

Sunshine Coast

2009 ECONOMIC PULSE

A Sunshine Coast Enterprises and Sunshine Coast Regional Council initiative

SUNSHINE COAST ENTERPRISES is proud to present the 2009 Economic Pulse, a Sunshine Coast Enterprises (SCE) and Sunshine Coast Regional Council initiative.

Sunshine Coast Enterprises is in the business of economic development. Our mission is to drive and facilitate economic development in the Caloundra and wider Sunshine Coast region through assisting new and existing business to generate increased levels of investment and employment.

We are committed to:

- Building a supporting business and investment friendly region;
- Building economic advantage through collaborative partnerships;
- Ensuring benefits of a strong economy are in keeping with the lifestyle aspirations of the community we serve; and
- Contributing to economic success that leverages environmental outcomes that preserve and enhance the natural advantages and attributes of our region.

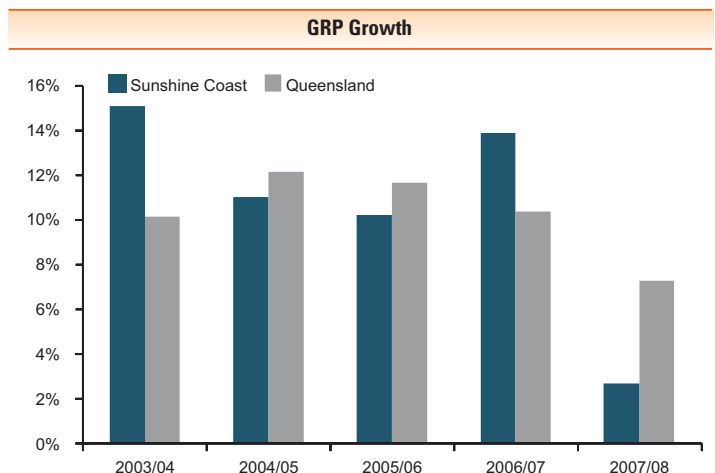
For further information on how we can help your business, please visit our website at www.scenterprises.com.au or contact us on 07 5493 6211.

Further information can be found at the Sunshine Coast Regional Council website: www.sunshinecoast.qld.gov.au.



Gross Regional Product

The Sunshine Coast's Gross Regional Product (GRP less ownership of dwellings and taxes and subsidies) is estimated to have been \$8.9 billion in 2007-08, accounting for 4.9% of Queensland's economy. Over the past five years, the region has experienced an average annual growth of 10.5%, demonstrating the strength of the regional economy.



Note: (1) Graphs indicate industry contribution to GRP only. (2) GRP Estimates may differ from previously reported figures due to data updates and in-house model reconfiguration to calculate as accurately as possible GRP at current (2007-08) prices.
Source: ABS 2008, AECgroup

Industry Contribution to GRP

The property and business services sector was the greatest contributor to GRP in 2007-08, comprising 15.8% of the region's total industry contribution. Construction (15.0%) and retail trade (11.7%) also contributed greatly to the economy, with the three sectors together accounting for over 40% of the Sunshine Coast's GRP. By comparison, these same three industries comprise less than 30% of the Queensland economy.

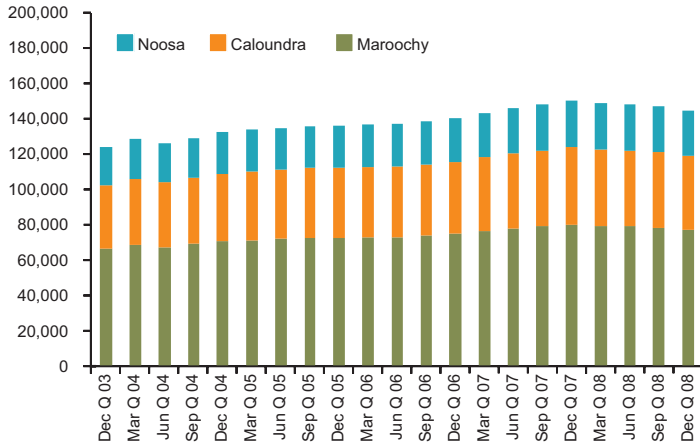
2007/08 estimated GRP/GSP	Maroochy	Caloundra	Noosa	Sunshine Coast	Qld
Property and business services	17.5%	16.2%	14.2%	15.8%	11.9%
Construction	14.9%	14.5%	16.0%	15.0%	10.1%
Retail trade	12.2%	10.9%	12.9%	11.7%	7.8%
Health and community services	8.9%	10.6%	9.1%	9.9%	7.0%
Manufacturing	5.0%	6.3%	7.5%	6.4%	10.3%
Wholesale trade	6.3%	6.5%	5.7%	6.2%	5.3%
Accommodation, cafes and restaurants	9.4%	5.7%	4.8%	6.1%	2.9%
Transport and storage	4.8%	5.8%	4.6%	5.3%	7.3%
Finance and insurance	4.8%	4.8%	6.5%	5.3%	5.5%
Education	4.8%	5.7%	4.6%	5.2%	4.5%
Government administration and defence	2.9%	3.4%	3.4%	3.3%	4.8%
Personal and other services	2.7%	2.6%	2.7%	2.7%	2.3%
Communication services	1.9%	2.4%	1.5%	2.1%	2.1%
Cultural and recreational services	1.7%	1.7%	2.7%	2.0%	1.4%
Agriculture, forestry and fishing	1.5%	1.5%	3.2%	2.0%	3.8%
Electricity, gas and water	0.5%	0.7%	0.2%	0.5%	2.1%
Mining	0.2%	0.5%	0.6%	0.5%	11.0%
Total Industry Contribution	\$4,952.8	\$2,440.0	\$1,457.5	\$8,850.2	\$180,824.0
Ownership of dwellings	\$621.1	\$306.0	\$182.8	\$1,109.8	\$18,167.0
Gross Value Added (\$m)	\$5,573.9	\$2,745.9	\$1,640.2	\$9,960.0	\$198,991.0
Taxes less Subsidies (\$m)	\$425.9	\$209.8	\$125.3	\$761.1	\$15,035.0
Gross Regional Product (\$m)	\$5,999.8	\$2,955.8	\$1,765.6	\$10,721.1	\$214,026.0



Labour Force and Employment

The Sunshine Coast's labour force totaled 144,344 persons in the December Quarter 2008, with Maroochy contributing the majority (53.2%) of workers, followed by Caloundra (29.2%) and Noosa (17.7%). Over the past five years, the region has experienced average annual labour force growth of 3.1%.

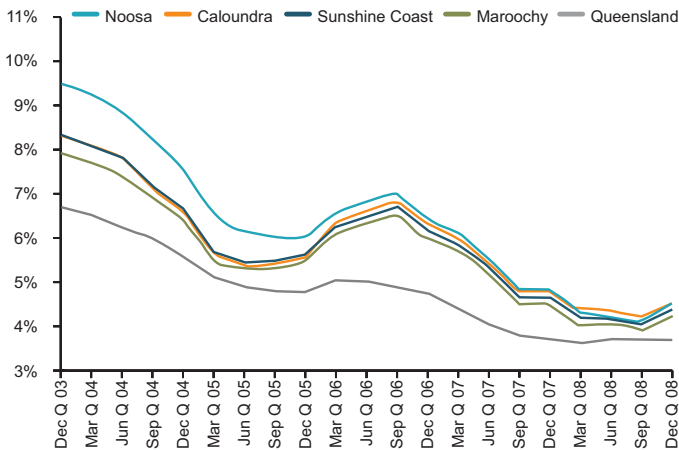
Labour Force



Source: OESR 2009

The Sunshine Coast reported an unemployment rate of 4.3% in December Quarter 2008, representing an annual decline from the previous December quarter of 0.3 percentage points. Over the past five years, the unemployment rate has almost halved due to strong regional economic growth.

Unemployment Rate



Source: OESR 2009

Employment by Occupation

Technicians and trades workers is the most common occupation category in the Sunshine Coast, comprising 17.2% of all employees. Professionals, and clerical and administrative workers are the second and third largest occupations of employment, employing 16.4%, and 13.4% of employees, respectively. The majority of these workers are employed in Maroochy.

Occupation



Source: ABS 2007

Business Structure

In June 2007, there were a total of 31,770 businesses operating in the Sunshine Coast region. The majority of businesses were operating in the property and business services, construction, and retail trade sectors. These sectors comprised the largest share of businesses in the region, accounting for over half of all businesses.

Sector	2007
Property and business services	25.5%
Construction	21.9%
Retail trade	11.9%
Agriculture, forestry and fishing	6.5%
Manufacturing	5.5%
Finance and insurance	5.3%
Transport and storage	4.0%
Health and community services	4.5%
Personal and other services	3.4%
Wholesale trade	3.7%
Accommodation, cafes and restaurants	3.5%
Cultural and recreational services	2.2%
Communication services	1.1%
Education	0.8%
Mining	0.2%
Electricity, gas and water supply	0.1%
Total	31,770

Source: ABS 2007



Residential Building Activity

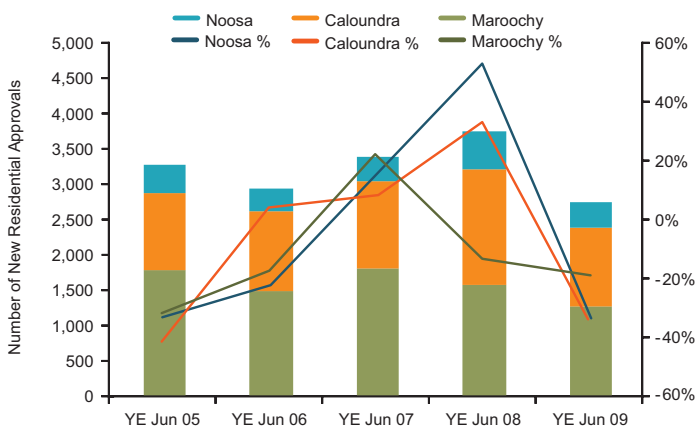
The number of new residential approvals declined 1,021 to 2,723 approvals in the year ended June 2009. Over the past two years, the majority of approvals have been in Caloundra, a notable change given that in previous years Maroochy has accounted for the largest number of new residential building approvals on the Sunshine Coast.

Over the past year, Caloundra and Noosa reported declines in total new residential approvals of 33.2% and 33.6% respectively, followed by Maroochy which reported an annual decline of 18.8%.

The average value per approval on the Sunshine Coast in the year ended June 2009 was \$315,793 decreasing from \$287,291 in the previous year. Over the past five years, the average value per approval on the Sunshine Coast has increased at an average annual rate of 7.3%, demonstrating the strong property market in the region.

The average value per approval was highest in Noosa at \$472,711, followed by Caloundra (\$294,429) and Maroochy (\$290,099). Over the past five years, the average value per approval in Noosa has consistently been of a higher value in comparison to Maroochy and Caloundra.

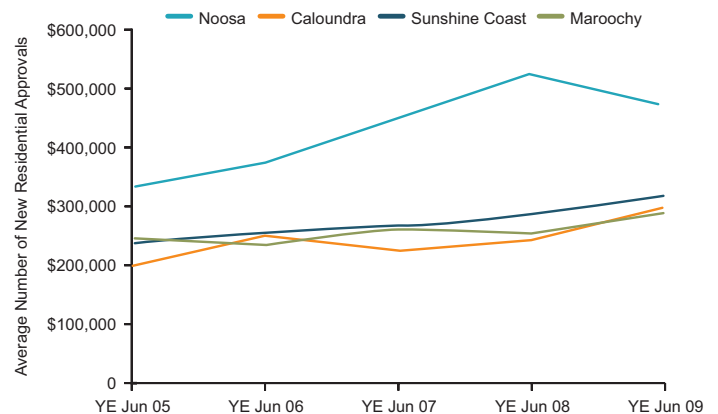
New Residential Building Approvals



Source: ABS 2009

\$859.9 million in new residential approvals was recorded for the Sunshine Coast in the year ended June 2009, representing a decline of \$215.7 million (or 20.1%) from the previous year. This decline in value and building activity is reflective of the tightening economic conditions, which limits financing for new dwellings. Nevertheless, total investment in new residential dwellings is comparable to the three years ended June 2005 to 2007, demonstrating the resilience of the Sunshine Coast economy and private investment.

Average Value Per New Residential Approval

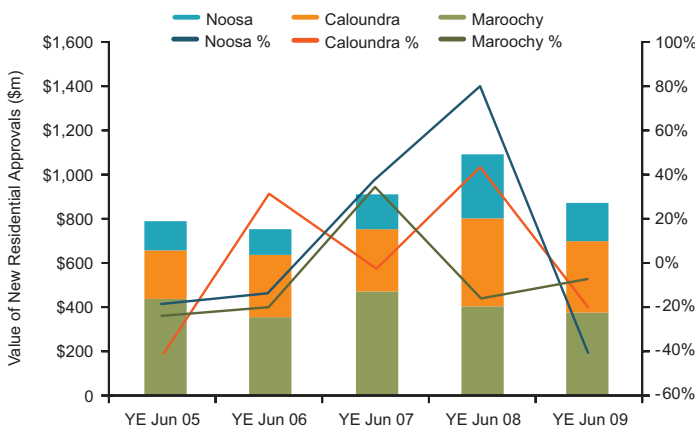


Source: ABS 2009

Commercial Investment

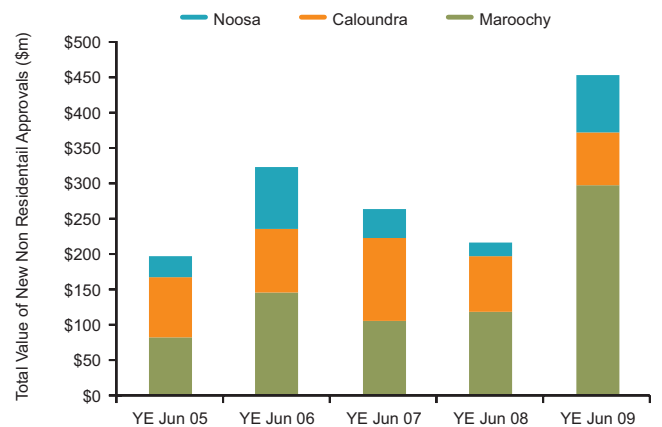
The value of non-residential building investment in new buildings in the year ended June 2009 was \$452.8 million. Over the past five years \$1.6 billion has been invested in new non-residential buildings in the Sunshine Coast.

Value of New Residential Building Approvals



Source: ABS 2009

Value of New Non-Residential Building Approvals



Note: Value of New Non Residential Building Approvals only.
Source: ABS 2009

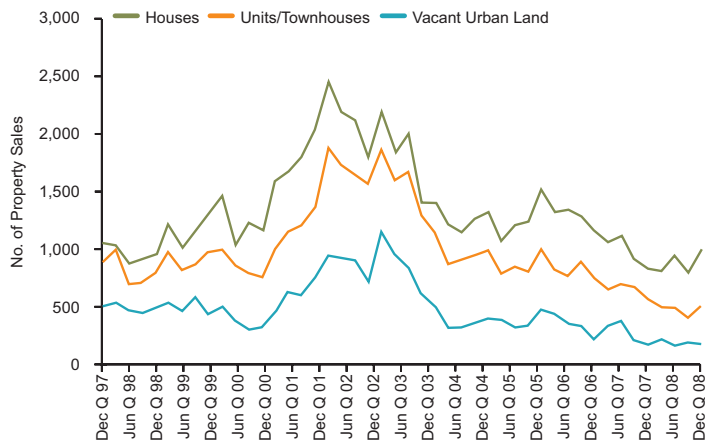


Property Market Activity

A total of 1,666 property sales were recorded in the March Quarter 2009 in the Sunshine Coast, with 990 house sales, 502 units sales and 174 land sales.

Recent sales data shows that total property sales have fallen below previous years' levels, after a period of significant growth. The return reflects the global economic recession and reduced availability of credit. Housing sales appear to have held up the best in recent times.

Sunshine Coast Property Sales

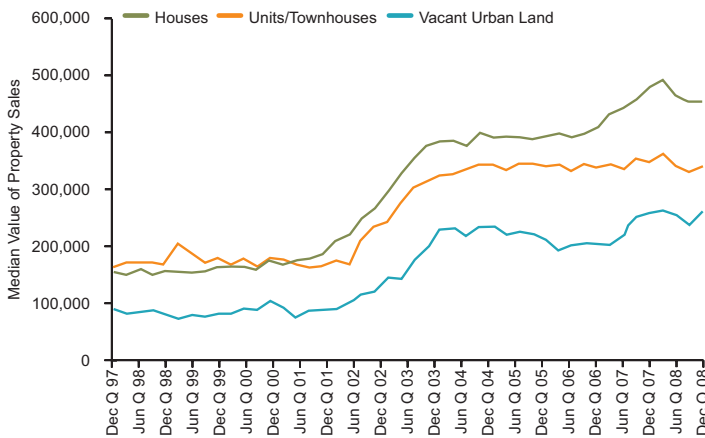


Source: REIQ 2009, AECgroup

While property sales have declined, median sale prices have continued to increase over the past five years, albeit at a slower rate than the strong growth experienced in the early 2000's.

The median house price on the Sunshine Coast was \$454,700 in the March Quarter 2009, \$340,000 for units, and \$258,100 for land.

Sunshine Coast Median Sale Prices

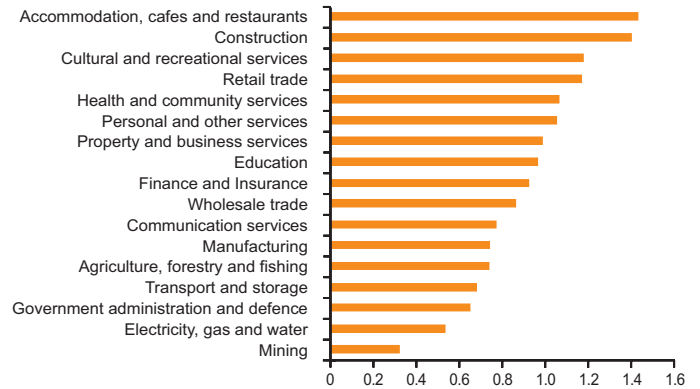


Source: REIQ 2009, AECgroup

Competitive Advantage

In comparison to Queensland, the Sunshine Coast has a competitive advantage in 6 of the 17 industry sectors, with the relevant sectors reporting a location quotient index of over 1. The Sunshine Coast has a particular advantage in the accommodation cafes and restaurants, construction, retail, and cultural and recreational services sectors, indicative of strong tourism and building activity.

Location Quotient Index

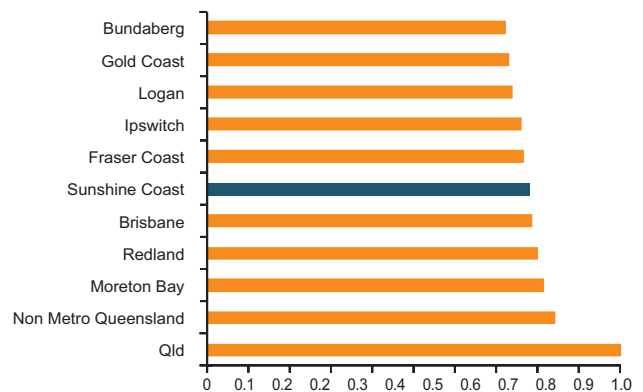


Source: ABS 2007, AECgroup

Index of Economic Diversity

The Sunshine Coast is a very diverse economy compared to many other Local Government Areas in Queensland. When compared to the Queensland economy, the Sunshine Coast has an economic diversity index equal to 0.8, which is in line with the Brisbane economy and higher than other nearby regions.

Economic Diversity Index



Note: Queensland = 1, diversity calculated on employment
Source: ABS 2007, AECgroup