Workforce planning for Queensland's Sunshine Coast and Moreton Bay regions: Developing strategies to meet future skills and labour needs

John Sargent, RDA Sunshine Coast Committee Member

Kris McCue, Local Employment Coordinator, Sunshine Coast-Caboolture

ABSTRACT

This Paper focuses on developing an understanding of expected labour force developments for the Sunshine Coast and Moreton Bay Regions of Queensland in the context of broader demographic and workforce trends expected for the State and Australia. It takes account of local 'transformational' development projects and opportunities to link in with Queensland's resources sector growth.

Both regions have an older working-age population than the national average. This suggests a risk that the recent national trend of declining labour force participation may be exhibited more strongly in these regions. These demographic factors could place a severe constraint on workforce growth that may lead to excess demand for labour over the decades to 2032. Further, significant public and private sector investment in the regions make it essential that decision makers have a good understanding of the workforce and skills requirements needed to obtain full advantage from this opportunity.

In response to these challenges, a coalition of regional stakeholders commissioned research into the regions' labour and skills needs. The research study forecasts employment growth expected in the two regions over the next two decades and provides an analysis of the impact of infrastructure projects on labour demand.

This project will generate discussion in the regions and provide a basis for the development of a regional workforce strategy aimed at informing and guiding the development of education, training, labour market and skills development programs to align with the regions' skills and labour needs and drive maximum participation in the local labour market.

Broad directions for the Australian workforce

Forecast development of the broader Australian economy provides important context for regional projections. Of course, forecasting any macroeconomic variables for the Australian economy as a whole is fraught with risk and uncertainty and can transpire to be totally wrong, even in the direction of change. At the State and regional levels forecasts are even more risky and uncertain.

Forecasting a regional labour force is therefore fundamentally 'courageous', eg "Since its inception, labour market forecasting has been the subject of much debate among economists. The poor track record of forecasts and the complex task of 'tuning' the labour market have led to the view that labour market planning is neither necessary nor useful. And …it appears that some forecasting models have the ability to estimate labour needs in very specific circumstances. What remains unknown is whether it is possible to develop a single model that will accurately forecast in a range of situations, under various conditions."[1]

The following sets out some of the key trends expected for the broader Australian workforce over time. Unless otherwise specified, the projections are drawn from Deloitte Access Economics' demographic and macroeconomic forecasting.

- Over the next two decades, the average age of the Australian population will increase, creating a 'demographic gap' where the pace of retirement will pick-up, while the rate at which people enter the workforce remains roughly stagnant.
- This will limit Australia's workforce growth in the future.
- These projections are based on an assumption that over the period to 2032, net international migration will account for almost 60% of the increase in Australia's population.
- Yet, migration policy is contentious and there can be major variations in the rate of net migration over time.
- Moreover, the bulk of skilled migrants (the dominant element of the permanent migration program) is aged 20 to 40 and thus acts as a counter-balance to the ageing trend.
- If the rate of net international migration was to be substantially lower going forward, the demographic change noted above would be far more significant.

Skill requirements are increasing. "There is a widening gap between the expected supply of higher level skills and expected industry demand. ….By 2025, according to modelling developed for this strategy, Australia could be 2.8 million short of the number of higher-skilled qualifications that industry will demand."[2]

Recent years have seen major skill shortages in some sectors of the economy in some regions (particularly some engineering and health specialists, but also trades workers), resulting in significant numbers of 457 Visa workers and major cost overruns on resource projects.

With constraints on working-age population growth and a general trend towards higher qualification requirements for workers over time, there may continue to be periods of skills shortages. Alternatively, if there is a significant economic downturn with the end of the mining boom, there could be excess supply of labour and higher unemployment.

Regionally, reluctance by many workers from south-eastern Australia to make a permanent move either north or west has driven a significant upturn in workers commuting long distances. Consequently, the phenomenon of Fly-in/Fly-out (FIFO) and Drive-in/Drive-out (DIDO) workers has become a presence in work travel in recent years.

---

[1] Canadian Council on Learning for British Columbia Ministry of Advanced Education, "Is it Possible to Accurately Forecast Labour Market Needs?" January 10, 2007, pp3-4.

[2] Australian Workforce and Productivity Agency, "Future focus 2013 National Workforce Development Strategy" Canberra ACT, March 2013, p9.

Over time, there has been a rising propensity for Australian workers to hold post-school qualifications, as well as a shift to holding higher level qualifications.

That has been supported by the nature of jobs growth, with a range of professional and business services (where university level qualifications are more prevalent) dominating the number of additional jobs created. Technological change also supports the trend to both holding more and higher level qualifications over time and these trends are expected to continue.

Projections of labour demand methodology

At the regional level, employment forecasts are driven primarily by demographic projections and historical trends in employment. Population projections were developed to 2032 for the Sunshine Coast and Moreton Bay regions, combined with information on the employment structure (by industry and occupation) from the 2011 Census. The methodology allowed for interstate and inter-regional migration and that people may live in one region and work in another.

Deloitte Access Economics' modelling approach incorporates a top-down view of the macroeconomic environment, including the economic and employment outlook for Australia and Queensland to 2031-32. The employment outlook for the Sunshine Coast and Moreton Bay regions is contained within this wider modelling structure.

Labour demand is forecast using known relationships between components of final demand and industry employment. Industry employment forecasts are translated into occupational employment forecasts using data from the 2011 Census, which shows the occupational employment share for each of the industry groups.

The projections of labour demand take into account all expected demand for labour, including that arising from the resources sector and from a number of regional transformational projects (both during construction and operational phases).

The estimates comprise:
- 'Normal growth' (base case) projection of labour demand arising from
  - the resources sector
  - some regional transformational projects
  - all other demand for labour.
- 'Additional' labour demand from the remaining portion of regional transformational projects not already captured, but identified by the steering committee (comprising Regional Development Australia Sunshine Coast, RDA Moreton Bay, Sunshine Coast Council, Moreton Bay Regional Council and the Local Employment Coordinator Sunshine Coast-Caboolture) through consultations with project proponents.[3]

Chart 1 – Projections of labour market demand[4]

Note: The above figure is illustrative only and is not intended to represent actual estimates.
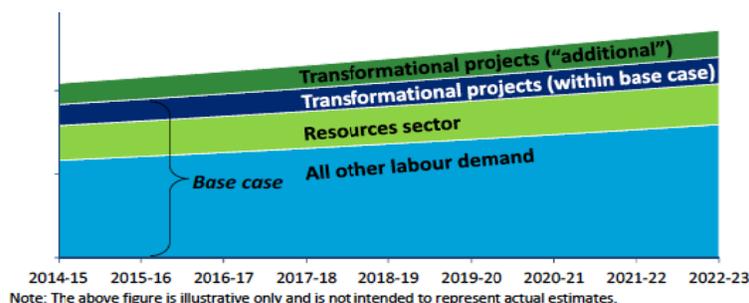
[3] Deloitte Access Economics, "Workforce planning research for the Sunshine Coast and Moreton Bay Council Regions" (*Workforce Analysis)* Australia May 17 2013, pp60-61.
[4] Ibid p60.

Key conclusions

The report determined that there are significant challenges and opportunities for both the Sunshine Coast and Moreton Bay regions. The key conclusions of the report identified a rising labour supply challenge with a working age population which on average is older. It also highlighted that the areas of strongest labour demand are generally also expected to be areas where there are high skill requirements; with reliance on continued population inflows to support workforce growth, addressing the fundamentals that influence the attractiveness of the region will remain important to support the regions' growth.

The transformational projects underway and planned potentially take regional investment to a higher level than it would otherwise be and, given the dynamics of the resources sector, there is some potential for employment growth from the Sunshine Coast and the Moreton Bay Council Regions.

It will become increasingly important to review change readiness for key industries to adapt to new technologies and support local businesses to harness new technologies and techniques to enhance the competitiveness of businesses within the regions.

Implications for the regions

Deloitte expects labour supply and demand in Queensland to broadly be in line over the next decade, before slowing supply growth as a result of population ageing leads to excess demand for labour over the decade to 2032. To the extent that this outcome is replicated in the Sunshine Coast and Moreton Bay regions, it is likely these regions could face a rising labour supply challenge over time, with strong competition for skilled workers from elsewhere in Australia and overseas. This is particularly likely in the high employment demand industries of health and social assistance, including the aged care and disability sectors, given the ageing population. Supply challenges are also likely in the construction industry as major infrastructure projects come on line over the next ten years.

General strategies to try to maintain population growth and workforce participation in the region to mitigate some of the challenges of an ageing population will need to be developed to meet the supply challenges. They include promoting the regions to encourage inter regional and interstate migration, and investment attraction strategies to support new and existing businesses to become established in the region. The key challenge for the regions will lie in bringing key regional stakeholders together to develop specific labour force strategies for the occupations in the highest demand over the next ten years at a regional level. The re skilling and re training of workers will be required to promote workforce flexibility, respond to the labour demand in high growth industries and address any significant imbalance of labour supply and demand.

The timing of this research provides the opportunity and lead-time to educate and skill up the local supply of skilled labour to meet areas of high employment demand; it will provide opportunities to address unemployment, in particular youth unemployment, and promote a wider range of career paths. The key sources of labour supply will be: school leavers including students from secondary schools, TAFE and other VET providers, and universities; unemployed jobseekers through employment services providers; and growing population, in particular through the continued inflow of residents to the region.

As a key source of labour for the future workforce will be students, the development of post-school education and training pathways leading to the attainment of skills and qualifications in high employment demand industries will be critical given that areas of strongest labour demand are generally also expected to be areas where there are high skill requirements. This will require a range of responses, including:
- Close engagement between local businesses and industry, secondary and tertiary education institutions, training and employment providers;
- A range of articulation pathways with multiple entry and exit points;

- Delivery of curriculum and qualifications in schools that meet industry skills needs; and
- Alignment between Vocational Education and Training (VET) purchasing arrangements and projected high skill demand industries to ensure VET qualifications meet areas of high demand and industry needs.

Sunshine Coast region

The Sunshine Coast Local Government Area (LGA) broadly defines the boundaries of the Sunshine Coast region. In 2013, the Noosa area voted to again become a separate LGA and this comes into effect on 1 January 2014. For the purposes of this paper, however, it will be assumed that the former boundaries apply.

The region's LGA boundaries are mapped below.

Figure 1: Sunshine Coast LGA

The Sunshine Coast-Caboolture region (noting that Caboolture is part of the Moreton Bay Council Region) has been identified by the Australian Government as one of 21 Australian Priority Employment Areas: regions with significant labour market and socioeconomic disadvantage.

There are, however, potential opportunities leading to new demand for local labour and skills. Of particular interest are:
- 'Transformational' infrastructure projects both planned and currently under construction which will meet the needs of the region's growing population;
- The demand for local skills from resource sector projects in Queensland through potential Fly-in/Fly-Out (FIFO) and Drive-In/Drive-Out (DIDO) arrangements; and
- Long Distance Commuters (LDCs) more generally, who choose to live in one location for lifestyle reasons, and work in another region.

New development opportunities

The Sunshine Coast region is experiencing investment and employment growth across a range of industries. This has been partly driven by the migration of retirees to the region's attractive coast or hinterland, seeking a sea- or tree-change.

In addition, a number of 'transformational' infrastructure projects have been committed or proposed for development by government and/or the private sector. These will stimulate demand for labour during both construction operational phases.

More broadly, investment is expected in current and new resources projects across Queensland over the next five to ten years, maintaining demand for associated skills. Inter alia, this paper addresses the extent to which this demand can be met by FIFO or DIDO workers based in the Sunshine Coast and Caboolture regions.

However, these regional and Queensland infrastructure investments, as well as the broader demographic and market shifts, present both opportunities and threats for the region. Enhanced demand creates challenges for government and business to ensure that essential services infrastructure (eg critical health and transport infrastructure) and labour market demand across all critical occupations can be met. The identification of those occupations which are likely to be in demand will assist key stakeholders to put plans in place that address potential skills gaps.

Key statistics for the Sunshine Coast region (**Population data relates to 2011; labour force data relates to 2011   12)**

Population	317,000 (approx.)
Workforce	155,000 (approx.)
Unemployment rate	6.1%
Participation rate	61.2%
Largest employing industries	• Health care and social assistance • Construction • Retail trade • Accommodation and food services • Education and training
Fastest growing industries	• Mining • Electricity, gas, water and waste services • Health care and social assistance

It should be noted that mining is a very small proportion of Sunshine Coast region industry and labour force. Also, the other fast growing industries are not high value-added ones, so are not strong drivers of sustainable economic growth.

The share of part-time employment as of September 2012 was 35%, which has remained relatively higher than that of Queensland and Australia over the past five years. The age profile of the region's employed population indicates that a higher proportion of the employed population is 40 years or older, compared to Queensland and Australia overall, and that a relatively low proportion of those employed in the region are in their 20s or 30s.

The participation rate in the region has fallen notably from a peak of more than 66% at the end of 2010, and is currently below the average level of 61.5% seen over the previous five years.

That trend is consistent with the generally softer labour market environment over that period, as indicated by a higher unemployment rate. A historical trend analysis of the unemployment rate in the Sunshine Coast region demonstrates a consistently higher unemployment rate than experienced by Queensland and Australia.

These factors place some additional constraints on future labour force participation and economic growth in the region, with a greater proportion of people heading into the retiree sector. The level of youth unemployment is a major problem. Regional data identify the Sunshine Coast region as having one of the highest youth unemployment rates of any region in Australia, with teenage (15–19 years) full-time unemployment at 34.1%.

The current age profile of the region's unemployed population indicates there are significant numbers of young people looking for employment. The largest age group of unemployed people is those in their 20s, of which there were more than 2,000 in 2011 (representing 8% of this age group). The next largest age group was school leavers (15-19 years) with 10% of this group unemployed, followed by people in their 40s, with 4% unemployed.[5]

Employment by industry
The region's three largest employment industries in September 2012 were health care and social services (14%), construction (13%) and retail trade (12%). Again, it is worth noting that two of these tend to be low value-added. The smallest employment industries are electricity, gas, water and waste services and agriculture, forestry and fishing, both which account for less than 1% of employment.

Tourism is clearly a significant economic driver of importance to the Sunshine Coast region. However, tourism is not measured as a separate industry, according to the classification structure by which employment is reported. Rather, activities that take place across a range of different industries all contribute to what is broadly known as 'tourism' – eg accommodation, air, water and other modes of transport, other retail trade and cafes, restaurants and takeaway food services.

Although there are no official estimates of tourism employment at the regional level, it is possible to estimate the level of employment based on the level of tourism expenditure. The national and international visitor surveys published by Tourism Research Australia show that tourism expenditure in the Sunshine Coast region has gradually trended upward since the mid-2000s, reaching almost $2.5 billion in 2011-12.

The Deloitte study estimates there were 16,450 people employed in the tourism sector in the Sunshine Coast region in 2011-12, representing almost 11% of total employment.

Previous work by Access Economics ("Vulnerabilities study: regions with a high dependency on tourism", Report for the Department of Resources, Energy and Tourism, March 2009) noted that the Sunshine Coast was the third highest tourism-reliant region in Australia, in terms of employment and value-added output.

This, of course, can be a problem as tourism tends to be one of the most cyclical and volatile industries.[6]

However, there are several emerging key industry employers in the Sunshine Coast region. Some of these are already established, such as the health care and social assistance industry which is the largest employer; employment has increased by almost 90% from 2001 to 2011.

The only industry experiencing declining employment is agriculture, forestry and farming where employment has decreased by 30.5% over the past five years. This reflects increased demand for what was traditionally agricultural land to be used for alternative purposes such as housing or infrastructure, plus the closure of the major Moreton Sugar Mill at Nambour in 2003, which closed the region's 120 cane growers on 10,000ha of cane land. This is also consistent with national trends where agriculture is becoming more capital-intensive over time. [7]

---

[5] Ibid pp16-17
[6] Ibid pp19-21
[7] Ibid pp22-23

Employment by occupation
Current employment by occupation in the Sunshine Coast region reflects the service base of the local economy, with a high presence of professionals, managers, clerical and administrative workers relative to most other occupation types. As the chart below shows, the services-based occupations have been growing at a much faster rate than labourers, machinery operators and sales workers.

Chart 2: Sunshine Coast Region employment by occupation, September 2012[8]
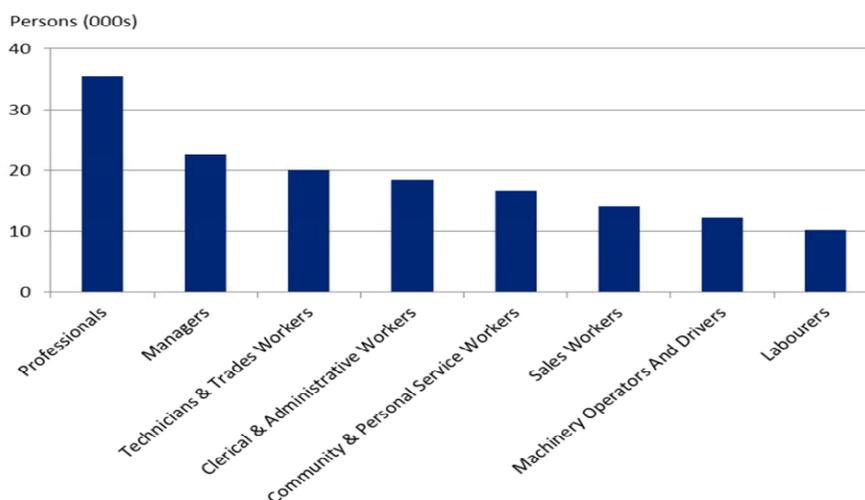
Source: Deloitte Report, p25; Source: ABS Labour Force Survey – Detailed (6291.0.55.003), 2012.

Historically, the Sunshine Coast region has experienced a relatively lower level of employment in the mining industry than the rest of Queensland. Apart from the Gympie region, to the north of the Sunshine Coast, which experienced a major gold rush in the 19th Century, there has been very little mining activity in the general area.

Recently, however, indirect mining employment, of people travelling to mining-related activity outside the region, has been increasing. 2011 Census data indicates approximately 1,800 of the region's residents were employed by the mining industry.

As is the case elsewhere, the average income for residents working in the mining industry is significantly higher for the region overall. Based on the 2011 Census data, the average weekly income of these workers is $1,638, almost double the all industries figure of $882.

Local business perspectives on resources sector opportunities
Information on opportunities in the resources sector from businesses based in the Sunshine Coast region which supply to the resources sector or intend to, was obtained from a survey of regional firms.

This survey was conducted from August to October 2012. It was designed by Deloitte Access Economics and the project's steering committee and completed by 175 respondents supplying, or intending to supply, to the resources sector. Such businesses often have their employees (or individual operators) travel to provide their goods and services through FIFO or DIDO arrangements.

---

[8] Ibid p25

Of the businesses which currently supply the resources sector, almost 80% require employees to travel to supply their goods and services, with an almost equal split between FIFO and DIDO. Very few businesses use the Sunshine Coast Airport, preferring to drive to Brisbane Airport, presumably because it offers a wider selection of flights.

Analysis of individual routes was difficult due to the low sample size, however, the route from Brisbane to Mackay appeared to be most popular. Western Australia was also a relatively common destination, leaving from either Brisbane or Sunshine Coast airports.

Of businesses currently supplying to the resources sector, most (42%) travel to the relevant mine site less than once a month, suggesting delivery of the goods or service being supplied does not require significant personal representation by the supplier's employees, or the business does not frequently supply to the resources sector.

Resources sector locations that the survey respondents currently supply to were predominantly the Surat and Bowen Basins and Gladstone Port. Minor locations included the Galilee Basin, Western Australia, Far North Queensland, Papua New Guinea and Indonesia. [9]

While the resources sector is a source of opportunity, it is also a potential threat in terms of its demand for skilled local labour. More than half of businesses surveyed indicated they felt at least a moderate threat in terms of direct loss of skilled personnel or through reduction in the supply of local labour from which to recruit.

Projections of labour demand
The 'normal growth' (base case) projections imply relatively strong growth in labour demand in the region to 2031-32. Total employment is expected to increase from around 150,000 people in 2011-12 to almost 250,000 in 2031-32, an average annual growth of 2.3%. The region's share of total Queensland employment has gradually risen over the past decade. That trend is projected to continue, but very slowly, to 2031-32 from 6.6% to 6.8%.[10]

In both the Sunshine Coast and Queensland, employment growth is expected to soften gradually over time, consistent with an assumption of slowing economic growth amid population ageing and a maturing industrial structure. Therefore, in the eventuality of major economic downturns, negative growth could easily occur.[11]

At industry level, arts and recreation services (which incorporate tourism) are expected to comprise a larger share of the region's industrial structure, while the other key tourism-related industries – rental, hiring and real estate services – are also expected to grow at a rate above the regional average.

By 2031-32, health care and social assistance is projected to account for 17% of employment in the region, up from 14% in 2011-12. This is not necessarily a positive development in economic terms, as these sectors make no direct contribution to physical production of goods or economic/tradable services.

Additionally, education and training, retail trade and professional services are all expected to leapfrog construction (which was the second largest industry employer in 2011-12). The tourism sector is also expected to grow strongly, increasing by around 50% over the next two decades, or more than 2% per annum on average – although this is a very volatile and risky industry.

---

[9] Ibid pp49-51

[10] Ibid pp63-64

[11] Ibid p65

Across broad occupational categories, demand for professionals is expected to be particularly strong over the period, followed by community and personal service workers (health and aged care and hospitality workers in particular), and managers.

Occupations with slower expected growth include labourers, sales workers, technicians and trades workers, reflecting contraction in agriculture, manufacturing and utilities and softer growth in construction, generating only modest demand for blue-collar workers.

On a positive note, manager and professional occupations are expected to record the strongest gains to 2031-32. Corporate service and engineering managers, environmental scientists, electrical and mining engineers and early childhood teachers are projected to be among the faster growing occupations.

Similarly, the number of individuals identifying as a CEO or Managing Director has increased notably in recent years. This is presumably due to a lift in the number of micro and small businesses, particularly those based online, since they are probably not medium to large companies, of which the region has comparatively few. The Deloitte modelling shows that trend is expected to continue. [12]

In summary, the base case projection shows reasonably robust labour demand in the Sunshine Coast region over the period to 2031-32, supported by growth in the services sector in particular. The impact of the resources sector may continue to be very minor and the forecasts in this sector must have a high degree of uncertainty, given the volatility of the resources sector overall.

Regional transformational projects
A number of projects are underway or planned for the Sunshine Coast region to meet the demands of a growing population. These range from commercial and business precincts to infrastructure for transport, health and education. In all, six projects were identified by the project steering committee as being regional 'transformational' projects for the purpose of labour demand projections:
- Sunshine Coast University Hospital
- Sunshine Coast Private Hospital
- Sunshine Coast University expansion
- Sunshine Coast Airport expansion
- Kawana Precinct
- Maroochydore Principal Activity Centre development.

All seem to be fully committed except the Airport expansion project.

The starting point for understanding labour demand likely to arise from these projects was to collect a range of project data, which was undertaken by members of the steering committee. The data was imputed based on the capital expenditure and average labour profile for the relevant industry.

For the construction phase of each project, this was based on the average labour profile of the construction industry, while the operational phase was dependent on the type of project. It was estimated that 50% of labour demand arising from the transformational projects was 'additional' to the base case estimates. However, given the very aggregate level of information available in relation to each project and the assumptions required, the resulting estimates of additional labour demand should be considered only approximate and indicative.

Overall, the transformational projects are expected to generate demand for 3,000 additional workers in the region in 2019-20 and almost 4,000 in 2031-32, thus increasing employment by

---

[12] Ibid pp65-71

around 1.5% above the base case projections in the latter year. Not surprisingly, construction benefits most immediately, with an additional 428 construction workers in 2013-14.

Notably, the additional employment above the base case occurs rapidly over the next few years, primarily through the construction phases. The employment gains are then forecast to be maintained relative to the base case. That result is due to the projects' operational employment and broader indirect effects, which see increasing demand for employment in sectors such as retail trade, administration, transport, health and education. Retail employment is expected to rise sharply after 2013-14, as increased construction activity and employment flow through to additional demand for retail turnover; it then slows during the operational phases.

In terms of occupations, the rise in demand in 2013-14 would be for construction-related occupations, specifically carpenters and joiners, electricians, plumbers, construction managers, painters, building labourers and earthmoving plant operators. By 2019-20, additional demand for labour in construction-related occupations would considerably diminish, replaced by service-related occupations.

The following chart shows the decline of construction demand and the increase of employment demand in retail over the life of the projects which is typical of the operational and indirect employment impact of the investment projects. Those additional gains in the latter half of the forecast period are a result of the broader, sustained increase in population, employment and economic activity generated by the transformational projects.[13]

Chart 3: Employment impact of transformational projects: construction and retail

Source: Australian Bureau of Statistics, Deloitte Access Economics
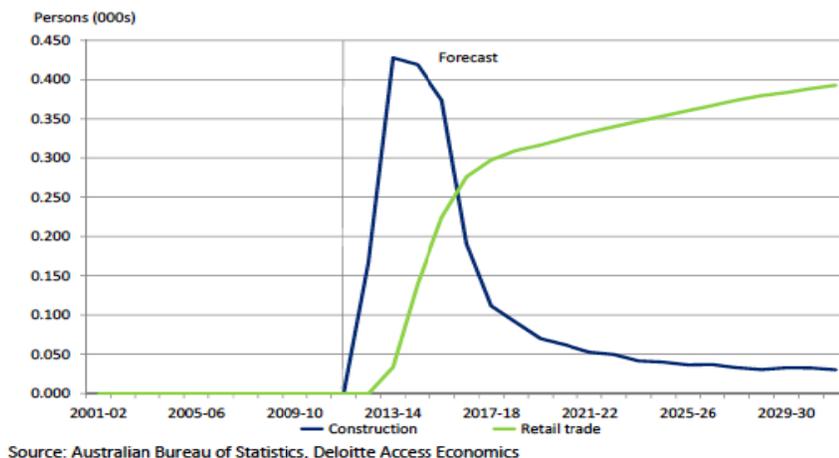
Implications for the Sunshine Coast Council region
In summary, the report projects employment growth of 2.3% per year to 2031 with the workforce increasing from 154,000 to 242,000 during this time. The highest employment demand industries will be healthcare, education and training, retail, professional and technical services, tourism and construction, while transformational infrastructure projects deliver an additional 3% boost to local workforce.

The Sunshine Coast would be facing that challenge with a working-age population which on average is older, and therefore at greater risk of not participating in the labour force. This would be exacerbated if migration slows.

It will therefore be important for the region to implement strategies to try to maintain population growth and workforce participation. They include promoting the region in order to encourage inter-regional and inter-state migration, particularly for occupations where there are

---

[13] Ibid pp93-95

high skill requirements and highlight the importance of continued and enhanced skills development in the local economy.

Since the release of this report, regional stakeholders have started a number of workforce strategy development initiatives including:

- Community capacity building and awareness-raising on future labour market demand leading to the creation of a community of interest on the topic to help drive initiatives to address the challenges, including a strategy of action;
- The creation of a high level Education, Training and Employment Consortium to forge links between education providers, local, state and federal government and industry and ensure curriculum and courses delivered within local schools and training providers will meet future industry and workforce requirements;
- Regional committees focusing on various aspects of the health sector including youth pathways through education, training and employment and investment attraction;
- Creating stronger links between the education sector and new and emerging businesses and trends, including the digital and ICT sector;
- The establishment of a regional digital strategy and implementation plan;
- A regional focus on youth unemployment from peak business groups and service providers;
- Taking a collaborative approach towards investment and infrastructure for the region as key element of regional competitiveness; and
- Providing support to foster clusters of high-value industry sectors including clean tech, knowledge workers and other professional services to create collaborations aimed at achieving innovations and industry leadership.

Moreton Bay region

The Moreton Bay region is defined by the boundaries of the Moreton Bay Local Government Area (LGA) and comprises economically, industrially, socially, demographically and geographically diverse sub-regions. The coastal areas of Redcliffe and Bribie in the east are predominantly service-based local economies, Pine Rivers and Brendale in the south and Narangba in the centre are heavily geared towards light to heavy manufacturing and engineering, while agriculture dominates the western hinterland region.

Figure 2 – Moreton Bay LGA
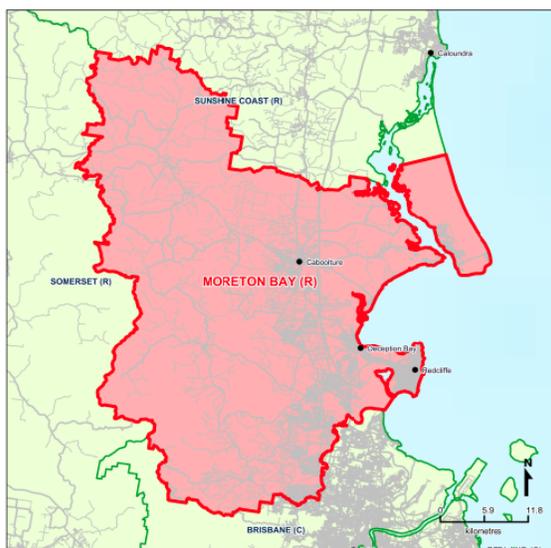
The Caboolture-Sunshine Coast region (noting that Caboolture is a major part of the Moreton Bay LGA) has been identified by the Australian Government as a Priority Employment Area (PEA) characterised by pockets of very high unemployment, low labour market participation and social disadvantage.

There are however, are a number of major infrastructure projects, both planned and underway, that will stimulate demand for new skills and labour during the next 10-20 years. This investment, together with projected population growth, will drive an extended period of employment growth for the region.

New development opportunities
Moreton Bay Council regions are undergoing a rapid transformation, with a large number of major infrastructure and other projects slated for development, many of which are in early stages of planning or under construction. Three such projects were sufficiently mature to allow for detailed employment analysis:
- Moreton Bay Rail Link
- Corso Project at North Lakes
- North East business park

Each of these projects will impact on direct and indirect labour demand during construction and operational phases. The construction phase is expected to be completed over the next decade or so and will generate strong but relatively short lived construction industry labour demand. The operational phases of the projects will drive prolonged direct and indirect employment demand across a range of sectors such as retail trade, administration, transport, health and education.[14]

---

[14] Ibid piv

Key statistics for the Moreton Bay region (Population data relates to 2011; labour force data relates to 2011-12)

Population	400,000 (approx.)
Workforce	189,000 (approx.)
Unemployment rate	5.2%
Participation rate	63.1%
Largest employing industries	• Health care and social assistance • Construction • Manufacturing • Retail trade • Public administration and safety
Fastest growing industries	• Mining • Electricity, gas, water and waste services • Health care and social assistance • Construction • Professional, scientific and technical services

Moreton Bay Regional Council estimates that the population will grow to more than 500,000 by 2031 and Deloitte predicts that around 108,000 new jobs will be generated over this period.

Like the Sunshine Coast, mining is a very small proportion of the industry mix in Moreton Bay and the lack of growth in high value-added industries will be a key constraint for sustainable economic growth.

The share of part-time employment as at September 2012 was 29% and has remained broadly consistent with figures for Queensland and Australia. The age profile of the Moreton Bay Council region's employed population is also roughly consistent with Queensland and Australia's profiles, but with a higher proportion of those in their 40s and a slight under representation of those in their 20s.[15]

The unemployment rate (UER) is 5.2%, down from 5.6% 12 months ago, which is slightly higher than that of Queensland and Australia but significantly lower than the Sunshine Coast. There are, however, pockets where the UER is as high as 12% reflecting the region's patchy and diverse nature. The participation rate at 63.1% is higher than that of the Sunshine Coast. The lower UER and higher participation rate reflects the region's proximity to the Brisbane labour market and its higher levels of employment opportunities.[16]

Youth unemployment is an issue, with significant numbers of young people looking for employment opportunities. The age group most commonly unemployed is people in their 20s (approximately 3,000, representing 7% of this age group), followed by school leavers (15-19 year olds) with 11% of this age group unemployed.[17]

Employment by industry
The Moreton Bay region has an older working age population than the national average and a significantly higher proportion of the workforce engaged in the transport, postal and warehousing industry than the Queensland and national average. The manufacturing, utilities and waste, and construction industries comprise a greater proportion of the workforce than average, which indicates a regional economy heavily dependent on secondary industries. Compared with the Sunshine Coast, Queensland and Australia, accommodation, food, arts and food services are under-represented in the region. Similarly, the employment levels for

---

[15] Ibid p31

[16] Department of Employment, "Labour Market Information Portal, Small Area Labour Markets estimates, smoothed series (from Table 1 in the Small Area Labour Markets publication)" 2013

[17] Australian Bureau of Statistics, "Labour Force, Australia, Detailed (cat. 6291.0.55.001)" August 2013

agriculture, forestry, fishing and mining are far below average in comparison to Queensland and Australia.[18]

The mining industry has experienced the strongest employment growth over the past decade gradually increasing its percentage share of the workforce, however, it is a relatively small industry in terms of total employment numbers and only accounts for a small proportion of employment.

Health care and social assistance in real numbers is by far the largest growth industry adding more than 10,000 people to the workforce during the ten years from 2001-2011 and together with construction and manufacturing, were the largest employment industries as at September 2012. Each of these industries currently employs over 15,000 people accounting for 11.2%, 10.9% and 9.0% of the total workforce, respectively.

Manufacturing has declined to the greatest extent over the past decade, although it remains the third largest employer in the region. This reflects a broader decline in the manufacturing sector generally due to a range of global, national and local economic factors such as a persistently high Australian dollar. If, as expected, manufacturing continues its relative decline, there could be significant implications for Moreton Bay in terms of overall employment levels particularly given the over-representation of manufacturing in the regional industry profile.[19]

Employment by occupation

The current occupational employment profile of the Moreton Bay region has a high number of clerical and administrative workers, technicians and trade workers, and professionals with at least 25,000 people employed in each of these occupations. The highest rates of growth have occurred in the professionals, community and personal service workers, and managers occupations, which reflect a movement of the workforce towards service-based occupations. The decline of the manufacturing industry is evidenced in the slower growth rate of machinery operators and drivers; demand for labourers, sales workers and machinery operators and drivers is expected to be less robust over the forecast period, although employment within each occupational type is still projected to increase.

Chart 4 – Employment by occupation, September 2012
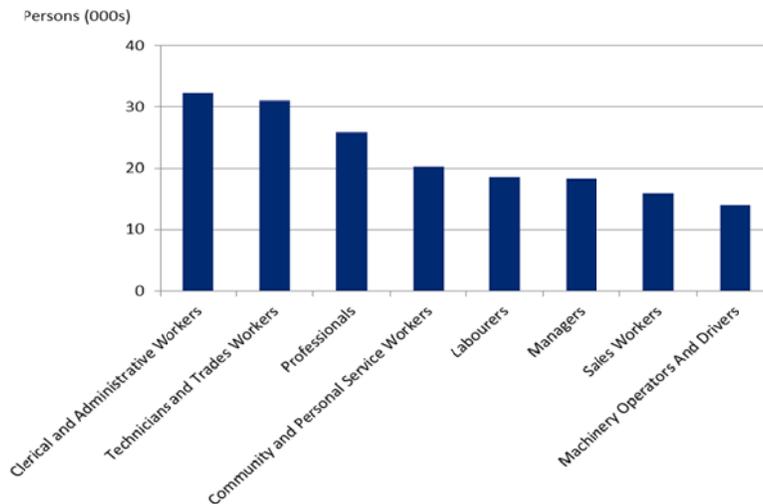
Source: ABS Census data, Cat. 2003.0 LGA35010

The expected fall in employment in the agriculture, manufacturing and utilities sectors is likely to weigh on demand for many blue collar occupations.

---

[18] [18] Deloitte Access Economics "Workforce planning research for the Sunshine Coast and Moreton Bay Council Regions (Workforce Analysis)" Australia, May 17 2013, p35.

[19] Ibid pp34-38

Approximately 1,896 Moreton Bay Council region residents were employed by the mining sector. Currently coal mining and oil and gas extraction are the major sub sectors in the region, employing 27.5% and 18.4% of the mining workforce, respectively.[20]

Projected employment growth over the next two decades shows strong demand for professionals rising from around 33,000 (20% of the workforce) in 2011 12 to around 80,000 (30% of the workforce) in 2031 32. Demand for managers and community and personal service workers is also expected to grow faster than overall labour demand in the region and increase their share of overall employment.

Consistent with the projected high demand for labour in the health and social assistance industry, underpinned by an ageing population, the share of registered nurses within the workforce is forecast to rise from 2.3% in 2011 12 to 3.4% in 2031 32.

The regional population growth and expected domestic and international migration of people into the region over the next two decades will drive an increase in the demand for primary and secondary school teachers with their share of total employment rising to a combined 3.1% in 2031 32.

Local business perspectives on resources sector opportunities
As stated in the previous section in relation to the Sunshine Coast, a survey of local business which supply to the resources sector was undertaken to provide information about local businesses' views on current and future opportunities.

In the September quarter of 2012 it was estimated that just over 3,000 people worked in the mining sector in Moreton Bay. Employment is expected to grow at an average annual rate of around 2.8% with drillers, miners and shot firers still expected to be the most common occupations. That compares to employment growth in the region as a whole of 2.3%.[21]

The survey revealed that businesses in Moreton Bay supplying the resources sector are most commonly turning over between $1 million and $5 million per annum. Of the 175 businesses that completed the survey, 21% were located in the Moreton Bay Council region and distributed across a broad range of industries including manufacturing, professional, scientific and technical services, construction, education and training.

More than half (53%) of survey respondents indicated they are already supplying to the resources sector, and the majority of these intend to expand their operations in this area. The remaining survey respondents (47% of the total) do not currently supply to the resources sector but intend to pursue potential opportunities in this area. This reflects a view that, despite the wind back in resource sector investment, local businesses still see opportunities as projects move to the operational phase. In fact, manufacturing businesses still expect very positive sales growth of between 15% and 20% per annum to the resources sector over the next five years. Education and training is the industry anticipating the highest growth attributable to the resources sector, fluctuating around 28% per annum over the coming years.[22]

Projections of labour demand
The region is expected to rebound from the current cyclical downturn during 2013 14, and then register employment growth which on average is a little faster than that expected for the Queensland as a whole. Projected average annual growth of 2.3% per year sees employment in the 'normal growth' (base case) rising from current levels of around 189,000 to approx. 275,000 people in 2031 32, supported by continued strength in working age population growth for the region, as migration to the region continues to occur. This compares to expected

---

[20] Ibid p42

[21] Ibid p85 & 88

[22] Ibid pp46-47

annual growth of 2.1% in the wider Queensland region, and by 2031 32 Moreton Bay is expected to account for almost 7.9% of Queensland employment, up from 7.5% in 2011 12.

Arts and recreation, mining, professional services, financial services and education sectors are projected to lead employment growth in the region over the next two decades while agriculture, manufacturing and utilities sectors are forecast to contract over the same period, as these sectors continue to become more capital intensive, and given the strong import competition faced by the manufacturing sector. This poses challenges for the region in terms of redeployment and re-training of workers, and perhaps changes to the historical direction of training resources over time.

The region's largest industries of employment are generally expected to increase their dominance within the region, including health care and retail trade. By 2031 32, health, education and professional services are expected to have carved out a larger share of total employment, while manufacturing, public administration and construction may account for a smaller share of overall employment in the Moreton Bay Council region.

The increase in employment in service sectors is expected to support growth in white collar jobs over time. It will also imply a different training mix with a greater focus on university level qualifications, as well as service driven vocational qualifications.[23]

Regional transformational projects
A number of projects are underway or planned for the Moreton Bay region to meet the demands of a growing population. These range from commercial and business precincts to transport infrastructure, and domestic housing. In all, three projects were identified by the steering committee as being regional 'transformational' projects for the purpose of labour demand projections: Moreton Bay Rail Link, the Corso Project at North Lakes, and the North East business park**.**

The process for modeling the impact of transformational projects on employment in the Moreton Bay Council region is the same as that for the Sunshine Coast region. Specifically, around 50% of capital expenditure associated with future transformational projects in the region is estimated to be above and beyond the investment levels assumed under the 'normal growth' (base case) projections. Overall the transformational projects are expected to increase demand for labour in the Moreton Bay Council region by almost 4,150 workers in 2031 32, an increase of around 1.5% compared to the baseline.

The immediate direct impact of the transformational projects is most clearly visible through employment in the construction industry, generating demand for an additional 416 workers in 2013-2014 – an increase of 2.1% above the 'normal growth' (base case) projection. In 2013 14 occupations related to the construction industry are expected to be most significantly affected by the transformational projects. Demand for electricians, carpenters, plumbers, construction managers, painters, building labourers and surveying technicians is expected to be higher in 2013 14 (Chart 5).

By 2019 20, the operational and indirect employment impact from the projects is expected to dominate. As a result, the demand for construction workers is projected to have moderated, with the key occupational effects led by service oriented occupations, including the health, education and retail industries. That trend is expected to be maintained over the remainder of the forecast period.[24]

---

[23] Ibid pp71-78

[24] Ibid pp98-100

Chart 5: Employment impact of transformational projects: construction and retail

Source: Australian Bureau of Statistics, Deloitte Access Economics
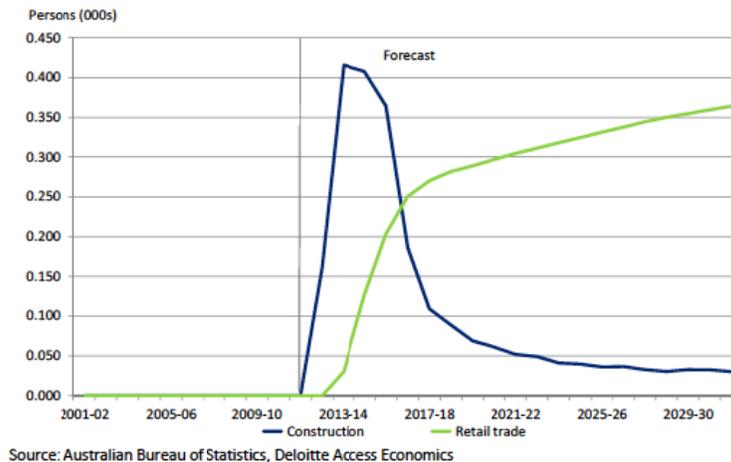
Implications for the Moreton Bay Regional Council region
In summary, the report projects employment growth of 2.3% per year to 2031 with the workforce increasing from 175,000 to 275,000 during this time. The highest employment demand industries will be healthcare, professional and technical services, education and training, retail and construction, with transformational infrastructure projects delivering an additional 3% boost to the local workforce.

It will be important for the region to implement strategies to maintain population growth and workforce participation. They include promoting the region to encourage inter-regional and inter-state migration, particularly for occupations where there are high skill requirements and highlight the importance of continued and enhanced skills development in the local economy.

Since the release of this report, regional stakeholders have commenced a number of workforce strategy development initiatives including:
- Formation of a regional group of key stakeholders to facilitate engagement between schools and industry skills bodies, map the qualifications delivered in schools to future demand and support secondary schools in the region to develop Industry Reference Groups to forge closer engagement with local employers;
- Community capacity building and awareness-raising on future labour market demand leading to the creation of a community of interest on the topic to help drive initiatives to address the challenges, including a workforce strategies for key industries such as health;
- The establishment of a regional digital strategy and implementation plan;
- Development of containment strategies to drive local employment and minimise the number of people commuting into metropolitan areas such as the development of the first digital work hub in the region;
- Taking a collaborative approach towards investment and infrastructure for the region as key element of regional competitiveness.