

NOVEMBER 2021

CHAIR'S ANNUAL REPORT FOR CY 2021

Whilst many Australians were negatively impacted by Covid-19 during the year some have had it tougher than others.

2021 was another tough year for small business, particularly those who were forced to cease operations due to public health measures and boarder closures. For the Sunshine Coast region, the industries most impacted included aviation and those businesses linked to supporting air travel, hospitality, international and national tourism, accommodation, store-based retail, creative arts and entertainment. While most continued operating, many experienced significant declines in business.

Some industries such as construction experienced both a surge and a brake on business. Residential development and home extensions were both strong markets throughout the year but the shortage and delays in availability of many building products pushed smaller builders to the brink with escalating building costs and frustrated clients.

These factors have had a negative impact on unemployment in the Sunshine Coast region. Through most of 2021 the Sunshine Coast Region experienced a higher unemployment rate than both Australia and Queensland. During this period the variation to Queensland has been as much as 1.5% higher whereas over recent times the Region has generally been below the State's average unemployment rate. Queensland on the other hand has an established trend now of having a higher unemployment rate than the Australian average. We have lost ground on this important economic measure and no doubt we will all be working to redress unemployment immediately.

Despite the Covid fatigue that has influenced much of this year, good things have happened that will give us a positive and confident lead in to 2022:

- **2032 Brisbane Olympic and Paralympic Games.** Winning the Games has already initiated discussions across the State about what is required to deliver a successful Games. Sunshine Coast will host several events and is already turning its mind to questions covering infrastructure, legacies, community engagement etc. The buzz around the region is noticeable and has already renewed conversations around the need for 3-tiers of government and business to work closely together to progress heavy rail, a multipurpose convention, entertainment and sporting centre. Issues such as housing and accommodation are also at the forefront of early thinking.
- A project led by **Food and Agribusiness Network (FAN)** was recently awarded a Federal Government Grant of \$8.78m toward the development of Australia's first purpose built, end-to-end collaborative food and beverage manufacturing precinct – known as the Turbine Precinct.

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- The precinct will be located at the Sunshine Coast Airport and will position the Sunshine Coast as an epicentre for supporting food and beverage manufacturing businesses to scale. The Federal funding will allow Stage 1, which focuses on beverage manufacturing, to be developed, creating 225 permanent jobs and 41 jobs during construction.
- **Consolidating and growing regional ICT capabilities.** In September SCBC partnered with Sunshine Coast Council, RDA Sunshine Coast Inc, USC, TAFE East Coast Region and Noosa Council to fund the start-up of a new advocacy group – *Sunshine Coast Tech Industry Association (SCTechIA)* - to represent the Information, Communications and Technology (ICT) industry. One of the big challenges facing this new industry association is to stimulate industry job growth and - working with USC, TAFE, councils and tech businesses - develop and attract the technology capabilities essential to support regional industry digital transformation.
- **Sunshine Coast Airport.** Sunshine Coast Council recently supported the Sunshine Coast Airport's application to Economic Development Queensland for the airport to be declared as a Priority Development Area (PDA). This is good news for an investor ready to invest more than \$200M into the airport precinct that will create more than 2,000 direct and indirect jobs.

The Airport is optimistic about the lead-in period to 2022 with state borders scheduled to open on 17 December and airlines scheduling a significant increase in aviation capacity. SCA expects passenger numbers to return to numbers greater than pre-COVID19 by early 2022. This will have a positive flow on for those food and retail businesses operating out of the SCA as well as tourism in general.

- **Aura** remains the fastest selling residential community in Australia testifying to the demand for Sunshine Coast real estate. In 2021 Stockland continued to invest in the provision of key regional and community building infrastructure such as the Bells Creek Arterial Road, the Aura Town Centre and the Aura Business Park. 2022 will continue to build on the momentum of previous years with a focus on attracting key economic enablers to provide high valued employment opportunities to Sunshine Coast residents located within Aura.
- **Birtinya and Bokarina Beach Developments** – Stockland has accelerated the development of these projects to meet the demand for development sites and appetite for regional investment. Currently there are over 12 apartment and office projects being constructed in the precincts, representing an investment in excess of \$500m and generating over 15,000 jobs. The Birtinya Town Centre precinct will be launched in 2022.

Maroochydore City Centre - 2022 is set to be the biggest year to date for Maroochydore City Centre with the \$100m City Hall due for completion in Q4 2022 and Walker's flagship, A-grade commercial office tower, 50 First Avenue set to begin construction in Q4.

Strong demand, driven by both the local and national market has bolstered confidence in the development across all asset classes within the City Centre with a market-leading mixed use residential development application also set to be lodged by Walker in Q2 2022.

Walker will continue to work with all levels of government in 2022 to ensure much needed public transport such as Heavy Rail is funded for the Sunshine Coast and provides a legacy item from the 2032 Olympic Games.

The year in review for SCBC

Thankfully we were able to hold some face-to-face events during 2021 – half the number we would normally conduct – that really contributed to regional discussion. Below is how SCBC contributed to or created regional discussion over the year:

Forums

SCBC Annual Strategy Workshop – we commenced the year as usual with our annual strategic directions workshop held on Tuesday 23 February when over 40 members and stakeholders came together to hear from members and their views on what was ahead for 2021. Presentations from Ms Emma Thomas (SCC), Prof. Helen Bartlett (USC) and Mr. Matt Stoeckel (VSC) commenced what was a session focussed on our members' experience and business impacts from Covid restrictions and lockdown and what they expected further into 2021.

The audience then had the opportunity to ask questions of a further 10 members who had submitted papers prior to the workshop profiling their business or major projects and the impact Covid-19 was having on their business and markets.

SCBC provided overviews of the state and regional economies, employment, the pipeline of major regional projects (public and private) and major investment areas that needed focus and decisions during the 2021 year such as the regional integrated transport strategy, North Coast Connect business case, master planned communities, SEQ City Deal and tourism infrastructure - in particular a convention and entertainment centre.

SCBC growth opportunities would focus on:

- Digital transformation within industries
- Maximising regional benefit from infrastructure such as SC Health Precinct, International Submarine Cable and Maroochydore City Centre.

Think Tank Series 5 - held between May and July 2021 to identify and agree an industry view of the key parameters required of a modern planning scheme to support growth and change and prepare an industry submission as input into the drafting of a new Sunshine Coast Council Planning Scheme.

Eighteen industry leaders including Jen Williams, Executive Director PCA Qld, Kerry Doss, State Planner, Planning Group Qld Dept of State Development, Infrastructure, Local Government and Planning and 6 Sunshine Coast Council staff from the Planning and Economic Development teams (including James Ruprai and Andrew Eves-Brown) participated in detailed and positive debate over the 3 sessions that made up this series.

A draft submission was circulated to all attending industry members for comment prior to the final submission being forwarded to the CEO Sunshine Coast Council in November.

Growing the region's digital capabilities

On 1st September, SCBC and funding partners Sunshine Coast Council, RDA Sunshine Coast Inc., USC, TAFE Qld East Coast Region and Noosa Council announced the establishment of an Inaugural Management Committee to set up a new ICT industry Group. The purpose of this industry group is to consolidate the regional technology and communications capability and strengthen market awareness and credibility.

This group is being positioned as the key advocate for this growing industry which is the driver for digital technology transformation across all industries.

Our Region needs to catch up with the growth being experienced nationally in technology transformation and strengthen the resources to play a major role in this market.

This is an extension of the digital transformation and cyber security market sounding project from 2020 which was led by SCBC and the partners cited above. A big thank you to them and to the new IMC which has a big job in front of it, even with the continued support of SCBC and funding partners.

Combined Government & Business Forum (CGBF) – this annual event was held on Tuesday 5 October 2021 with the theme *Preparing for the Brisbane 2032 Olympic and Paralympic Games*.

Speakers included Stirling Hinchliffe MP, Minister Tourism, Industry Development and Innovation and Sports, Ted O'Brien, Federal Member for Fairfax, Mayor Mark Jamieson, Sunshine Coast Council and Mayor Clare Stewart, Noosa Council, Andrew Wallace, Federal Member for Fisher (rail transport between Brisbane and Sunshine Coast), Andrew Brodie (International and Domestic Aviation), Cr. Rick Baberowski (Intra-regional transport), Murray McCarthy (Maroochydore City Centre) and James Ruprai (Housing, short term and tourism accommodation) - all addressing relevant infrastructure leading into 2032.

Sixty-five members and stakeholders attended the annual by-invitation forum and we are grateful for their continued support to hold this important regional event.

One of the key points made by both Ted O'Brien MP and Mayor Jamieson was the imperative to speak with one loud and persistent regional voice when advocating to Federal and State governments for infrastructure and investment for regional projects, particularly in the lead up to the Games. This necessitates prioritisation and agreement on regional projects, which remains an issue for transport.

Events

Rise of the regions lunch – held in May, over 140 people, many from the Development and Construction industries, enjoyed hearing Mark Steinert share his experiences and observations on the changing face of Regional Australia and the current trajectory of the Sunshine Coast. Mark led Stockland for eight years, delivering thousands of affordable homes, workplaces and connected and liveable communities in regional locations all around the country, making him uniquely positioned to highlight some of the challenges and opportunities for policy makers in a post-COVID world. Mark retired as CEO of Stockland in mid-2021.

Ageing in Place – this was one of the most positively received events the Sunshine Coast Business Council has held, ever. Approximately 140 people attended what many considered a potentially heavy topic. Our speakers made sure that wasn't the case.

A strong line up of speakers including Senator the Hon Richard Colbeck, Minister for Seniors and Aged Care Services and Minister for Sport, Ted O'Brien, Federal Member for Fairfax, Prof. Helen Bartlett Vice Chancellor USC, Prof. Laurie Buys, Director Health Ageing Initiative UQ, Liam Mayo, CEO Be.

However, it was Kate Meyrick, Director of Urbis and well-respected urbanist and place-maker teaming with her mother, Ms Janet Meyrick that brought an unexpected real-life perspective to this conference. One that was uplifting, creative and compelling.

Brochures and select speaker presentations are available on the website for events and forums. <https://scbusinesscouncil.com.au/forums-events/>

Delivering on SCBC advocacy and research focus

Sunshine Coast Council's Mass Transit draft Options Analysis, April 2021

SCBC provided documented feedback on the Sunshine Coast draft Options Analysis. The SCBC response was consistent with the position we have held over the past decade - we support the need for a mass transit strategy, we do not comment on transport modes (as we are not qualified to do so and that is the responsibility of State Government) and we regularly call for an integrated transport strategy for the Region.

We support heavy rail between Brisbane to Sunshine Coast (Maroochydore) which, although not part of the Mass Transit Strategy, is in our view the backbone rail infrastructure essential to support the growth of the region, and therefore a funding priority.

Sunshine Coast Council - New Planning Scheme (NPS)

SCBC provided a documented submission to the SCC outlining the recommendations drawn from the Think Tank Series 5 discussions (covered previously). The submission offered recommendations around a strategy for future engagement between Council and the SCBC (including key industry groups) by identifying three (3) key topics that can provide input into the direction and detail of the proposed new planning scheme, for the Sunshine Coast. These 3 topics are:

- 1) Identification of new commercial opportunities for the Region and future economic growth potential.
- 2) Rezone and unlock a new supply of land for housing to assist with affordability.
- 3) Planning Scheme structure and useability.

In addition to the submission, SCBC and other industry groups will seek to participate in the industry engagement processes conducted by SCC.

Pipeline of Regional Projects

In 2020 SCBC worked with both councils, State and Federal representatives and private sector developers to establish a substantive pipeline of regional investment projects. The purpose of the pipeline then was to monitor risks to investment and jobs during the Covid19 pandemic. SCBC maintained the pipeline during 2021, and as we lead into 2022 there is renewed commitment by Sunshine Coast Council to work with SCBC to sharpen the focus on major projects, investment, and jobs, including projects that are likely to be important to the pre and post 2032 Olympic and Paralympic Games legacy.

With a current pipeline of over \$9B potential projects, this pipeline provides a single, integrated, and documented line of sight across construction and infrastructure projects being assessed or under consideration within the region.

Importantly it provides an insight on potential regional job growth by project and offers another data point for decision makers.

Media

SCBC worked again with Fresh PR & Marketing to consistently take our messages to the broader community.

This was a successful year in getting a focus on our opinions, events and forums even though relevant media messages were down on last year due to changes to regional media organisations. As journalists were limited to where and when they could travel for stories they published stories from colleagues in other region resulting in a sign increase in duplication of stories and mentions. For example, the '*Business leaders call to prioritise the economy in state elections*' media release was duplicated 109 times across different media outlets and the '*COVID-19 Call to reopen of Interstate borders*' media release was duplicated 42 times. General performance:

- 86 relevant mentions in media, generating \$99,721 in Advertising Space Rate (ASR), with a total audience reach of 816,379.
- 16 media distributions.
- 7 on-site TV interviews and 20 radio interviews.
- 44% growth in SCBC Facebook audience

Media coverage included:

- Brisbane to Sunshine Coast heavy rail
- QLD State Budget
- Planning Scheme Engagement
- McNab Sunshine Coast local jobs story
- Business Council drives ICT growth agenda
- Impact of Brisbane lock-down on Sunshine Coast
- Regional life in Australia
- Sunshine Coast Light Rail plans
- Retiring Stockland CEO
- Ageing in Place Conference
- 2032 Olympics
- Sunshine Coast Food and Beverage Manufacturing Precinct

Focus in 2022

We will remain focused on our charter and what our members expect which includes continuing to professionally prosecute the case for:

- Job creation across industries.
- Retention and attraction of talent across industries.
- Initiatives to address youth unemployment given youth unemployment has increased from 14.4% to 16.5% since July 2020 and has remained higher than the Qld average since September 2020.
- Next generation planning scheme and ensuring its ability to support REDS and investor confidence to achieve sustainable economic growth.
- Integrated regional Transport Plan and heavy faster rail between Brisbane and Maroochydore.
- Infrastructure required in the pre and post legacy phases of the 2032 Brisbane & Paralympic Games.

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 2021.
- Business partners – Lend Lease, Sekisui House, Stockland and Sunshine Coast Airport who again provided significant support throughout the year.
- Event and research sponsors - RDA Sunshine Coast Inc., University of the Sunshine Coast and Vitality Village.
- In-kind members for their contributions which lessen the financial burden on SCBC: BDO and Fresh PR & Marketing.
- Kerrie Bryant-Adams and Barrie Adams who work tirelessly as a team to make a difference.

I also thank the Region's Federal and State members and Local Government councillors who have supported SCBC throughout the year.

I warmly acknowledge our Board Members who give of their time, energy and experience to prosecute the SCBC's agenda and work to make the Sunshine Coast a stronger economy and a better place to live and invest.

On behalf of the Board, I thank Nicola Scott for her contribution during the year. Nicola is not renominating for 2022 due to work commitments but will remain connected as a valued industry member.

I have the pleasure in welcoming Ms Kelli Thomas to the 2022 Board. Kelli is a senior member of Walker Corporation's Queensland development team, is a qualified town planner and has worked for organisations such as the Office of Urban Management, Urban Land Development Authority and Economic Development Queensland.

On behalf of the SCBC Board I extend our best wishes for a Merry Christmas to you all and for a prosperous and successful 2022.