

GOLD COAST

BUSINESS PRIORITIES REPORT

MAY 2013



CCIQ is committed to representing regional small and medium businesses on the Gold Coast: a commitment central to the CCIQ policy and advocacy agenda.

SUMMARY OF REGIONAL BUSINESS PRIORITIES:

1. Improving the business operating environment and reducing the cost of doing business on the Gold Coast.
2. Enabling local business access to finance to help reinvigorate the Gold Coast economy.
3. Cutting red tape for Gold Coast businesses by eliminating unnecessary regulation and stemming the flow of regulation.
4. Highlighting the benefits of satellite business districts across the region and encouraging the adoption of developing industrial centres as places of business.
5. The importance of key infrastructure to ensure the continued growth and expansion of the Gold Coast region.
6. Harnessing emerging industries.
7. Reinvigorating existing and traditional industries.
8. Getting local businesses involved in big projects on the Gold Coast.
9. Adopting an innovative approach to productivity issues.
10. Creating a positive business and investment culture in the region that serves to position the Gold Coast in a positive economic position into the future.

“The Gold Coast is one of Queensland’s most vibrant and recognisable regions. There is plenty for small and medium businesses to look forward to on the Gold Coast. There are big ticket events like the Commonwealth Games in 2018 and a return to significant investments in infrastructure like the Light Rail project and Broadwater Precinct. Gold Coast businesses stand to gain a huge amount from the economic injection these events and investments will create. This report outlines the concerns of local businesses, and what is needed from all levels of government in order for them to capitalise on the recovering economic environment on the Gold Coast, as well as CCIQ’s commitments to the region.

CCIQ’s Gold Coast Regional Council is working closely with all stakeholders to remove barriers to business and ensure Gold Coast business is well placed to meet current challenges and harness future opportunities. I encourage all levels of government to act on the recommendations in this report to ensure the continued resilience and growth of Gold Coast businesses.” - Martin Brady, CCIQ Gold Coast Regional Council and Regional Policy Chair



INTRODUCTION

The Chamber of Commerce and Industry Queensland (CCIQ) is the State's peak business and employer organisation. We represent the views and issues of over 25,000 businesses across all industry sectors and regions of Queensland.

This task can often be hard: whilst there are a number of common challenges that businesses face regardless of where they are located across Queensland, every region has unique strategic advantages as well as specific challenges affecting regional businesses.

These regional issues are front and centre for CCIQ: Queensland's regional economies make an important economic contribution. Regional businesses provide the foundation for regional economic growth, make investments in economic and community infrastructure and provide employment opportunities. CCIQ values the resilience, strength and vibrancy of our regional businesses and want to ensure that businesses across the state are provided every opportunity to be profitable, grow and employ.

CCIQ is committed to representing regional small and medium businesses on the Gold Coast: a commitment which forms a large part of the CCIQ policy and advocacy agenda.

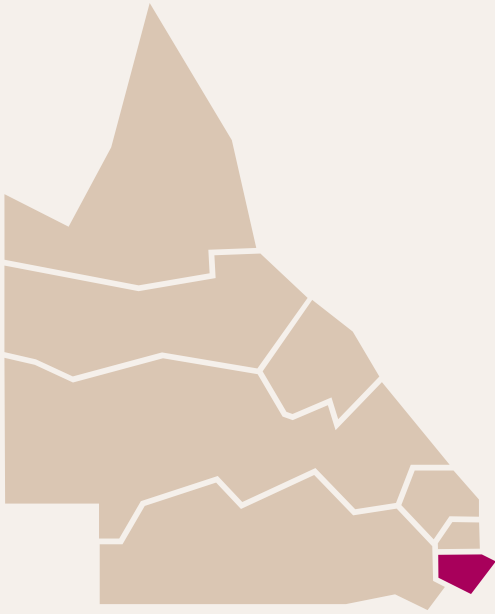
In 2012 regional businesses were given an opportunity to contribute to the CCIQ policy and advocacy agenda through a series of regional business workshops, consultation activities and direct one-on-one business case studies held across the Gold Coast region.

That engagement has culminated in the development of a regional report for the Gold Coast. The 'Gold Coast Business Priorities Report' will serve as the key reference document for CCIQ's advocacy agenda over the coming twelve months: this includes meetings with local, state and federal government representatives, policy submissions on issues relevant to Gold Coast businesses and engagement with other key business stakeholders.

TEN PRIORITIES FOR GOLD COAST BUSINESSES

Gold Coast businesses told us that they want the opportunity for the region to be recognised for its many positive attributes and economic opportunities. At the same time eight key business priorities were identified reflecting the current major constraints on business growth and economic diversification the Gold Coast: improving the business operating environment, infrastructure, environmental regulation, red tape, access to finance, industry diversification, workforce development and creating a positive business culture.

These were your concerns – they are now our commitments.



GOLD COAST

LOCAL GOVERNMENT
AREA 1,331 KM²

0.1% OF QLD'S
LAND MASS



POPULATION

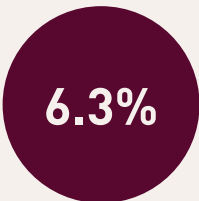
536,480

PROJECTED
POPULATION (2030)

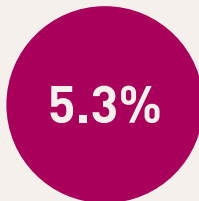
800,000

16.37% OF QUEENSLAND
TOTAL POPULATION

- ROBINA
- SPRINGBROOK
- BILINGA
- COOLANGATTA
- BURLEIGH
- COOMERA
- YATALA
- HELENSVALE
- RUNAWAY BAY
- SOUTHPORT

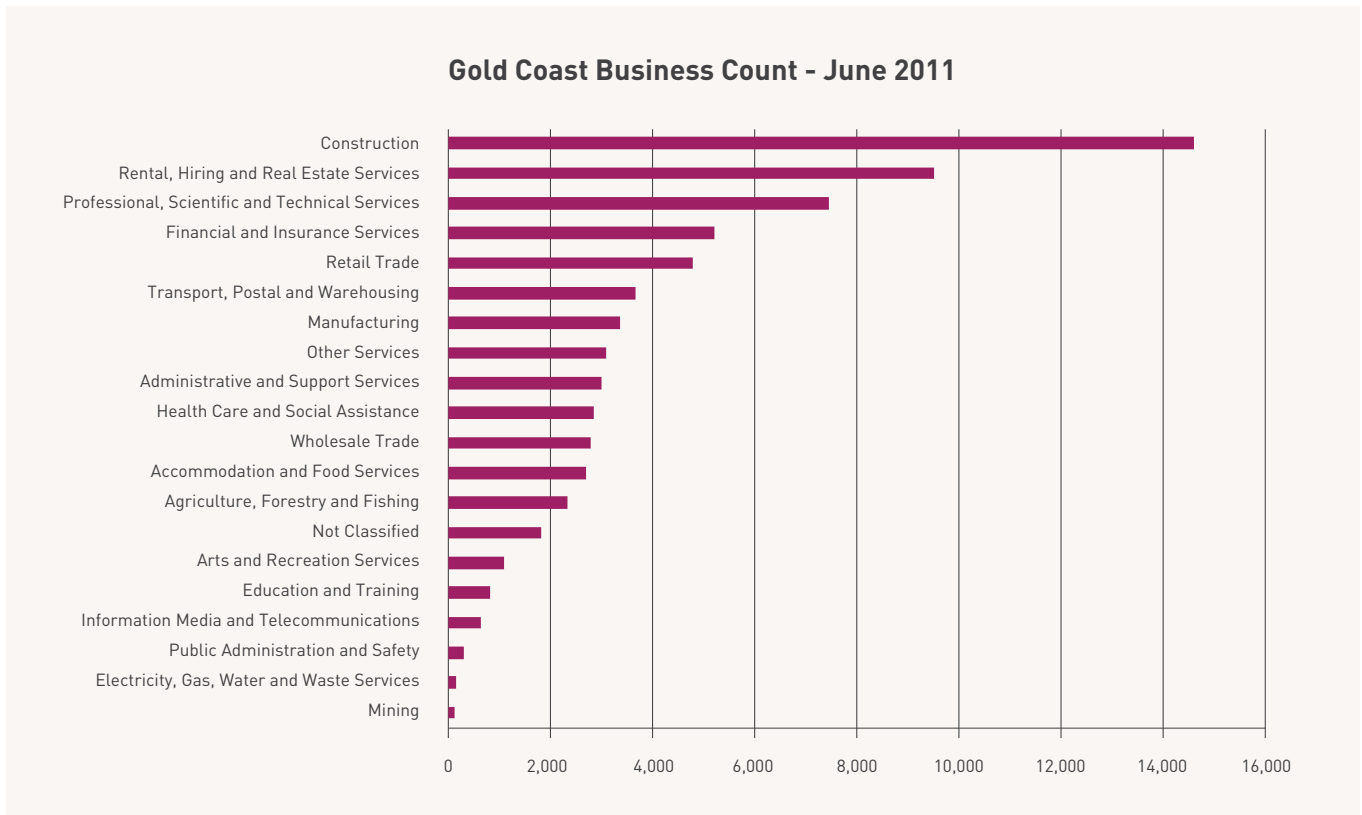


GOLD COAST
UNEMPLOYMENT
RATE



QUEENSLAND
UNEMPLOYMENT
RATE (END 2012)

BUSINESS DEMOGRAPHICS



Source: ABS Catalogue: 8165 May 2011

Despite taking a significant hit over recent years, the construction industry remains vital to the local economy. It is the largest employer and value-adding industry, continuing to maintain the highest economic output of any industry on the Gold Coast with 14,546 registered businesses in May 2011.

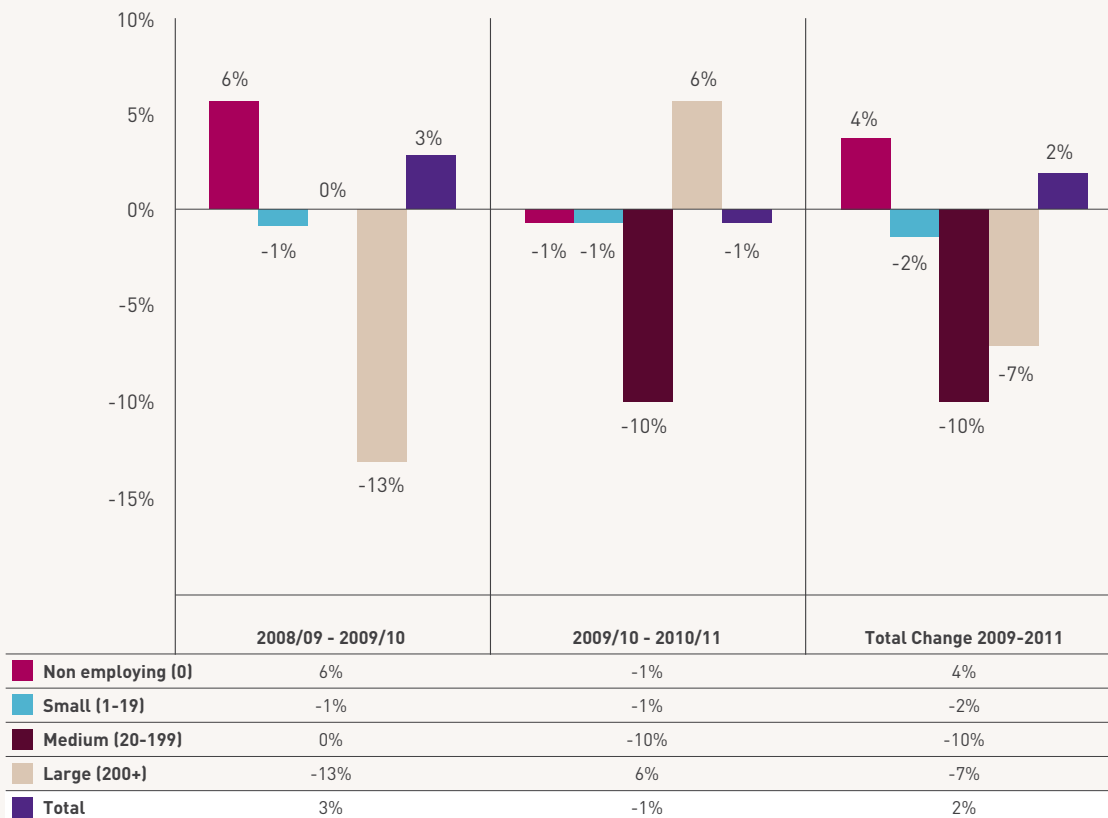
According to the most recent Australian Business Register Database statistics, over a 24 month period since 2008-09, the Gold Coast region experienced a modest 2 per cent rise in the total number of employing businesses. Non-employing businesses increased by 4%, with small, medium and large businesses both decreasing.

The top 3 growth industries are health and social assistance (10.82%) followed by financial and insurance services (8.29% and professional, scientific and technical (6.04%). The growth in the health and social assistance sector goes hand in hand with the construction of the new Gold Coast University Hospital. The increase in financial and insurance services is pleasing, as it forms part of the Gold Coast City Council's key actions in the Gold Coast Business 2020 strategy, as does the growth in professional, scientific and technical services.

Mining decreased by -8.82% due to falling demand and commodity prices. Public administration and safety decreased by -8.31%, followed by agriculture, forestry and fishing by -8.01%.

The traditional tourism industry has suffered due to a decrease in international and domestic visitation, the high Aussie dollar and local's propensity to save rather than spend. However, the sector continues to bring in an estimated annual revenue of \$1.391 billion and employs 8396 FTEs in the region.

Gold Coast Business Change 2009-2011



Source: ABS Catalogue:8165 May 2011

MAJOR CONSTRAINTS ON BUSINESS

The CCIQ Westpac Group Pulse Survey of Business Conditions in the December 2012 quarter reflected a positive mood in the Gold Coast economy, with all indexes showing an improvement from the previous September quarter 2012 except for capital expenditure. These figures indicate the most positive indicators of business conditions over the past 12 months. Although these figures indicate a welcome return to more positive economic territory, local businesses are under no illusions that it will be a long slow road to economic recovery for the region. The high Australian dollar continues to negatively impact local businesses, especially those in the tourism industry and those that rely on trade and product exports.

“Business owners are being more proactive in gaining new business. They have had to find new ways of doing business and look at different marketing initiatives.”
 – Gold Coast Business Owner, Services Industry.

“The strength of the Australian dollar makes it difficult for Australian tourism to compete with deals overseas. Lack of building work particularly in South East Queensland will continue to impact badly.” – Gold Coast Business Owner, Tourism Industry.

REALISING THE ECONOMIC AND BUSINESS OPPORTUNITIES ON THE GOLD COAST

Reflecting on the economic conditions over the past decade and the overall business and economic profile of the Gold Coast region it is clear that while challenges remain, they also bring opportunities and advantages. The table below is discussed in greater detail in the priorities that follow.

STRENGTHS	OPPORTUNITIES
<ul style="list-style-type: none"> • Proximity to Brisbane CBD, airport and trade logistics • Proximity to domestic mining and resource regions (Scenic Rim) • Good economic fundamentals and steady population growth • Emerging sectors e.g. professional services, health and aged care, education • Liveability and lifestyle factors • Availability of labour and relatively low wages compared with other major cities and population centres • Dynamic and forward thinking local council • Relative affordability and cost of living compared with other capital cities • Improving transport infrastructure and logistics • Gold Coast City Council programs such as Construction Kick Start and local procurement policy. 	<ul style="list-style-type: none"> • Opportunities to value-add to existing industries including manufacturing, agriculture, creative and professional services, etc. • Identified as emerging renewable energy precinct • Land available and identified for industrial and development activities • Scope to grow and diversify existing major industries • Investment in key infrastructure • Expansion of the education and health sectors • Re-ignite the interest of local residents in the region (encourage tourism and local shopping, etc) • Entrepreneurial spirit of the region • Major events especially Commonwealth Games 2018 • Coolangatta International Airport has underutilised capacity that is unrivalled in the State.
CHALLENGES	RISKS
<ul style="list-style-type: none"> • Exposure of major industries to international economic conditions • Limited external knowledge of the diversity of regional economy and opportunities • Access to finance for investment • Limited access to reliable and consistent high speed internet access and mobile phone service • Lifestyle advantages can have negative impacts on local businesses and employment • De ised business districts in the region • Intra-regional connectivity and local public transport • Population growth has historically outpaced the provision of local infrastructure • Transient workforce • Inconvenience and impacts on business from construction phase of major infrastructure (e.g. Light Rail). 	<ul style="list-style-type: none"> • Lack of consistent messaging and collaboration between key advocacy organisations • Business and media negativity affecting consumer confidence and spending • Lack of economic and business confidence generally • Regulation and policy reducing the competitiveness of businesses in domestic and international markets • Not taking advantage of highly skilled and qualified people already living in the region • Historical over-reliance on now vulnerable industries construction and tourism • Resistance towards development in some areas of the region (e.g. Cruise Ship Terminal, development of the Broadwater precinct, Gold Coast Light Rail).

\$23.294B

**GROSS REGIONAL
PRODUCT (GRP)**

10.21%

**QLD'S GROSS STATE
PRODUCT (GSP) (2010-11)**

PRODUCTIVITY

28.3%

**SINCE 2006
STANDING AT
\$19.827B**



**EMERGING
INDUSTRIES:**

EDUCATION

**HEALTH AND
AGED CARE**

**PROFESSIONAL
AND FINANCIAL
SERVICES**

58,697

**REGISTERED
BUSINESSES**

EMPLOYING (ABS)

24,534

**TRADITIONAL
INDUSTRIES**

CONSTRUCTION

OUTPUT OF \$12.8B

EMPLOYS 46,464

17% OF POPULATION



TOURISM RANKS TOP 5

AUSTRALIAN REGION BY EXPENDITURE

GOLD COAST BUSINESS PRIORITIES

Although a range of issues were raised, particular challenges were consistently identified by businesses across the Gold Coast which have been summarised into 10 broad themes. These are discussed in detail in the following sections.

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PRIORITY 1: IMPROVING THE BUSINESS OPERATING ENVIRONMENT

The operating environment for small and medium business is an important determinant of their overall competitiveness and viability. Queensland's business operating environment embraces business taxation, regulation and compliance requirements (red tape), wage rates and industrial relations conditions, energy costs, infrastructure and other input/supply costs.

The cost of doing business is a critical issue for all industry across Queensland, but is particularly relevant to the Gold Coast at a time when businesses are looking to improve their competitiveness and when the region is focussing on industry diversification and investment attraction. Many within the business community believe that often these costs disproportionately affect regional businesses compared to businesses located in major city and metropolitan areas.

Creating a strong business operating environment that allows local industries to compete nationally and globally is pivotal to the economic well-being of the Gold Coast and the state.

CCIQ is committed to improving the business operating environment by:

- **Industrial Relations:** advocating improvements to the Fair Work Act that will enhance the fairness, flexibility and productivity outcomes in relation to industrial relations for all businesses.
- **Wage and penalty rates:** seeking federal government commitment to ensuring a balanced approach to wage determinations which reflects businesses capacity to pay; and continuing to advocate for industry specific penalty rates which reflect the work hours of modern workplaces and consumer demand (especially due to the Gold Coast's historical reliance on tourism and hospitality).
- **Workplace health and safety:** seeking state government commitment to work with other jurisdictions to ensure a nationally consistent and simplified workplace health and safety framework; and continuing to support industry with understanding and compliance with the WHS regime.
- **WorkCover premiums:** working with the state government to ensure Queensland has the most competitive workers compensation scheme in terms of business premiums; and that the scheme does not support unnecessary access to common law compensation claims.
- **Payroll tax and stamp duties:** subsequent to recent state government commitments to progressively increase the payroll exemption threshold, CCIQ will continue to advocate for the long term phasing out of payroll tax and the review of stamp duties with the view to eliminating any/all that are detrimental to the competitiveness of Queensland businesses.
- **Business Taxation:** seeking government commitment to reducing the corporate tax rate and simplifying business taxation reporting processes (reducing tax based red tape); CCIQ will continue to advocate for the long term review of the overall tax base to enhance the incentives for business growth and productivity.
- **Electricity prices:** advocating for a comprehensive review of the electricity sector to ensure to the fullest extent possible that electricity prices are competitive and sustainable; contributing annually to the process of setting regulated electricity tariffs; and advocating for measures that support business energy efficiency and which reduce the exposure of small businesses to electricity prices.
- **Local Opportunities and Procurement:** seeking government commitment to work with industry to reduce the barriers currently experienced by businesses to participate in state government and major project procurement opportunities.

CCIQ will continue to advocate for significant reforms across these aforementioned areas on behalf of the Gold Coast business community to ensure a competitive and viable business operating environment conducive to investment and business growth.

Throughout 2013 and in the lead up to the federal election, CCIQ will seek a bipartisan commitment to improve the business operating environment, with priority focus on key areas such as red tape reduction, industrial relations, taxation reform and infrastructure.

PRIORITY 2: ENABLING LOCAL BUSINESS ACCESS TO FINANCE

Many small businesses have experienced profound difficulties in obtaining, retaining and renegotiating finance from Australian banks for business expansion, investment and short-term cash flow assistance. CCIQ research indicates that at any one point in time one third of businesses are seeking finance for business growth opportunities, approximately one third of this are said to experience difficulties. Given they are seeking to grow, it is essential that they are assisted.

These difficulties are most pronounced on the Gold Coast due to the region's reliance on construction as a major industry. Without finance, developments cannot proceed. When developments cannot proceed, jobs are not created and general investment suffers as a result. Without a strong flow of capital at an affordable rate to the small business community, the Gold Coast will not see a strong private sector led recovery in jobs and the regional economy.

While it is understandable that banks may have found it necessary to rebalance their lending portfolios for prudential and risk reasons, enhancing the capacity of small business to access finance will go a long way towards increasing economic activity, employment and industry diversification on the Gold Coast.

CCIQ is seeking to work collaboratively with key stakeholders in the banking sector to ensure credit flows to creditworthy small business borrowers and seeking a commitment to improving the skills of business lending managers and credit departments with a particular focus on small and medium business customers.

The CCIQ Gold Coast Regional Council is actively working with the State Government's Mentoring for Growth program to assist small businesses grow and improve access to finance for local chamber members.

CCIQ will undertake to bring the issue of small business difficulties in accessing finance to the attention of the Federal Small Business Ombudsman and the Federal Minister for Small Business.

Through our membership on the Queensland Small Business Advisory Committee, we will raise the issue and recommend to the State Government the urgent need to improve small business access to finance.

CCIQ is actively engaged with the Reserve Bank of Australia and key financial institutions to ensure that the voice of small business is heard by financial regulators and lenders. Through the CCIQ regional policy council, CCIQ will articulate the need for a robust yet accessible lending and financial framework so that small businesses on the Gold Coast can reach their full potential and generate stimulus in the local economy.

CCIQ supports Recommendation 6 of the 2010 Senate Economics Committee Report, Access to Small Business Finance, being "that the Australian Bankers' Association meet with small business representatives to develop a code of practice for lending to small business" and strongly urges the Australian Government to implement this recommendation.

"Access to finance is a capacity constraint. If we make this a good place to be and give the banks confidence, they will end money to local businesses if it is the right environment."
– Gold Coast Business Owner, Services Industry.

"A reduction in interest rates will hopefully increase spending nationally and also an increase the building sector would help to create jobs and have flow-on effect from there."
– Gold Coast Business Owner, Construction Industry.

PRIORITY 3: CUTTING RED TAPE

The burden of red tape has been consistently raised by Gold Coast businesses as an impediment to growth. Reducing regulatory burden and removing the barriers to business growth will increase investor confidence and promote a healthy and positive business operating environment.

The table below outlines the cost of regulatory compliance on a local Gold Coast business in the services industry.

COMPLIANCE COST SNAPSHOT: GOLD COAST BUSINESS (SERVICES INDUSTRY)

The cost and burden of red tape was identified as a common barrier to Central Queensland business growth in the consultation undertaken by CCIQ.

As an example of the impact of regulatory compliance on small and medium businesses in the Central Queensland region, the following table presenting the findings from a recent CCIQ red tape case study. For this business, operating in the services sector, red tape cost them over \$278,430 each year, with the business spending on average nearly 1,348 hours annually monitoring, reporting and completing compliance activities.

COMPLIANCE COST SNAPSHOT		
	ONGOING COMPLIANCE COST PER YEAR	ADDITIONAL UP FRONT COMPLIANCE COST
Business name and registration	\$30	-
Financial reporting	\$121,600	\$20,000
Building codes and regulations	\$10,000	\$45,000
Environmental regulations	-	\$60,000
Health and safety regulation	\$13,400	-
Employment and workplace relations	-	-
Taxation and other fees and charges	\$7,900	-
Total compliance cost	\$152,930	\$125,500

BUSINESS TIME (HOURS) SPENT ON COMPLIANCE ACTIVITIES EACH YEAR			
	ONGOING	UPFRONT	TOTAL
Business name and registration	53	-	53
Financial reporting	416	-	416
Building codes and regulations	-	60	60
Environmental regulations	-	37	38
Health and safety regulation	130	-	130
Employment and workplace relations	609	-	609
Taxation and other fees and charges	43	-	43
Total time required (hr)	1,251	97	1,348

Average hours spent per week undertaking compliance activities:
25.92
(FTE 0.7 equivalent)

The Queensland Government has committed to reduce red tape by 20 per cent and is currently working towards identifying a number of priorities for red tape reduction and simplification. CCIQ strongly supports the state government's red tape reduction commitment but now looks to state government agencies to get on with the job of reducing the cost of compliance for Queensland businesses as an immediate priority.

The Gold Coast City Council (GCCC) is to be commended for their leadership in red tape reduction at a local level. They will shortly introduce online application forms for licensing, development and other local regulations, significantly reducing processing times and streamlining procedures. This adds to the work already done by the GCCC in lowering construction costs and lifting onerous regulations for tourism and hospitality businesses.

CCIQ is strongly of the view that there needs to be greater consideration by governments of the regional challenges and business operating environment when making legislative changes and recognition that a 'one size fits all' approach does not work for the 'disperse and diverse' nature of regional economies. CCIQ believes that local, state and federal governments need to improve their communication and engagement with regional business communities. CCIQ also recommends that where feasible, government departments should delegate back to a local level decision making authority and put in place local business liaison officers for business compliance and licencing.

CCIQ is working closely with the Queensland Government on their target to reduce red tape by 20%. Gold Coast businesses have participated in CCIQ case studies that will be presented to the Government to assist in identifying the most efficient way to reduce the regulatory burden on local businesses. CCIQ will continue to make submissions to the Government on the importance of stemming the flow of regulation and strategies to reduce existing regulation and will continue to work with Gold Coast businesses to identify costly, complex and burdensome areas of red tape.

The CCIQ Gold Coast Regional Policy Council is closely engaged with the Gold Coast City Council on an ongoing basis and looks forward to continuing to develop the relationship with a view to an ongoing business operating environment on the Gold Coast.

“We need to reduce red tape to encourage certainty, investment, transparency and create the environment for growth.” – Gold Coast Business Owner, Services Industry.

“Business is currently being punished for growth and expansion by government taxes and charges.” – Gold Coast Business Owner, Education and Training Industry.

PRIORITY 4: THE NEED FOR A CENTRAL BUSINESS DISTRICT

While Surfers Paradise is recognised for its iconic apartment blocks, Southport has traditionally served as the central business district of the Gold Coast. However as the regional economy has developed and evolved, businesses have been forced to consider alternative locations, with many business and industrial parks being developed across different locations. Whilst the establishment of alternative economic hubs within the region such as Robina and Varsity is a positive sign of growth, a fragmented geographic dispersal of businesses can cause complex logistical problems and deter businesses from relocating to the Coast.

However these issues have been overcome in other major cities and the Gold Coast should be no exception. The Gold Coast is a unique business destination, with a decentralised model emerging from the earliest incarnations of commerce in the region. Instead of focusing on the drawbacks of having businesses dispersed across the region, the advantages of it need to be sold to existing and potential businesses and employees. Business and lifestyle benefits should be emphasised (such as less time spent commuting to and from work), along with proximity and access to critical infrastructure such as the M1 and Pacific Highway, Coolangatta and Brisbane airports, Brisbane Port and the Airtrain.

A decentralised CBD also results in more cost effective business premises. Commercial leases on the Gold Coast are imminently more affordable than other major cities, with average gross face rents for office space starting at \$190 per square meter and industrial space starting at \$80 per square meter. Office space rents are the cheapest available when compared with Brisbane, Sydney, Melbourne and Adelaide, with industrial space the second cheapest per square metre, second only to Adelaide.

CCIQ supports the Gold Coast Council's commitment to promoting the "Pacific Innovation Corridor" that spans the length of the region, as a dynamic growth area for businesses. With proximity to Brisbane CBD, airports and ports, the vision for this area is already beginning to be realised. As the Gold Coast expands, the Corridor will be able to accommodate the increasing industrialisation of SEQ and provide the required links to major transportation infrastructure.

Through CCIQ's Regional Policy Council, we will continue to build relationships with local chambers to facilitate business growth in the region. CCIQ is supportive of the Gold Coast City Council's actions to promote the expansion of the Pacific Innovation Corridor and will work with local chambers to ensure businesses are aware of the benefits of a decentralised business hub.

CCIQ supports the decentralisation of economic activity across the Gold Coast, proximate to key transportation infrastructure.

"The lack of a CBD is a problematic factor that negatively impacts the Gold Coast, no major finance industry players are coming to the region." – Gold Coast Business Owner, Professional Services Industry.

PRIORITY 5: INFRASTRUCTURE TO ACCOMMODATE A GROWING REGION

To encourage investment and attract business and people to the region, plans need to be in place for infrastructure to keep pace with growth and planned economic development. The Gold Coast City Council is working with the State and Federal Governments to ensure that key infrastructure projects in the region are prioritised.

Historically the population on the Gold Coast has outpaced the provision of necessary infrastructure. The old Gold Coast hospital and public transport system are the best examples that demonstrate this point.

However, in recent years there has been recognition the Gold Coast plays a vital role in the economic fabric of Queensland. This has seen the region reinvigorated with key projects that will assist the Coast to continue its growth as a major economic and population centre in the State. Most major infrastructure projects are a result of public private partnerships (PPPs). The Gold Coast Transport Strategy 2031 articulates the importance of planning ahead for economic and population growth and the vital role that transportation plays in the economic wellbeing of the region.

TRANSPORT

The Gold Coast is well serviced by transport infrastructure that is continually improving to meet demand. The M1 Pacific Motorway is the main arterial linking the Gold Coast with New South Wales to the south and Brisbane to the north. Bottlenecks continue to vex the motorway at some crucial intervals and require ongoing upgrades and improvements; however the motorway generally services the region well, connecting South-East Queensland with the southern states.

The M1 has been undergoing upgrades since 2007, at a cost of \$910 million to the Queensland and Federal Governments. These upgrades will improve the M1 between the Gateway and Tugun, by widening lanes and providing for more efficient interchanges in key locations to cater for projected growth to 2016. It is hoped this funding will address current bottlenecks and provide for smoother passage between Brisbane and the Gold Coast once completed. CCIQ also notes the recent announcement by the State Government to scrap the ill-utilised "transit" lane on the M1 that currently operates as a bottleneck and restricts traffic flow from the Brisbane CBD and outlying suburbs to the Gold Coast. However there is more to be done. This route will only see increased traffic movement and congestion if SEQ is to build the State's economy and promote population and business growth. A long-term strategy that focuses on reducing congestion and providing a smoother passage between New South Wales and Queensland and connects arguably the two most important SEQ regions is required.

Supplementing the M1 is the Brisbane to Gold Coast rail link or "Airtrain". The rail link runs from Varsity Lakes at the Southern end of the Gold Coast all the way to Brisbane Airport via the Brisbane CBD. The Airtrain provides an important connector to the Brisbane CBD for commuters (and an alternative to the M1) as well as a vital link for tourism between Brisbane domestic and international airports and the Gold Coast.

While the Gold Coast is accessible from Brisbane and is home to an international airport, local businesses are concerned that intra-regional transport has not kept pace with the growing population and economic expansion of the region. The Gold Coast Rapid Transit Project (GoldLinQ) is aimed at addressing some of the deficiencies within the local public transport system. The Light Rail will stretch 13 kilometres from Griffith University in Southport to Broadbeach, connecting key infrastructure like the new Gold Coast University Hospital with commercial, residential and tourism hot spots. While businesses in key areas of the rollout have been impacted by construction works, it is envisaged the inconvenience associated with the roll-out of the rail line will be relatively short-lived and the long term benefits to local businesses and the community will compensate for short-term losses. GoldLinQ has launched a program in conjunction with the Gold Coast Bulletin called "Love our city" that aims to ensure local businesses survive the construction phase through a collaborative approach that partners businesses with external groups and third party stakeholders. CCIQ strongly supports the Gold Coast City Council's long term objective of the Light Rail being linked to the heavy rail that connects the region with greater Brisbane and adequately services the major hubs in the region. This ambition is addressed in the Council's Transport Strategy 2031 and is articulated as a priority under the strategy.

HEALTH

Construction of the new Gold Coast University Hospital (GCUH) in Southport heralds a new era in health services in the region. The \$1.76 billion facility will be one of the State's biggest clinical and research hubs once completed, offering a 750 bed hospital facility (complemented by the collocation of a private hospital in the precinct). The new GCUH will add to the existing Robina Hospital and will replace the old Gold Coast Hospital in the Southport CBD.

Local Gold Coast businesses support the reinvigoration of the old Gold Coast Hospital site. CCIQ reserves judgement on whether the existing hospital structure is maintained or replaced entirely, depending on what shape and form the future of the site will take. CCIQ strongly recommends the State Government prioritise the expressions of interest for future use of the old site as a matter of urgency. The longer it takes to redevelop or decide upon the future of the old site, the more exposed local businesses in the vicinity will be to a localised downturn in the Southport CBD area.

Many co-located small businesses rely on the custom and visitation the old hospital provides. Any plans for the site must take full advantage of the location and proximity to existing and planned infrastructure and amenities.

COMMONWEALTH GAMES

Existing infrastructure will be leveraged to the best possible advantage for the Games, including upgrades to Carrara and Robina Stadiums and the extensive redevelopment of the Gold Coast Aquatic Centre. This investment will also serve to attract big-ticket sporting and entertainment events in the future long after the Commonwealth Games is over, providing economic stimulus for the region and increased visitation to the Gold Coast.

Planned infrastructure for the Commonwealth Games in 2018 will have a role in the post-Games Gold Coast too. The Government and Gold Coast City Council intend for big projects such as the Games Athlete's Village be designed with versatility in mind. For example, the State Government and Gold Coast City Council envisage the Athlete's Village to become a key residential, commercial and retail hub after the Games.

CCIQ continuously lobbies all levels of Government for increased funding towards local infrastructure for the Gold Coast and other regions of Queensland. Together with the CCIQ Regional Policy Council, CCIQ will continue to advocate strongly for the allocation of funds to infrastructure that recognises the speed of economic and population growth on the Gold Coast. CCIQ will lobby the Queensland and Federal Governments to ensure that the M1 remains a priority investment in transportation infrastructure.

CCIQ will lobby the State Government to expedite and prioritise expressions of interest for the redevelopment of the old Gold Coast Hospital site in Southport.

In partnership with the Gold Coast City Council, CCIQ's regional policy council will ensure the voices of Gold Coast businesses are heard during the roll-out and construction phase (in addition to future stages) of the Gold Coast Light Rail.

"The Gold Coast population is growing year and on year, and its no surprise, its a great place to live. But there is no doubt we are struggling to accommodate everyone. There is a lot of pressure on the public transport system, health and education services. It will be good once we get past the construction phases of the major infrastructure that will hopefully make a big difference to living and doing business on the Gold Coast."

– Gold Coast Business Owner, Construction Industry.

PRIORITY 6: HARNESSING EMERGING INDUSTRIES

As part of the Gold Coast City Council's economic development strategy, there has been a strong push to diversify the region's industry base. This is already underway. Diversity will serve the Gold Coast economy well into the future, providing a broad base for growth and development, lessening the impact of any local or global volatility.

EDUCATION

The region has a growing education sector; with the Gold Coast now home to over 90 high schools (both public and private) and boasting several world-class tertiary education providers in Griffith, Bond, Southern Cross and Central Queensland University campuses. There are also a number of TAFE institutions and 160 registered training organisations in the region. The education sector will play a vital role in the economic future of the region, as it assists in the creation of a "knowledge hub". This enables new and existing businesses to tap into a local workforce and recruit talent from within the region.

HEALTH

Health and medical services is also a fast-growing industry on the Coast, with the establishment of the new University Hospital in Southport and a growing aged care sector to support the population on the Gold Coast. At the time of the 2011 Census, the sector employed 10.6 per cent of the working population in the region, up 2.1 per cent from 2006. This growth is expected to continue once the new hospital is operational by September 2013. Being a learning and teaching hospital, there will not only be opportunities for frontline staff like doctors and nurses, but also additional jobs available as a result of the expansion of the education sector in health services in the region through the universities and tertiary education providers.

SPORT

The Gold Coast is rapidly cementing itself as the sporting capital of Queensland, and a great place to hold big-ticket sporting events. What began with the run up to the Sydney Olympics is now culminating in the Gold Coast hosting the 2018 Commonwealth Games. The temperate, sub-tropical climate provides ideal conditions to elite and amateur sportspeople. The Gold Coast now boasts several world-class sports facilities, in addition to the planned infrastructure and upgrades for the 2018 Commonwealth Games. There are over 15 cross-code facilities already in use. A growing sports science industry has accompanied the region's investment in educational facilities. Bond, Southern Cross and Griffith Universities all have units and faculties dedicated to sports research and technology development. The development of sports as an industry on the Gold Coast has created niche opportunities for Gold Coast businesses in supply and service delivery, as well as across the hospitality and accommodation industries.

To make the most of emerging industries and ensure they reach their potential, CCIQ will advocate for the ongoing diversification of industry on the Gold Coast. CCIQ's Regional Policy Council will work with local businesses in emerging industries to provide guidance and advice on growth and how to make the most of the resources available through organisations like CCIQ and governments.

"We are in a great position to take advantage of the population growth in the region, and the diversification of industry sectors. There aren't many people who aren't eagerly anticipating the opening of the new hospital, and the high hopes it will bring for employment and expansion of the health services sector. But I think we can be doing even more to stem our reliance on construction and tourism and branch out to other sectors like the marine manufacturing industry and capitalise on some of our natural attributes like the weather and beaches, and promote them more in conjunction with the infrastructure that we already have." – Gold Coast Business Owner, Health Services Industry.

PRIORITY 7: REINVIGORATING TRADITIONAL AND EXISTING INDUSTRIES

Diversification does not mean abandoning the traditional industries that have historically supported the Gold Coast and made the region what it is today. On the contrary, tourism and construction will continue to be critical to the ongoing prosperity of the region and growth of the local economy. Diversification of existing businesses will go some way towards alleviating the volatility associated with over-reliance on limited and specific sectors of the regional economy.

CONSTRUCTION

This critical sector is seeing a slow revival with infrastructure projects in the region starting to take shape, however residential and building approvals remain sluggish. The Gold Coast economy has relied heavily on Construction in the past, with the sector being the largest employer and contributor to Gross Regional Product.

According to recent ABS statistics, the sector remains the biggest contributor by output (\$12.8 billion), employing 46,464 people (over 17% of the total population) in the region. This is despite the massive downturn in the industry (not only locally but state-wide), with building approvals in the region in decline since the onset of the global financial crisis (GFC) in 2008-09. At the end of 2011-12, the sector remained in the doldrums with -24.3% approvals.

To help combat this downturn, in September 2012 the Gold Coast City Council announced the Construction Kickstart program that offers discounted infrastructure fees to assist small and medium businesses and create construction jobs on the Coast. The program was designed with a mixture of short and long term infrastructure changes. Construction Kickstart appears to be having the intended impact since its announcement in September 2012, with the ABS indicating new dwelling approvals increased from 644 in October to 855 in November 2012. According to the Gold Coast City Council Construction Kickstart has approved 239 applications, with a total discount value approaching \$9 million (April 2013).

Small business access to finance is also impacting on the construction sector; this is discussed further under Priority 2.

TOURISM AND MAJOR EVENTS

There is no doubt that tourism rides the highs and lows of the national and international financial systems. Its success in the region is inextricably linked to the general prosperity being experienced in the wider economy. However there are aspects of tourism that are less susceptible to volatility. The Gold Coast is particularly adept at delivering events-based products that attract a diverse range of visitors.

Visiting friends and relatives make up a significant portion of tourism visitation to the Gold Coast, with nearly 130,000 visiting for that purpose in the September 2012 quarter according to Tourism and Events Queensland. The world class educational facilities on offer, coupled with the attractive climate and sports facilities available mean that friends and relatives have huge incentives to visit companions and families in the region. There is potential for a further significant increase to this tourism sub-group with the Commonwealth Games preparation and events, and the growth of the ongoing capacity of the region to handle the flow of passenger movements through local and state-wide infrastructure and transportation improvements.

The Gold Coast playing host to the Commonwealth Games will invigorate the local economy in ways that it has never been before. Not only will the event itself bring record numbers of visitors to the region and promote the Gold Coast on a highly visible international stage, but local businesses will have the opportunity to be directly involved in preparations through procurement for large and small scale infrastructure.

A major win for the local business community is the go ahead for the Broadwater Marine Project. Incorporating a cruise ship terminal, expressions of interest closed in February 2013 and will be released to the public in the first half of 2013. This project has the potential to transform the tourism industry on the Gold Coast. It is projected to inject \$750 million in additional expenditure into the local economy and create over 10,000 jobs by 2020. It will coincide with the Commonwealth Games and increase visitation by opening up the Gold Coast to the international cruise shipping market. CCIQ strongly supports the development of the Broadwater Precinct, tender process and the establishment of a cruise industry on the Gold Coast.

Cruise Shipping is experiencing strong growth in Australia generally and represents significant opportunities for regions like the Gold Coast. According to Tourism Australia, expenditure in the sector continues to rise by an estimated 48.1 per cent in 2011-12 compared to the previous financial year, directly contributing \$1.39 billion to the Australian economy. The development of the Broadwater Marine Precinct will allow the Gold Coast to tap into this major growth sector and provide direct and indirect economic benefits that not only includes jobs for locals and increased tourism expenditure, but will also provide the region with an opportunity to market the Gold Coast to a global audience and encourage investment in other areas of the economy.

CCIQ supports the further and continued development of the construction and tourism sectors on the Gold Coast, and welcomes the development of key projects such as the Broadwater Marine Project that will stimulate economic activity across these significant sectors and provide complementary economic benefits to other sectors of the Gold Coast economy.

The CCIQ Gold Coast Regional Policy Council is working with key stakeholders in government and the private sector on an ongoing basis to ensure businesses in construction and tourism are equipped with the information and services required to build and grow these significant sectors and ensure their ongoing contribution to economic activity and employment in the region.

PRIORITY 8: GETTING LOCAL BUSINESSES INVOLVED IN BIG PROJECTS

Local businesses want to be part of the infrastructure revolution that is poised to occur on the Gold Coast in the coming years. Some businesses have commented on their desire to be considered as service providers in the roll out of big projects such as the light rail, construction of the hospital and the Commonwealth Games.

Although there are programs and organisations such as the Industry Capability Network (ICN) that encourage and assist businesses in securing procurement for local projects, businesses need more support if they are to win local tenders. Currently, many local businesses are spending valuable time and money on applications for tenders which they are unsure as to whether or not they will even succeed. It is a big investment when the outcome is uncertain. Some businesses even employ procurement specialists to increase their chances of winning work, increasing the overheads of applying for such work.

It is essential that this issue be addressed in time for the opportunities that will be presented to local businesses by the Commonwealth Games in 2018. The State Government is beginning to announce program and infrastructure roll-outs for the Games, including the recent announcement of the development of the Athlete's Village. This event and the infrastructure that is required to accompany it will give a further boost to local businesses. The construction sector in particular stands to benefit a great deal. The State Government recently announced that merchandise for the Commonwealth Games will be produced by a local company based in Yatala.

The \$1 billion GoldLinQ transport project is an excellent example of a major high-profile infrastructure project that has utilised local content. According to GoldLinQ, at the end of November 2012 the project had already spent \$66.7 million with local businesses in labour and materials since June 2011. There are up to 120 local contractors on site each day, with 90.6% of goods, services and employees locally procured. The project has partnered with local educational providers to engage students in work experience and internships. The GoldLinQ project is an excellent case study of the benefits a large-scale infrastructure project can bring to a regional community.

The Gold Coast City Council is to be commended for their proactive approach to local content and procurement in the region, in particular their support for CCIQ's Regional Council's recommendation to the Commonwealth Games Minister for the adoption of the GoldLinQ model for local procurement.

CCIQ are actively involved in the State Government Procurement Policy Review Process to ensure the voices of small businesses are considered in any adjustments to State Government procurement policies. CCIQ are also working closely with the ICN to help connect businesses with local opportunities on the Gold Coast and across Queensland and maximise public and private sector opportunities for small businesses.

CCIQ will continue to work closely with the Gold Coast Council and local chambers to help provide Gold Coast businesses with the tools and resources needed to get involved in big projects.

CCIQ recently partnered with the Queensland Government to promote a "Buy Locally" campaign that is directed at consumers and businesses, encouraging the utilisation of local products and services both domestically and in business.

"Small businesses might be working on a project for a few months, overheads to put someone on to run a tender costs money and you may not even get the job. We need more support to win more tenders." – Gold Coast Business Owner, Construction Industry.

PRIORITY 9: POSITIVE CHANGES FOR A MORE PRODUCTIVE WORKFORCE

Gold Coast businesses have reported difficulties with staff productivity. While the lifestyle offered by the Gold Coast encourages many people to the region, it also attracts people who wish to capitalise more on the lifestyle than on participating in the workforce and contributing to the local economy. It is fair to say that many of these workers have a strong desire to balance their work commitments with greater freedoms to capitalise on the lifestyle factors afforded by being close to the beaches, shopping and entertainment attractions.

This manifests in different ways, the most often reported business issue is high levels of absenteeism due to “lifestyle factors” such as great surfing conditions, and sunny days that are great for lying on the beach (instead of going to work) which business owners and managers doubt are entirely due to health and family factors. Whilst the majority of employees do the right thing, for those businesses that rely on employees turning up to work and maintaining a high-level of output, it puts business operations at risk daily.

True to the entrepreneurial spirit on the Gold Coast, local employers have embraced innovative solutions to help combat productivity issues. One business owner noted that absentee levels were highest on Mondays and Fridays. To address this issue, all staff were moved to a four day week roster, with the business working at half capacity on Mondays and Fridays, but retaining a full workforce on Tuesday, Wednesday and Thursday. The business has since reported increased productivity and a significant decline in absenteeism since the introduction of the new policy.

Businesses in regional areas are often precluded from accessing the benefits of skilled foreign migrant labour, particularly when they are competing with resources companies for the limited numbers of migrant workers. State and Federal Governments should be making better use of 457 Visa arrangements and regional migration agreements to ensure that regional employers can meet their skilled labour needs, particularly in the low-paid occupations of hospitality and tourism which have traditionally underpinned a substantial portion of the Gold Coast workforce.

Productivity issues highlight the need for a renewed approach to workplace relations and the importance of flexibility that needs to be afforded to small businesses. If small businesses have flexibility to employ people that suit their business structure, it is natural that previously under-utilised sub-groups will be re-engaged and able to participate in the workforce. Lifting participation rates and productivity increases output and gives businesses a competitive edge.

As part of a reinvigorated strategy to engage the Federal Government and Opposition on workplace relations, CCIQ has released a Workplace Relations Blueprint that calls for a more flexible approach based on individual requirements. This strategy pays particular regard to workforce participation and utilising demographics such as mature age workers, students and those with family responsibilities.

“Staffing has to do with location! Young male employees are difficult to retain, motivate and keep low absentee levels – it’s a significant cost to business. We had to set up an incentive scheme to get them to show up to work. We have a quarterly incentive scheme that pays the employees to come to work – they receive a \$150 Myer voucher if they turn up to work in the quarter.” – Gold Coast Business Owner, Construction Industry.

PRIORITY 10: A POSITIVE BUSINESS AND INVESTMENT CULTURE

Economic growth requires a positive business and investment culture which recognises and builds on the competitive advantages, economic successes and opportunities of the region. Business and consumer confidence above everything else will define the economic outlook and business investment in the region into the future

Business feedback reflected throughout this report highlights a picture of overall optimism, economic diversity and significant opportunity for growth. This sentiment needs to be promoted both within the region and outwardly across Queensland. The business community itself also needs to be better at communicating who they are, what they do, the extent of their professional capabilities and market sophistication to state, national and international markets to attract the investment streams currently focused on capital cities.

Accordingly this blueprint is intended to act as a catalyst for greater engagement between CCIQ, the Gold Coast business community and key decision makers at a local, state and federal level. As previously outlined engagement with Gold Coast regional businesses will inform CCIQs policy and advocacy agenda throughout 2013 and beyond.

CCIQ, as the state's peak body will commit to working with other key regional stakeholders including the local chambers of commerce, local and state governments and media outlets to ensure relevant economic and business data and business opportunities contribute to a positive business outlook for the Gold Coast.

CCIQ will provide ongoing advocacy updates to the Gold Coast business community about the progress made towards addressing the 10 regional business priorities raised in this blueprint and summarised below.

“There is an over-regulation of working opportunities. Too much emphasis is placed on employees and not enough on the employers that provide them with their positions.”
– Gold Coast Business Owner, Manufacturing Industry.

SUMMARY OF REGIONAL BUSINESS PRIORITIES:

1. Improving the business operating environment and reducing the cost of doing business on the Gold Coast.
2. Enabling local business access to finance to help reinvigorate the Gold Coast economy.
3. Cutting red tape for Gold Coast businesses by eliminating unnecessary regulation and stemming the flow of regulation.
4. Highlighting the benefits of satellite business districts across the region and encouraging the adoption of developing industrial centres as places of business.
5. The importance of key infrastructure to ensure the continued growth and expansion of the Gold Coast region.
6. Harnessing emerging industries.
7. Reinvigorating existing and traditional industries.
8. Getting local businesses involved in big projects on the Gold Coast.
9. Adopting an innovative approach to productivity issues.
10. Creating a positive business and investment culture in the region that serves to position the Gold Coast in a positive economic position into the future.



ABOUT CCIQ

For almost 150 years, we've been taking care of business in Queensland.

We listen to you, and then we speak.

Through influence and persistence, we are a loud and clear voice for Queensland business to the media and every political party.

We work hard for you.

Business is the engine of our nation's economy, and we are tireless in our efforts to ensure governments at all levels create the best possible conditions for your business to succeed.

We make you more competitive.

Through industry-certified training, we skill your workforce and enhance your business performance.

We keep you safe.

We comprehensively protect our members by providing members-only hotlines on OHS, workers' compensation and employee relations, as well as expert legal services.

We share what we know.

We keep our members up to date by sharing real business intelligence and research.

We network so you can grow.

We create business networks and commercial partnerships so you can leverage your membership into opportunities for your business to reduce costs and grow.

BECOME A MEMBER OF CCIQ

It doesn't matter whether you're a new business or at the big end of town. Either way, your membership buys you the knowledge, protection and power that come from belonging to

Queensland's leading business body.

Your membership with CCIQ comes with exclusive benefits

Protection

Your membership buys you instant, over-the-phone support from our Employer Assistance Line.*

News

Inform, our monthly member magazine, will be delivered to your inbox.

Research

Use your exclusive access to our quarterly Pulse research into Queensland business sentiment to set future plans with confidence.

Knowledge

You'll receive free access to our regular webinars, seminars and policy reports.

Networks

Events, held frequently throughout the state, are ideal opportunities to build your networks.

MyCCIQ

Your membership gives you access to our special member portal, where you can search our extensive resources, manage your account and book training and events.

Offers and trials

As a member, you're offered free product trials and heavily discounted partner offers.

Promotion

We list participating members in our exclusive CCIQ Member Directory.

* Not available to Opportunity members.

To find out more about becoming a member of CCIQ, visit www.cciq.com.au/join or call **1300 731 988**.

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We have regional representatives in offices throughout Queensland, and are affiliated with more than 100 chambers of commerce throughout the state.

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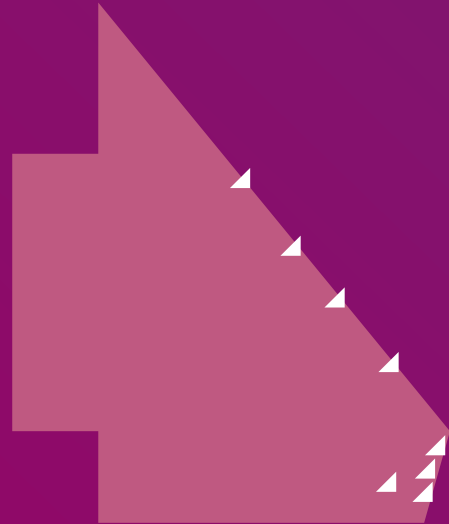
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