



5 August 2009

The Research Director
Economic Development Centre
Parliament House
George Street
BRISBANE QLD 4000

Dear Mr Moorhead,

Submission – Inquiry into Employment Creation Opportunities in Queensland

The University of the Sunshine Coast has prepared the attached submission for consideration in preparing the Committee's Report to Parliament on creating employment opportunities in Queensland.

Introduction

This paper aims to provide input to the Economic Development Committee on what the Queensland Government could do to stimulate employment opportunities in Queensland.

The paper particularly focuses on the Sunshine Coast - one of Australia's fastest growing regions - and the potential for Governments, the University of the Sunshine Coast and industry to work together to stimulate economic development and to create several thousand new jobs in knowledge-based sectors.

The Sunshine Coast - current economic situation

The Sunshine Coast is one of Australia's fastest growing regions – the population has grown from 42,000 to its current population of 300,000 and is forecast to reach approx. 475,000 by 2026¹. Within 20 years it will be Australia's ninth largest city-region, and by 2030 will have overtaken Canberra to become the eighth largest.

Sunshine Coast demographics have shifted from a retirement destination to a first home territory.

Currently, the Sunshine Coast's economy is overly reliant on the three traditional sectors of tourism, construction and retail² and dominated by small and particularly micro businesses. Although vitally important to the region's economy, all of these sectors are potentially vulnerable – for example, to bad weather, to rising petrol prices or a boom and bust property cycle – and can be associated with part-time, casual and low paid jobs.

¹ Sunshine Coast Regional Council, Draft Corporate Plan 2009 – 2014

² Australian Bureau of Statistics, Labour Force, Australia, Detailed Quarterly, February 2009

To effectively stimulate employment opportunities, consideration must be given to innovation within existing industries and the promotion of a knowledge based economy and the development of new diverse business sectors.

It is increasingly recognised by the University, and the recently established Sunshine Coast Regional Council that there is a need for economic diversification, including an emphasis on knowledge-based jobs in clean and green industries.

In recent years, knowledge based industries on the Sunshine Coast have grown to account for almost 12,000 jobs, with a growth of 34% in knowledge-based employment between 2001 and 2006³. This is very significant growth and demonstrates that a region such as the Sunshine Coast can be an attractive location for a knowledge based business.

The Sunshine Coast is potentially a very attractive business location, key advantages include:

- quality of life and beautiful location – very attractive for many businesses to attract and retain staff;
- proximity to the Brisbane and its international airport; and
- education and human capital - growth of the University of the Sunshine Coast and TAFE creating a strong flow of talented graduates.

The Queensland Government's *Smart State Strategy* aims to develop the areas of science, technology and research to diversify the traditional economy and drive economic growth⁴. As highlighted in the Queensland Government's *Toward Q2: Tomorrow's Queensland* policy there is an opportunity for industry development through the promotion of new and emerging industries⁵.

New and emerging industries of particular interest on the Sunshine Coast include:

- ICT
- Creative industries
- Environmental technologies
- Health
- Aviation

These sectors align well with the Queensland Government's commitment to diversification into knowledge based industries, demonstrated in its *Smart Industry Policy and Decision Making Framework*, which identified key industries including biotechnology, information and communications technology and environmental research and services⁶.

To further encourage the development of knowledge-based industries, the Sunshine Coast Regional Council is planning specific precincts and initiatives to target knowledge-based, innovative industries. These will need significant support from the Queensland Government along similar lines to the Brisbane Technology Park, the QUT Creative Industries Precinct at Kelvin Grove, the Queensland Bioscience Precinct at St Lucia and the Ecoscience Precinct at the Boggo Road Jail site where the Queensland Government has committed \$200m.

³ SGS Economics and Planning, *Sunshine Coast Knowledge Economy Strategy*, 2008

⁴ Queensland Government, *Smart State Strategy: Queensland's Smart Future 2008-2012*, Queensland Government, Brisbane, p.5

⁵ Queensland Government, *Toward Q2: Tomorrow's Queensland*, Queensland Government, Brisbane, 2008, www.towardq2.qld.gov.au

⁶ Queensland Government, *Smart Industry Policy and Decision Making Framework*

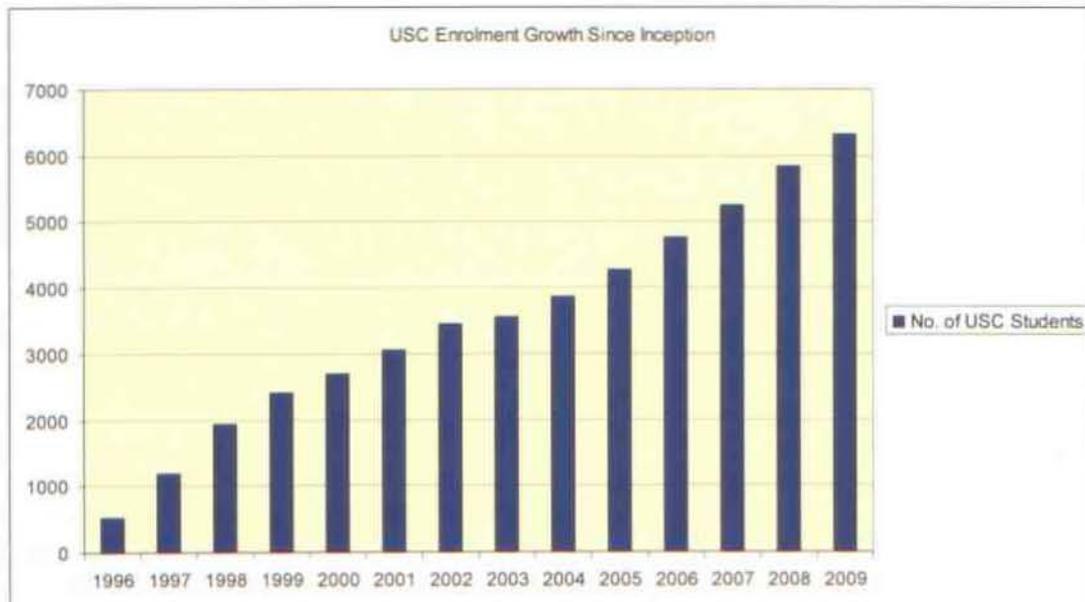
Although Brisbane is clearly important as the State's capital city, rapidly growing regions such as the Sunshine Coast also require significant investment from the Queensland Government to help build a smart and sustainable economy.

Sippy Downs has been identified by the Queensland Government as one of 13 designated 'knowledge based' economic centres in SEQ and is the only location with this designation on the Sunshine Coast. The Business and Technology Precinct planned around the University of the Sunshine Coast at Sippy Downs has real potential to create 6,000 jobs in new economy businesses.

University of the Sunshine Coast – Key characteristics

The University of the Sunshine Coast's (USC) annual percentage growth pattern exceeds that of the region itself.

From modest beginning in 1996, with just over 500 students and limited resources, USC has developed to become one of Australia's fastest growing and now has nearly 7,000 students in Semester 2, 2009. The graph below illustrates this rapid growth.



The University, appropriately supported, has the potential to be a major university of the 21st century and, consistent with its mission since inception, wishes to be:

"the major catalyst for the innovative and sustainable economic, cultural and educational advancement of the region, through the pursuit of international standards in teaching, research and engagement."

The University's academic teaching and research programs are geared to regional need, advancement and links with local businesses are extensive and growing.

The University places significant emphasis on 'Work Integrated Learning' (WIL) programs to give students the opportunity to gain industry or professional practical experience in the workplace while studying. WIL programs can be internships, guided industry projects, clinical placements, mentoring and/or a combination of these workplace-oriented activities.

The State and Territory Skill Shortage List for Queensland lists nearly 150 occupations where employers are finding it difficult to recruit suitable staff. The list includes managers, professionals, associate professionals and tradespersons.

In 2007, the University gained Federal Government funding for two projects that aim to enhance the contribution of the Universities to Regional Development. The two projects are:

- The **Optimisation Project** is a collaborative project between the University of the Sunshine Coast and the University of Southern Queensland (USQ). The Project will enable the Universities to consider its response to the needs of the region as it continues to experience future growth.
- The **Engineering Project** is a USC Project and will provide an opportunity for the University to consider how it might enhance pathways to Engineering training and subsequently its contribution to the labour force at a regional level.

As well seeking to address specific skills shortages and the needs of various professions, the University also seeks to develop more generic and transferable graduate attributes relevant to work and employment. These include skills relating to learning, thinking, interacting, communicating and being enterprising.

One example of how the University is working to support the economic development of the region is the development of nursing and allied health courses to support the region's health care needs and, in particular, the establishment of the Sunshine Coast University Hospital.

The Sunshine Coast University Hospital, now planned to open in 2016, is a significant expansion of health infrastructure for the region and will culminate in a new \$1.57 billion world-class acute care facility with 450 overnight beds, and room to grow to 650 overnight beds.

The University hospital will be equipped as a teaching hospital for medical, nursing and allied health students, and would encompass research facilities.

USC and the University of Queensland are working closely with Queensland Health in the development of teaching and research activities at the new hospital. USC will concentrate on nursing and allied health while UQ will be involved with postgraduate medical training, as both universities have been doing at Nambour Hospital for some time.

USC will be working closely with Queensland Health to attract large numbers of people into training programs in order to meet the new hospital's staffing requirements in 2016. It is estimated that the hospital will employ approximately 3,500 people.

However, if the University is to realise its potential to produce the graduates required, a substantial expansion of its health-related infrastructure is necessary. New Commonwealth schemes such as the Education Investment Fund (EIF) are not sympathetic to proposals based around growth and the need for professionals, especially where there is no cash investment by State governments. The State could support USC in addressing this situation and ensure the infrastructure development required by providing a dollar quantum to the next USC submission.

The Innovation Centre and the Business and Technology Precinct

To meet the demands of this rapidly growing region in need of economic diversification, the University of the Sunshine Coast established the Innovation Centre Sunshine Coast Pty Ltd in 2002 - with the backing of all levels of Government - to support the start up and growth of knowledge economy and technology based businesses.

To date, the Innovation Centre has successfully sustained the start up and growth of over 50 businesses in knowledge economy sectors, employing over 400 people and has helped these businesses to secure over \$20M in investment.

The Innovation Centre has been supported by the Queensland Government and provides a useful vehicle to advance next stage developments associated with the Business & Technology Precinct.

The Innovation Centre provides an on campus base for knowledge-based and technology businesses in two sections:

- **Business Incubator:** established in 2002, this award winning facility is currently home to around 20 early stage ventures in sectors such as ICT, online, creative industries and clean technology
- **Business Accelerator:** offers the ideal location for established knowledge economy businesses and service firms in sectors such as legal, accounting, venture capital, market research, HR, and other firms with services of interest to growth oriented technology businesses

The Business Incubator and Accelerator represent phases one and two of the Business & Technology Precinct project. The next stage will of development will involve a collaborative effort including the Sunshine Coast Regional Council, University of the Sunshine Coast and the Innovation Centre; key developers and the Queensland Government.

The development of the Business and Technology Precinct at Sippy Downs has the potential to contribute at least 6,000 jobs and over \$330m in annual salaries to the Sunshine Coast Coast economy.

The Precinct is being developed via a partnership between the Sunshine Coast Regional Council, USC and major developers – including Aria Property – (representing a joint venture between Aria Property, Bloomberg Incorporated and Rosedene) and S&L Developments with 100,000m² plus of commercial office space planned. The Precinct will benefit from recent Queensland Government investment in road infrastructure (\$66M) and an \$11m investment via the Federal Government's Clever Networks program to bring fast-speed fibre optics to the Precinct.

The Precinct's location presents opportunities for USC to partner with businesses to implement Work Integrated Learning programs aimed at providing employment opportunities for students during study and after graduation.

The partnerships between IBM and the University of Ballarat and American Express with the University of Sussex provide examples of collaborative learning programs which have proved to be extremely beneficial for the company as well as the University and local community. The IBM and University of Ballart 'Earn as you Learn' program has translated to

approximately 75 per cent of undergraduate students making up the 1,000 strong primary work force at the centre⁷.

The Queensland Government has an important role to play in advancing this major strategic economic development initiative, key activities could include:

- Infrastructure development – including further investment in roads and public transport network.
- Supporting the Innovation Centre to take a lead role in business attraction and facilitating networking and business development at the Precinct; similar to the role of Zernicke at the Brisbane Technology Park.
- Invest Queensland continuing to seek and secure anchor tenants for the Precinct.
- Capitalising on potential synergies between the Sippy Downs knowledge node and the planned Sunshine Coast University hospital at Kawana.
- Supporting the creation and development of a world class Research Institute at the University relating to a key priority economic sector such as Health or Environmental Technologies and providing opportunities for business attraction and collaboration.
- As the core Precinct is developed at Sippy Downs, there is also potential for a smaller satellite precinct in the northern region of the Sunshine Coast. Cooroy has been identified as one possible location and this could build upon the key assets of fibre optic cabling, data centre, library, CSIRO, business land already in place or under development.

Student Entrepreneurship – supporting a new generation of businesses

The University of the Sunshine Coast recognises that jobs are increasingly being created by small entrepreneurial businesses – rather than large businesses – and that many students will go on to become self-employed or to work in or run small businesses.

A survey of just over 1,000 USC students (2008) found that 20% of the respondents planned to be self-employed or run their own business. This equates to around 1,400 current USC students.

The University has introduced an Entrepreneurship Program to encourage, educate and support capable and motivated students who wish to be self-employed or run their own business at some point in the future. This program includes:

- An Entrepreneurship Minor, four courses open to any student as part of their curriculum and delivered by the Faculty of Business and the Innovation Centre.
- Extra-curricula activities – including promoting intern opportunities with innovative businesses, the Enterprise Tuesday networking series, student mentoring and running the Enterprisers residential course in collaboration with the University of Cambridge and the Massachusetts Institute of Technology.

⁷ Multimedia Victoria. *IBM's success a walk in the Technology Park*. www.mmv.vic.gov.au

The Queensland Government contributed modest seed funding to help launch this initiative, with further support there is real potential for USC to become a world-class centre of excellence in entrepreneurship education. Further steps in the development of this initiative could include:

- establishment of a Student Entrepreneurs Centre, a clubhouse environment providing a base for student run businesses and to facilitate the development of a strong network;
- development of a full scale business development program, including training programs, one to one mentoring and online resources;
- secondment of staff from leading international centres of excellence; and
- adapting the Enterprisers program to run with larger numbers of students from across Queensland.

Developing small businesses across the region

From its inception, USC has adopted an active approach to regional engagement, positioning itself as an asset for the diversification of the region's economy and for the development of knowledge-based businesses.

This effort is focused on developing skills and strengthening businesses in existing sectors and supporting the growth of a new wave of businesses in new sectors.

Examples of activity by the Faculty of Business to support businesses in existing sectors include:

- short courses and degree programs in 'Property and Asset Management';
- a 3-year 'Seafood Success' management development program for members of the Seafood CRC; and
- a monthly 'USC Business Professionals Forum' in collaboration with the regional membership of CPAA and ICAA.

The Innovation Centre plays an important role in developing entrepreneurs and businesses in new business sectors. As well as the Business Incubator and Accelerator initiatives, the Centre runs a series of short courses such as:

- Start it up! A business start-up course
- Digital Futures – building your online business
- Clean Futures – building a business in the clean technology sector

To date, over 4,000 business delegates have attended events, courses and seminar organised by the Innovation Centre.

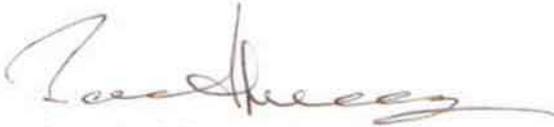
Conclusion

The major areas that with further support would produce more jobs fairly quickly, therefore, include:

- State Government investment in capital infrastructure on key projects related to the provision of health professionals urgently needed within the State;
- support for USC leadership of business development programs at Sippy Downs Town Centre and other possible regional sites such as Cooroy;
- more focussed direction of business firms to the Sunshine Coast as a key region, rather than just to regional areas north of Gympie; and
- support for online delivery of short courses leading to business expertise or university qualifications.

The University is well placed to maximise employment from any investment in this region. We look forward to careful consideration of our proposals as we are intent on advancing the economic restructure of this region.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Paul Thomas', with a long, sweeping underline.

Professor Paul Thomas AM
Vice-Chancellor and President