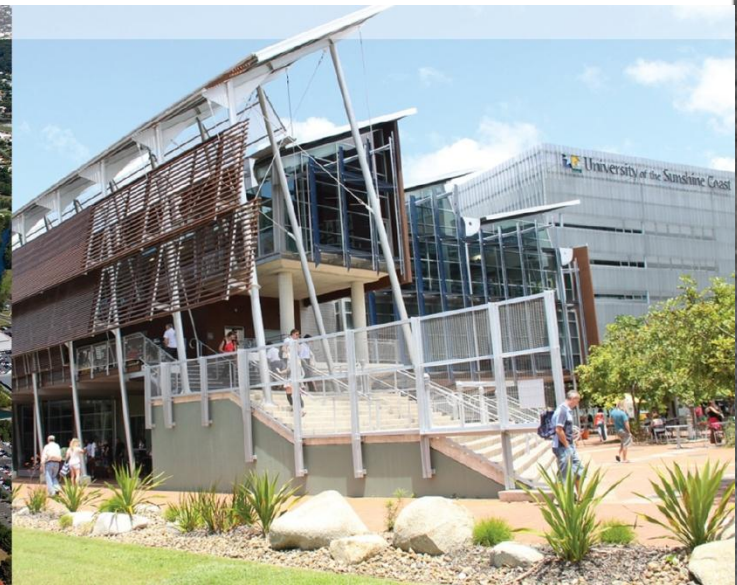




Sunshine Coast Economic Directions – 2012





Research: A 3 year journey

■ The Steps

- 2010 – ‘What Works’ research (USC, SCRC, SCBC and others)
- 2011 – Economic Framework 2011-15 + “....Now What” research (SCBC)
- 2012 - Economic Directions 2012-16 (SCBC)

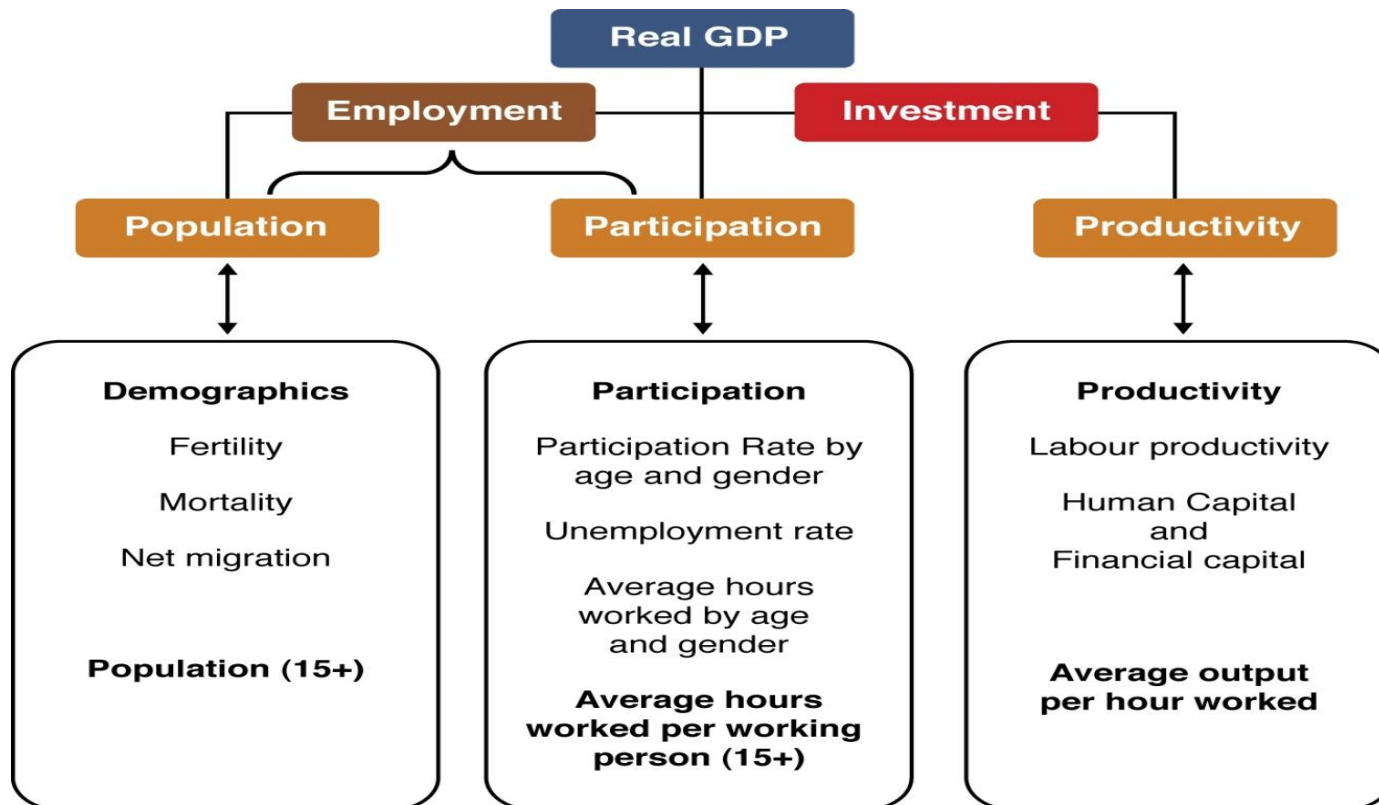
■ Previous research indicated

- Strong ‘evidence’ - leadership, vision & partnerships 5 Australian regions
- 5 key ‘evidence based’ strategies - relevant to Sunshine Coast
- A ‘social case for change’ – communicate message to govt & business

■ Recent research indicates

- SC struggling - ‘economic indicators’ benchmarked other Qld. regions
- If 250K jobs - investment in skills & key projects required NOW
- ‘Transformative projects’ - the key together with joint action by government and business

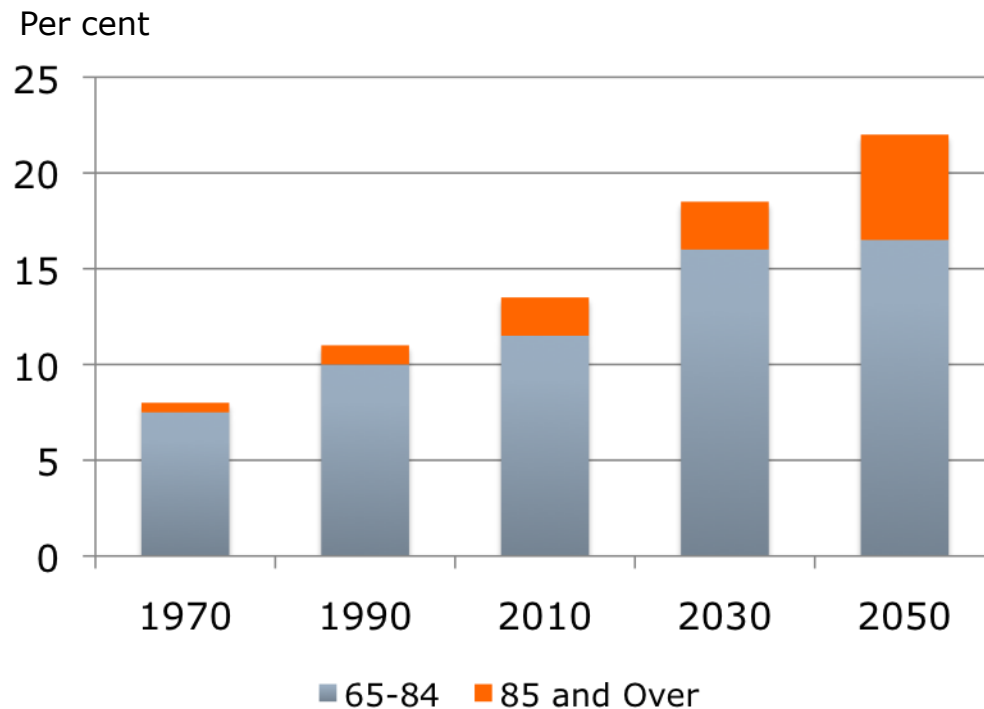
Focus of this research: 'deeper not broader'





Evidence & Impacts

Australia: Ageing impacts Real GDP growth

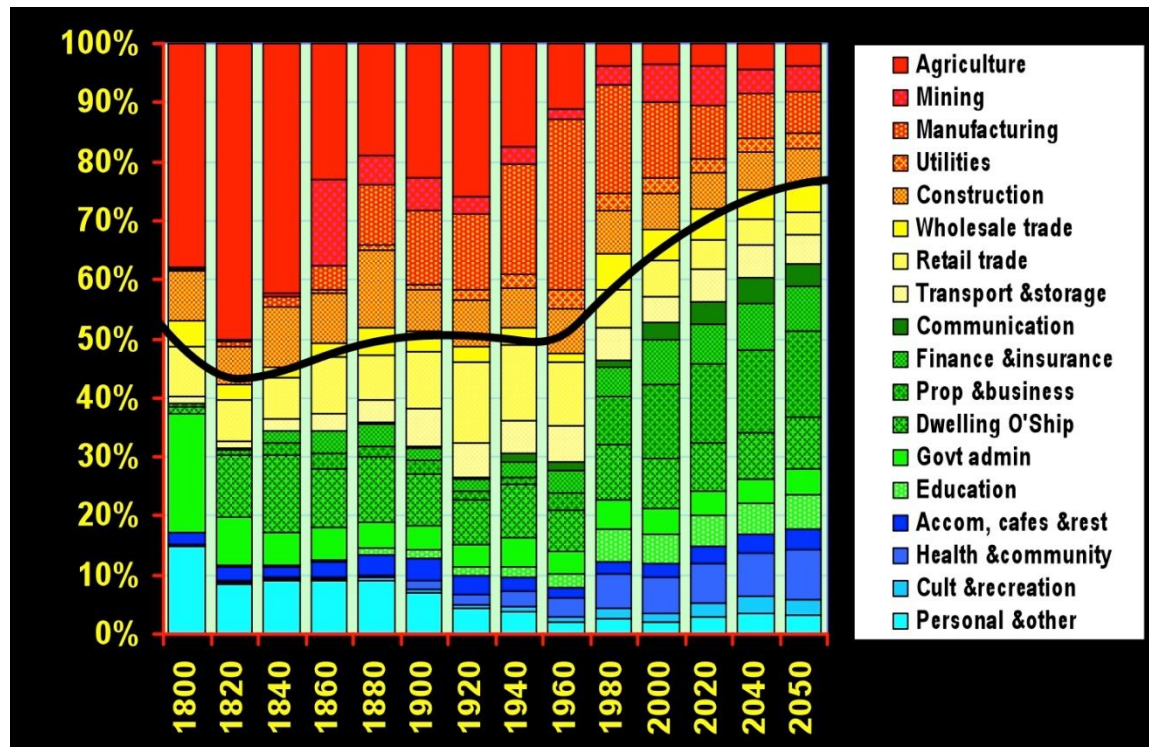


Australia's economic challenge = lift GDP per capita:

- Population - impacts of ageing, low migration
- Participation - increase workforce engagement
- Productivity - invest capital and develop more skilled, qualified workforce

Although these factors are being experienced across Australia, the SC ageing profile compounds the impact for this region.

Employment: Australia trends toward 75% 'service jobs'



Nationally:

- Increasing significance of health, education services and finance sectors
- Decrease in agriculture and manufacturing
- Little growth in mining sector

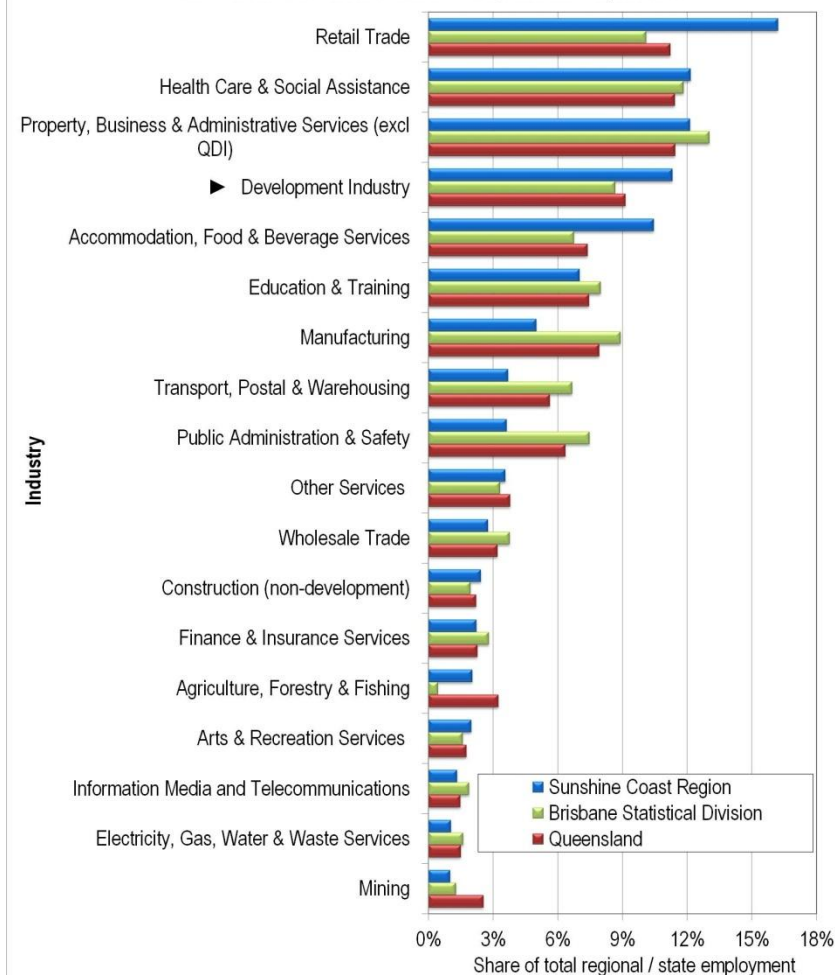
**Sunshine Coast
employment is expected to
be driven by Tourism,
Health, Education and
valued added production.**

Employment: SC v Qld industries by sector

Sunshine Coast:

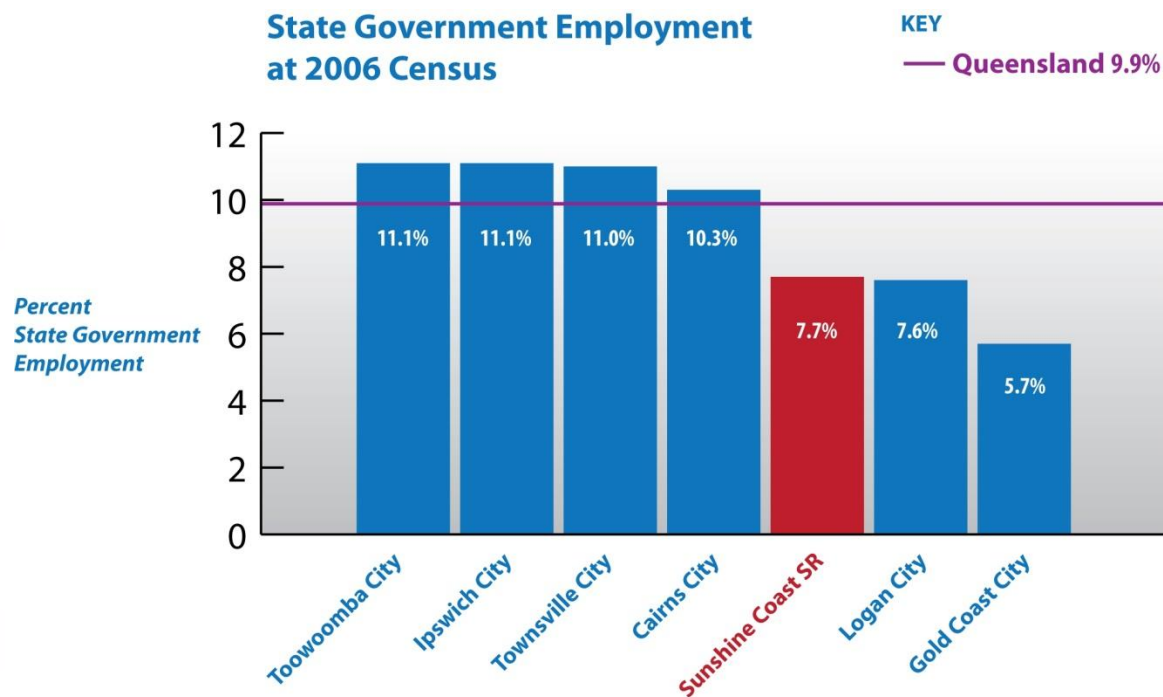
- Currently over weight in Retail, Development and Tourism
- We expect Tourism to remain a key sector
- Under weight in Education, Government and Health Services, IT, Manufacturing and more

Share of employment by industry, Sunshine Coast Region, Brisbane Statistical Division and Queensland, 2010/11



Source: UDIA, Economic Impact of the Development Industry in Queensland 2011

Employment: Absence of government jobs

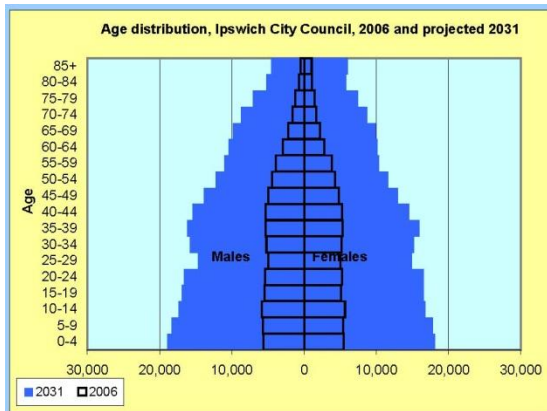
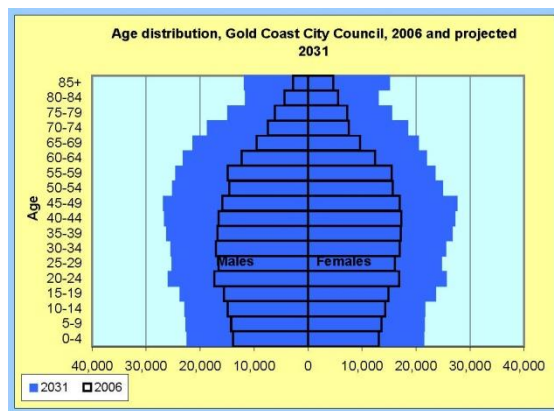
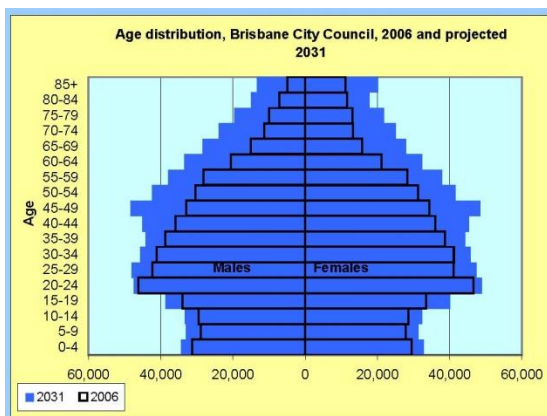
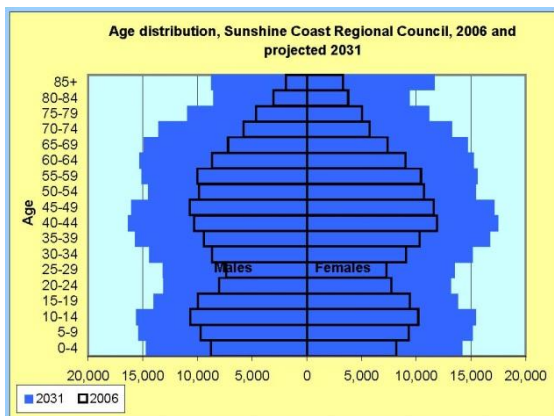


- SC has 20% fewer state government jobs than the Qld average for similar regions
- If boosted to Qld average there would be 3,500 additional jobs
- Medium weekly income for state government employees on SC is higher than for other SC employees

If SC was on par with Toowoomba, Ipswich, Townsville or Cairns in terms of State Government jobs, it would add an additional 4,900 jobs.

Source: ABS Census 2006. Community Profiles. Place of Work.

Population: 2031 age projections



Sunshine Coast by 2031:

- Fastest growing ageing population
- Little or no growth in working age cohort as a % of population
- Losing the workers in the most productive age groups

Government and business need to work together to address the loss of key productive age groups, create new jobs to retain and attract new workers.



Population: SC v HB age comparisons

Council/Year/ % pop. Age group	Hervey Bay 2006 (%)	Sunshine Coast 2031 (%)
0-19	25.1	23.2
20-64	53.9	53.8
65+	21.0	23.0
Total	100.0	100.0

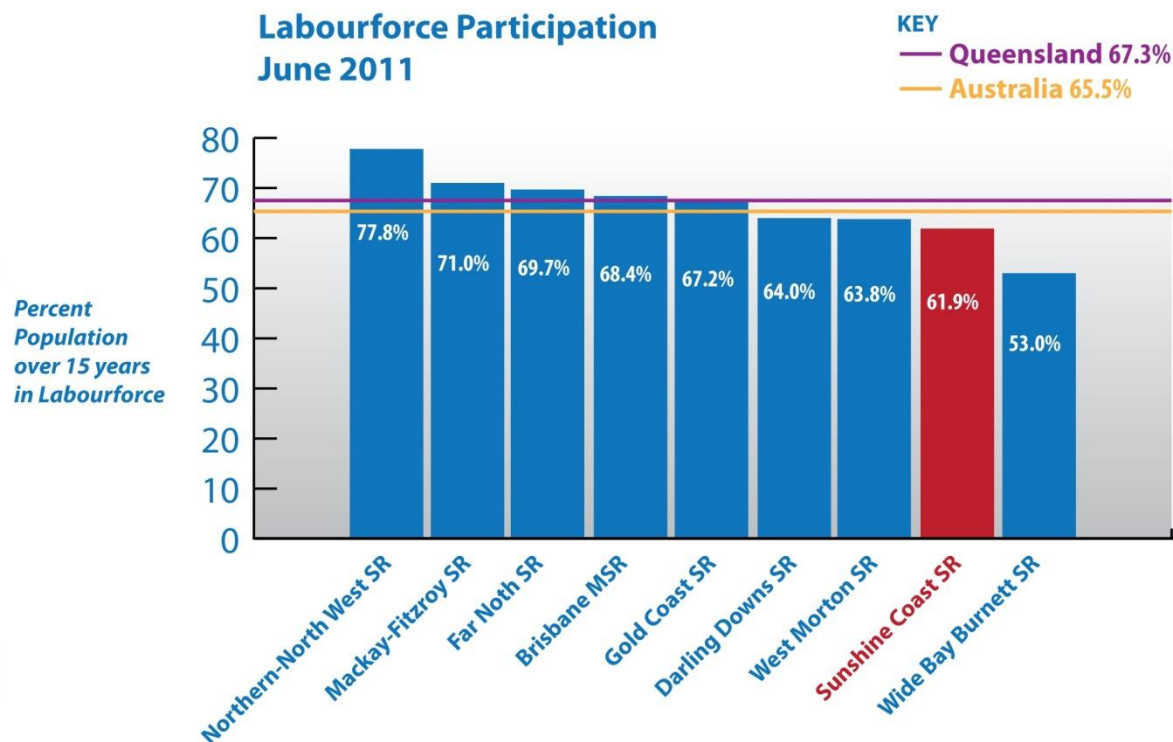
Sunshine Coast age profile by 2031 will be like Hervey Bay today if we don't intervene, that is:

- Workforce participation rate of 38%
- 2nd last per capita regional income in Qld

KEY ISSUE:

This is the Sunshine Coast's future outlook if we do not effectively intervene.

Participation: Queensland regional comparisons



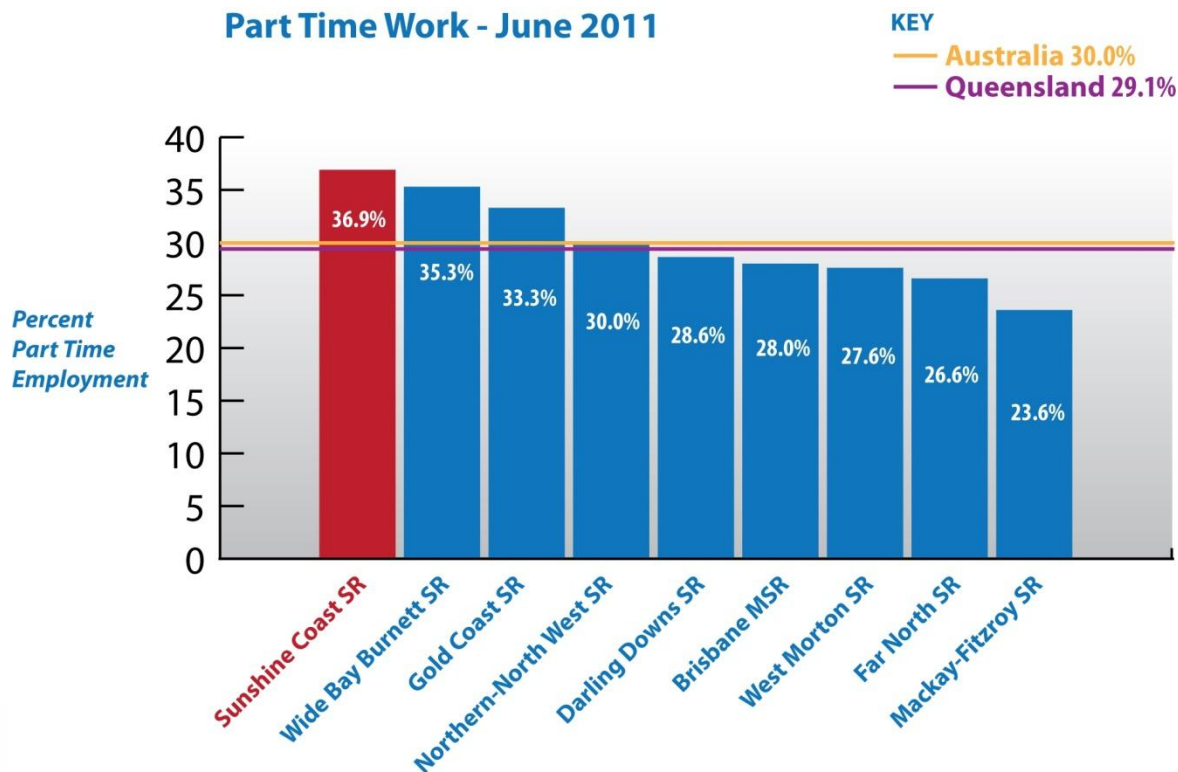
- SC is 2nd last in Qld
- Only ahead of Wide Bay-Burnett region

KEY ISSUE: Ageing is a nation-wide issue but the current trend in SC age structure means labour force participation is at risk of further decline.



Participation: Part-time work comparison

Part Time Work - June 2011

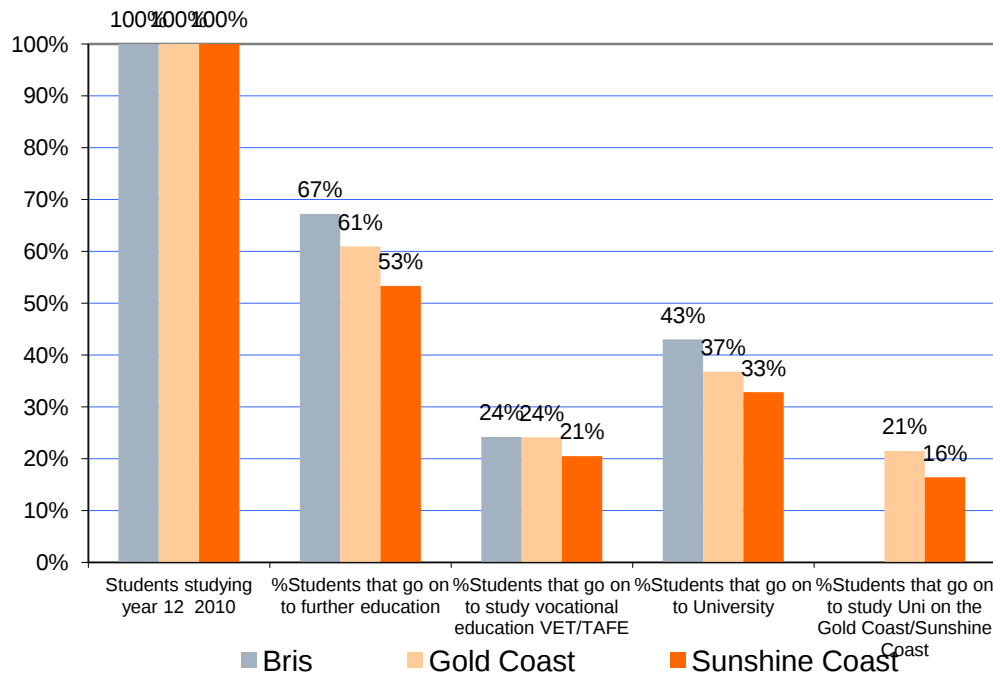


- SC has the highest percentage of part time workers (36.9%) in all of Qld
- Australian average - 30%
- Qld's average - 29%

KEY ISSUE:

The productive age groups require full time work to keep them committed to the region.

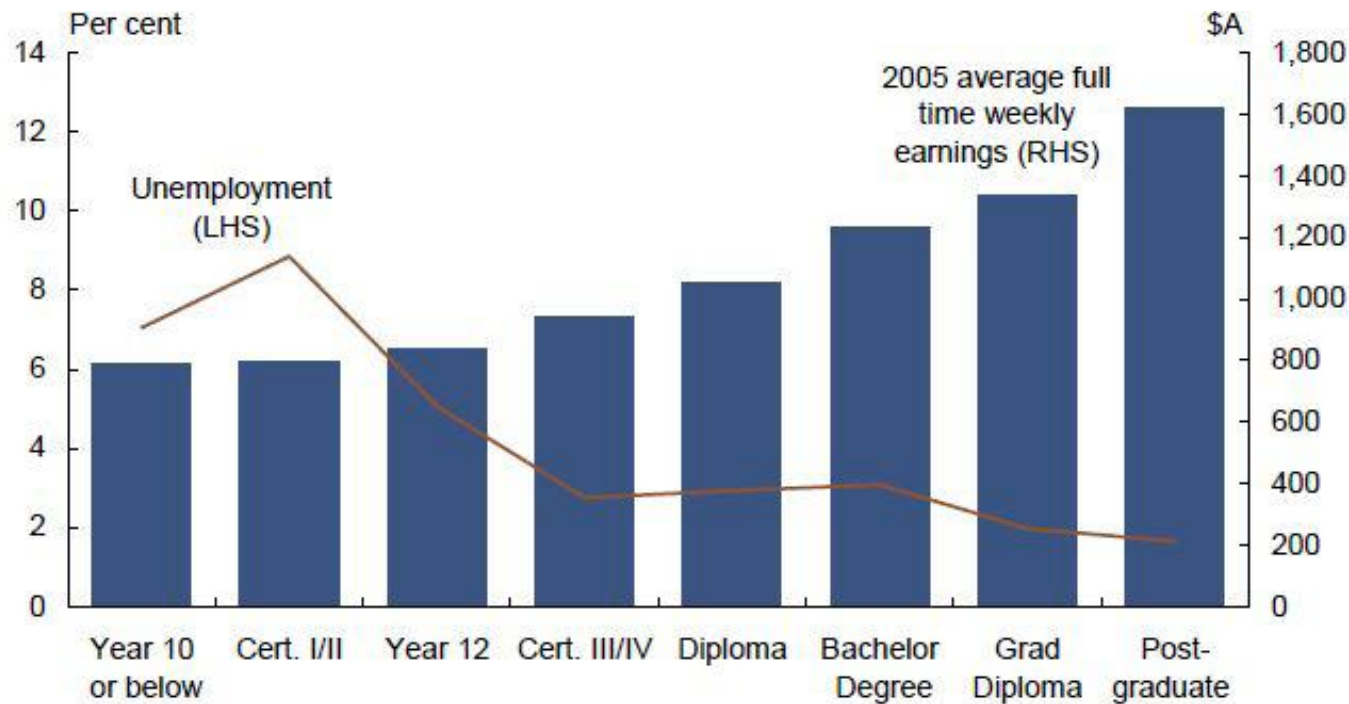
Further education: SC lags Brisbane and Gold Coast



Sunshine Coast ranks lower for:

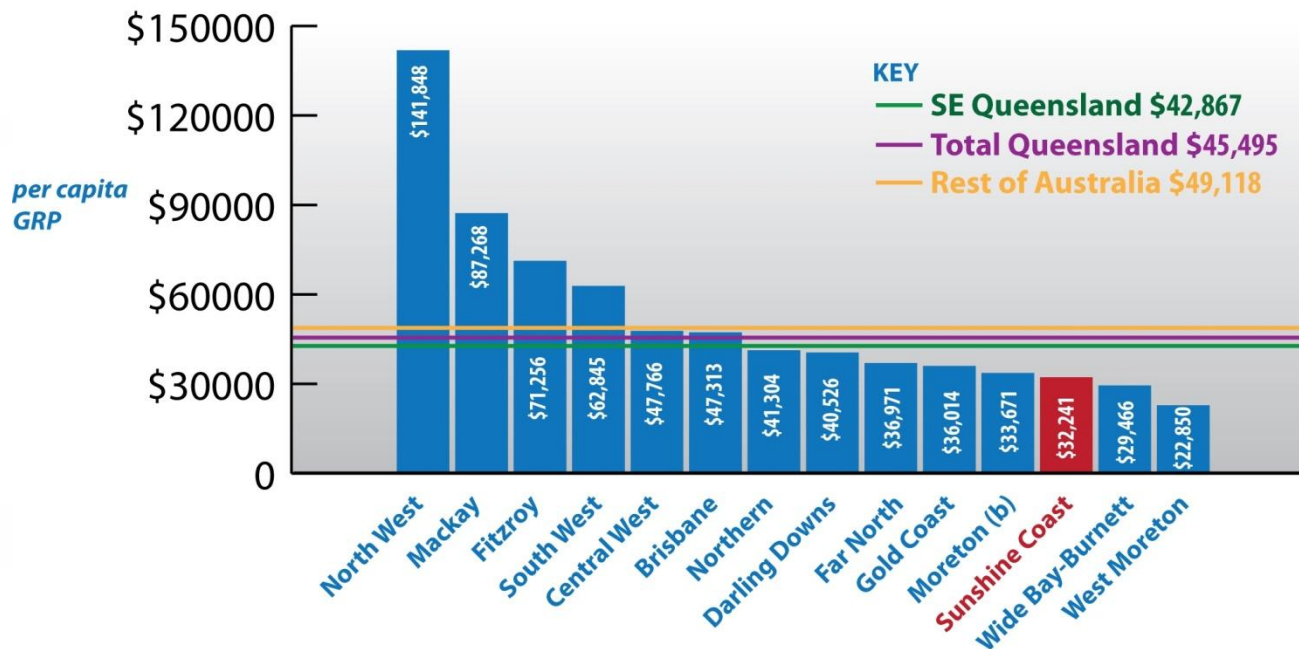
- Students going on to further education
- Students going on to VET/TAFE
- Students going on to tertiary education

Low skills: Lower income & lower employability



Sunshine Coast: 3rd last in GRP per capita

Real gross regional product per capita,
Chain volume measures (\$, 2005-06) Queensland



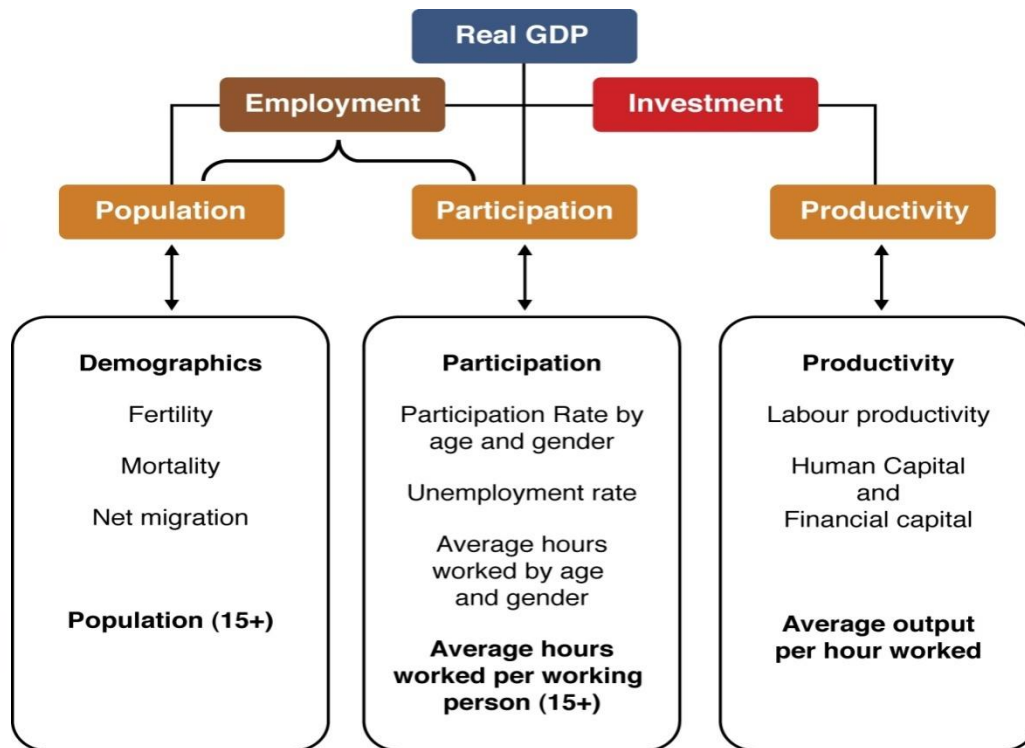
In Queensland, SC ranks:

- 3rd last in GRP per capita
- Only ahead of Wide Bay-Burnett and rural West Moreton



What SCBC believes needs to change.... and how

1. Agree the problem and focus on the '3 P's



Population

- SC major population trend issues
- Ageing sector growing faster than rest of Australia
- Little or no growth in most productive age groups

Participation

- Losing 'worker' age groups
- 2nd last in participation ranking
- 1st in part time/casual workers

Productivity

- Last Further Education take-up
- Need investment in human capital
- Need Investment in major projects and infrastructure

2. Set Employment Targets

**'Do nothing'-
GRP falls**

	2006	2031
Population	293,901	508,170
Workforce	136,803	219,123
Total Labor Force Participation Rate	46%	43%

Source: Sunshine Coast LGA at 2006 and 2031

- Reach the population target but NOT the workforce or participation rate
- Total Participation Rate declines to 43% due to 'ageing effect' in the 2031

'Do something' - Set a Target and drive a better result

- Apply higher Total Participation Rate (50%) to the 2031 population
 - *Workforce increases to ~ 254,000*
 - *Real GRP increases by ~ more than \$1 Billion due to the 'wage effect'*



3. Adopt An Employment Policy (along the lines of ...)

1. Population – change age structure

- *Increase job opportunities for young people*
- *Encourage investment with job opportunities for 'worker' age groups*
- *Attract and retain economically active age groups/migrants*

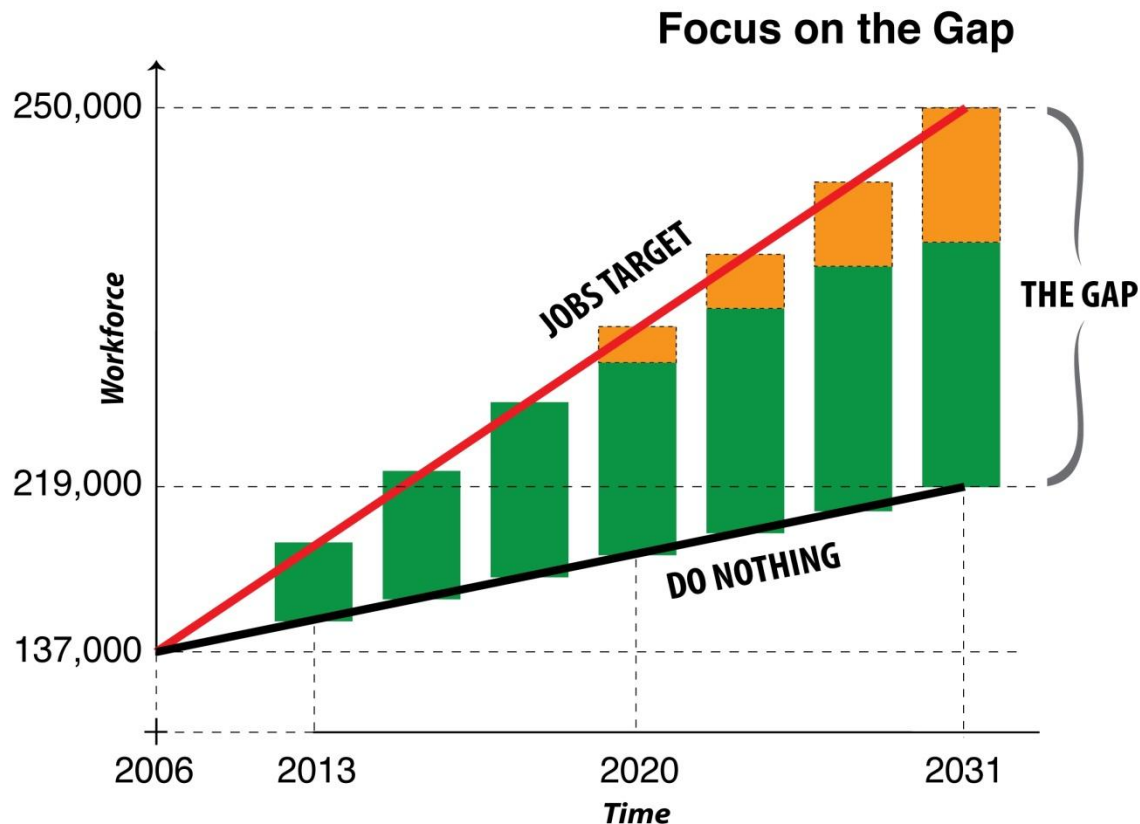
2. Participation – increase work opportunities

- *Focus on engaging over 55 year olds*
- *Convert part time and casual jobs to full time*
- *Increase % government employees (boost per capita income)*
- *Attract business with high work value & income*

3. Productivity – invest in human and financial capital

- *Increase Tertiary Education enrolment & retention*
- *Focus on transformative projects/jobs/education links*
- *Target full time workers with job/migration incentives*

4. Focus on (real) Transformative Projects (Not build and they will come)



TRANSFORMATIVE PROJECTS

Immediate

- Kawana Health Hub 2016
- S.C Airport Precinct 2020
- S.C. Technology Precinct 2018 (Incl. relocated Gov. Dept.)
- Maroochydore- PAC

Upcoming

- Art + Convention Precinct
- S.C. Industrial Precinct + Caloundra Sth
- Regional Sporting Team Franchise
- Other



5. Government and Business working together

- Business – get involved in the social need and community benefits conversation for planned economic growth as well as work with governments on strategies
- Governments (all 3 levels) - agree a consistent strategy and priorities for economic growth
- SC Council - own the monitoring and reporting of progress

By 2031 – Sunshine Coast should be (measured by GRP) a:

- ***Top 3 performing Queensland region***
- ***Top 5 performing region nationally***