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QUEENSLANDS' GOLD COAST OVERVIEW OF THE REGIONAL ECONOMY

Introduction

The Gold Coast region is one of Australia's largest urban centres and it continues to grow at a rapid rate. Population growth over the last five years has continued at a rate of around 4% per annum. According to the ABS 2001 Census, the population of the Gold Coast City was approximately 430,000 persons.

By the year 2005 the city will have a population of 500,000 people.

Most of this growth comes from interstate migration, however the number of overseas migrants has been growing for a number of years. New residents from overseas come from Singapore, Hong Kong, Europe and New Zealand.

The Gold Coast is an important retiree destination. The 'sunbelt' migration as it is termed is similar in pattern to the East Coast of the USA. Despite this the Gold Coast is a relatively young city with a median age for males of 36 years and females 37 years.

People moving to the area are attracted to the obvious lifestyle benefits and the opportunity to capitalise on the reasonable real estate prices when compared to their hometowns.

The Gold Coast has a population growth of 13,500 persons per year. This creates a demand for around 5,400 new dwellings. This figure does not take into account the units and serviced apartments built solely for tourist accommodation.



Tourism

The Gold Coast has consolidated its position as a premier tourist destination. The region attracts an estimated 4.4 million visitors per year resulting in a total expenditure of \$3 billion (2001/02).

The primary contributing sectors to the Gold Coast tourism industry are:

- Accommodation, cafes and restaurants
- Theme Parks and attractions
- Events
- Conferencing and conventions
- Catering and provisioning

Domestic tourism accounts for 80% of visitation to the Gold Coast.

Tourism directly accounts for 16% of the jobs on the Gold Coast.

The tourism industry on the Gold Coast can look forward to the positive impact of:

- establishment of the Gold Coast Convention Centre
- Master plan of the development of Coolangatta Airport to allow access for International flights
- Virgin Airlines establishment in Queensland and direct Sydney / Coolangatta flights
- Growth of the major events market, INDY, Gold Coast Marathon
- Expansion of existing theme parks

Construction Industry

Construction is one of the strongest sectors of the Gold Coast regional economy. The industry directly employs 10% of the Gold Coast workforce. When flow on effects are taken into account around 23% of the workforce are allied to the building and construction industry. (Veitch Lister report 1997)

As a percentage of the Moreton Statistical Division total, which takes in most of urban South-east Queensland the Gold Coast City accounts for 52% of residential building approvals and 65% of non-residential building approvals in Queensland.

The construction sector has been a driving force of the Gold Coast economy since the 1970's. The construction industry derives its core business from tourism and the need to provide around 5,400 new homes per year to accommodate new resident population.

Accordingly, the construction sector is susceptible to variations in both business activity and population growth.

Wholesale and Retail Industry

Wholesale and retail trade has traditionally been a strong source of employment on the Gold Coast. The Gold Coast has a higher than average retail floor space ratio to resident population than most cities of its size. This occurs due to the regions historically strong population growth and the need to provide services in new urban areas and also from the influence of the retail expenditure by domestic and international visitors.

Manufacturing Industry

Employment in manufacturing is well represented in the food processing, textile and clothing, printing and publishing, metal products, pre-fabricated buildings and furniture manufacturing sectors. Studies, which profiled the Gold Coast manufacturing industry, have shown that the majority of businesses are of a type that services the tourism and construction sectors. Most of these businesses employ between 5 and 9 staff. Very few major employers, those with over 100 staff are represented in the City. This profile is slowly changing with the importance of the Marine Industries growing as an employer in the region. The establishment of the Coomera Marine Precinct has proved a catalyst to the marine industry. This precinct is expected to provide around 1500 jobs during its construction and operational phases. Ongoing employment will number in the thousands when production is in full swing.

Agriculture

The agriculture sector represents a relatively small proportion of the Gold Coast economy. The main agricultural activities in the area relate to sugar growing and the fishing industry.

Horticultural and saw milling activities are represented in the region. The more significant agricultural, forestry and fishing ventures are found in the Gold Coast hinterland which includes the Richmond-Tweed area of northern New South Wales and out to Beaudesert. These industries contribute somewhat to the regional economy,

Apart from the established industries, the region's strategic position and other natural advantages are expected to produce considerable growth in other sectors, including education, health, film and television, high technology and food processing.

Education

Education is an area of considerable potential on the Gold Coast. The region already has several major tertiary institutions including Australia's first private university, Bond University. The Gold Coast is recognised as providing some of the best tourism, hospitality and business training in Australia.

Strong linkages have been developed between educational facilities, the tourism industry and other Gold Coast businesses.

Furthermore, the education industry has a strong focus on overseas fee-paying students, whose settlement in the Gold Coast region provides flow-on for the rest of the regional economy.

Health Industry

The health industry is a significant component of the Gold Coast regional economy. The relatively high rate of growth of the resident population, coupled with the aging of the population has created a significant demand for increased and more diverse health services. There is a linkage between the health industry and education and tourism. Medical and health training courses and conferences bring in additional spending to the region. Biotechnology industries are emerging on the Gold Coast with the establishment of the Griffith University Centre for Bio-molecular Science & Drug Discovery and Medical Schools at both Bond & Griffith Universities.

Information Technology

Technology Parks and Business incubators have contributed to the high rate of new business formation and start up of high technology firms. Communication and E- business are the fastest growing industries in the world. The Gold Coast business community is actively promoting the benefits of the region to high-tech companies around the world.

Film and Television

The film and television industry is also expected to continue to grow in importance. The Gold Coast is becoming known as a viable filming location for international feature films. Movieworld has world class production facilities and the last few years have seen the establishment of the service and support industries, which are required by the filmmakers.

Urban Growth

One of the major issues that directly impacts on the Gold Coast's future is the speed and extent of its urban growth.

It is estimated that by the year 2011, there will be some 538,000 people living in the Gold Coast City. The existing communities at Robina, Mudgeeraba, Nerang, Helensvale, Gaven, Coomera, Hope Island, Ormeau and Pimpama will be significantly larger, with extensive new developments occurring in the fringe and hinterland areas.

The established areas of the region will experience extensive redevelopment and new in-fill construction, with population increases in areas such as Main Beach, Labrador, Southport, Broadbeach, Beenleigh and Coolangatta.

It is also envisaged that the Albert Corridor from Beenleigh to Coolangatta will develop into a high-density urban development. This development is aided by the new rail link between Robina and Brisbane City and on to the Brisbane Airport.

Gold Coast EMPLOYMENT

Introduction

The significance of the construction industry as an employer in the Gold Coast region is summarised in the following statement from the report entitled "A Future Activity Centre Strategy for Gold Coast City" prepared for the Gold Coast City Council by Veitch Lister Consulting in 1997:

The tourism and construction sectors now dominate the Gold Coast economy, accounting for a very substantial proportion of the overall employment activity in the area.

Regional Employment

The level of direct employment in the Building and Construction industry compared with employment in other regional industry sectors using 1996 Census data and a similar system of aggregation to that used in the Griffith University 1993 input-output table is as follows:

| Industry Sector | Number of Employees | Percentage of Employment |
|---|---------------------|--------------------------|
| Trade (Retail and Wholesale) | 32,627 | 25.53% |
| Business Services and Finance | 22,444 | 15.50% |
| Community Services | 21,819 | 15.07% |
| Building and Construction | 14,434 | 9.97% |
| Restaurants, Hotels and Clubs | 12,888 | 8.90% |
| Recreation, Entertainment and Personal Services | 10,603 | 7.32% |
| Miscellaneous Manufacturing | 9,943 | 6.87% |
| Transport and Storage | 6,032 | 4.17% |
| Public Administration | 3,764 | 2.60% |
| Machinery Manufacturing | 2,275 | 1.57% |
| Food Manufacturing | 2,216 | 1.53% |
| Communications | 2,214 | 1.53% |
| Agriculture and Fishing | 1,628 | 1.12% |
| Wood and Paper Manufacturing | 977 | 0.67% |
| Mining | 462 | 0.32% |
| Electricity and Gas | 330 | 0.23% |
| Water and Sewerage | 164 | 0.11% |
| Total | 144,820 | 100.00% |

Source: Australian Bureau of Statistics 1996 Census and Griffith University.

In terms of direct employment, the Building and Construction sector is the fourth largest sector in the Gold Coast region.

Employment Profile

The Gold Coast region has a fairly broad industry base, driven by the region's attractiveness as a tourist and retirement destination and by strong population growth.

Based on 1996 Census data, the employment profile of the Gold Coast region, compared to Queensland and Australia, is as follows:

| Industry Sector | Gold Coast | Queensland | Australia |
|---|---------------|---------------|---------------|
| Wholesale and Retail | 22.0% | 19.7% | 19.4% |
| Finance, Property and Business Services | 14.0% | 12.3% | 13.7% |
| Community Services | 13.6% | 16.5% | 16.6% |
| Manufacturing | 9.9% | 10.5% | 12.6% |
| Construction | 9.7% | 7.2% | 6.4% |
| Accommodation, Cafes, Restaurants | 8.7% | 5.5% | 4.7% |
| Recreation, Personal and Other Services | 8.6% | 6.0% | 5.9% |
| Transport and Storage | 4.1% | 4.9% | 4.4% |
| Public Administration | 2.5% | 5.2% | 4.9% |
| Communication | 1.5% | 1.7% | 2.0% |
| Agriculture | 1.1% | 5.2% | 4.2% |
| Electricity, Gas and Water | 0.3% | 0.7% | 0.8% |
| Mining | 0.3% | 1.2% | 1.1% |
| Non-Classifiable | 3.7% | 3.4% | 3.3% |
| Total | 100.0% | 100.0% | 100.0% |

Source: Australian Bureau of Statistics 1996 Census.

The region's employment profile shows the relative importance of the following sectors of the economy:

- construction
- wholesale and retail
- accommodation, cafes and restaurants
- finance, property and business services
- Recreation, personal and other services.

This analysis confirms the importance of the development and tourism industries in the Gold Coast's regional economy.

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