taxable individuals and income**

	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
<b>Murraylands</b>								
Mean income - nominal (\$'000)	25,962	27,481	28,128	29,775	32,425	32,720	33,833	34,723
Mean income - real (\$'000)	25,962	27,124	27,081	27,121	28,738	27,882	27,686	27,815
<b>South Australia</b>								
Mean income - nominal (\$'000)	30,474	31,961	32,865	35,256	36,406	37,857	39,644	41,513
Mean income - real (\$'000)	30,474	31,546	31,642	32,114	32,266	32,260	32,441	33,254

Source: Australian Taxation Office and Australian Bureau of Statistics

In the Murraylands, the proportion of total income sourced from Commonwealth benefits and payments generally followed a declining trend over the period 1997/98 to 2005/06. The proportion of total income sourced from Commonwealth benefits and payments in the Murraylands was generally higher than for SA as a whole.

The proportion of total income sourced from salaries and wages in the Murraylands remained relatively stable, ranging between 49 and 54 per cent. The proportion of salaries and wages remained relatively stable in SA, averaging around 77 per cent over the eight years.

The proportion of total taxable income attributable to other income sources fluctuated slightly over the period 1997/98 to 2005/06 in the Murraylands, ranging between 46 and 50 per cent. For SA the proportion of total income attributable to other income sources remained relatively stable over the eight years at around 22 to 23 per cent.

In the Murraylands, tax as a proportion of total income averaged around 15 per cent. For SA, the proportion of tax also remained relatively stable averaging around 23 per cent over the eight years.

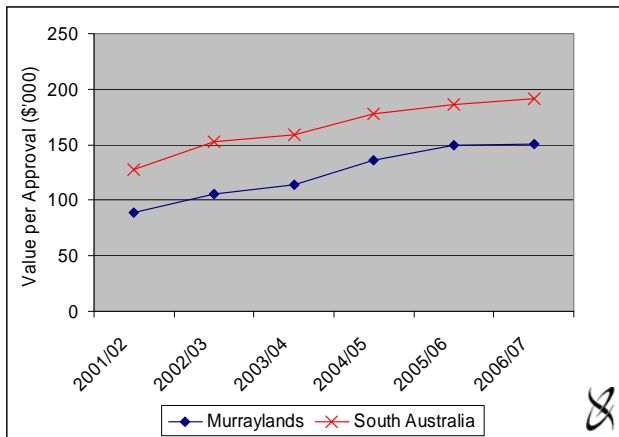
### Building Approvals

The total number of building approvals in the Murraylands generally followed an increasing trend over the period 2001/02 to 2006/07. The total value of approvals also increased, from \$21 million in 2001/02 to almost \$45 million in 2006/07, an increase of 116 per cent.

Comparison of the two end years (2001/02 and 2006/07) highlights the significant increase in the value of building approvals in SA. The total number of approvals was 1 per cent less in 2006/07 than in 2001/02, while the total value was 48 per cent higher.

The average value per approval in the Murraylands increased by approximately 68 per cent, from \$89,000 in 2001/02 to \$150,000 in 2005/06. For SA, the value per approval increased from \$128,000 in 2001/02 to \$186,000 in 2005/06, an increase of 46 per cent (Figure 9).

Figure 9 Average value per approval



Source: Australian Bureau of Statistics

The number of commercial sales in the Murraylands generally followed an increasing trend over the six years, despite decreases in 1999/00 and 2000/01 (Figure 10).

### Motor Vehicles

The total number of registered vehicles in the Murraylands increased by almost 3 per cent in the four years since 2002/03, while registrations state wide increased by 7 per cent (Table 5).

Table 5 Motor vehicle registrations

Vehicle Type	Number of Registrations									
	Murraylands					South Australia				
	2002/03	2003/04	2004/05	2005/06	2006/07	2002/03	2003/04	2004/05	2005/06	2006/07
Campervans	136	133	128	138	141	4,393	4,306	4,176	4,076	4,164
Light rigid trucks	83	81	85	94	95	4,155	4,382	4,605	4,971	5,011
Heavy rigid trucks	937	898	885	861	842	21,467	21,557	21,559	21,916	21,938
Buses	102	101	114	112	109	4,285	4,174	4,233	4,413	4,544
Motorcycles	763	762	762	844	822	28,454	29,382	30,676	33,772	36,898
Passenger vehicles	12,660	12,847	12,883	13,045	13,050	873,449	886,931	897,332	915,059	927,313
Light commercial vehicles	4,613	4,718	4,761	4,760	4,779	132,754	137,252	141,041	145,643	148,920
Articulated trucks	228	241	246	244	221	6,436	6,224	6,344	6,389	6,446
Non freight carrying trucks	20	20	21	20	22	1,761	1,715	1,746	1,718	1,727
Total	19,542	19,821	19,885	20,118	20,081	1,077,154	1,095,923	1,111,712	1,137,957	1,156,961

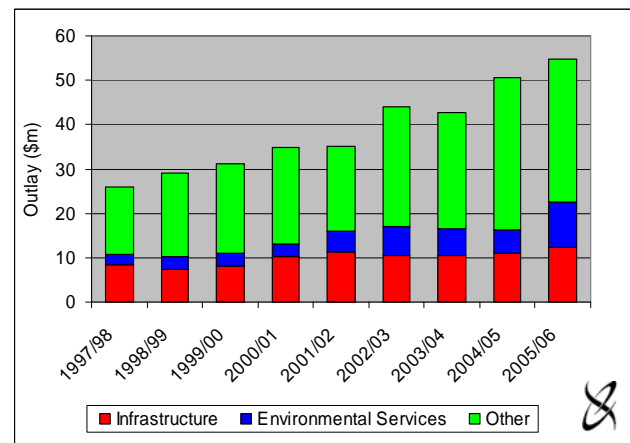
Source: Australian Bureau of Statistics

### Local Government Finance

Despite a slight decrease in 2003/04, total local government outlay in the Murraylands followed an increasing trend over the nine years, 1997/98 to 2005/06. (Figure 10).

Over the nine years, on average, expenditure on infrastructure accounted for approximately 26 per cent of total outlay in the Murraylands and 20 per cent in SA. Outlay on environmental services accounted for 12 per cent of total outlay in the Murraylands and 13 per cent in SA.

Figure 10 Local government outlay - Murraylands



Source: SA Local Government Grants Commission

### Business Registrations

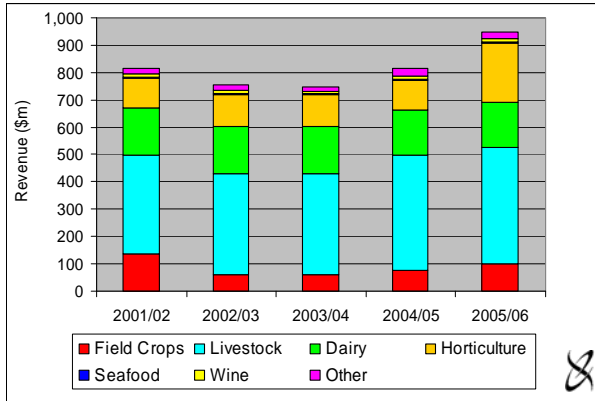
The breakdown of business registrations by industry highlights some differences between the Murraylands and SA. The most significant differences occurred in the following sectors:

- o agriculture, forestry and fishing – 51.8 per cent in the Murraylands and 15.3 per cent in SA;
- o property and business services – 9.0 per cent in the Murraylands and 19.0 per cent in SA; and
- o finance and insurance – 1.8 per cent in the Murraylands and 9.6 per cent in SA.

## Value of Food Production

Agricultural activities in the Murraylands are concentrated in the livestock, dairy and horticulture sectors which, in 2005/06, accounted for approximately 85 per cent of the region's gross food revenue. The Murraylands region's gross food revenue of \$949.2 million in 2005/06 represents 9.4 per cent of the state's gross food revenue (Figure 11).

Figure 11 Value of food production – Murraylands



Source: Primary Industries and Resources South Australia

## Tourism

The occupancy rate in the Murraylands averaged 54 per cent over the three years, while the rate in SA was slightly greater at 59 per cent.

Average takings per room in the Murraylands (around \$75) were lower than for SA (almost \$110).

## Gross Regional Product

Table 6 Gross regional production

	2002/03	2003/04	2004/05	2005/06	2006/07
<b>Murraylands</b>					
- GRP (\$m)	840	899	911	967	968
- Nominal growth over previous year (%)	-	7.1%	1.3%	6.1%	0.1%
- Real growth over previous year (%)	-	4.0%	-0.8%	2.2%	-1.5%
<b>South Australia</b>					
- GSP (\$m)	55,540	59,297	61,607	65,177	69,540
- Nominal growth over previous year (%)	-	6.8%	3.9%	5.8%	6.7%
- Real growth over previous year (%)	-	3.7%	1.7%	1.9%	4.9%

Source: Australian Bureau of Statistics and EconSearch analysis

The Murraylands and SA GRP/GSP were estimated to be \$968 million and \$69,540 million, respectively, in 2006/07. The GRP of the Murraylands region comprised approximately 1.5 per cent of the SA GSP over the five years.

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