

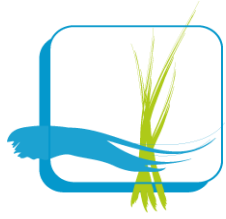
Prepared by:



Munro|Thompson
LAWYERS

State of Business Report

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Presentation Overview

- Employment Trends
- Industry Specialisation
- Retail Focus
- Industry Opportunities
- Investment
- Housing Affordability
- Business Conditions
- Tourism
- Future Challenges

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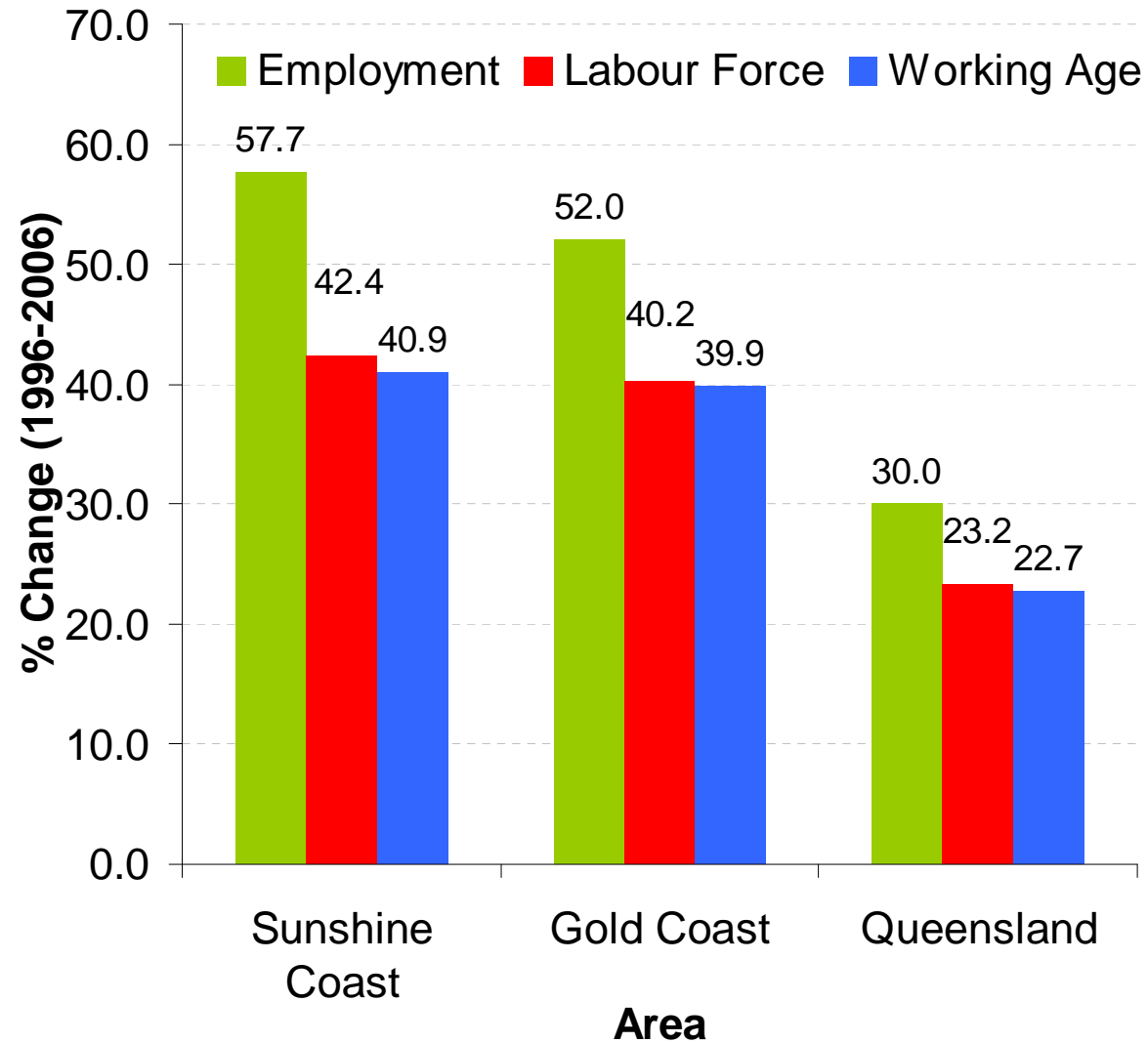
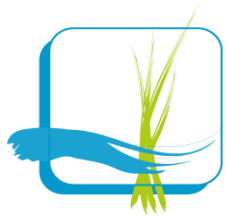


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Employment Trends

- **Employment growth outpaces working-age population growth by wide margin.**
- **Unemployment rate fallen by 9.1% pts in 10 years.**
- **Industries responsible: Construction, Retail Trade, Health Care and Social Assistance.**





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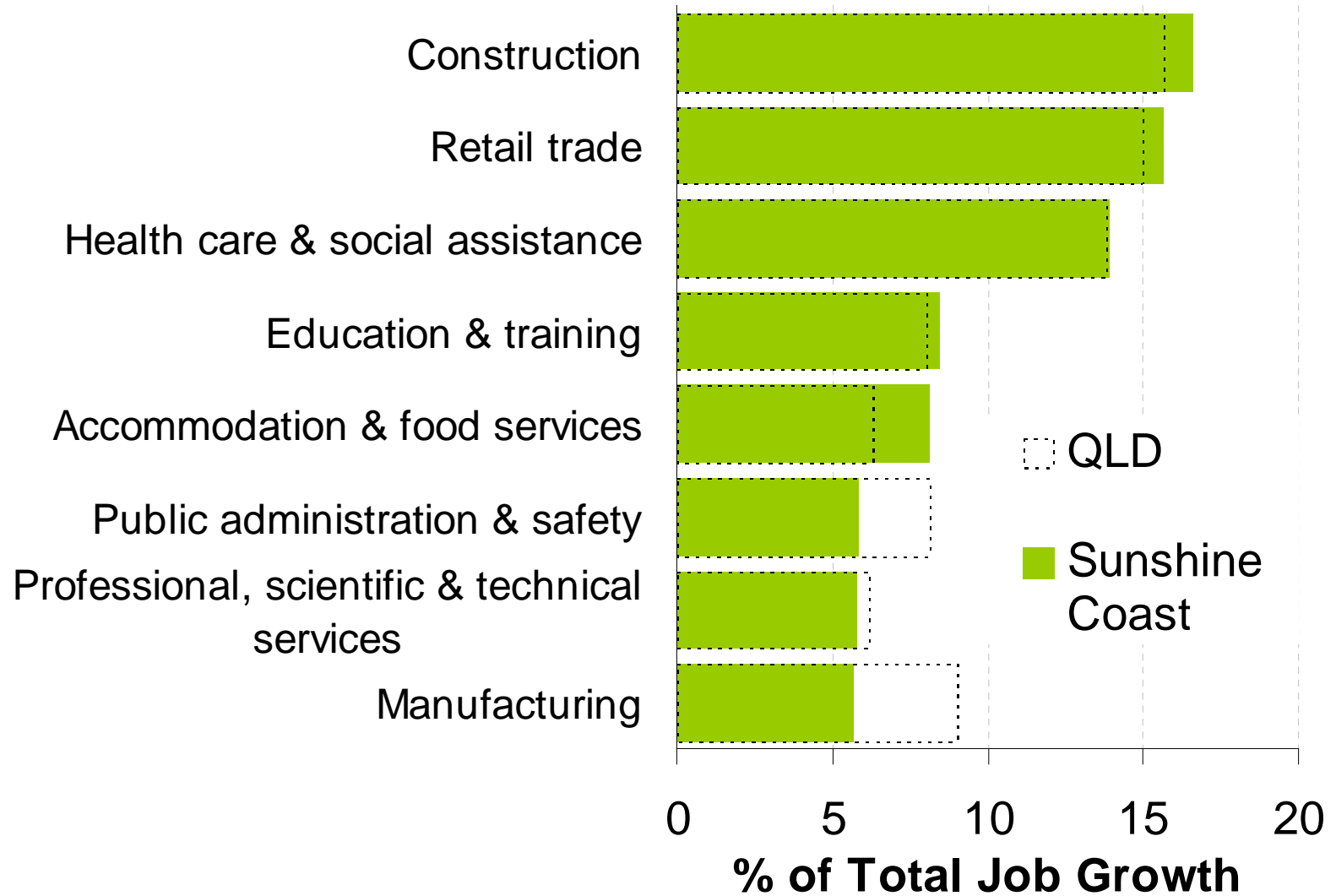
Sunshine Coast			
	1996	2001	2006
Unemployment Rate (%)	14.9	11.3	5.8
Participation Rate (%)	56.5	55.4	57.1
Gold Coast			
	1996	2001	2006
Unemployment Rate (%)	12.7	9.8	5.3
Participation Rate (%)	59.9	59.1	60.0
QLD			
	1996	2001	2006
Unemployment Rate (%)	9.7	8.2	4.7
Participation Rate (%)	61.6	61.5	61.8

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Industry Specialisation

Industry Sector Location Quotients	2006
Rental, hiring & real estate services	1.8799
Accommodation & food services	1.6433
Retail trade	1.3720
Arts & recreation services	1.1919
Construction	1.1887
Health care & social assistance	1.1256



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Retail Trade: Lifestyle Centres

- Retail trade contributed \$997.7 million or 13.3% of GRP in 2006, growth of 66.1% on 2001.
- Is the region's largest employer at 16,720 people or 14.3% of the workforce.
- Growth set to continue, with commercial building investment of \$137.4 Million in the year to September 2007.



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Why this dominance of retail?

- Average annualised population growth of 4.1% over the last 15 years.
- Significant tourism sector with expenditure totalling \$2.4 billion in 2007.
- This drives demand for consumer goods, leading to a ballooning of the retail industry.



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Threat to the region's economy

- With high debt burden in Australia, spending is weakening as people deleverage.
- Impacts negatively on tourism numbers, consumption and hence the retail industry.



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Enter the Lifestyle Centre

- **Recreating the town square: A retail precinct incorporating shopping with lifestyle amenities.**
- **Move away from a homogenised shopping experience; boutique shopping, unique products and services.**



everGreen

Lifestyle Centre NOOSA



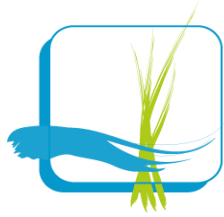


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De facto CBD

- Acts as a de facto CBD.
- Central location that brings shopping, recreation and community services together.
- Potential to recreate the social fabric that unites communities.
- Benefits should not be measured only in economic terms.



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Investment

- Prior five years: Sizable increase in non-residential building approvals.
- Concentrated in Offices, Retail and Wholesale Trade Buildings and Educational Facilities.



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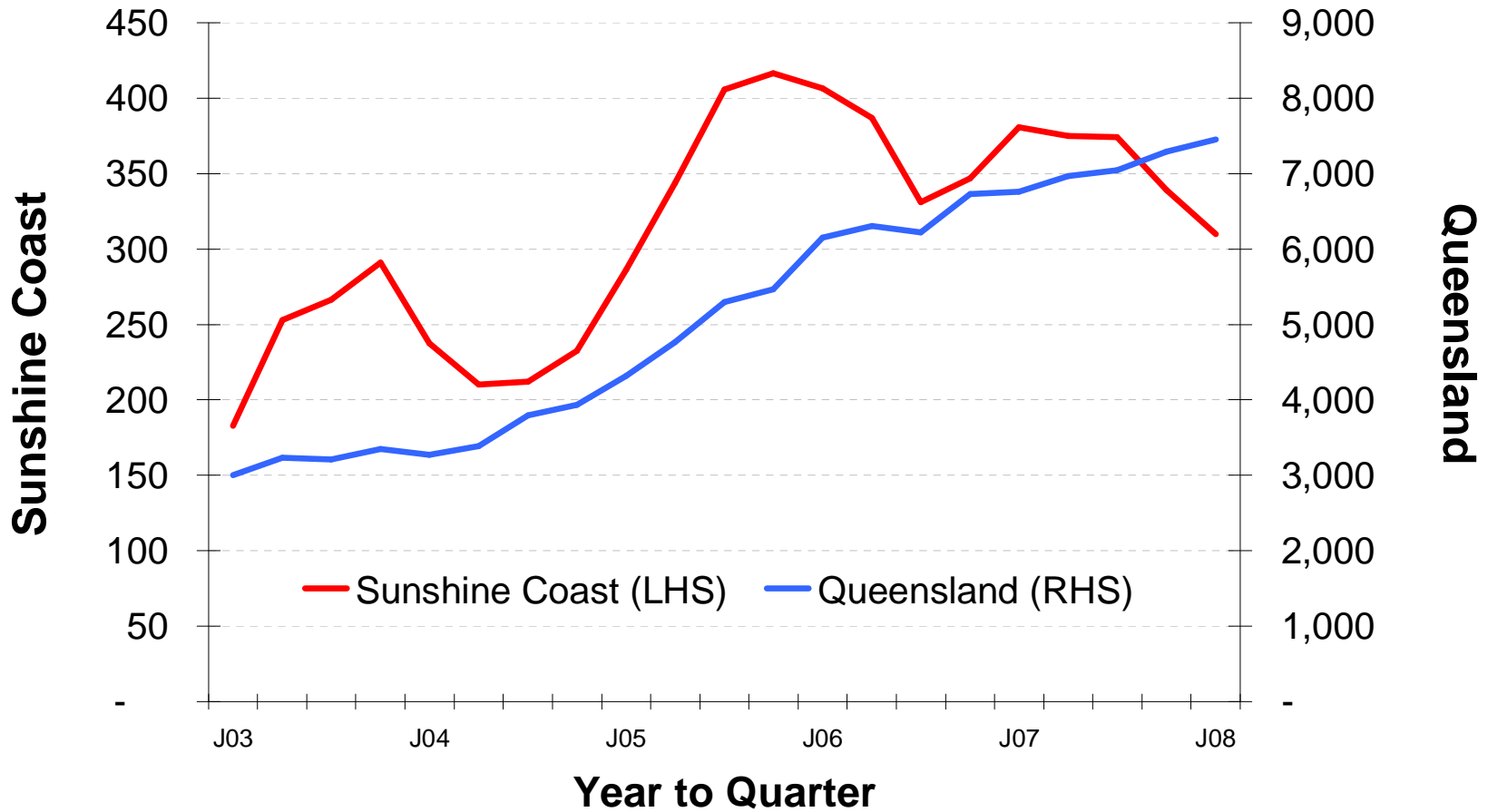
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Industry Opportunities

- Food product manufacturing
- Telecommunication services
- Finance, Insurance & Superannuation
- Professional, Scientific & Technical services
- Computer system design
- Tertiary education



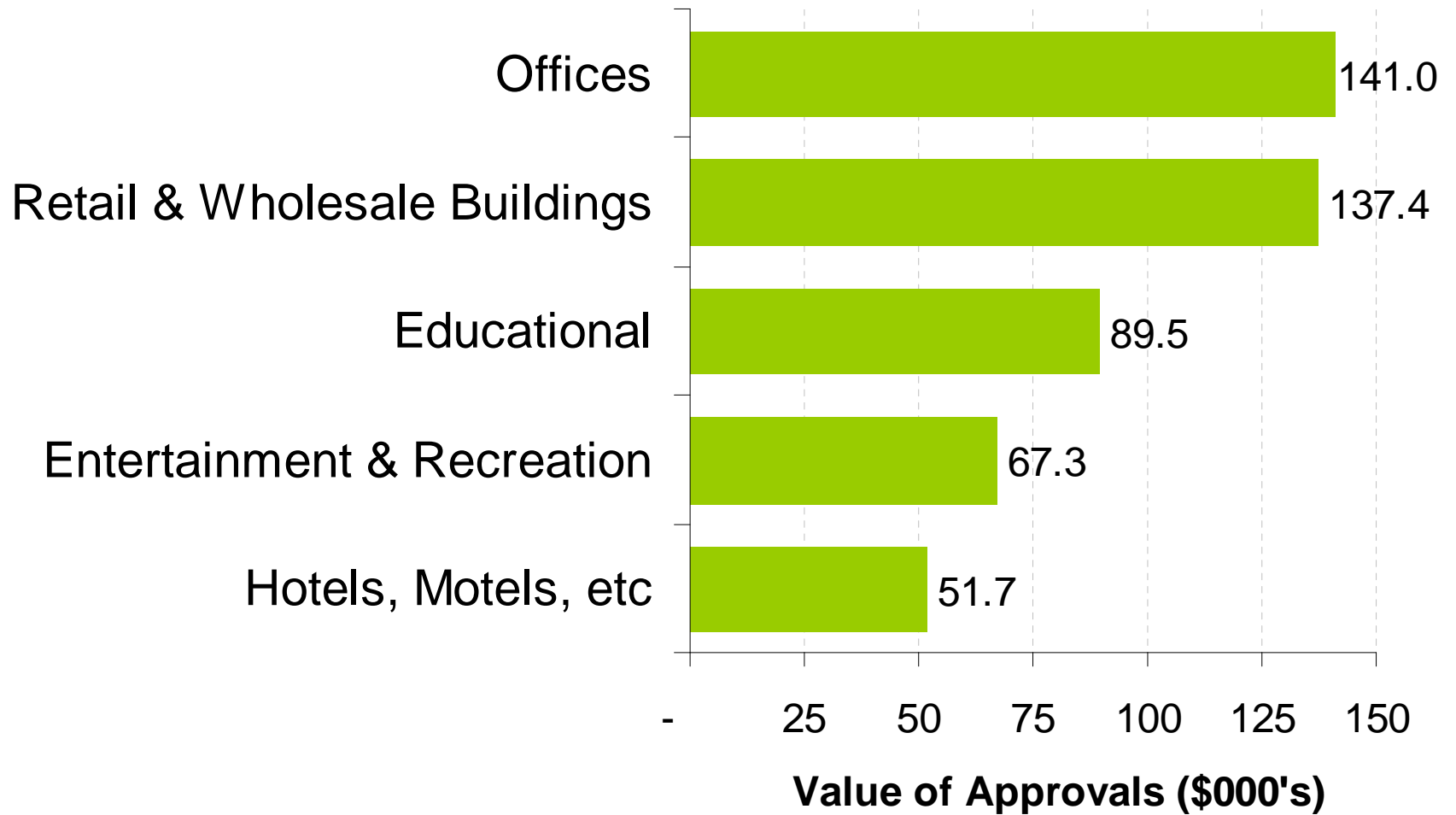
Value of Approvals (\$ mil)





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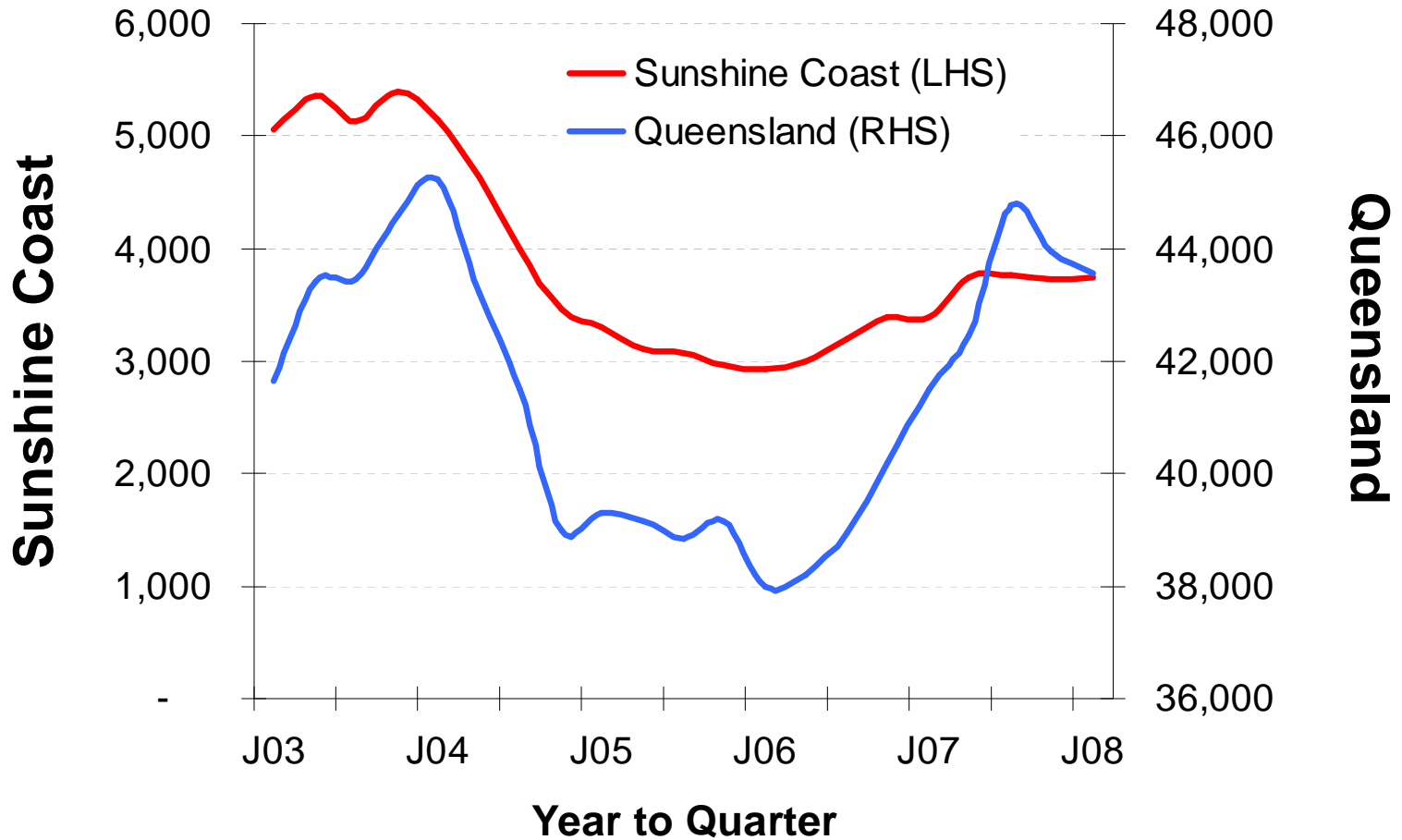
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Housing Affordability

- New dwelling approvals have fallen over the past five years.
- Housing boom results in house prices skyrocketing.
- Housing is now ‘seriously unaffordable’.



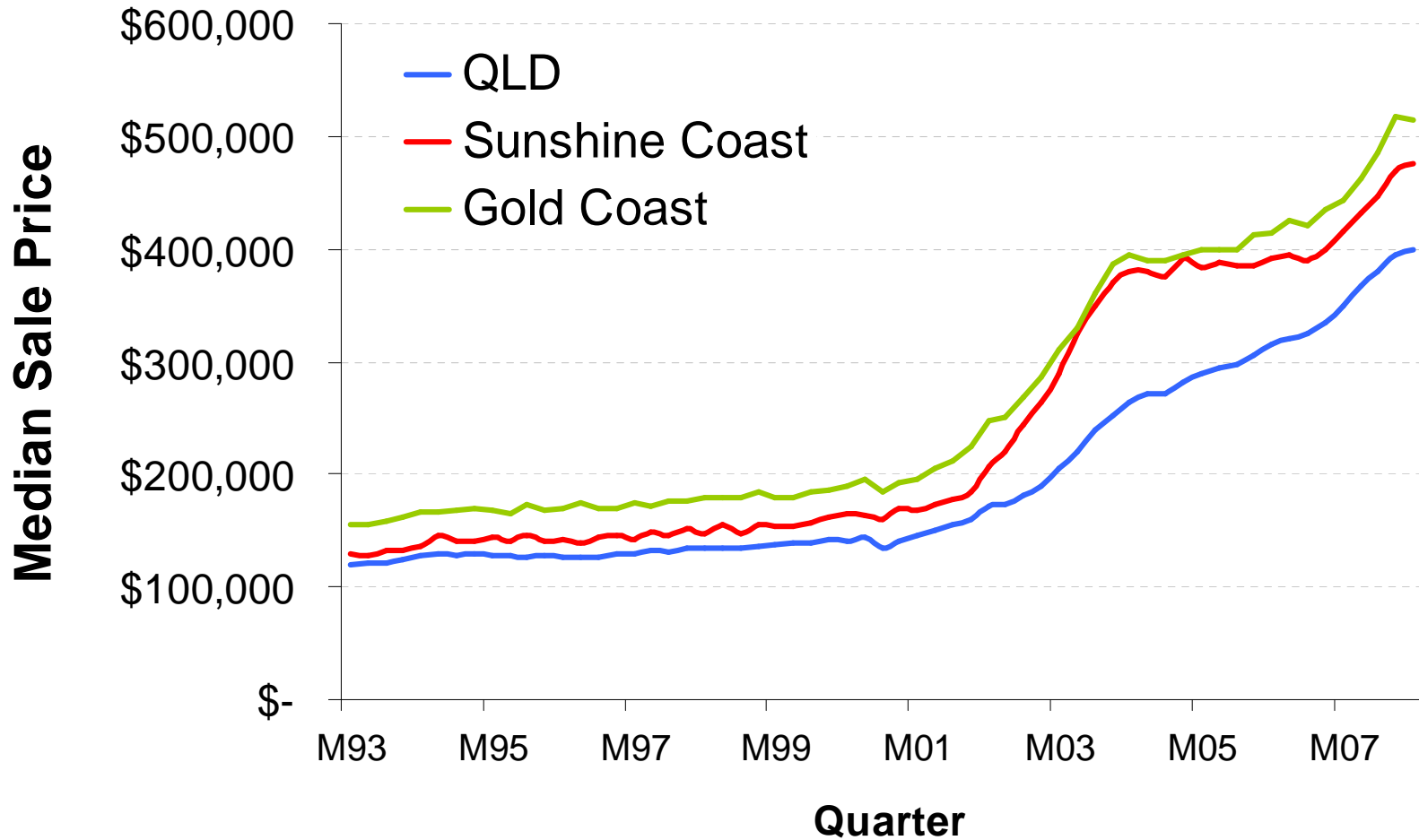
Number of Dwelling Approvals





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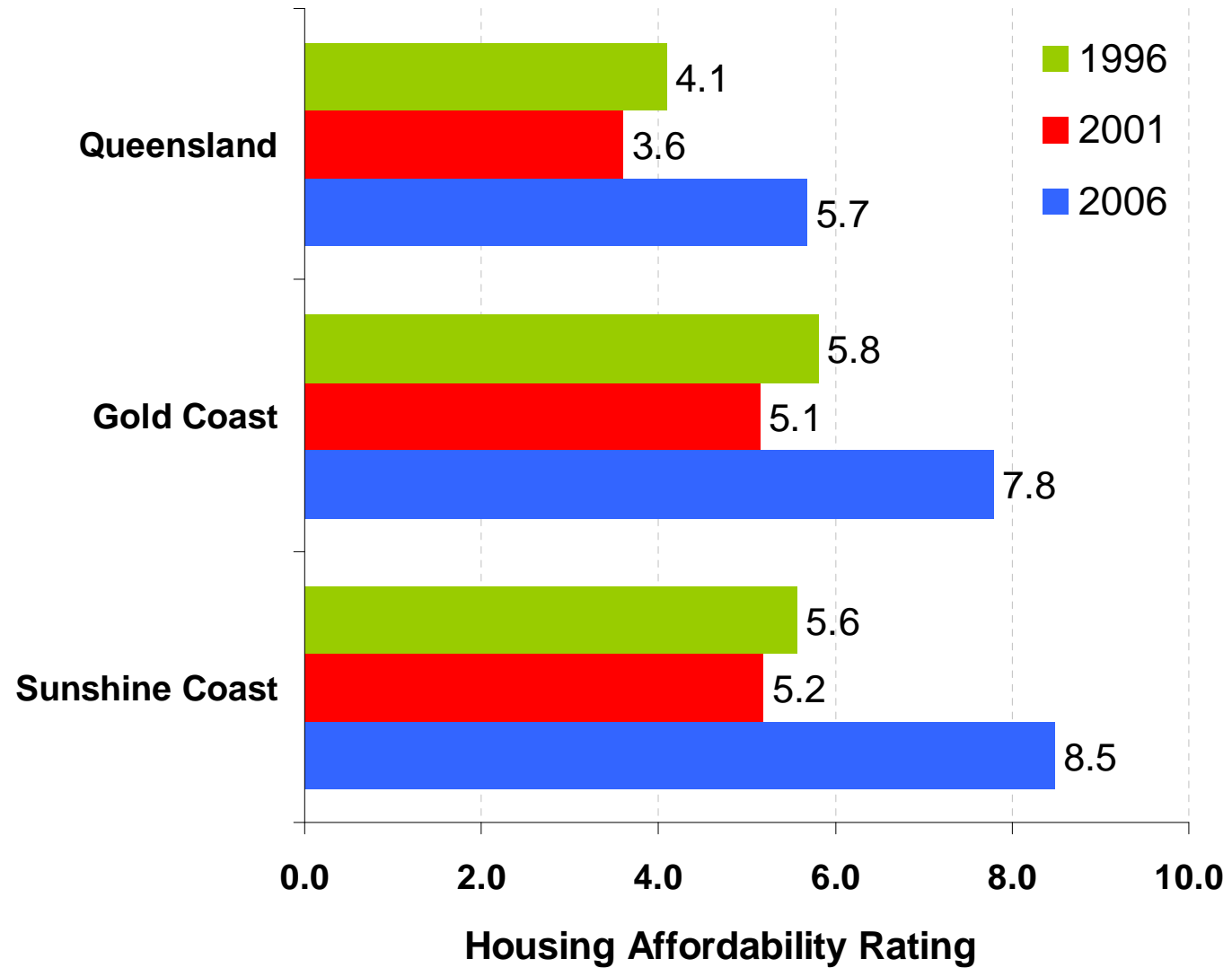
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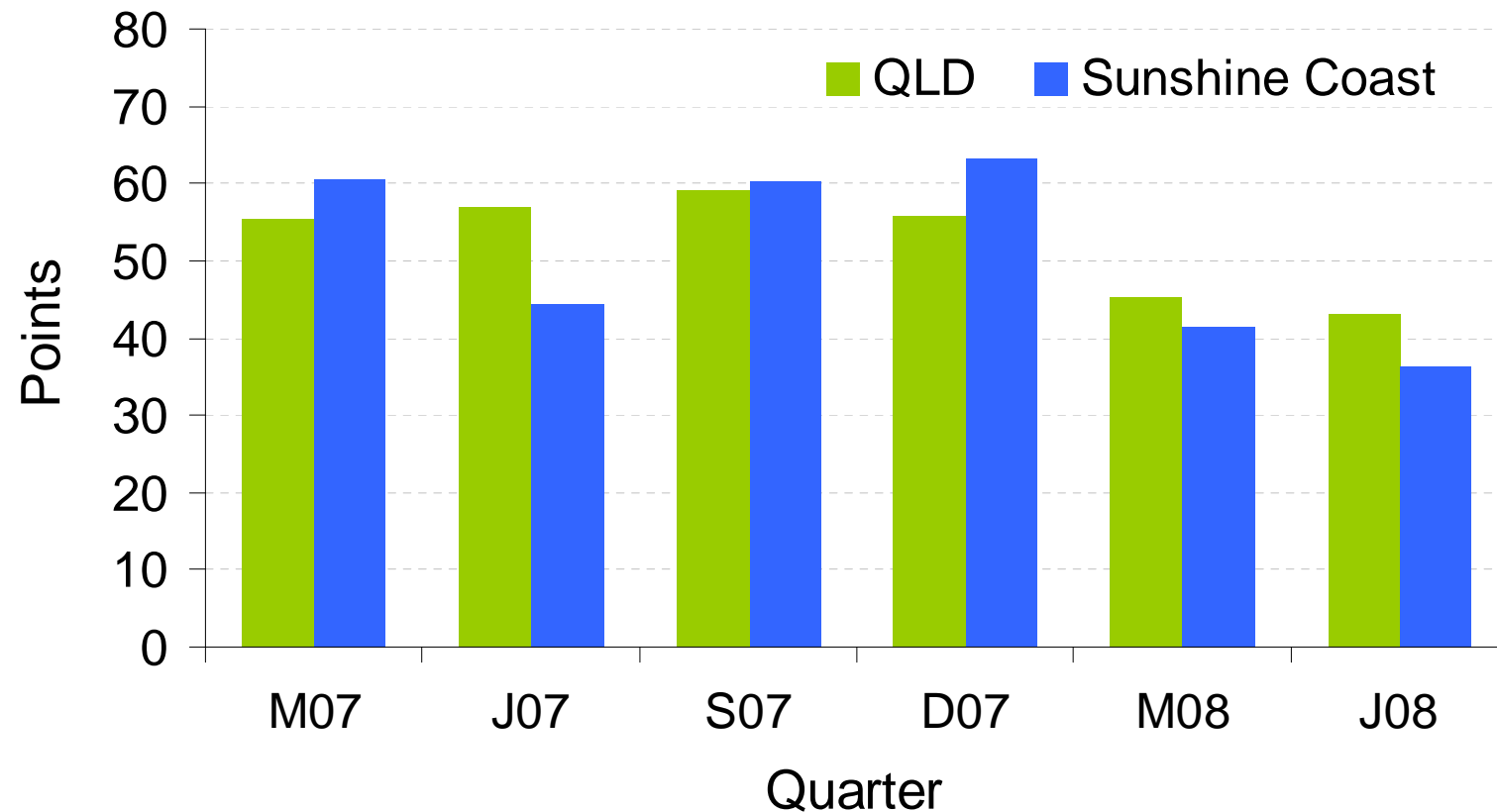
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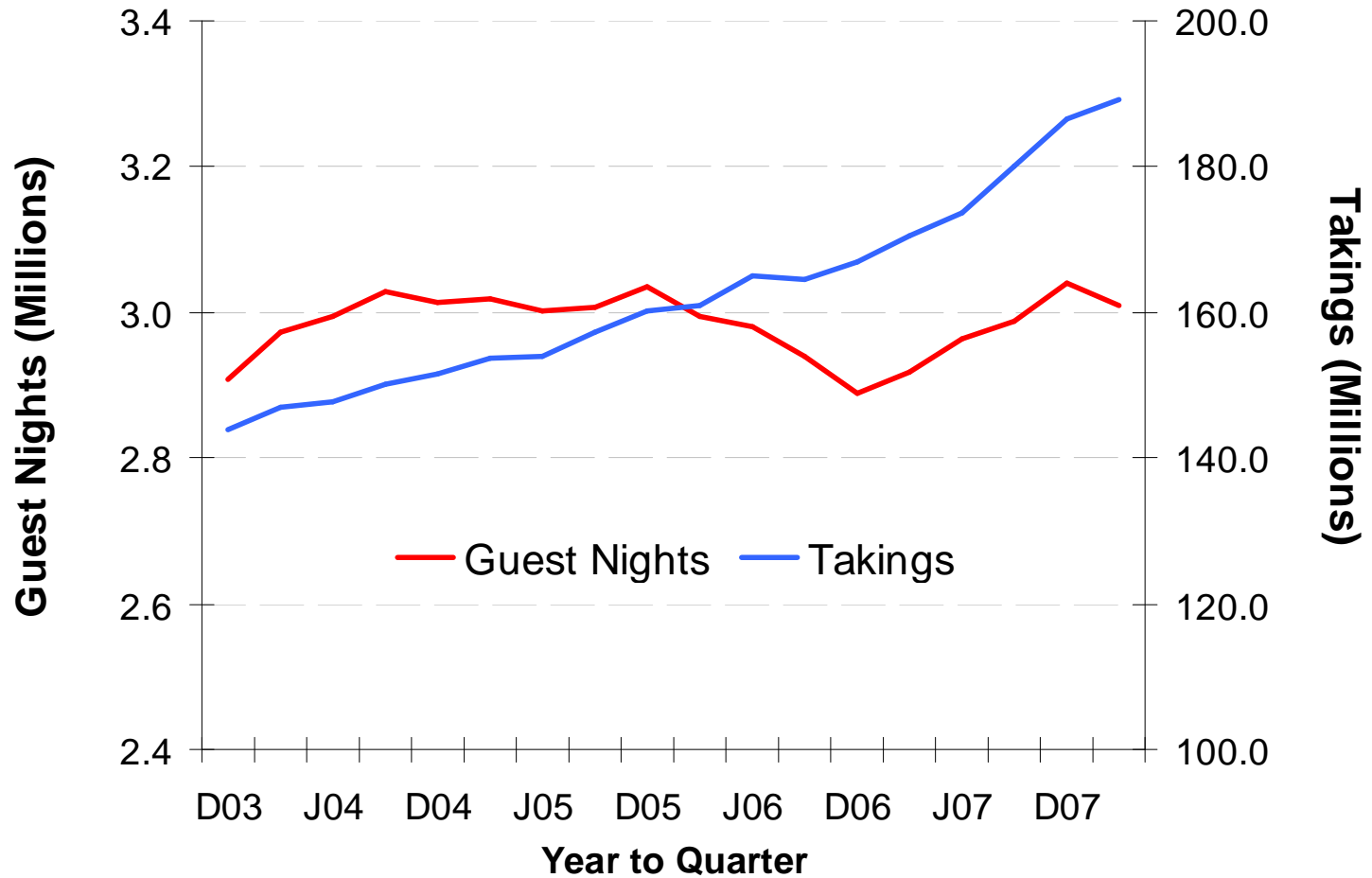
Business Conditions



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Tourism





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Future Challenges

Ageing Population

Year	Sunshine Coast			Queensland		
	Young	Old	Total	Young	Old	Total
1996	353.0	234.7	587.8	335.1	168.9	504.0
2001	327.1	249.5	576.6	325.5	175.8	501.3
2006	305.3	258.8	564.0	308.4	184.7	493.1



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Future Challenges

- Australian economy slows: How will this impact upon the Sunshine Coast?
- Focus on diversifying away from tourism
- Will strong growth in construction, retail and health care continue?
- Implication of housing affordability on population and employment growth.