

Shoalhaven LGA Demographic Overview

A demographic analysis of the Shoalhaven LGA has been undertaken to determine the community's capacity to pay, compared to other Councils in Regional NSW¹. Based predominantly on figures from the 2021 Census, this analysis examined a number of factors, including age profiles, household incomes and occupations, housing tenure, housing stress, and measures of socio-economic advantage and disadvantage. These figures were then localised to consider underlying land values and the potential impact of rate rises on different communities across the Shoalhaven LGA.

Compared to Regional NSW, Shoalhaven has a lower proportion of children and a greater proportion of older residents, reflecting its appeal as a retirement destination. Almost 43% of all households in Shoalhaven own their own home outright, compared to 36% in Regional NSW. In many coastal and high amenity localities, there is also a strong correlation between high proportions of older people and high levels of home ownership, resulting in lower levels of housing stress.

In 2021, the median weekly household income for Shoalhaven was \$1,250 compared to \$1,466 for Regional NSW. This lower figure can be partly attributed to the high proportion of older people in Shoalhaven. However, a comparison of Shoalhaven's incomes with NSW indicates that, of the top five industry sectors of employment in Shoalhaven, all except one earned the same or higher average annual salary than NSW in the same sector of employment².

While Shoalhaven sits, on average, within the mid-point for measures of socio-economic advantage and disadvantage, there are localised pockets of disadvantage throughout the LGA where incomes, education and qualifications, and workforce participation are lower. However, areas with higher levels of disadvantage typically correspond with lower rates of home ownership and greater reliance on private or social housing rentals. These areas are also observed to have lower underlying land values than other areas in Shoalhaven, which means that landowners in these areas will absorb a lesser impact of any rate increase than more advantaged communities.

There is also a strong correlation between households on higher incomes, high levels of home ownership, and high property values. This is particularly evident in areas with very low levels of disadvantage, for example, Berry and surrounds, Huskisson and surrounds, and Milton, Mollmook and surrounds. Landowners in these areas will absorb a greater proportion of any rate increase due to the higher underlying land values; however, also have a higher capacity to pay than people in disadvantaged areas.

On balance, residents at greater disadvantage are less likely to be directly affected by an increase in rates, while residents most likely to be affected also have a higher capacity to pay.

¹ Whole of NSW data have been relied upon where Regional NSW data were not available.

² In 2021, the top five industry sectors of employment in Shoalhaven were (in order) Health Care and Social Assistance, Construction, Retail Trade, Public Administration and Safety, and Accommodation and Food Services. The average annual salary was equal to or greater than the NSW average for the same sector of employment for all industries except Construction, which was marginally lower in Shoalhaven.

Age Structure

Compared to Regional NSW, Shoalhaven has a lower proportion of children (under 18) and a greater proportion of older people, reflecting its appeal as a retirement destination (Figure 1). At the date of the 2021 Census, 36.1% of the Shoalhaven population was aged 60 or over, compared to 29.1% in Regional NSW. Conversely, 19.2% of Shoalhaven population was school age or younger (0-17 years old), compared to 21.4% of Regional NSW. The median age for the Shoalhaven LGA is 48.

From 2016 to 2021, Shoalhaven's population increased by 8,892 people (8.9%), representing an average annual population change of 1.72% per year over the period. The largest changes in the age structure in this area between 2016 and 2021 were in the age groups:

- Seniors (70 to 84) (+3,393 people)
- Young workforce (25 to 34) (+1,720 people)
- Empty nesters and retirees (60 to 69) (+1,281 people)
- Parents and homebuilders (35 to 49) (+1,153 people)

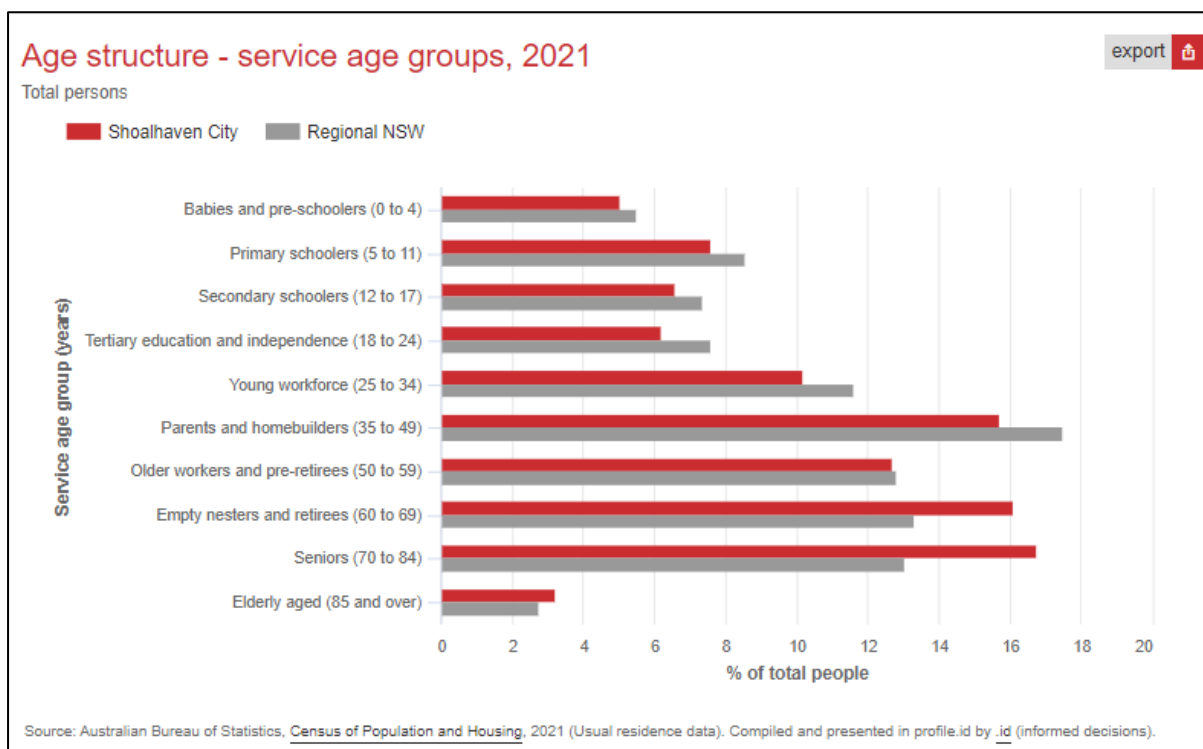


Figure 1 Overview of Shoalhaven's age structure compared to Regional NSW, based on the 2021 Census. Source: .id Community Profile, 2024.

Household Structure

Analysis of the household/family types in Shoalhaven compared to Regional NSW (Figure 2) indicates a lower proportion of couples with children and a higher proportion of couples without children, which is representative of the LGA's older demographic. This is also reflected in the higher proportion of lone person households.

Overall, 21% of total families were couples with children, and 31.7% were couples without children, compared to 24.8% and 27.7% respectively for Regional NSW. Over one quarter of households in Shoalhaven were lone person households (26.5%), which is slightly lower but comparable to the Regional NSW figure of 26.1%.

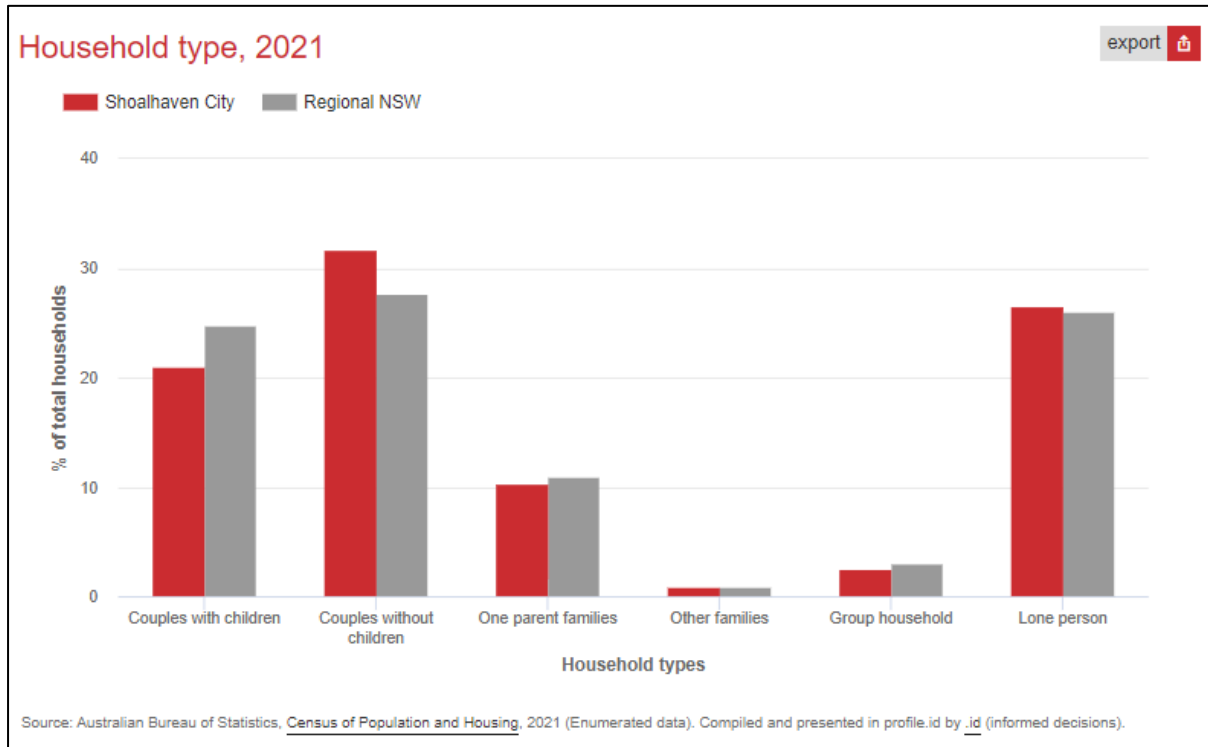


Figure 2 Overview of Shoalhaven's household composition compared to Regional NSW, based on the 2021 Census. Source: .id Community Profile, 2024.

Housing Tenure and Housing Stress

Compared to Regional NSW, Shoalhaven has a substantially higher proportion of households who own their home outright, and a smaller proportion who were purchasing their dwelling or renting (Figure 3). These figures are generally reflective of Shoalhaven's older population, who are more likely to own their own home outright than younger people.

Overall, 42.8% of households owned their dwelling, 25.8% were purchasing, and 23.1% were renting, compared with 36.3%, 29.4% and 25.7% respectively for Regional NSW.

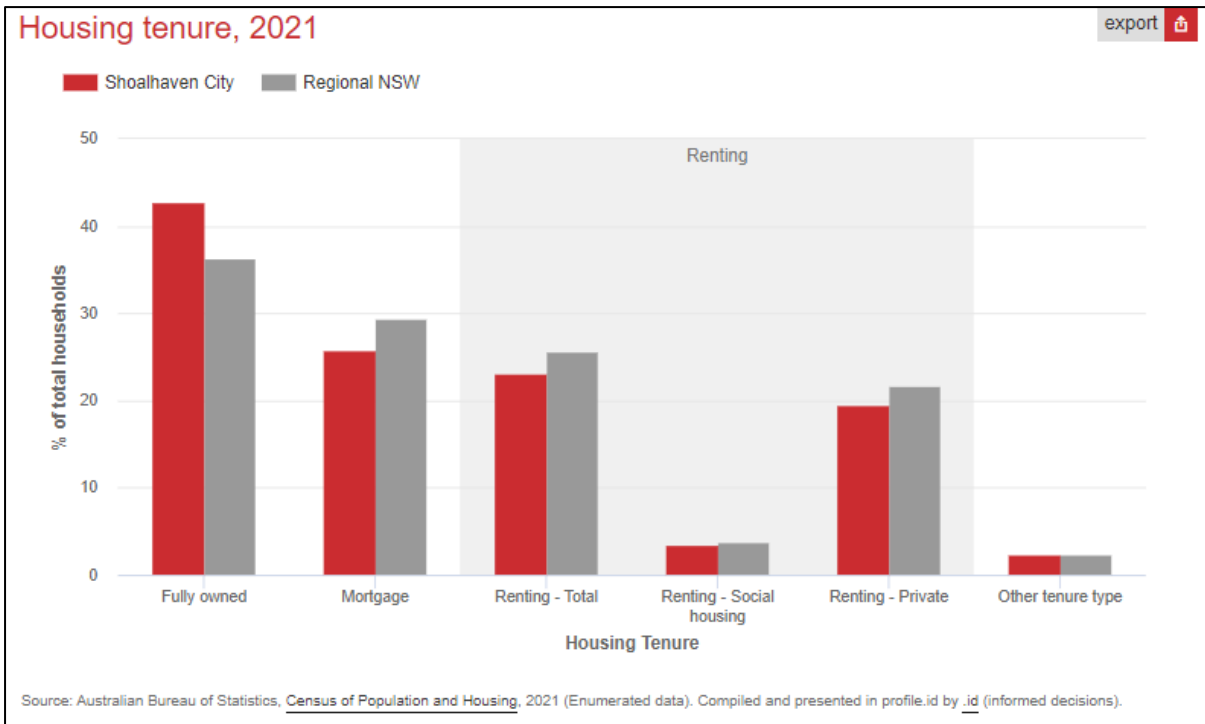


Figure 3: Overview of housing tenure in Shoalhaven compared to Regional NSW. Source: .id Community Profile, 2024.

At the 2021 Census, Shoalhaven had a total of 45,896 households. Of these, 4,138 households (or 9%) were considered to be in housing stress, with a considerable proportion of these being people in the rental market (Figure 4). This figure does not include any of the 19,659 households who own their own home outright, as they do not meet the criteria for being in housing stress.

Of the 11,836 households with a mortgage in Shoalhaven, 1,250 (10.6%) are in mortgage stress, which is higher than the Regional NSW average of 8.4%. However, this can be attributed, in part, to median house prices that have been consistently higher in Shoalhaven than Regional NSW since March 2016. Median unit prices have fluctuated, however, and have remained comparable

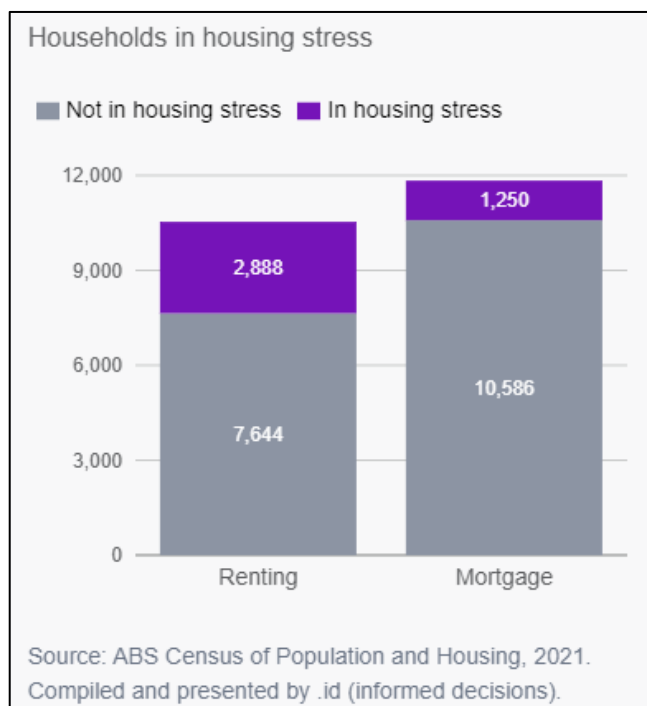


Figure 4: Levels of housing stress in Shoalhaven. Source .id Housing Monitor, 2024

with Regional NSW over this same period. The highest rates of mortgage stress in Shoalhaven are found in Culburra Beach (12.5% of households with a mortgage), Ulladulla Rural Surrounds (11.7% of households with a mortgage) and the Milton-Ulladulla area (11.4% of households with a mortgage); however, these areas also recorded as having higher proportions of older people and accompanying high rates of home ownership.

Of the 8,950 households in private rentals in Shoalhaven, 2,888 (32.3%) are in rental stress, which is higher than the Regional NSW average of 28.1%. The highest rates of rental stress in Shoalhaven are found in Sussex Inlet and Surrounds (38.2% of households in private rentals), the Milton-Ulladulla area (36.5% of households in private rentals) and the St Georges Basin area (36.2% of households in private rentals).

Mortgage Repayments

Analysis of the monthly housing loan repayments of households in Shoalhaven compared to Regional NSW shows that there was a similar proportion of households paying high mortgage repayments (\$2,600 per month or more), as well as a similar proportion of households with low mortgage repayments (less than \$1,200 per month) (Figure 5).

Overall, 18.9% of households were paying high mortgage repayments, and 26.2% were paying low repayments, compared with 19.4% and 25.8% respectively in Regional NSW.

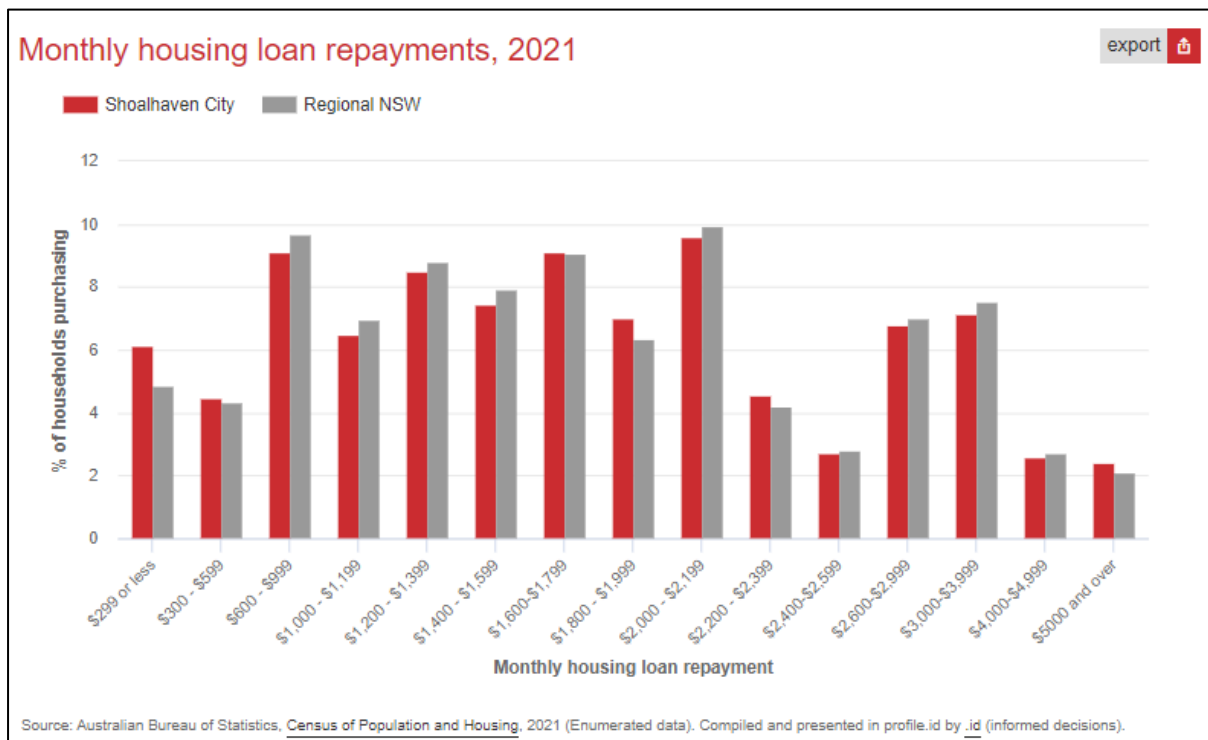


Figure 5: Overview of monthly housing loan repayments in Shoalhaven, compared to Regional NSW. Source: .id Community Profile, 2024.

Employment Characteristics

Employment statistics are an important indicator of socio-economic status. The levels of full or part-time employment, unemployment and labour force participation indicate the strength of the local economy and social characteristics of the population.

The size of Shoalhaven’s labour force in 2021 was 44,477 (48.8% of the total population), of which 16,673 were employed part-time and 22,299 were full-time workers³. Analysis of the employment status (as a percentage of the labour force) in Shoalhaven in 2021 compared to Regional NSW shows that there was a similar proportion in employment, as well as a similar proportion unemployed (Figure 6).

Overall, 95.1% of the labour force was employed, and 4.9% were unemployed, compared with 95.4% and 4.6% respectively for Regional NSW. Analysis of the labour force participation rate of the population in Shoalhaven shows that there was a lower proportion in the labour force (48.8%) compared with Regional NSW (56.4%). This is likely be attributed to a higher proportion of retirees in Shoalhaven, with 25,198 people aged 65 years and over (or 82.8% of people in that cohort) observed to be “disengaged” with employment and education participation.

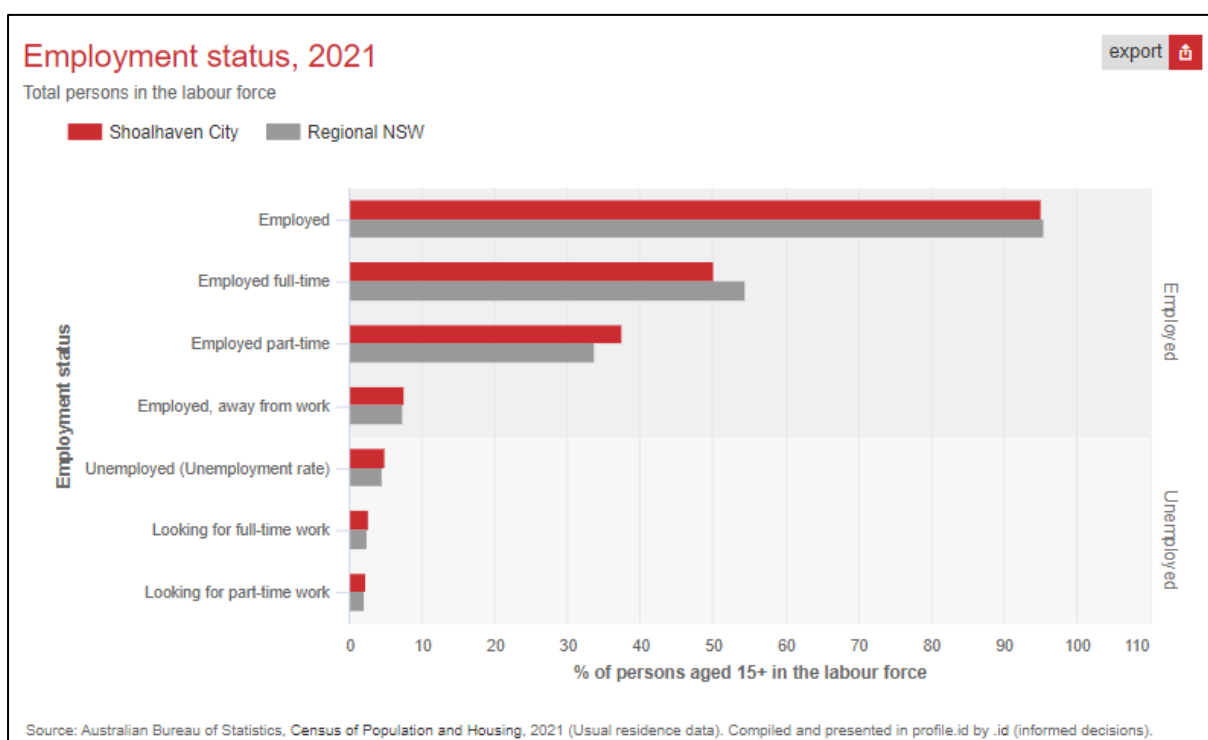


Figure 6: Overview of employment status in Shoalhaven compared to Regional NSW. Source: .id Community Profile, 2024.

An analysis of the jobs held by the resident population in Shoalhaven in 2021 shows the three most popular industry sectors were:

- Health Care and Social Assistance (6,777 people or 16.0% of the labour force)
- Construction (5,039 people or 11.9% of the labour force)
- Retail Trade (4,519 people or 10.7% of the labour force)

³ A further 3,329 people were “employed away from work”, meaning they had a job in the week prior to the Census, but were away from work on holidays, on paid leave, on strike, or temporarily stood down.

These three industries combined employed 16,335 people in total, or 38.6% of the total employed resident population. In comparison, Regional NSW employed 16.3% in Health Care and Social Assistance; 9.4% in Construction; and 9.4% in Retail Trade.

The key differences between the jobs held by people in Shoalhaven and Regional NSW were:

- A *larger* percentage employed in public administration and safety (9.8% compared to 7.2%)
- A *larger* percentage employed in construction (11.9% compared to 9.4%)
- A *larger* percentage employed in accommodation and food services (9.5% compared to 7.5%)
- A *smaller* percentage employed in agriculture, forestry and fishing (2.0% compared to 5.1%)

Between 2016 and 2021, the number of employed people in Shoalhaven increased by 5,969. The largest changes between 2016 and 2021 were for those employed in:

- Health Care and Social Assistance (+1,421 persons)
- Construction (+1,080 persons)
- Education and Training (+652 persons)
- Accommodation and Food Services (+521 persons)

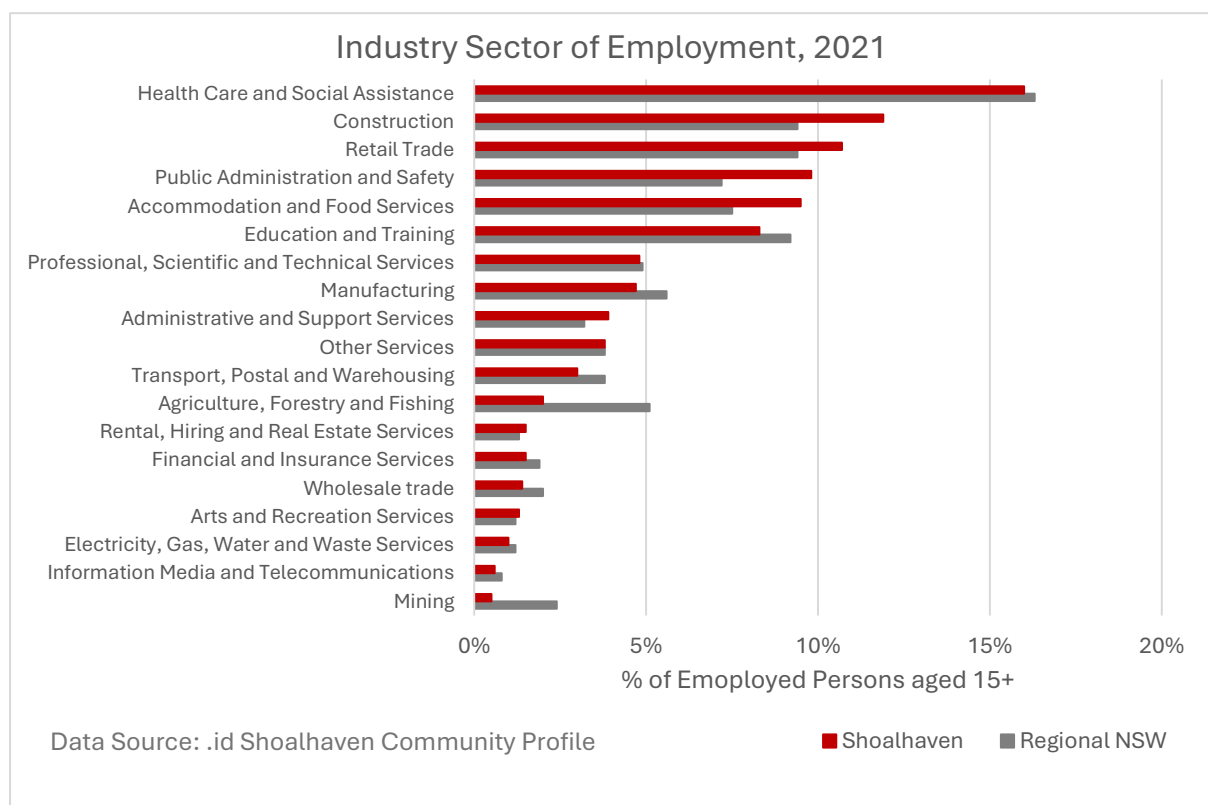


Figure 7: Shoalhaven's industry sector of employment, compared to Regional NSW. Source: .id Community Profile 2024.

An analysis of the average salaries by Industry sector is provided in Figure 8. In 2021, the highest salaries in Shoalhaven were in the following industry sectors:

- Public Administration & Safety (\$197,403 per annum)

- Information Media & Technology (\$169,696 per annum)
- Electricity, Gas, Water & Waste Services (\$165,460 per annum)

These industry sectors all paid higher, on average, in Shoalhaven than the same sectors in NSW⁴.

In addition, of the top five industry sectors of employment in Shoalhaven shown in Figure 7, all except one earned the same or higher average annual salary than NSW in the same sector of employment⁵ (Figure 8).

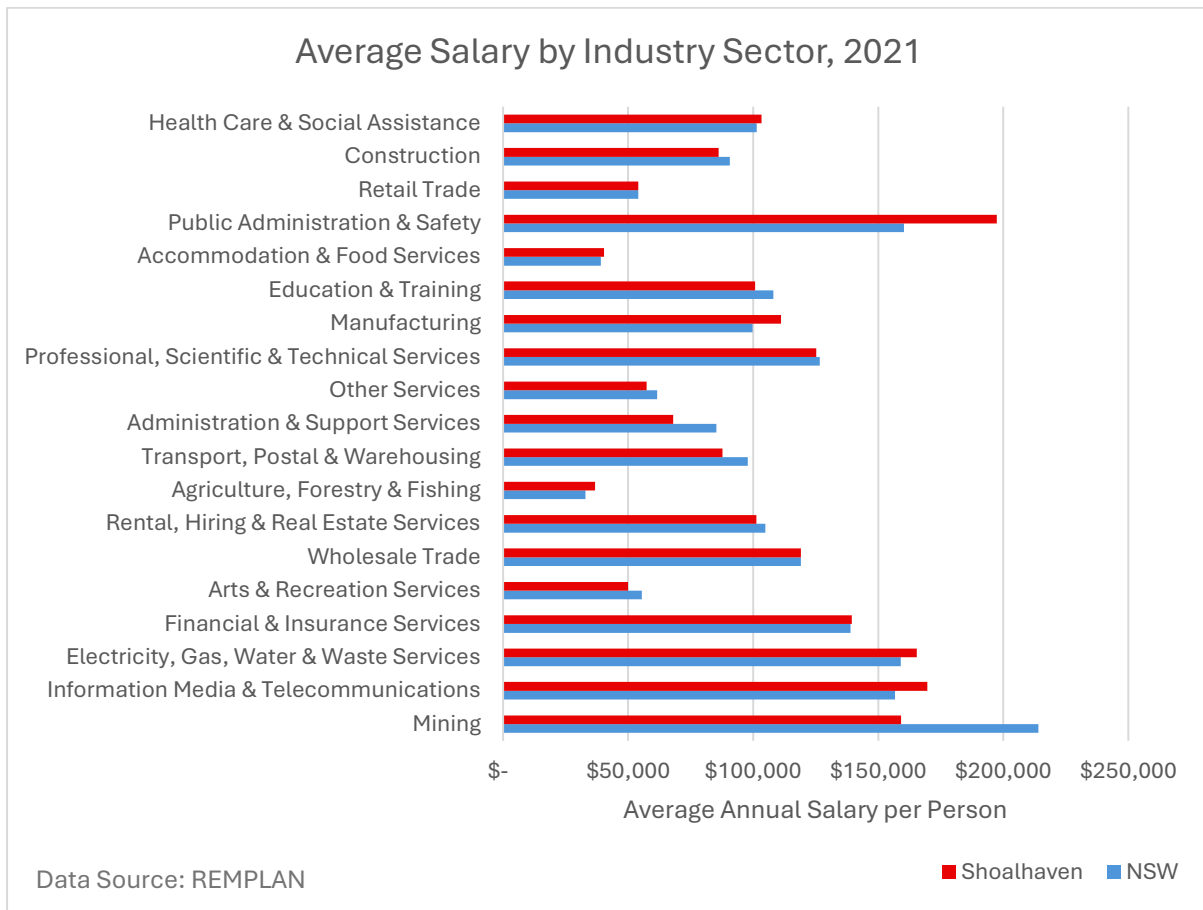


Figure 8: Comparison of average salaries by industry sector in Shoalhaven to Whole of NSW. Source: REMPLAN, 2024.

Household Income

Analysis of household income levels in Shoalhaven in 2021 compared to Regional NSW shows that there was a smaller proportion of high-income households (those earning \$3,000 per week or more) and a higher proportion of low-income households (those earning less than \$800 per week) (Figure 9).

⁴ Whole of NSW data have been relied upon in the absence of data specifically for Regional NSW.

⁵ In 2021, the top five industry sectors of employment in Shoalhaven were (in order) Health Care and Social Assistance, Construction, Retail Trade, Public Administration and Safety, and Accommodation and Food Services. The average annual salary was equal to or greater than the NSW average for the same sector of employment for all industries except Construction, which was marginally lower in Shoalhaven.

Overall, 12.6% of the households earned a high income and 30.0% were low-income households, compared with 16.7% and 26.0% respectively for Regional NSW.

In 2021, the median weekly household income for Shoalhaven was \$1,250 compared to \$1,466 for Regional NSW. This lower figure can be partly attributed to the high proportion of older people in Shoalhaven.

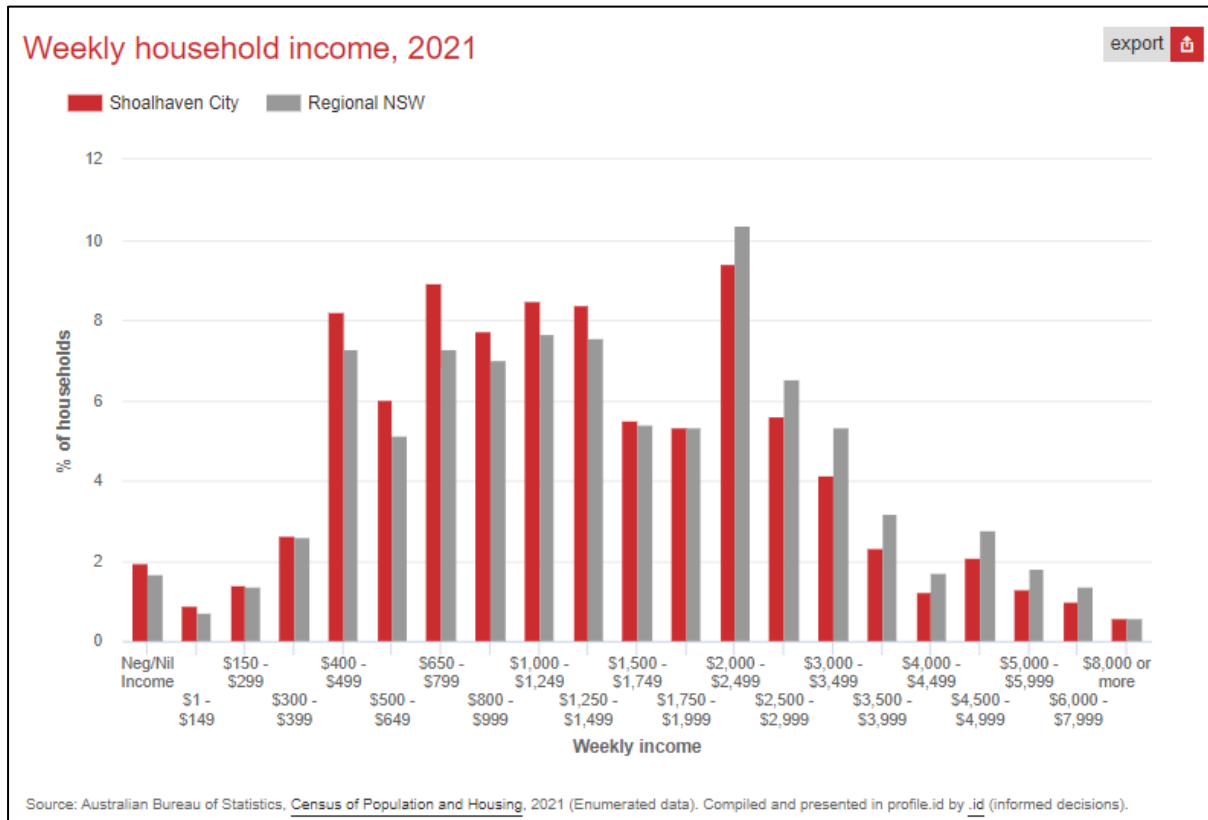


Figure 9: Overview of weekly household income in Shoalhaven, compared to Regional NSW. Source: .id Community Profile, 2024.

Equivalised income quartiles allow comparison between relative income-earning capabilities across time. Because the data are equivalised, households of different size and composition are placed on an equal footing.

Analysis of the distribution of households by income quartile in Shoalhaven compared to Regional NSW shows that there was a lesser proportion of households in the highest equivalised income quartile, and a greater proportion in the lowest equivalised income quartile (Figure 10). As noted above, this can be explained in part by the higher proportion of older people in Shoalhaven.

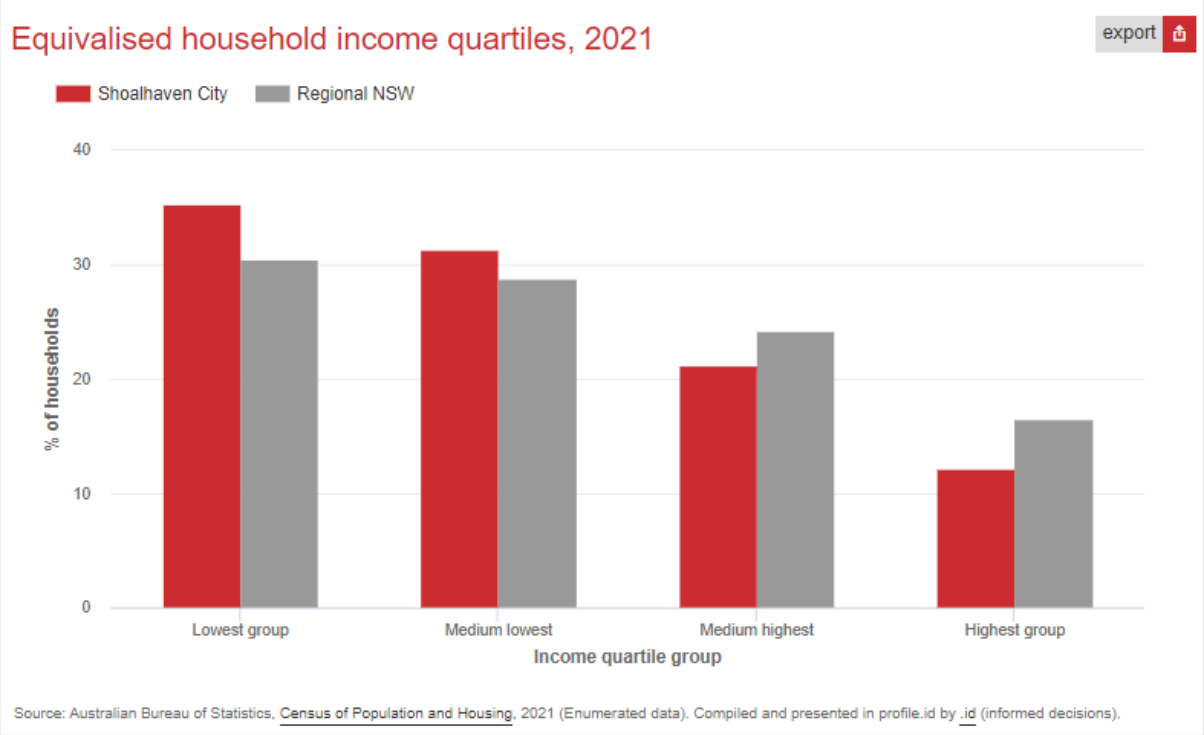


Figure 10: Equivalised household income quartiles in Shoalhaven, compared to Regional NSW. Source: .id Community Profile, 2024.

Socio-Economic Index for Areas (SEIFA)

The Socio-Economic Index for Areas (SEIFA) is an economic tool developed by the Australian Bureau of Statistics (ABS), which ranks areas in Australia according to their relative socio-economic advantage and disadvantage. The indexes are based on a range of Census characteristics, including income, education, employment, occupation, housing and other miscellaneous factors. It serves as a strong comparative tool to determine our community's relative wealth and capacity to pay.

The SEIFA Index of Relative Socioeconomic Disadvantage (IRSD) contains only disadvantage indicators (e.g. unemployment, low incomes or education levels, single parent families, low skilled occupations, poor English proficiency). This index highlights the areas of most need, with lower scores indicating relatively greater levels of disadvantage.

The SEIFA IRSD for Shoalhaven in 2021 was 980 (6th Decile), which suggests that Shoalhaven has a slightly lower level of disadvantage than other areas in Australia. Deciles range from 1 to 10, with 1 being the most disadvantaged and 10 being the least disadvantaged.

The SEIFA Index of Socioeconomic Advantage and Disadvantage (IRSAD) contains indicators of disadvantage as well as indicators of advantage (e.g. professional occupations, high income, higher education levels, high rent, large dwellings). Characteristics are also weighted differently than the IRSD, meaning that areas do score differently on either measure. A high score indicates a relative lack of disadvantage and greater advantage in general. A low score indicates relatively greater disadvantage and a lack of advantage in general.

The SEIFA IRSAD for Shoalhaven in 2021 was 949 (5th Decile), which suggests that Shoalhaven falls in the middle range of socioeconomic advantage and disadvantage among areas in Australia. Deciles range from 1 to 10, with 1 being the most disadvantaged and 10 being the least disadvantaged. Shoalhaven Council's SEIFA IRSAD Quintile is 3, with 1 being the most disadvantaged and 5 being the most advantaged.

The above data show that Shoalhaven LGA sits generally within the midway point in respect to socio-economic disadvantage and/or advantage compared to other Councils. Relative to similar regional Councils, Shoalhaven has similar or greater levels of wealth and socio-economic advantage within the community and, thus, a greater capacity to pay for an increase in rates. However, it should be noted that the spatial distribution of disadvantage in Shoalhaven is quite broad, which is similar to other regional LGAs such as Eurobodalla, Bega Valley and Port Stephens.

Some areas score very high on the SEIFA Index, with pockets in the 10th Decile, while other areas score poorly with very high levels of disadvantage. There are a number of localised pockets of disadvantage throughout Shoalhaven where incomes, education and qualifications, and workforce participation are lower. However, these areas with higher levels of disadvantage typically correspond with lower rates of home ownership and greater reliance on private or social housing rentals (example shown at Figure 11). These areas are also observed to have lower underlying land values than other areas in Shoalhaven, which means that landowners in these areas will absorb a lesser impact of any rate increase than more advantaged communities.

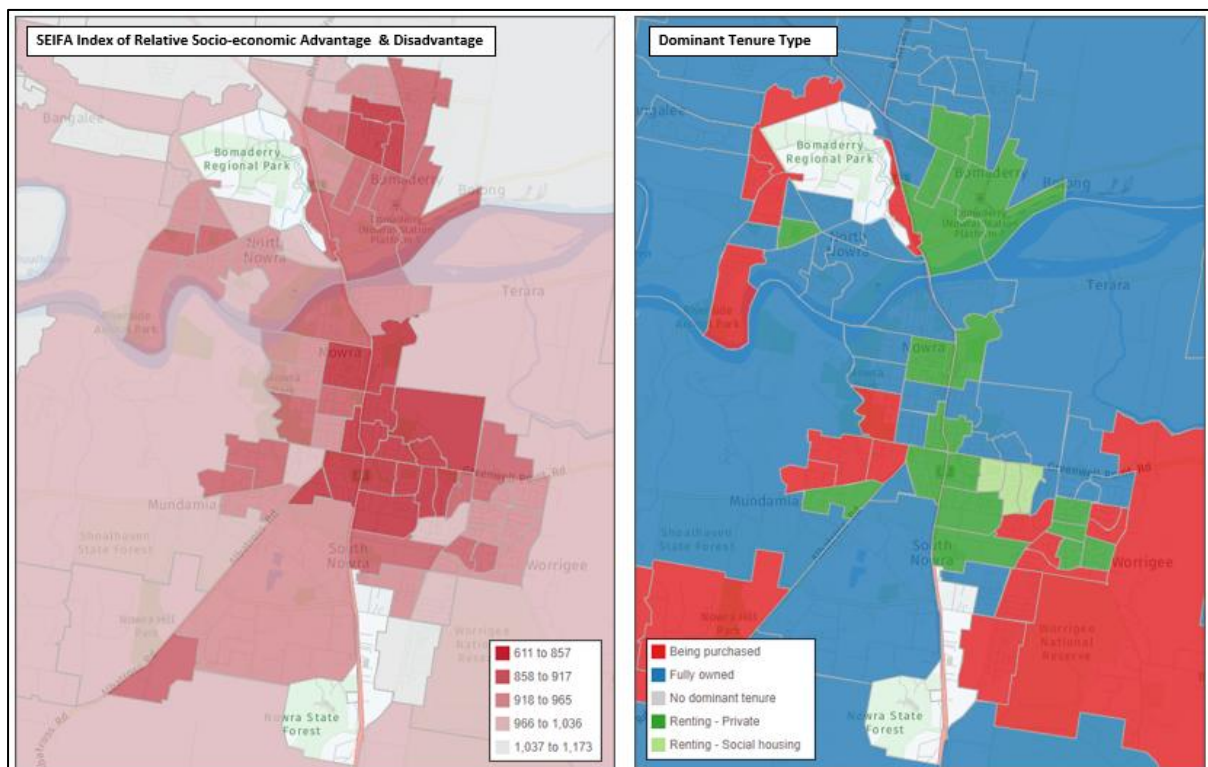


Figure 11: Comparison of SEIFA IRSAD and dominant tenure type in the Nowra-Bomaderry area, which indicates that higher levels of disadvantage are intrinsically linked with greater reliance on public and social housing rentals. Source: .id Social Atlas, 2024.

There is also a strong correlation between households on higher incomes, high levels of home ownership, and high property values. This is particularly evident in areas with very low levels of disadvantage, for example, Berry and surrounds, Huskisson and surrounds, and Milton, Mollymook and surrounds. Landowners in these areas will absorb a greater proportion of any rate increase due to the higher underlying land values; however, also have a higher capacity to pay than people in disadvantaged areas.

On balance, residents at greater disadvantage are less likely to be directly affected by an increase in rates, while residents most likely to be affected also have a higher capacity to pay.