

SUNSHINE COAST

BUSINESS PRIORITIES REPORT
MAY 2013



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

SUMMARY OF REGIONAL BUSINESS PRIORITIES:

1. Improving the business operating environment for Sunshine Coast businesses
2. Leveraging existing, planned and future infrastructure as a catalyst for growth and diversification of industry
3. Forging a new identity for the region and encouraging economic and social diversity
4. Building transport and economic capacity for a growing region
5. Adopting a whole of region approach across the Sunshine Coast
6. Reducing business compliance costs and red tape
7. Encouraging a balanced approach to planning for the future
8. Promoting a positive business and culture on the Sunshine Coast that will attract businesses to the region in the future.

“The Sunshine Coast is well positioned to take advantage of the future growth in South East Queensland. A reinvigorated council and economic strategy will provide the community with the foundations on which to build a vision for the region. This report outlines CCIQ’s commitment to supporting the continued growth and prosperity of small and medium business across the Sunshine Coast. I encourage all levels of government to act on the recommendations in this report to ensure the continued resilience and strength of Sunshine Coast businesses.”
– Stephen Tait, CEO.



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 Sunshine 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 Sunshine Coast region.

That engagement has culminated in the development of a regional report for the Sunshine Coast. The 'Sunshine 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 Sunshine Coast businesses and engagement with other key business stakeholders.

EIGHT PRIORITIES FOR THE SUNSHINE COAST

Sunshine 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 on the Sunshine 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.



SUNSHINE COAST

**REGION COVERS
3,126.3KM²**

**1.2% OF QLD'S
LAND MASS**



**POPULATION
306,909**

**PROJECTED
POPULATION (2031)**

508,177

**MEDIAN
AGE** **42**

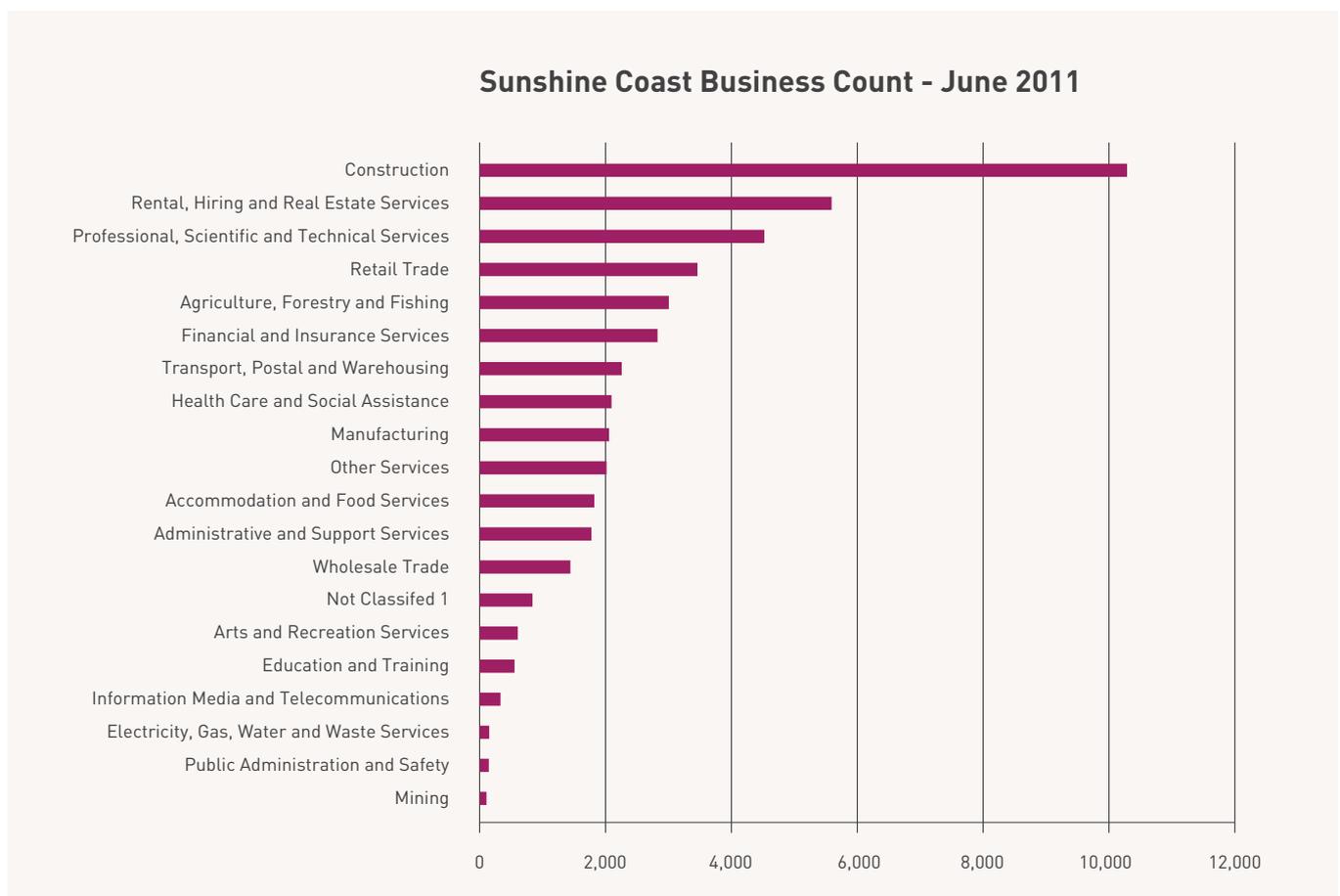
**QUEENSLAND
AVERAGE 36.6**

- NOOSA**
- CALOUNDRA**
- NAMBOUR**
- COOLUM**
- MOOLOOLABA**
- MAROOCHYDORE**
- STANMORE**
- MALENY**
- MONTVILLE**
- BEERWAH**
- GLASSHOUSE**

SUNSHINE COAST: BUSINESS PERFORMANCE AND OUTLOOK

The Sunshine Coast economy is strongly underpinned by small and medium businesses. According to the ABS there are over 34,500 registered businesses located on the Sunshine Coast, with 13,411 of those being employing businesses (in 2008-09). This represents 8.2 per cent of the total number of employing businesses in the State.

Although the region experienced an overall increase of 1 per cent in business numbers between 2008-09 and 2010-11 (from 46,512 to 47,161), this was largely due to an increase in large business by 7 per cent (small business remained steady and medium business decreased by 7 per cent).

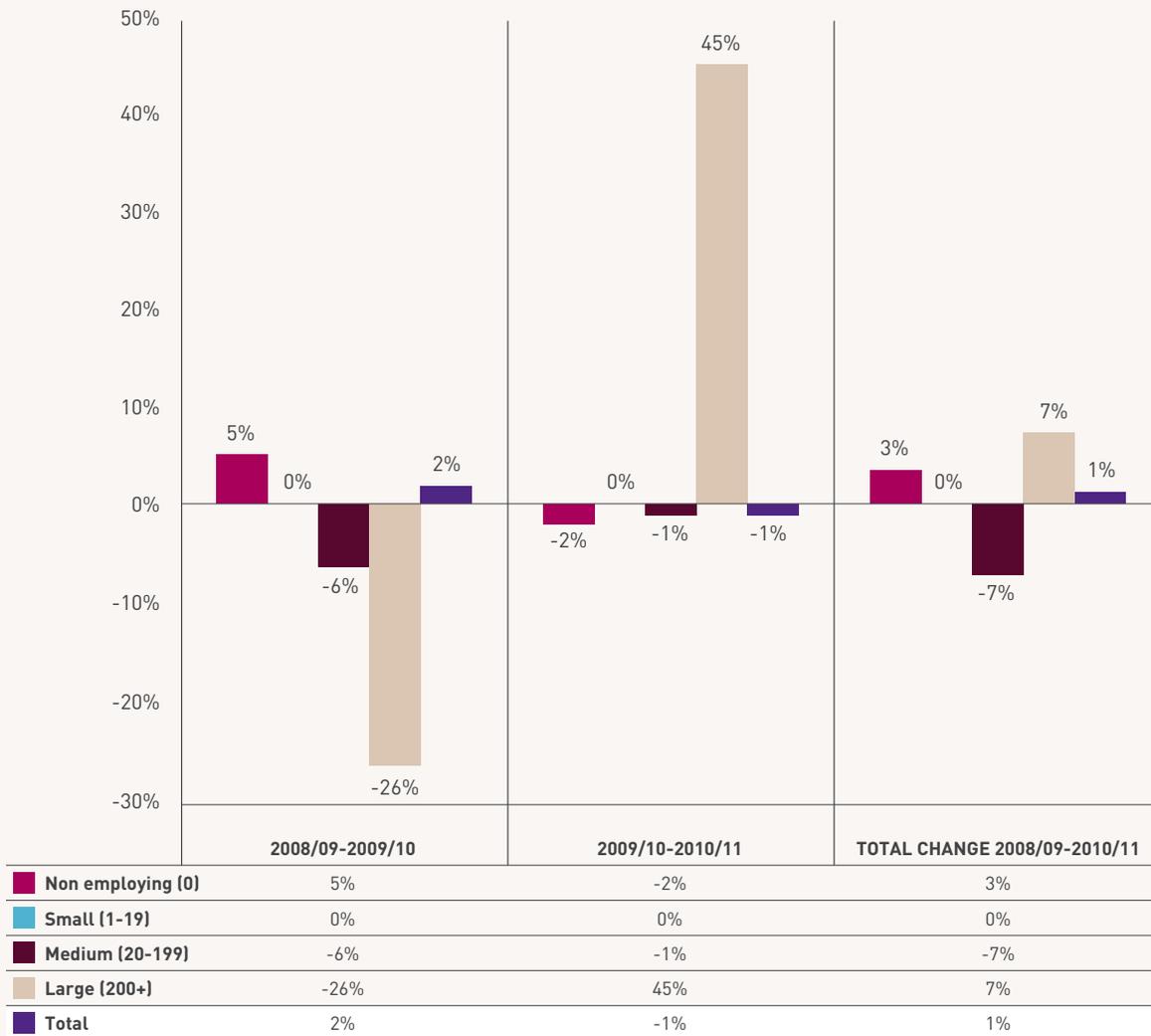


ABS data pertaining to business entries and exits in the region over the period of 2008-09 to 2010-11 indicates that the electricity, gas, water and waste services sector has experienced growth of 40.54 per cent. Over the same period, public administration and safety grew by 27.35 per cent with the education and training sector also growing by 18.30 per cent. The growth in education and training is likely attributable to increasing size and capacity of the University of the Sunshine Coast since its establishment in the late 1990s.

The bottom 3 growth industries were transport, postal and warehousing declining by -6.49 per cent, agriculture, forestry and fishing by -5.07 per cent and manufacturing by -3.45 per cent.

Construction overwhelmingly continues to be the largest industry by number of total businesses with 10,572 businesses at the end of June 2011, followed distantly by the rental, hiring and real estate services industry with 5747 businesses and coming in third was professional, scientific and technical services with 4648 businesses.

Sunshine Coast Business Change 2009-2011



“The cost of residential land is generally too high, too much red tape and government fees/charges are too high.” – Sunshine Coast Business in the Construction Sector

MAJOR CONSTRAINTS ON BUSINESS

The CCIQ Westpac Group Pulse Survey results in the December 2012 quarter reflect a buoyant mood in the Sunshine Coast region, with all key indicators rising, especially general business conditions, sales and revenue and profitability levels. This trend was mirrored in the overall results for the State, with business generally finishing the year in a strong position with the index moving 5.1 basis points to 52.3.

This is the most positive outlook for the Sunshine Coast for the past 12 months. Respondents have indicated that an increase in tourism numbers coupled with recent stable weather patterns and seasonal influences such as Christmas has contributed to the improvement.

Local businesses are realistic about the outlook, with the recognition that economic growth will take time. Many respondents are cognisant of the broader economic volatility that is impacting on local industries and investment. Local constraints such as inadequate transportation infrastructure and some costs imposed by the Sunshine Coast Regional Council are impacting on the regional economy and preventing the Sunshine Coast from harnessing growth and being able to capitalise on the positive outlook businesses are experiencing.

The Sunshine Coast region has felt the full weight of tough global economic conditions, however has also managed to display a high degree of resilience in the face of adversity. Local businesses and communities have managed to weather the economic storm and are now beginning to see a return to more positive conditions with increased investment and big infrastructure projects underway.

“There was a significant decline in confidence that the market would improve. Being on the tourist coast and having a bumper season I’ve seen this reversal in the market. The 2013 year has started on a more positive note.” – Sunshine Coast Business in the Tourism Sector

“Poor market conditions with little private sector development activity and stiff competition for limited government sector infrastructure projects squeezing the margins.”
– Sunshine Coast Business in the Services Sector

“In my field of accommodation, the lack of rain has been a bonus, and also the lack of natural disasters in the drive market to the Sunshine Coast. Especially no major flooding, and great weather for the past few months have been a great bonus and increased enquiries to a noticeable extent.” – Sunshine Coast Business in the Professional Services Industry

GROSS REGIONAL PRODUCT

**\$13.8
BILLION**

5.1% OF QLD
GROSS STATE
PRODUCT

KEY SECTORS:

AVIATION

CONSTRUCTION

TOURISM

TRANSPORT

PROFESSIONAL

SERVICES

AGRICULTURE

MANUFACTURING

CLEAN

ENERGY

KEY INFRASTRUCTURE:

**BRUCE
HIGHWAY**

**SUNSHINE COAST
UNIVERSITY HOSPITAL**

**SUNSHINE COAST
AIRPORT**

**UNIVERSITY OF THE
SUNSHINE COAST**

UNEMPLOYMENT

6.6%

**SUNSHINE
COAST
RATE**

5.6%

**QLD
STATE
AVERAGE**

REALISING THE ECONOMIC AND BUSINESS OPPORTUNITIES ON THE SUNSHINE COAST

Reflecting on the economic conditions over the past decade and the overall business and economic profile of the Sunshine 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 • Good economic fundamentals and steady population growth • Emerging sectors e.g. professional services, health and aged care and education • Modern and growing community and support services • Liveability and lifestyle factors • Availability of labour and relatively low wages • New pro-business local council 	<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
CHALLENGES	RISKS
<ul style="list-style-type: none"> • Exposure of major industries to international economic conditions • Transport costs and inefficient freight transport and logistics systems; limited air freight opportunities • Inter and Intra regional connectivity • Limited external knowledge of the diversity of regional economy and opportunities • Local attitudes towards economic and social growth and diversity • Access to finance for investment • Difficulty attracting and retaining skilled workforce; lack of skills depth in existing population • Limited access to reliable and consistent high speed internet access and mobile phone service • Some areas within the region remain divided and exhibit "us and them" mentality • Lack of professional workforce 	<ul style="list-style-type: none"> • Lack of consistent messaging and collaboration between key advocacy organisations • 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 • Unemployment consistently higher than State average • High infrastructure and development costs • Housing affordability • No incentives to attract and retain businesses • Lack of promotion and marketing of local opportunities in the region • Adjusting to the economic implications of carbon tax and its impacts on costs of goods and services. • Region is lacking an "identity"

In summary, the region provides diverse, dynamic and challenging opportunities for industry, business and employment through the array of significant land use activities, in particular agriculture and mining. The focus of the region is to manage growth, attract and retain skilled workers, develop a coordinated and sustainable infrastructure system, maintain liveable and socially desirable communities and promote a coordinated local, state and national government system. The region is faced with some constraints which limit the potential for the region to grow, along with opportunities which create a vibrant and liveable region.

SUNSHINE COAST BUSINESS PRIORITIES

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PRIORITY 1: IMPROVING THE BUSINESS OPERATING ENVIRONMENT FOR SUNSHINE COAST BUSINESSES

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 Sunshine 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 cities 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 Sunshine 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.
- **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 Sunshine 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 bipartisan commitment to improve the business operating environment on the Sunshine Coast and throughout Queensland, with priority focus on key areas such as red tape reduction, industrial relations, taxation reform and infrastructure.

PRIORITY 2: LEVERAGING EXISTING, PLANNED AND FUTURE INFRASTRUCTURE AS A CATALYST FOR GROWTH AND DIVERSIFICATION

The Sunshine Coast is poised to receive a combination of public and private funding over the coming decades as the region prepares to accommodate a growing population. As the region continues to attract a mix of young families, baby-boomers and retirees, current infrastructure is struggling to cope. Any social and economic growth must be accompanied by improvements to local infrastructure.

The Sunshine Coast can look forward to the establishment of the Sunshine Coast University Hospital, forming part of the new Kawana Health Campus. The first stage is due to be completed by the end of 2016, providing the region with over 700 hospital beds and 8000 jobs by 2025.

The University of the Sunshine Coast also boasts a campus in Sippy Downs, with over 8000 local, domestic and international students currently undertaking tertiary studies and an annual staff of at least 600. Around 70 per cent of students at the university live on the Sunshine Coast, providing the region with significant economic benefits, many of which are yet to be fully realised.

The University of the Sunshine Coast is a treasure trove of untapped social and economic potential. It is touted as one of the fastest growing universities in Australia and is credited with directly contributing \$269 million to the Sunshine Coast economy annually and indirectly contributing \$530 million. These contributions having been rising incrementally as the university experiences growth and with enrolments set to continue to reach 12,000 by 2015, this will only continue to increase.

The contribution of the university is not only apparent in statistics. The university has worked consistently to forge strong partnerships with local businesses in the region linking approximately 1900 students each year with local work experience. There are further opportunities for the university to encourage students to remain in the region and seek work locally. This will require the creation of opportunities in new industries and a collaborative approach that builds upon the relationships the university has with local businesses in the region.

Through CCIQ's regional policy council, CCIQ will work with local chambers to support the university in expanding its business networks and continue to build relationships between the university and the Sunshine Coast business community. This will encourage students to remain in the region as they seek to enter the workforce, whilst simultaneously educating businesses about the benefits of recruiting local talent.

There is a downturn in new homes being built, with more people renovating instead. We have had to move into the commercial sector, pushing our business further west where they are experiencing much more growth." – Sunshine Coast Business in the Construction Industry

"Although we are looking forward to the new hospital, we are concerned that everyone is pinning their hopes on it, that it is somehow going to transform the Sunshine Coast. While we definitely welcome it, there needs to be more coming from Council and local members in the area to try and lure more people here, to really sell the benefits of it and try and tap into the emerging market of health and aged care in the region." – Sunshine Coast Business in the Retail Sector

PRIORITY 3: FORGING A NEW IDENTITY AND ENCOURAGING ECONOMIC AND SOCIAL DIVERSITY

Many regions of Queensland are defined by their location and local economies, based on the 4 pillars of resources, tourism, agriculture and construction. For some time, the Sunshine Coast has struggled to give meaning to the region's character and forge an identity for itself. Without having an understanding of what separates the Sunshine Coast from other localities, it is difficult to proceed down the path of economic and social development.

The region needs to build on its core strengths. Going back to basics and asking the question "why do people come here", though simple, will go a long way to helping the region rejuvenate its character. Businesses have raised concerns about a degree of apathy in the community about its future directions and ability to move forward, grow and prosper. To combat this, there needs to be increased engagement – not only within the business community, but across the Sunshine Coast, that transcends political boundaries and focusses on creating a dialogue in the region that people will want to be a part of. This includes locals from all ages and backgrounds, big businesses, small businesses, community organisations and industry associations, and local representatives. Everyone has an important role to play in helping to shape the identity of the Sunshine Coast.

A HEALTHY LIFESTYLE

Health and wellbeing are two major lifestyle factors that attract people to the Sunshine Coast. Large numbers of amateur and professional sports people already choose to live and train in the region. The University of the Sunshine Coast has a national-standard sports facility that is utilised by professional sports people. Additionally, there are several aquatic centres, stadiums and sports fields located in key centres across the region. The Sunshine Coast Regional Council has recognised the potential the combined lifestyle and infrastructure represents to the region, particularly with the Commonwealth Games being held on the Gold Coast in 2018, however is yet to fully capitalise on any potential involvement.

FLY-IN FLY-OUT

The Sunshine Coast Regional Council would like to see the Sunshine Coast promoted as a fly-in fly-out (FIFO) base, with its lifestyle offerings and proximity to the Surat Basin. The planned airport expansion and flexible curfew-free hours of the existing airport would assist in building the case for a hub in the region. However the region must also be prepared for the good and bad aspects associated with a fly-in-fly-out workforce.

Any industry that is connected with mining and resources will also be tied to the sector's fortunes. If there is a downturn, it will inevitably filter into a community that is reliant on it. It can also cause a skills and labour vacuum in the region. Local businesses invest time and money in apprentices only to have them pack up and move once they are fully qualified to make the most of the big pay packets offered by the mining industry. However, if a 'hub' is initiated and managed properly, it can bring great benefits to the economy and local community. Diversification is the key to ensuring the region does not become over-reliant on the resources sector and the often fleeting bounties of a FIFO workforce.

THE POWER OF DIVERSIFICATION

Growing a regional economy requires affirmative action to encourage investment and lure businesses. Lifestyle, while important, will only carry the region so far. Creating an environment that will attract businesses to operate on the Sunshine Coast is the key to growing the local economy. Traditional industries such as tourism and construction will always be important in the region. However it is vital that the local economy embrace diversity as a means of supporting these traditional industries, rather than relying solely on them for growth and prosperity.

Diversity need not be confined to the region's economic base. Local business owners have expressed their desire to see the Sunshine Coast embrace multiculturalism and the benefits it brings to regional areas. Cultural diversity presents a growth opportunity that may potentially bring more businesses and jobs to region, reducing unemployment and encouraging locals to embrace change in the social and economic fabric of the region.

Multiculturalism can assist the Sunshine Coast in reaching its economic and social aspirations. According to the Sunshine Coast Regional Council, between 2006 and 2011, 13,565 people moved to the Sunshine Coast from overseas, representing 38.5 per cent of all incoming migration to the region in that period. This figure presents a number of opportunities for local businesses. Migrants bring skilled labour and professional services, not to mention an increase in consumer sentiment and economic activity that accompanies population growth.

The Sunshine Coast Regional Council will play an important role in any strategic plan that helps to make these policies a reality. Additionally there is a role for organisations such as the Sunshine Coast Chambers of Commerce Alliance, along with CCIQ, to play in assisting Sunshine Coast businesses evolve and adapt to make the most of the opportunities that an enriched economy and society will bring.

CCIQ, in conjunction with the Sunshine Coast Chambers of Commerce Alliance and through the CCIQ Sunshine Coast Regional Policy Council, will work with the Sunshine Coast Regional Council in developing a reinvigorated economic plan for the region that fosters growth and encourages diversification of the region's economic base.

CCIQ is represented in the Sunshine Coast Council's 2018 Commonwealth Games Opportunity Forum and stands ready to assist in the implementation of strategies to ensure businesses are ready, willing and able to harness the opportunities that are presented by the Commonwealth Games in 2018.

PRIORITY 4: BUILDING TRANSPORT AND ECONOMIC CAPACITY IN A GROWING REGION

Underfunded and over-utilised transport corridors are preventing the region from capitalising on its location and proximity to the Brisbane CBD and acting as a gateway to regional Queensland.

If the population of the Sunshine Coast reaches the expected projection of over 500,000 people by 2031, a long-term transportation blueprint for the region will be required. While CCIQ acknowledges the Sunshine Coast Regional Council's Sustainable Transport Strategy 2011-2031, it requires continuous review and updating to reflect achievable targets in the short-medium term that allows the public transport system to keep pace with the population growth in the region.

ROAD

As the main arterial road connecting the Sunshine Coast to South-East Queensland and regional Queensland, the Bruce Highway is a critical element in any economic strategy for the region. Although improvements to the Bruce Highway are on the State Government's agenda, little action is expected in the near future (most are planned over the long-term between 5-10 and 11-20 years) and all commitments are subject to government budgetary requirements and limitations.

Bottlenecks and safety issues are preventing local businesses from tapping into the drive tourism market, and affecting the region's supply and logistics capacity. Indirectly, it acts as a disincentive to population growth, deterring would-be commuters from the daily journey between the Sunshine Coast and Brisbane CBD, with no suitable alternative rail line or efficient transportation.

Connectivity within the region requires significant improvement. The Sunshine Motorway is supposed to be the main connector between key locations in the region however can be difficult to navigate for tourists and does not provide any welcoming linkage between Noosa and the southern towns of Maroochydore, Mooloolaba, Marcoola, etc. Businesses are concerned at the lack of encouragement to use the route as an arterial access. Some businesses have raised their concerns that this route exemplifies the divide between Noosa and the rest of the Sunshine Coast region.

CCIQ has made representations to the Federal Government in CCIQ's 2013-14 Federal Budget Submission regarding planned and future investment in the Bruce Highway. CCIQ recommended the Federal Government match the Queensland Government's commitment to allocate \$1 billion over the next 10 years to the cost of upgrading the Bruce Highway over and above existing levels under the Federal Government's Nation Building Program. CCIQ will continue to advocate strongly for improvements to key road infrastructure that is critical for the economic development of the Sunshine Coast.

RAIL AND BUS

Currently, the Translink rail line acts in conjunction with the Bruce Highway as the main commuter transport linking the region with the Brisbane CBD. There are seven inbound commuter services from Monday to Friday before 9am originating from Nambour (with one of these originating from Gympie) and twelve peak services during Monday to Friday between 4pm and 7pm (with one of these services extending past Nambour to Gympie).

If the Sunshine Coast is to promote itself as an enviable lifestyle destination within commuting distance of the Brisbane CBD, not only will it be necessary to increase the frequency of commuter services (and extend more than two peak services daily beyond Nambour), but it is also vitally important that the key centres of population growth are serviced by public transport. To this end, the State Government, in conjunction with the Sunshine Coast Regional Council, ought to consider revisiting the plan to extend the rail line from Beerwah on the main Sunshine Coast line to Maroochydore.

"My staff member was sleeping nearly 1.5 hours before the shop opened as the next bus she could catch would be 1 hour late (for her shift), so I have had to adjust her roster times so she is working less." – Sunshine Coast Business Owner in the Retail Sector

Intra-regional transport has not kept pace with the growing economy and population on the Sunshine Coast. Bus timetables are inefficient and not reflective of the growing economic demands in the region, including commuter services. In order to have an efficient transportation system, there must be a certain level of demand for services. Sunshine Coast residents predominantly use private motor vehicles as their preferred method of transport. In order for big-ticket transportation infrastructure to have a chance in the region, local residents need to be educated about the benefits of public transport in an effort their perceptions of it and usage patterns.

The Sunshine Coast Regional Council aspires to improve intra-regional connectivity by introducing a light rail to service the main coastal towns. While this is a good long-term prospect that requires some initial planning now to improve connectivity within the region in the future (and make the most of key attractions and economic drivers such as the university, hospital and airport), it is ambitious and is unlikely to receive the required funding of over \$2.5 billion in the short or medium term¹. As such, local businesses and residents should not be seduced by the promise of local light rail. Immediate improvement in the Sunshine Coast's local transport is possible, with increased and more efficient scheduling of bus services the most obvious opportunity and easily accessible solution in the short-term.

There are also short-term drawbacks for local businesses in the roll-out of key infrastructure that can significantly impact on local businesses. The Gold Coast is currently experiencing this with the initial stages of construction of the Gold Coast Light Rail project, where local businesses are suffering due to the loss of foot and vehicle traffic from traditionally high-movement areas. Unfortunately these "collateral damage" issues are a reality of progress and development that need to be considered in the planning for any transportation or infrastructure projects.

CCIQ will continue to emphasise the need for a short-medium term, realistic actions that will deliver a more efficient and improved transport system. CCIQ will raise this issue with the relevant authorities at local and state government levels and advocate strongly for immediate improvements to the current transportation system.

AIRPORT

In recent years the Sunshine Coast has seen the emergence of the aviation industry that is fast becoming a key contributor to the region not only economically, but also strategically. The airport currently sees 87,000 aircraft movements and 1 million passenger movements each year. It is owned, managed and operated by the Sunshine Coast Regional Council.

In order to accommodate growing passenger movements and to capitalise on the existing aviation industry in the region, the Sunshine Coast Airport Master Plan was developed in 2007 to make way for the expansion of the Sunshine Coast airport and aerospace precinct. The Sunshine Coast Regional Council are nearing the completion of community and stakeholder consultations and are hoping to have the project underway in the near future and completed by 2016.

The airport expansion will include:

- A new 2,430 metre runway;
- New terminal for passengers and baggage;
- Expansion of the current apron;
- Expansion of the aviation business precinct; and
- Supply of fill for the new runway.

From a tourism perspective, the airport expansion will provide additional passenger capacity and access to growing domestic and international markets. Economically, the expansion is projected to inject an additional \$1.6 billion to the regional economy between 2015 and 2050. Ease of access and movement will also encourage investment and business migration to the Sunshine Coast, opening up trade routes in domestic and overseas markets.

The expansion will also benefit the existing and growing aviation industry that has emerged on the Sunshine Coast in recent years. Aviation is now counted by the Sunshine Coast Regional Council as a key industry on the Coast, comprising training and education, manufacturing, aircraft sales, charters, emergency services and licenced maintenance and overhauling. The industry is primarily based at the Sunshine Coast airport at Marcoola, but is also serviced by the Caloundra Aerodrome.

CCIQ will make representations at the highest levels of State and Federal Governments to ensure the Sunshine Coast Airport is considered in the roll out of any aviation strategy.

1. Sunshine Coast Regional Council Light Rail Taskforce Full Report: Prefeasibility and Rapid Economic Appraisal Report (August 2012).

PRIORITY 5: ADOPTING A WHOLE-OF-REGION APPROACH

Though a relatively compact geographical area, the Sunshine Coast is comprised of many diverse communities, each of which have their own personalities and characteristics that are promoted to attract business, investment and visitation.

Since amalgamating in 2007, the Sunshine Coast Regional Council has been working towards representing the interests of the region as a whole. Local businesses continue to report a legacy of fragmentation, with some locations within the region acting at the behest of others and at the expense of the region as a whole.

A vote was held in March 2013 the outcome of which has resulted in the de-amalgamation of Noosa from the Sunshine Coast Regional Council. The Queensland Treasury Corporation Report estimates the cost of establishing a new Noosa Council to be \$13.65 million, with an increase of \$260 per annum to Noosa ratepayers.

There is no doubt that the Noosa region offers a unique and popular tourism product that greatly benefits the local economy. It is understandable that businesses in the Noosa locality want to retain this advantage. This same advantage also acts to disadvantage other businesses in the wider region, in particular other tourism destinations and highlights the lack of connectivity (both physical and otherwise) between localities in the region.

Local businesses have reported that since the Sunshine Coast Regional Council elections and new council representatives, things have generally taken a positive turn and the new councillors are well-intentioned. However there is a legacy of inaction within the existing bureaucracy that cannot be easily changed. This is contributing to a lack of confidence in the Council generally, and added significant weight to the argument for de-amalgamation. Local businesses view the Council as inhibiting business growth and contributing to problems with red tape.

Regional unity is vital for the Sunshine Coast on a number of levels. The consequences of de-amalgamation extend far beyond physical boundaries. It extends to critical funding decisions on key infrastructure and could delay and even endanger projects such as the Sunshine Coast airport expansion, Bruce Highway and Sunshine Motorway upgrades, Maroochydore town centre plans and to some extent, the future viability of projects like the light rail.

CCIQ notes the recent decision that the new Sunshine Coast Planning Scheme will not include the newly independent Noosa region. The new Noosa Council will develop a new planning scheme for the Noosa region.

Business requires certainty. The announcement on the Sunshine Coast Planning Policy will go some way towards providing this. However, the lengthy process involved in separating the Noosa Council from the Sunshine Coast Regional Council has the potential to affect the delivery of services and result in confusion and uncertainty amongst local residents and businesses.

CCIQ reserves judgement on the issue of de-amalgamation. Local businesses have expressed their frustrations with the deep divisions between parts of the Sunshine Coast and believe it is a factor affecting the reputation and business conditions in the region. CCIQ will endeavour to encourage a whole of region approach to big issues that affect the Sunshine Coast region.

I think the whole region are ready to put the division behind us and move on. After all, we've all got to make a living. Its no use pretending that we don't all want the same thing. We have just as much to offer down here in Caloundra as Noosa does – let's regroup and get on with it." – Sunshine Coast Business in the Tourism Industry

PRIORITY 6: REDUCING BUSINESS COMPLIANCE COSTS AND RED TAPE

Businesses on the Sunshine Coast and across Queensland are keen to see a reduction in compliance costs and red tape. Reducing regulatory burden and removing the barriers to business growth will increase investor confidence and promote a healthy and positive business operating environment.

COMPLIANCE COST SNAPSHOT: SUNSHINE COAST BUSINESS (RETAIL SECTOR)

CCIQ met with a number of businesses across the Sunshine Coast to assess their regulatory and compliance levels. As an example of the impact of regulatory compliance on small and medium businesses in the Sunshine Coast region, the following table presents the findings from a recent CCIQ red tape case study. For this business, red tape compliance costs total over \$230,000 each year, with the business manager spending on average 32 hours each week monitoring, reporting and completing compliance activities.

COMPLIANCE COST SNAPSHOT		
	ONGOING COMPLIANCE COST PER YEAR	ADDITIONAL UP FRONT COMPLIANCE COST
Business name and registration	\$623	\$100
Financial reporting	\$11,042	-
Fair trading	\$60,800	-
Building codes and regulations	\$1,800	\$261,000
Environmental regulations	\$17,569.96	\$40,000
Health and safety regulation	\$94,200	\$250,000
Employment and workplace relations	\$21,900	-
Taxation and other fees and charges	\$22,560	-
Total compliance cost	\$230,494.96	\$551,100

BUSINESS TIME (HOURS) SPENT ON COMPLIANCE ACTIVITIES EACH YEAR			
	ONGOING	UPFRONT	TOTAL
Business name and registration	2	1	3
Financial reporting	184	-	184
Fair trading	608	-	608
Building codes and regulations	-	28	28
Environmental regulations	36	-	36
Health and safety regulation	496	-	496
Employment and workplace relations	76	-	76
Taxation and other fees and charges	360	-	360
Total time required (hr)	1762	29	1791

Average hours spent per week undertaking compliance activities:

32.44

The Queensland Government is committed to reducing 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 red tape compliance for Queensland businesses as an immediate priority.

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 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 per cent. Sunshine Coast businesses have participated in CCIQ case studies that will be presented to the State 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 Sunshine Coast businesses to identify costly, complex and burdensome areas of red tape.

PRIORITY 7: ENCOURAGING A BALANCED APPROACH TO PLANNING FOR THE FUTURE

Planning issues are of fundamental importance to the economic wellbeing of the Sunshine Coast. If the Sunshine Coast's planning laws are working efficiently, then essentially economic development has little impediment other than demand considerations.

However the previous and current planning policies on the Sunshine Coast represent a significant business issue and impact negatively on investment and local decisions. CCIQ has been approached by businesses with a belief that the Sunshine Coast's planning laws over a period of time have failed to evolve with the Sunshine Coast's economy.

- The Sunshine Coast must be regarded as a single region for economic development purposes; accordingly CCIQ supports the rationale for a single approach to planning across the Sunshine Coast and across Queensland;
- The Sunshine Coast needs a planning scheme that adapts to a changing economy and prepares the region for future growth;
- Consistency, transparency and efficiency hold the key to a successful, streamlined planning policy across the Sunshine Coast
 - » Consistency in controls – one State, one planning system, one language;
 - » Transparency in process – knowing what is expected before you begin
 - » Efficiency in operation – where regulation is not required, remove it; where it is required, refine it.

The above points can and must be collectively addressed through an Economic Development Strategy for the region. This action is the vital first step before any planning policy is implemented. It is placing the 'cart before the horse' to address the planning scheme before having a clear economic vision for the region.

It is vitally important that the Sunshine Coast has a clear vision as to the region's economic development strategy over the next five to ten years. It is even more important that the Strategy is underpinned by challenging and achievable goals, which are measurable.

It is imperative that the Sunshine Coast Regional Council demonstrate to the business community that maintaining an environment where business can grow and employ is one of its key priorities.

Often good regulation has unintended or unforeseen consequences. The role of a planning scheme is to drive economic growth and provide certainty and transparency for future investment as opposed to controlling, managing and preventing those developments that are inconsistent with minority group expectations. Planning must be performed in a manner that does not unnecessarily encumber those developments which are essential for the ongoing economic development of the Sunshine Coast.

Any new planning strategy should consider how it can maximise the retention and attraction of investment to the Coast. The fact is that Sunshine Coast's current planning policy is seen as a minefield of complexity that is restricting business growth and acting as an impediment to future investment in the region.

CCIQ will continue to advocate for a single planning policy on the Sunshine Coast as part of a broader economic strategy for the region. CCIQ and the Sunshine Coast Chambers of Commerce Alliance are participating in the current review of the Sunshine Coast Regional Planning Scheme and have strongly advocated for a streamlined, easily accessible and understandable planning scheme on the Coast that keeps unnecessary compliance and red tape requirements to a minimum and encourages investment and development in the region.

My business income has been about the same, but new statutory and compliance costs are eating into my profitability (and time). I am very disappointed in the current governments' agenda against accountants and superannuation advisors which I don't see as being a positive initiative for the clients or the industry in general. They (the government) are supposed to be making financial advice more affordable, when they are in fact increasing the compliance costs of advisors. It is strange that they feel this will lower the cost of providing financial advice." – Sunshine Coast Business in the Financial Services Sector

PRIORITY 8: PROMOTING 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 Sunshine Coast business community and key decision makers at a local, state and federal level. As previously outlined engagement with Sunshine 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 Sunshine Coast.

CCIQ will provide ongoing advocacy updates to the Sunshine Coast business community about the progress made towards addressing the 8 regional business priorities raised in this blueprint and summarised below.

“It has been a difficult market with the world economy feeling the strain. I feel that consumer sentiment is picking up and we can look forward to greater spending amongst consumers.” – Sunshine Coast Business in the Sports and Recreation Industry

SUMMARY OF REGIONAL BUSINESS PRIORITIES:

1. Improving the business operating environment for Sunshine Coast businesses
2. Leveraging existing, planned and future infrastructure as a catalyst for growth and diversification of industry
3. Forging a new identity for the region and encouraging economic and social diversity
4. Building transport and economic capacity for a growing region
5. Adopting a whole of region approach across the Sunshine Coast
6. Reducing business compliance costs and red tape
7. Encouraging a balanced approach to planning for the future
8. Promoting a positive business and culture on the Sunshine Coast that will attract businesses to the region in 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**.

CCIQ OFFICES

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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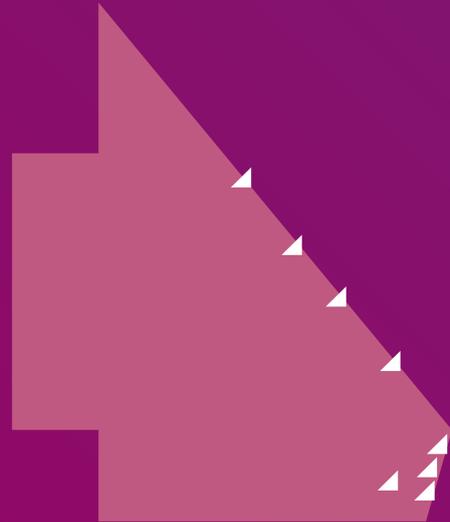
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