

# SUNSHINE COAST: THE NATURAL ADVANTAGE

Draft for Consultation

Sunshine Coast Economic Development Strategy

2013-2033

## THE PARTNERS

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Sunshine Coast Regional Council

Sunshine Coast Economic Development Advisory Board

Sunshine Coast Business Council

Chambers of Commerce and Industry Queensland, Sunshine Coast

Urban Development Institute of Australia – Sunshine Coast

Property Council of Australia – Queensland Division, Sunshine Coast Committee

Regional Development Australia Sunshine Coast

University of the Sunshine Coast

Sunshine Coast Destination Limited.

## NOTE TO READERS

The draft Research Compendium to *Sunshine Coast: The Natural Advantage* should be read in conjunction with this draft strategy. It provides an overview of some of the key research and evidence base for the goals and priorities in this document and is available online at [www.sunshinecoast.qld.gov.au](http://www.sunshinecoast.qld.gov.au).

## DISCLAIMER

This document has been produced by the Sunshine Coast Economic Development Strategy Taskforce solely for the purpose of generating discussion and gaining community feedback. The content of the document reflects the results of research and Taskforce deliberations, which remain ongoing at this time. Nothing in this document represents a policy commitment of any member (or member organisation) of the Taskforce. This document also does not represent a commitment of resources by the Taskforce and its member organisations (including Sunshine Coast Regional Council) to the identified actions.

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## TABLE OF CONTENTS

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Executive Summary

A Case for Change

Building a New Economy

The Vision for a New Economy

Pathways to a New Economy

Tracking our Progress

Implementation Plan

Working Draft - Discussion Only

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## EXECUTIVE SUMMARY

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The Sunshine Coast is one of Australia's most desirable locations to live and visit. It is renowned for its exceptional physical environment and vibrant community. The regional economy has almost doubled in size in the past decade and its population is forecast to increase to more than 475,000 in the next 20 years<sup>1</sup>.

The last four years have however, shown how fragile the regional economy has become, with the traditional pillars of the Sunshine Coast economy – namely tourism, retail and construction – heavily exposed in the face of volatile global financial conditions, a high currency and weak consumer confidence. Continuing on the current path will further weaken the economy, erode the quality of life in the region and inevitably result in an inability to supply the infrastructure and services the community needs.

The focus now must be on making decisions that will deliver economic success in the years to come. The region's biggest risk is to simply do nothing – an approach which would likely see the region decline.

So, the challenge is - How do we ensure the region grows in both strength and resilience and at a sustainable rate?

Continued growth - influenced and shaped by good policy decisions - will position the region with a strong economy and as a highly attractive investment proposition.

**Sunshine Coast - The Natural Advantage** provides a 20-year vision and blueprint for long term sustainable economic growth, which supports our enviable and authentic lifestyle and natural assets.

This strategy represents a commitment by business, industry and local government leaders on the Sunshine Coast who are united in their desire to see the region realise its full potential. It will include valuable contributions from Sunshine Coast residents, canvassed through a public consultation process. The overall objective is to collectively set the region on the path to a prosperous and confident future – one which enables the region to be an active participant in the global community, which in turn will deliver the lifestyle and opportunities for local residents and businesses alike.

This strategy is intended to strengthen and extend our traditional construction, retail and tourism industries – all of which will remain significant elements of the regional economy for the foreseeable future. However, for the Sunshine Coast to succeed and prosper, a new economy must be built – one that is resilient at its core.

This will be achieved by focussing on – and being responsive to – the demand generated by other economies. To this end, the region will drive investment in new and emerging industries such as health and wellbeing; education and research; knowledge industries and professional services; tourism, sport and leisure; agribusiness; clean technologies; and aviation and aerospace - each of which have the potential to generate high-value investment and higher-paying, enduring employment for the community.

**Sunshine Coast - The Natural Advantage** is an evidence based plan which sets the region's priorities to 2033 to achieve a more outwardly-focused, employment-generating and market-responsive economy by:

- transitioning the economy from a reliance on population-driven industries to a broader and high-value industry base
- moving from being recognised primarily as a lifestyle and tourism destination to one that affords a competitive investment edge
- changing from a predominantly small business base to a stronger mix of small, medium and large businesses
- shifting from reliance on low-value adding employment opportunities to increased, high-value employment options and pathways
- shifting the focus on internal servicing of local markets to being responsive to the demands of national and international markets and connections - in particular, seizing the opportunities arising from the Asian Century<sup>2</sup>.

**Sunshine Coast - The Natural Advantage** provides a program of action over the next five years to drive progress towards 2033. The program of action will be reviewed annually to ensure it remains on target to deliver a strong new economy for the region.

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<sup>1</sup>Source: Queensland Regional Profiles, Office of Economic and Statistical Research, Queensland Treasury, 2013.

<sup>2</sup>The Asian Century is a term used to describe the belief that, if certain demographic and economic trends continue, the 21st century will be dominated by Asian politics and culture.

## A CASE FOR CHANGE

During the past 30 years, the Sunshine Coast economy has undergone extraordinary change. The region has experienced significant population growth, urban development and now represents a large regional economy worth more than \$13 billion.

Now, in 2013, the region has reached a turning point. The past four years have revealed the vulnerability of the Sunshine Coast economy to external pressures and the risks this poses for a region with a heavy reliance on population-responsive industries – namely retail and construction - and an entrenched tourism dependency.

### The current state of play illustrates the case for change

- ◆ The region is overly reliant on the construction, retail and tourism sectors - which presently account for approximately 37% of total employment. These core industries are 'population-dependent', are often lower value-adding and are highly exposed when growth rates and consumer confidence decline.
- ◆ Since 2007, the regional population growth rate has slowed and is now less than the State average. With weaker population growth, fewer new dwellings are expected, meaning fewer new jobs in construction and related sectors and a general slowing of building activity.
- ◆ Demand for tourist accommodation has also decreased by 1.1% annually in recent years and visitation levels have been volatile, which has had severe implications for securing investment in new accommodation stock and the competitiveness of operators.
- ◆ The regional unemployment rate (6% in January 2013) has been consistently above the Queensland and national averages for the last four years. Youth unemployment also continues at unacceptably high rates (15.3% in January 2013).
- ◆ Average income levels are lower than those for south-east Queensland and Queensland as a whole - reflecting the region's dependence on low paying industry sectors, high rates of part-time and casual employment and a larger slice of the existing population that is no longer in the paid workforce.

### Continuing as we are is not an option

The experience of the last four years and the available evidence on successful regional economies suggests that if these circumstances are allowed to continue and the Sunshine Coast economy remains heavily dependent on tourism and population responsive industries, the consequences will be:

- Low levels of investment and limited local employment opportunities of high value

## Learning from the past to chart the future

The Sunshine Coast economy was historically built on its natural resources. From the first European settlement in the 1850s, a cattle and timber based regional economy gradually expanded with the introduction of agriculture and sugarcane. An economy that has some focus on external markets developed and the population reached 27,000 in 1947.

A development boom in the 1960s and 1970s helped the Sunshine Coast expand as a holiday destination. Rapid growth occurred from the 1980s with the population more than doubling in 20 years from 118,000 in 1986 to 287,000 in 2006. In response to this population growth and the attractiveness of the destination, the economy has evolved to one that is dominated by the tourism, construction and retail sectors - with a primary focus on meeting internal consumption demand.

During the past 10 years, the Sunshine Coast economy has continued to evolve. While in the last four years the region has seen a flattening of tourism demand, a decline in some core industries and declining rates of population growth, it has also seen growth in new regional industries such as education, healthcare and professional services.

If equipped with the right building blocks and supported by the right actions, the Sunshine Coast can continue to evolve its economy and achieve a competitive place in national and global markets. The Sunshine Coast is charting a new direction for its economy over the next 20 years – one that is responsive to market demand and one that will deliver greater opportunities for the region and its community.

- unsustainable growth in demand for human and social services and an economy that is unable to support the demands of the community
- less capacity to invest in new and essential infrastructure and assets that the community needs to survive
- an inability to maintain the lifestyle and environment that is so highly valued on the Sunshine Coast.

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## BUILDING A NEW ECONOMY

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### *A new economy for the Sunshine Coast that is responsive to national and global demand, with increased high-value employment and investment opportunities*

Over the next 20 years, the region will take bold steps and chart a different direction – one that respects and nurtures the region’s values and authenticity, but looks beyond its horizons and seeks to establish the region as part of the global community.

The region will build a new economy that is less exposed to the vagaries of population growth rates, a fluctuating currency and local consumer confidence.

To strengthen the economy and build wealth and prosperity, the region will shift its focus from responding primarily to its own consumption (and consumption dependent primarily on population growth and visitor numbers) to providing goods and services that respond to the demands of both the local and other economies.

This will:

- afford greater stability to the regional economy in terms of a broader industry and investment base
- generate investor confidence that the region and business are geared to respond to demand from a wider market place and
- provide the employment opportunities locally and enable the region to acquire the talent and skills to respond to the workforce demands of the new economy.

At the core of this change will be achieving the sustainability of the region’s economy, community, environment and lifestyle. These objectives are not incompatible.

#### Achieving a new economy

Clear objectives and priorities will help to move the region from a population focused (or consumption oriented) economy to one that is responsive to national and global demand, with increased high-value employment and investment opportunities.

The new economy will be built on:

- strong **leadership** which embraces collaboration, agility and a determination to succeed
- investment in **high-value industries** that generate employment which will endure
- a focus beyond the region’s boundaries to **domestic and global markets** – where the region has a clear capability and advantage
- the **essential infrastructure** needed to support its growth and competitiveness and sustain its community
- the **talent and skills** of its workforce and the contribution of community members.

#### Foundations on which to build a new economy

The region will embark on this program of change with some strong foundations, valuable assets and a suite of opportunities, including current infrastructure commitments and emerging industry in some high-value industries.

The Sunshine Coast is already recognised for offering an outstanding lifestyle experience and quality environment. New approaches and priorities will enable the region to be recognised as a place that embraces investment, where business can succeed and things get done, and where government and industry have a common goal.

Industry, business and government are unanimous in their view that the region must work together – to provide the leadership, direction and settings to deliver a new economy. Leadership, collaboration and partnership are the cornerstone of this Strategy and are essential for the region to secure a prosperous future.

## THE VISION FOR A NEW ECONOMY

### Sunshine Coast - The Natural Advantage

In 2033, the Sunshine Coast is a prosperous, high-value economy of choice for business, investment and employment – while offering an enviable lifestyle and environment.

The vision for a new economy will be achieved over three horizons:

**By expanding the core** - The Sunshine Coast will strengthen and extend the traditional construction, retail and tourism industries by securing the region’s infrastructure priorities and significantly enhancing the region’s attractiveness to investors – existing, new and home-grown. While small business will remain at the core of the economy, the region will attract a greater number of larger organisations - enhancing career opportunities and the foundations of the economy. The region will place a high value on entrepreneurship, talent and creativity, technology and innovative business practice. Increased access to worthwhile education and employment opportunities will be realised.

**By seizing new opportunities** - The Sunshine Coast will exploit opportunities to secure investment to build high-value industries - health and well-being; education and research; knowledge industries and professional services; tourism, sport and leisure; agribusiness; aviation and aerospace; and clean technologies. The region will take full advantage of an expanded tertiary education sector, the opportunities provided by access to broadband technologies, its proximity to Brisbane and export facilities and the accessibility of its own international airport. The region will embrace opportunities which increase the wealth of the region and its residents and will have capitalised on both traditional and innovative investment solutions to deliver infrastructure of regional significance.

**By changing the game** – The Sunshine Coast will have an expanded outlook and position business, industry and its residents as part of a global community. The region will be recognised widely - not only for its natural beauty, but also as one of Australia’s most successful investment locations and its ability to harness new ideas and technologies to generate new opportunities. The region’s success will be based on its responsiveness to national and global markets - to enrich the tourism, retail and construction industries and grow new opportunities in education and research services; combating preventative illness and disease; niche food production and processing; and clean technologies. The new economy will be less reliant on local consumption and generate wealth through export, tourism and new investment. The region’s infrastructure will support both its participation in the global economy and the needs of the local community.



## PATHWAYS TO A NEW ECONOMY

### Features of a new economy

A NEW ECONOMY will be guided by strong regional leadership and collaboration by business, industry and government which will champion and promote the region's competitive strengths. The local regulatory environment will also encourage investment and business success.

A NEW ECONOMY will emerge on the back of major infrastructure investments such as the delivery of a new Sunshine Coast University Hospital, an international airport, a new city centre in Maroochydore and the upgrade of the Bruce Highway. These investments will provide a significant boost to the construction and retail sectors and will help encourage new investment and enduring employment in high value industries – particularly health and wellbeing; education and research; knowledge industries and professional services; tourism, sport and leisure; aviation and aerospace; agribusiness; and clean technologies.

A NEW ECONOMY will reinforce the investment potential and value of the Sunshine Coast – not only in traditional industries such as construction, retail and tourism but also in emerging and high-value industries that will in turn shape the population that is attracted to live and work in the region.

A NEW ECONOMY will be fully engaged with national and international markets – particularly the high growth economies in Asia. Our strengths in world-class health and medical services, education and niche tourism and food production will enable the region to respond to the emerging needs of national and global markets.

A NEW ECONOMY will strengthen and shape our future community. A nationally recognised education and training sector will provide the education and learning opportunities that respond to the skills needs of high-value industries and to the career and development needs of our residents. New investment and infrastructure will help the region to attract and grow a clever, productive and diverse population and enable the people who live here to pursue a worthwhile career locally.

### Transitions to a new economy – what needs to change?

To build a new economy that is resilient and globally competitive, the region needs to change many of its current characteristics:

Transitions to build a new economy:	
CURRENT ECONOMY	→ NEW ECONOMY
Narrow, population-driven industry base	→ High-value , broadened industry base
Predominantly small business base	→ Diverse mix of small to large businesses
Lifestyle business culture	→ Growth-oriented, pro-business culture
Local market consumption focus	→ Demand-driven economy responsive to national and global markets
Lifestyle tourism identity	→ Recognised, competitive investment location
Concentration of low-value adding employment	→ Increased, high-value employment options
Low retention and attraction rates for skilled and productive workers	→ High retention and attraction rates of talent and skills
Low community participation in economic development activities	→ A community which is engaged with and embraces worthwhile economic development



## Drivers of the transition to a new economy

A number of clear opportunities will help achieve the transitions from where the Sunshine Coast is now to a new economy over the next 20 years:

- large-scale investment in regionally significant infrastructure
- demand for employment and supply chain opportunities arising from these major projects
- flow-on local demand for access to innovative professional services and knowledge-based solutions
- business development and investment opportunities associated with the delivery of major projects - new health facilities, an international airport, a new central business district and improved transport links
- growing demand from both within and outside the region (particularly from Asia) for health, wellness, digital and education services and food product
- growth in emerging business and industry sectors - in response to changing global consumption patterns - including clean technologies, aviation and aerospace services

The challenge for the Sunshine Coast is to ensure it exploits these opportunities to transition to the new economy. This will require building local capacity, innovation and leadership.

## Critical Pathways to deliver a new economy

With change required across the economic spectrum, there are five essential pathways that need to be pursued to create a new, open, responsive and strong economy:

1. Leadership, Collaboration and Identity
2. Capital Investment
3. High-Value Industries
4. Local to Global Connections
5. Investment in Talent and Skills.

These pathways – or enablers of economic change – guide the actions the region will take over the next 20 years.

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# A NEW ECONOMY FOR THE SUNSHINE COAST

## Goals for the New Economy in 2033

A\$33 billion economy

High-value industries provide at least 100,000 employment opportunities

20% of goods and services produced for export outside the region

Household income levels above the State average

## Pathways

Leadership, Collaboration and Identity

Capital Investment

High- Value Industries

Local-to-Global Connections

Investment in Talent and Skills

## Priorities

Strong economic leadership and collaboration by government, business and industry  
A recognised, competitive regional identity

Securing investment in the region's infrastructure priorities  
Maximising the value to the region of key economic infrastructure

Targeting the attraction and development of high-value industries  
Providing a regulatory environment that encourages investment and growth in high-value industries in appropriate areas  
Promoting innovation, research and Digital participation

Positioning the Sunshine Coast in key national and global markets as a competitive source of high demand goods and services  
Developing export-ready businesses and market-responsive industries

Attracting and retaining skilled workers to support the growth of high-value industries  
A regional education and training system geared to the demands of a new economy

## Actions for 2013-2018

## Partner Responsibilities and Measures

## Implementation Plan Review

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## Leadership, Collaboration and Identity

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***Strong regional leadership and partnerships and the advancement of the shared vision are the cornerstone of a new economy.***

### **Strong Economic Leadership and Collaboration**

The delivery of a new economy for the Sunshine Coast requires the commitment, leadership and collaborative efforts of regional business, industry, community organisations and all levels of government.

Regional leaders will play a key role in building a perception, understanding and reputation of the region. Collaboration and partnerships between regional business and industry groups and government will be critical in conveying a coherent and united view of the Sunshine Coast and its competitive advantages.

Regional leaders will champion the direction for the new economy and work collectively to advance the vision for the future. This will involve both showcasing the strengths and competitiveness of the region and working proactively to address any impediments to delivering a new economy.

Regional leaders will forge strong and enduring relationships with domestic and global partners as well as with government and industry partners in Brisbane, south-east Queensland and nationally. Cultivating robust and mature relationships with these parties is vital in terms of building awareness of the region's priorities and opportunities and securing investment to deliver the foundations of the new economy.

A Regional Economic Leaders Forum will be established as the key vehicle to guide the region's transition to a new economy and to monitor its progress. This Forum will also provide a platform to support the emergence of the next generation of regional business and community leaders.

Priority actions to transform the Sunshine Coast economy will be led by identified partnership groups with clear responsibilities and timelines for action.

### **Actions for 2013-2018**

1. Establish and support a Regional Economic Leaders Forum as a business, industry and government partnership to guide the transitions to, and build the identity of, a new economy.
2. Identify and mentor potential business and community leaders.
3. Support business excellence through highly competitive award and recognition programs.
4. Report annually to the community on the delivery of the actions contained in *Sunshine Coast: Natural Advantage*.

### **A Recognised, Competitive Regional Identity**

The Sunshine Coast has a recognised brand built on its coastal and hinterland lifestyle and beautiful natural environment. However, the new economy requires an identity that is much more.

A new and competitive economic identity will challenge old and commonly held perceptions of the Sunshine Coast as being solely a lifestyle or tourism destination.

A new regional economic identity will:

- be aligned with the vision for the new economy
- clearly articulate the region's competitive strengths, values and attributes and
- help the Sunshine Coast forge trade and investment links with domestic and global markets.

Regional leaders will drive the creation of this identity.

A greater awareness of the Sunshine Coast in wider markets as a high-value investment location will help build greater resilience and opportunities for the tourism, leisure and local construction and retail industries.

The region's competitive identity will also capture the liveability of the region – one of its greatest assets – and demonstrate its accessibility to different cultures and the availability of different experiences.

Promoting a new identity to local, domestic and global markets will be a priority. Equally as important will be ensuring that business, industry and government representatives in the region are supported to advocate, represent and promote the vision and competitive value of the region.

### **Actions for 2013-2018**

1. Develop a new regional brand and program that embodies the vision for the new economy.
2. Adopt a targeted approach to promoting the region's competitive advantages to potential investors and priority markets.
3. Establish a Sunshine Coast ambassadorial program – utilizing local identities, business leaders and international students to promote the region.
4. Ensure marketing and promotional activities that showcase the region reinforce the new identity and cater for a multicultural audience.

## Capital Investment

***“Game changer” projects (see inset box) are predicted to have transformational effects on business, employment and investment growth – making them happen is essential.***

### Securing investment in the region’s infrastructure priorities

When compared with similar (and some smaller) regions, the Sunshine Coast has a significant deficit in key economic infrastructure.

This can be linked to the impacts of the global economic downturn since 2008, a lack of investment in public infrastructure by successive state and federal governments, a constriction in financing policies of major commercial lenders and low levels of private investor confidence in the region.

Most notably, there are existing shortfalls – given current and projected population levels - in tourism, digital, transport and community infrastructure.

The risk posed by ageing tourism infrastructure alone – coupled with limited private investment in new accommodation stock and visitor experiences – for both the tourism industry and the regional economy more broadly, is substantial.

The upgrading of transport infrastructure and key transport links is required not only to meet future population needs but also to support high-value industry growth and investment on the Sunshine Coast.

Delivering on the region’s infrastructure priorities will however, necessitate the identification and adoption of different funding models to those previously pursued at a regional level.

Facilitating both private and public sector investment in regional infrastructure is a key priority to achieve future prosperity and to attract investment in high-value industries to build the new economy.

It will also drive significant opportunities to grow and enhance the region’s traditional construction, retail and tourism industry base.

Future infrastructure investment priorities will be carefully identified and targeted to deliver significant economic and community benefits to the Sunshine Coast region.

Of particular significance to all elements of the regional economy are the ‘game changer’ projects (inset box) which are predicted to have transformational effects on business, employment and investment growth.

Ensuring these projects are delivered – by securing the funding to make them happen – is essential.

### Transformational Projects – the Game Changers

- The delivery of the Sunshine Coast University Hospital and adjacent health and medical precinct at Kawana
- The expansion of the Sunshine Coast Airport to provide an international gateway to the region
- The development of a new central business district in Maroochydore to provide a commercial, civic and entertainment heart for the region
- The expansion of the University of the Sunshine Coast to cater for a larger student population and to meet workforce demand that will be generated by other game changer projects.
- The upgrade of the Bruce Highway from Caboolture to the Sunshine Coast to improve accessibility and connectivity with south-east Queensland and international port facilities.

### Actions for 2013-2018

1. Identify alternative funding models for the expansion of the Sunshine Coast Airport and the development of the Maroochydore central precinct and address impediments to securing investment in these projects.
2. Seek a firm financial and delivery commitment from the Federal and state governments to the expansion of the Bruce Highway from Caboolture to the Sunshine Coast and future transport solutions.
3. Aggressively market the investment opportunities in the ‘game changer’ projects and secure investment partners.
4. Develop a Regional Investment Prospectus for national and global markets to profile the public infrastructure and commercial investment opportunities in the region.

### Maximising the value to the region of key economic infrastructure

Over the next 10 years, the ‘game changers’ will transform the Sunshine Coast economy, its employment base and its investment potential. These projects collectively equate to a minimum direct investment of over \$3 billion in the regional economy - but have the capacity to leverage associated investment of nearly double this amount.

The associated investment, supply chains, enabling industries and new employment and skills demand generated from these projects will provide the transformative value and opportunities to the region.

This in turn will drive greater economic wealth and resilience, increased average household income levels and improve attraction and retention rates – particularly for working age residents.

For example, the Sunshine Coast University Hospital will provide leading edge research facilities and professional services and an attractant for allied professional services to co-locate in the region. These facilities and services will enable the region to respond to both domestic and global demand for health and well-being services – particularly in the area of chronic disease prevention. The specialist research capabilities of the university hospital will further assist in establishing an international reputation and alliances – and deliver careers and services that do not presently exist in the region.

An expanded Sunshine Coast Airport, with international capability, offers a suite of opportunities for tapping directly into a global tourist market and a coterie of major international events. It will also provide the platform for a significant aviation and aerospace industry hub and play a key role in the formation of south east Queensland airport cluster – capable of servicing current and predicted growth in demand for passenger and freight services. This provides a new - and direct - international business and tourism gateway to the region, facilitating connectivity with international markets, greater visitation and wider exposure to potential investors in the new economy.

The region will move aggressively to secure the transformative value from these projects – providing a compelling investment proposition that maximises certainty for new investors and provides the region with a competitive edge over other locations.

A key plank in doing this will involve the establishment of priority investment areas surrounding and adjacent to relevant “game changer” projects. Priority Investment Areas will afford highly competitive conditions to attract early, worthwhile investment in these locations – which in turn will provide a stimulus for activity in the region’s traditional construction and retail industries.

The investment focus associated with these projects will place an emphasis on high-value industries that provide more enduring employment opportunities and higher remuneration levels.

#### Actions for 2013-2018

1. Establish Priority Investment Areas associated with game changer projects - with each area offering development conditions that are directed primarily at facilitating appropriate commercial investment outcomes.
2. Clarify and map the supply chains for each of the ‘game changer’ projects and identify gaps and opportunities for local business supply and priorities for new investment.
3. Ensure the international research capability and reputation of the Sunshine Coast University Hospital is secured and profiled to targeted national and global markets.
4. Work with telecommunications providers to ensure the delivery of world class broadband infrastructure and services in and adjacent to the ‘game changer’ project locations.
5. In partnership with the Queensland Government, advance a south east Queensland airports strategy to better enable tourism and business connectivity to the region.

## High-Value Industries

**High-value industries have the greatest potential to generate enduring career opportunities and higher-paying jobs for the local community**

### Targeting the attraction and development of high-value industries

Securing capital investment to deliver the region's infrastructure priorities will provide a unique opportunity for the region to expand its industry base and to attract investment in high-value industries.

Attracting and developing high-value industries is a critical building block for a new economy that is responsive to national and global demand and has greater resilience.

These high-value industries have the potential to generate a range of enduring career opportunities and higher-paying jobs for the local community. Many are also regarded as 'clever' industries which attract a workforce with high levels of knowledge and skills and generate unique intellectual property with significant commercial value.

Many of these industries also produce the goods and services that are predicted to be in high demand from significant global markets – particularly China, Indonesia, India and the Middle East.

The high-value industries that the region will pursue present the highest potential for success in the new economy, leverage off major capital investments and, in many cases, can develop from an existing capability in the region.

The industries that will be a significant feature of a new economy are:

- **Health and well-being** – which is predicted to double its share of the employment market by 2033 and become the region's largest employer
- **Education and research** – which will expand on the back of significant existing infrastructure investments and demand for quality teaching service and is predicted to become the region's second largest employer by 2033
- **Tourism, sport and leisure** – which will remain a significant feature of the regional economy and authentic characteristic of the region for the foreseeable future
- **Knowledge industries and professional services** – which are critical enablers of the other high-value industries, will grow in response to demand generated by the "game changer" capital projects and international markets
- **Agribusiness** – in particular niche food and beverage product and value adding production – which has a strong foundation in the region and will expand in response to burgeoning national and global demand

- **Aviation and aerospace** – which is predicted to grow on the back of the expansion of the Sunshine Coast Airport and predominantly in the fields of passenger services, helicopter engineering, advanced pilot training, aircraft engineering training, maintenance repair and overhaul and knowledge-based aviation technology and
- **Clean technologies** – in which the region has established a competitive reputation and which will expand in response to forecast national and global demand for technologies and solutions that avoid, reduce or remediate negative environment impacts.

### Characteristics of High-Value Industries

- An established or existing capability in the region which provides a competitive foundation for significant investment growth
- Recognised high-level industry capabilities or specialist offerings in the marketplace
- Strong potential for growth emanating from "game changer" projects
- Capacity to generate flow on economic opportunities (eg. in the supply chain, for broader business, industry and community benefit on the Sunshine Coast)
- Capacity to generate high-value employment – which is characterised as durable in fluctuating economic conditions and offer higher income levels for the workforce
- Capacity to respond in a sustained manner to market demand generated externally to the region.

### Actions for 2013-2018

1. Develop and aggressively implement industry and investment plans for each of the high-value industries - focussing on addressing impediments to growth, workforce requirements and the identification of key investment targets.
2. Develop a clear investment proposition and compelling marketing material for each high-value industry to attract and generate new investment.
3. Develop future project pipelines for high-value industries to facilitate industry expansion and encourage retention of new investment.

**Providing a regulatory environment that encourages investment and growth in high-value industries in appropriate areas**

A new economy – based on attracting and expanding investment in high-value industries – will only be achieved through the creation of an investment friendly regulatory environment.

By offering an investment location that understands commercial realities, can respond quickly to worthwhile proposals and is not overburdened with unnecessary regulatory hurdles, the region can secure a competitive edge over other locations in attracting and growing substantial investment in high-value industries.

The region will therefore, adopt a different – and pragmatic – approach to local regulation given the transitions required to build a new economy.

Foremost is the recognition of a defined Enterprise Corridor – stretching primarily along the coastal strip from north of the Sunshine Coast Airport to Caloundra South and bounded to the west by the Bruce Highway.

This corridor will represent the key area for commercial and residential growth over the next twenty years – and provide the location for many of the high value industries to establish, expand and mature.

Within the Enterprise Corridor, the regulatory settings in appropriately designated areas – including in the Priority Investment Areas associated with the “game changer” projects – will be based primarily on responding to core economic considerations.

Flexibility will be the underlying principle that will guide the regulatory settings in appropriately designated areas in the Enterprise Corridor. Market conditions will be an enabled component of the nature and scale of development in these areas. Development assessment levels will be geared to stimulate investor interest and confidence and unnecessary layers of prescription (such as detailed design elements and non-viable site requirements) will be removed from local regulatory instruments relating to these areas in the Enterprise Corridor.

Investment in certain high-value industries – such as agribusiness and niche tourism and leisure experiences – will necessarily occur outside the Enterprise Corridor. Local regulatory settings will reflect the needs and characteristics of these industries to facilitate new investment to enable the region to position itself as a global supplier of niche food and beverage products and rural and eco-tourism experiences.

### Actions for 2013-2018

1. Establish the Enterprise Corridor in the Sunshine Coast Planning Scheme with development requirements in appropriately designated areas of the scheme to be based on strong commercial investment principles.
2. Ensure local regulatory fees and charges relating to development of high-value industries remain at the forefront of contestability with those of other regions in Queensland and the east coast of Australia.
3. Ensure the regulatory settings outside the Enterprise Corridor do not inhibit or constrain investment in agribusiness and niche tourism and leisure experiences.

### **Promoting innovation, research and Digital participation**

Innovative businesses are twice as likely to increase productivity, 41% more likely to increase profitability, twice as likely to export and up to four times more likely to increase employment (Department of Industry, Innovation, Science and Research, 2011).

Research also indicates that highly digitally-engaged small businesses are two times more likely to be growing revenue, will earn two times more revenue per employee than those with low engagement and four times more likely to be hiring than those with low engagement.

The creation of an entrepreneurial culture in the region will foster more innovative businesses, product development and employment growth. Similarly, the deployment of new and enabling technologies will support innovation and transformation across high-value industry sectors.

Business and industry will be actively encouraged to develop and implement new technologies, including digital and broadband, in order to expand their markets and compete nationally and globally.

Capacity building strategies for business are a critical part of this process.

### Actions for 2013-2018

1. Develop and implement a Digital participation plan for business and industry.
2. Support entrepreneur networks through professional mentoring and angel investor programs.
3. Showcase and acknowledge innovation and best-practice in business.
4. Ensure widespread access to key information on broadband infrastructure and services to better enable business choice and ultimately improve access standards.



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## Local-to-Global Connections

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***Growing the Sunshine Coast's domestic and international markets is central to creating a new economy.***

### Positioning the Sunshine Coast in key national and global markets as a competitive source of high demand goods and services

To achieve a quantum shift in investment, employment, infrastructure provision and community prosperity, the region must refocus on external demand – to introduce new wealth and new careers.

Increasing the region's connectivity to national and global markets will not only strengthen its business base but will also develop a wider brand recognition of all the Sunshine Coast has to offer.

Growing the region's domestic markets and international export and investment base will require a clear and focussed approach and collaboration with all levels of government to ensure productive relationships and connections are established and maintained. These relationships will require considerable time to establish and grow, prior to major commercial undertakings being pursued.

Markets that offer the best prospects for success will be pursued. Brisbane and the southern capitals are logical domestic markets for the Sunshine Coast. On a global stage, the high-growth Asian markets potentially offer opportunities for valuable and enduring trade and export in areas of established capability for the region. These include tourism opportunities, food and beverage product and education and research services.

In the context of Asia, the region has established historical connections with Xiamen in China and Tatebayashi in Japan. These two relationships will shift from a focus on cultural exchange to a focus on areas of economic mutual interest and valuable gateways for Sunshine Coast businesses to gain access to the lucrative markets of China and Japan.

#### Actions for 2013-2018

1. Forge stronger commercial links through established international relationships that will be advantageous to local business; leverage new business, visitation and contacts; and secure public and private investment
2. Establish an annual program of export missions – led by Council – to grow awareness of the region's products and services and investment opportunities.
3. Ensure Queensland Government Trade Commissioners have access to up to date information on the strengths and competitiveness of the Sunshine Coast.

### Developing export-ready businesses and market-responsive industries

Targeted actions to expand the Sunshine Coast's domestic markets and international export and investment base will help strengthen the region's business foundations and local employment opportunities.

The Federal Government's White Paper, *Australia in the Asian Century*, indicates that Asian demand is greatest for Australia's natural resources, education, tourism and agriculture.

The Sunshine Coast already has some particular industry strengths – in education and tourism and an emerging capability in niche food products – that are in line with key focus areas identified by federal and state governments for export development.

The Sunshine Coast is well placed to capitalise on these opportunities and exploit its current advantages. Direct action to generate an appropriate mix of export-ready businesses and market-responsive industries will occur to enable regional businesses to respond successfully to domestic and global demand.

A Sunshine Coast International Business Development Program has been developed to enable the region to build its competitive strengths in a global market place.

This program will primarily focus on expanding the breadth of Sunshine Coast businesses that have the potential to access trade and export opportunities. Engaging with wider markets has the potential to strengthen business resilience, generate wealth and lead to new additional employment opportunities for the local community.

#### Actions for 2013-2018

1. Support specific regional market development and export programs, and access to trade and investment networks, advice and opportunities
2. Promote the capabilities, products and services of the region's export-ready businesses and suppliers to key markets
3. Use Sunshine Coast business networks to expand trade and investment opportunities.
4. Pursue government support programs, and link with government agencies with an in-market presence in target markets, to assist Sunshine Coast businesses to enter new markets nationally and globally.



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## Investment in Talent and Skills

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### ***A skilled workforce is essential to transition to a new economy, attract capital investment in "game changer" projects and grow high-value industries***

#### **Attracting and retaining skilled workers to support the growth of high-value industries**

The Sunshine Coast industry structure is expected to change significantly in the next two decades - with the top growth industries predicted to include healthcare and social assistance; education and training and other services.

Research indicates that labour demand for professionals will be strong over the next 20 years, followed by community and personal service workers and managers. Registered nurses and electricians are expected to increase their share of employment as well as primary and secondary school teachers. Retail sales assistants and managers are expected to remain the most common occupations in the region, but their share of total employment is projected to decline (Deloitte Access Economics, 22 March 2013).

While the regional population continues to grow during this period, the demographic profile underpinning this growth will not support the development of a new economy.

The ageing population and under representation of 20 to 39 year olds has many implications for regional workforce participation and productivity. The Sunshine Coast's relatively high unemployment levels and low workforce participation - coupled with the demographic profile outlined above – does not position the region to provide an appropriate workforce to meet future economic demand.

A critical focus will be on developing and attracting a workforce with the skills and expertise to meet the demands of the new economy. The region will nurture entrepreneurial talent through the Innovation Centre Sunshine Coast and leading growth and investment mentoring programs.

Government, industry and business will work collaboratively on innovative measures to retain skills and talent within the resident population by:

- ensuring community awareness of local opportunities and
- maximising local participation in education, training and industry skills programs that are targeted at supporting the demands of "game changer" projects and high-value industries.

#### **Actions for 2013-2018**

1. Undertake a workforce analysis for each "game changer" project and the high-value industries to ensure workforce gaps are identified and early solutions developed.

2. Regularly monitor changes in labour demand for high-value industries and "game changer" projects.
3. Develop migration program options to enhance and skills and business needs of the region in conjunction with federal and state government agencies.
4. Deliver entrepreneurship and business support mentoring programs.
5. Leverage opportunities in Asia and other key markets to increase the intake of international students in tertiary, technical and secondary schools.

#### **A regional education and training system geared to the demands of a new economy**

Improving education and training options through industry-specific courses and programs - as well as promoting career pathways and linkages between formal education, skills development and work - are foundational ingredients for economic growth.

The region's education sector is currently equipped with facilities and capabilities to provide a range of regional training and career planning activities to boost the foundations of the Sunshine Coast's labour force and the economy.

Work will occur to recalibrate aspects of the education sector's offerings to ensure these are clearly targeted at addressing critical gaps in the region's workforce profile. This will also assist in developing viable options for local and meaningful career pathways within the region.

A whole-of-region Education Coordination Project will not only seek to better coordinate and advance the regional education sector, but will also look at key issues of a loss of talent to Brisbane and other areas. The education and training sector will also play a key role in promoting leadership and the skilling of the future workforce.

#### **Actions for 2013-2018**

1. Implement the Education Coordination Project
2. Develop skills and training programs, through education providers, designed to meet projected industry skills shortage needs
3. Raise awareness in the middle phase of schooling (Years 8-10) of local career options and associated skills requirements.

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## TRACKING OUR PROGRESS

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### Aspirational Goals

The success of this strategy will be measured by tracking the region's progress towards meeting the aspirational goals for a new economy in 2033, namely:

- A \$33 billion economy (based on gross regional product)
- High-value industries contribute at least 55% of all employment
- 20% of goods and services produced for export outside the region
- Household income levels above the State average.

These goals have been selected as they present a strong indication of the value added to the economy as a result of actions to strengthen economic resilience through investment in industries and projects that are responsive to the demand generated by national and global markets.

Progress towards achieving each of these goals is currently measured by credible and independent agencies (such as the Australian Bureau of Statistics). Existing baselines are established for each goal and performance will be monitored and reported over time.

### Implementation Plan

The success of the Strategy will also be assessed on the basis of progress in delivering the actions in the Implementation Plan.

An annual Statement on the regional economy will be produced so the community is appropriately informed on the status of the Implementation Plan and the transition to a new economy.

The Implementation Plan will be finalised following public consultation.

The Implementation Plan will consolidate the 2013-2018 suite of actions contained in the Strategy and provide the basis for monitoring progress in reaching the region's economic goals over the next 20 years.

Actions in the Implementation Plan are short-medium term (ie. <5 years), targeted to deliver on the Strategy's longer-term goals and priorities. The plan will also identify the responsible strategy partners to deliver priority actions and the associated performance measures.

Delivery partners will be essential in achieving the region's vision and will include Sunshine Coast business, industry, government and the broader community.



Working Draft - Discussion Only