



Tracking the Sunshine Coast Economy
**Trends in the Sunshine Coast's GRP
Including Tourism & Tertiary Education
and the Employment Challenge Update**

Sunshine Coast Regional Organisation of Councils

November 2007



This report has been prepared for:



The report has been prepared by:



SGS Economics and Planning Pty Ltd

ACN 007 437 729

Level 9 / 269 Wickham Street
PO Box 1177
FORTITUDE VALLEY QLD 4006

ph: 61 7 3124 9026

fax: 61 7 3124 9031

email: sgsqld@sgsep.com.au

web: www.sgsep.com.au

Disclaimer

This report has been prepared for the consideration of the Sunshine Coast Regional Organisation of Councils (SunROC). The report has been prepared by SGS Economics and Planning Pty Ltd. Any representation, statement, opinion or advice expressed or implied in this publication is made in good faith. SGS Economics and Planning is not liable to any person or entity for any damage or loss that has or may occur in relation to that person or entity taking or not taking action in respect of any representation, statement, opinion or advice referred to above.

Table of Contents

Executive Summary

1	Introduction: Tracking the Sunshine Coast Economy – 2007 Update	1
2	Recent Trends in the Sunshine Coast’s Gross Regional Product	2
2.1	Method for Calculating Gross Regional Product.....	2
2.2	Estimating Employment in the Sunshine Coast Region	3
2.3	Estimating the Sunshine Coast’s GRP	8
2.4	Trends in Contribution to GRP by Industry	12
3	The Sunshine Coast’s Tourism Industry	14
3.1	Defining the Tourism Sector.....	14
3.2	Estimating the Sunshine Coast’s GRP Including the Tourism Sector.....	16
4	Gross Regional Product by Local Government Area.....	18
5	The Sunshine Coast’s Tertiary Education Sector	23
5.1	The Significance of Education.....	23
5.2	Contribution of the Tertiary Education Sector to the Sunshine Coast Economy.....	24
5.3	Assessing the Contribution of the University of the Sunshine Coast.....	25
5.4	Other Economic Benefits of the Tertiary Education Sector.....	26
6	Tracking the Sunshine Coast Employment Challenge – 2007 Update	29
6.1	Introduction	29
6.2	Method for Assessing and Updating the Sunshine Coast Employment Challenge.....	30
6.3	Employment Challenge Update	31

References

List of Figures

Figure 1	'Real' Gross Regional Product, in 2007 Dollars, Sunshine Coast, 2002-07	10
Figure 2	Nominal Gross Regional Product*, Sunshine Coast and Queensland,	11
Figure 3	Industry Contribution to GRP Sunshine Coast Region, 2002 and 2007	12
Figure 4	Industry Contribution to GRP (2007 dollars) Sunshine Coast Region, 2002 and 2007 ..	13
Figure 5	(Real) Industry Contribution (including Tourism) to GRP, Sunshine Coast, 2002 and 2007	17
Figure 6	Industry Contribution to 'Real' Gross Regional Product by Local Government Area on the Sunshine Coast, 2002 - 2007	18
Figure 7	Tourism's Proportional Contribution to Total Gross Regional Product, 2002 & 2007	22
Figure 8	Industry Contribution to Gross Regional Product including Tertiary Education.....	24
Figure 9	Jobs Creation, Sunshine Coast, 2005 to 2007.....	34

List of Tables

Table 1	Full Time Equivalent Employment by Industry, North and West Moreton Statistical Region, Average for Financial Years 2002 – 2007.....	3
Table 2	Sunshine Coast Region's Share of Employment in the North and West Moreton Statistical Region, 2001	4
Table 3	Preliminary Estimated Full Time Equivalent Employment by Industry, Sunshine Coast Region, Average for Financial Year 2002 – 2007	5
Table 4	2001 Journey To Work Employment Compared to Preliminary Estimated Full Time Equivalent Employment Based on ABS Labour Force Survey Data, 2001.....	6
Table 5	Estimated Full Time Equivalent Employment by Industry, Sunshine Coast Region, Average for Financial Year 2002 – 2007	7
Table 6	Factor Income per Employee, Queensland, 2002 – 2007.....	8
Table 7	Estimated Gross Regional Product* by Industry, Sunshine Coast Region, 2002 – 2007 ..	9
Table 8	Percentages of Tourism Sector within ANZSIC Industries	15
Table 9	Estimated Gross Regional Product by Industry, Sunshine Coast, 2002 – 2007	16
Table 10	Estimated (Nominal) Gross Regional Product by Industry, Caloundra City, 2002 – 2007	19
Table 11	Estimated (Nominal) Gross Regional Product by Industry, Maroochy Shire, 2002 – 2007	20
Table 12	Estimated (Nominal) Gross Regional Product by Industry, Noosa Shire, 2002 – 2007 ..	21
Table 13	Population Forecasts, Sunshine Coast LGAs, 2001-2026	31
Table 14	Estimated Driver Sector Jobs Growth, Caloundra City, Maroochy Shire and Noosa Shire, 2006-2007.....	33

Executive Summary

The Sunshine Coast Regional Organisation of Councils (SunROC) commissioned SGS Economics and Planning to research, analyse and interpret key indicators regarding trends and prospects for the Sunshine Coast region's economic growth and development.

This report provides an update of the 2006 report by SGS Economics and Planning, which summarised the 'employment challenge' for the Sunshine Coast and reported on trends in the estimated Gross Regional Product (GRP) of the Sunshine Coast region from 2001 to 2006. Last year's report also included a special chapter on the economic contribution of the tourism industry to the Sunshine Coast economy. This year's report updates information previously reported and also includes a new chapter on the contribution of the tertiary education sector to the Sunshine Coast economy. This includes an assessment of the economic contribution of the region's education institutions as well as the impact of staff and student expenditure on regional economic activity. The quantitative analysis is supported by commentary on the more intangible benefits of the region's tertiary education sector including its contribution to the Sunshine Coast's stock of human capital and knowledge base.

Key points from the analysis contained in this report are presented as follows.

The Sunshine Coast's Gross Regional Product

The Sunshine Coast region's gross regional product (GRP) has been growing strongly (in nominal terms) at an average annual rate of 7.4% from 2002 to 2007, from approximately \$4.9 billion in 2002 to almost \$7.0 billion in 2007. Importantly, after accounting for the effects of inflation, this translates to a healthy real annual growth rate of 4.5%, from \$5.6 billion in current (2007) dollars for end of financial year 2001 to approximately \$7.0 billion in 2007. This compares to an average annual growth rate of 7.9% for Queensland in nominal terms over the same period, or a real rate of growth of 5.0% p.a. applying the same methodology.

This compares to an average annual growth rate of 7.9% for Queensland in nominal terms over the same period, or a real rate of growth of 5.0% p.a. applying the same methodology. The national nominal growth rate is 7.0% per annum or a real rate of 3.5% per annum. Hence, the rate of economic growth on the Sunshine Coast has exceeded the national average over the five years to 2006 but has been slightly below the State average.

Industry Contribution to GRP

A comparison of industry-by-industry contribution to GRP on the Sunshine Coast in 2007 and five years earlier shows that the contribution of high value added sectors such as Finance & Insurance and Property & Business Services have increased significantly over the five year period. Notably, those sectors that have made a significantly increasing contribution to the Sunshine Coast's GRP in 2007 compared to 2002 are the more traditional job providers, the population-based sectors of

Construction and Retail Trade. The Education, Health & Community Services and Agricultural sectors have also experienced significant growth.

GRP by Local Government Area

Maroochy Shire has the largest gross regional product of the three local government areas of the Sunshine Coast. Between 2002 and 2007, GRP for all three local government areas grew positively.

The 'real' average annual growth rate in the gross regional product of Maroochy Shire over the period 2002 to 2007 was 4.3% while the nominal average annual growth rate was 7.2%. In comparison, Caloundra City experienced a 4.8% real average annual growth rate and a 7.7% nominal growth rate. Noosa Shire's GRP grew by a real average annual rate of 4.7% between 2002 and 2007, which translates to a nominal average annual rate of 7.6%.

Approximately 20% of Noosa's GRP is derived from the tourism sector. Caloundra City's tourism sector provides for approximately 17% of its total GRP while Maroochy Shire's tourism sector contributes approximately 16% of the Shire's total gross regional product.

The Contribution of Tourism

Tourism is the most significant contributor to the Sunshine Coast's economic prosperity and in 2007 contributed an estimated \$247 million to the Sunshine Coast's gross regional product. This equates to 20% of the region's total GRP.

The tourism industry's contribution to the Sunshine Coast's GRP shows a nominal growth rate of 7.7% p.a. and a real growth rate of 4.8% over the period 2002 to 2007. This real rate of growth for the Sunshine Coast's tourism sector is greater than that of the growth experienced by Queensland's tourism industry, which grew by 6.65% in nominal terms and 3.8% in real terms over the same period. This highlights the continuing significance of the tourism industry as a driver of the Sunshine Coast economy.

The Sunshine Coast tourism sector's proportional contribution to total GRP has remained steady and around 17% between 2002 and 2007 making it the largest contributor to the Sunshine Coast's GRP on an industry-by-industry basis.

The Contribution of Education

The education sector directly contributes an estimated \$384 million annually to the Sunshine Coast economy. This equates to approximately 5.5% of the Sunshine Coast's gross regional product.

The tertiary education sector on the Sunshine Coast includes the University of the Sunshine Coast (USC), the Innovation Centre Sunshine Coast (ICSC), Sunshine Coast TAFE, the Noosa campus of Central Queensland University (CQU) and a number of registered training organisations (RTOs).

These tertiary education and research institutions are major contributors to the regional economy; together, they represent what is essentially an 'export oriented' or 'driver' sector of the regional economy in that they attract expenditure and investment from outside the region, helping to grow the regional economy. The tertiary education sector's direct contribution to the Sunshine Coast's GRP in 2007 is \$40.5 million. This represents approximately 1% of the Sunshine Coast's total gross regional product. In real terms, the estimated contribution of the tertiary education sector to the Sunshine Coast economy increased by 25%, from \$32.4 million in 2002 to \$40.5 million in 2007.

Using a tailored economic model of the Sunshine Coast economy, which has been prepared by SGS Economics and Planning, it is estimated that as a result of the \$40.5 million worth of output directly generated by the tertiary education sector on the Sunshine Coast, other industries in the regional economy will produce an estimated additional \$51.3 million worth of output. As a result, the total multiplier for the education sector in Sunshine Coast is 2.27. This is the indirect contribution or flow-on impact of the tertiary education sector on the regional economy. Together, the direct and indirect contribution of the tertiary education sector results in an estimated total contribution of around \$91.8 million.

The Contribution of the University of the Sunshine Coast

According to Garlick (2007), the value of the University of the Sunshine Coast directly contributes to the economy of the Sunshine Coast as follows:

- Institutional Impacts: These are the non-salary net operating university impact which totalled \$14.7 million in 2005, of which \$7.4 million is in the local (Sunshine Coast) region.
- Staff Impacts: With a total of 395 full time equivalent staff, it is estimated that the expenditure of staff in the region is approximately \$11.4 million.
- Student Impacts: It is estimated that the overall University student expenditure in the Sunshine Coast region is approximately \$45.8 million.

Thus, summing the above individual components, the estimated accumulated direct impact of the University of the Sunshine Coast on the Sunshine Coast regional economy is \$64.6 million.

It is estimated that, in addition to the direct contributions referred to above, as a result of regional economic multipliers, the University also contributes indirectly to the Sunshine Coast economy in the range of \$116.3 million to \$148.6 million.

Tracking the Sunshine Cost Employment Challenge

The Sunshine Coast had an estimated 94,300 jobs (located in the region) in 2006, which increased to around 99,450 in 2007. Therefore, 'employment creation' over the 2006-2007 period was approximately 5,150 of which approximately 1,320 were 'driver sector' jobs. This increase in the 'driver sector' or export-oriented jobs over the last 12 months exceeded the average annual target of 1,100 identified in the November 2004 employment challenge, which was documented in the Regional Economic Development Strategy.

The original target for job creation between 2001 and 2026 as set out in the 2004 employment challenge was 27,000 to 33,000 'driver sector' jobs. Given the level of growth in 'driver sector' jobs on the Sunshine Coast since the completion of the Sunshine Coast Regional Economic Development Strategy in 2004, if no assumptions change, the target number of 'driver sector' jobs to be created by 2026 falls to the range of between 23,400 and 29,400 jobs between now and 2026.

Acknowledging that there will be years of high jobs growth and years of stagnation or even decline (depending in large part on broader economic trends), then generally speaking, it is considered that the Sunshine Coast region remains well on track to meet its employment challenge.

1 Introduction: Tracking the Sunshine Coast Economy – 2007 Update

The Sunshine Coast Regional Organisation of Councils (SunROC) commissioned SGS Economics and Planning to research, analyse and interpret key indicators regarding trends and prospects for the Sunshine Coast region's economic growth and development.

This report provides an update of the 2006 report by SGS Economics and Planning, which summarised the 'employment challenge' for the Sunshine Coast and reported on trends in the estimated Gross Regional Product (GRP) of the Sunshine Coast region from 2001 to 2006. Last year's report also included a special chapter on the economic contribution of the tourism industry to the Sunshine Coast economy. This year's report updates information previously reported and also includes a new chapter on the contribution of the tertiary education sector to the Sunshine Coast economy. This includes an assessment of the economic contribution of the region's education institutions as well as the impact of staff and student expenditure on regional economic activity. The quantitative analysis is supported by commentary on the more intangible benefits of the region's tertiary education sector including its contribution to the Sunshine Coast's stock of human capital and knowledge base.

In summary there are four main components to this report. They are:

1. An overview of **recent trends in the Sunshine Coast's estimated Gross Regional Product (GRP)**. Specifically, this report documents trends in the Sunshine Coast region's estimated GRP over the past six years (2002 – 2007 inclusive). The information presented provides an update on that prepared by SGS on behalf of SunROC 12 months prior, which was presented to the Sunshine Coast Regional Forum in September 2006. As a new edition to the analysis, this year's report provides a breakdown of the region's estimated GRP by Local Government Area, that is, for the current LGAs of Caloundra, Maroochy and Noosa.
2. The **contribution to Gross Regional Product from the Tourism Sector**. The second section of this report provides an estimate of Gross Regional Product broken down by industry sector, including tourism as an industry in its own right. This approach incorporates information from (tourist) visitor expenditure surveys from the Queensland Office of Economic and Statistical Research (OESR). This is necessary because tourism is not separately identified in the standard industrial classifications of the Australian Bureau of Statistics but rather is absorbed across a number of industry classifications.
3. The **economic contribution of the Sunshine Coast tertiary education sector** to the Sunshine Coast. Another new edition to the analysis, this year's report considers in detail the tertiary education sector and its contribution to the economic development of the Sunshine Coast region.
4. The **Sunshine Coast Employment Challenge update**. This report documents estimated jobs growth in the Sunshine Coast region over the past 12 months and how employment growth has been tracking against the 'Sunshine Coast Employment Challenge' as set out in the November 2004 Sunshine Coast Regional Economic Development Strategy. The employment challenge update follows that which was reported on 12 months ago and presented to the Sunshine Coast Regional Forum in September 2006.

2 Recent Trends in the Sunshine Coast's Gross Regional Product

2.1 Method for Calculating Gross Regional Product

This report documents trends in the Sunshine Coast region's estimated Gross Regional Product (GRP) over the past six years.

GRP is defined as the total value of all final goods and services produced in a region over a 1 year period. The method used to estimate GRP for the Sunshine Coast region over the past six years involved the following five steps:

1. Collate time series data for the period 2002 – 2007 on employment by 1 digit ANZSIC¹ industry from the ABS Labour Force Survey for the North and West Moreton Statistical Region.²
2. Using the 2001 ABS Journey to Work data³, estimate the proportion of jobs in each industry in the North and West Moreton Statistical Region that are located in the Sunshine Coast Local Government Areas (LGAs) of Caloundra, Maroochy and Noosa.
3. Assuming that the above estimated share remains constant, estimate the total number of jobs in each industry that are located in Sunshine Coast region for the period being considered.
4. Collate time series data on factor income⁴ by industry for Queensland from the ABS publication State Accounts, and estimate the factor income per employee for each industry.
5. Apply the factor income per employee to the estimated number of jobs in the Sunshine Coast region to estimate the Sunshine Coast's GRP for each of the last six years (2002-2007 inclusive).

¹ ANZSIC refers to the Australia and New Zealand Standard Industry Classification. The 1 digit industry level is the broadest industry classification for which the Australian Bureau of Statistics collects and reports data.

² The smallest relevant area for which the ABS Labour Force Survey data is available is the North and West Moreton Statistical Region. This region includes the Local Government Areas of Noosa, Maroochy, Caloundra, Kilcoy, Esk, Gatton, Laidley, Ipswich and Boonah.

³ The ABS Journey to Work data differs to the Basic Census data, which records employment by place of residence. Although Basic Census data provides a good measure of industry employment, by recording employment by work location, the Journey to Work data offers a more accurate representation of the industrial structure of the Sunshine Coast and its constituent localities.

⁴ Factor income as measured here (due to lack of availability of data) is GRP excluding the gross operating surplus of ownership of dwellings and the taxes/subsidies which are simply accounting identities, and do not add value to the analysis in terms of how well or poor the Sunshine Coast economy is performing.

2.2 Estimating Employment in the Sunshine Coast Region

Information on total full time and part time jobs by industry for the years 2002 – 2007 inclusive was obtained from the ABS Labour Force Survey for the North and West Moreton Statistical Region. By applying the factor of 0.5 (i.e. two part time jobs is equivalent to one full time job), the total part time jobs were converted to full time equivalent (FTE) jobs and added to the total full time jobs. This is reported in Table 1.

Table 1 Full Time Equivalent Employment by Industry, North and West Moreton Statistical Region, Average for Financial Years 2002 – 2007

1 Digit ANZSIC	Financial Year Ending					
	2002	2003	2004	2005	2006	2007
Agriculture, Forestry and Fishing	8,963	9,250	6,388	4,763	5,175	8,013
Mining	650	375	375	1,150	675	813
Manufacturing	13,850	13,188	12,438	11,788	11,938	14,200
Electricity, Gas and Water Supply	1,238	888	500	525	1,200	850
Construction	14,550	13,638	17,163	24,425	21,425	23,713
Wholesale Trade	4,138	3,900	6,875	4,363	5,263	4,525
Retail Trade	18,650	20,788	19,763	21,813	22,263	25,538
Accommodation, Cafes and Restaurants	9,138	7,063	7,913	9,613	8,425	9,600
Transport and Storage	3,125	4,613	5,525	5,413	4,425	5,375
Communication Services	1,213	1,525	1,313	1,188	1,513	850
Finance and Insurance	2,775	2,338	3,063	2,688	3,588	4,013
Property and Business Services	10,363	10,725	12,475	14,850	15,250	13,625
Government Administration and Defence	4,138	3,013	5,525	4,400	5,550	5,100
Education	8,063	8,150	8,450	8,100	7,863	8,150
Health and Community Services	9,500	11,738	10,275	11,063	11,625	14,088
Cultural and Recreational Services	2,488	3,913	2,488	2,938	4,250	3,800
Personal and Other Services	5,300	5,913	5,025	5,788	7,288	5,275
Total	118,138	121,013	125,550	134,863	137,713	147,525

Source: Estimated from ABS Data Cube, Labour Force Survey, Cat: 6291.0.55.003, May 2007

According to the Labour Force Survey, total full time equivalent jobs in the North and West Moreton Statistical Region grew from 118,138 on average for the financial year ending 2001 to 147,525 in 2006, representing an average annual growth rate of 4.5%.

According to the 2001 Journey to Work Data, around 80% of total jobs in the North and West Moreton Statistical Region are located in Sunshine Coast as shown in the Table 2 below.

Table 2 Sunshine Coast Region's Share of Employment in the North and West Moreton Statistical Region, 2001

1 Digit ANZSIC	North and West Moreton Statistical Region	Sunshine Coast Region	Sunshine Coast as % of North and West Moreton Statistical Region
Agriculture, Forestry and Fishing	7,227	3,195	44.20%
Mining	386	100	25.86%
Manufacturing	8,696	6,781	77.98%
Electricity, Gas & Water Supply	491	365	74.36%
Construction	6,184	5,391	87.17%
Wholesale Trade	4,461	3,277	73.47%
Retail Trade	18,008	15,707	87.22%
Accommodation, Cafes & Rest.	7,852	7,196	91.64%
Transport & Storage	3,001	2,191	73.03%
Communication Services	1,041	901	86.56%
Finance & Insurance	2,116	1,943	91.83%
Property & Business Services	8,315	7,508	90.29%
Govt. Admin. & Defence	2,802	2,251	80.33%
Education	8,251	6,254	75.80%
Health & Community Services	9,862	8,622	87.43%
Cultural & Recreational Services	2,326	1,983	85.28%
Personal & Other Services	3,768	2,921	77.53%
Total	94,786	76,586	80.80%

Source: Estimated from ABS Census, JTW, 2001

Applying the above estimated shares to the data as obtained from the ABS Labour Force Survey, the table below shows the estimated full time equivalent jobs in the Sunshine Coast region for the period 2002 to 2007.

Based on this approach, total employment for 2001 in the Sunshine Coast region is higher by approximately 20% compared to the 2001 JTW data. This difference arises partly from the fact that the ABS Labour Force Survey data is based on a sample survey and hence some sampling errors for each labour force region can be expected to occur. More importantly, this difference reflects the fact that Journey to Work data records employment by destination while the ABS Labour Force Survey records employment by place of residence. Moreover, the information from the Labour Force Survey is taken as the average across the four quarters to the end of the financial year, while the Journey to Work data is collected in August as part of the ABS Census of Population and Housing.⁵

⁵ At the time of writing, Journey to Work data from the 2006 Census of Population and Housing had not yet been released and was therefore, unavailable.

Table 3 Preliminary Estimated Full Time Equivalent Employment by Industry, Sunshine Coast Region, Average for Financial Year 2002 – 2007

1 Digit ANZSIC	Financial Year Ending					
	2002	2003	2004	2005	2006	2007
Agriculture, Forestry and Fishing	3,962	4,089	2,823	2,105	2,287	3,542
Mining	168	97	97	297	175	210
Manufacturing	10,800	10,284	9,699	9,192	9,309	11,073
Electricity, Gas and Water Supply	920	660	372	390	892	632
Construction	12,684	11,888	14,961	21,292	18,677	20,671
Wholesale Trade	3,040	2,865	5,051	3,205	3,866	3,325
Retail Trade	16,267	18,131	17,237	19,025	19,418	22,274
Accommodation, Cafes and Restaurants	8,374	6,472	7,251	8,809	7,721	8,798
Transport and Storage	2,282	3,368	4,035	3,953	3,231	3,925
Communication Services	1,050	1,320	1,136	1,028	1,309	736
Finance and Insurance	2,548	2,147	2,812	2,468	3,294	3,685
Property and Business Services	9,356	9,683	11,263	13,408	13,769	12,302
Government Administration and Defence	3,324	2,420	4,438	3,535	4,458	4,097
Education	6,111	6,178	6,405	6,140	5,960	6,178
Health and Community Services	8,306	10,262	8,983	9,672	10,163	12,316
Cultural and Recreational Services	2,121	3,337	2,121	2,505	3,624	3,241
Personal and Other Services	4,109	4,584	3,896	4,487	5,650	4,090
Total	95,422	97,785	102,582	111,511	113,806	121,094

Source: Estimated from ABS Data Cube, Labour Force Survey, Cat: 6291.0.55.003, May 2007 and ABS Census, JTW, 2001

Table 4 2001 Journey To Work Employment Compared to Preliminary Estimated Full Time Equivalent Employment Based on ABS Labour Force Survey Data, 2001

1 Digit ANZSIC	2001 JTW Data	Estimated FTE Employment Based on ABS LFS Data	Sampling Error
Agriculture, Forestry and Fishing	3,195	3,111	-3%
Mining	100	220	55%
Manufacturing	6,781	11,103	39%
Electricity, Gas & Water Supply	365	316	-16%
Construction	5,391	12,063	55%
Wholesale Trade	3,277	3,554	8%
Retail Trade	15,707	15,973	2%
Accommodation, Cafes & Restaurants	7,196	7,652	6%
Transport & Storage	2,191	3,195	31%
Communication Services	901	509	-77%
Finance & Insurance	1,943	1,745	-11%
Property & Business Services	7,508	9,604	22%
Govt. Admin. & Defence	2,251	2,631	14%
Education	6,254	6,045	-3%
Health & Community Services	8,622	9,344	8%
Cultural & Recreational Services	1,983	2,089	5%
Personal & Other Services	2,921	3,237	10%
Total	76,586	92,389	17%

Source: Estimated from ABS Data Cube, Labour Force Survey, Cat: 6291.0.55.001, May 2006 and ABS Census, JTW, 2001

The estimated sampling errors shown in Table 4 above were then applied to the estimated FTE employment in the Sunshine Coast region (Table 3) to obtain the final estimated FTE employment in the Sunshine Coast. This is shown in Table 5 below.

Table 5 Estimated Full Time Equivalent Employment by Industry, Sunshine Coast Region, Average for Financial Year 2002 – 2007

1 Digit ANZSIC	Financial Year Ending					
	2002	2003	2004	2005	2006	2007
Agriculture, Forestry and Fishing	4,068	4,199	2,900	2,162	2,349	3,637
Mining	76	44	44	135	79	96
Manufacturing	6,596	6,281	5,924	5,614	5,685	6,763
Electricity, Gas and Water Supply	1,064	763	430	451	1,032	731
Construction	5,669	5,313	6,686	9,516	8,347	9,238
Wholesale Trade	2,803	2,642	4,658	2,956	3,565	3,066
Retail Trade	15,996	17,829	16,950	18,709	19,095	21,903
Accommodation, Cafes and Restaurants	7,874	6,086	6,819	8,284	7,260	8,273
Transport and Storage	1,565	2,310	2,767	2,711	2,216	2,692
Communication Services	1,860	2,340	2,014	1,822	2,321	1,304
Finance and Insurance	2,838	2,390	3,132	2,748	3,669	4,103
Property and Business Services	7,314	7,569	8,804	10,481	10,763	9,616
Government Administration and Defence	2,844	2,070	3,797	3,024	3,814	3,505
Education	6,323	6,391	6,626	6,352	6,166	6,391
Health and Community Services	7,664	9,469	8,289	8,924	9,378	11,365
Cultural and Recreational Services	2,014	3,167	2,014	2,378	3,441	3,076
Personal and Other Services	3,708	4,137	3,516	4,049	5,099	3,691
Total	80,276	83,002	85,370	90,316	94,279	99,451

Source: Estimated from ABS Data Cube, Labour Force Survey, Cat: 6291.0.55.003, May 2007 and ABS Census, JTW, 2001

2.3 Estimating the Sunshine Coast's GRP

The data on factor income for each ANZSIC industry and each year was obtained from the ABS State Accounts and factor income per employee estimated as shown in the table below.⁶ Note that the data for 2007 factor income is not currently available and hence the factor income per employee in 2007 has been estimated using trends from time series data on factor income between 1998 and 2006.⁷

Table 6 Factor Income per Employee, Queensland, 2002 – 2007

1 Digit ANZSIC	2002	2003	2004	2005	2006	2007
Agriculture, Forestry and Fishing	\$65,227	\$60,027	\$74,226	\$97,018	\$109,000	\$103,278
Mining	\$458,577	\$477,039	\$366,751	\$512,817	\$551,620	\$477,359
Manufacturing	\$72,398	\$78,319	\$79,025	\$75,743	\$84,683	\$84,679
Electricity, Gas and Water Supply	\$169,825	\$219,202	\$195,095	\$202,310	\$168,292	\$208,372
Construction	\$58,344	\$63,133	\$66,943	\$65,322	\$70,064	\$61,124
Wholesale Trade	\$75,406	\$85,117	\$91,538	\$95,116	\$104,297	\$109,584
Retail Trade	\$41,106	\$41,663	\$45,673	\$45,324	\$47,962	\$48,591
Accommodation, Cafes and Restaurants	\$45,166	\$47,585	\$55,419	\$54,913	\$58,655	\$57,325
Transport and Storage	\$71,142	\$78,033	\$74,735	\$80,431	\$78,278	\$73,507
Communication Services	\$141,166	\$137,251	\$133,995	\$128,738	\$145,149	\$141,679
Finance and Insurance	\$135,165	\$140,116	\$146,892	\$157,360	\$171,171	\$159,149
Property and Business Services	\$74,257	\$74,830	\$79,876	\$81,998	\$83,076	\$77,436
Government Administration and Defence	\$63,412	\$60,250	\$65,075	\$72,541	\$72,942	\$67,988
Education	\$48,477	\$50,355	\$53,799	\$54,554	\$57,864	\$60,014
Health and Community Services	\$49,227	\$51,597	\$54,404	\$58,708	\$65,636	\$59,255
Cultural and Recreational Services	\$37,290	\$35,428	\$42,914	\$41,242	\$43,351	\$43,199
Personal and Other Services	\$38,985	\$34,793	\$42,839	\$46,630	\$48,712	\$52,542

Source: Estimated from ABS Time Series, State Accounts, Cat: 5220.0 2005 – 2006 (Re-issue) and ABS Data Cube Labour Force Survey, May 2007

Applying the above factor income per employee (from Table 6) to the estimated full time equivalent employment in the Sunshine Coast region (from Table 5), the table below shows the Sunshine Coast region's estimated GRP.

⁶ As the methodology adopted to estimate GRP for the Sunshine Coast is based on the factor income for Queensland, the difference in trends in GRP are similar to that of the difference in employment.

⁷ The factor income figures reported here are in nominal terms. Moreover, as the factor income by industry in the Sunshine Coast for 2007 is not currently available, we have estimated it by considering the trend in factor income per employee between 1998 and 2006.

Table 7 Estimated Gross Regional Product* by Industry, Sunshine Coast Region, 2002 – 2007⁸

1 Digit ANZSIC	2002	2003	2004	2005	2006	2007
Agriculture, Forestry and Fishing	\$265.4m	\$252.1m	\$215.2m	\$209.7m	\$256.1m	\$375.6m
Mining	\$35.0m	\$21.0m	\$16.2m	\$69.3m	\$43.8m	\$45.6m
Manufacturing	\$477.6m	\$491.9m	\$468.1m	\$425.2m	\$481.5m	\$572.7m
Electricity, Gas and Water Supply	\$180.7m	\$167.3m	\$83.9m	\$91.3m	\$173.6m	\$152.3m
Construction	\$330.7m	\$335.4m	\$447.6m	\$621.6m	\$584.8m	\$564.7m
Wholesale Trade	\$211.4m	\$224.9m	\$426.4m	\$281.1m	\$371.9m	\$335.9m
Retail Trade	\$657.5m	\$742.8m	\$774.2m	\$847.9m	\$915.8m	\$1,064.3m
Accommodation, Cafes and Restaurants	\$355.7m	\$289.6m	\$377.9m	\$454.9m	\$425.9m	\$474.2m
Transport and Storage	\$111.4m	\$180.3m	\$206.8m	\$218.0m	\$173.5m	\$197.9m
Communication Services	\$262.6m	\$321.1m	\$269.8m	\$234.5m	\$336.8m	\$184.8m
Finance and Insurance	\$383.6m	\$334.9m	\$460.0m	\$432.5m	\$628.0m	\$653.0m
Property and Business Services	\$543.1m	\$566.4m	\$703.3m	\$859.4m	\$894.1m	\$744.6m
Government Administration and Defence	\$180.3m	\$124.7m	\$247.1m	\$219.4m	\$278.2m	\$238.3m
Education	\$306.5m	\$321.8m	\$356.5m	\$346.5m	\$356.8m	\$383.6m
Health and Community Services	\$377.3m	\$488.6m	\$451.0m	\$523.9m	\$615.6m	\$673.4m
Cultural and Recreational Services	\$75.1m	\$112.2m	\$86.4m	\$98.1m	\$149.2m	\$132.9m
Personal and Other Services	\$144.6m	\$143.9m	\$150.6m	\$188.8m	\$248.4m	\$193.9m
Total / Gross Regional Product	\$4,898.3m	\$5,119.0m	\$5,740.9m	\$6,122.3m	\$6,933.8m	\$6,987.8m

Source: SGS Economics and Planning Calculations based on ABS Labour Force Survey, ABS Census, JTW, 2001 and ABS State Accounts

* Note: 'GRP' and 'GSP' as discussed here differs from that reported in the State Accounts given the exclusion of government's gross surplus and the ownership of dwellings component in this study.

As shown in the table above, the Sunshine Coast region's GRP has been growing strongly (in nominal terms) at an average annual rate of 7.4% from 2002 to 2007, from approximately \$4.9 billion in 2002 to almost \$7.0 billion in 2007.

Importantly, this translates to a healthy real annual growth rate of 4.5%, from \$5.6 billion in current (2007) dollars for end of financial year 2001 to approximately \$7.0 billion in 2007.

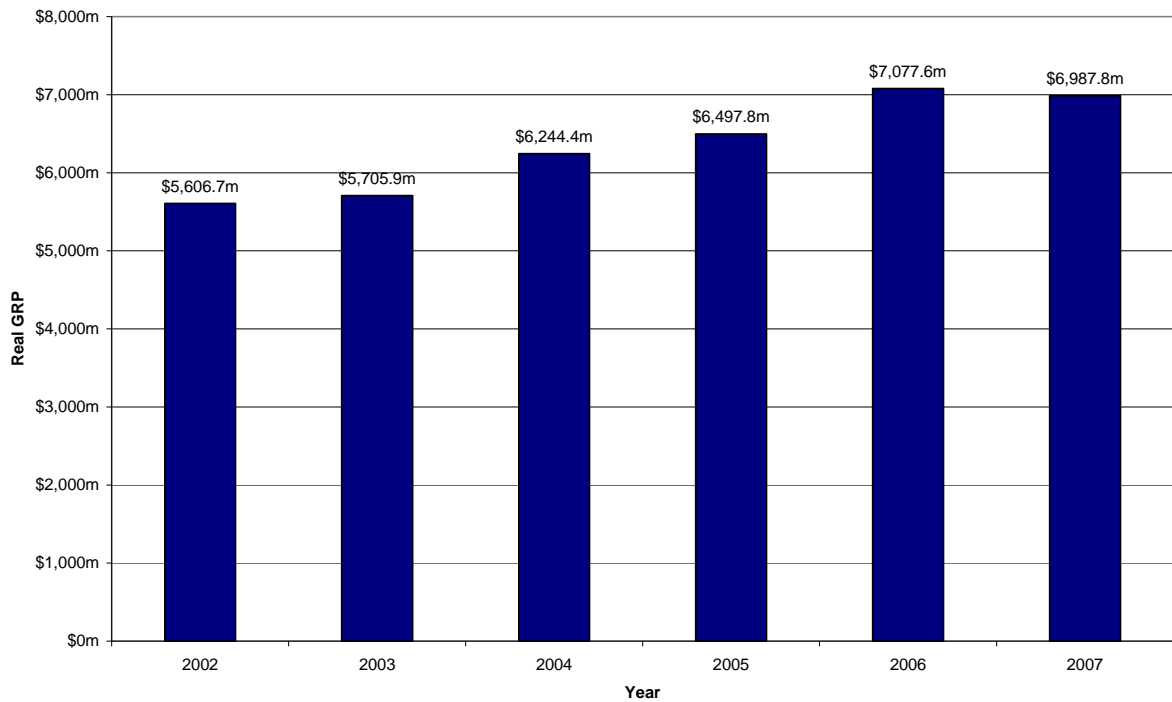
This compares to an average annual growth rate of 7.9% for Queensland in nominal terms over the same period, or a real rate of growth of 5.0% p.a. applying the same methodology.

⁸ The figures quoted in the table are nominal figures where the factor income has not been adjusted for inflation. Note that these figures differ from that reported in "Trends in the Sunshine Coast's GRP including Tourism and Employment Challenge Update" September 2006. Specifically these results are lower than that reported in the previous SGS report. This is a result of an improved method of estimation for the Labour Force Survey utilised by the ABS since May 2007. This method was used to update the Labour Force Survey results for past years back to April 2001. For more information refer to "6292.0 Forthcoming Changes to Labour Force Statistics" ABS, 2007.

The national nominal growth rate is 7.0% per annum or a real rate of 3.5% per annum according to the Australian National Accounts 2005-2006 Re-Issue.⁹

Hence, the rate of economic growth on the Sunshine Coast has exceeded the national average over the five years to 2006 but has been slightly below the State average.

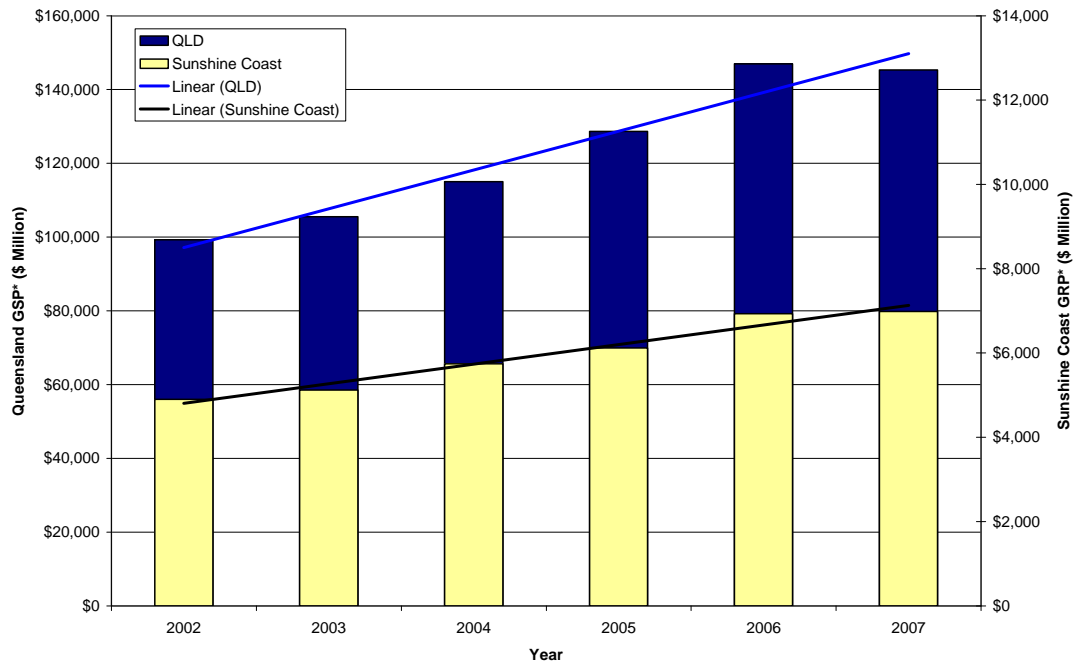
Figure 1 'Real' Gross Regional Product, in 2007 Dollars, Sunshine Coast, 2002-07



Source: SGS Economics and Planning Calculations based on ABS Labour Force Survey, ABS Census, JTW, 2001 and ABS State Accounts, CPI from ABS

⁹ Due to lack of data for the 2006 - 07 year, the national average annual growth rate is calculated between the years of 2000-01 and 2005-06.

Figure 2 Nominal Gross Regional Product*, Sunshine Coast and Queensland, 2002 – 2007¹⁰



Source: SGS Economics and Planning Calculations based on ABS Labour Force Survey, ABS Census, JTW, 2001 and ABS State Accounts

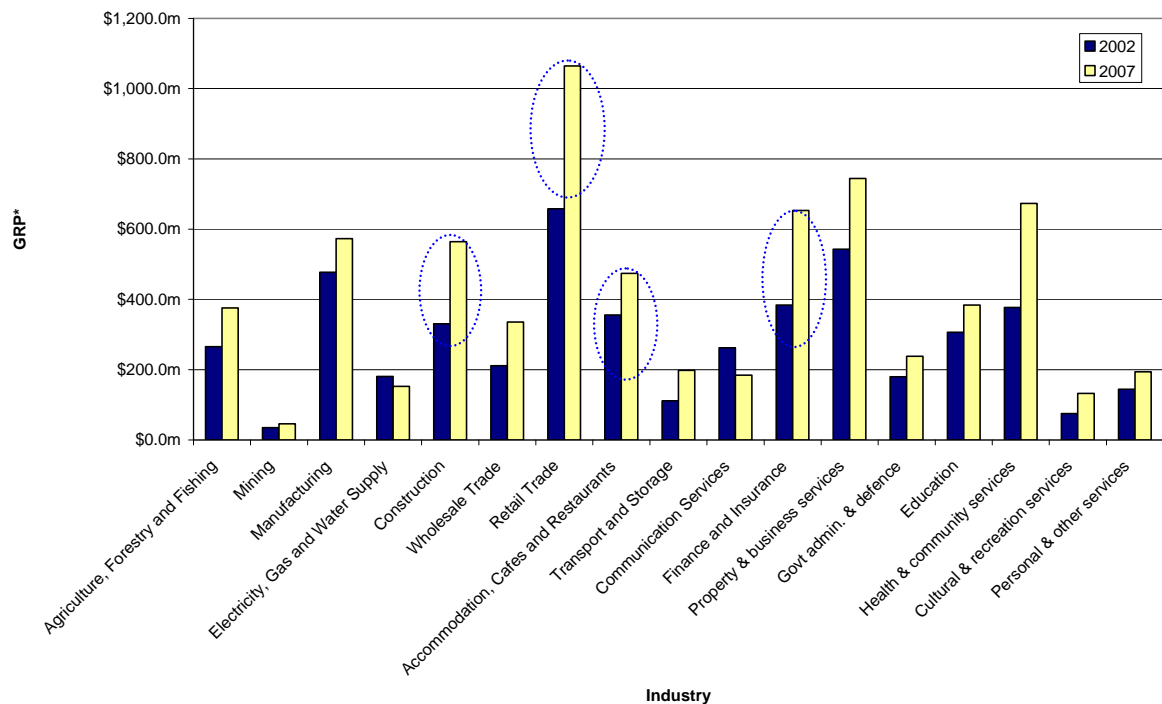
* Note: 'GRP' and 'GSP' as discussed here differs from that reported in the state accounts given the exclusion of government's gross surplus and the ownership of dwellings component in this study.

¹⁰ Gross Regional Product figures presented in this figure are reported in nominal terms.

2.4 Trends in Contribution to GRP by Industry

This section illustrates a breakdown of trends in the Gross Regional Product of the Sunshine Coast by industry sector. Figure 3 compares each industry's contribution to the Sunshine Coast region's GRP for the years 2002 and 2007. It is evident that the contribution of high value added sectors such as Finance & Insurance and Property & Business Services have increased significantly. Notably, those sectors that have made a significantly increasing contribution to the Sunshine Coast's GRP in 2007 compared to 2002 are the more traditional job providers, the population-based sectors of Construction and Retail Trade. The Education, Health & Community Services and Agricultural sectors have also experienced significant growth.

Figure 3 Industry Contribution to GRP, Sunshine Coast Region, 2002 and 2007¹¹

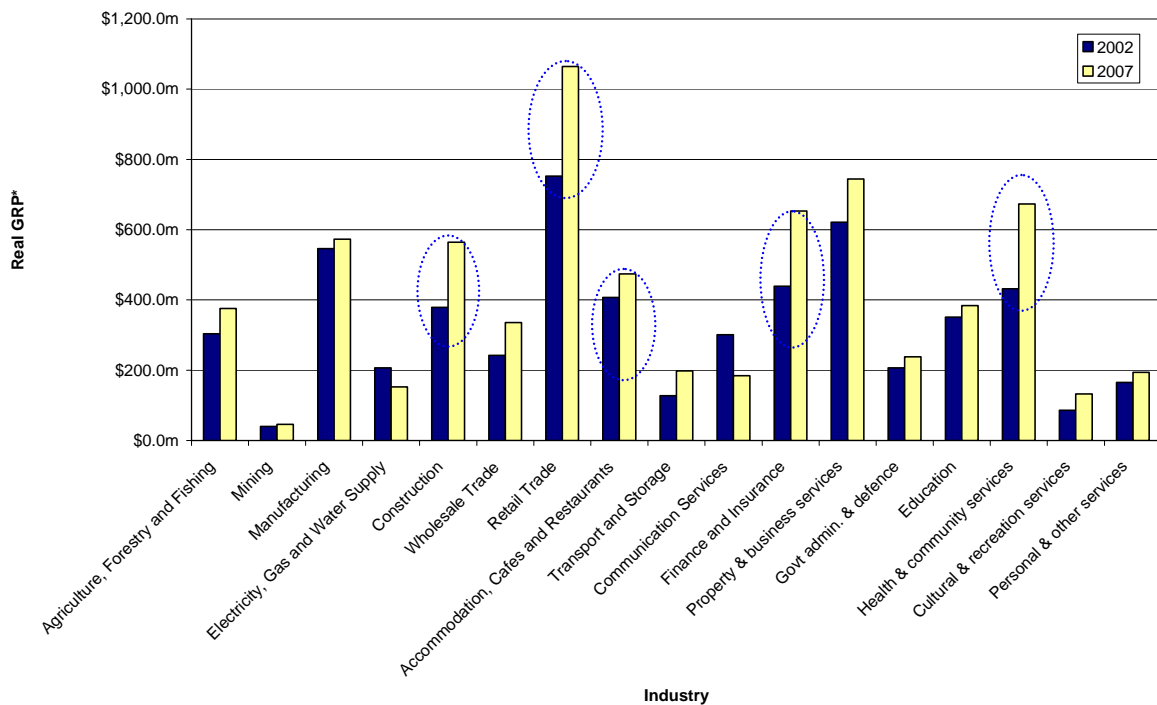


Source: SGS Economics and Planning Calculations based on ABS Labour Force Survey, ABS Census, JTW, 2001 and ABS State Accounts

¹¹ Gross Regional Product figures are reported in nominal terms.

Figure 4 displays the change in GRP in the Sunshine Coast by industry in real terms, i.e. in 2007 dollar terms. Those sectors which are circled in the chart have shown particularly strong growth, in real terms, over the five year period to 2007.

Figure 4 Industry Contribution to GRP (2007 dollars), Sunshine Coast Region, 2002 and 2007



Source: SGS Economics and Planning Calculations based on ABS Labour Force Survey, ABS Census, JTW, 2001 and ABS State Accounts

Tourism is obviously a significant contributor to the Sunshine Coast's economic prosperity. Tourism cuts across many of the standard industry sectors shown in Figure 4, most notably Accommodation, Cafes & Restaurants, Retail Trade, Cultural & Recreational Services and Transport & Storage. All of these sectors experienced varying degrees of growth in the region between 2002 and 2007. However, the numbers as they are presented in the charts and tables above do not allow for a true representation of the tourism industry's value and its contribution to the Sunshine Coast economy.

In order to quantify the significant contribution that the tourism sector makes to regional economic activity, an alternative approach to the data analysis is required. This is addressed in the following section.

3 The Sunshine Coast's Tourism Industry

3.1 Defining the Tourism Sector

The data on the tourism connectedness index (TCI), which estimates the average national proportions of each industry that belong to the tourism sector, was obtained for each ANZSIC industry from a Bureau of Tourism Research (BTR) publication and is shown in Table 8. The table also displays the tourism share of industries for the Sunshine Coast region sourced from the Office of Economic and Statistical Research (OESR) publication, *"The Contribution of International and Domestic Visitor Expenditure to the Queensland Regional Economies 1998 – 1999"*.

In order to calculate the tourism sector's contribution to the Sunshine Coast's GRP, SGS Economics and Planning has adopted the proportions as determined by the OESR as they are region-specific.¹²

Applying each of the proportions displayed in the final column of the table below, the tourism sector was extracted from the 17 1-digit ANZSIC categories and included as an additional industry sector.

¹² The calculation of the OESR's Tourism GRP values are based on data obtained from the Bureau of Tourism Research's International Visitor Survey and National Visitor Survey, and other expenditure data. After the level of tourism expenditure was determined for Queensland, this was converted to expenditure by input-output commodities and into basic values, and then fed in to the Queensland input output table. Through the use of various surveys, a 'tourism sales ratio' was estimated which was used to allocate shares of Gross State Product (GSP) and employment to the tourism sector.

Table 8 Percentages of Tourism Sector within ANZSIC Industries

1 Digit ANZSIC	Tourism Connectedness Index (National % of Industry Output Purchased by Tourism Sector)	Tourism Share of Industry Employment for Sunshine Coast
Agriculture, Forestry and Fishing	3%	7%
Mining	0.1%	0%
Manufacturing	3.7%	9.9%
Electricity, Gas and Water Supply	0.1%	0.3%
Construction ¹³	0%	0%
Wholesale Trade	3.8%	41.7%
Retail Trade	11%	41.7%
Accommodation, Cafes and Restaurants	36.3%	66.4%
Transport and Storage	18.1%	15.8%
Communication Services	2.8%	15.8%
Finance and Insurance	0%	1.1%
Property and Business Services	0.5%	1.1%
Government Administration and Defence	0.5%	3.3%
Education	3%	3.3%
Health and Community Services	2.2%	3.3%
Cultural and Recreational Services	11.9%	32.5%
Personal and Other Services	0.8%	32.5%

Source: Bureau of Tourism Research (2003), Office of Economic and Statistical Research (2002)

¹³ The tourism sector's contribution of 0% to the construction sector can be explained by OESR's comment: "Gross fixed capital formation on tourism infrastructure, such as accommodation, transport equipment and facilities, is clearly of major interest, as is the capital stock of these tourism related assets. Investment in infrastructure is a major determinant of the level of present and future tourism activity. Also, investment in much of this infrastructure would not exist or would be significantly less without tourism. While recognising that gross fixed capital formation in tourism infrastructure is of significant analytical interest, the international standards exclude purchases of capital assets from tourism demand for the purpose of calculating tourism gross value added."

3.2 Estimating the Sunshine Coast's GRP Including the Tourism Sector

Table 9 shows the redistribution of GRP values across the 18 industry sectors after making the adjustment for tourism as a stand alone sector using the definition of tourism outlined in Section 3.1. The tourism sector's contribution to the Sunshine Coast's GRP shows a nominal growth rate of 7.7% p.a. and a real growth rate of 4.8% over the period 2002 to 2007. This real rate of growth for the Sunshine Coast's tourism sector is greater than that of the growth experienced by Queensland's tourism industry, which grew by 6.65% in nominal terms and 3.8% in real terms over the same period. This highlights the continuing significance of the tourism industry as a driver of the Sunshine Coast economy.

The Sunshine Coast tourism sector's proportional contribution to total GRP has remained steady and around 17% between 2002 and 2007 making it the largest contributor to the Sunshine Coast's GRP on an industry by industry basis.

Table 9 Estimated Gross Regional Product by Industry, Sunshine Coast, 2002 – 2007

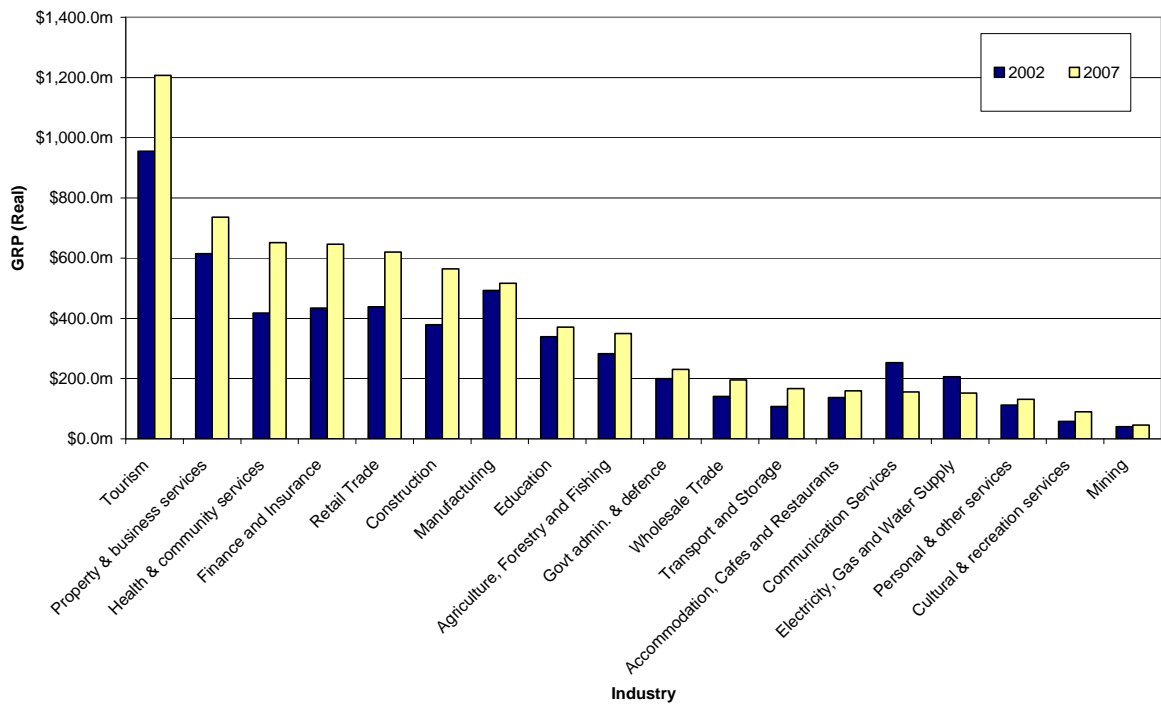
1 Digit ANZSIC plus Tourism	2002	2003	2004	2005	2006	2007
Agriculture, Forestry and Fishing	\$246.8m	\$234.4m	\$200.2m	\$195.1m	\$238.1m	\$349.3m
Mining	\$35.0m	\$21.0m	\$16.2m	\$69.3m	\$43.8m	\$45.6m
Manufacturing	\$430.3m	\$443.2m	\$421.8m	\$383.1m	\$433.8m	\$516.0m
Electricity, Gas and Water Supply	\$180.1m	\$166.8m	\$83.6m	\$91.0m	\$173.1m	\$151.8m
Construction	\$330.7m	\$335.4m	\$447.6m	\$621.6m	\$584.8m	\$564.7m
Wholesale Trade	\$123.2m	\$131.1m	\$248.6m	\$163.9m	\$216.8m	\$195.9m
Retail Trade	\$383.3m	\$433.1m	\$451.3m	\$494.4m	\$533.9m	\$620.5m
Accommodation, Cafes and Restaurants	\$119.5m	\$97.3m	\$127.0m	\$152.8m	\$143.1m	\$159.3m
Transport and Storage	\$93.8m	\$151.8m	\$174.1m	\$183.6m	\$146.1m	\$166.6m
Communication Services	\$221.1m	\$270.4m	\$227.2m	\$197.5m	\$283.6m	\$155.6m
Finance and Insurance	\$379.4m	\$331.3m	\$455.0m	\$427.7m	\$621.1m	\$645.9m
Property and Business Services	\$537.1m	\$560.2m	\$695.5m	\$849.9m	\$884.3m	\$736.4m
Government Administration and Defence	\$174.4m	\$120.6m	\$239.0m	\$212.1m	\$269.0m	\$230.4m
Education	\$296.4m	\$311.2m	\$344.7m	\$335.1m	\$345.0m	\$370.9m
Health and Community Services	\$364.8m	\$472.4m	\$436.1m	\$506.6m	\$595.2m	\$651.2m
Cultural and Recreational Services	\$50.7m	\$75.7m	\$58.3m	\$66.2m	\$100.7m	\$89.7m
Personal and Other Services	\$97.6m	\$97.2m	\$101.7m	\$127.5m	\$167.6m	\$130.9m
Tourism	\$834.1m	\$865.9m	\$1,013.1m	\$1,044.8m	\$1,153.7m	\$1,207.0m
Total / Gross Regional Product	\$4,898.3m	\$5,119.0m	\$5,740.9m	\$6,122.3m	\$6,933.8m	\$6,987.8m

Source: SGS Economics and Planning Calculations based on ABS Labour Force Survey, ABS Census, JTW, 2001 and ABS State Accounts, Office of Economic and Statistical Research (2002)

Figure 5 shows that once the appropriate proportions of economic output from each industry sector are attributed to the tourism sector, the significance of the tourism industry's contribution to the Sunshine Coast economy is clear. In fact, tourism accounts for the largest share of the Sunshine Coast's GRP followed by Property and Business Services.

The region's tourism sector is also shown to have experienced a (real) net increase in total output (in absolute terms) over the period from 2002 to 2007.

Figure 5 (Real) Industry Contribution (including Tourism) to GRP, Sunshine Coast, 2002 and 2007



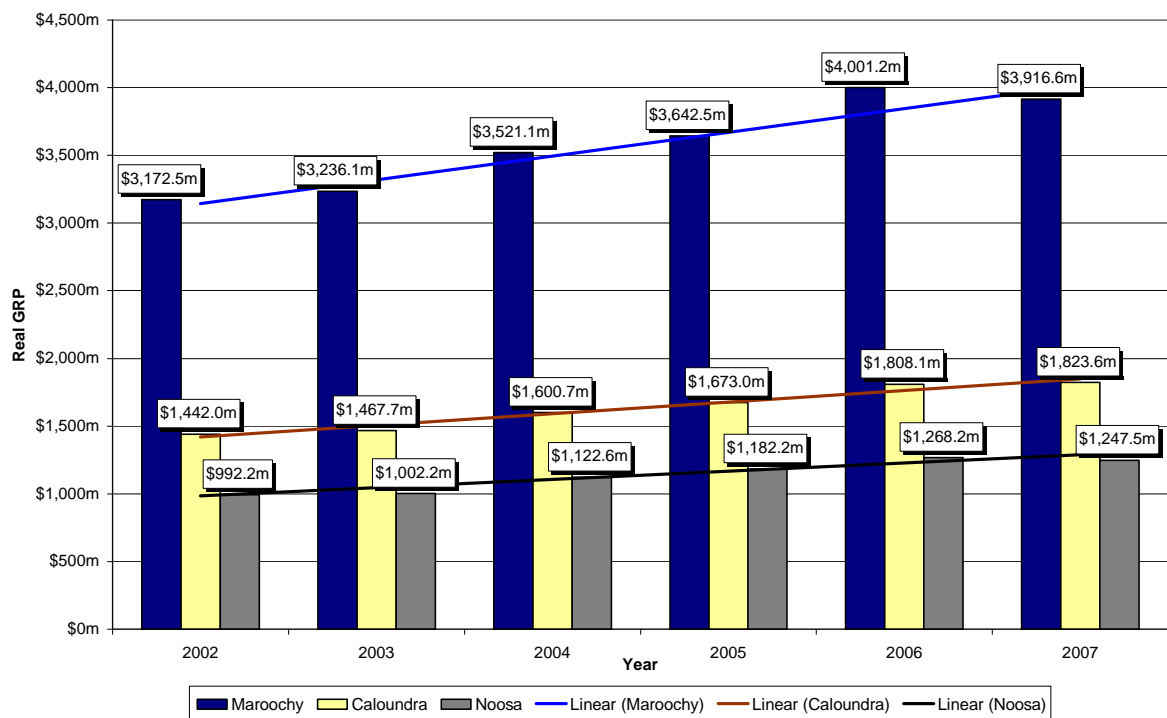
Source: SGS Economics and Planning Calculations based on ABS Labour Force Survey, ABS Census, JTW, 2001 and ABS State Accounts, Office of Economic and Statistical Research (2002)

4 Gross Regional Product by Local Government Area

Figure 6 illustrates the total contribution to 'real' gross regional product from each of the Local Government Areas in the Sunshine Coast (i.e. Caloundra, Maroochy and Noosa). It shows that Maroochy has the largest gross regional product of the three local government areas and that generally, GRP for all three local government areas has grown positively since 2002.

The 'real' average annual growth rate in the gross regional product of Maroochy Shire over the period 2002 to 2007 is 4.3% while the nominal average annual growth rate was 7.2%. In comparison, Caloundra experienced a 4.8% real average annual growth rate and a 7.7% nominal growth rate. Noosa Shire's GRP grew by a real average annual rate of 4.7% between 2002 and 2007, which translates to a nominal average annual rate of 7.6%.

Figure 6 Industry Contribution to 'Real' Gross Regional Product by Local Government Area on the Sunshine Coast, 2002 - 2007



Source: SGS Economics and Planning Calculations based on ABS Labour Force Survey, ABS Census, JTW, 2001 and ABS State Accounts, Office of Economic and Statistical Research (2002)

Table 10, Table 11 and Table 12 show the contribution to GRP by industry in nominal terms for Caloundra City, Maroochy Shire and Noosa Shire respectively.

Table 10 Estimated (Nominal) Gross Regional Product by Industry, Caloundra City, 2002 – 2007

1 Digit ANZSIC plus Tourism	2002	2003	2004	2005	2006	2007
Agriculture, Forestry and Fishing	\$101.1m	\$96.0m	\$82.0m	\$79.9m	\$97.6m	\$143.1m
Mining	\$15.6m	\$9.4m	\$7.2m	\$30.8m	\$19.5m	\$20.3m
Manufacturing	\$122.8m	\$126.5m	\$120.3m	\$109.3m	\$123.8m	\$147.2m
Electricity, Gas and Water Supply	\$26.9m	\$24.9m	\$12.5m	\$13.6m	\$25.8m	\$22.7m
Construction	\$91.1m	\$92.4m	\$123.3m	\$171.2m	\$161.0m	\$155.5m
Wholesale Trade	\$31.5m	\$33.5m	\$63.5m	\$41.9m	\$55.4m	\$50.0m
Retail Trade	\$114.0m	\$128.7m	\$134.2m	\$147.0m	\$158.7m	\$184.5m
Accommodation, Cafes and Restaurants	\$24.0m	\$19.6m	\$25.5m	\$30.7m	\$28.8m	\$32.0m
Transport and Storage	\$24.7m	\$40.0m	\$45.9m	\$48.4m	\$38.5m	\$43.9m
Communication Services	\$41.9m	\$51.2m	\$43.0m	\$37.4m	\$53.7m	\$29.5m
Finance and Insurance	\$91.1m	\$79.5m	\$109.2m	\$102.7m	\$149.1m	\$155.1m
Property and Business Services	\$121.7m	\$126.9m	\$157.5m	\$192.5m	\$200.3m	\$166.8m
Government Administration and Defence	\$42.8m	\$29.6m	\$58.6m	\$52.1m	\$66.0m	\$56.6m
Education	\$71.6m	\$75.2m	\$83.3m	\$81.0m	\$83.4m	\$89.7m
Health and Community Services	\$84.0m	\$108.7m	\$100.4m	\$116.6m	\$137.0m	\$149.9m
Cultural and Recreational Services	\$15.4m	\$23.0m	\$17.7m	\$20.1m	\$30.6m	\$27.2m
Personal and Other Services	\$25.7m	\$25.6m	\$26.8m	\$33.6m	\$44.2m	\$34.5m
Tourism	\$214.1m	\$226.0m	\$260.6m	\$267.6m	\$298.0m	\$315.2m
Total / Gross Regional Product	\$1,259.8m	\$1,316.7m	\$1,471.6m	\$1,576.3m	\$1,771.3m	\$1,823.6m

Source: SGS Economics and Planning Calculations based on ABS Labour Force Survey, ABS Census, JTW, 2001 and ABS State Accounts, Office of Economic and Statistical Research (2002)

Table 11 Estimated (Nominal) Gross Regional Product by Industry, Maroochy Shire, 2002 – 2007

Industry	2002	2003	2004	2005	2006	2007
Agriculture, Forestry and Fishing	\$118.8m	\$112.8m	\$96.4m	\$93.9m	\$114.6m	\$168.2m
Mining	\$18.4m	\$11.0m	\$8.5m	\$36.4m	\$23.0m	\$23.9m
Manufacturing	\$244.8m	\$252.2m	\$240.0m	\$218.0m	\$246.8m	\$293.6m
Electricity, Gas and Water Supply	\$131.3m	\$121.6m	\$61.0m	\$66.4m	\$126.2m	\$110.7m
Construction	\$177.6m	\$180.1m	\$240.4m	\$333.8m	\$314.1m	\$303.2m
Wholesale Trade	\$73.6m	\$78.3m	\$148.5m	\$97.9m	\$129.5m	\$117.0m
Retail Trade	\$198.3m	\$224.0m	\$233.4m	\$255.7m	\$276.1m	\$320.9m
Accommodation, Cafes and Restaurants	\$60.3m	\$49.1m	\$64.0m	\$77.1m	\$72.2m	\$80.4m
Transport and Storage	\$50.2m	\$81.3m	\$93.3m	\$98.3m	\$78.2m	\$89.2m
Communication Services	\$146.8m	\$179.5m	\$150.8m	\$131.1m	\$188.3m	\$103.3m
Finance and Insurance	\$219.3m	\$191.5m	\$263.0m	\$247.2m	\$359.0m	\$373.3m
Property and Business Services	\$302.1m	\$315.1m	\$391.2m	\$478.1m	\$497.4m	\$414.3m
Government Administration and Defence	\$99.6m	\$68.9m	\$136.5m	\$121.2m	\$153.7m	\$131.6m
Education	\$177.0m	\$185.9m	\$205.9m	\$200.2m	\$206.1m	\$221.6m
Health and Community Services	\$225.1m	\$291.5m	\$269.0m	\$312.6m	\$367.2m	\$401.7m
Cultural and Recreational Services	\$26.0m	\$38.9m	\$30.0m	\$34.0m	\$51.7m	\$46.1m
Personal and Other Services	\$54.1m	\$53.8m	\$56.3m	\$70.6m	\$92.9m	\$72.5m
Tourism	\$448.3m	\$467.7m	\$549.0m	\$559.6m	\$622.9m	\$645.1m
Total / Gross Regional Product	\$2,771.6m	\$2,903.2m	\$3,237.2m	\$3,432.1m	\$3,919.9m	\$3,916.6m

Source: SGS Economics and Planning Calculations based on ABS Labour Force Survey, ABS Census, JTW, 2001 and ABS State Accounts, Office of Economic and Statistical Research (2002)

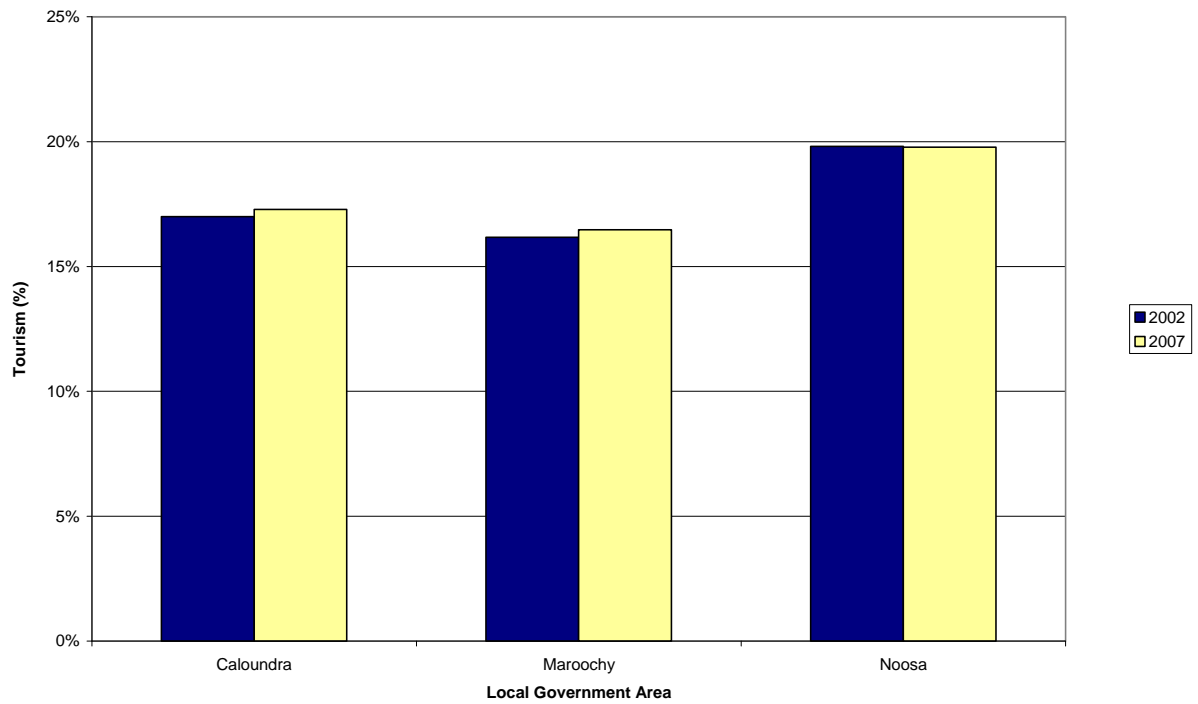
Table 12 Estimated (Nominal) Gross Regional Product by Industry, Noosa Shire, 2002 – 2007

1 Digit ANZSIC plus Tourism	2002	2003	2004	2005	2006	2007
Agriculture, Forestry and Fishing	\$26.9m	\$25.6m	\$21.8m	\$21.3m	\$26.0m	\$38.1m
Mining	\$1.1m	\$0.6m	\$0.5m	\$2.1m	\$1.3m	\$1.4m
Manufacturing	\$62.7m	\$64.6m	\$61.5m	\$55.8m	\$63.2m	\$75.2m
Electricity, Gas and Water Supply	\$21.9m	\$20.3m	\$10.2m	\$11.1m	\$21.0m	\$18.5m
Construction	\$62.0m	\$62.9m	\$84.0m	\$116.6m	\$109.7m	\$105.9m
Wholesale Trade	\$18.1m	\$19.3m	\$36.6m	\$24.1m	\$31.9m	\$28.8m
Retail Trade	\$71.1m	\$80.3m	\$83.7m	\$91.7m	\$99.1m	\$115.1m
Accommodation, Cafes and Restaurants	\$35.2m	\$28.7m	\$37.4m	\$45.0m	\$42.2m	\$46.9m
Transport and Storage	\$18.8m	\$30.5m	\$35.0m	\$36.9m	\$29.3m	\$33.5m
Communication Services	\$32.4m	\$39.7m	\$33.3m	\$29.0m	\$41.6m	\$22.8m
Finance and Insurance	\$69.0m	\$60.2m	\$82.7m	\$77.8m	\$112.9m	\$117.4m
Property and Business Services	\$113.3m	\$118.2m	\$146.7m	\$179.3m	\$186.5m	\$155.4m
Government Administration and Defence	\$32.0m	\$22.1m	\$43.8m	\$38.9m	\$49.3m	\$42.3m
Education	\$47.7m	\$50.1m	\$55.5m	\$53.9m	\$55.5m	\$59.7m
Health and Community Services	\$55.8m	\$72.2m	\$66.7m	\$77.5m	\$91.0m	\$99.6m
Cultural and Recreational Services	\$9.3m	\$13.8m	\$10.7m	\$12.1m	\$18.4m	\$16.4m
Personal and Other Services	\$17.8m	\$17.7m	\$18.5m	\$23.2m	\$30.5m	\$23.8m
Tourism	\$171.7m	\$172.3m	\$203.5m	\$217.6m	\$232.8m	\$246.8m
Total / Gross Regional Product	\$866.8m	\$899.1m	\$1,032.1m	\$1,113.9m	\$1,242.5m	\$1,247.5m

Source: SGS Economics and Planning Calculations based on ABS Labour Force Survey, ABS Census, JTW, 2001 and ABS State Accounts, Office of Economic and Statistical Research (2002)

Figure 7 shows the proportions of total gross regional product that is accounted for by tourism in each of the local government areas of the Sunshine Coast. Noosa is proportionally the highest contributor with approximately 20% of Noosa's GRP being derived from the tourism sector. Caloundra's tourism sector provides for approximately 17% of its total gross regional product while Maroochy's tourism sector contributes approximately 16% of the Shire's total gross regional product.

Figure 7 Tourism's Proportional Contribution to Total Gross Regional Product, 2002 & 2007



Source: SGS Economics and Planning Calculations based on ABS Labour Force Survey, ABS Census, JTW, 2001 and ABS State Accounts, Office of Economic and Statistical Research (2002)

5 The Sunshine Coast's Tertiary Education Sector

5.1 The Significance of Education

Previous sections of this report document the significant and growing contribution that the education industry makes to the economic prosperity of the Sunshine Coast. As shown in Section 2.3, the education sector directly contributes an estimated \$384 million annually to the Sunshine Coast economy. This equates to approximately 5.5% of the Sunshine Coast's gross regional product.

This section of the report considers the contributions made by the tertiary education sector to the Sunshine Coast economy. The tertiary education sector comprises higher education and training providers, namely universities and vocational and technical education providers. It is widely acknowledged in the field of economic development that, along with other attributes such as efficient and effective infrastructure, supportive governance structures and an innovative business community, an appropriately skilled and flexible workforce is a critical pre-condition for a competitive regional economy. The tertiary education sector has an important role to play in this regard as it can design and implement the research and education programs that are required to deliver new skills and innovation which can translate into real economic outcomes, not just for the region but for the nation at large.

But in the global economy of the 21st Century, universities, vocational and technical education colleges such as TAFE and other tertiary training institutions are about more than education and training. While learning is fundamental to the core role of tertiary institutions, they now are considered to, and expected to be much more. Today, major learning and research institutions function as real estate developers, infrastructure providers, business developers and economic generators. They also act as philanthropists and social activists.

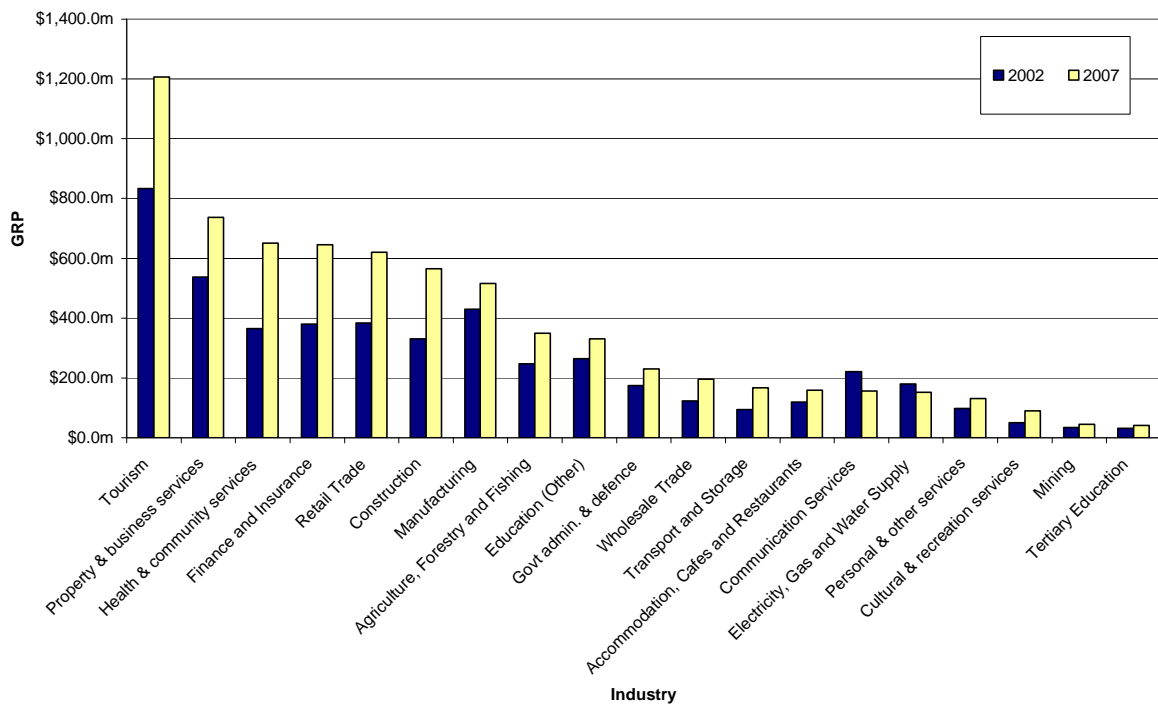
The tertiary education sector on the Sunshine Coast includes the University of the Sunshine Coast (USC), the Innovation Centre Sunshine Coast (ICSC), Sunshine Coast TAFE, the Noosa campus of Central Queensland University (CQU) and a number of registered training organisations (RTOs). These tertiary education and research institutions are major contributors to the regional economy; together, they represent what is essentially an 'export oriented' or 'driver' sector of the regional economy in that they attract expenditure and investment from outside the region, helping to grow the regional economy.

5.2 Contribution of the Tertiary Education Sector to the Sunshine Coast Economy

Applying the methodology used in previous sections of this report, the contribution of the tertiary education sector to the Sunshine Coast’s GRP is analysed and reported on here. The tertiary education sector is defined as being the “post school education” sector as classified in the 3 digit ANZSIC categories as defined by the Australian Bureau of Statistics. Figure 8 shows each industry’s contribution to the Sunshine Coast region’s total GRP with ‘tertiary education’ identified as a separate sector in its own right.

In 2001 the tertiary education sector accounted for 11% of total employment in the education sector on the Sunshine Coast. The assumption was made that this proportion was held constant over time to 2007. Using this approach, we see that the tertiary education sector’s direct contribution to gross regional product in 2007 is \$40.5 million. This represents approximately 1% of the Sunshine Coast’s total gross regional product. In real terms, the estimated contribution of the tertiary education sector to the Sunshine Coast economy increased by 25%, from \$32.4 million in 2002 to \$40.5 million in 2007.

Figure 8 Industry Contribution to Gross Regional Product including Tertiary Education



Source: SGS Economics and Planning Calculations based on ABS Labour Force Survey, ABS Census, JTW, 2001 and ABS State Accounts, Office of Economic and Statistical Research (2002)

In addition to its initial or direct contribution to regional economic output - through its expenditure on infrastructure, equipment, other goods and services and labour - the Sunshine Coast's tertiary education sector also contributes to regional economic wealth through the 'multiplier' or flow-on effects this expenditure has through all other industry sectors in the regional economy. In short, the economic contribution of the tertiary education sector can be measured in terms of the direct contribution of the industry's operation, known as the 'economic stimulus' and the indirect contribution, known as the flow-on effect. The result is an overall picture of the industry's total economic contribution.

Using a tailored economic model of the Sunshine Coast economy, which has been prepared by SGS Economics and Planning, it is estimated that as a result of the \$40.5 million worth of output directly generated by the tertiary education sector, other industries in the regional economy will produce an estimated additional \$51.3 million worth of output. As a result, the total multiplier for the education sector in Sunshine Coast is 2.27.¹⁴ This is the indirect contribution or flow-on impact of the tertiary education sector on the regional economy. Together, the direct and indirect contribution of the tertiary education sector results in an estimated total contribution of around \$91.8 million.

Research currently being undertaken by Garlick offers more detailed consideration of the estimated regional economic contribution of the University of the Sunshine Coast. While the methodology employed differs to that reported above, the concepts are the same and the findings offer a useful assessment of the impact that the University has on the economic prosperity of the Sunshine Coast region.¹⁵

5.3 Assessing the Contribution of the University of the Sunshine Coast

There are a number of components to assessing a university's contribution to the regional economy. Its contribution does not solely involve the direct transaction (purchases, sales, funding, etc.) of the university with the economy. It also includes assessing the expenditure from the staff, students and other visitors such as consultants or attendees to seminars and conferences. Research and development activity conducted at the university generates economic contributions in various ways, e.g. financial transactions relating to conducting the projects, expenditure to the region from visiting consultants, etc.

¹⁴ Note that the total (output) multiplier of 2.27 and employment multiplier of 1.6 calculated by SGS is for the education sector in the Sunshine Coast and therefore is seen as a conservative estimate of the true multiplier as the University and tertiary education is expected to attract more expenditure into the region and source more of its inputs from inside the region.

¹⁵ It is important to note that the contribution to GRP outlined in section 5.2 is not directly comparable to the impacts summarised from Garlick (2007) outlined in section 5.3. The impacts mentioned in section 5.3 relate to 'total output'. 'Gross Regional Product' refers to the value added component of the transactions and also net amount of taxes. By definition it is lower than total output which includes total transactions to all industries. The other difference is that information from Garlick (2007) refers to 2005 impacts while the contribution to GRP outlined in Section 5.2 is reporting 2007 estimates.

The paper *The Impact of the University on its Regional Economy* (Garlick, S. 2007) states that "such regional impact assessment can be broken down into four broad elements: the transactions impact of its direct and indirect expenditure arrangements, including the expenditure of the institution, its staff and students; the consequent or spill-over impacts that result from the university's core business of education, research and innovation; additional functions such as local leadership, strategy, infrastructure provision and sharing and service access; and the cultural contribution of its students. The regional impact of the first of these is relatively easy to estimate, the others are rather more difficult."

According to Garlick (2007), the value of the direct impacts of the University of the Sunshine Coast is broken down as follows:

- Institutional Impacts: These are the non-salary net operating university impact which totalled \$14.7 million in 2005, of which \$7.4 million is in the local (Sunshine Coast) region.
- Staff Impacts: With a total of 395 full time equivalent staff, it is estimated that the expenditure of staff in the region is approximately \$11.4 million.
- Student Impacts: The study estimates the overall student expenditure in the region to be approximately \$45.8 million.
- Accumulated Direct Impacts: Thus, summing the above individual components, the accumulated direct impact is \$64.6 million.

The multiplier for the tertiary sector used to calculate the indirect contributions of the University of the Sunshine Coast had two scenarios. Firstly a consecutive multiplier of 1.8 resulted in a total contribution of \$116.3 million while the higher multiplier of 2.3 (which is consistent with the James Cook University and Southern Cross University estimates from other studies) results in a total expenditure of \$148.6 million. (The latter is closer to the education sector multiplier of 2.27 calculated by SGS Economics and Planning). These figures can be considered lower and upper range estimates.

5.4 Other Economic Benefits of the Tertiary Education Sector

As stated in the introduction to this section, vocational and technical education colleges such as TAFE, Universities and other tertiary training institutions such as registered training organisations today are about more than education and training. In the 21st Century, major learning and research institutions function as real estate developers, infrastructure providers, business developers and economic generators. There are a range of quantifiable and non-quantifiable contributions that the Sunshine Coast's tertiary education sector can and does offer the region. While examining and analysing these in detail falls beyond the scope of this report, those which could warrant further consideration and analysis include the following:

- **Business Development** – Where once the lines were clearly delineated, today, there is a strong nexus between universities, research institutions and private enterprise. Throughout the world, universities or their research arms deliver formal programs aimed at educating student entrepreneurs and other local entrepreneurs and helping them launch new businesses. In Boston for example, university research faculties are among the founders of leading Boston-

area companies in a wide range of industries including information technology, biotechnology, engineering, architecture and management consulting. On the Sunshine Coast, the Innovation Centre Sunshine Coast (ICSC) offers a Business Incubator Program as well as a Business Accelerator Program. The latter offers an attractive environment for businesses that have progressed beyond the start-up stage as well as offices for professional service firms such as lawyers, IP attorneys, marketing consultants, etc. Essentially, it offers access to business development services to attract and support the growth of knowledge economy businesses.

- **Investment Catalyst** – As tertiary education institutions continue their expansion (and physical development), they can play a significant role in anchoring development in many areas that may at first appear too risky for the private sector. In some cases, university investment has ‘primed the pump’ for considerable private sector commitment where it might otherwise be lacking. On the Sunshine Coast, the growth of the University of the Sunshine Coast (USC) and the ICSC has triggered significant planned investment from commercial developers in and around Sippy Downs. This includes investment in the Business and Technology Precinct and in Investa’s land with its proposed Enterprise Precinct. In Kawana, the establishment of a campus of TAFE at the Quad Park sporting complex has provided a catalyst to attract industry in sports and experiences and to develop links between education and training and the region’s sports and events tourism industries.
- **Infrastructure Catalyst** – Universities and other tertiary training institutions also act to stimulate public sector investment in a region. On the Sunshine Coast, the growth of the USC and the ICSC has helped to stimulate government (and private) sector investment with, for example, the recent broadband infrastructure provision announcement, which is worth around \$7 million. This infrastructure will not only benefit the University and the businesses operating out of the ICSC but the wider community too. And in Kawana, the state-of-the art Quad Park sports stadium offers the opportunity to consolidate sports and events tourism infrastructure on the Sunshine Coast.
- **Human Capital Impact** - Universities and other tertiary training institutions make a substantial contribution to a region’s stock of human capital. As well as delivering research, education and training to deliver new skills and innovation, these institutions improve the region’s stock of social capital through research and commercialisation partnerships with the private sector, through the delivery of business incubation programs, through information sharing and the holding of regular business events and through various other means of community engagement, whether it be business or community focused activities. Universities and technical colleges also engage with the community and add to the region’s social capital by making their facilities available to the wider community, usually at competitive rates. This includes the use of spaces for community meetings, concerts, art displays, etc. or sporting facilities for events.¹⁶ These are things that the USC, the TAFE and ICSC do or can do and which contribute to the economic development of the Sunshine Coast region. In Caloundra, registered training organisation Cadet Training and Employment employs a Community Work Coordinator (CWC) who runs Work for the Dole projects as well as develops, approves and monitors projects that benefit the community. CWC also provides valuable work experience for

¹⁶ For example, At St. Louis University (Missouri, USA), university facilities are made available to local community groups at reasonable rates for everything from concerts to fashion shows to town hall meetings. In a single year, members of the St. Louis University community (faculty, staff, students and alumni) contributed 758,000 hours to community service in more than 16,000 volunteer efforts (source: Nicholson, J. “Campuses as good neighbors”, St. Louis Commerce Magazine, found at <http://www.stlcommercemagazine.com/archives/october2005/campus.html>).

the unemployed. Cadet's Youth Pathways program offers support to at risk youth with their transition through to Year 12 and ultimately to further education, training or employment and active participation in the community.

- **Promotional / Reputational Benefits** – Tertiary learning and research institutions typically engage in continual marketing and promotional efforts to attract students, research funding and funding for capital works. When the achievements of the institution are broadly communicated, this can have a positive impact on the awareness, reputation and image of the region as a 'learning and innovation hot spot'.
- **Regional Leadership** – Through the research and learning institutions' activities and outcomes such as those outlined above, the tertiary education sector is a key stakeholder in the economic development of its region and a leader in the delivery of social and economic outcomes. On the Sunshine Coast this includes the USC, the ICSC, TAFE and others.

These are all important considerations that may warrant further investigation and analysis in order to demonstrate the true economic contribution that is made by the tertiary education sector to the economic development of the Sunshine Coast.

6 Tracking the Sunshine Coast Employment Challenge – 2007 Update

6.1 Introduction

A much publicised 'Sunshine Coast Employment Challenge' was prepared as part of the November 2004 Sunshine Coast Regional Economic Development Strategy. The employment challenge provided a means of assisting the regional planning exercise, and was based on an analysis of the likely employment challenge facing the region in the next 20 years. The analysis was based on the following key parameters:

- The Sunshine Coast region's future population and the rate at which it will grow.
- The labour force participation rate and how it will change as the Sunshine Coast region matures.
- The unemployment rate – what is a reasonable target given the likely make-up of the population and the economy in the future?
- The level of self-containment of employment (i.e. jobs located in the Sunshine Coast region relative to the number of employed persons living there).
- The split between jobs driven by population growth and jobs in the 'driver' sectors of the regional economy.¹⁷
- Acknowledgement of the region's existing industrial structure.
- An understanding of global forces impacting on regional development in Australia.

This section serves the purpose of tracking the progress of the region in meeting the acknowledged employment challenge. It involves:

- Considering this existing employment challenge.
- Reporting on the employment trends in the Sunshine Coast region over the 2006-2007 period.
- Comparing trends against the targets set by the challenge.
- Revising (updating) the size of the challenge based on progress made over the past year.

¹⁷ Population-based industry sectors are those industries that are reliant primarily on the local population for their business and include sectors like retail trade, personal services, community services, primary and secondary education and construction. The 'driver' sectors are those industries that have an (inter-regional) export orientation. In other words, they do not rely on the local population for their business and by drawing their income from outside the region, they help to drive the regional economy. The driver sectors include manufacturing, higher order or 'advanced' professional businesses services, tertiary education, some segments of the health industry and agriculture.

6.2 Method for Assessing and Updating the Sunshine Coast Employment Challenge

The following identifies the methodology adopted in tracking the employment challenge for the Sunshine Coast.

1. Collection of population forecasts from the Queensland Government's Planning Information & Forecasting Unit (PIFU), to determine the extent of the Sunshine Coast region's population growth over the last 12 months.
2. By amalgamating data on the region's constituent Statistical Local Areas (SLAs), determine the Sunshine Coast region's current rate of unemployment and the population's labour force participation rate. This data was sourced from the latest quarterly update (May 2007) of the Small Area Labour Markets data from the Commonwealth Department of Employment & Workplace Relations (DEWR).
3. Using information from the ABS Labour Force Survey for the Sunshine Coast and the rate of job creation in the region over the past 12 months, the current number of jobs located in the region was estimated. Using existing intelligence on the regional economy (acquired by SGS Economics and Planning during the preparation of the Sunshine Coast Regional Economic Development Strategy), an assumption was made about the mix of population based jobs and 'driver' sector jobs in the region. (Proportions identified in the regional strategy were held constant unless there was strong evidence to suggest otherwise).
4. Using the information from the previous Task 3 on jobs creation in the region, identify the extent to which the Sunshine Coast region's employment challenge has been met over the past 12 months. (Actual jobs created in the region are compared to the annual jobs challenge which was determined in the November 2004 Regional Economic Development Strategy).
5. Use information acquired in previous tasks (on the size of the resident workforce and the number of jobs located in the region) to update the Sunshine Coast's rate of employment self-containment.
6. The employment challenge identifies the number of 'quality' jobs that need to be delivered in the region based on assumptions about labour force participation, employment self-containment and other variables. Information acquired previously has been used to update the assumptions about the employment challenge and therefore, what the employment challenge is between now and the year 2026.

6.3 Employment Challenge Update

It is well known that the Sunshine Coast is one of Australia's fastest growing regions and by all accounts, the high rates of population growth are set to continue. According to the South East Queensland Regional Plan (June 2005), it is expected that there will be an additional 79,950 new dwellings in the Sunshine Coast between 2004 and 2026. As stated in the November 2004 Sunshine Coast Regional Economic Development Strategy, land capacity can support approximately 483,000 people in the region. The critical issue is the extent of this land resource and any additional rezonings that are underway. As stated in the Regional Economic Development Strategy, it is unlikely that major back zonings would be considered and so this capacity will remain. The main question is when it will be realised. Within 20 years is reasonable given the potential of the area.

According to PIFU's population projections, the Sunshine Coast had an approximate population of 295,125 in 2006. This is an increase of 11,576 from 283,549 in 2005. Since 2001 the population of the Sunshine Coast region has increased by about 48,000. The population figure obtained from PIFU's projections is generally in line with the ABS estimated resident population. Thus it appears that the region is well on the way to the land capacity figure of 483,000.

The following table shows the estimated population for the LGAs of the Sunshine Coast (Caloundra, Maroochy and Noosa) according to projections from the Planning Information and Forecasting Unit. These population growth rates are generally in line with the new dwelling numbers outlined in the South East Queensland Regional Plan.

Table 13 Population Forecasts¹⁸, Sunshine Coast LGAs, 2001-2026

LGA	2001	2026
Caloundra	76,207	165,883
<i>Avg. Annual Growth rate</i>		3.2%
Maroochy	127,202	249,241
<i>Avg. Annual Growth rate</i>		2.7%
Noosa	43,758	58,432
<i>Avg. Annual Growth rate</i>		1.2%
Sunshine Coast	247,167	473,727
<i>Avg. Annual Growth rate</i>		2.6%

Source: Planning Information and Forecasting Unit (PIFU), August 2007

¹⁸ Note: The population projection figures reported in Table 13 differ from that in the previous report prepared by SGS as the projections have been revised by the Population and Information Forecasting Unit since. PIFU's projected population has been revised downward for the Sunshine Coast.

These forecasts are based on the potential for natural increase, analysis of the development capacity of each Local Government Area and assumptions about and analysis of migration. The projections have robustness and are more than simple trend based projections. They provide a sound base on which to work in planning for the future. Thus, the Sunshine Coast region is expected to have approximately 474,000 residents by the year 2026. This is PIFU's middle range scenario. Even if the low scenario is adopted, the population of the Sunshine Coast region will be almost 428,000 by 2026.

At 2006, the Sunshine Coast had a labour force participation rate of 58%. This is slightly lower than the labour force participation rate reported in 2005 of 59%, yet very close to the 60% adopted for the preferred scenario in the original employment challenge presented in the November 2004 Regional Economic Development Strategy. The Sunshine Coast region is likely to continue to mature and broaden its economic base in the future. Therefore, the participation rate is likely to firm.

The region's unemployment rate according to the Department of Employment and Workplace Relations' small area labour market report for the May 2007 quarter was 5.8%. This is a decrease from 6.5% in June 2006 reported in the previous employment challenge and compares favourably with the original employment challenge target rate of unemployment of 6% as reported in the Regional Economic Development Strategy. It is our belief that the Sunshine Coast region should aspire to achieving a higher rate of self-containment than what is present now (81% in 2001) to reflect a more diverse and robust economy. Hence we maintain the target of 90% originally adopted in the November 2004 Sunshine Coast Employment Challenge.

The employment targets reflect a regional objective to continue to diversify the Sunshine Coast economy away from a potential over-reliance on population driven industry sectors towards the key 'driver sector' jobs as identified in the Sunshine Coast Regional Economic Development Strategy. The economic development strategy, which was prepared by SGS Economics and Planning in November 2004, focuses on the following industries as potential drivers of the region's future economic prosperity:

- 'Next generation' agriculture – including horticulture and forestry.
- Creative goods manufacturing - includes clothing, crafts and glass product manufacturing, and niche creative products including the manufacture of jewellery, silverware, toys etc.
- Design and construction – includes sustainable building design and construction product manufacturing.
- 'Smart' manufacturing – includes elaborately transformed manufacturing sectors such as machinery and equipment manufacturing.
- Cultural-creative and lifestyle industries - includes activities such as film and video services, radio and television, libraries, museums, parks and gardens, printing and publishing, etc.
- Knowledge based business services - includes advanced business services such as legal and financial services, marketing and business management services and technical services.
- Health and wellness – includes health and community services, sport and recreational services.
- Education – includes tertiary education (and research) and other specialist education.
- Tourism and related industries – includes accommodation, cafes and restaurants, retail and personal services.

According to the gross regional product analysis, the Sunshine Coast had approximately 94,300 jobs (located in the region) in 2006, which increased to around 99,450 in 2007. Therefore, 'employment creation' over the 2006-2007 period was approximately 5,150 of which approximately 1,320 were 'driver sector' jobs.

This increase in the 'driver sector' or export-oriented jobs over the last 12 months exceeded the average annual target of 1,100 identified in the November 2004 employment challenge which was documented in the Sunshine Coast Regional Economic Development Strategy. Calculations by SGS Economics and Planning estimate that the net increase in 1,320 driver sector jobs broken down by Local Government Area is as shown in the following table.

Table 14 Estimated Driver Sector Jobs Growth, Caloundra City, Maroochy Shire and Noosa Shire, 2006-2007

LGA	Driver Sector Jobs Growth 2006-2007	% of Region's Total Driver Sector Jobs Growth
Caloundra	574	43%
Maroochy	709	54%
Noosa	37	3%
Sunshine Coast	1,320	100%

Source: SGS Economics and Planning calculations

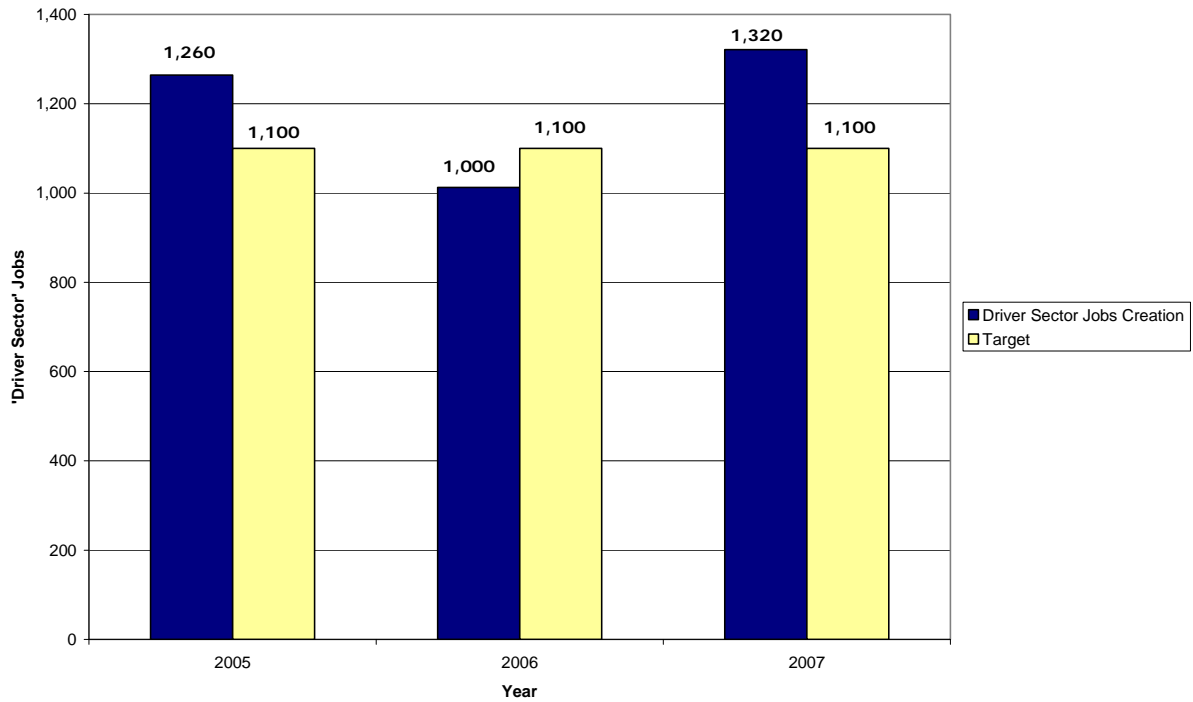
As shown above, Maroochy Shire and Caloundra City account for the bulk of the estimated driver sector jobs growth over the past 12 months accounting for 54% and 43% of the Sunshine Coast's total driver sector jobs growth respectively.

The original target for job creation between 2001 and 2026 as set out in the 2004 employment challenge was 27,000 to 33,000 'driver sector' jobs. The revised numbers for the level of 'driver sector' employment growth experienced by the Sunshine Coast in recent years based on the revised Labour Force Survey data shows a 'driver sector' jobs growth of 1,260 between 2004 and 2005, 'driver sector' jobs growth of 1,000 between 2005 and 2006 and 'driver sector' jobs growth of 1,320 in the 12 months from 2006 to 2007.

Given this level of growth in 'driver sector' jobs on the Sunshine Coast since the completion of the Regional Economic Development Strategy, if no assumptions change, the target number of 'driver sector' jobs to be created by 2026 falls to the range of between 23,400 and 29,400 jobs between now and 2026.

Acknowledging that there will be years of high jobs growth and years of stagnation or even decline (depending in part on broader economic trends), then generally speaking, the Sunshine Coast region remains well on track to meet its employment challenge.

Figure 9 Jobs Creation, Sunshine Coast, 2005 to 2007



Source: Sunshine Coast Employment Challenge (2004), and calculations by SGS Economics and Planning

References

Australian Bureau of Statistics (2007), *Forthcoming Changes to Labour Force Statistics*, Cat. No. 6292.0, Canberra

Australian Bureau of Statistics (2007), *Labour Force Survey*, Data Cube, Available www.ausstats.abs.gov.au

Australian Bureau of Statistics (2006), *National Accounts 2005 - 06 (Re-issue)*, Cat. No. 5220.0, Canberra

Australian Bureau of Statistics (2001), *Journey to Work Data*, Unpublished Data, Canberra

Australian Bureau of Statistics (2001), *Census Data, CDATE 2001*, Canberra

Bureau of Tourism Research (2003), Paper No. 7, *Tourism Investment in Australia*

Commonwealth Department of Employment & Workplace Relations (May 2007), *Small Area Labour Markets Data*

Garlick (2007), Unpublished Paper

Office of Economical and Statistical Research (2002), *The Contribution of International and Domestic Visitor Expenditure to the Queensland Regional Economies 1998-1999*

Queensland Government, Planning Information and Forecasting Unit (2007), Department of Local Government, Planning, Sport & Recreation, Medium Series Projected Population, Resident Population

Queensland Government Office of Urban Management and South East Queensland Regional Organisation of Councils (June 2005), *South East Queensland Regional Plan 2005-2026*

Sunshine Coast Regional Organisations of Councils (November 2004), *Sunshine Coast Regional Economic Development Strategy, Shared Vision and Collaborative Action for Economic Growth while Sustaining the Sunshine Coast's Enviably Lifestyle*, prepared by SGS Economics and Planning

www.mysunshinecoast.com.au/business_display_all.php?ID=19455&catID=7&catID2=28, viewed 9th November 2007.