

December 2018

CHAIR'S ANNUAL REPORT – themes since 2012

In the 2017 Chair's Report, I reminded members of the themes Sunshine Coast Business Council (SCBC) had focused on over the preceding five (5) years, 2012 – 2017. Those were:

- Positioning and communicating our message to members, the community and federal, state and local politicians.
- Building regional profile and maintaining the independence of SCBC.
- Collaborating and partnering to deliver regional strategies and business council objectives.
- Building our advocacy agenda around evidence-based research.
- Keeping a spotlight on the need to maximise the 'ripple effect' from investment in the Sunshine Coast Health Precinct and other major public and private sector developments.
- Maintaining the focus on the state of the regional economy, particularly infrastructure, investment and employment performance.

2018 in review

The above themes again guided SCBC's advocacy and research activities in 2018 and I would like to first focus on two research projects that are important to the region for different reasons:

Sunshine Coast Story. (Contributes to Points 1 – 3 above).

In June 2016, on behalf of SCBC, I joined a delegation of Sunshine Coast elected and business representatives on a study tour to New Zealand to understand the history and success of the 100% Pure NZ brand.

There was an expectation that upon return, the members of that delegation would promote the lessons learned around: how New Zealand had developed its country (tourism) brand, how this brand was brought to life across high value sectors and for investment attraction and, how the ONE message – 100% Pure NZ – explained and unified the culture and values of NZ.

In September 2016, SCBC hosted a lunch for sixty (60) people keen to hear directly from Ms Rebecca Smith, Director of the NZ Story. In 2018 we have taken it a step further. We reached out to our members, to both councils and tourism entities and to our regional federal and state members, to collaborate to fund a project that would take the first step toward creating ONE message to explain the Sunshine Coast Region's culture, values and identity.

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(retired August 2018)

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Sunshine Coast Airport

Tony Vickers, Director
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This was a challenging yet rewarding task for SCBC to embark upon. It was challenging because of the many valid and varied opinions and expectations held within the stakeholder group. It was rewarding to see how many people (30) believed in the value of creating ONE message that would hopefully unify and permeate regional values and identity.

Background to the project can be accessed on the SCBC website by following the link <https://scbusinesscouncil.com.au/the-approach-to-developing-sunshine-coast-region-our-essence/> . The output of the research is a video clip that can be accessed at <https://youtu.be/QibtJiTxJ4> .

It is important to understand that the values and identity themes highlighted from the research were drawn from the vast research base sourced and are not the researcher's opinion. We hope this work will move the region closer toward unifying around ONE message to represent regional values.

Research to further maximise the potential 'ripple effect' from major regional projects. (Contributes to Points 4, 5 and 6 on previous page).

SCBC first raised the 'ripple effect' derived from major projects back in 2010 when the focus was on the development of the Sunshine Coast University Hospital and health precinct. We have maintained that interest over the years through various research and events.

In 2018 we have taken the discussion to another level – to a multi project and industry level. Working in collaboration with RDA Sunshine Coast Inc., Property Council of Australia and Sunshine Coast Airport, we commissioned USC to undertake independent research as to how best to maximise the ripple effect from major projects at a regional level.

The research was undertaken by Dr Steven Boyd and titled *Enabling Projects of Regional Significance*.

The research was presented at a SCBC conference on 23rd October 2018. The USC commissioned research report will be available on the USC and SCBC websites toward the end of the calendar year. Conference attendees and SCBC members will be advised by email when the report is available.

An extract of the research and findings that address the SCBC business questions will also be available.

Events

SCBC was busy during 2018 hosting several events. Brochures and select speaker presentations are available on the website:

- ***Economic Impact of Regional Universities*** – lunch held April 2018 with 65 people attending.
- ***Economic briefing by Macquarie Bank*** – breakfast held in May 2018 for SCBC/ Master Builder members. 20 attended.
- ***The Retail Evolution*** – Conference held May 2018. Audience in excess of 150 people.
- ***Deb Frecklington MP, Leader of the Opposition*** – breakfast held September with 60 people attending.

- **Ripple Effect Research Released.** Panel discussion held in October 2018 with 60 people participating.
- **Annual Combined Government & Business Forum** - held September 2018. 65 attended representing regional Federal, State and Local Government and 25 SCBC members.
- **Think Tank Series 4 – Agreeing what is required to deliver on the Shaping SEQ Regional Plan and future proof the region for sustainable growth.** Conducted three sessions between July - September 2018. SCBC met with Mayor Jamieson and CEO Sunshine Coast Council, Michael Whitaker to discuss the outcomes. Also formed part of Session 2 of the CGBF held in September and SCBC will continue raising questions in terms of the consolidation and other regional targets in 2019.
- **St Vinnies Sleepout 2018** – held August 2018. SCBC again brought together 20 members and stakeholders to sleep and fundraise for the regional homeless.

Media

SCBC worked actively to take our messages to the broader community through:

- In excess of 175 relevant mentions in media
- 14 media releases
- 5 on-site TV interviews and even more radio interviews
- Media coverage included:
 - Regional transport infrastructure
 - Community engagement
 - Strategic direction of Sunshine Coast
 - Homelessness/Vinnies sleepout
 - Federal budget
 - Urban planning
 - Population growth
 - Evolution of the Sunshine Coast
 - Economy and jobs
 - Unified vision and collaboration amongst business, government and community leaders
 - Economic impact of regional universities
 - Sekisui development
 - Deb Frecklington breakfast
 - Casino development
 - Telecommunications infrastructure

Regional Economy

The regional economy generally performed well despite various headwinds such as geo and national political instability, lacklustre Queensland state economic performance and impacts of the bank royal commission.

Ousting prime-ministers mid-term, particularly when the national economy appears to be performing well, is never good for business or consumer confidence or for financial markets. Unfortunately, there is still more to come with the federal election now expected in May 2019.

Despite the largely positive vibe apparently evident on the Sunshine Coast, economic indicators such as the unemployment rate seem to be at odds with that positive vibe.

According to October 2018 ABS data, the Sunshine Coast experienced a significant lift in the unemployment rate from 4.8% reported in October 2017 to 6.4% in October 2018. For the same period the Queensland state average remained consistent at 6.1% for both periods and the Australian average dropped from 5.6% in October 2017 to 5.4% in October 2018.

Over the same 12-month period, the participation rate remained below both the national and state average although improving 2% to 62.1%.

**SCBC uses 12-month average ABS data*

In terms of job creation, the stand-out industry performance this year has been in the Health Sector. According to the Qld Government Labour Market Information Portal (LMIP), the Health Industry added 5,900 (up 25%) jobs during the 12 months to 31st August 2018. The Education & Training (up 25%) and Accommodation & Food Services (up 16%) industries were also notable mentions.

However, these job growth areas appear to have come at the cost of jobs in the Retail and Construction industries, which appear to have had sizeable reductions in job numbers. Retail saw a decline in job numbers during the 12-month period between August 2017 and August 2018 of almost 20%. Also, off a large employment base, Construction experienced a loss of 10% in job numbers.

The Qld LMIP doesn't provide commentary around job movements by industry at a regional level. Therefore, we look forward to hearing from Mayor Mark Jamieson on Friday 7 December when he presents his 2018 State of our Region address. Maybe this will shed some light on what has caused the jump in the unemployment rate.

Industry highlights include:

- SC Airport was consistently reported as the fastest growing airport in Australia with 11% growth for financial year end June 2018.
- Tourism industry has experienced consistent positive results over the past financial year and continued to attract record, or near-record visitation and expenditure from both domestic and international markets.
- Property industry continued to perform well off the back of strong demand in the greenfield market.
- Despite high commercial vacancy on the Sunshine Coast, transactions have continued at a healthy rate with investor and tenant demand increasing.
- There has been significant investment during the calendar year in retail assets with high confidence in the long-term strength of the local market (although confidence is starting to show early signs of weakening and not as strong as the previous year).
- Sunshine Coast has been recognised as one of the nation's leaders in smart city initiatives and programs such as #SCRIPT which is supported by both Councils.

Members

The Board of SCBC wishes to acknowledge the retirement of Peter Pallot, CEO of Sunshine Coast Airport at the end of December 2018. The Airport is a long-term member of SCBC and we have greatly appreciated Peter's support over the years and as a Board Member in 2018.

We wish Peter well for the future and look forward to his continued work on the Board as a respected regional business person.

We also wish to acknowledge Ben Simpson former Regional Manager, Stockland Communities (resigned November 2018). Ben has actively contributed to the Business Council work through Stockland's membership as a SCBC Business Partner, as a regional PCA representative, and for two years as a SCBC board member (2015 and 2016). Ben is taking a role – General Manager – St Bourke Asset Management and Development - with Drapac Capital Partners, an Australian company headquartered in Melbourne. Ben and his family will be based in Atlanta Georgia USA and Ben will be responsible for Drapac's residential business. Thank you Ben, and best wishes to all your family.

That leads to congratulations to SCBC Board Member Adrian Allen who has been appointed as the Regional Manager for Stockland Communities.

Focus for 2019

SCBC's role remains as one of the region's key business and economic advocates. Whilst we will confirm our focus for 2019 following our annual strategy workshop to be held Thursday 7 February, we will continue to prosecute the case for more clarity around strategies to achieve the regional targets outlined in the SEQ Regional Plan. We are most concerned about the current consolidation targets.

We will examine the points of strength and weakness of the regional economy in terms of risks going forward.

Summary

I would like to take this opportunity to thank the following:

- Our members for their continued and active support during the year.
- Patron Sponsor - *TAFE Queensland East Coast* for their continued sponsorship in 2018.
- Business partners – *Lend Lease, Sekisui House, Stockland and the Sunshine Coast Airport* who provide significant support throughout the year.
- Event and research sponsors such as *Property Council of Australia, RDA Sunshine Coast Inc, Rumba Beach Resort, CQUniversity, Sunshine Coast Airport, Sunshine Coast Chamber Alliance, Sunshine Plaza, University of the Sunshine Coast.*
- In-kind members for their contributions which lessens the financial burden on the Business Council: *BDO, Telstra and Fresh PR.*
- *Kerrie Bryant-Adams and Barrie Adams* who work tirelessly as a team to make a difference.

I would also like to thank the regional Federal and State members and Local Government councillors who have supported the Business Council throughout the year.

I warmly acknowledge our Board Members who give their time, energy and experience to prosecute the business council's agenda and work to make the Sunshine Coast a stronger economy and good place to live and invest. Special thanks to retired board member Don Maconachie and retiring board member Brett Mills and big welcome to incoming board members Ana Rodger and Brad Williams. Thank you to Life Members – David Oliver and Tony Sowden.

Merry Christmas and all the best for a prosperous and successful 2019.