



6. Socio Economic Profile

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6.1 Population Projections

The Department of Treasury and Finance (DTF) has prepared population projections to 2026⁵.

The projections are for the Alice Springs region which encompasses the Alice Springs Municipality, the MacDonnell Shire and Central Desert Shire. DTF could not provide population projections for the Alice Springs Municipality only.

The projections are reproduced as Table 6.1. An average annual growth rate of 1.8% has been adopted for the period 2011-2016. The rate of growth is forecast to be higher amongst the non-indigenous portion of the population.

Table 6.1: Alice Springs Regional Projections and Average Annual Growth Rates (5-Year Periods)

Region	2011 no.	2016 no.	2021 no.	2026 no.	2011-16 %	2016-21 %	2021-26 %
Alice Springs							
Indigenous	16127	17266	18496	19795	1.4	1.4	1.4
Non-indigenous	24896	27706	30371	32989	2.1	1.8	1.7
Total Population	41023	44972	48867	52785	1.8	1.7	1.5
Share of total Territory population %	17.7	17.8	17.8	17.8			

The population of Alice Springs was 25,185 in 2011. By way of interest, the estimated resident population for 2014 was 28,667 persons.

For the purposes of this Background Report and the preparation of the draft Alice Springs Land Use Plan future population thresholds of 32,000 and 40,000 will be adopted for future planning purposes.

It is also noted that, in terms of health facilities, Alice Springs caters for a regional catchment of approximately 60,000 people⁶, mainly from remote communities.

The influx of population for health care has implications in respect to temporary accommodation, noting that family members tend to accompany those persons receiving treatment.

⁵ Northern Territory Government, *Northern Territory Population Projections Main Update (2014 Update)*, 2014

⁶ Department of Health

6.2 Employment

6.2.1 Workforce

At the 2011 Census, the Alice Springs working population was estimated at 13,612 persons.

In 2011, 20% of the population over 15 was classified as “not in the labour force” as compared to 24% in 2001.

The unemployment rate decreased from 4.1% in 2001 to 3% in 2011. At December 2012, the unemployment rate for the Alice Springs township was recorded as 2.6%, with a rate of 6.0% for the whole of the Alice Springs Region.

6.2.2 Employment Sectors

In respect to employment sectors, it is evident from Table 6.2 that the number and proportion of jobs in the retail trade, transport and warehousing activities as well as property services have declined since 2001.

At the same time, it is evident the percentage of the workforce employed in public administration, defence, health care and social services has increased, most likely due to Government programmes and incentives.

Table 6.2: Change in Employment Sectors 2001-2011

	2001		2011	
	Number	Proportion	Number	Proportion
Agriculture, forestry and fishing	146	1%	52	0%
Mining	62	0%	81	1%
Manufacturing	536	4%	384	3%
Electricity, gas, water and waste services	130	1%	183	1%
Construction	1,019	8%	1,061	8%
Wholesale trade	484	4%	280	2%
Retail trade	1,939	15%	1,254	10%
Accommodation and food services	967	7%	827	6%
Transport, postal and warehousing	880	7%	593	4%
Information media and telecommunications	109	1%	197	1%
Financial and insurance services	178	1%	118	1%
Rental, hiring and real estate services	1,095	8%	218	2%
Professional, scientific and technical services			932	7%
Administrative and support services	824	6%	374	3%
Public administration and safety	1,210	9%	2,278	17%
Education and training	1,191	9%	1,308	10%
Health care and social assistance	1,657	12%	1,994	15%
Arts and recreation services	599	4%	384	3%
Other services	112	1%	480	4%
Inadequately described/Not stated	197	1%	199	2%
Total	13,335		13,197	

6.3 Economic Drivers

The key economic sectors in Alice Springs are:

- Defence;
- Tourism;
- Mining and Energy;
- Agriculture/pastoral/horticulture;
- Construction;
- Transport/freight; and
- Government services/health care/child care.

These sectors are likely to remain the key drivers of growth. The NT Government has partnered with most of these sectors in order to develop workforce strategies.

In its 2015/16 budget, the NT Government confirmed investments in:

- Health: \$30M to upgrade the Alice Springs hospital, including the provision of a teaching and training facility;
- Head works to support land releases;
- Road infrastructure: \$7M to construct an overpass on Stuart Highway; upgrade of various roads; extension of cycle path network to Kilgariff; and
- Tourism: \$2.5M to enhance tourism amenity.

A number of mining and energy projects are on the horizon which may be a catalyst for increased growth generating direct and indirect demand which Alice Springs will be in a good position to take advantage of given its key service centre role in Central Australia. At least two of the confirmed projects include:

- Dingo Pipeline Central Petroleum; and
- Spinifex Bore Mine Australian Abrasive Minerals.

As part of its national construction plan, NBN Co will also connect over 9,000 dwellings to fibre network by June 2016, with groundworks currently under way. This may have an effect on local employment given the company previously announced it would favour local contractors.

As shown in Table 6.3, the Department of the Chief Minister⁷ forecasts a 28% growth in Professionals and a 27% growth in clerical and administrative workers by 2021, in the Alice Springs Region. Concurrently, the number of labourers and sales workers are forecast to drop by 29% and 11.4% respectively by 2021.

⁷ Economic Profile, based on ABS Census 2011 data and Dept of Regional Development and Women's Policy forecast

Table 6.3: Labour Force Forecast by Occupation

Alice Springs Region 2011	2011 (No)	2016 forecast (% change)	2021 forecast (% change)
Managers and administrators	1,877	8.2	-2.1
Professionals	3,659	16	28
Technicians and trade workers	2,123	0.6	0.1
Communications and personal service workers	2,474	8.3	16.2
Clerical and administrative workers	2,229	14.4	27
Sales workers	1,100	-6	-11.4
Machinery operators and drivers	729	-1.6	-5.2
Labourers and related workers	1,498	-16	-29

6.4 Urban Drift

It is evident that the indigenous population has been growing faster than the non-indigenous population.

A report prepared by the Centre for Remote Health and Tangentyere Council in 2011 identified the 'urban drift' phenomenon, which in essence means that at times the indigenous population move closer to the Alice Springs township from the remote communities.

It is understood that “many people may move to Alice Springs with accompanying family members for long-term medical treatment [before moving] back to their homes in remote communities”.

At present, a majority of these temporary residents stay in short-term accommodation that are specifically provided for the indigenous community or in town camps which are mostly located at the fringe of the township. Both forms of housing are referred to under the NT Planning Scheme as Community Living Areas.

Such a transient movement of people presents a number of challenges. Demand for housing, within or out of community living areas, including temporary and emergency housing is one, as is the demand for adequate human, especially health, services. The preferred form and location of such additional services is a matter for future resolution. Potentially such could be provided in the CBD, but alternatively close to or within the Community Living Areas.

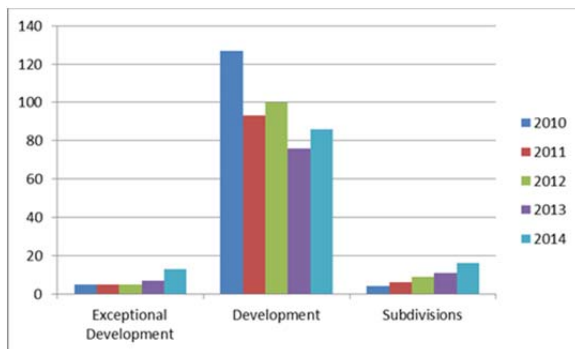
6.5 Residential Land and Dwelling Approvals

6.5.1 Planning Approvals

Approximately 1,000 planning applications were lodged with DLPE from 2010 to 2014. More than half of these applications were for new developments or for the subdivision of land.

Figure 6.1 provides a summary of the nature of applications submitted for this period. It is evident that the overall number of applications has declined since the peak of 136 applications in 2010.

Figure 6.1: Nature of Planning Applications 2010-2014



6.5.2 Building Approvals

A review of building approvals shows that approximately 220 dwellings were approved between 2010 and 2014, of which:

- private dwellings were primarily (72%) approved in newer/growth areas, with:
 - 50 dwellings approved in Larapinta,
 - 27 dwellings approved in Mount John's,
 - 18 dwellings approved in Stuart; and
 - 16 dwellings approved in Gillen.
- Approximately 30 percent of the dwellings approved were for the purposes of public housing. All public housing was approved in the period 2010 and 2011. A majority of approvals (60%) were in Sadadeen and Arumbera. No new non-private housing is presently funded.

The approval of 220 dwellings over a five year period represents an average of 44 dwellings per year. Importantly, it does not necessarily follow that all approved dwellings are constructed, so the average of 44 dwellings per year represents a maximum average demand, using this measure.

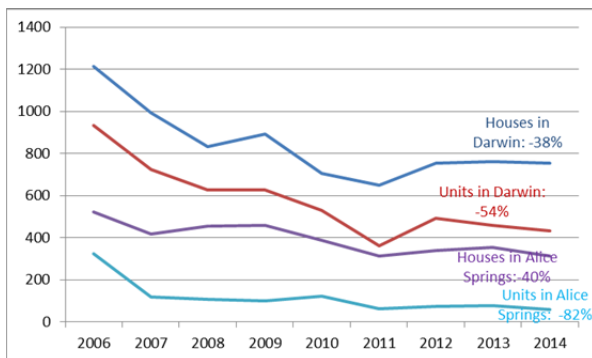
The approvals for the last five years exceed the long term average of 25 to 30 dwellings per year, with annual fluctuations influenced by land supply influences.

The potential further integration of the indigenous population is a matter of broader consideration and resolution. From a land use planning perspective future development areas will need to consider the specific needs of the indigenous community.

6.6 Residential Property Market

As shown by Figure 6.2⁸, between 2006 and 2014 there was an overall decline in the number of house sales within Alice Springs, with a significantly lower turnover of dwellings between 2008 and 2011, potentially due to the market uncertainty caused by the GFC. Between 2011 and 2013, sales volumes increased, however since 2014, the rate of sales has continued to decline.

Figure 6.2: Alice Springs and Darwin Residential Property Sales (Volume) 2006-2014

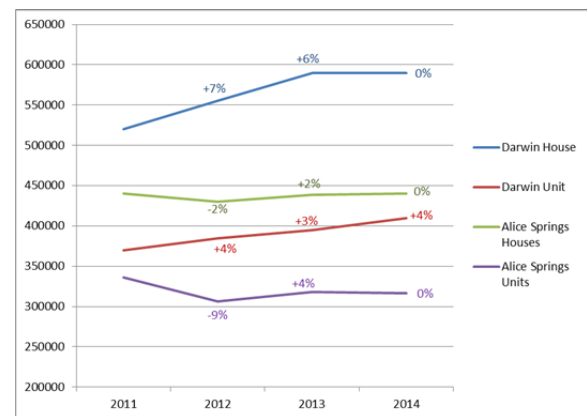


Between 2006 and 2014, median sale prices for houses in Alice Springs has increased significantly (66%) with the sale price of units also increasing (60%).

The increase in median sale price for houses in Alice Springs has slightly outstripped the increase in median prices experienced in Darwin.

What is relevant to note however is that the increase in sale price for Alice Springs has stabilised generally since 2011, whereas it is only since 2013 that Darwin prices have started to plateau, as shown in Figure 6.3.

Figure 6.3: Alice Springs and Darwin Residential Property Sales (Price) 2006-2014 and yearly change



When assessed against household incomes (Census 2006 and 2011), it is evident that sale prices have increased much faster than incomes. It is evident from Figure 6.4 that in Alice Springs:

- Land prices have increased by over 80% between 2006 and 2011;
- House and unit prices have increased by respectively 66% and 70%; and
- Incomes have increased by 37%.

This indicates a declining level of affordability within the Alice Springs housing market during the period 2006-2011. Since this time there is evidence of a correction in the housing market with a stabilisation and decline in median house prices. This would have somewhat improved housing affordability, albeit such remains a significant issue.

⁸ RP Data, Sales History

Figure 6.4: Change of median sale prices between 2006 and 2011 vs change in household income

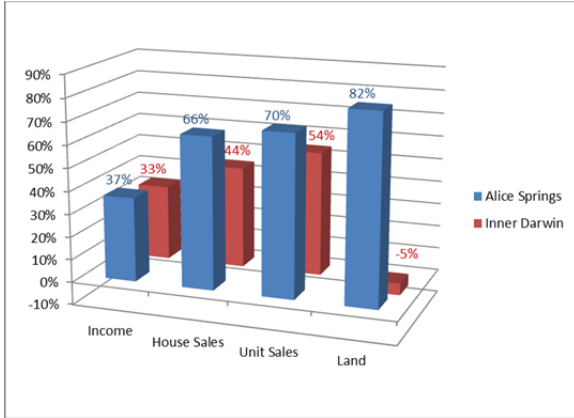
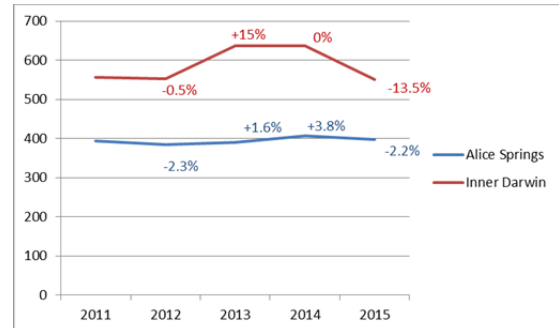


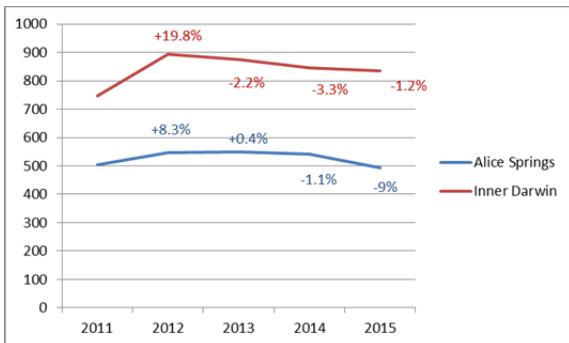
Figure 6.6: Weekly rentals (units) since 2011 and yearly change



6.6.1 Property Rental Price

As shown by Figure 6.5, since 2012 weekly rent values for dwellings have been on the decline, generally consistent with the trend for Darwin.

Figure 6.5: Weekly rentals (houses) since 2011 and yearly change

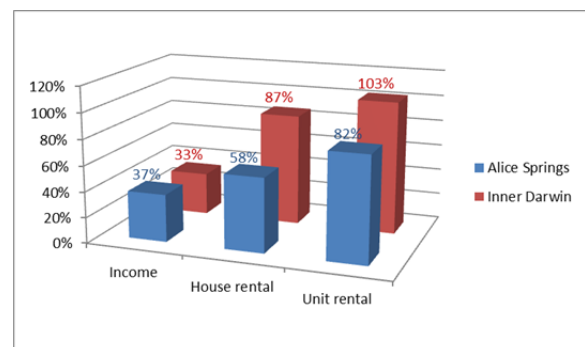


When reviewed against household incomes (Census 2006 and 2011), it is evident that weekly median house and unit rental costs have increased much faster than incomes. It is evident from Figure 6.7 that in Alice Springs:

- House and unit prices have increased by respectively 58% and 82%; and
- Incomes have increased by 37%.

Since 2011 there is evidence of a correction in the housing market with a stabilisation and decline in median house prices. This would have somewhat improved housing affordability, albeit such remains a significant issue.

Figure 6.7: Change of median weekly rents between 2006 and 2011 vs change in household income



As shown by Figure 6.6, weekly median rent for units in Alice Springs has been relatively stable, compared to the fluctuating market in Darwin.

6.6.2 Private Rental Vacancy rates

There was a significant increase in vacancy rates from 2010 with, over 5% of dwelling stock vacant in Alice Springs in 2014. This is well above the historic lows of less than 1% in the period 2008-2010.

Figure 6.8: Vacancy rates (all dwellings)

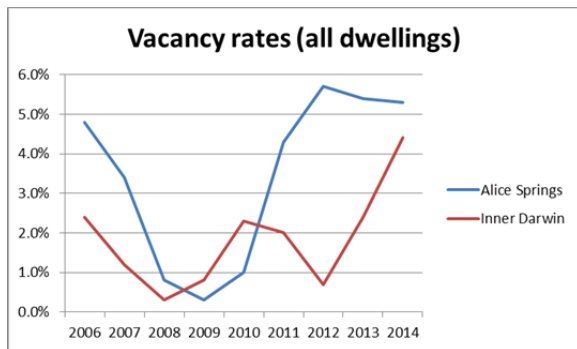
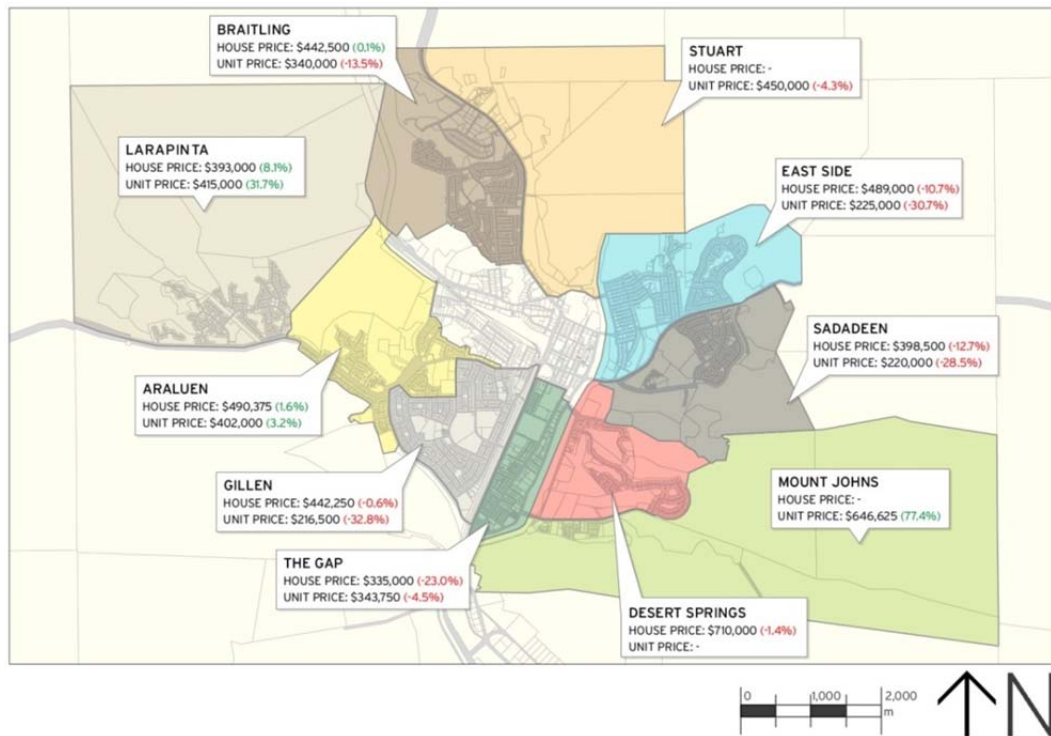


Figure 6.9: Price segmentation by Suburb and Dwelling Type and Annual Change between June 2014 and June 2015



6.6.3 Market Segmentation

Median sales prices for units have been relatively volatile in the last three years, with fluctuations greater than 20 percent in some suburbs.

There is a clear segmentation in the Alice Springs market with factors such as proximity to the CBD, age of suburb, aspect and amenity all influencing price. What is particularly interesting is the decline in median sales values within East Side and Sadadeen, two suburbs which have previously experienced consistent growth.

The change in median house and unit price for each suburb, between June 2014 and June 2015, is shown by Figure 6.9.

Generally speaking, those suburbs with a higher proportion of public housing have lower median house prices.

The change in median sales values for the major suburbs in Alice Springs, for the period 2012-2015 is shown in Tables 6.4 and 6.5, which follow.

Table 6.4: Median sale price (houses) between 2012 and 2015 and yearly change

	2015	Change 14-15	2014	Change 13-14	2013	Change 12-13	2012
Araluen	\$ 490,375	1.6%	\$ 482,500	-5.4%	\$ 510,000	12.1%	\$ 455,000
Braitling	\$ 442,500	0.1%	\$ 442,000	-5.8%	\$ 469,000	8.4%	\$ 432,500
Desert Springs	\$ 710,000	-1.4%	\$ 720,000	20.0%	\$600,000	-10.4%	\$ 670,000
East Side	\$ 489,000	-10.7%	\$ 547,889	14.7%	\$ 477,500	-13.2%	\$ 550,000
Gillen	\$ 442,250	-0.6%	\$ 445,000	-1.5%	\$ 452,000	2.7%	\$ 440,000
Larapinta	\$ 393,000	8.1%	\$ 363,500	-6.8%	\$ 390,000	-16.5%	\$ 467,000
Mount John's							\$ 480,000
Sadadeen	\$ 398,500	-12.7%	\$ 456,500	0.6%	\$ 454,000	13.8%	\$ 399,000
Stuart			\$ 516,250				
The Gap	\$ 335,000	-23.0%	\$ 435,000	0.0%	\$ 435,000	4.8%	\$ 415,000

Table 6.5: Median sale price (units) between 2012 and 2015 and yearly change

Unit/Townhouse	2015	Change 14-15	2014	Change 13-14	2013	Change 12-13	2012
Araluen	\$ 402,000	3.2%	\$ 389,500	4.3%	\$ 373,500	-4.0%	\$ 389,000
Braitling	\$ 340,000	-13.5%	\$ 393,000	30.1%	\$ 302,000	-28.1%	\$ 420,000
Desert Springs			\$ 265,000	-19.7%	\$ 330,000	-10.8%	\$ 370,000
East Side	\$ 225,000	-30.7%	\$ 324,500	10.0%	\$ 295,000	-13.2%	\$ 340,000
Gillen	\$ 216,500	-32.8%	\$ 322,000	-0.9%	\$ 325,000	1.2%	\$ 321,000
Larapinta	\$ 415,000	31.7%	\$ 314,995	-8.0%	\$ 342,500	1.9%	\$ 336,000
Mount John's	\$ 646,625	77.4%			\$ 475,000	-2.6%	\$ 487,500
Sadadeen	\$ 220,000	-28.5%	\$ 307,500	9.8%	\$ 280,000	-1.8%	\$ 285,000
Stuart	\$ 450,000	-4.3%	\$ 470,000				\$ 395,000
The Gap	\$ 343,750	-4.5%	\$360,000	15.1%	\$ 312,750	-17.4%	\$ 378,750

6.7 Residential Land and Housing

Affordability

Table⁹ 6.6 compares median mortgage and rent payments for households in the township of Alice Springs, the Alice Springs region and the Northern Territory as a whole.

Table 6.6: Alice Springs Housing Mortgage and Rent Payments in 2011

Housing - mortgage and rent payments	Alice Springs region	Alice Springs (T)	NT
Median rent (\$)	150	300	225
Households where rent payments are less than 30% of household income (%)	91.7	90.6	91.0
Households where rent payments are 30% or greater of household income (%)	8.3	9.4	9.0
Mortgage monthly repayments (\$)	1,950	1,950	2,058
Households where mortgage payments are less than 30% of household income (%)	92.5	90.7	92.3
Households where mortgage payments are 30% or greater of household income (%)	7.5	9.3	7.7

Source: ABS - Census 2011 - Quick stats - Usual residents.

While mortgage monthly repayments are of a lesser dollar value in Alice Springs than Northern Territory, the median rent and relative proportion of housing expenses as part of household income are higher.

The commonly accepted guideline for housing affordability is where housing cost does not exceed 30% of a household's gross income.

Based on this measure housing is considered unaffordable for approximately 20% of Alice Springs households.

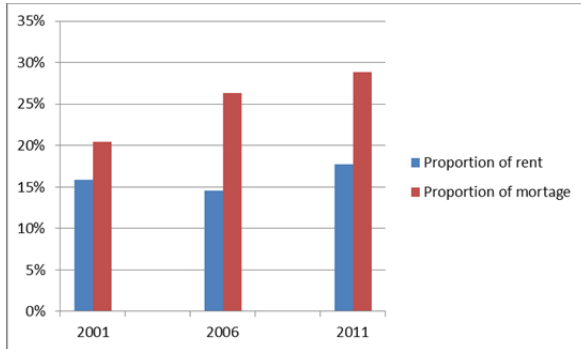
In 2001, rent accounted for 16% of household income, compared to 18% in 2011.

In 2001, mortgage repayment accounted for 20% of household income, compared to 29% in 2011.

These figures reinforce the earlier identified trend in respect to declining housing affordability in Alice Springs in the period 2006-2011. Anecdotal evidence obtained from the Real Estate Institute of Northern Territory indicates that there has been a more recent correction in the local market.

⁹ Land Corporation Development

Figure 6.10 Proportion of rent and mortgage repayment as part of household income and change between 2001 and 2011



Whilst median household incomes increased by nearly 55% between 2001 and 2011 (from \$1,100 to \$1,690), it is evident that:

- Median rent has increased by 71% (from weekly \$175 to \$300); and
- Median mortgage repayment has increased by 117% (from monthly \$900 to \$1,950).

Whilst this reflects an obvious increase of the cost of living in Alice Springs, these numbers are generally consistent with Northern Territory median values.

Only median rent is noticeably higher in Alice Springs (\$225 in Northern Territory).