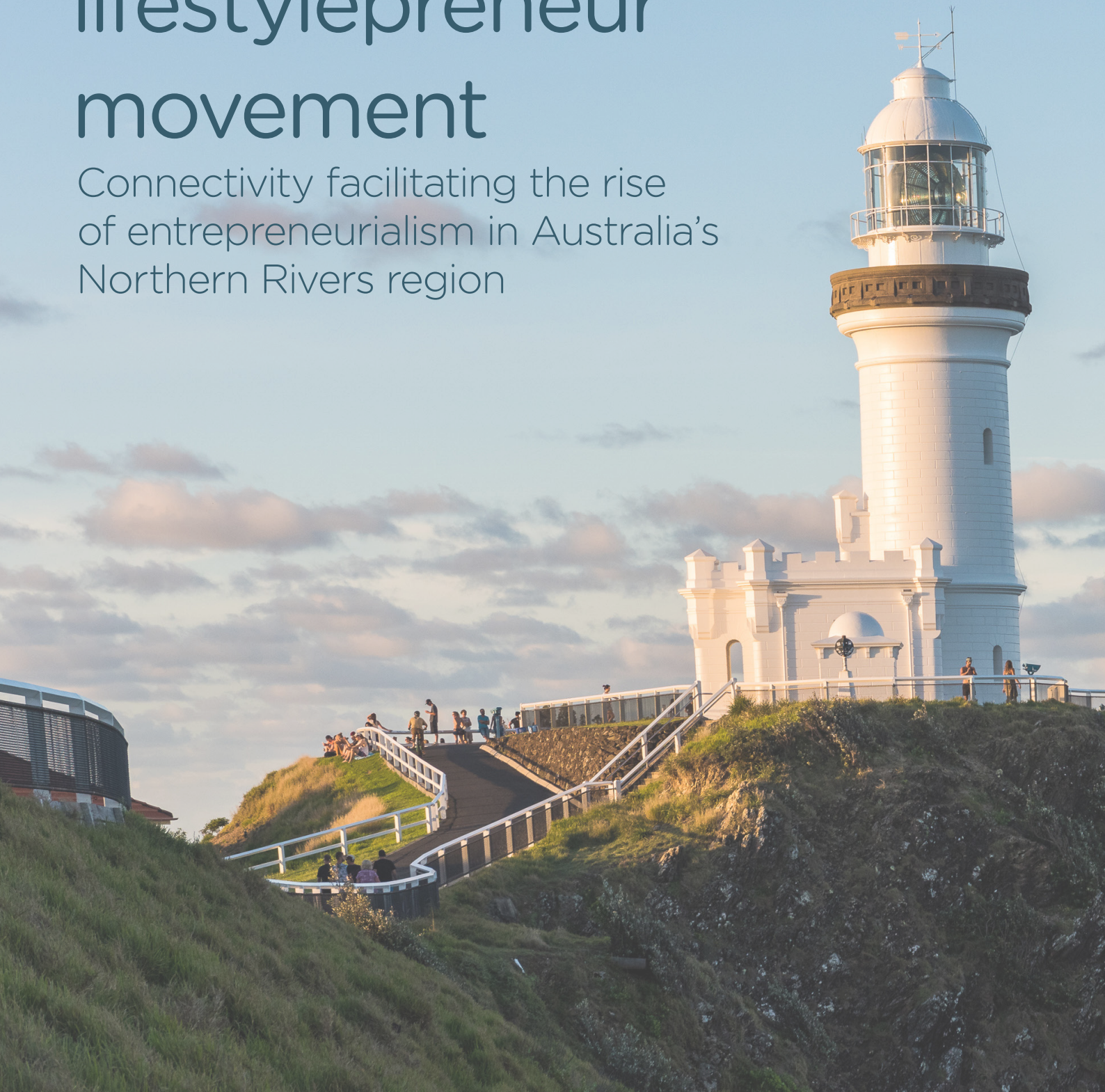




The Northern Rivers lifestylepreneur movement

Connectivity facilitating the rise
of entrepreneurialism in Australia's
Northern Rivers region





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Bernard has worked as an advisor to business and government for more than 25 years drawing on census and other datasets.

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The Lifestylepreneur report was commissioned by **nbn** and developed by demographer Bernard Salt on behalf of KPMG. The study examined business growth in regional Australia. Source of all statistics and trends is Australian Bureau of Statistics (ABS).

The Northern Rivers rise

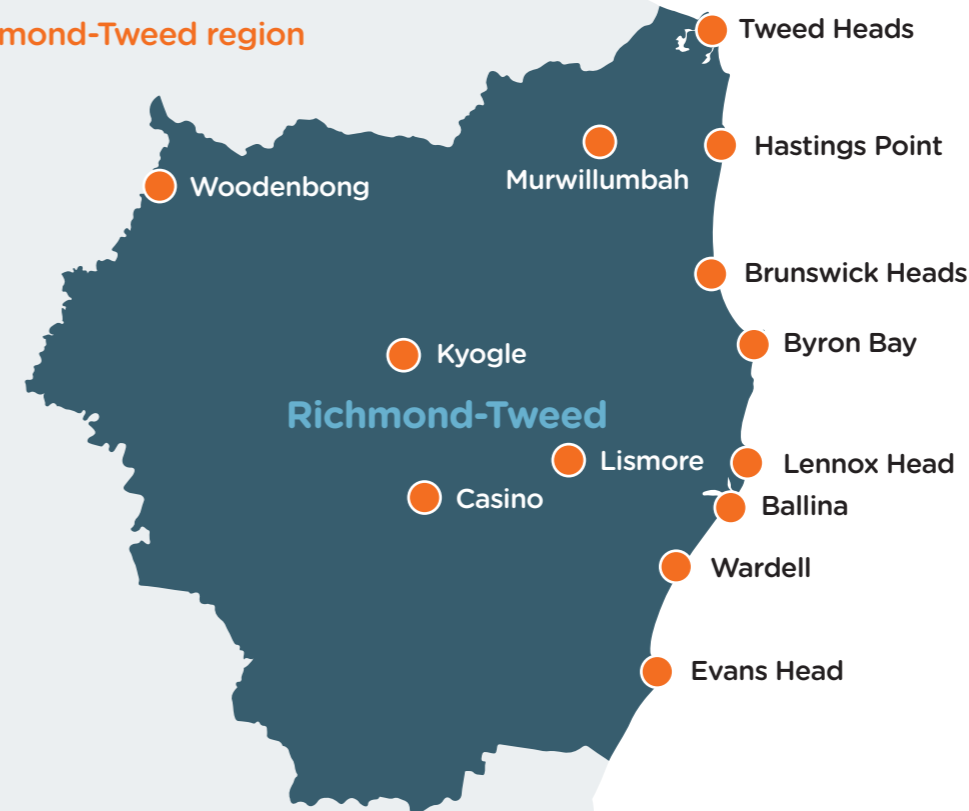
There is something about the Northern Rivers region that resonates with most Australians. Sure it contains a number of hippie havens such as Nimbin and even Byron Bay to some extent from the time of the Aquarius Festival of 1972. There is something about this area that evolved as a conservative agricultural region that attracted progressive thinkers and perhaps even big-city escapees from the 1980s onwards. Today federal and state electorates and even local government authorities centred on the Northern Rivers are regarded by many as being among the most progressive parts of Australia outside the centre of Melbourne and Sydney.

Perhaps it's the climate. Perhaps it's the scale of the communities which range in size from Lismore (pop 16,000), to Ballina (17,000) and down to Byron Bay (10,000). But it is more than this. Byron Bay for example shot to fame in the 1970s as a refuge for forward-thinking city-creative types.

Paul Hogan and John Cornell and others have called Byron Bay and the surrounding region home at times. Direct flights to Sydney and now with an upgraded Pacific Motorway connection to the Gold Coast and Brisbane give the strip between Kingscliff and Brunswick Heads a level of accessibility that is ideal for weekend breaks. Plus, the fact that Byron Bay is the most easterly point on the Australian continent also adds, I think, to the generally progressive air associated with this community. It may sound odd but in some ways the Northern Rivers region leads Australia; after all, this region is first to see the Australian dawn.

But then it isn't just the coastal strip it's the hinterland as well. Towns like Mullumbimby, Murwillumbah and Alstonville add to the allure of the region as a place to visit, to own a weekender, to live. Indeed many see communities like Byron Bay for example as the perfect place to start a business. And to be fair is this not the ultimate Australian dream? To toss in the city job, to move to the coast and to start a business.

The Richmond-Tweed region



In many respects this is indeed an extension of the Australian dream. By the middle of the 20th century suburbia emerged as the place where Australians could own a house on a separate block of land. By the end of the 20th century the concept of seachange had arrived and which transformed much of the eastern seaboard including the Northern Rivers coast between Cabarita Beach and Ballina. But activity on the coast combined with well-established administrative and service centres in inland cities like Lismore, Casino and Kyogle have underpinned further growth across the region.

Unlike the Gold Coast and even the Sunshine Coast where extraordinary development is supported by modestly scaled settlements inland, the Northern Rivers coast is different. There's entrepreneurial energy and enterprise in forging and expanding inland settlements. But it all takes place within striking distance of established experienced administrative centres like Lismore which operates a bit like a de facto capital city. Southern Cross University is based in Lismore as is the region's leading media facilities.

The Northern Rivers region is more of a collaboration of communities where every town and every settlement has something unique to offer. Ballina is different to Byron which is different to Lismore which is different to Mullumbimby. And yet they all happily coexist in the same lifestyle pot. Perhaps this is why entrepreneurs in search of lifestyle tend to find themselves somewhere, anywhere, within the Northern Rivers region.

Something stirred in this region and to be fair in other parts of Australia as well in the early decades of the 21st century when a new lifestyle movement started to emerge. Based on the concept of lifestyle a progressive-thinking cohort of Australians took the concept of suburbia and seachange to a new level. How about moving to a lifestyle location and telecommuting to a city job? Or better still, how about moving to a lifestyle location and starting a small business? Be your own boss in a pretty and progressive lifestyle location like, say, Byron Bay and especially as the region is well served by established cities like Lismore. The very idea is likely to strike a chord with lifestyle-lovin' independently-minded Aussies spilling out of Brisbane and Sydney, and elsewhere in search of opportunity. And with regions across Australia now more connected than ever before, job growth and entrepreneurialism is no longer restricted to the major cities. Access to new infrastructure such as the **nbn**[™] broadband access network will enable Australians to take greater control over where and when they work. Indeed some people have dubbed this new model of living and working in lifestyle locations "the Australian lifestylepreneur movement."

Great idea, but does it work? Are Australians doing precisely this? Let's see. And let's see if the Northern Rivers coast, supported by a framework of established inland cities, fits the bill as an Australian lifestylepreneur community.

The demographics of Byron

Byron Bay is both a town and a municipality positioned south of Tweed Heads and north of Ballina on Australia's eastern edge. The township contains 10,000 permanent residents while the local government area contains closer to 27,000. The council has resisted the kind of development that would support large scale population growth and so the township has added less than 2,000 residents over the last decade.

The broader region includes towns like Tweed Heads (pop 48,000), Lismore (pop 16,000) and Ballina (pop 17,000) as well as smaller communities like Murwillumbah (pop 9,000), Mullumbimby (pop 8,000) and Bangalow (pop 6,000). The total region contains 248,000 residents up 10 per cent over the last decade. Byron itself isn't growing significantly but the broader region provides opportunities to deliver services to an expanding community.

Other parts of regional New South Wales are growing faster such as the Hunter Valley which added 17 per cent to its population base over the decade to 2016, as well as the NSW South Coast which is up 12 per cent over the same time frame. Many areas west of the Great Divide as well as parts of the Riverina added less than six per cent to their population bases over the last decade. In this regard and notwithstanding Byron's reluctance to support growth, the broader Northern Rivers region is still well favoured by Australians looking for a regional and seachange lifestyle.

The biggest employment sectors in the broader region are consistent with employment profiles for other regional communities. Some 17,000 locals are employed in the healthcare sector, another 12,000 are employed in retail trade and a further 11,000 are employed either in accommodation or food and another 11,000 are employed in education.

The Richmond-Tweed region delivers the kind of services required by a regional and lifestyle community. There is perhaps a higher than average mix of part-time work but this is explained by the employment composition: an emphasis on health, retail and accommodation for example requires more part-time than full-time workers.

One of the best ways to determine the extent to which a community is open to the idea of lifestylepreneurs is to measure the mix of public versus private sector employment. It is fair to say that entrepreneurs cluster. Towns and regions underpinned by public sector workers are hardly likely to support free-market inspired lifestylepreneurs. This information is available from the census with 2016 Census data on this insight not due for release until October 2017.

However the figures from 2011 are instructive. At a national level 15 per cent of the workforce is employed in the public sector but in places like the Singleton (farming/vineyards) region this proportion was seven per cent. Indeed of the 252 communities across regional NSW with more than 1,000 residents Byron Bay ranks as the fourth most entrepreneurial as measured by private sector employment (91 per cent of all jobs). Only Singleton, Eden and Pokolbin ranked higher than Byron.

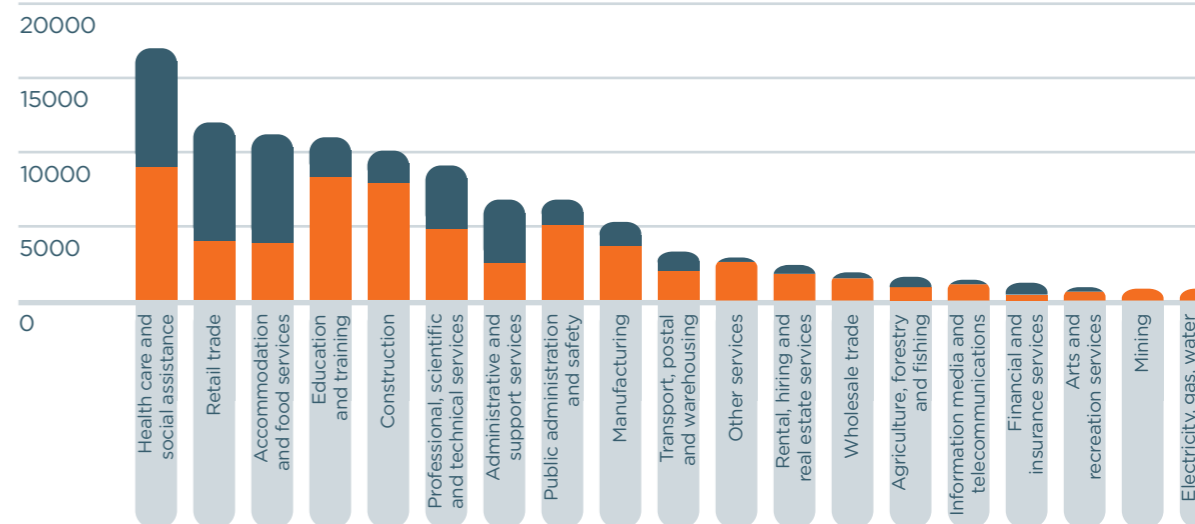
By these measures Byron is well placed to be a lifestylepreneur town within a lifestyle region. It offers critical mass at 10,000 residents. Plus it offers access to perhaps a quarter of million residents growing and forming households at a rate of about 2,000 people per year. Building and construction as well as retail, education, health, medical and accounting services would all be required in the free-market community of Byron. Not only that but Byron offers access to the full range of business services in the nearby city of Lismore. In other words Byron can remain constricted in terms of local growth but it can leverage and marshal greater resources as required. How perfect is that?

Population components of areas in Richmond-Tweed

Localities in Richmond - Tweed	2006 Population	2016 Population	Growth # 2006-2016	Growth % 2006-2016
Tweed Heads - South	25,695	28,193	2,498	10%
Tweed Heads	18,089	19,607	1,518	8%
Ballina	16,594	17,441	847	5%
Ballina Region	15,787	16,880	1,093	7%
Lismore	16,287	16,248	-39	0%
Lismore Region	14,811	15,824	1,013	7%
Pottsville	10,348	13,904	3,556	34%
Kingscliff - Fingal Head	9,754	13,282	3,528	36%
Goonellabah	12,503	13,208	705	6%
Casino	11,452	12,665	1,213	11%
Murwillumbah Region	9,675	10,403	728	8%
Byron Bay	8,958	10,272	1,314	15%
Murwillumbah	7,970	8,622	652	8%
Brunswick Heads - Ocean Shores	7,820	8,619	799	10%
Lennox Head - Skennars Head	7,087	8,152	1,065	15%
Mullumbimby	7,823	8,100	277	4%
Kyogle	7,637	7,800	163	2%
Casino Region	6,984	7,200	216	3%
Bangalow	5,345	6,110	765	14%
Evans Head	5,131	5,276	145	3%
Richmond - Tweed total	225,750	247,806	22,056	10%
Regional NSW total	2,486,529	2,721,566	235,037	9%
Australia total	20,450,966	24,128,876	3,677,910	18%

Source: ABS 3218

Employment profile of the Richmond - Tweed region



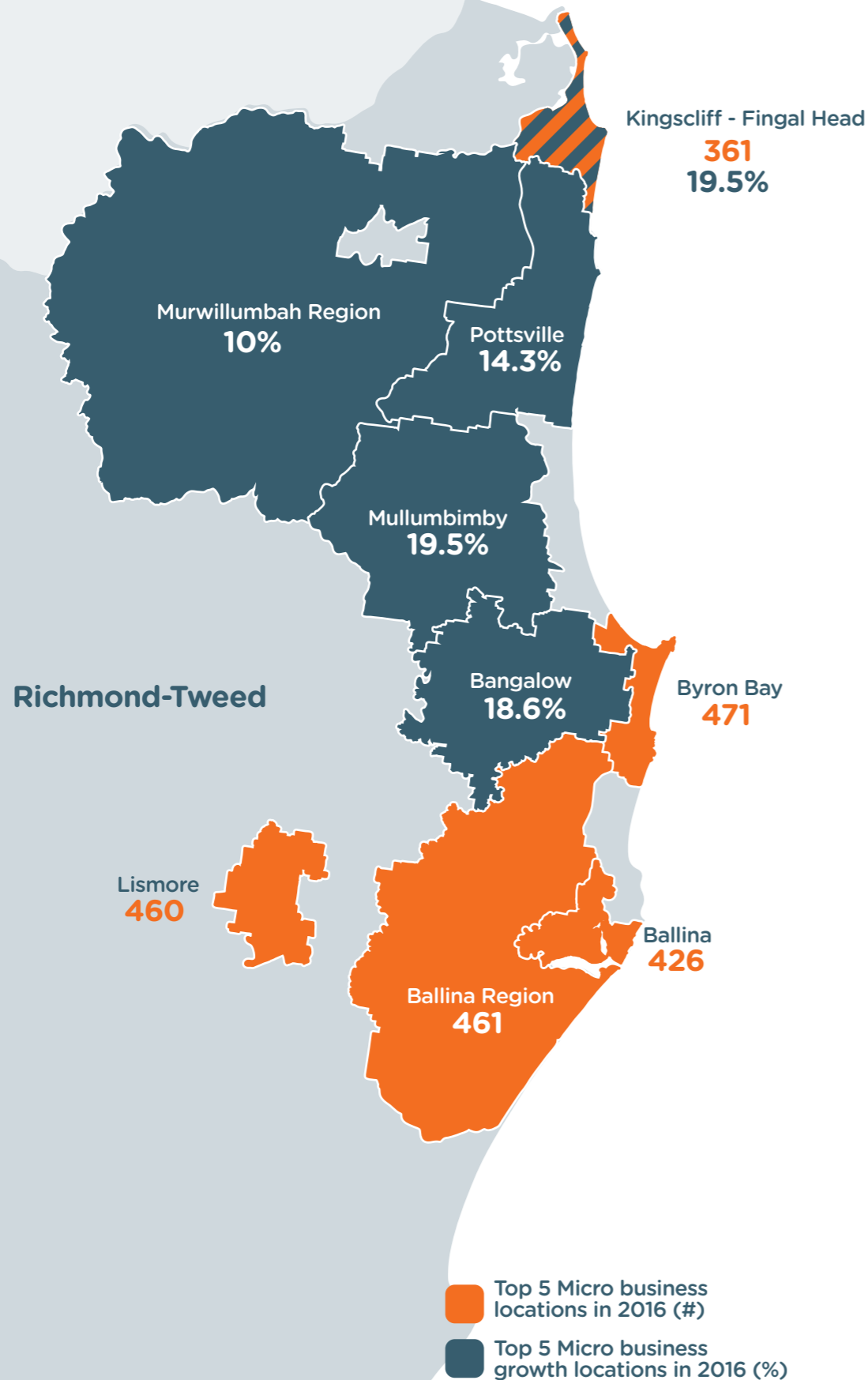
Data Source: ABS Labour Force Survey, four quarter average, May 2017

Share of workforce employed in private sector in regional NSW

Rank	Regional area in NSW (pop over 1000)	Private sector employment	Population 2016	Growth % 2006-2016
1	Singleton Region	93.1%	5,188	10%
2	Eden	91.3%	3,362	8%
3	Branxton - Greta - Pokolbin	91.1%	10,520	5%
4	Byron Bay	90.8%	10,272	7%
5	Gunnedah Region	90.4%	4,662	0%
6	Beresfield - Hexham	89.9%	8,964	7%
7	Corowa Region	89.7%	6,838	34%
8	Narrabri Region	89.6%	5,135	36%
9	Cessnock	89.5%	22,903	6%
10	Deniliquin Region	89.5%	6,871	11%

Source: ABS 3218 (March 2016) and ABS Census 2011

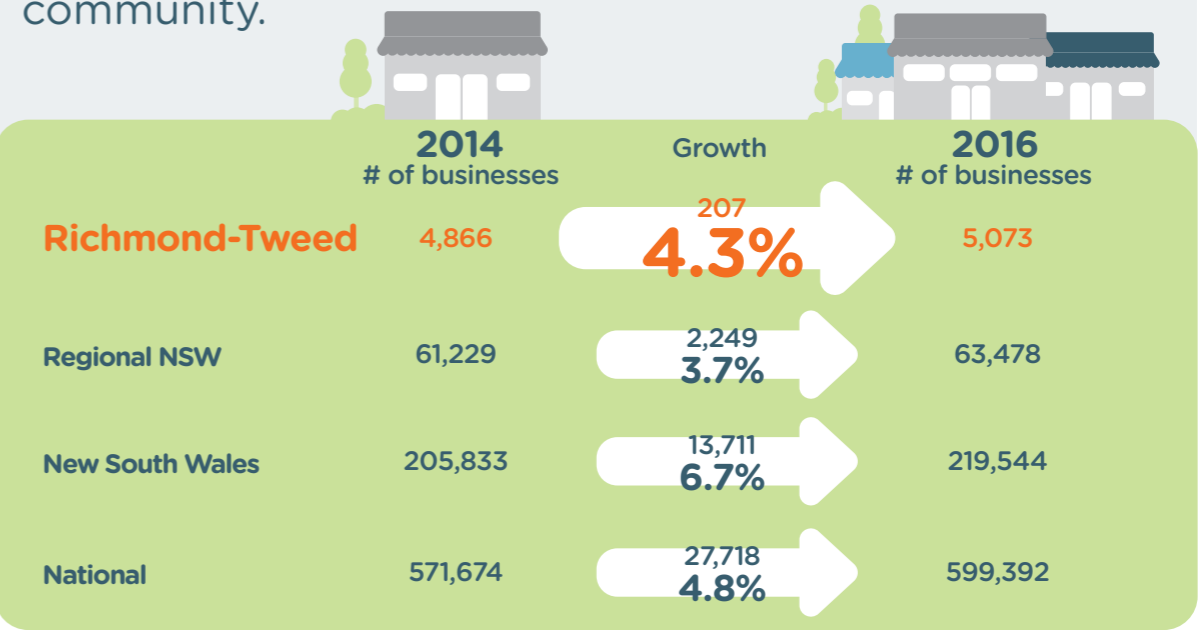
Top micro business locations by total and growth



Source: Australian Bureau of Statistics (ABS 8165)

Micro businesses in Richmond-Tweed

The micro business story in Richmond-Tweed is a positive one and keeps pace with national growth rates, which is a good effort for a regional business community.



Northern Rivers business activity

The Australian Bureau of Statistics (ABS) maintains databases of business activity by region as well as by industry type. We have accessed this data for regional New South Wales and for the Richmond-Tweed region between June 2014 and June 2016. The aim is to track net new business activity in the greater Northern Rivers region for micro businesses which are defined as employing between one and four staff. Even the largest businesses start out as micro businesses. These smallest of businesses act as an indicator for future economic activity in Richmond-Tweed.

Over 24 months the number of micro businesses operating within regional NSW jumped by 2,249 or 3.7 per cent to over 63,000. In the Richmond-Tweed region the increase was even more impressive at 207 or 4.3 per cent, outperforming the average for regional NSW. In other words over the 24-month period an average of nine new micro businesses were added every month in the region. Micro business growth in Richmond-Tweed almost kept pace with the national average (which of course includes the massive capital city areas) rate of growth of 4.8 per cent over this 24-month period. This impressive achievement for a regional area points to the popularity of the region for new lifestylepreneurs.

Some parts of the greater Richmond-Tweed region stand out as micro business hotspots. These include for example 59 net new businesses employing 1-4 workers in Kingscliff over the two years to June 2016, as well as 41 net new businesses in Mullumbimby and 42 net new businesses in Bangalow.

In terms of business activity centres it is evident from the ABS dataset that Byron Bay contains most active micro businesses employing 1-4 workers at 471, followed by Ballina region with 461 and Lismore with 460 at June 2016. On the other hand bigger businesses employing 5-19 workers favour Lismore (235 businesses), Byron Bay (224 businesses) and Ballina (193 businesses).

Micro businesses in Richmond-Tweed by industry

Micro businesses by industry (1-4 employees)	Micro businesses 2016	Change 2014-16 (%)	Change 2014-16 (#)
Construction	951	11%	97
Professional, Scientific and Technical Services	632	5%	32
Retail Trade	516	-2%	-8
Agriculture, Forestry and Fishing	456	0%	-2
Health Care and Social Assistance	384	0%	0
Other Services	342	7%	23
Accommodation and Food Services	285	0%	-1
Manufacturing	240	6%	14
Transport, Postal and Warehousing	239	-7%	-17
Rental, Hiring and Real Estate Services	228	12%	25
Wholesale Trade	188	11%	19
Administrative and Support Services	186	-1%	-1
Financial and Insurance Services	157	5%	7
Education and Training	90	25%	18
Arts and Recreation Services	51	-11%	-6
Information Media and Telecommunications	49	-4%	-2
Currently Unknown	33	6%	2
Mining	19	-10%	-2
Public Administration and Safety	18	50%	6
Electricity, Gas, Water and Waste Services	9	50%	3
Grand Total	5,073	4%	207

Source: Australian Bureau of Statistics (ABS 8165)

Northern Rivers micro business sectors

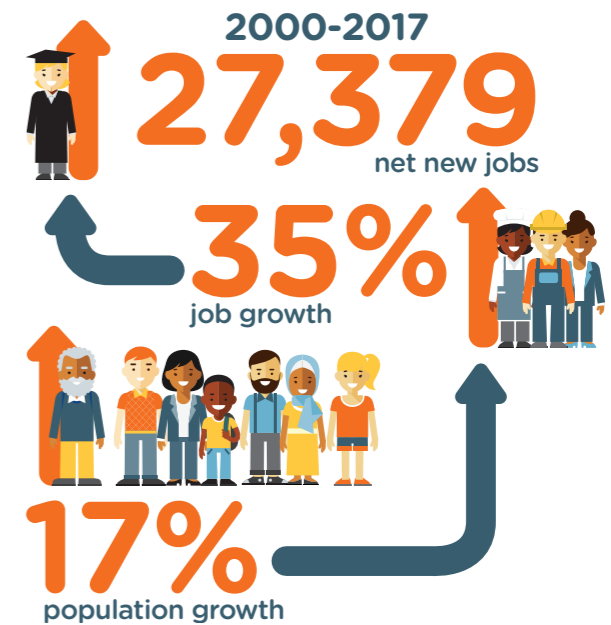
In the micro business sector most businesses operating in the Richmond-Tweed area at June 2016 were in construction (951 businesses), professional services (632) and retail trade (516 businesses). However greatest growth in percentage terms from 2014 to 2016 were small businesses in public administration (up 50 per cent), utilities (up 50 per cent) and education (up 25 per cent). These micro businesses might grow as the Northern Rivers region continues to expand.

Employment growth across Richmond-Tweed

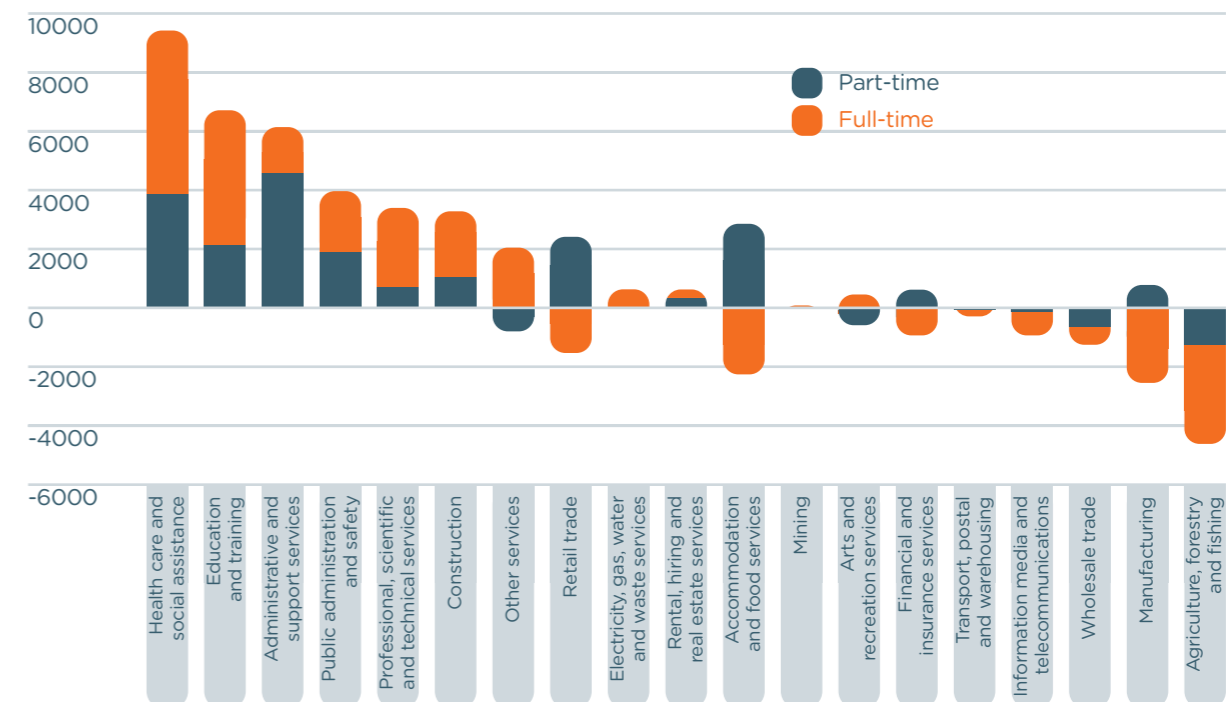
As with the whole of Australia between 2000 and 2017 there has been growth in the number of workers. There has of course been more part-time job growth than full-time job growth but this is, in part generated by strong levels of population growth.

The same logic applies across Richmond-Tweed. Between 2000 and 2017 the number of jobs added to this region's workforce was 37,000 whereas the number of jobs lost was 10,000 delivering net growth of 27,000 jobs.

Most of the jobs added in this region in the 21st century have been in health care, education, administration and professional services. Most jobs lost in this region over these years have been in agriculture and manufacturing. These trends are consistent with other workforce trends in other regions of Australia at this time.



Employment change by industry in Richmond-Tweed between 2000 and 2017



Source: Department of Employment - labour market information portal

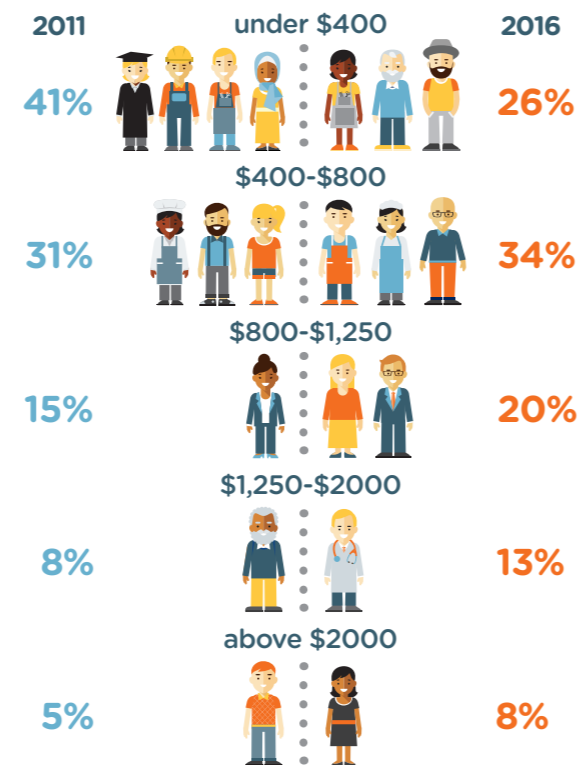
Other demographic indicators

Population projections prepared by the Department of Planning & Environment in New South Wales show that the number of people living in Byron Bay municipality is expected to continue to grow over the decade to 2026. However 82 per cent of the expected population growth in the Local Government Area of Byron is expected to be from the over 65s or the baby boomer cohort. The nature of retirement changed. Baby Boomers won't stop work from one day to the next.

They will continue working for several years, possibly for decades, after formal retirement and will continue to work in a part-time fashion in senior advisory roles or as independent contractors. The golden years might also lead to a wave of grey-haired lifestylepreneurs offering their skills to the local market as well as to a larger audience online while enjoying in their spare time an iconic Australian lifestyle community.

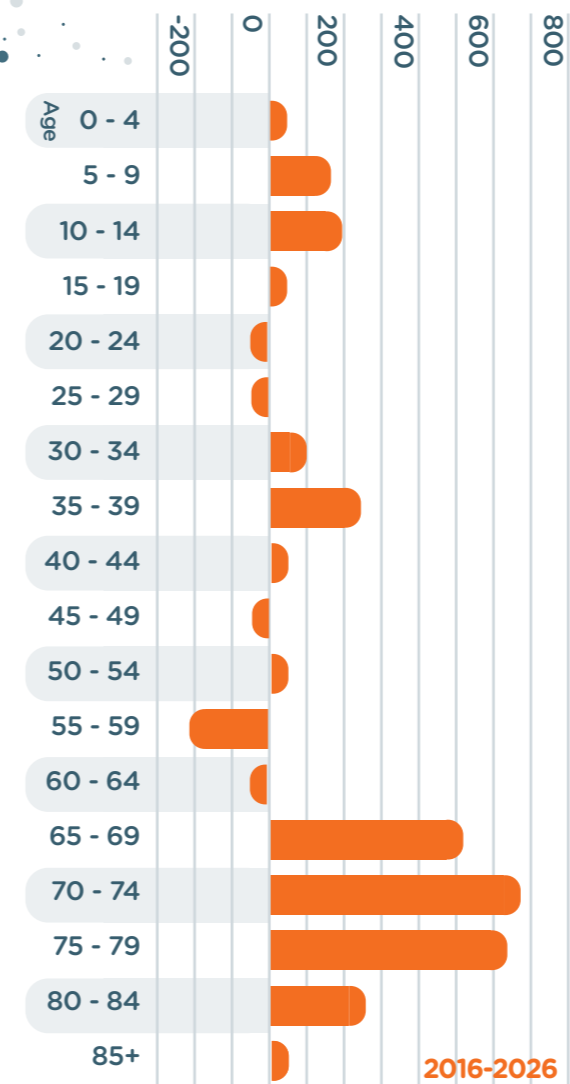
There is also evidence from the 2016 census that income levels generally have increased in the higher income brackets making the region a more attractive market for small businesses.

Income distribution in Byron Bay between 2011 and 2016



Source: ABS Census 2011 and 2016

Projected population growth of Byron Bay in the next 10 years



Source: Department of Planning and Environment NSW

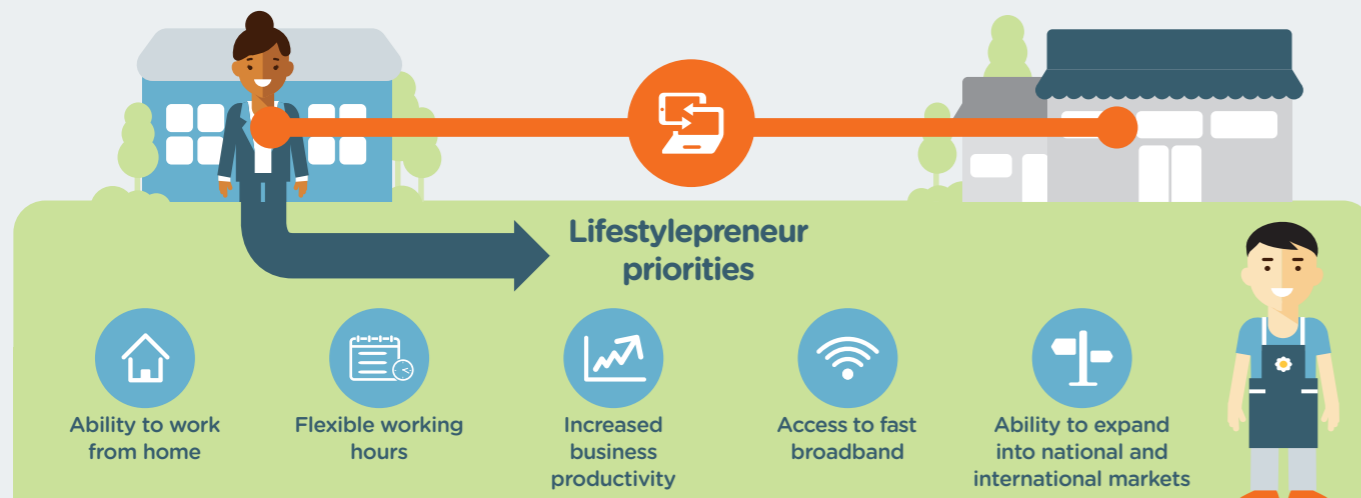
Conclusion

The Northern Rivers region has all the right attributes to make a successful and growing lifestylepreneur destination. The region has critical mass, a measure of cultural cachet, climatic and environmental amenity, as well as a predominantly private sector workforce. These factors combined with the region's reputation as a progressive thinking community make it ideal for the evolution of the lifestylepreneur. But this movement requires something unique to kick it off.

In order to cultivate the culture of the lifestylepreneur what is required is access to technology to enable business to relocate or for small businesses to evolve within the region. In order to effectively work outside of the Central Business District locations, small businesses need the ability to send files, store data, interact with clients and staff in a highly mobile manner. With new technology such as cloud-based applications and increased connectivity delivered through the nbn™ broadband access network, the barriers of distance which once existed will allow business owners to connect outside of the region and to compete on a global stage.

And with this new technology, combined with all other of the Northern Rivers region's attributes, it is likely that this community will continue to flourish as an entrepreneurial lifestyle community in the future.

Entrepreneurs living in lifestyle areas may include retired or 'lifestyling' corporates or creative business owners who are harnessing technology to start and grow their business



The lifestylepreneur lifestyle

Lifestylepreneurs are business owners who move to lifestyle locations and set up shop. Perhaps in the hinterland of Byron or near the Daintree or on the edge of a major city like Cairns. Take your city-learned skills to a lifestyle location and build a business from law to accounting to candle-making. In many ways this is the ultimate Aussie lifestyle... to be a lifestylepreneur living in a lifestyle location.



August 2017

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March 2017

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