



LUCID
ECONOMICS

Noosa Priority Industries 2018

Prepared for

Noosa Shire Council

August 2018

lucid

*/ˈluːsɪd/
adjective*

1. expressed clearly; easy to understand
2. bright or luminous



Document Control

Job Name: Noosa Priority Industries 2018
Client: Noosa Shire Council
Client Contact: Carolyn Bullen

Version Control

Version	Date	Authorisation
Draft v1	31/7/18	MC
Draft v2	27/8/18	MC
Draft v3	29/8/18	MC
Final	31/8/18	MC

Disclaimer:

While every effort has been made to ensure the accuracy of this document, Lucid Economics Pty Ltd is unable to make any warranties in relation to the information contained herein. Lucid Economics Pty Ltd, its employees and agents accept no liability for any loss or damage that may be suffered as a result of reliance on this information, whether or not there has been any error, omission or negligence on the part of Lucid Economics Pty Ltd, its employees or agents. Any forecasts or projections used in the analysis and relied upon for any findings can be affected by a number of unforeseen or unknown variables, and as such no warranty is given that a particular set of results will in fact be achieved or realised.

Executive Summary

Noosa Shire Council's Local Economic Plan guides the future economic development of the Noosa Shire. This plan outlines several priority industry sectors for local economy, including:

- Health and Wellness
- Digital Economy
- Rural Enterprise
- Environmental Industries
- Tourism
- Creative Industries
- Professional Services
- Education

Over the past year, growth in health and wellness combined with professional services drove overall growth in the local economy (Gross Regional Product) with these two priority industries adding \$42.7 million. Other smaller priority industries including digital economy, environmental industries and creative industries also grew, while rural enterprises, tourism and education decreased. Tourism remains the largest employer of the priority industries and despite an increase in visitors, the decrease in industry value added is likely due to an erosion of yield (i.e. expenditure per visitor/visitor night).

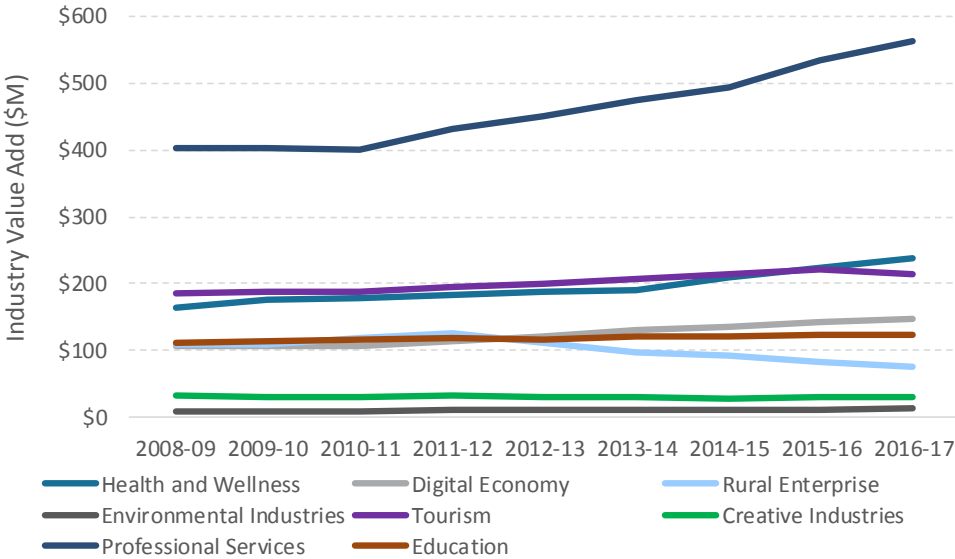
The continued growth of health and wellness, professional services, digital, environmental industries and creative industries shows the on-going diversification of the Noosa economy.

Table E.1 Priority Industry Summary, Noosa (2016-17)

Priority Industry	Industry Value Added (\$M)	Employment (No.)	IVA per Employee (\$)	Annual Growth IVA (%)
Health and Wellness	\$238	3,169	\$75,188	6.5%
Digital Economy	\$147	1,229	\$119,600	2.6%
Rural Enterprise	\$76	598	\$127,546	-6.5%
Environmental Industries	\$13	124	\$103,106	4.3%
Tourism	\$214	3,773	\$56,800	-3.5%
Creative Industries	\$30	489	\$62,061	1.6%
Professional Services	\$562	3,178	\$176,788	5.3%
Education	\$123	2,091	\$58,737	-0.5%

Source: Lucid Economics; NIEIR (2018)

Figure E.1. Priority Industry IVA, 2008-09 to 2016-17



Source: Lucid Economics; NIEIR (2018)

Table of Contents

Executive Summary.....	ii
Table of Contents.....	iv
1 Introduction.....	1
2 Health and Wellness.....	2
3 Digital Economy.....	4
4 Rural Economy.....	5
5 Environmental Industries.....	6
6 Tourism.....	7
7 Creative Industries.....	8
8 Professional Services.....	9
9 Education.....	10
References.....	11
Appendix A: Priority Sector Definitions.....	12

1 Introduction

Noosa Shire Council's Local Economic Plan guides the future economic development of the Noosa Shire. This plan outlines several priority industry sectors for local economy, including:

- Health and Wellness
- Digital Economy
- Rural Enterprise
- Environmental Industries
- Tourism
- Creative Industries
- Professional Services
- Education

This report describes and quantifies the priority industries in terms of both employment and industry value added (IVA), which the ABS defines as 'the value added by an industry to the intermediate inputs used by the industry. IVA is the measure of the contribution by businesses, in the selected industry, to gross domestic product.' Essentially, in the context of this report, IVA measures the industry's contribution to Gross Regional Product (GRP) locally.

This document provides an update on these priority sectors and tracks important changes in these industries over the last year.

2 Health and Wellness

Industry Sector Definition

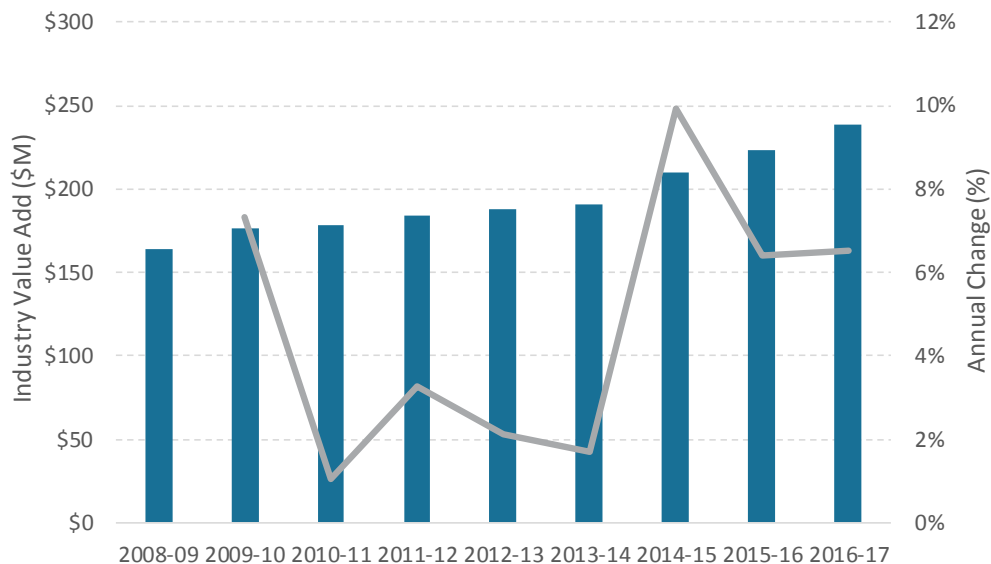
Health and wellness is the local sector focused on local health, both preventative and rehabilitative. The sector includes the major hospitals and traditional health care as well as health and fitness centres in Noosa.

In 2016-17 the health and wellness sector provided over 3,000 jobs and \$238 million in value added activity to the Noosa Shire, making it the second largest priority sector (behind professional services). It was also the fastest growing at 6.5%. In terms of employment, the most prominent sub-sector of the health and wellness sector was allied health services, which employed 43% of the workers in the sector. Drivers of the sector are primarily population-based, with demand increasing as population increases and ages. Data from the 2016 Census also confirms that the Noosa community is getting older with a median age increasing from 46 to 48 (Queensland media age 2016 was 38) (ABS, 2017). In recent years, the popularisation of health and fitness clubs and active living in general will also benefit this sector.

Since 2008-09, the sector has increased steadily in terms of its local economic contribution. Health and Wellness IVA has increased its economic activity by an average annual rate of 6.0%. Employment in the sector has grown at a similar pace, averaging 4.8% per annum growth, representing one of the fastest growing priority industry sectors. Given current trends and expansion plans, the sector is expected to continue to grow into the future.

The Shire is home to Noosa Private and Public Hospitals, the Noosa Community Health Care Centre as well as doctors’ surgeries, aged care facilities and various alternative wellbeing service providers.

Figure 2.1. Health and Wellness IVA, 2008-09 to 2016-17



Source: Lucid Economics; NIEIR (2018)

Table 2.1. Health and Wellness IVA, 2008-09 to 2016-17

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Industry Value Add (\$M)	\$164	\$176	\$178	\$184	\$188	\$191	\$210	\$224	\$238
Percent Annual Growth (%)		7%	1%	3%	2%	2%	10%	6%	7%

Source: Lucid Economics; NIEIR (2018)

3 Digital Economy

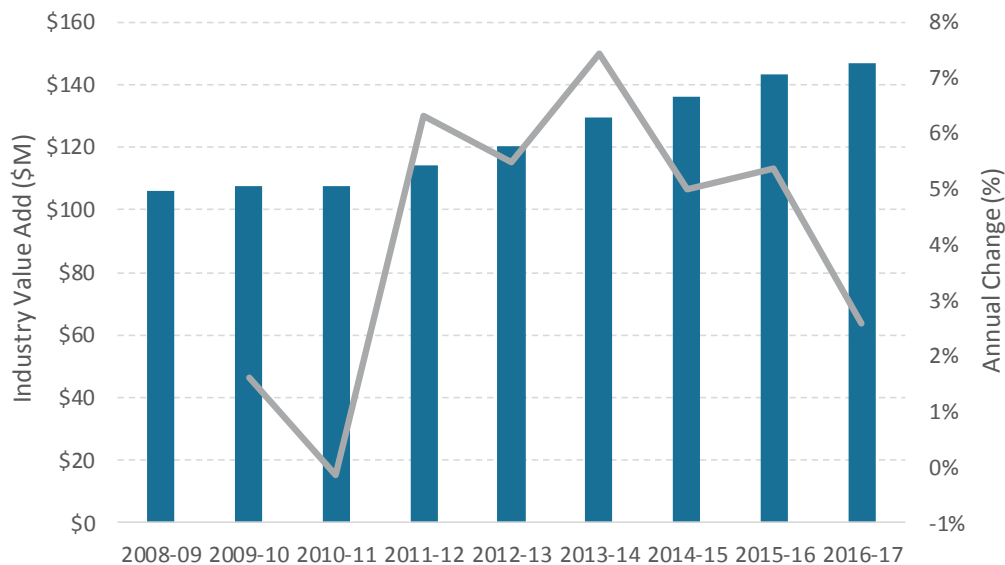
Industry Sector Definition

The digital economy is a broad sector covering all forms of activities undertaken online, including internet shopping, online publishing and content development, as well as online education and consulting.

The digital economy in Noosa experienced growth in the 2015-16 year, increasing by 2.6% in IVA terms. The digital economy contributed \$147 million and 1,229 jobs to the Noosa economy in 2016-17. The most prominent sub-sectors in the digital economy were education (45% of total jobs), computer system design and related services (22% of total jobs) and professional services (14% of total jobs). Property operators and real estate services provided the largest individual contribution to IVA (26% of total).

Given its diverse nature, there are a variety of drivers for this sector including both population and industry drivers that will change from year to year, but as the historical trends show, the industry is likely to continue to grow steadily into the future.

Figure 3.1. Digital Economy IVA, 2008-09 to 2016-17



Source: Lucid Economics; NIEIR (2018)

Table 3.1. Digital Economy IVA, 2008-09 to 2016-17

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Industry Value Add (\$M)	\$106	\$108	\$107	\$114	\$121	\$130	\$136	\$143	\$147
Percent Annual Growth (%)		2%	0%	6%	5%	7%	5%	5%	3%

Source: Lucid Economics; NIEIR (2018)

4 Rural Economy

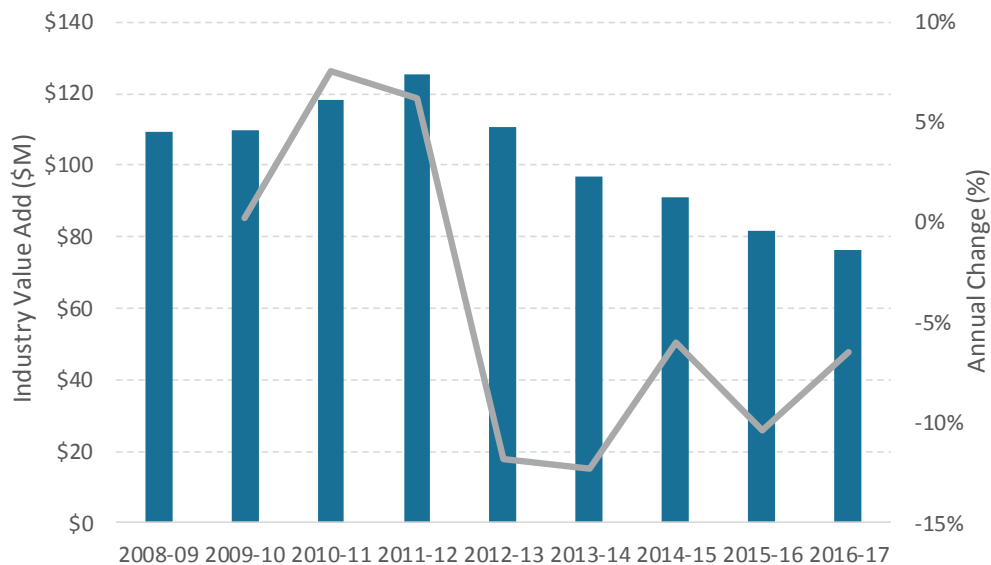
Industry Sector Definition

Rural enterprise covers all activities associated with the cultivation of land and animals in the area. The sector involves agricultural industries as well as the processing industries further down the supply chain (i.e., food product manufacturing).

The rural economy shrank by 4.1% in 2016-17 likely due to changes in pricing to contribute \$76 million to the local economy. Employment in the segment was flat, which is consistent with national trends. The largest sub-sectors (in IVA terms) were agriculture (38%) and food manufacturing (34%). These sub-sectors also employed the most people in similar proportions.

Since 2011-12, the industry has suffered from on-going decline, both in terms of employment and its value contribution to the local economy. Given current market appeal of fresh, locally produced food products, there should be opportunities for future growth, particularly given the positive brand that Noosa has nationally, however, future growth will require suitable access to land and water resources.

Figure 4.1. Rural Economy IVA, 2008-09 to 2016-17



Source: Lucid Economics; NIEIR (2018)

Table 4.1. Rural Economy IVA, 2008-09 to 2016-17

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Industry Value Add (\$M)	\$109	\$110	\$118	\$125	\$111	\$97	\$91	\$82	\$76
Percent Annual Growth (%)		0%	8%	6%	-12%	-12%	-6%	-10%	-7%

Source: Lucid Economics; NIEIR (2018)

5 Environmental Industries

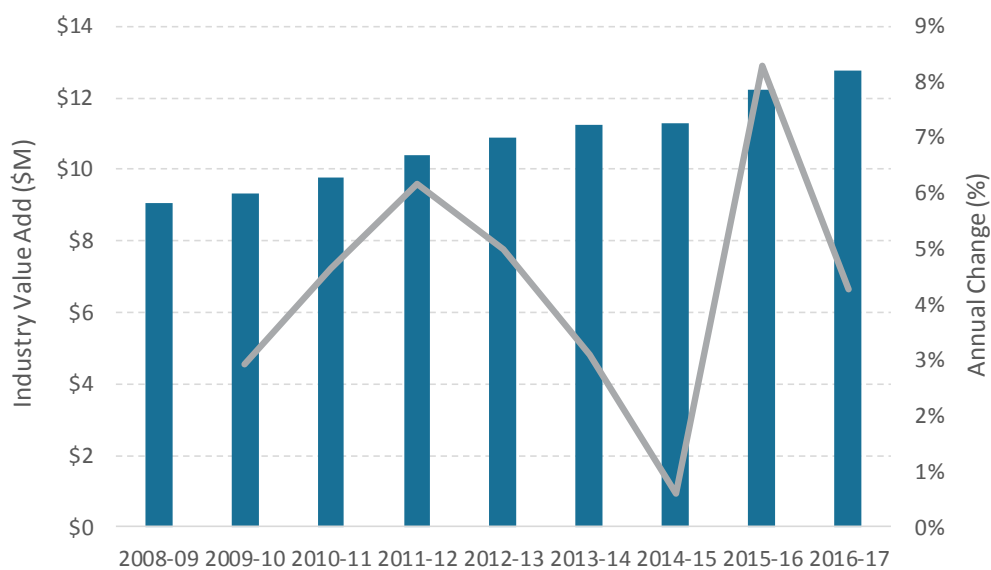
Industry Sector Definition

Environmental industries in Noosa include renewable energy generation, recycling of waste and scientific and research activities associated with identifying new ways to reduce human impact on the earth.

The environmental industries sector is the smallest of the priority industry sectors, contributing just \$13 million and 124 jobs to the Noosa economy in 2016-17. The majority of value and employment are based in engineering and other professional services. Waste collection, recycling and waste management are relatively minor contributors to the sector, contributing roughly a quarter of jobs and IVA.

The sector has delivered somewhat steady growth over time. Since 2008-09, the sector IVA has grown at an average annual rate of 4.4% and employment has grown at an average of 2.2% per annum.

Figure 5.1. Environmental Industries IVA, 2008-09 to 2016-17



Source: Lucid Economics; NIEIR (2018)

Table 5.1. Environmental Industries IVA, 2008-09 to 2016-17

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Industry Value Add (\$M)	\$9	\$9	\$10	\$10	\$11	\$11	\$11	\$12	\$13
Percent Annual Growth (%)		3%	5%	6%	5%	3%	1%	8%	4%

Source: Lucid Economics; NIEIR (2018)

6 Tourism

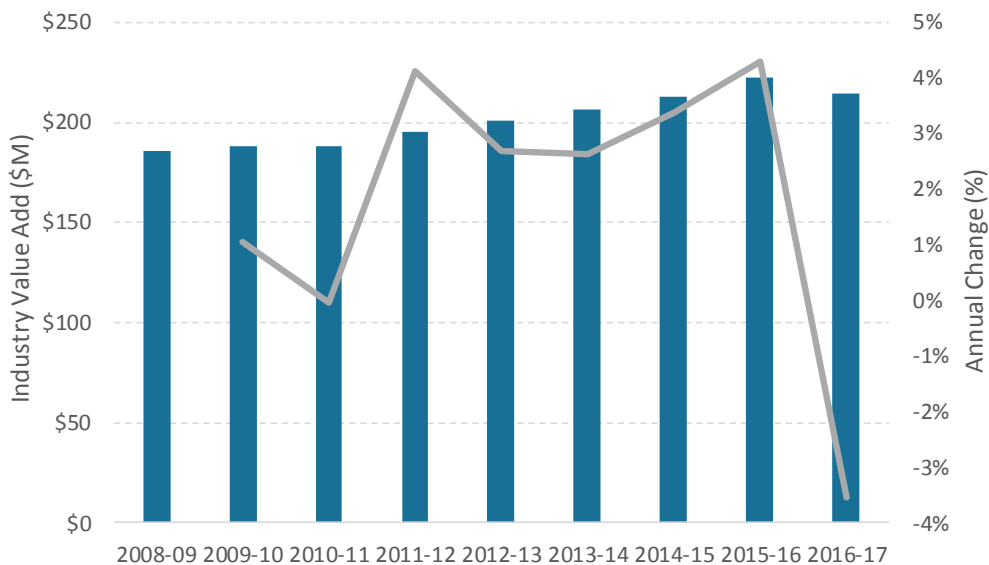
Industry Sector Definition

The tourism sector in Noosa is a broad sector covering not only the delivery of food and accommodation services to visitors to the region but also the broader activities undertaken in the region such as retail, transport, and entertainment. The sector covers all industries in which tourists are likely to come into contact during their stay.

Tourism is a major focus of the local economy and the largest priority sector in terms of employment, contributing 3,773 jobs to the local economy. Tourism experiences a reduction of 3.5% in its contribution to IVA in 2016-17 compared to the previous year, likely due to a drop in yield (i.e. expenditure per visitor/visitor night). While tourism has been one of the more volatile priority industries, its contribution to IVA has grown by an average of 1.8% since 2008-09. Employment has increased at an average annual rate of 1.1% since 2008-09.

Over the last year (year ending March 2018), overnight visitors to Noosa have increased 2.6%, while visitor nights have been stagnant (TRA, 2018).

Figure 6.1. Tourism IVA, 2008-09 to 2016-17



Source: Lucid Economics; NIEIR (2018)

Table 6.1. Tourism IVA, 2008-09 to 2016-17

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Industry Value Add (\$M)	\$186	\$188	\$188	\$196	\$201	\$206	\$213	\$222	\$214
Percent Annual Growth (%)		1%	0%	4%	3%	3%	3%	4%	-4%

Source: Lucid Economics; NIEIR (2018)

7 Creative Industries

Industry Sector Definition

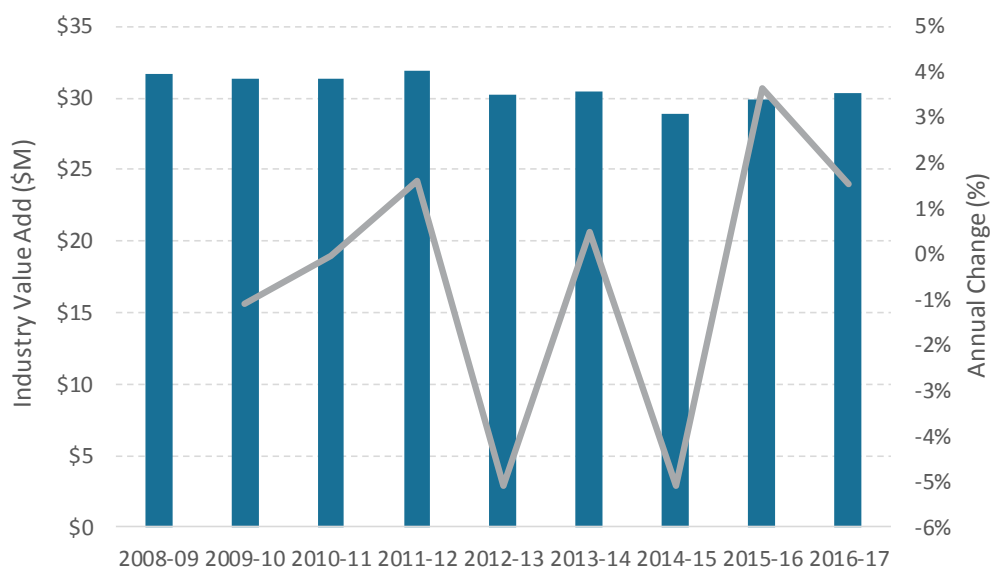
Local creative industries in Noosa cover all visual and performing arts undertaken in the region and the facilities used to support and promote these arts.

The creative industries are the second smallest priority industry sector contributing \$30 million in IVA and 489 jobs in Noosa in 2016-17. The industry has been the most volatile in Noosa with considerable swings in growth and decline.

The most important sub-sectors are craft manufacturing and performing arts, combined contributing 64% of the total employment and IVA.

Given Noosa’s character and appeal to creative people as well as recent trends, it would be expected that this sector could continue to grow into the future.

Figure 7.1. Creative Industries IVA, 2008-09 to 2016-17



Source: Lucid Economics; NIEIR (2018)

Table 7.1. Creative Industries IVA, 2008-09 to 2016-17

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Industry Value Add (\$M)	\$32	\$31	\$31	\$32	\$30	\$30	\$29	\$30	\$30
Percent Annual Growth (%)		-1%	0%	2%	-5%	0%	-5%	4%	2%

Source: Lucid Economics; NIEIR (2018)

8 Professional Services

Industry Sector Definition

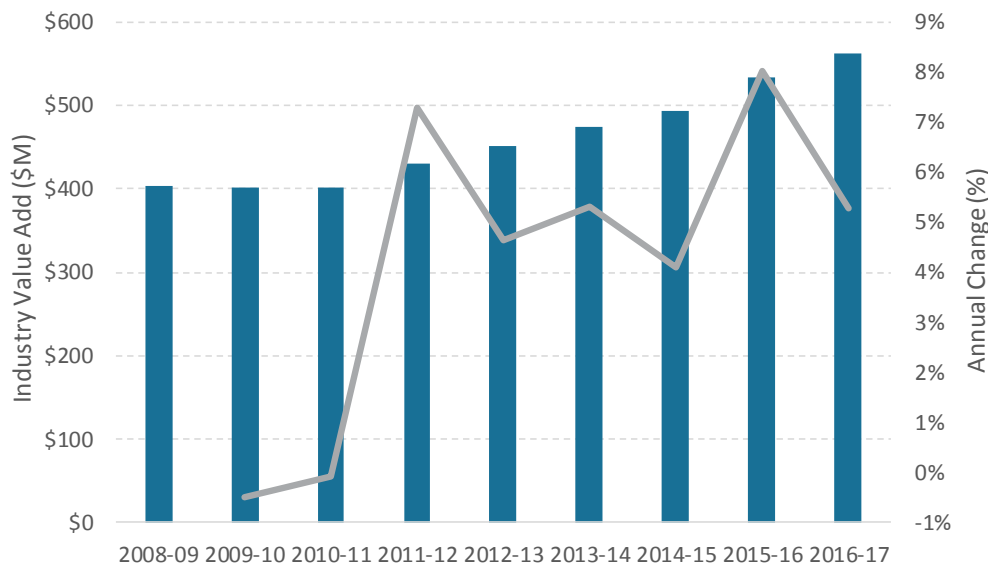
The professional services sector in Noosa covers all forms of professional services undertaken in Noosa, from banking and insurance services to gardening and pest control.

The professional services sector is the largest priority industry sector in IVA terms, contributing \$562 million to the economy (or 27% of total IVA) in 2016-17. Professional services are also the second largest employer, providing 3,178 jobs in 2016-17. Accounting, legal and engineering as well as real estate services are all important sub-sectors, contributing almost 60% of all jobs in the priority industry and over half of the IVA.

The sector shows solid growth in 2015-16 with IVA growing 5.3% and averaging 4.3% annual growth since 2008-09. Professional services are a high value adding sector contributing the highest level of IVA per employee (or ‘bang for buck’ in economic terms) among the priority industry sectors.

This industry has been a strong part of the on-going diversification of the Noosa economy and based on historic trends, future growth would be expected.

Figure 8.1. Professional Services IVA, 2008-09 to 2016-17



Source: Lucid Economics; NIEIR (2018)

Table 8.1. Professional Services IVA, 2008-09 to 2016-17

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Industry Value Add (\$M)	\$404	\$402	\$401	\$431	\$451	\$475	\$494	\$534	\$562
Percent Annual Growth (%)		-1%	0%	7%	5%	5%	4%	8%	5%

Source: Lucid Economics; NIEIR (2018)

9 Education

Industry Sector Definition

The education sector covers all forms of education provided in Noosa, from preschool to higher education. The sector also includes all arts and sports education and community education.

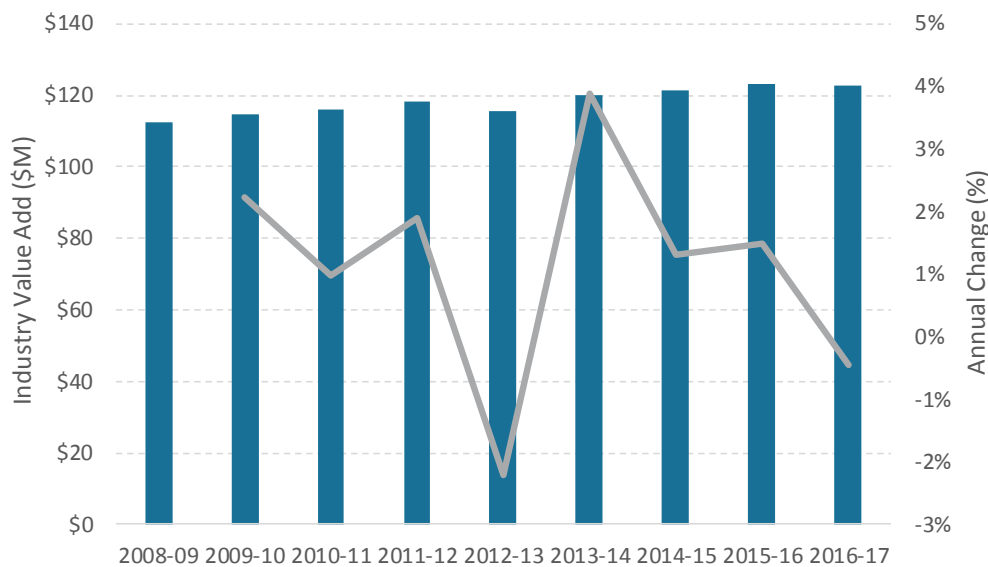
In 2016-17, education represented \$123 million in IVA and an estimated 2,091 jobs in the Noosa economy. After numerous years of growth, the education sector declined by 0.5% in 2016-17 in IVA terms and 0.7% in jobs. This recent experience is in contrast to the consistent contribution the sector has made, growing IVA at an average annual rate of 1.1% and jobs at 2.9% per year since 2008-09.

The most important sub-sectors for education are by far primary and secondary education making up two-thirds of employment and three-quarters of IVA.

Education as a sector also provides benefits as it contributes positively to workforce development and ensuring the local workforce has the skills required to support economic growth.

Based on existing trends and continued population growth, education is likely to continue to grow into the future.

Figure 9.1. Education IVA, 2008-09 to 2016-17



Source: Lucid Economics; NIEIR (2018)

Table 9.1. Education IVA, 2008-09 to 2016-17

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Industry Value Add (\$M)	\$112	\$115	\$116	\$118	\$116	\$120	\$122	\$123	\$123
Percent Annual Growth (%)		2%	1%	2%	-2%	4%	1%	1%	0%

Source: Lucid Economics; NIEIR (2018)

References

ABS (2017). *2016 Census of Population and Housing*. Cat. No. 2001.0. Australian Bureau of Statistics, Canberra.

Lucid Economics; NIEIR (2018). Noosa IVA and Employment Estimates. Unpublished.

TRA (2018). *National and International Visitor Survey*. Tourism Research Australia, Canberra.

Appendix A: Priority Sector Definitions

Table A.1 Priority Sector Definition

	Value (\$M)	Health and Wellness	Digital Economy	Rural Enterprise	Environmental Industries	Tourism	Creative Industries	Professional Services	Education
Agriculture	\$28.7			100%					
Aquaculture	\$1.6			100%					
Forestry and Logging	\$0.0			100%					
Fishing, Hunting and Trapping	\$2.6			100%					
Agriculture, Forestry and Fishing Support Services	\$6.9			100%					
Coal Mining	\$2.0								
Oil and Gas Extraction	\$0.0								
Metal Ore Mining	\$1.9								
Non-Metallic Mineral Mining and Quarrying	\$0.0								
Exploration and Other Mining Support Services	\$7.9								
Food Product Manufacturing	\$26.1			100%		6%			
Beverage and Tobacco Product Manufacturing	\$10.5			100%		6%			
Textile, Leather, Clothing and Footwear Manufacturing	\$3.8					6%	100%		
Wood Product Manufacturing	\$6.3					6%			
Pulp, Paper and Converted Paper Product Manufacturing	\$0.5					6%			
Printing (including the Reproduction of Recorded Media)	\$2.3					6%			
Petroleum and Coal Product Manufacturing	\$4.4					6%			
Basic Chemical and Chemical Product Manufacturing	\$7.1					6%			
Polymer Product and Rubber Product Manufacturing	\$5.5					6%			
Non-Metallic Mineral Product Manufacturing	\$6.7					6%			
Primary Metal and Metal Product Manufacturing	\$1.8					6%			
Fabricated Metal Product Manufacturing	\$6.7					6%			
Transport Equipment Manufacturing	\$5.6					6%			
Machinery and Equipment Manufacturing	\$5.1					6%			

	Value (\$M)	Health and Wellness	Digital Economy	Rural Enterprise	Environmental Industries	Tourism	Creative Industries	Professional Services	Education
Furniture and Other Manufacturing	\$5.3					6%	44%		
Electricity Supply	\$15.3				0%				
Gas Supply	\$0.0								
Water Supply, Sewerage and Drainage Services	\$8.4				0%				
Waste Collection, Treatment and Disposal Services	\$6.6				50%				
Building Construction	\$58.8								
Heavy and Civil Engineering Construction	\$34.4								
Construction Services	\$123.8								
Basic Material Wholesaling	\$18.1								
Machinery and Equipment Wholesaling	\$7.9								
Motor Vehicle and Motor Vehicle Parts Wholesaling	\$9.6								
Grocery, Liquor and Tobacco Product Wholesaling	\$17.2								
Other Goods Wholesaling	\$38.3								
Commission-Based Wholesaling	\$4.5								
Motor Vehicle and Motor Vehicle Parts Retailing	\$18.0					15%			
Fuel Retailing	\$3.5					15%			
Food Retailing	\$53.2					15%			
Other Store-Based Retailing	\$115.7					15%			
Non-Store Retailing and Retail Commission Based Buying	\$1.6		65%			15%			
Accommodation	\$68.2					74%			
Food and Beverage Services	\$107.5					74%			
Road Transport	\$25.2					19%			
Rail Transport	\$1.2					19%			
Water Transport	\$1.5					19%			
Air and Space Transport	\$10.0					19%			
Other Transport	\$6.4					19%			
Postal and Courier Pick-up and Delivery Services	\$5.3					19%			
Transport Support Services	\$2.3					19%			

	Value (\$M)	Health and Wellness	Digital Economy	Rural Enterprise	Environmental Industries	Tourism	Creative Industries	Professional Services	Education
Warehousing and Storage Services	\$6.0					19%			
Publishing (except Internet and Music Publishing)	\$10.7					7%	100%		
Motion Picture and Sound Recording Activities	\$3.6					7%	100%		
Broadcasting (except Internet)	\$3.3					7%	100%		
Internet Publishing and Broadcasting	\$0.3		100%			7%	0%		
Telecommunications Services	\$6.0		100%			7%			
Internet Service Providers, Web Search Portals and Data Processing Services	\$2.8		100%			7%			
Library and Other Information Services	\$2.3					7%			
Finance	\$81.7		20%			1%		100%	
Insurance and Superannuation Funds	\$7.0					1%		100%	
Auxiliary Finance and Insurance Services	\$59.5					1%		100%	
Rental and Hiring Services (except Real Estate)	\$3.3					2%		100%	
Property Operators and Real Estate Services	\$191.5		20%			2%		84%	
Professional, Scientific and Technical Services (Except Computer System Design and Related Services)	\$140.0		13%		7%		3%	100%	
Computer System Design and Related Services	\$32.0		100%					100%	
Administrative Services	\$76.6							100%	
Building Cleaning, Pest Control and Other Support Services	\$22.6								
Public Administration	\$37.6								
Defence	\$1.3								
Public Order, Safety and Regulatory Services	\$24.8								
Preschool and School Education	\$90.7		27%			9%			100%
Tertiary Education	\$11.8		27%			9%			100%
Adult, Community and Other Education	\$20.3		27%			9%			100%
Hospitals	\$39.9	100%				2%			
Medical and Other Health Care Services	\$94.4	100%				2%			
Residential Care Services	\$54.0	100%				2%			

	Value (\$M)	Health and Wellness	Digital Economy	Rural Enterprise	Environmental Industries	Tourism	Creative Industries	Professional Services	Education
Social Assistance Services	\$40.3	100%				2%			
Heritage Activities	\$4.5	100%				48%			
Creative and Performing Arts Activities	\$2.1					48%	100%		
Sports and Recreation Activities	\$19.4	27%				48%			
Gambling Activities	\$2.0					48%			
Repair and Maintenance	\$20.2					6%			
Personal and Other Services	\$40.5					6%			
Private Households Employing Staff and Undifferentiated Goods	\$0.2					6%			

Source: Lucid Economics; NIEIR (2018) (2016)

PAGE LEFT INTENTIONALLY BLANK



LUCID
ECONOMICS