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## REPORT ON THE SUNSHINE COAST REGIONAL ECONOMY

### THIRD QUARTER 2007

This is the Third Quarter 2007 edition of the Report on the Sunshine Coast Regional Economy, produced by *AECeconomics*, a division of the AEC Group Limited (*AECgroup*). It covers a geographical area encompassing the Local Government Areas (LGAs) of Caloundra City, Maroochy Shire and Noosa Shire.

The aim of the Report is to provide timely, accurate and authoritative data and analysis on a regional basis that can assist business, government and individuals in decision-making. The *AECgroup* hope that the Report on the Sunshine Coast Regional Economy will be used by organisations for planning purposes, as well as in the promotion of the Sunshine Coast Region, both domestically and internationally, as a place to invest and do business.

In September 2007, the Hon. Helen Coonan, Minister for Communication, Information Technology and the Arts, and Noosa Shire Council announced two sets of communications projects being funded by the Connect Australia telecommunications package. This issue contains a feature article discussing these projects and the potential benefits to the Sunshine Coast.

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## Report on the Sunshine Coast Regional Economy

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THIRD QUARTER 2007

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### Connect Australia Introduction

The Australia Government launched the Connect Australia information technology program in August 2005, announcing a \$1.1 billion communications package for regional access to telecommunications services. The package aims to deliver improved broadband, rural/remote access, extended mobile coverage, regional communications networks and telecommunications for indigenous communities.

Recently, the Noosa and Maroochy Shire councils were successful in their individual bids to obtain funding from this program to provide improved broadband services to the regions, with Noosa Council obtaining \$1.2 million in funding and Maroochy Shire \$2.9 million.

The delivery of these enhanced services is timely, given the increasing use of the Internet in households, businesses and government bodies (see table below).

| Business use of computer and Internet technology |         |         |         |         |         |
|--------------------------------------------------|---------|---------|---------|---------|---------|
|                                                  | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 |
| Businesses utilising computers                   | 84%     | 84%     | 83%     | 85%     | 89%     |
| Businesses using the Internet                    | 69%     | 71%     | 71%     | 74%     | 77%     |
| Business with a website                          | 22%     | 24%     | 23%     | 25%     | 27%     |

Source: Australian Bureau of Statistics, (2006), Business Use of Information Technology 2004-05, ABS Catalogue 8129.0, Canberra

### The Project – Cooroy

Noosa Council announced on the 14<sup>th</sup> September the successful application for funding from the Connect Australia package toward the augmented provision of broadband infrastructure and the development of a Data Centre at Cooroy at the site of the Cooroy Butter Factory.

The project will:

- Connect Noosa to the fibre optic cable running along the Queensland Rail line at Cooroy;
- Provide business grade wireless broadband, enabling broadband connections over distances of up to 50 kilometres; and
- Connect the fibre optic cable to the new (planned) library at Cooroy and the (planned) Carpenters Lane and Nandroya developments to service new and growing businesses.

The Data Centre at Cooroy will provide a local base station for running applications, backups and websites as well as faster network speeds. This development provides a cost effective alternative for businesses currently operating such services in-house, as well as a level of network accessibility previously available only to large businesses. Internet servers in the Data Centre will support up to 10GBps (gigabytes per second) of connectivity, enabling the use of high-bandwidth applications such as Voice Over IP (VOIP), videoconferencing and video streaming.

The project is delivered by Noosa Council with Clever Networks project partners Allegro Networks and Mach Technology.

### The Project - Sippy Downs

The Hon. Helen Coonan, Minister for Communications, Information Technology and the Arts announced on the 7<sup>th</sup> September the successful application for funding from the Connect Australia package toward facilitating business innovation, productivity and the increase of service delivery options by the Maroochy Shire Council. The Council, in partnership with Allegro Networks and the University of the Sunshine Coast will provide matching funding of \$3.4 million to the \$2.9 million received from the Connect Australia program. The project will provide enhanced network access through a mix of fibre optic cable, the provision of two new network points, new wireless base stations and a new 155MBps (megabytes per second) blackhaul link between Brisbane and the Sunshine Coast.

It is envisaged that fibre options will link the University of the Sunshine Coast into the AARNet national research network. This will enable students in remote locations to sit in on virtual lectures and participate in online learning environments such as podcast lectures and video conferencing. The project will also provide the ICT Learning Innovation Centre at Sippy Downs with the bandwidth needed to support video conferencing, media streaming and VOIP services. The Centre has provided professional development services to over 10,000 teachers in the past 12 months, with this project to further support the operations of the Centre. In addition to this, 4,000 students in the Sippy Downs education precinct will have greater access to wireless broadband connectivity and applications.

The initiative builds on the Sunshine Coast Regional Organisation of Councils (SUNROC) communications project started in 2005 under the Australian government community based Demand Aggregation Program to drive viable and sustainable broadband infrastructure capabilities for the Sunshine Coast.

# FEATURE ARTICLE

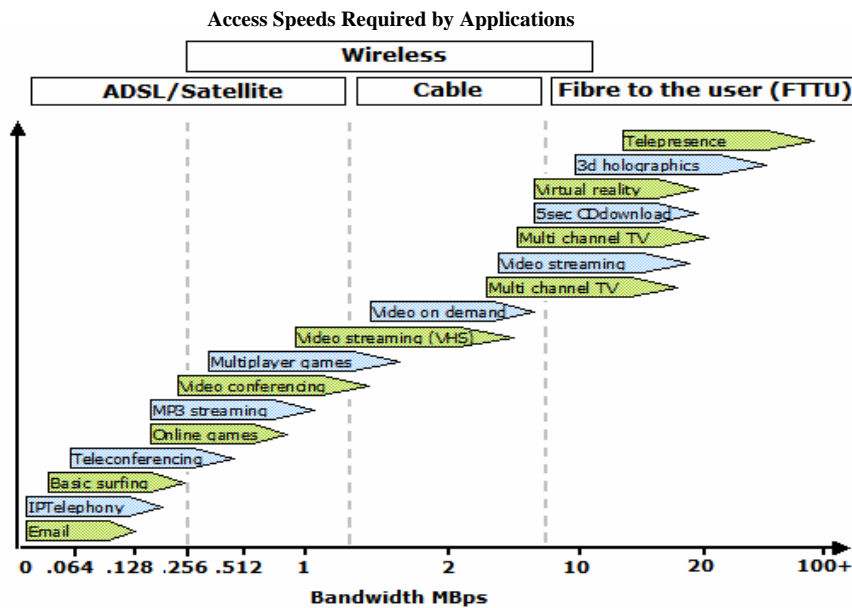
## CONNECT AUSTRALIA

### Benefits of Enhanced Network Access

The enhanced network access developments at Cooroy and Sippy Downs will result in the following improvements to internet access in the region:

- Increased network capacity for data transmission;
- Decreased costs associated with network connection; and
- Increased speed of data transmissions.

The increased network capacity and speed of data transmission will enable the use of a greater range of applications. An indicator of the speeds required for a range of applications is outlined in the figure below.



Source: KPMG, (2004).

### Implications

It is envisaged that the enhanced internet access will act to encourage e-commerce in the Sunshine Coast. The augmentation of the network is expected to enhance business efficiency in terms of time and direct financial outlays as well as improved business practices and efficiency, including improved staff productivity, the quick and easy access to and distribution of information and the potential integration of business systems with major suppliers and customers of business. Businesses may also take advantage of the cost savings associated with utilising e-commerce whilst the improved line capacity will enable the use of high bandwidth technology such as videoconferencing and video streaming. The increased capacity also will enhance tele-working and online education options.

Whilst businesses will not immediately uptake all of these options at once, the provision of the infrastructure enables the 'future proofing' of the region to supply the necessary internet infrastructure and network capacity to ensure that growth in business use of computer and internet technologies will be sufficient for the Sunshine Coast community in the long term.

A study by ACIL Tasman on the regional economic impacts of broadband adoption in Victoria suggests that an increase in broadband coverage can result in a significant increase in productivity, and for Victoria was estimated to add approximately 0.13 percentage points to GSP growth per annum. Applying this to 2005-06 estimates for GRP in the Sunshine Coast, this is equivalent to an additional \$9.75 million per annum in GRP.

The Cooroy and Sippy Downs Internet augmentation projects will bring substantial benefits to the Sunshine Coast through the increased efficiency, capacity, communication and flexibility brought about by the improved internet infrastructure and potential increase in GRP.

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- KPMG (2004). *Leader or Laggards – Australia's Broadband Future – Information, Communications & Internet*, Sydney.
- Department of Communications, Information Technology and the Arts (2007). *Connect Australia*. Accessed online at: [http://www.dcita.gov.au/communications\\_for\\_business/funding\\_programs\\_and\\_support/connect\\_australia#overview](http://www.dcita.gov.au/communications_for_business/funding_programs_and_support/connect_australia#overview) on Friday 9<sup>th</sup> November 2007.
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- Noosa Council (2007). *Noosa Clever Networks Project*. Accessed online at: <http://www.clevernoosa.net.au/> on Friday 9<sup>th</sup> November 2007.

# REGIONAL OVERVIEW

The Sunshine Coast Gross Regional Product (GRP) at Factor Cost, as estimated by SGS Economics and Planning, increased by 22.9% to \$7.5 billion in 2005-06, not including the groupings of ownership of dwellings and general government. The Sunshine Coast contributed 5.1% of Gross State Product (GSP) at Factor Cost for Queensland in the year.

The labour market continued to expand in the Sunshine Coast, with all regions recording increases in the labour market and a decline in the regional unemployment rate. Business confidence grew 6.2 percentage points in the September Quarter 2007 from one year ago while retail sales turnover increased 5.9% over the year to September 2007. Despite non-residential building investment declining 6.5% when compared to the same quarter one year ago, investment in the September Quarter 2007 represented the fourth highest level of investment since the September Quarter 2003. Dwelling investment increased 43.4% in the September Quarter 2007 compared to one year ago, driven by a 102.6% increase in investment in Caloundra and supported by increases in Noosa (up 32.9%) and Maroochy Shires (up 1.7%). Meanwhile, the property market saw significant increases in house prices and median weekly rents, however unit/townhouse prices declined. The Sunshine Coast also recorded an increase in the number of visitors over the year, with domestic day and overnight travellers increasing by 23.3% and 19.0% , respectively, whilst international visitors increased by some 30.7%. The increased number of visitors to the coast contributed to a 4.1% increase in room nights stayed.

| Summary of Recent Statistical Indicators                     |                   |                           |
|--------------------------------------------------------------|-------------------|---------------------------|
| Indicator                                                    | Reference Period  | % chg from a year earlier |
| <b>Gross Regional Product</b>                                |                   |                           |
| Gross Regional Product – Sunshine Coast                      | 2005-06           | 22.9                      |
| <b>Population &amp; Employment</b>                           |                   |                           |
| Population – Sunshine Coast                                  | 2006              | 3.0                       |
| Labour Force Growth – Caloundra City                         | Jun Q 07          | 5.8                       |
| Labour Force Growth – Maroochy Shire                         | Jun Q 07          | 5.8                       |
| Labour Force Growth – Noosa Shire                            | Jun Q 07          | 6.0                       |
| Unemployment Rate <sup>(a,b)</sup> – Caloundra City          | Jun Q 07          | -1.5                      |
| Unemployment Rate <sup>(a,b)</sup> – Maroochy Shire          | Jun Q 07          | -1.4                      |
| Unemployment Rate <sup>(a,b)</sup> – Noosa Shire             | Jun Q 07          | -1.6                      |
| <b>Business &amp; Consumer Confidence</b>                    |                   |                           |
| Retail Sales – QLD <sup>(c)</sup>                            | Sep 07            | 5.9                       |
| Business Confidence Index – Sunshine Coast <sup>(b)</sup>    | Sep Q 07          | 6.2                       |
| Value of Non-Residential Building Approvals – Sunshine Coast | Sep Q 07          | -6.5                      |
| <b>Dwelling Investment</b>                                   |                   |                           |
| Dwelling Approvals – Sunshine Coast                          | Sep Q 07          | 43.4                      |
| Dwelling Approvals – Caloundra City                          | Sep Q 07          | 102.6                     |
| Dwelling Approvals – Maroochy Shire                          | Sep Q 07          | 1.7                       |
| Dwelling Approvals – Noosa Shire                             | Sep Q 07          | 32.9                      |
| <b>Property Market</b>                                       |                   |                           |
| House Prices – Caloundra City                                | Jun Q 07          | 10.0                      |
| House Prices – Maroochy Shire                                | Jun Q 07          | 10.4                      |
| House Prices – Noosa Shire                                   | Jun Q 07          | 3.6                       |
| Unit/Townhouse Prices – Caloundra City                       | Jun Q 07          | 4.4                       |
| Unit/Townhouse Prices – Maroochy Shire                       | Jun Q 07          | -2.0                      |
| Unit/Townhouse Prices – Noosa Shire                          | Jun Q 07          | -3.1                      |
| Median Weekly Rent, 3 Bedroom Houses – Sunshine Coast        | Sep Q 07          | 10.3                      |
| Median Weekly Rent, 2 Bedroom Flats – Sunshine Coast         | Sep Q 07          | 13.0                      |
| <b>Tourism</b>                                               |                   |                           |
| Domestic Overnight Visitors – Sunshine Coast                 | Year Ended Jun 07 | 19.0                      |
| Domestic Day Trip Visitors – Sunshine Coast                  | Year Ended Jun 07 | 23.3                      |
| International Visitors – Sunshine Coast                      | Year Ended Jun 07 | 30.7                      |
| Total Airline Passengers – Sunshine Coast                    | Sep Q 07          | -11.8                     |
| Room Occupancy Rate – Sunshine Coast <sup>(b)</sup>          | Jun Q 07          | -1.5                      |
| Room Nights – Sunshine Coast                                 | Jun Q 07          | 4.1                       |

Note: (a) Trend terms. (b) The change values reported are a percentage point difference. (c) Seasonally adjusted terms.  
Source: See respective pages for data sources

# QUEENSLAND OVERVIEW

Queensland Gross State Product (GSP) grew 8.0% over the year to the June Quarter 2007, significantly greater than the 1.2% growth recorded in Gross Domestic Product (GDP). Queensland household final consumption expenditure grew 3.7% over the year to the June Quarter 2007, buoyed by 10.5% growth in retail trade and 10.5% growth in new motor vehicle sales. Meanwhile, business investment also continued to contribute strongly to economic growth with a 18.5% increase non-residential building approvals and 48.1% increase in engineering construction commencements across Queensland. The labour market showed increased participation with 2.6% growth as employment increased by 3.6%, while the unemployment rate of 4.4% in September 2007 was below the national rate of 4.7%. The labour market is still relatively tight, with skilled job vacancies increasing 8.7% over the year. Meanwhile, wage growth increased at a faster rate than inflation, with average weekly ordinary time earnings increasing 4.6%, above the growth of 2.6% in the Queensland CPI.

| Summary of Statistical Indicators                 |                  |                                         |                                        |
|---------------------------------------------------|------------------|-----------------------------------------|----------------------------------------|
| Indicator                                         | Reference Period | Queensland<br>% chg from a year earlier | Australia<br>% chg from a year earlier |
| <b>Gross State/Domestic Product<sup>(b)</sup></b> |                  |                                         |                                        |
| Household Final Consumption Expenditure           | Jun Q 07         | 3.7                                     | 4.2                                    |
| Private Gross Fixed Capital Formation             | Jun Q 07         | 16.3                                    | 11.0                                   |
| Exports                                           | Jun Q 07         | 4.6                                     | 3.1                                    |
| Imports                                           | Jun Q 07         | 4.1                                     | 11.8                                   |
| State / National Final Demand                     | Jun Q 07         | 8.2                                     | 5.4                                    |
| <b>Gross State (Domestic) Product</b>             | Jun Q 07         | <b>8.0</b>                              | <b>1.2</b>                             |
| <b>Consumption</b>                                |                  |                                         |                                        |
| Retail Trade <sup>(c)</sup>                       | Sep 07           | 10.5                                    | 6.7                                    |
| New Motor Vehicle Sales                           | Sep 07           | 10.5                                    | 9.1                                    |
| <b>Housing</b>                                    |                  |                                         |                                        |
| Dwelling Approvals (No.)                          | Sep 07           | 10.6                                    | -2.4                                   |
| Dwelling Commencements (No.)                      | Jun Q 07         | 10.0                                    | 3.0                                    |
| <b>Business Investment</b>                        |                  |                                         |                                        |
| Non-residential Building Approvals                | Sep 07           | 18.5                                    | 9.4                                    |
| Eng. Const. Commencements                         | Mar Q 07         | 48.1                                    | 67.6                                   |
| New Equipment                                     | Jun Q 07         | Na                                      | Na                                     |
| <b>Demography</b>                                 |                  |                                         |                                        |
| Population                                        | Dec Q 06         | 2.0                                     | 1.4                                    |
| <b>Labour Market</b>                              |                  |                                         |                                        |
| Employment                                        | Aug 07           | 3.6                                     | 2.6                                    |
| Unemployment Rate <sup>(d)</sup>                  | Aug 07           | 4.4                                     | 4.7                                    |
| Labour Force                                      | Aug 07           | 2.6                                     | 2.2                                    |
| DEWRSB Skilled Job Vacancies                      | Aug 07           | 8.7                                     | -4.8                                   |
| ANZ Bank Job Vacancies                            | Aug 07           | -0.7                                    | 0.1                                    |
| <b>Wages and Prices</b>                           |                  |                                         |                                        |
| Average Weekly Ordinary Time Earnings             | Jun Q 07         | 4.6                                     | 4.4                                    |
| CPI                                               | Jun Q 07         | 2.6                                     | 2.1                                    |

Notes: (a) All data is in trend terms unless otherwise indicated (b) Trend chain volume measures (c) Seasonally adjusted terms (d) Level.  
Source: Various, QER, QSA, ABS, DEWSRB, ANZ, ABS 5206.0.

# POPULATION

## POPULATION TRENDS

### CURRENT GROWTH

↑ 3.0% in 2006

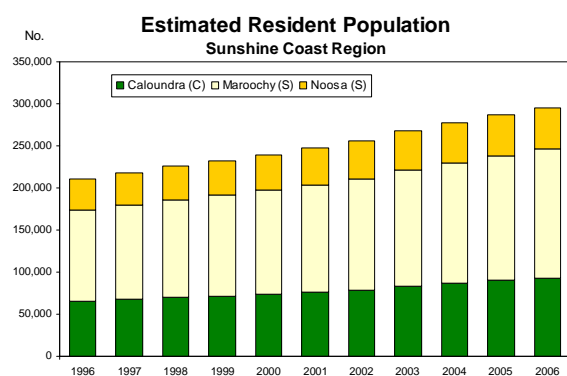
### PROJECTED GROWTH

↑ 2.4% per annum to 2026

| LGA                                 | Actual           |                 |                  | Projections      |                  |                       |
|-------------------------------------|------------------|-----------------|------------------|------------------|------------------|-----------------------|
|                                     | 2006             | Annual % Change | 5-year avg % chg | 2016             | 2026             | Avg Annual Growth (%) |
| <b>Caloundra City</b>               |                  |                 |                  |                  |                  |                       |
| Caloundra North                     | 22,541           | 3.0%            | 4.1%             | 28,268           | 33,696           | 2.0%                  |
| Caloundra South                     | 21,332           | 4.8%            | 6.2%             | 30,270           | 39,996           | 3.2%                  |
| Kawana                              | 21,708           | 3.7%            | 3.9%             | 28,069           | 34,238           | 2.3%                  |
| Hinterland                          | 8,219            | 1.2%            | 1.9%             | 9,227            | 10,365           | 1.2%                  |
| Rail Corridor                       | 19,448           | 3.1%            | 3.2%             | 24,886           | 30,480           | 2.3%                  |
| <i>Total<sup>(a)</sup></i>          | <i>93,248</i>    | <i>3.4%</i>     | <i>4.1%</i>      | <i>120,719</i>   | <i>148,775</i>   | <i>2.4%</i>           |
| <b>Maroochy Shire</b>               |                  |                 |                  |                  |                  |                       |
| Buderim                             | 42,634           | 3.2%            | 5.1%             | 57,021           | 72,036           | 2.7%                  |
| Coastal North                       | 24,627           | 6.5%            | 6.0%             | 31,329           | 38,292           | 2.2%                  |
| Paynter-Petrie Creek                | 16,184           | 3.1%            | 2.9%             | 21,521           | 25,617           | 2.3%                  |
| Maroochydore                        | 17,614           | 2.4%            | 2.4%             | 28,566           | 44,798           | 4.8%                  |
| Mooloolaba                          | 11,128           | 1.8%            | 1.4%             | 12,666           | 19,907           | 3.0%                  |
| Nambour                             | 14,112           | 1.7%            | 1.7%             | 18,766           | 22,338           | 2.3%                  |
| Balance                             | 26,365           | 2.9%            | 3.2%             | 32,778           | 39,972           | 2.1%                  |
| <i>Total<sup>(a)</sup></i>          | <i>152,664</i>   | <i>3.3%</i>     | <i>3.7%</i>      | <i>202,647</i>   | <i>262,960</i>   | <i>2.8%</i>           |
| <b>Noosa Shire</b>                  |                  |                 |                  |                  |                  |                       |
| Noosa-Noosaville                    | 10,043           | 0.7%            | 1.9%             | 11,983           | 14,041           | 1.7%                  |
| Sunshine Peregian                   | 9,953            | 1.0%            | 1.1%             | 11,141           | 11,993           | 0.9%                  |
| Tewantin                            | 12,251           | 0.0%            | 2.0%             | 14,283           | 15,708           | 1.3%                  |
| Balance                             | 16,966           | 3.3%            | 3.7%             | 18,127           | 18,159           | 0.3%                  |
| <i>Total<sup>(a)</sup></i>          | <i>49,213</i>    | <i>1.4%</i>     | <i>2.4%</i>      | <i>55,534</i>    | <i>59,902</i>    | <i>1.0%</i>           |
| <b>Sunshine Coast<sup>(a)</sup></b> | <b>295,125</b>   | <b>3.0%</b>     | <b>3.6%</b>      | <b>378,901</b>   | <b>471,636</b>   | <b>2.4%</b>           |
| <i>Queensland</i>                   | <i>4,050,499</i> | <i>1.3%</i>     | <i>2.2%</i>      | <i>4,834,306</i> | <i>5,693,098</i> | <i>1.7%</i>           |

Note: Balance in SC SSD is now titled Paynter-Petrie Creek.

Source: ABS 3218.0 and Department of Local Government and Planning



Source: ABS 3218.0, QDLGP, AECgroup

It is estimated that there were 295,125 persons living in the Sunshine Coast in 2006, 3.0% more than in 2005. Population growth in the Sunshine Coast in 2006 was 1.7 percentage points above Queensland growth of 1.3%. Average annual population growth between 2001 and 2006 on the Sunshine Coast was 3.6%, 1.4 percentage points above the average population growth in Queensland, with the Sunshine Coast one of the fastest growing regions in the nation.

The Sunshine Coast population is projected to grow at an average annual rate of 2.4% per annum, to 471,636 persons in 2026. The major growth centres are identified as Maroochydore, Mooloolaba and Nambour.

# POPULATION

## DEMOGRAPHY

**The Sunshine Coast has a relatively older population in comparison to Queensland and is characterised by a large proportion of couples without children families and group households.**

**Age Distribution - 2006**

| Age Group | Caloundra | Maroochy | Noosa | SSC   | QLD   |
|-----------|-----------|----------|-------|-------|-------|
| 0-14 yrs  | 19.4%     | 19.8%    | 18.9% | 19.5% | 20.7% |
| 15-19 yrs | 6.2%      | 6.9%     | 6.1%  | 6.5%  | 6.9%  |
| 20-34 yrs | 15.2%     | 16.6%    | 13.1% | 15.6% | 20.3% |
| 35-49 yrs | 20.8%     | 22.2%    | 22.8% | 21.9% | 22.0% |
| 50-64 yrs | 20.0%     | 19.2%    | 22.5% | 20.0% | 17.8% |
| 65+ yrs   | 18.5%     | 15.3%    | 16.6% | 16.5% | 12.4% |

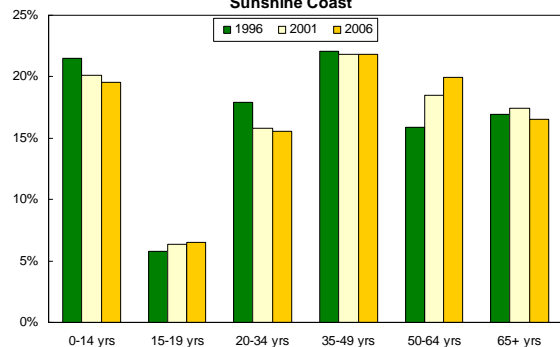
| Median Age (years) | Caloundra | Maroochy | Noosa | SSC | QLD |
|--------------------|-----------|----------|-------|-----|-----|
|                    | 42        | 39       | 43    | 41  | 36  |

Source: ABS Census 2006

The Sunshine Coast demonstrated a comparatively older population to Queensland, with higher proportions of persons aged 50 to 64 years and retirees. This is reflected in the significantly higher median age of 41 for the Sunshine Coast region in comparison to Queensland, which recorded a median age of 36.

Noosa recorded a relatively higher median age of 43 in comparison to other regions, driven by significantly lower than average proportion of 0 to 34 year olds, followed by Caloundra, which recorded a median age of 42. Maroochy recorded the lowest median age at 39 years, although still above that of Queensland.

**Age Distribution Sunshine Coast**



Source: ABS Census 2006.

Over time the Sunshine Coast has recorded an increasing proportion of persons aged 50 to 64 years as the population ages, whilst the proportion of persons aged 0 to 14 and 20 to 34 years has declined. The results suggest that there are a relatively low proportion of families with children living in the region.

**Household Composition - 2006**

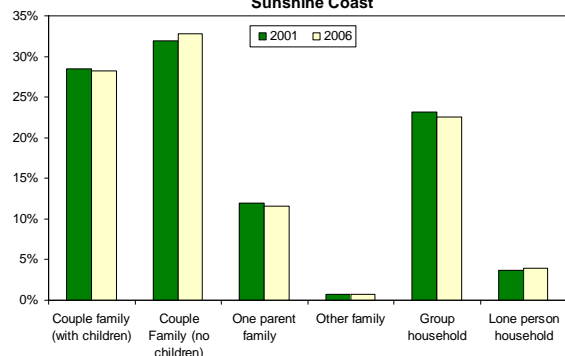
| Age Group                   | Caloundra | Maroochy | Noosa | SSC   | QLD   |
|-----------------------------|-----------|----------|-------|-------|-------|
| Couple family (children)    | 28.0%     | 29.1%    | 26.1% | 28.3% | 31.6% |
| Couple Family (no children) | 34.3%     | 31.5%    | 34.2% | 32.8% | 28.6% |
| One parent family           | 12.0%     | 11.4%    | 11.7% | 11.6% | 11.6% |
| Other family                | 0.8%      | 0.8%     | 0.7%  | 0.7%  | 1.2%  |
| Group household             | 21.9%     | 22.8%    | 23.3% | 22.6% | 22.4% |
| Lone person household       | 3.1%      | 4.3%     | 4.0%  | 3.9%  | 4.5%  |

Source: ABS Census 2006.

Almost one third of households in the Sunshine Coast were couples without children. All other household types are below the Queensland average excepting one-parent families and group households for which the Sunshine Coast recorded a similar proportion to the State.

Noosa and Caloundra in particular recorded a higher than average proportion of couple families without children, with Noosa also recording a higher proportion of group households. Meanwhile Maroochy recorded the highest proportion of couple families with children in the Sunshine Coast at 29.1%, however this was still below the Queensland average.

**Family Composition Sunshine Coast**



Source: ABS Census 2006.

Over time the Sunshine Coast has recorded increases in the number of couple families without children, lone person households and a marginal increase in other family households, with all other categories declining since the 2001 Census.

# GROSS REGIONAL PRODUCT

## SUNSHINE COAST

**CURRENT GROWTH**  
 ↑ 22.9% in 2005-06

### Gross Regional Product (% of total), 2005-06

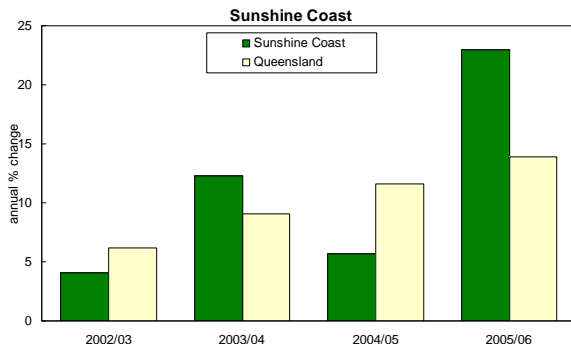
| Industry                            | SSC           | QLD          |
|-------------------------------------|---------------|--------------|
| Agriculture                         | 3.1%          | 4.6%         |
| Mining                              | 0.6%          | 13.8%        |
| Manufacturing                       | 7.4%          | 10.0%        |
| Electricity, Gas & Water            | 3.3%          | 2.2%         |
| Construction                        | 8.5%          | 8.9%         |
| Wholesale Trade                     | 5.3%          | 5.1%         |
| Retail Trade                        | 13.4%         | 8.0%         |
| Accommodation, Cafés & Restaurants  | 6.0%          | 3.2%         |
| Transport & Storage                 | 2.7%          | 5.1%         |
| Communication Services              | 5.0%          | 2.5%         |
| Finance & Insurance                 | 8.6%          | 5.7%         |
| Property & Business Services        | 13.4%         | 11.1%        |
| Government Administration & Defence | 4.2%          | 4.4%         |
| Education                           | 5.0%          | 4.8%         |
| Health & Community Services         | 8.2%          | 7.0%         |
| Cultural & Recreational Services    | 2.0%          | 1.2%         |
| Personal & Other Services           | 3.3%          | 2.3%         |
| <b>Total</b>                        | <b>100.0%</b> | <b>99.9%</b> |

Note: Gross Regional Product is GRP at Factor Cost in nominal terms.  
 Source: SGS Economics and Planning, AECgroup

The Sunshine Coast **Gross Regional Product (GRP) at factor cost**, as estimated by SGS Economics and Planning, increased by 22.9% to \$7.5 billion in 2005-06, not including the contribution of ownership of dwellings and general government. The Sunshine Coast contributed 5.1% of Gross State Product (GSP) at Factor Cost for Queensland in the year.

When compared with Queensland, the Sunshine Coast had a relatively larger concentration of economic activity in the retail trade, accommodation, cafés & restaurants, finance & insurance and property & business services sectors in 2005-06. The region has relatively less activity in mining, manufacturing and agriculture.

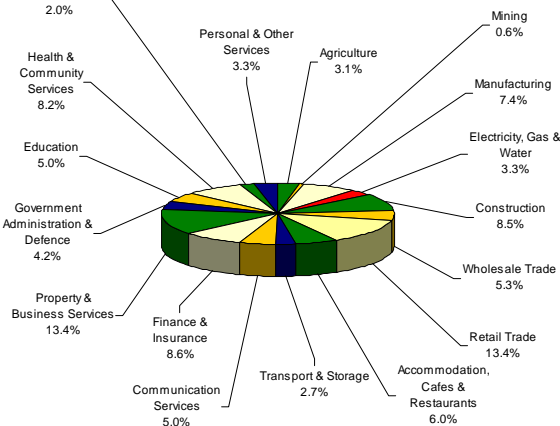
### Growth in GRP at Factor Cost



Source: SGS Economics and Planning, AECgroup

Growth of 22.9% in the Sunshine Coast's GRP at factor cost was above the 13.9% annual growth recorded in GSP in 2005-06. Between 2001-02 and 2005-06, the Sunshine Coast's GRP at Factor Cost has grown at an average annual rate of 12.3%, above growth in GSP at Factor Cost of 10.2% over the same period.

### Gross Regional Product Sunshine Coast, 2005-06



Source: SGS Economics and Planning

Property & business services and retail trade were the dominant industries in the Sunshine Coast, accounting for 13.4% of total GRP at factor cost each. Finance & insurance also contributed strongly (8.6%), as did construction (8.5%) and health & community services (8.2%). The Sunshine Coast is relatively diverse in terms of industry contribution to GRP, indicating that the regional economy should generally be capable of weathering economic shocks whilst capitalising on growth opportunities.

**Note: It must be noted that prices are at factor cost (or GRP less indirect taxes) and in nominal terms and as such do not correspond with chain volume measures.**

# EMPLOYMENT

## CENSUS DATA

**The Sunshine Coast labour force participation has increased significantly over the past five years in comparison to Queensland, whilst unemployment has declined.**

|                       | Labour Force     |                  |                           |
|-----------------------|------------------|------------------|---------------------------|
|                       | 2006             | 2001             | Average Annual Growth (%) |
| Caloundra             | 41,125           | 31,173           | 5.7%                      |
| Maroochy              | 72,069           | 57,075           | 4.8%                      |
| Noosa                 | 28,320           | 22,378           | 4.8%                      |
| <b>Sunshine Coast</b> | <b>135,184</b>   | <b>107,447</b>   | <b>4.7%</b>               |
| <i>Queensland</i>     | <i>1,918,640</i> | <i>1,678,072</i> | <i>2.7%</i>               |

Source: ABS Census 2001, 2006

|                       | Participation Rate |             |                |
|-----------------------|--------------------|-------------|----------------|
|                       | 2006 (%)           | 2001 (%)    | % point change |
| Caloundra             | 58.2               | 53.9        | 4.3            |
| Maroochy              | 62.9               | 59.8        | 3.1            |
| Noosa                 | 59.1               | 57.9        | 1.2            |
| <b>Sunshine Coast</b> | <b>60.8</b>        | <b>57.6</b> | <b>3.2</b>     |
| <i>Queensland</i>     | <i>66.3</i>        | <i>63.9</i> | <i>2.4</i>     |

Source: ABS Census 2001, 2006

|                       | Employment       |                  |                           |
|-----------------------|------------------|------------------|---------------------------|
|                       | 2006             | 2001             | Average Annual Growth (%) |
| Caloundra             | 38,825           | 27,678           | 7.0%                      |
| Maroochy              | 67,969           | 50,669           | 6.1%                      |
| Noosa                 | 26,543           | 19,753           | 6.1%                      |
| <b>Sunshine Coast</b> | <b>127,406</b>   | <b>95,294</b>    | <b>6.0%</b>               |
| <i>Queensland</i>     | <i>1,827,601</i> | <i>1,540,528</i> | <i>3.5%</i>               |

Source: ABS Census 2001, 2006

|                       | Unemployment Rate |             |                |
|-----------------------|-------------------|-------------|----------------|
|                       | 2006 (%)          | 2001 (%)    | % point change |
| Caloundra             | 5.6               | 11.2        | -5.6           |
| Maroochy              | 5.7               | 11.2        | -5.5           |
| Noosa                 | 6.3               | 11.7        | -5.5           |
| <b>Sunshine Coast</b> | <b>5.8</b>        | <b>11.3</b> | <b>-5.6</b>    |
| <i>Queensland</i>     | <i>4.7</i>        | <i>8.2</i>  | <i>-3.5</i>    |

Source: ABS Census 2001, 2006

The Sunshine Coast labour force has grown 27,737 persons since 2001 to 135,184 persons in 2006. Labour force in the Sunshine Coast recorded 4.7% growth per annum over the past five years. This was greater than average annual labour force growth in Queensland of 2.7% per annum.

Maroochy Shire accounts for 53.3% of the total labour force, followed by Caloundra City (30.4%) and Noosa Shire (20.9%). Average annual labour force growth was greatest in Caloundra (5.7%) followed by Maroochy and Noosa that each recorded 4.8% average annual growth per annum over the past five years.

The participation rate in the Sunshine Coast has increased by 3.2 percentage points over the past five years to 60.8%. This was greater than the 2.4 percentage points increase recorded by Queensland over the same period, however the Sunshine Coast participation rate remains below that of Queensland's (66.3%).

Growth in the participation rate was greatest in Caloundra City (4.3 percentage points over the past five years), followed by Maroochy Shire (3.1 percentage points) and Noosa Shire (1.2 percentage points).

The increasing participation rate in the Sunshine Coast is reflective of strengthening employment prospects in the region, driven by a positive economic and business outlook.

Employment in the Sunshine Coast has increased by 32,112 workers over the past five years to 127,406 employees in 2006. Employment growth in the Sunshine Coast (6.0% per annum on average over the past five years) was almost double that of Queensland (3.5% per annum) over the period.

Employment growth has been strongest in Caloundra (7.0% per annum on average over the past five years), followed by Maroochy and Noosa Shires, which both recorded average annual growth rates of 6.1%.

The unemployment rate in the Sunshine Coast has declined considerably since 2001 falling 5.6 percentage points to 5.8% in 2006. This decline was more pronounced than that recorded by Queensland, which fell 3.5 percentage points to 4.7%.

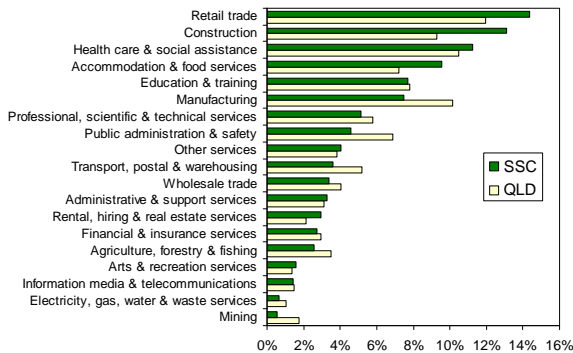
Caloundra City recorded the lowest unemployment rate in the Sunshine Coast at 5.6% in 2006, followed by Maroochy (5.7%) and Noosa (6.3%). All regions' recorded the a similar decline in the unemployment rate over the past five years.

The decline in the unemployment rate in the Sunshine Coast has been driven by a significant increase in employment opportunities in the region.

# EMPLOYMENT CENSUS DATA

**When compared to Queensland, employment in the Sunshine Coast is more reliant on the industries of retail trade, construction and accommodation and food services.**

## Industry of Employment

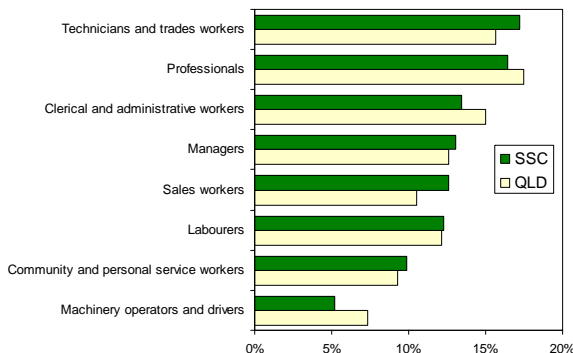


Source: ABS Census Data 2006

The 2006 Census revealed retail trade as the industry employing the greatest proportion of Sunshine Coast employees (14.0%). This was followed by the construction (12.8%), health care and social assistance (11.0%) and accommodation and food services (9.8%) industries, mining and electricity, gas and water employed the lowest proportions of employees, with both sectors employing 0.6% of the labour force.

When compared to Queensland, the Sunshine Coast has a relatively higher proportion of persons employed in the retail trade, construction and accommodation and food services industries, and a lower proportion of persons employed in the manufacturing, public administration and safety, transport, postal and warehousing and mining industries.

## Employee Occupation



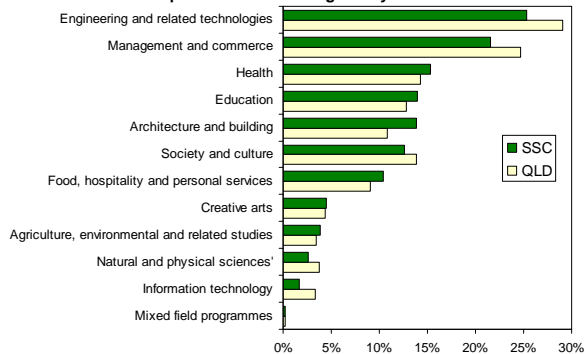
Source: ABS Census Data 2006

Technicians and trades workers (16.9%) is the dominant occupation of employment in the Sunshine Coast, followed by professionals (16.1%), clerical and administrative workers (13.2%), managers (12.8%), sales workers (12.4%) and labourers (12.1%). Machinery operators and drivers recorded the lower proportion of employment (5.2%).

When compared to Queensland, the Sunshine Coast employs a relatively higher proportion of persons in the occupations of technicians and trades workers and sales workers, and a relatively lower proportion of persons in the occupations of professionals, clerical and administrative workers and machinery operators and drivers.

## Field of Study

### Proportion of Persons aged 15 years and over



Source: ABS Census Data 2006. AECgroup.

Engineering and related technologies (25.3%) is the most common post-school qualification in the Sunshine Coast amongst persons aged 15 years or over.

When compared to Queensland, the Sunshine Coast has a greater proportion of persons with a formal qualification in the fields of:

- Architecture and building (13.9% compared to 10.9% Queensland);
- Health (15.3% compared to 14.2% Queensland);
- Education (14.0% compared to 12.9% Queensland);
- Food, hospitality and personal services (10.4% compared to 9.1% Queensland);
- Agriculture, environment and related studies (3.8% compared to 3.5% Queensland); and
- Creative arts (4.5% compared to 4.4% Queensland).

# EMPLOYMENT

## SMALL AREA LABOUR MARKET ANALYSIS

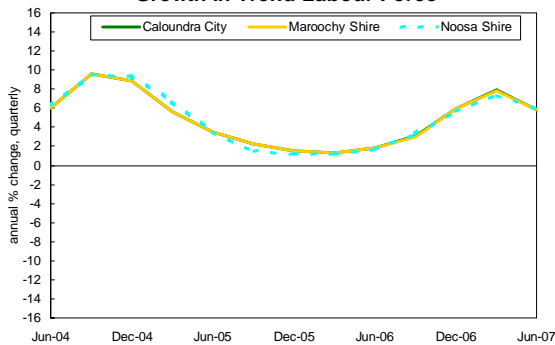
Labour market conditions are expected to continue to strengthen in the short term, with employment prospects improving over the past year.

### Small Area Labour Market Analysis

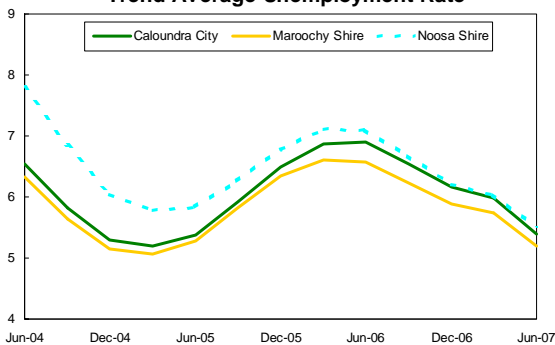
|                       | Trend Unemployment Rate (%) |            | Trend Labour Force (No.) |            |
|-----------------------|-----------------------------|------------|--------------------------|------------|
|                       | Jun-07                      | Jun-06     | Jun-07                   | Ann % chg  |
| <b>Caloundra City</b> | <b>5.4</b>                  | <b>6.9</b> | <b>42,610</b>            | <b>5.8</b> |
| Hinterland            | 4.2                         | 7.2        | 9,746                    | 147.2      |
| Rail Corridor         | 4.7                         | 5.9        | 10,221                   | 10.9       |
| Kawana                | 5.3                         | 5.3        | 4,170                    | -56.7      |
| Caloundra North       | 5.8                         | 7.4        | 10,629                   | 6.1        |
| Caloundra South       | 7.5                         | 9.6        | 7,844                    | 5.2        |
| <b>Maroochy Shire</b> | <b>5.2</b>                  | <b>6.6</b> | <b>77,601</b>            | <b>5.8</b> |
| Buderim               | 3.4                         | 4.5        | 19,884                   | 5.8        |
| Paynter-Petrie Creek  | 5.2                         | 6.4        | 8,372                    | 5.8        |
| Balance               | 5.2                         | 6.1        | 14,641                   | 5.9        |
| Mooloolaba            | 5.2                         | 7.1        | 7,285                    | 6.2        |
| Nambour               | 5.8                         | 7.0        | 6,510                    | 6.2        |
| Coastal North         | 6.1                         | 7.9        | 11,501                   | 6.2        |
| Maroochydore          | 7.2                         | 9.6        | 9,408                    | 6.2        |
| <b>Noosa Shire</b>    | <b>5.5</b>                  | <b>7.1</b> | <b>25,777</b>            | <b>6.0</b> |
| Sunshine Peregian     | 4.2                         | 5.4        | 6,147                    | 5.8        |
| Balance               | 5.9                         | 7.7        | 8,325                    | 5.8        |
| Noosa-Noosaville      | 6.0                         | 7.6        | 5,400                    | 6.2        |
| Tewantin              | 6.1                         | 7.3        | 5,905                    | 6.1        |

Note: June Quarter 2007 data is the most recent available.  
Source: DEWR Small Area Labour Market Analysis

#### Growth in Trend Labour Force



#### Trend Average Unemployment Rate



Source: DEWR Small Area Labour Market Analysis, AECeconomics

#### Individual Income - 2006

|                       | 2006         | 2001         | Ave. Ann. Growth (2001 to 2006) |               |
|-----------------------|--------------|--------------|---------------------------------|---------------|
|                       | (\$)         | (\$)         | (%)                             | (\$)          |
| Caloundra             | \$411        | \$390        | 1.1%                            | \$4.20        |
| Maroochy              | \$440        | \$416        | 1.1%                            | \$4.80        |
| Noosa                 | \$420        | \$434        | -0.7%                           | -\$2.80       |
| <b>Sunshine Coast</b> | <b>\$428</b> | <b>\$418</b> | <b>0.5%</b>                     | <b>\$2.00</b> |
| <b>Queensland</b>     | <b>\$476</b> | <b>\$460</b> | <b>0.7%</b>                     | <b>\$3.20</b> |

Source: ABS Census 2001, 2006

Small Area Labour Market data from the Department of Employment and Workplace Relations (DEWR) indicates that the labour force continued to trend higher in the June Quarter 2007. The rate of growth has increased in comparison to one year ago in Caloundra City (5.8% compared to 1.9% in the June Quarter 2006), Maroochy (5.8% compared to 1.9%) and Noosa (6.0% compared to 1.7%).

Labour force participation increased in all regions in the Sunshine Coast, with Noosa Shire recording the highest growth (6.0%) followed by Caloundra City (5.8%) and Maroochy Shire (5.8%).

The June Quarter 2007 also saw the trend unemployment rate decline in all regions, with Noosa Shire (down 1.6 percentage points to 5.5%) recording the most significant decline followed by Caloundra City (down 1.5 percentage points to 5.4%), and Maroochy Shire (down 1.4 percentage points to 5.2%).

The trend unemployment rate was lowest in the following Statistical Local Areas (SLAs) within the Sunshine Coast in the June Quarter 2007:

- Buderim (3.4%);
- Sunshine Peregian (4.2%); and
- Hinterland (4.2%),

and was highest in the SLAs of:

- Caloundra South (7.5%);
- Maroochydore (7.2%);
- Coastal North (6.1%); and
- Tewantin (6.1%).

The unemployment rate has been trending lower for the past year in response to a consistent strengthening of the labour market over the same period.

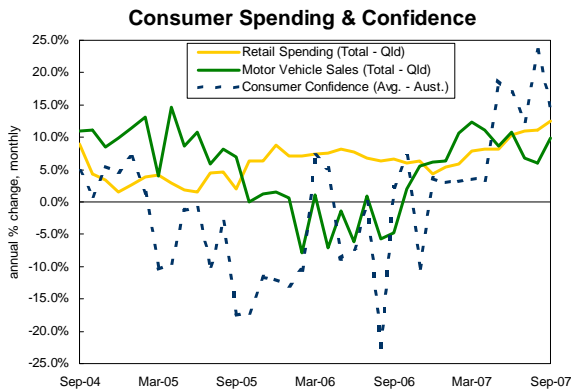
**Note: It is inappropriate to derive exact employment estimates from the DEWR Small Area Labour Market data. Small Area Labour Force data may have high standard errors associated with it. Care should be taken in the interpretation of regional estimates. The estimates in this collection have not been adjusted to take account of seasonal or other variations.**

The Sunshine Coast recorded an average weekly individual income of \$428, below that recorded by Queensland in 2006. In addition to this, the average weekly individual wage also grew slower than the state average at 0.5% per annum, or \$2.00 a year.

Maroochy recorded the greatest average annual growth in dollar terms to have an average weekly income of \$440, whilst Noosa recorded an overall decline in the average weekly individual income in the five years to the 2006 Census.

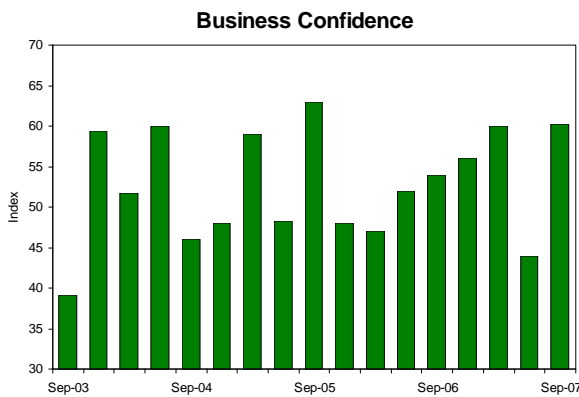
# BUSINESS & CONSUMER CONFIDENCE

**Consumer confidence continued to strengthen in the September Quarter 2007. Business confidence also strengthened considerably since the previous quarter.**



Source: ABS 8501.0, ABS 9314.0, RBA Statistical Table G08

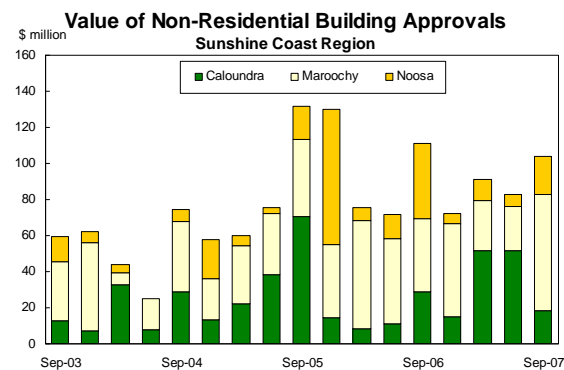
Consumer confidence continued to grow in the September Quarter 2007, despite an interest rate rise by the Reserve Bank of Australia and the threat of future rate rises. Motor vehicle sales grew 12.6% in the September Quarter 2007, whilst the rate of growth for retail spending increased for the fourth consecutive quarter.



Source: Commerce Queensland

The September Quarter 2007 saw business confidence return to previous high levels following a sharp decline in the June Quarter 2007 to the lowest level since 2003. This increase was likely driven by continued growth in sales revenue and profitability.

Key concerns of business for the coming quarters include labour recruitment and retention, direct and indirect wage costs, political and economic uncertainty and the impact of heightened interest rates.



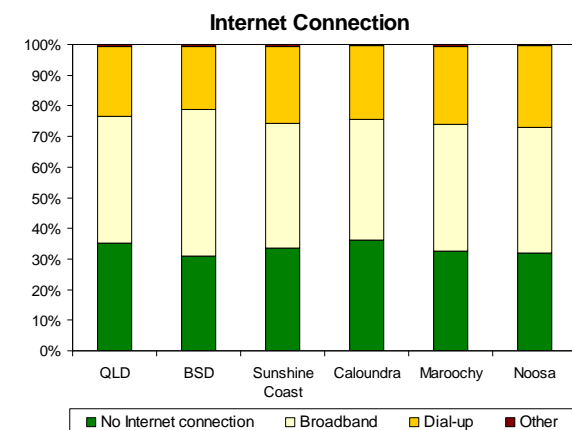
Source: ABS 8731.0

The value of non-residential building approvals in the Sunshine Coast Region declined 6.5% to \$103.8 million in the September Quarter 2007 when compared to the same quarter one year ago. This was driven by annual declines in non-residential building investment in Caloundra (down 37.2% to \$18.1 million) and Noosa (down 50.1% to \$20.9 million) that offset a 60.4% increase in non-residential building investment in Maroochy (\$64.8 million).

Despite the annual decline, the September Quarter 2007 recorded the fourth-highest level of non-residential building investment since the September Quarter 2003.

Almost two-thirds (66.4%) of households on the Sunshine Coast recorded having an internet connection at the time of the 2006 ABS Census. This figure was greater than that of the State (64.8%), however lower than the Brisbane SD average of 69.0%.

Noosa Shire recorded that greatest proportion of households having an internet connection at 68.1%, followed by Maroochy Shire (67.4%) and Caloundra City (63.9%).



Source: ABS Census 2006.

# DWELLING INVESTMENT

## DWELLING APPROVALS – SUNSHINE COAST

Dwelling investment increased substantially in the September Quarter 2007 to record the third highest number of dwelling approvals and the highest value of dwelling approvals since the September Quarter 2003.

### Dwelling Approvals Statistics – Sunshine Coast

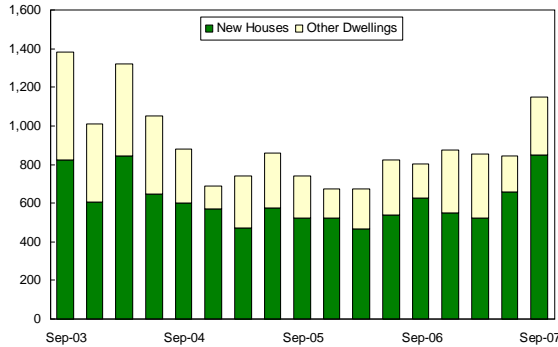
|                         | Sep Q 07<br>Level | % change on<br>Jun Q 07 | % change on<br>Sep Q 06 |
|-------------------------|-------------------|-------------------------|-------------------------|
| <b>Number</b>           |                   |                         |                         |
| Dwellings               | 1,150             | 36.3                    | 43.4                    |
| New Houses              | 848               | 28.5                    | 35.2                    |
| Other Dwellings         | 302               | 64.1                    | 72.6                    |
| <b>Value</b>            | <b>(\$'000)</b>   |                         |                         |
| Dwellings               | 335,990           | 14.3                    | 50.1                    |
| New Houses              | 216,948           | 27.1                    | 42.9                    |
| Other Dwellings         | 86,028            | -6.5                    | 155.5                   |
| Alterations & Additions | 33,014            | 5.8                     | -8.8                    |

Source: ABS 8731.0

There were 1,150 dwellings approved in the September Quarter 2007 in the Sunshine Coast Region, 43.4% more than the same quarter in the previous year.

In line with the increase in the number of dwelling approvals, the value of approvals increased 50.1% in annual terms to \$336.0 million.

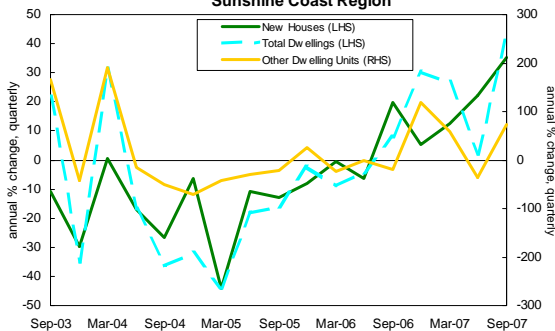
### New Dwelling Approvals Sunshine Coast Region



Source: ABS 8731.0

The 1,150 dwellings approved in the Sunshine Coast Region were above the five-year quarterly average of 991 approvals. This was the third-highest number of approvals recorded in a quarter on the Sunshine Coast since the September Quarter 2003.

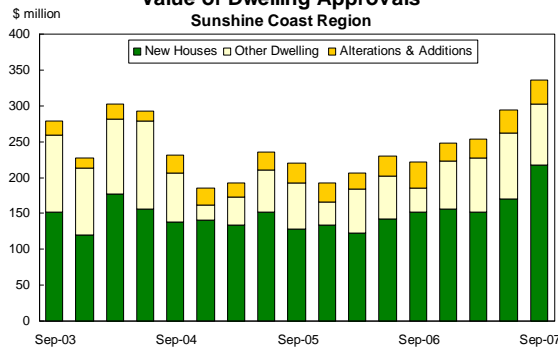
### Annual Growth in Dwelling Approvals Sunshine Coast Region



Source: ABS 8731.0

The annual increase in house approvals of 43.4% in the September Quarter 2007 was driven by increases in new house approvals (up 35.2%) and other dwelling approvals (up 72.6%). This is the fifth consecutive quarter of growth in new house approvals, and total dwelling approvals.

### Value of Dwelling Approvals Sunshine Coast Region



Source: ABS 8731.0

The 50.1% rise in value of dwelling approvals was driven by significant growth in value of other dwellings (up 155.5%) and new houses (up 42.9%) that offset a decline in the value of alterations and additions (down 8.8%).

Despite relatively stable approval numbers leading up to the latest quarter, this is the fifth consecutive quarter of growth in the value of dwelling approvals. This is reflective of increasing building material costs.

# DWELLING INVESTMENT

## DWELLING APPROVALS – CALOUNDRA CITY

The number and value of dwelling approvals increased significantly in Caloundra to have the highest number and value of dwellings approved since the September Quarter 2003.

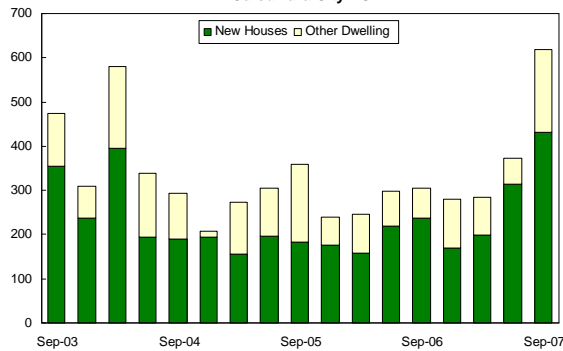
### Dwelling Approvals Statistics – Caloundra City

|                       | Sep Q 07<br>Level | % change<br>on Jun Q 07 | % change<br>on Sep Q 06 |
|-----------------------|-------------------|-------------------------|-------------------------|
| <b>Number</b>         |                   |                         |                         |
| Dwellings             | 618               | 65.7                    | 102.6                   |
| New Houses            | 431               | 37.3                    | 81.1                    |
| Other Dwellings       | 187               | 216.9                   | 179.1                   |
| <b>Value (\$'000)</b> |                   |                         |                         |
| Dwellings             | 169,463           | 67.3                    | 125.1                   |
| New Houses            | 97,202            | 43.7                    | 93.2                    |
| Other Dwellings       | 63,234            | 147.2                   | 301.9                   |
| Alterations & Adds    | 9,027             | 11.7                    | -2.3                    |

Source: ABS 8731.0

In Caloundra City there were 618 dwellings approved comprising 431 new house approvals and 187 other dwelling approvals in the September Quarter 2007.

### New Dwelling Approvals Caloundra City LGA

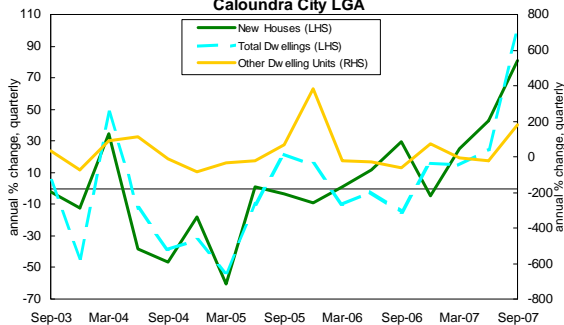


Source: ABS 8731.0

The 618 dwellings approved in the September Quarter 2007 were above the five-year quarterly average of 410 dwelling approvals.

The 618 dwelling approvals for Caloundra in the current quarter are the greatest number approved since the September Quarter 2003. This is also the greatest single number of dwelling approvals for new houses and other dwellings since September Quarter 2003 for Caloundra.

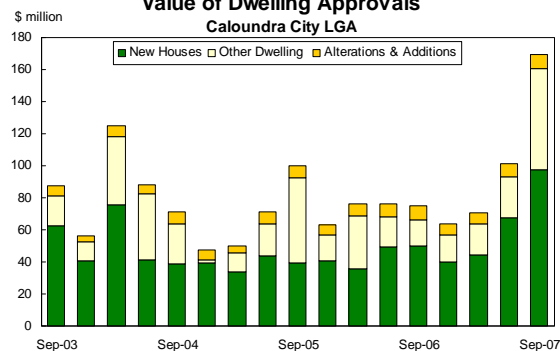
### Annual Growth in Dwelling Approvals Caloundra City LGA



Source: ABS 8731.0

The 618 dwellings approved in Caloundra City was 102.6% more than the September Quarter 2006 with strong growth recorded in the number of other dwelling approvals (up 179.1%) and new house approvals (up 81.1%).

### Value of Dwelling Approvals Caloundra City LGA



Source: ABS 8731.0

In line with the increased number of dwelling approvals, the value of approvals increased 125.1% to \$169.5 million in the September Quarter 2007. This increase was driven by increases in the value of new houses (up 93.2%) and other dwelling approvals (up 301.9%) that offset a decline in the value of alterations and additions (-2.3%).

The value of dwelling approvals for the September Quarter 2007 is the highest value recorded in Caloundra City since the September Quarter 2003. The value of new house and other dwelling approvals for this quarter are also the single highest values recorded for these building types since the September Quarter 2003.

# DWELLING INVESTMENT

## DWELLING APPROVALS – MAROOCHY SHIRE

The value and number of dwelling approvals increased in the September Quarter 2007 from one year ago. Despite this increase, the results were below the five-year quarterly average for the September Quarter.

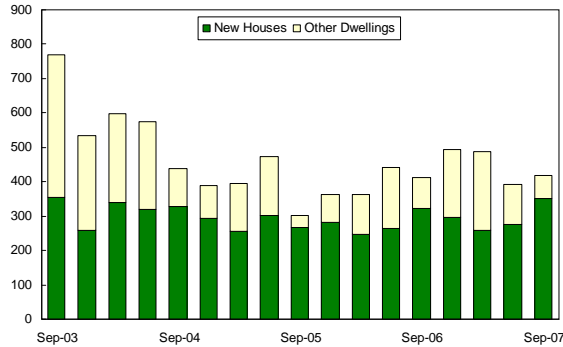
### Dwelling Approvals Statistics – Maroochy Shire

|                       | Sep Q 07 Level | % change on Jun Q 07 | % change on Sep Q 06 |
|-----------------------|----------------|----------------------|----------------------|
| <b>Number</b>         |                |                      |                      |
| Dwellings             | 419            | 6.9                  | 1.7                  |
| New Houses            | 350            | 26.8                 | 8.7                  |
| Other Dwellings       | 69             | -40.5                | -23.3                |
| <b>Value (\$'000)</b> |                |                      |                      |
| Dwellings             | 114,277        | -22.4                | 9.3                  |
| New Houses            | 88,508         | 17.0                 | 11.7                 |
| Other Dwellings       | 12,356         | -79.5                | 3.5                  |
| Alterations & Adds    | 13,413         | 20.0                 | 0.3                  |

Source: ABS 8731.0

There were 419 dwellings approved in Maroochy Shire in the September Quarter 2007, representing a 1.7% increase from the September Quarter 2006.

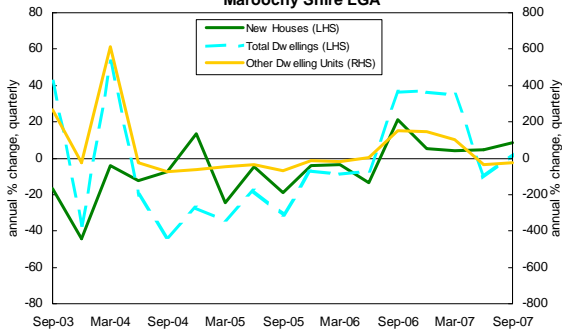
### New Dwelling Approvals Maroochy Shire LGA



Source: ABS 8731.0

The 419 dwellings approved in the September Quarter 2007 were below the five-year quarterly average of 468.

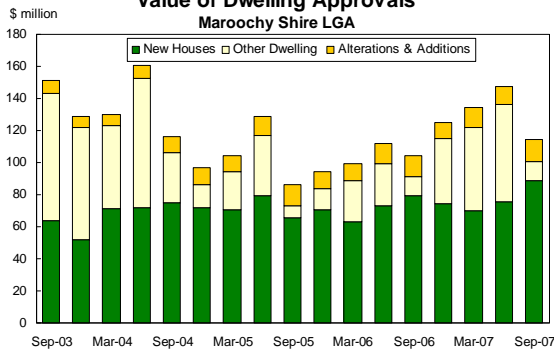
### Annual Growth in Dwelling Approvals Maroochy Shire LGA



Source: ABS 8731.0

The 1.7% increase in the number of dwelling approvals was driven by an 8.7% increase in the number of new house approvals that offset a 23.3% decrease in the number of other dwelling approvals.

### Value of Dwelling Approvals Maroochy Shire LGA



Source: ABS 8731.0

In line with the annual increase in approval numbers, the value of dwelling approvals increased 9.3% to \$114.3 million in the September Quarter 2007. This growth was largely driven by an increase in the value of new house approvals.

# DWELLING INVESTMENT

## DWELLING APPROVALS – NOOSA SHIRE

The number of dwelling approvals increased significantly in September Quarter 2007 to be at their highest recorded level since the December Quarter 2004.

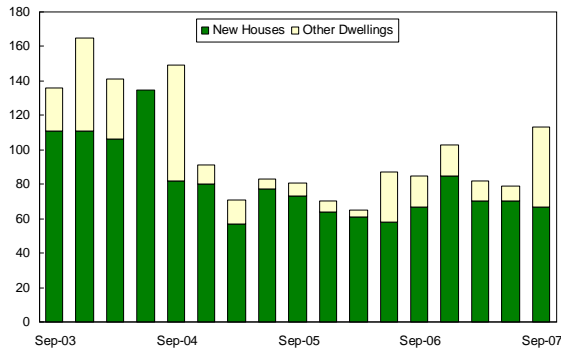
### Dwelling Approvals Statistics – Noosa Shire

|                       | Sep Q 07<br>Level | % change<br>on Jun Q 07 | % change<br>on Sep Q 06 |
|-----------------------|-------------------|-------------------------|-------------------------|
| <b>Number</b>         |                   |                         |                         |
| Dwellings             | 113               | 43.0                    | 32.9                    |
| New Houses            | 67                | -4.3                    | 0.0                     |
| Other Dwellings       | 46                | 411.1                   | 155.6                   |
| <b>Value (\$'000)</b> |                   |                         |                         |
| Dwellings             | 52,251            | 15.2                    | 24.8                    |
| New Houses            | 31,238            | 14.2                    | 40.2                    |
| Other Dwellings       | 10,439            | 72.6                    | 74.0                    |
| Alterations & Adds    | 10,574            | -11.6                   | -22.2                   |

Source: ABS 8731.0

Noosa Shire recorded 113 dwelling approvals in the September Quarter 2007, 32.9% more than the September Quarter of the previous year.

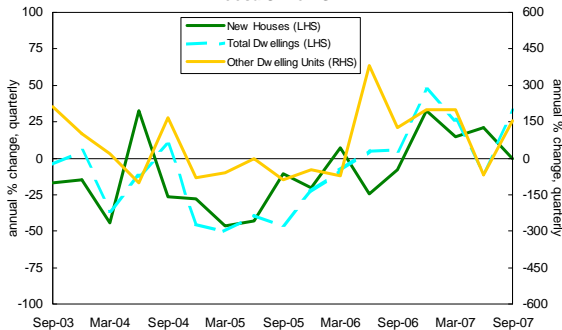
### New Dwelling Approvals Noosa Shire LGA



Source: ABS 8731.0

The 113 dwellings approved in Noosa Shire in the September Quarter 2007 were on par with the five-year quarterly average of 113 approvals.

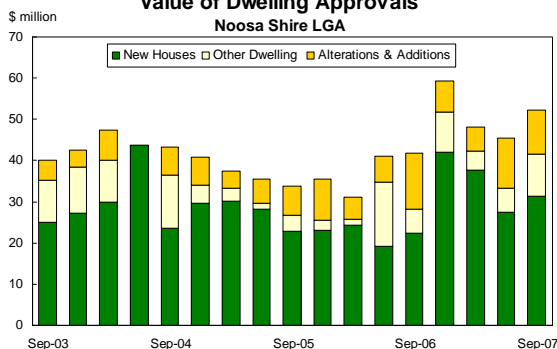
### Annual Growth in Dwelling Approvals Noosa Shire LGA



Source: ABS 8731.0

Annual growth in approval of other dwellings (up 155.6%) drove the annual increase in total dwelling approvals in Noosa Shire, whilst the number of new house approvals was equivalent to the same quarter a year ago.

### Value of Dwelling Approvals Noosa Shire LGA



Source: ABS 8731.0

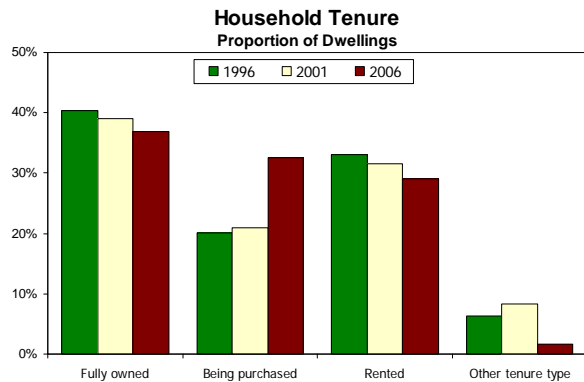
In line with the annual decline in approval numbers, the value of dwelling approvals in Noosa Shire increased 24.8% to \$52.3 million in the September Quarter 2007. This was driven by increases in the value of new houses (up 40.2%) and other dwellings (up 74.0%). This follows strong growth recorded in the past three quarters and is likely to be an outcome of the increased value of new dwellings in Noosa given the diminishing supply of land and the population cap.

Notably, the value of dwelling approvals for the September Quarter 2007 is the second highest value recorded in Noosa since the September Quarter 2003.

# PROPERTY MARKET

## CENSUS DATA

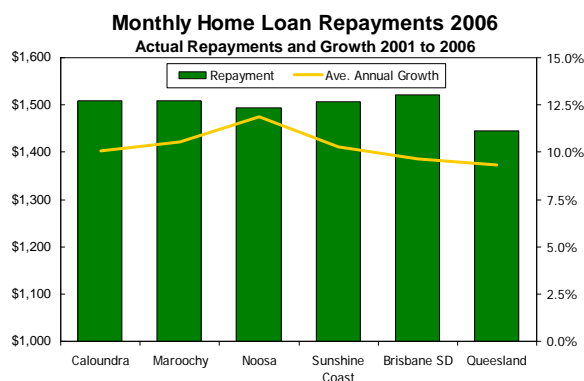
Home loan repayments have risen over the past five years to be at the same level as the BSD and Queensland whilst rents were higher than the BSD and state averages in 2006.



Source: ABS Census 2006, 2001, 1996

Since the 1996 Census, the proportion of fully owned and rented dwellings has decreased in lieu of dwellings being purchased (under mortgage). Other tenure types recorded an increase in the level of dwellings owned under this category between 1996 and 2001, however, recorded a 6.8 percentage point decline between 2001 and 2006.

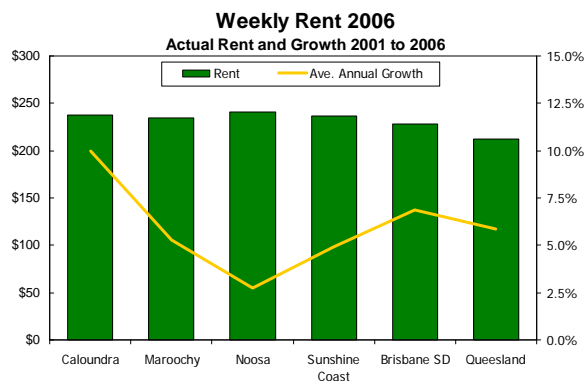
The significant increase in dwellings being purchased is reflective of the property boom that occurred between the past two Census'.



Source: ABS Census 2006, 2001

The average monthly home loan repayment for the Sunshine Coast at the time of the 2006 Census was \$1,506. This figure was \$60 greater than the State average (\$1,446) and slightly below the Brisbane SD average monthly home loan repayment of \$1,522. Since 2001, the Sunshine Coast has recorded average annual growth in home loan repayments of 10.3%, whilst Queensland and the Brisbane SD have grown at the relatively lower rate of 9.3% and 9.7%, respectively.

Home loan repayments growth on the Sunshine Coast was driven by Noosa and Maroochy, which recorded average annual growth in home loan repayments of 11.9% and 10.6%, respectively, since 2001. Caloundra grew at the relatively lower rate of 10.1%, with this figure still higher than growth recorded in the Brisbane SD and in Queensland as a whole. Presently, the average monthly home loan repayment in Caloundra is \$1,510, followed by Maroochy (\$1,508) and Noosa (\$1,494).



Source: ABS Census 2006, 2001

The average weekly rent on the Sunshine Coast at the time of the 2006 Census was \$236, greater than that recorded for the Brisbane SD (\$228) and Queensland (\$213). The Sunshine Coast has recorded an average annual growth rate of 4.9% since the 2001 Census, a figure that is considerably lower than growth experienced in the wider Brisbane SD (6.8%) and Queensland (5.8%).

Noosa recorded the greatest average weekly rent at \$241, followed by Caloundra (\$238) and Maroochy (\$234). However, Caloundra recorded the highest average annual growth in rents of 10.0% since the 2001 Census, followed by Maroochy (5.3%) and Noosa (2.8%).

# PROPERTY MARKET

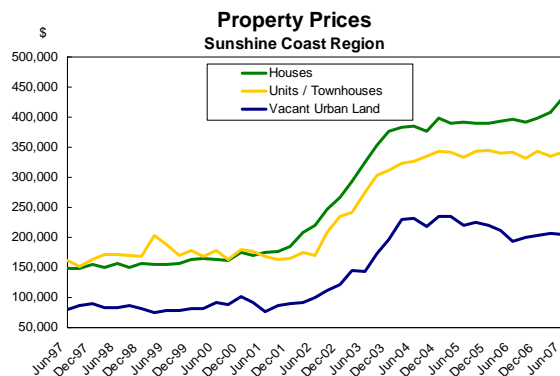
## SALES AND PRICES

**House prices on the Sunshine Coast rose 9.0% over the year to June Quarter 2007, indicative of high demand/low supply pressures acting upon the property market to result in increased home prices.**

### House and Townhouse/Unit Sales, Sunshine Coast Region June Quarter 2007

|                         | No. | Value (\$) | % value change on Jun 06 |
|-------------------------|-----|------------|--------------------------|
| <b>Houses</b>           |     |            |                          |
| Caloundra City LGA      | 375 | 429,000    | 10.0                     |
| Maroochy Shire LGA      | 521 | 425,000    | 10.4                     |
| Noosa Shire LGA         | 170 | 457,250    | 3.6                      |
| <b>Units/Townhouses</b> |     |            |                          |
| Caloundra City LGA      | 191 | 336,000    | 4.4                      |
| Maroochy Shire LGA      | 327 | 324,000    | -2.0                     |
| Noosa Shire LGA         | 131 | 392,250    | -3.1                     |

Source: REIQ

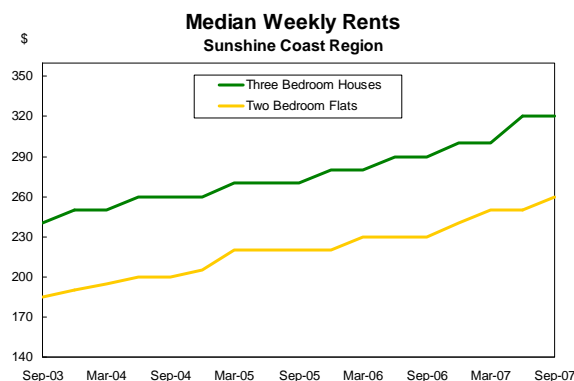


Source: REIQ

### Median Weekly Rents, Sunshine Coast Region, Sept Quarter 2007

| <b>Houses</b>         | <b>2 Bedrooms</b> |              | <b>3 Bedrooms</b> |              | <b>4 Bedrooms</b> |              |
|-----------------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|
|                       | Rents             | Annual % chg | Rents             | Annual % chg | Rents             | Annual % chg |
| Caloundra             | 250               | 4.2          | 330               | 13.8         | 395               | 12.9         |
| Maroochy              | 270               | 8.0          | 320               | 12.3         | 390               | 11.4         |
| Noosa                 | 270               | 5.9          | 340               | 17.2         | 390               | 6.8          |
| <i>Sunshine Coast</i> | <i>260</i>        | <i>4.0</i>   | <i>320</i>        | <i>10.3</i>  | <i>390</i>        | <i>11.4</i>  |
| <b>Flats</b>          |                   |              |                   |              |                   |              |
|                       | <b>1 Bedroom</b>  |              | <b>2 Bedrooms</b> |              | <b>3 Bedrooms</b> |              |
|                       | Rents             | Annual % chg | Rents             | Annual % chg | Rents             | Annual % chg |
| Caloundra             | 200               | -9.1         | 260               | 13.0         | 350               | 6.1          |
| Maroochy              | 205               | 13.9         | 260               | 13.0         | 310               | 6.9          |
| Noosa                 | 195               | 8.3          | 280               | 14.3         | 380               | 22.6         |
| <i>Sunshine Coast</i> | <i>200</i>        | <i>11.1</i>  | <i>260</i>        | <i>13.0</i>  | <i>320</i>        | <i>6.7</i>   |

Source: Residential Tenancies Authority



Source: Residential Tenancies Authority

In the June Quarter 2007, the Sunshine Coast recorded a total of 1,066 house sales, 19.7% fewer sales than recorded in the same quarter one year ago. The majority of sales occurred in Maroochy Shire (521).

There were 649 unit/townhouse sales on the Sunshine Coast in the June Quarter 2007, 21.4% fewer sales than recorded in the same quarter one year ago. The majority of sales occurred in Maroochy Shire with 327 sales, followed by Caloundra City (191) and Noosa Shire (131).

The Sunshine Coast median sales prices for houses rose in annual terms by 9.0% in the June Quarter 2007. Vacant urban land prices also rose by 6.3% while median sales prices for units/townhouses fell 0.2%. House and unit prices have been relatively stable over the past three years, however data for vacant urban land prices suggests a marginal trend decline over the same period. At the same time strong inflation was recorded for the period, suggesting that real prices have likely decreased in recent years.

Median weekly house rents increased across the Sunshine Coast in the September Quarter 2007. The strongest annual growth in house rents was experienced by three bedroom houses in Noosa (up 17.2%).

Median weekly flat rents on the Sunshine Coast increased across the Sunshine Coast, with exception of one-bedroom flats in Caloundra (down 9.1%). The strongest annual growth in house rents was recorded for three bedroom and two bedroom flats in Noosa of 22.6% and 14.3%, respectively.

Median weekly rents have been increasing steadily over the past four years.

# TOURISM VISITATION

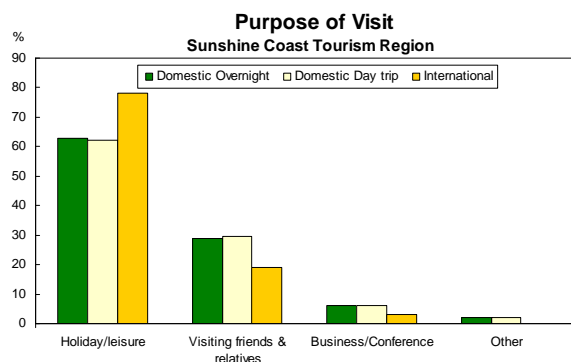
**Total visitors to the Sunshine Coast rose 22.0% over the year to June 2007.**

| Tourism Demand Indicators, Sunshine Coast Tourism Region |                      |                       |
|----------------------------------------------------------|----------------------|-----------------------|
|                                                          | Year Ended<br>Jun-07 | % Change<br>on Jun-06 |
| <i>Domestic Overnight Visitors</i>                       | 2,922,000            | 19.0                  |
| Interstate                                               | 788,940              | 3.7                   |
| Intrastate                                               | 2,133,060            | 25.9                  |
| <i>Domestic Day Trip Visitors</i>                        | 4,891,000            | 23.3                  |
| Interstate                                               | 48,910               | 23.3                  |
| Intrastate                                               | 4,842,090            | 23.3                  |
| <i>International Visitors</i>                            | 291,400              | 30.7                  |
| <b>Total Visitors</b>                                    | <b>8,104,400</b>     | <b>22.0</b>           |
| Average Length of Stay (nights) <sup>(a)</sup>           |                      |                       |
| Domestic Overnight                                       | 3.8                  | -0.1                  |
| International                                            | 9.7                  | 1.0                   |
| Total Visitor Nights                                     |                      |                       |
| Domestic Overnight                                       | 11,188,000           | 17.9                  |
| International                                            | 2,840,300            | 45.8                  |

Note: <sup>(a)</sup> The change in average length of stay is in number of days.  
Source: Tourism Research Australia Domestic and International Visitor Surveys

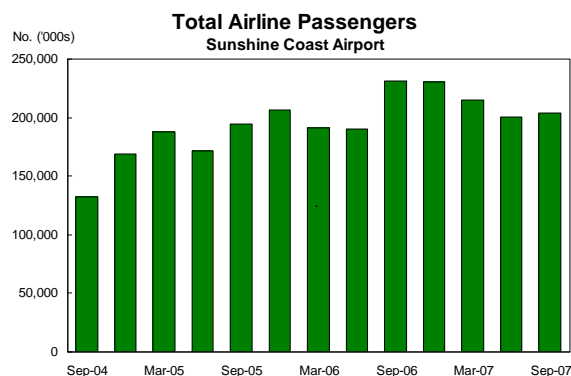
The total visitors to the Sunshine Coast Tourism Region increased 22.0% in the year ended June 2007 when compared to a year earlier. Growth was driven by an increase in international (up 30.7%), domestic overnight (up 25.9%) and domestic day visitors (up 23.3%).

Growth in the international visitation and the length of stay resulted in a 45.8% increase in international visitor nights for the region.



Source: Tourism Research Australia Domestic and International Visitor Surveys

The primary purpose for all visitors to the Sunshine Coast is for holiday/leisure purposes followed by visiting friends and relatives. International visitors are significantly more likely to visit for holiday/leisure purposes, whilst domestic visitors are significantly more likely to visit friends and family in the area.



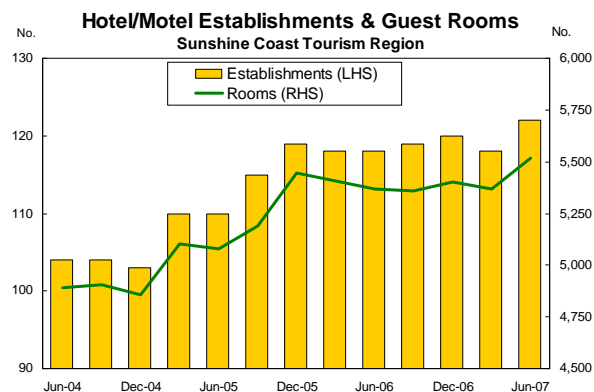
Source: Maroochy Shire Council

In the September Quarter 2007, the Sunshine Coast Airport recorded 203,931 total passengers, equating to an 11.8% decline from one year ago but 1.5% higher when compared to the June Quarter 2007.

# TOURISM

## ACCOMMODATION ESTABLISHMENTS

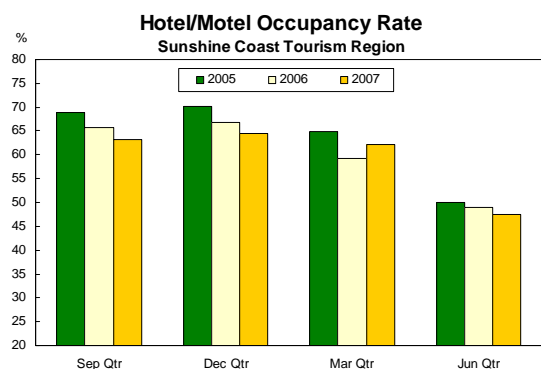
**Accommodation demand and takings rose in the Sunshine Coast, indicative of longer stays and heightened accommodation costs on the Sunshine Coast.**



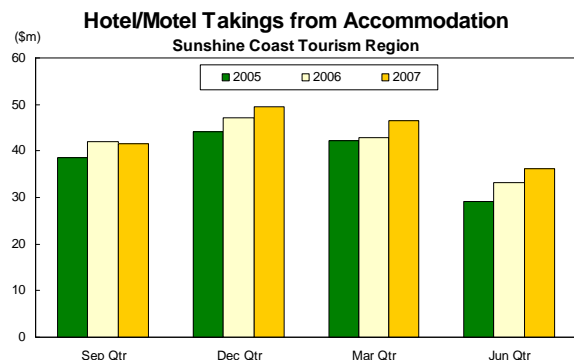
Source: ABS Survey of Tourist Accommodation

| Tourism Demand Indicators, ABS Survey of Tourist Accommodation |               |                      |                   |            |                  |            |
|----------------------------------------------------------------|---------------|----------------------|-------------------|------------|------------------|------------|
| Region                                                         | Occupancy (%) |                      | Room Nights (No.) |            | Takings (\$'000) |            |
|                                                                | Jun-07        | % chg <sup>(a)</sup> | Jun-07            | % chg      | Jun-07           | % chg      |
| Caloundra City                                                 | 47.4          | -1.0                 | 50,611            | -3.1       | 6,029.7          | 5.8        |
| Maroochy Shire                                                 | 49.0          | -1.8                 | 126,696           | 6.4        | 18,095.0         | 10.5       |
| Noosa Shire                                                    | 49.4          | -1.0                 | 72,063            | 5.6        | 12,180.5         | 9.4        |
| <b>Sunshine Coast</b>                                          | <b>47.5</b>   | <b>-3.1</b>          | <b>249,370</b>    | <b>4.1</b> | <b>36,305.3</b>  | <b>9.3</b> |
| <i>Queensland</i>                                              | <i>63.0</i>   | <i>0.0</i>           | <i>3,360,994</i>  | <i>3.4</i> | <i>44,5375.5</i> | <i>8.3</i> |

Notes: The ABS classifies a hotel/motel as an establishment with fifteen or more rooms. (a) This refers to point percentage change  
Source: ABS Survey of Tourist Accommodation



Source: ABS Survey of Tourist Accommodation



Source: ABS Survey of Tourist Accommodation

Accommodation supply has generally increased over the past six quarters, with the supply increasing in the June Quarter 2007 since March Quarter 2007.

In the June Quarter 2007, the Sunshine Coast experienced growth in demand for accommodation at establishments with 15 or more rooms. Maroochy and Noosa Shires experienced growth in the number of room nights occupied, contributing to an increase in takings of these regions. Caloundra, however, experienced a decline in demand for room nights, although takings increased in annual terms in the June Quarter 2007. All regions recorded declines in the room occupancy rate, likely due to the increased number of rooms made available during the June Quarter 2007.

Overall growth in accommodation demand in the Sunshine Coast Tourism Region was above the level of the State.

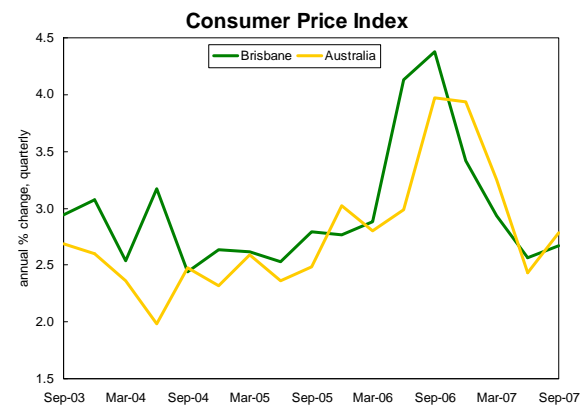
Increased supply contributed to the hotel/motel occupancy rate continuing to decline in the June Quarter 2007 despite an increase in room nights stayed.

Despite the three-year trend decline in room occupancy rates, accommodation takings continued to increase in the June Quarter 2007 driven by the increase in room demand in the region.

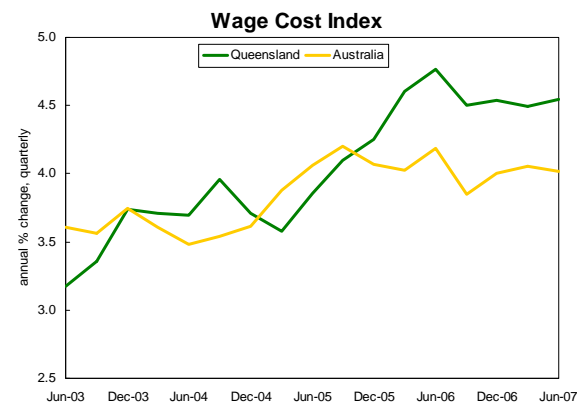
**Note: All accommodation establishment data is for hotels, motels and serviced apartments with 15 or more rooms.**

# PRICES & INFLATION

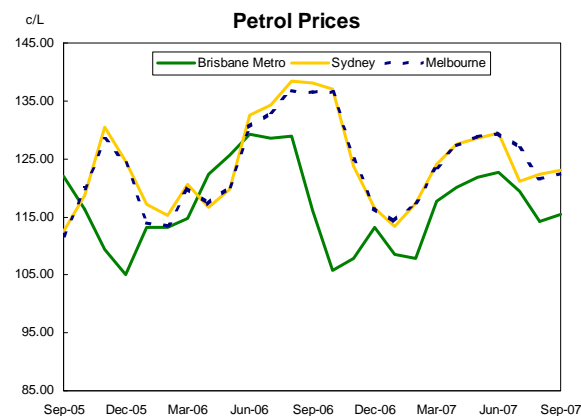
**Increases in interest rates by the RBA has seen inflation in Brisbane and Australia fall to below 3% in the past two quarters.**



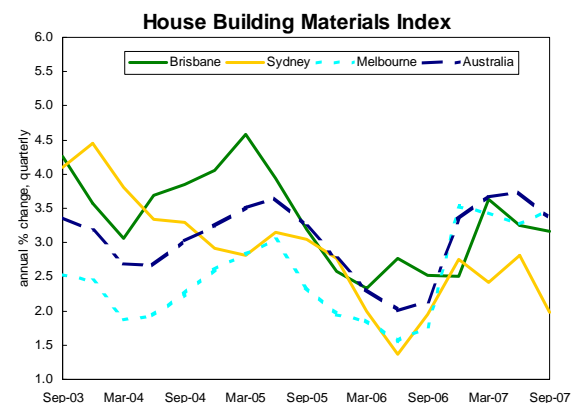
Source: ABS 6401.0



Source: ABS 6345.0



Source: FuelTrac



Source: ABS 6427.0

Annual growth in the National Consumer Price Index (CPI) increased slightly in the September Quarter 2007 to 2.8%, following interest rate hikes by the RBA in 2006 and 2007 aimed at easing inflationary pressures. Growth in Brisbane's CPI also increased 0.1 percentage points to 2.7%.

With the RBA increasing interest rates again in November, the CPI will likely remain around its current level in the next quarter as the RBA seeks to further curb inflation.

The Queensland Wage Cost Index (WCI) grew 4.5% in the June Quarter 2007 when compared to the June Quarter 2006. This growth was well above the national wages growth of 4.0% reflecting the tighter labour market in Queensland relative to other states, with continued strong growth in mining wages. There is however a noticeable stabilisation in the Queensland WCI growth over the past three quarters, potentially indicating some relief to the tight labour market.

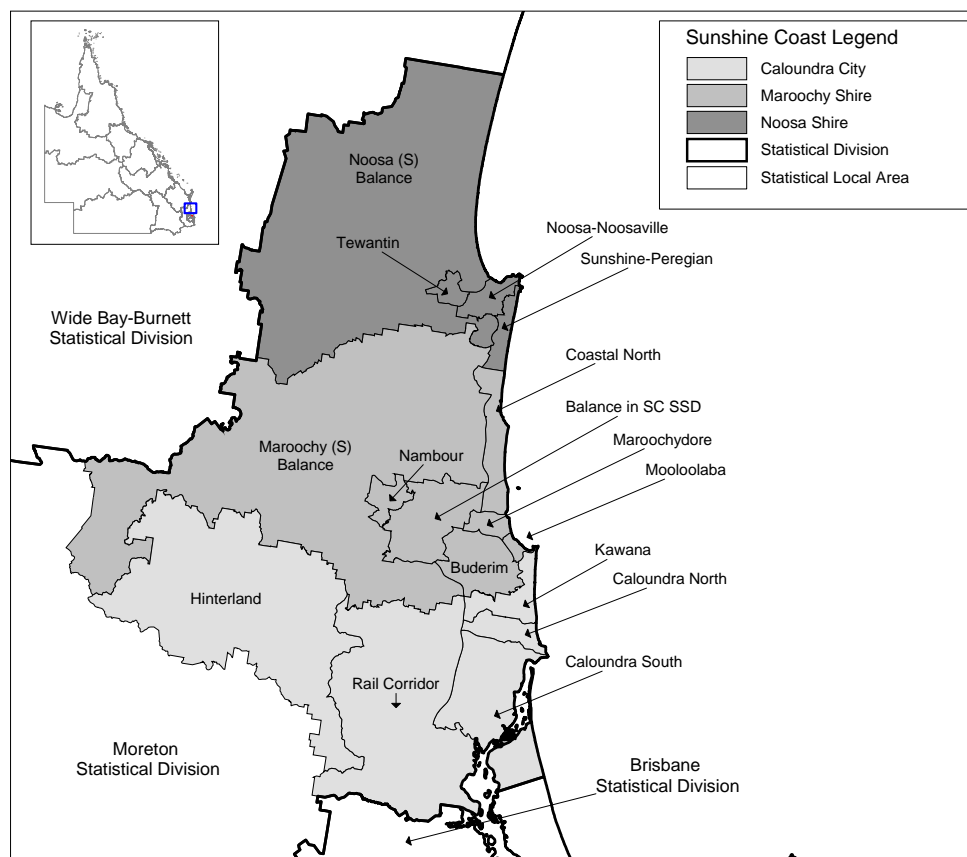
Petrol prices in Brisbane decreased by 7.3 cents over the three months to September 2007 to 115.4 cents/L. Prices in Brisbane have fluctuated over the past year but remain around seven cents lower than other major cities, due to the Queensland Government subsidy.

Brisbane house building prices grew strongly over the year to the September Quarter 2007, with the house price index increasing 3.1% in annual terms.

Growth in Brisbane was below that of Australia and Melbourne, however outstripped the marginal growth recorded in Sydney.

# REGIONAL PROFILE

## SUNSHINE COAST REGION



Source: CDATE 2001, AECgroup

### Sunshine Coast Region

| LGA                   | Area (sq km)     | Level, 2006 (persons) | Population Density (persons/sq km) | Median Age, 2006 | Median Weekly Household Income, 2006 (\$) |
|-----------------------|------------------|-----------------------|------------------------------------|------------------|-------------------------------------------|
| <b>Caloundra City</b> |                  |                       |                                    |                  |                                           |
| Caloundra North       | 27.2             | 22,541                | 828.7                              | 40               | \$890                                     |
| Caloundra South       | 106.1            | 21,332                | 201.1                              | 46               | \$728                                     |
| Kawana                | 35.6             | 21,708                | 609.8                              | 46               | \$760                                     |
| Hinterland            | 505.6            | 8,219                 | 16.3                               | 40               | \$930                                     |
| Rail Corridor         | 419.0            | 19,448                | 46.4                               | 38               | \$957                                     |
| <b>Total</b>          | <b>1,093.5</b>   | <b>93,248</b>         | <b>85.3</b>                        | <b>42</b>        | <b>\$857</b>                              |
| <b>Maroochy Shire</b> |                  |                       |                                    |                  |                                           |
| Buderim               | 62.1             | 42,634                | 686.5                              | 39               | \$1,039                                   |
| Coastal North         | 47.0             | 24,627                | 524.0                              | 37               | \$953                                     |
| Maroochydhore         | 14.1             | 17,614                | 1249.2                             | 43               | \$722                                     |
| Mooloolaba            | 5.4              | 11,128                | 2060.7                             | 39               | \$941                                     |
| Nambour               | 20.4             | 14,112                | 691.8                              | 39               | \$728                                     |
| Paynter-Petrie Creek  | 86.2             | 16,184                | 187.7                              | 39               | \$966                                     |
| Balance               | 928.8            | 26,365                | 28.4                               | 41               | \$965                                     |
| <b>Total</b>          | <b>1,162.8</b>   | <b>152,664</b>        | <b>131.3</b>                       | <b>39</b>        | <b>\$921</b>                              |
| <b>Noosa Shire</b>    |                  |                       |                                    |                  |                                           |
| Noosa-Noosaville      | 22.8             | 10,043                | 440.5                              | 48               | \$918                                     |
| Sunshine Peregian     | 19.1             | 9,953                 | 521.1                              | 40               | \$957                                     |
| Tewantin              | 12.5             | 12,251                | 980.1                              | 43               | \$713                                     |
| Balance               | 814.3            | 16,966                | 20.8                               | 42               | \$808                                     |
| <b>Total</b>          | <b>868.7</b>     | <b>49,213</b>         | <b>56.7</b>                        | <b>43</b>        | <b>\$830</b>                              |
| <b>Sunshine Coast</b> | <b>3,125.0</b>   | <b>295,125</b>        | <b>94.4</b>                        | <b>41</b>        | <b>\$885</b>                              |
| <i>Queensland</i>     | <i>1,732,654</i> | <i>4,050,499</i>      | <i>2.3</i>                         | <i>36</i>        | <i>\$1,033</i>                            |

Source: ABS 3218.0, Census 2006

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# CONTACTS

## SUNSHINE COAST

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For further information regarding the Report on the Sunshine Coast Regional Economy or to make an enquiry with the relevant economic development units of either Caloundra City, Maroochy Shire or Noosa Councils, please contact the following:



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