KPMG

Insight into the Future of Fraser Coast

Demographic & Economic Trend Analysis

21 September 2020

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Final Report

Contents

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About the region

The Fraser Coast region provides a desirable lifestyle for its residents and is an attractive destination for visitors surrounded by nature, with long sandy beaches, vibrant communities, abundant marine life and pristine parks.

The region includes the areas of Fraser Island, Hervey Bay, Maryborough, Burrum Heads and a number of smaller communities shown on the map to the right. It is these communities which give the region character and variety.

Legend
Fraser Coast
Bruce Highway
Major Roads

Data collection areas in Fraser Coast

The map to the right identifies the local government area (LGA) and statistical area (SA) boundaries used to inform the data analysis in this report. Statistical Areas Level 2 (SA2s) used in this report are designed by the Australian Bureau of Statistic (ABS) to reflect functional areas that represent a community that interacts socially and economically. The SA2 is the smallest area for the release of many ABS statistics, including the Estimated Resident Population (ERP). SA2s generally have a population range of 3,000 to 25,000, and have an average population of about 10,000. Given the size of some of the smaller communities in Fraser Coast, town-specific information is not available. Where possible in this report, these geographical differences in these smaller communities will be highlighted.

Aggregated SA2s discussed in this report include:

- Hervey Bay which consists of six SA2s;

- Maryborough which consists of three SA2s;

- North Fraser Coast which consists of Burrum-Fraser SA2 which includes Fraser Island; and

- South Fraser Coast which consists of the Maryborough SA2.

Maryborough
consists of three SA2 areas

Maryborough (Qld) SA2

Tinana SA2

Granville SA2

Hervey Bay
consists of six SA2 areas

Point Vernon SA2

Torquay – Scarness – Kawungan SA2

Craignish – Dundowran Beach SA2

Pialba – Eli Waters SA2

Urangan – Wondunna SA2

Booral – River Heads SA2

North Fraser Coast

Burrum – Fraser SA2

North Fraser Coast

Burrum - Fraser SA2

South Fraser Coast

Maryborough Region - South SA2

Fraser Island, Burrum Heads and North Fraser Coast (excluding Hervey Bay) make up the Burrum Fraser SA2. As such, the trends mapped for the SA2 are reflected both on Fraser Island and the main land due to the data collection area which may not reflect the actual activity on Fraser Island.

Legend
- Maryborough SA2s
- Hervey Bay SA2s
- Fraser Coast LGA
- Queensland SA2s

Purpose

As Fraser Coast Regional Council (FCRC) commences preparations for the review of the Planning Scheme, it is important to review past, emerging and potential future trends to understand the future of the region.
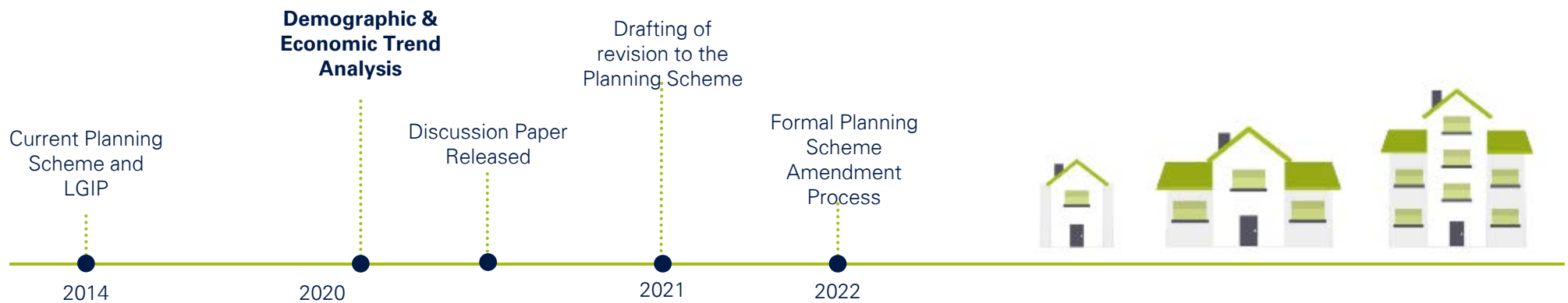
This project is the first step in shaping the revisions to the Fraser Coast Planning Scheme and Local Government Infrastructure Plan (LGIP). It considers demographic, housing and industry trends using data analysis and stakeholder insights to form a baseline. Using this information, the report identifies possible future scenarios for the region to assist FCRC in the Planning Scheme review process.

There are inherent uncertainties in defining future scenarios, however the process is invaluable to provide a best estimate of future growth against which policy can be developed.

Structure

The report is structured as follows:

- **Community** – describes the population, migration trends and characteristics of the community.
- **Housing and households** – provides an overview of the existing household and family structure, dwelling types and housing markets trends.
- **Residential land supply analysis** – analyses the factors that contribute to supply and demand for housing in the Fraser Coast region, concluding whether there is sufficient supply of residential land to support the future population.
- **Industry** – identifies and describes the key economic and employment characteristics in the region.
- **Factors shaping the future of Fraser Coast** – understand drivers and enablers which will shape the future of the Fraser Coast region.
- **Future scenarios for Fraser Coast** – outlines the scenarios for the future of the region which are informed by the findings from the previous sections of the report.

	Demographic & Economic Trend Analysis		Drafting of revision to the Planning Scheme		
Current Planning Scheme and LGIP		Discussion Paper Released		Formal Planning Scheme Amendment Process	
2014	2020		2021	2022	

Previous scenarios used to plan for the future of Fraser Coast

Scenario development

FCRC develops scenarios for population and dwellings to help plan for the future of the region. These projections form a baseline for strategic decision making regarding future urban development, infrastructure and economic activity across the region.

Insights into the future of Fraser Coast

This report considers demographic, housing and industry trends using data analysis and stakeholder insights to form a baseline from which to develop possible future scenarios for the region.

Importance of projections

There are inherent uncertainties in any population or housing forecasts, however these are invaluable to provide a best estimate of future growth against which policy can be developed.

The process of predicting the future requires us to examine the present, it enables us to think about what we want the future to be, and can help interpret change when it occurs.

The scenarios used by FCRC in the past were developed using the best available information at the time. Since that time, there have been a range of factors that have shaped the future. While these projections may not have eventuated as anticipated, they provide a valuable insight into the patterns of growth the region has experienced and how this may influence future growth.

Understanding the factors that shape growth

The historical population scenarios for Fraser Coast show that the previous projections used by FCRC were greater than actual population growth. This project seeks to identify the factors that influence growth for the region to use in conjunction with current population projections to provide a better understanding of future growth.

Historical population scenarios for Fraser Coast

The historical population scenarios for Fraser Coast show that the previous projections used by FCRC were greater than actual population growth
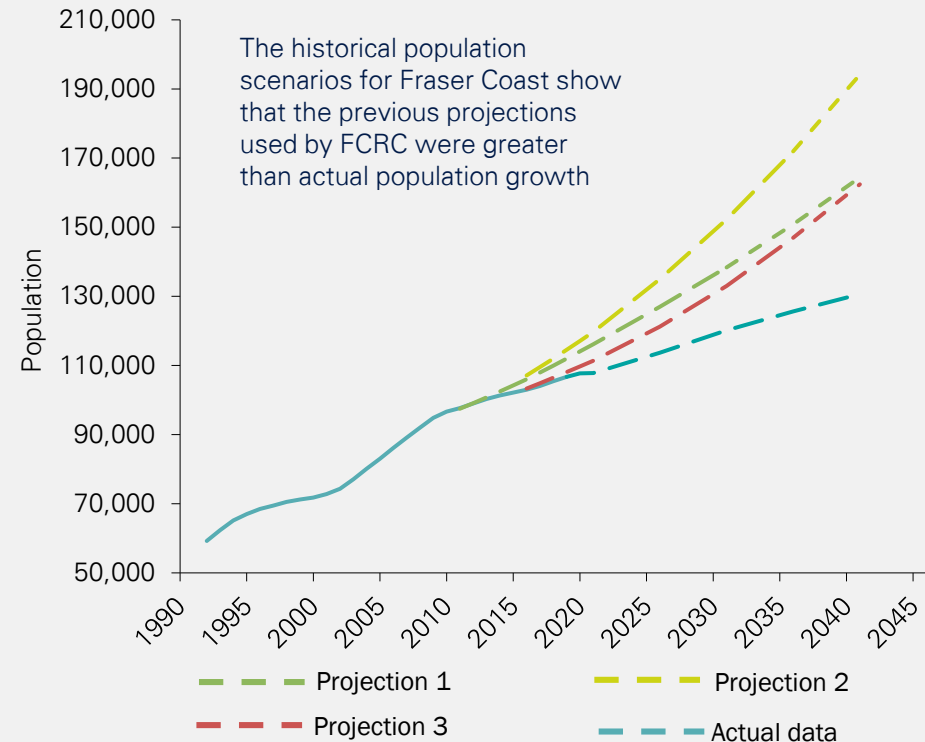
The graph above shows the population in Fraser Coast from 1990 to 2045 and includes the following projection scenarios used by Council:

- **Projection One:** Used by FCRC in 2011 for the Fraser Coast Housing Needs Assessment.
- **Projection Two:** Used by FCRC in 2014 for the Priority Infrastructure Plan.
- **Projection Three**: Used by FCRC in 2017 for the revised infrastructure Plan (LGIP).
- **Actual:** Population from 1990 to 2019 and the latest Queensland Government medium series forecasts from 2019 to 2045.

Factors shaping the future of Fraser Coast

Understanding current and emerging demographic trends is critical to inform the development of future scenarios.

This page identifies factors which underpin the scenarios. The remainder of the report outlines the desktop research and local insights that were obtained from consultation and used to inform the future scenarios.

Consultation was conducted via an initial survey, with a bespoke question set delivered for different sector groups, as well as virtual workshops with key stakeholders.

Demographic trends

Understating the characteristics of the community identifies past, emerging and potential future trends across population, age profile, migration, disadvantage, education and income.

Policy

The Planning Scheme plays a significant role in shaping the future of the region. The Planning Scheme will be updated to be responsive to the future scenarios identified as part of this project.

Housing and households

A region's population growth should be matched by adequate housing supply in order to fulfil the needs of the growing population. Housing supply should consider the needs and characteristics of the population.

Key industry

Economic activity is a major driver of growth through job creation and export activity. Key industries in Fraser Coast which will shape the future of the region include:

- Health, aged care and social assistance;
- Manufacturing and advanced manufacturing;
- Tourism;
- Construction and residential housing; and
- Education and training.

COVID-19

Long-term impacts associated with social distancing, health and the economy may include working arrangements, consumer and business confidence, willingness to travel by air and urbanisation vs decentralisaiton.

Infrastructure enablers

Major projects support the growth of industry and can make the region more attractive to people. In addition, it is the role of the LGIP to ensure there is suitable serviced land to support growth.

External factors

Natural disasters, new technology and consumer trends will continue to shape the future of the region. These factors are typically unforseen, and those which can be identified have been captured in this report.

Future scenarios for the Fraser Coast region

The future scenarios for the Fraser Coast region outline the three potential future growth scenarios and the factors that underpin them.

Demographic Trends

This section discusses the key demographic characteristics of Fraser Coast which includes the following:

- Demographic snapshot

- Population

- Age profile

- Migration

- Disadvantage

- Education

- Income

- Considerations for the future of Fraser Coast.

Demographic snapshot

106,796 residents in Fraser Coast[1]

82% of residents

in Fraser Coast reside in Hervey Bay or Maryborough[1]

Hervey Bay ●
Maryborough ●

23,730 new residents

are expected to live in Fraser Coast by 2041[2]

Rapidly aging population

Age 65 +
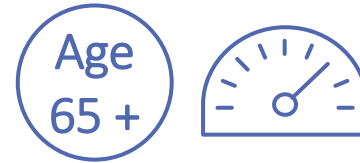
27.1% of population will be over 65[3]

➡ **36.1%** by 2041[4]

Aged dependency ratio

48% 2x that of QLD[4]
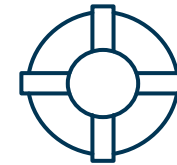
Fraser Coast is a Popular destination for older Australians

1 in 3* residents who lived at a different address prior to 2016 were over 50[5]

New residents primarily locate[6] **along the eastern and northern coasts**

Hervey Bay **37.9%**   Outer SA2s **29.0%**

of residents lived at a different address between the most recent censuses[7]

Fraser Coast is home to a **large proportion of residents with a disability**

1 in 10 residents require assistance for a profound or severe disability*[11]

2x that of QLD*

Lower household income

$906 Fraser Coast ‹ **$1,402** QLD

Compared to QLD, residents have a lower median household income[10]

Higher unemployment compared to QLD

8.7% Unemployment rate[9]

Compared to 6.1% for QLD and has been as high as 12.5% in the last decade.

Lower educational attainment

Due to older population, lower regional completion rates[8]

Population

Historical[1,2]

Since the early 1990s, the population growth rate of Fraser Coast has reflected the Queensland trend, although swinging from high to low by a greater degree. From 1991 to 1993, coastal lifestyle change, affordable housing and high interest rates drove southern migration to the region, which decreased until 1999 after significant growth. From 2000, growth increased reflecting the Queensland trend and broader economic conditions. The end of the mining boom leading into 2012 saw population growth decrease across the State. From 2011, growth has since steadied at approximately 1% per annum. Sunshine Coast and Wide Bay Burnett (excluding Fraser Coast) have been selected for comparison as they are neighbouring regions with different characteristics to Fraser Coast.

Annual growth of estimated resident population, Fraser Coast (R), Sunshine Coast (R), Queensland and elsewhere in Wide Bay Burnett, 1992 to 2019
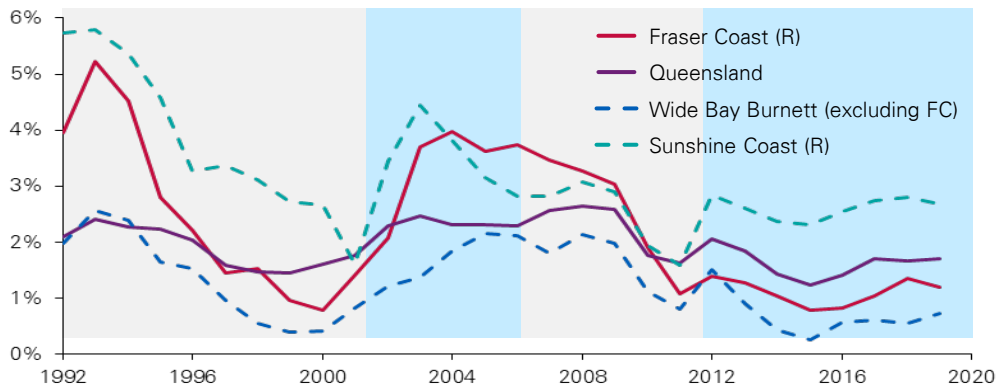
Insights
- The Fraser Coast growth rate reflects the Queensland trend although it varies from high to low by a greater degree.
- The high growth in the 1990s was primarily influenced by southern migration driven by affordable housing, high interest rates and the attractiveness of the region.
- Most of the population reside in the urban localities of Hervey Bay, which is growing steadily, or Maryborough, which has not grown materially in the last decade.

Current [3]

As at June 2019, Fraser Coast had an estimated resident population of 106,796 people, growing at a stable average annual rate of 1.2% from 2009, slower than Queensland (1.6%) over the same period. Within Fraser Coast, 82% of the population reside in the two urban localities in the region, Hervey Bay (60,305 persons, 239.73 persons / km^2) and Maryborough (27,286 persons, 159.92 persons / km^2). Outside of these settlements, the region is largely comprised of State forest, agricultural land, national parks and small coastal communities, which has a density of 2.92 persons / km^2.

Between 2009 and 2019, Hervey Bay grew in line with the State average rate (1.4%), whereas Maryborough grew at a materially lower rate of 0.2% due to population declines in Granville and Maryborough (SA2).

Estimated residential population growth in Fraser Coast by SA2, 2009-2019

Location	2019
Hervey Bay	60,305
North Fraser Coast	10,150
Maryborough	27,286
South Fraser Coast	9,055

* Note Fraser Island reflects the growth experienced in North Fraser Coast.
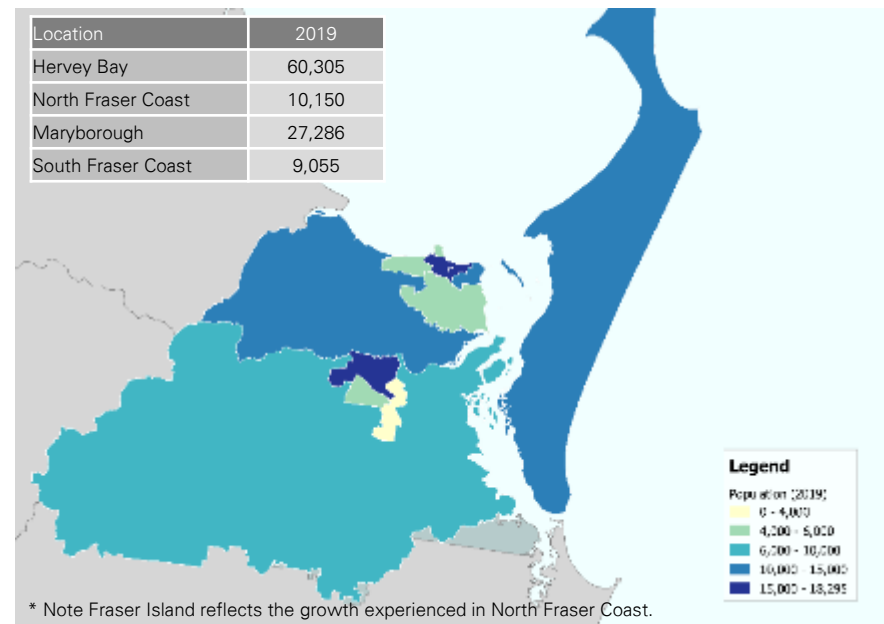
Sources: 1 – ABS 3218.0 - Regional Population Growth, Australia, various editions and Queensland Treasury and Trade estimates. 2 – FCRC Stakeholder Survey and Workshops. 3 – ABS 3218.0, Regional Population Growth, Australia, various editions.

Population (cont.)

Projected population

Medium series projections[1] estimate that by 2041, Fraser Coast will welcome 23,730 new residents, growing on average 1.0% annually, to reach a population of 130,706 people. This represents similar growth to the last decade (1.2%), and the region is projected to continue to grow slower than the State (1.6%). Growth is expected to continue to be driven by intra- and inter-state migrants seeking coastal lifestyle change and affordable housing. However, stakeholders identified that limited employment opportunities and access to a skilled workforce, including medical specialists, may constrain growth in the region.[2]

Within Fraser Coast, Hervey Bay is projected to welcome 19,643 new residents by 2041, growing on average 1.2% annually, to reach a population of 77,133. Stable growth is also expected for the region's outer SA2s, projected to welcome 5,026 new residents at 1.0% annual growth to reach a 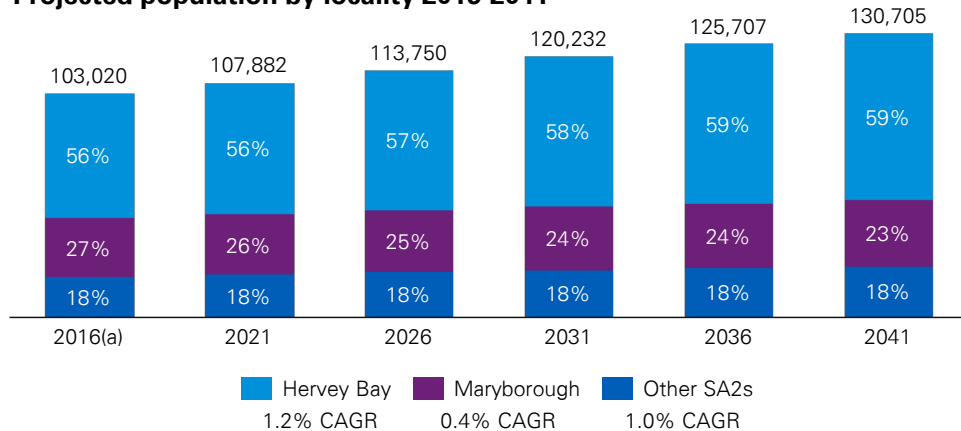population of 23,242, driven by modest growth in Burrum – Fraser (1.2%). Lifestyle migration is the key population growth driver in these areas, which include the region's populous northern coastal settlements of Burrum Heads and Toogoom (see map to the right). Inland Maryborough does not experience the same degree of migration, and is projected to experience relatively flat average annual growth of 0.4%, welcoming 3,016 new residents by 2041 to reach a population of 30,330.

Projected population by locality 2016-2041[3]

Hervey Bay	Maryborough	Other SA2s
1.2% CAGR	0.4% CAGR	1.0% CAGR

Projected population growth rate by SA2, 2016-2041

Location	Total
Hervey Bay	1.2%
North Fraser Coast	1.2%
Maryborough	0.4%
South Fraser Coast	0.7%

* Note Fraser Island reflects the growth experienced in North Fraser Coast.
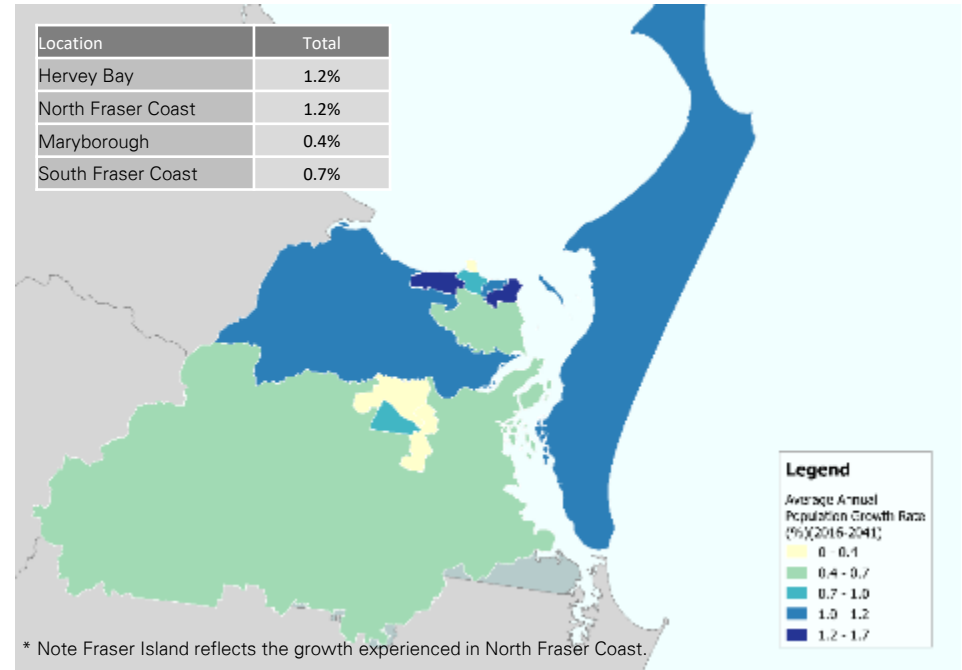
Insights

- The region is expected to continue to grow until 2041, although this growth rate is expected to slow slightly.
- Growth is expected to continue to be driven by migrants seeking coastal lifestyle change and affordable housing. Stakeholders identified that employment opportunities and access to a skilled workforce may constrain growth in the region.[1]
- Hervey Bay and other SA2s are expected to lead population growth in the region. This may be due to consistent lifestyle driven by migration to settlements on the northern, and to a lesser extent eastern, coastlines.

Source: Queensland Government population projections, 2018 edition; Australian Bureau of Statistics, *Population by age and sex, regions of Australia*, 2016 (Cat no. 3235.0). 1 – QGSO provides regional level projected population for low, medium and high population series. 2 – FCRC Stakeholder Survey and Workshops. 3 – Cumulative Average Growth Rate (CAGR) over 25 years as identified by QGSO applied to actual population identified by the Census 2016.

Age profile

Median age[1,2]

As a population, Fraser Coast's demographic age profile is older than that of Queensland. Both geographies have been experiencing a growing aging population over the last decade. Into the future, the median age of the Fraser Coast population is expected to increase at a more rapid pace. From 2008 to 2018, the median age of the area's population grew at an average annual rate of 5.0%, increasing from 43.7 to 48.6 years, materially faster than that of Queensland (1.1% growth from 36.2 to 37.3 years). Fraser Coast is projected to reach a median age of 54.5 by 2041 at an average annual growth rate of 4.7% (compared to 2.8% for Queensland), reflecting State trends of an increasing ageing population, albeit at a more rapid pace.

Median age – actual 2008-18, projected 2016-41
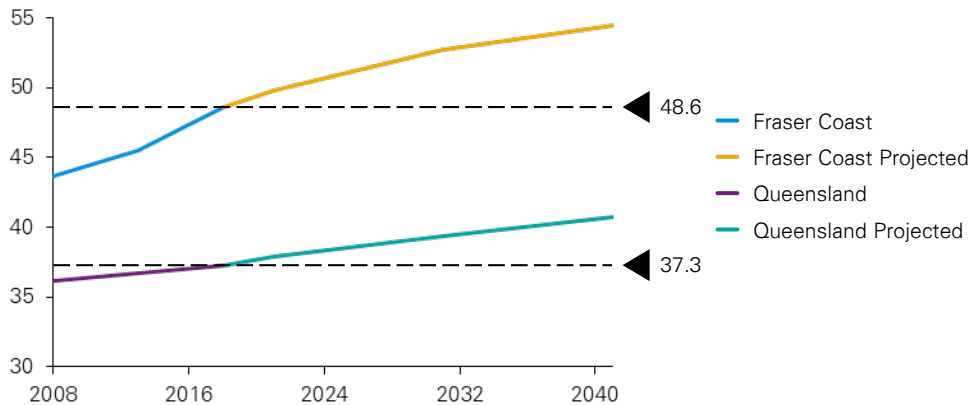
Insights
- The Fraser Coast population is ageing at a rapid pace, and is projected to continue to do so.
- Large increases in older residents (primarily due to retirement age migration) as well as localised contractions of working age and child residents will contribute to an increasing dependency imbalance.

Population resilience[2]

By age cohort, Fraser Coast has a materially lower proportion of working age population than Queensland (56.0% compared to 65.1%) and a materially larger proportion of population aged 65 years and over (27.1% compared to 15.4%). A consequence of this composition is that in Fraser Coast there are twice as many older dependent persons per working age person than in Queensland (see figure to the right).

Demographic change[1,2]

Medium projections estimate that from 2016 to 2041, the proportion of persons aged 65 years or older residing in Fraser Coast will increase to 36.1%, with this age cohort accounting for 76.1% of total projected population growth over the period. This change in demographic age profile is reflected in all geographies, most significantly in Hervey Bay (12,724). Despite an overall projected increase in working age population in the region, Maryborough is projected to see a decline in working age as well as child population, a contraction which will further increase the dependency imbalance in the township.

Dependents per working age person, 2018

Demographic change 2016 to 2041
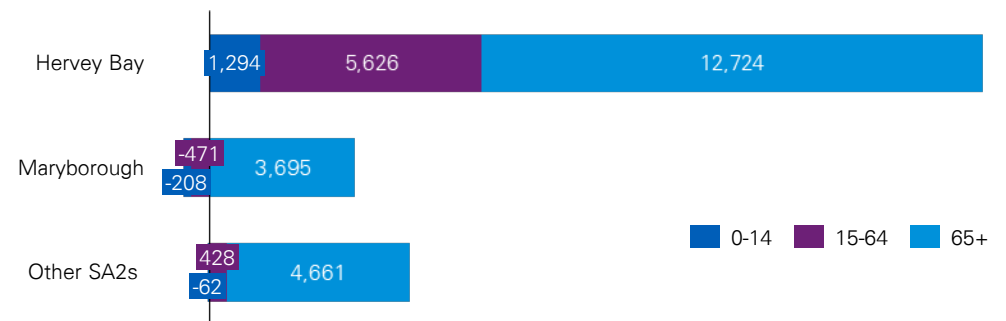
Sources: 1 - Queensland Government Population Projections, 2018 edition (medium series).
2 - ABS 3235.0, *Population by Age and Sex, Regions of Australia* 2016 (Cat no. 3235.0).

Migration

Attractiveness of the region to migrants[1]

Fraser Coast is a popular destination for migrants in Australia due to the lifestyle advantages offered by its coastal areas, housing affordability (particularly relative to other coastal communities along the south east coast of Queensland), proximity to Brisbane and the climate.[2]

In 2016, 32.7% of the people living in Fraser Coast resided at an address in a different SA2 five years prior (compared to 36.7% for Queensland). Of these new residents, 77.5% were from other SA2s within Queensland (including movement within Fraser Coast), 18.3% were from interstate and 4.2% were from overseas.

Visualised on the map to the right, the majority of migrants settle in Hervey Bay, to a lesser extent in coastal settlements on the northern and eastern coastlines of other SA2s (particularly Burrum Heads), and there is relatively low migration to inland Maryborough.

Migration by locality, 2011-2016[1]

Hervey Bay	Maryborough	Other SA2s
Proportion of population new residents **37.9%**	Proportion of population new residents **24.2%**	Proportion of population new residents **29.0%**
Origin of new residents **75.5%** **19.6%** **4.9%** Elsewhere in QLD / interstate / overseas	Origin of new residents **83.4%** **13.7%** **2.9%** Elsewhere in QLD / interstate / overseas	Origin of new residents **78.7%** **18.4%** **2.9%** Elsewhere in QLD / interstate / overseas
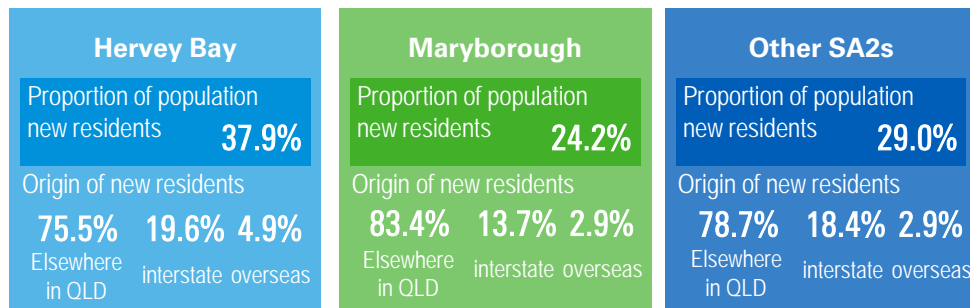
Sources: 1 - ABS, Census of Population and Housing, 2016, General Community Profile - G42.
2 – FCRC Stakeholder Survey and Workshops. 3 – KPMG analysis.

Number of migrants from outside the region (inter-regional), 2011-2016[3]

Legend
Number of Migrants (Inter-Regional) in 5 Years
- 0 - 1,000
- 1,000 - 2,000
- 2,000 - 3,000
- 3,000 - 4,000
- 4,000 - 5,461
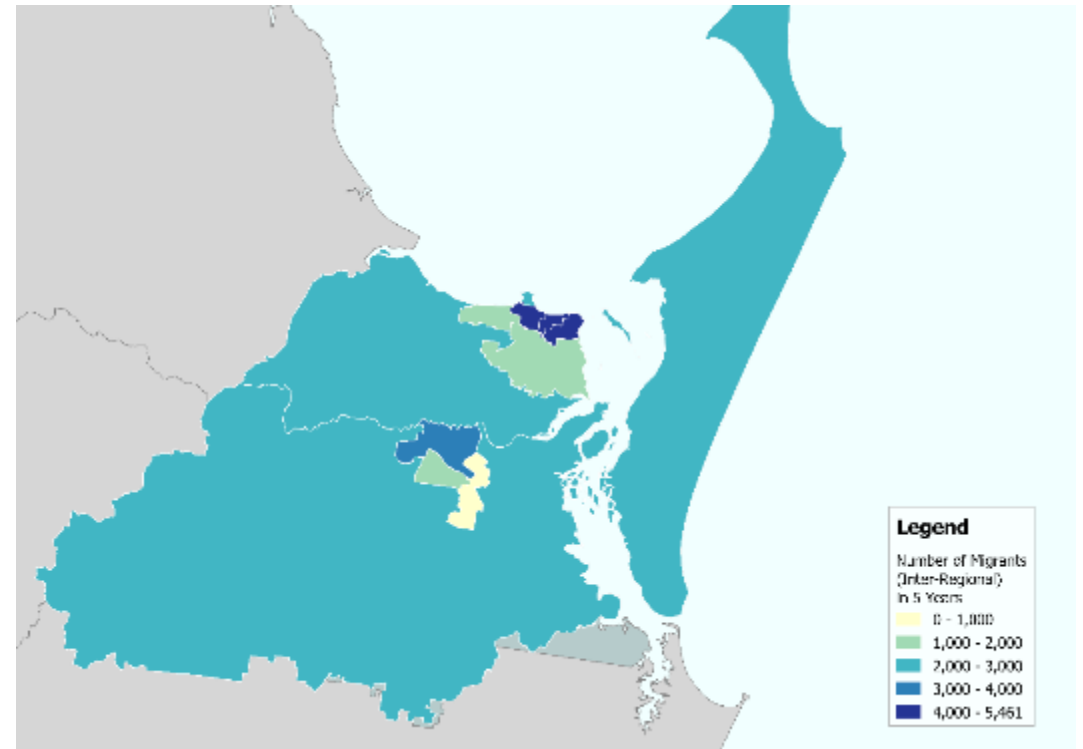
Insights
- A large proportion of the community are not long-term residents and are likely to have resided in other parts of Queensland.
- Migrants are primarily attracted to the coastal lifestyle offered by the region, housing affordability, proximity to Brisbane and the climate.[2]
- New residents primarily locate in Hervey Bay and other coastal settlements on the eastern and northern coastlines. This may be due to the natural coastal features and lifestyle offered by these areas.

Migration (cont.)

Migration by key cohort[1]

Older Australians

Fraser Coast's appeal as an affordable coastal lifestyle destination attracts a large proportion of older Australian migrants.[2] In 2016, 37% of Fraser Coast's residents who lived at a different address five years previously were 55 years and older, compared to 22% for Queensland. This significantly older migrant age profile is illustrated in the figure to the right. Fraser Coast's ability to attract new older residents is a component of rapid population aging in the region.

Young adults

In 2016, 20% of Fraser Coast's residents who lived at a different address five years previously were between 20 and 34 years of age, lower than for Queensland (33%). Consultation with local stakeholders identified that the region struggles to retain young people due to limited job opportunities, entertainment and limited tertiary education choices, a common trend for regional areas.[2]

Families

The proportion of the population between 0-19 and 35-49 years of age provide an approximate indication of the proportion of families in a region. In 2016, 42% of Fraser Coast's residents who lived at a different address five years previously were aged in these ranges, suggesting that the region is broadly comparable to Queensland (45%) in attracting families.

Origin of migrants

The region attracts a low amount of international migrants (4.2%) compared to Queensland (14.1%), perhaps suggesting the region has relatively fewer employment opportunities than elsewhere in Queensland.[3]

Stakeholder consultation identified that, historically, migration to the region has been by older Australians from metropolitan NSW and Victoria. In recent years, there has been increasing migration from South East Queensland (SEQ) as increasing property prices on the Sunshine Coast have influenced sea and tree change buyers from Brisbane to relocate further up the coast.[2]

Age profile of migrants by key demographic cohort (inter-regional), Fraser Coast and Queensland, 2016[1]
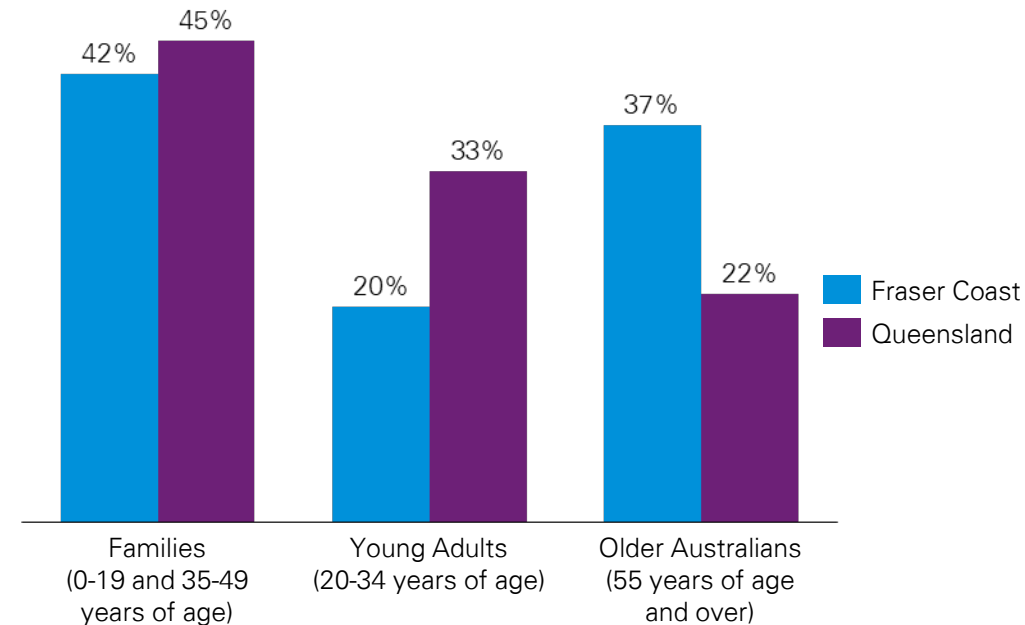
Insights
- Fraser Coast attracts a large cohort of older Australians which is a component of rapid population aging in the region.
- The region has a lower portion of young adults due to limited job opportunities, entertainment and limited tertiary education choices, a common trend for regional areas.[2]
- The region is comparable to Queensland in attracting families.
- Stakeholder consultation identified there has recently been increased migration from Brisbane due to increasing property prices on the south east coast of Queensland.

Sources: 1 – ABS, Census of Population and Housing, 2016, TableBuilder. 2 – FCRC Stakeholder Survey and Workshops. 3 - Parliament of Australia: Population and migration statistics in Australia.

Disadvantage

Disability[1,2]

Fraser Coast has a significantly larger proportion of residents with a disability than Queensland. In 2016, 9.7% of Fraser Coast's population needed assistance for a profound or severe disability, compared to 5.2% across the State. In turn, the region demands a higher proportion of disability support pension and carer allowance social services payments than Queensland (6.5% and 5.7% compared to 3.1% and 2.4% in 2019). This is partly related to the age profile of the region, contributes to lower income, and this is a key group in the demand base for the large local Health Care and Social Assistance industry.

Table 1: Need for assistance with a profound or severe disability 2016, Department of Social Services payments 2019

Disability and DSS payments	Need for assistance with a profound or severe disability	Disability support pension	Carer allowance
Hervey Bay	9.6%	5.6%	5.6%
Maryborough	9.9%	7.9%	5.5%
Other SA2s	9.4%	7.7%	6.3%
Fraser Coast	9.7%	6.5%	5.7%
Queensland	5.2%	3.1%	2.4%

Insights
- Fraser Coast is home to a large proportion of persons with a profound or severe disability.
- This group forms a significant part of the demand base for the large local healthcare and social assistance industry.
- There is high relative disadvantage in the region. Notably, Hervey Bay has a mix of very high and very low disadvantage areas, perhaps due to the distribution of aged care facilities in the township.

SEIFA Index[3]

The map below shows the distribution of socio-economic disadvantage across Fraser Coast, represented by the proportion of the population in the most disadvantaged quintile of the ABS Index of Relative Socio-Economic Disadvantage (SEIFA). As shown below, there is currently a high level of socio-economic disadvantage across Fraser Coast. Notably, Hervey Bay features a mix of moderate and high disadvantage locations with immediate to high amenity, 'lifestyle block' areas with little or no disadvantage.[4] This may be a result of the distribution of accommodation in Hervey Bay, with a large amount of aged care facilities in Point Vernon and Torquay – Scarness – Kawungan.

Proportion of population in the most disadvantaged quintile by SA2, 2016

Legend
Proportion of Population Highly Disadvantaged (%)(SEIFA Index)
- 0.0 – 0.0
- 0.0 – 20.6
- 20.6 – 61.9
- 61.9 – 73.6
- 73.6 – 90.6
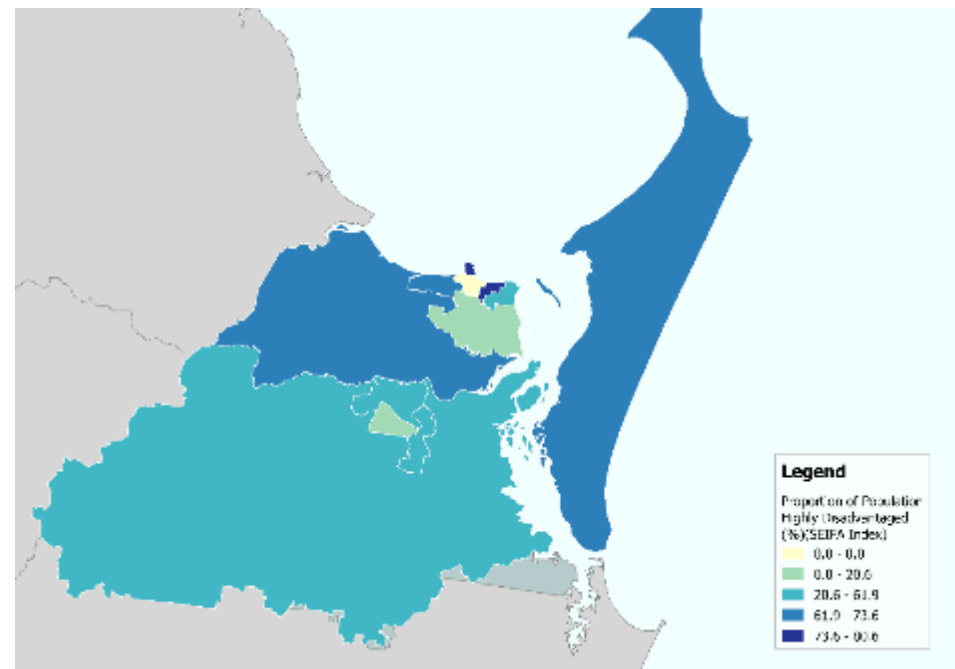
Sources: 1 – ABS, Census of Population and Housing, 2016, General Community Profile - G18. 2 –Department of Social Services, Payment Demographic Data, ABS 3218.0, Regional Population Growth, Australia, various editions. 3 – ABS 2033.0.55.001 Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA), Australia, 2016, (Queensland Treasury derived). 4 – FCRC Housing Needs Assessment.

Education

Level of schooling[1]

In 2016, Fraser Coast's residents had a relatively low level of educational attainment, with 41.0% of the population having completed Year 11 or 12 or equivalent, compared to 58.9% for Queensland.

Within Fraser Coast, Hervey Bay had the most educated population, with 44.3% of residents having completed Year 11 or 12 or equivalent, whereas Fraser Coast's outer SA2s had the least educated population (34.8% having completed Year 11 or 12 or equivalent).

Additionally, the region had a larger proportion of residents who did not progress beyond Year 8 or attend school at all (8.4% compared to 5.4% for Queensland).

This educational attainment profile is reflective of broader demographic trends affecting the region: large influxes of older residents who are likely to have lower upper secondary attainment[2], as well as lower general educational attainment in regional and economically disadvantaged areas.[3]

Table 2: Highest level of schooling, 2016

Highest Level of Schooling	Year 8 or below or did not go	Year 9 or 10 or equivalent	Year 11 or 12 or equivalent
Hervey Bay	7.6%	37.9%	44.3%
Maryborough	9.3%	40.0%	38.2%
Other SA2s	9.5%	42.9%	34.8%
Fraser Coast	8.4%	39.4%	41.0%
Queensland	5.4%	26.5%	58.9%

Sources: 1 – ABS, Census of Population and Housing, 2016, General Community Profile - G16.
2 – ABS 2016 Census of Population and Housing 2071.0. 3 – ABS Australian Social Trends 4102.0.
4 – ABS, Census of Population and Housing, 2016, General Community Profile - G40 and G46.

Non-school qualifications[4]

In 2016, Fraser Coast had a relatively low proportion of residents with a certificate or higher education compared to Queensland (40.6% compared to 48.3%), mostly due to the low attainment of Bachelor degrees or higher (9.1% compared to 18.3%), however the region had a higher proportion of residents holding certificates (24.3% compared to 21.3%). This may be partly due to the large resident population of older persons being less likely to hold non-school qualifications[2], and is also reflective of the low level of training required for some key employment industries in the area. The proportion of non-school qualifications in the region may increase over time given the relatively recent establishment of the University of the Sunshine Coast (1994) and significant expansion in the healthcare sector.

Table 3: Non-school qualification, 2016

Non-school Qualification	Bachelor degree or higher	Advanced Diploma or Diploma	Certificate	Certificate or higher
Hervey Bay	10.6%	7.8%	24.2%	42.6%
Maryborough	7.5%	6.5%	23.8%	37.7%
Other SA2s	6.6%	6.3%	25.5%	38.4%
Fraser Coast	9.1%	7.2%	24.3%	40.6%
Queensland	18.3%	8.7%	21.3%	48.3%

Insights
- Fraser Coast has a relatively low level of educational attainment, reflective of broader trends of an ageing population and low regional secondary completion rates.
- Fraser Coast has a relatively low level of post school qualifications, but a higher level of those with a certificate, reflective of the qualification requirements of key industries of employment in the region.

Income

Household income[1]

In 2016, the median weekly household income in Fraser Coast* was $906, materially lower than the Queensland median of $1,402.[2] This may be reflective of Fraser Coast's relatively low value industry profile (discussed later in this report), large proportion of disabled residents, lower educational attainment and high unemployment.

In 2016, household income in Queensland was bimodal, largely distributed around $1,000-$1,249 per week, with another concentration at around $2,000-$2,499 per week – the most common household income bracket in the State. Comparatively, Fraser Coast had a materially smaller proportion of high earning households, with the most common income brackets being $600-799 and $400-499 per week.

This is reflective of the low value, service-based nature of the region's key industries such as Health Care and Social Assistance. Such industries are not high value generating, require lower levels of qualifications and tend to offer lower remuneration.

Weekly household income, Fraser Coast and Queensland, 2016
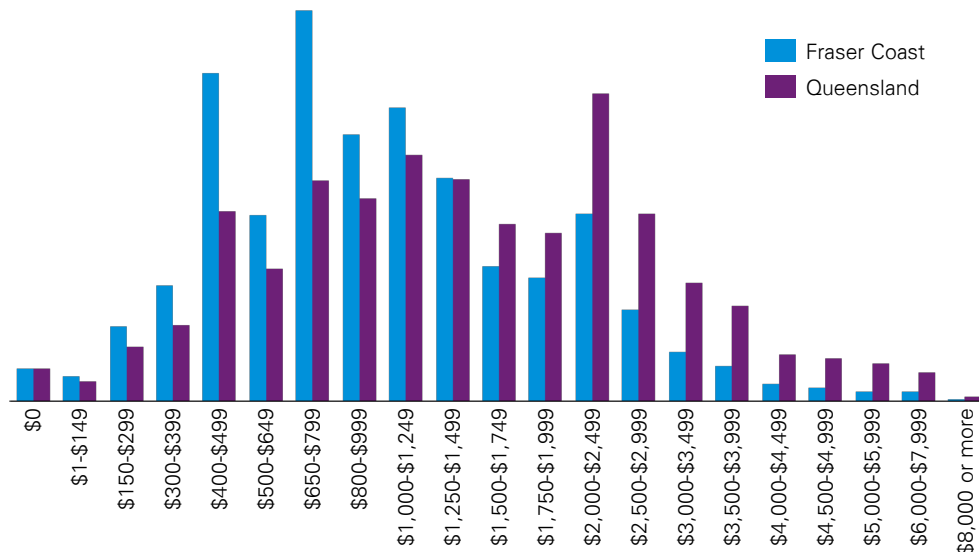
Unemployment[3]

As at December 2019, Fraser Coast's unemployment rate was 8.3%, higher than the Queensland average of 6.1%. The labour market in Fraser Coast has been more volatile over the last decade than for the State, perhaps reflecting a high relative exposure to seasonal employment for agriculture and tourism, reaching a peak of 12.5% unemployment in June 2015, but since strengthening towards State levels. To compliment high unemployment, Fraser Coast also has a lower participation rate than Queensland (37.6% compared to 51.7% as at June 2019), perhaps due to the large and increasing proportion of older persons and a large proportion with a disability.

Unemployment (%), December 2010-19
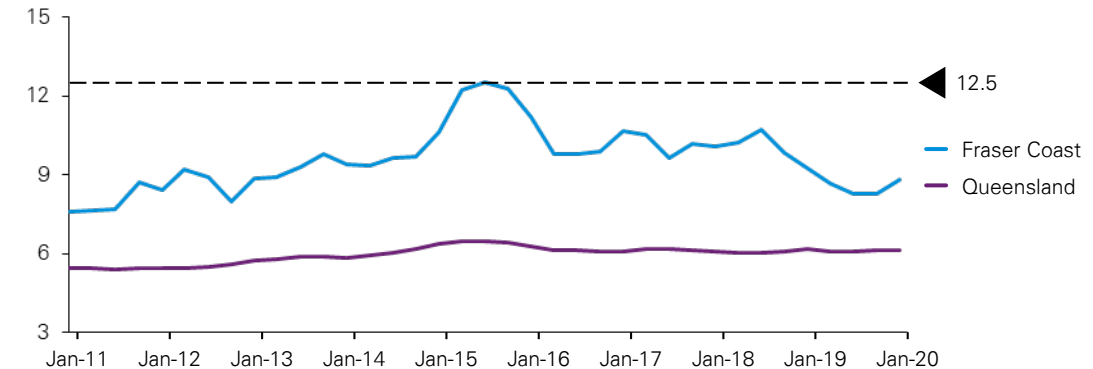
Insights
- Fraser Coast has a lower household income than Queensland due to a range of factors such as the large proportion of disabled residents, lower educational attainment as well as the region's key industries of employment being of a low value generating, service-based nature.
- In the region's labour market, there is high unemployment and low participation. This may be problematic for the region in the future as the ratio of dependents to workforce is projected to increase.

*Fraser Coast LGA as opposed to SA2 approximation. Sources: 1 – ABS, Census of Population and Housing, 2016, TableBuilder. 2 – ABS, Census of Population and Housing, 2016, General Community Profile - G02. 3 – Department of Education, Skills and Employment, SA2 Data tables - Small Area Labour Markets - December quarter 2019.

Considerations for the future of Fraser Coast

Variable population growth

While population growth is projected at 1%, historical evidence shows this figure will likely vary year on year.

A growing older population

An older population results in a higher dependency ratio and smaller working population which can create challenges as well as opportunities.

Migration

Fraser Coast is an attractive destination for older Australians which underpins the health, aged care and social services jobs and supports the construction industry by generating demand for houses.

Hervey Bay to remain an attractive destination

The trend for new residents to locate in coastal areas is expected to continue into the future.

Education

Education attainment is reflective of the disadvantaged, older population and industry types in the region.

Over time, it may change to reflect shifts in these underpinning factors.

SEIFA

There is high relative disadvantage in the region which is likely to continue given the older population and education attainment in the region. The urban centres, Hervey Bay and Maryborough provide housing choice and services to support these people.

Maryborough may experience population decline

While the population of Maryborough is forecast to decline, given the size of the town, this could change if there is new business investment.

Income

Fraser Coast has a lower household income than Queensland which impacts people's ability to access services and education and creates demand for more affordable housing.

Unemployment

The region's high unemployment and low participation has personal and social impacts and reduces expenditure in the region, impacting local businesses.

KPMG

Factors shaping the future of Fraser Coast
Demographic Trends

This section discusses the key demographic factors which will shape the future of the region which includes the following:

- Lower number of families and young adults
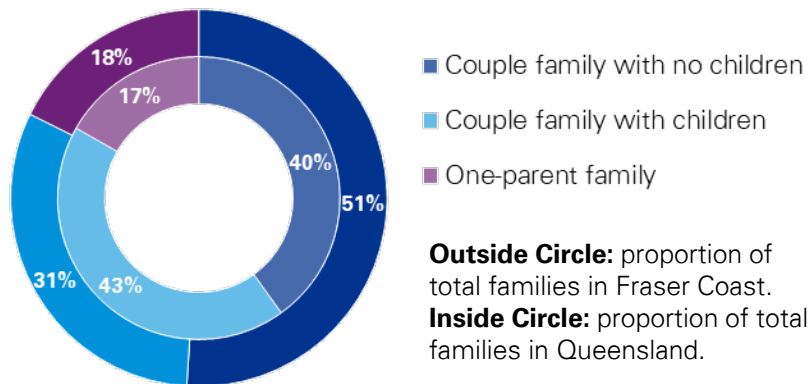
- Migration of older Australians.

Lower number of families and young adults

Fraser Coast experiences low natural population growth.

The region has a low proportion of families with children and struggles to retain its young adult population, limiting the development and continuation of intergenerational families in the region. Additionally, declines are projected in working age and child population, particularly in Maryborough. These projections serve to increase the already high aged dependency ratio, a potential cause for concern of the ability of the region to support its population into the future.

From 2011 to 2016, migration of under 50s to Fraser Coast fell by 1.7%, significantly lower than migration of the cohort in the broader State (1.0%).

-1.7%
Average annual growth of under 50s migration to Fraser Coast from 2011 to 2016.

63%
of all migration to the region is people under 50 as at 2016.

Family Composition – Fraser Coast and Queensland

18%
17%
40%
51%
31%
43%

- Couple family with no children
- Couple family with children
- One-parent family

Outside Circle: proportion of total families in Fraser Coast.
Inside Circle: proportion of total families in Queensland.

Sources: Chart: ABS Census of Population and Housing. 2016. *General Community Profile - G25*. 1 – Census of Population and Housing, 2011 and 2016, TableBuilder. 2 – FCRC Stakeholder Survey and Workshops.

Historical challenges faced by key cohorts[2]

Young adults
- Limited entertainment options for young people.
- Limited tertiary education offering. Those who desire to pursue tertiary education often leave the region.
- Limited employment opportunities.

Families
- Limited choice of primary and secondary schools (although this has been strongly improving in recent years).
- Limited employment opportunities for parents.

Influencing factors for the future[2]

Retention of young adults:
➢ Improvement of employment and training opportunities, VET and apprenticeship system.
➢ Improved attractiveness of local tertiary education options to help retain local students.
➢ Increased entertainment options such as year round events and attractions, which will also drive the Tourism industry.

Intergenerational families:
➢ Younger property buyers are demanding a high density attached housing product in high amenity areas.
➢ Continued growth in the secondary system may encourage the establishment of families in the region.

Migration of older Australians

The driver of population growth in the region is aged migration.

Historically, the region has experienced large southern migration of retirees driven by price difference and seeking a sea or tree lifestyle change, as well as constrained family migration and a drain in young people due to limited job opportunities and education offering. Population projections (see figure below) suggest that these migration trends may continue to outweigh natural growth over the next 20 years to 2041.

From 2011 to 2016, migration of over 50s to the region remained high, resulting in lower growth in migration of this cohort relative to the State.
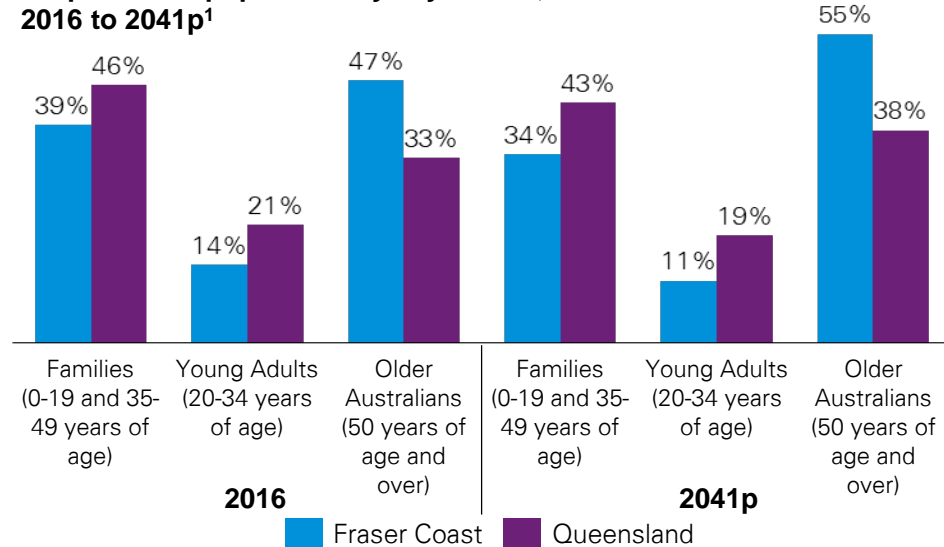
1.8%
Average annual growth of over 50s migration to Fraser Coast

37%
of all migration to the region is people over 50 as at 2016.

Proportion of population by key cohort, Fraser Coast and Queensland, 2016 to 2041p[1]

Sources: Chart: Queensland Government population projections, 2018 edition; Australian Bureau of Statistics, *Population by age and sex, regions of Australia*, 2016 (Cat no. 3235.0). 1 – Census of Population and Housing, 2011 and 2016, TableBuilder. 2041p is the projected population. 2 – FCRC Stakeholder Survey and Workshops.

Historical drivers of migration across key cohorts[2]

Young adults
- Young people migrating away from the region due to limited tertiary education options, employment opportunities and entertainment.

Families
- Limited employment opportunities and choice of primary and secondary schools has constrained the migration of young families to the region. However in recent years, there has been investment in the region in private schools.

Older People
- Large volume sea change retirement migration motivated by the region's coastal lifestyle benefits, climate and affordable housing.

Influencing factors for the future [2]

Retention of young adults:
➢ Improvement of employment and training opportunities, VET, apprenticeship and tertiary education system, the attractiveness of local tertiary education options and entertainment options such as year round events and attractions.

Attraction of young families:
➢ Substantial growth in the local secondary education system, industry growth increasing employment opportunities and the rise in remote working are all emerging trends that reduce barriers to the migration of young families to the region.

A changing retiree profile:
➢ The origin of migrants has changed over time due to increasing property prices and incomes throughout Australia: 1980s: Melbourne, 1990s: Sydney, 2000s-current: South-East Queensland(SEQ).

➢ Additionally, the vast improvement in the region's health system in recent years has seen the representative retiree migrant change from a welfare-dependent retiree to a self-funded retiree.

Housing & households

This section discusses the key housing characteristics of Fraser Coast which includes the following:

- Housing snapshot

- Household and family

- Dwelling and tenure

- Dwelling rental and sale prices

- Local housing market trends

- Considerations for the future of Fraser Coast.

Housing snapshot

The most common family type is **couple families with no children** representing **more than 50%** of households, higher than in broader QLD (39.4%) and reflective of the region's relatively older demographic age profile[1].

The most common household types in Fraser Coast are

One family households **68.1%**

and

Lone person households **26.9%**

In line with broader QLD[1].

A large proportion of dwellings are owned outright.

39% in Fraser Coast > **28%** in QLD[3]

Median sale price for land with an attached or detached dwelling

$321k in Fraser Coast, **$134k less** than in QLD

Higher prices are observed in Hervey Bay.

Craignish – Dundowran Beach recorded the highest median sale price of $515k, $45k above the State median[5].

Population growth has encouraged an expansion in the housing market in the last decade:

The majority of dwellings are separate houses

82% in Fraser Coast > **74%** in QLD

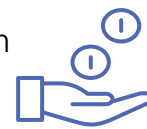with relatively less attached houses

4% in Fraser Coast < **13%** in QLD

Rental prices for a four bedroom home have been **steadily increasing since March 2018**
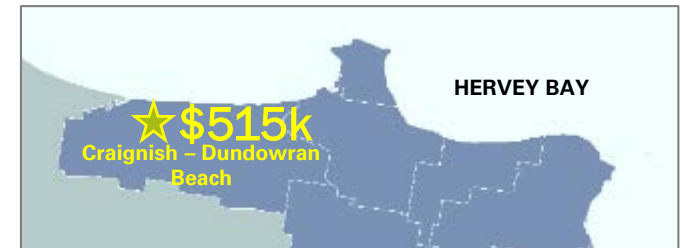
The median weekly rental price is

$380 in Fraser Coast, **$50 less** than broader QLD.

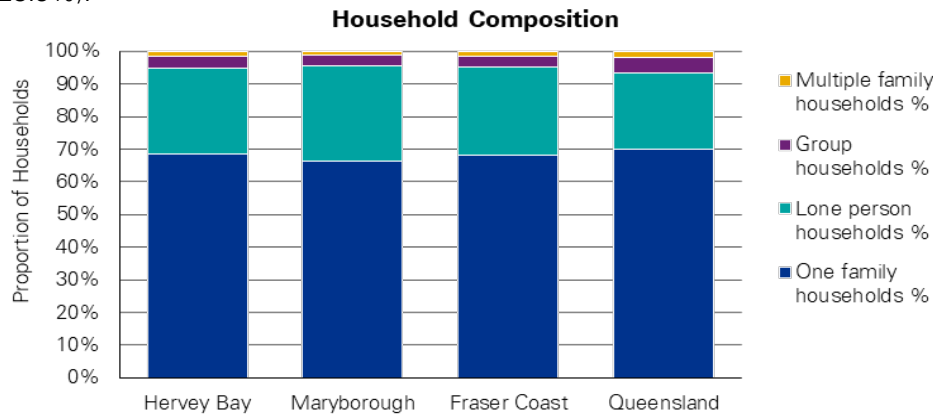Higher weekly rent in Hervey Bay than Maryborough[4]. **$400** **$333**

HERVEY BAY

★ $515k Craignish – Dundowran Beach

Household and family

Household composition[1]

Household composition across Fraser Coast is in line with broader Queensland. In 2016, one family households were the most common household arrangement – in Fraser Coast (68.1%), Hervey Bay (68.5%), Maryborough (66.4%) and Queensland (70%). Lone person households accounted for 26.9% of households in Fraser Coast in comparison to 23.5% in Queensland. Hervey Bay (26.4%) reflects the regional trend in lone person households while Maryborough has a slightly greater number (28.9%).

Household Composition

Legend:
- Multiple family households %
- Group households %
- Lone person households %
- One family households %

X-axis: Hervey Bay, Maryborough, Fraser Coast, Queensland
Y-axis: Proportion of Households (0% to 100%)

Family composition[1]

The most common family type in Fraser Coast is a couple family with no children, comprising over 50% of all family types. In comparison, Queensland's most common family type is a couple family with children (42.5%), followed by couple families without children (39.4%). This is reflective of the age profile of Fraser Coast, with a large proportion of the population aged 65 years and older and usually without children living in the home.

Within Fraser Coast, Hervey Bay has a larger proportion of couple families with no children (50.5%) compared to Maryborough (42.5%), again reflective of the demographic age profile of the localities. In addition, Maryborough contains a higher proportion of one parent families (20.0%) compared to Hervey Bay (17.6%) and broader Queensland (16.5%).

Sources: 1 – ABS Census of Population and Housing. 2016. *General Community Profile - G25*

Family Composition – Fraser Coast and Queensland

Legend:
- Couple family with no children
- Couple family with children
- One-parent family

Outside Circle: proportion of total families Fraser Coast.
Inside Circle: proportion of total families Queensland.

Values shown: 18%, 17%, 40%, 51%, 31%, 43%
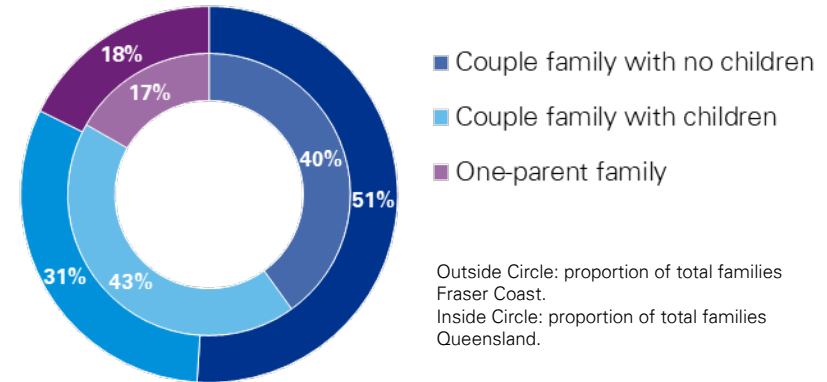
Family Composition – Hervey Bay and Maryborough

Legend:
- Couple family with no children
- Couple family with children
- One-parent family

Outside Circle: proportion of total families Hervey Bay.
Inside Circle: proportion of total families Maryborough

Values shown: 18%, 20%, 46%, 51%, 31%, 34%
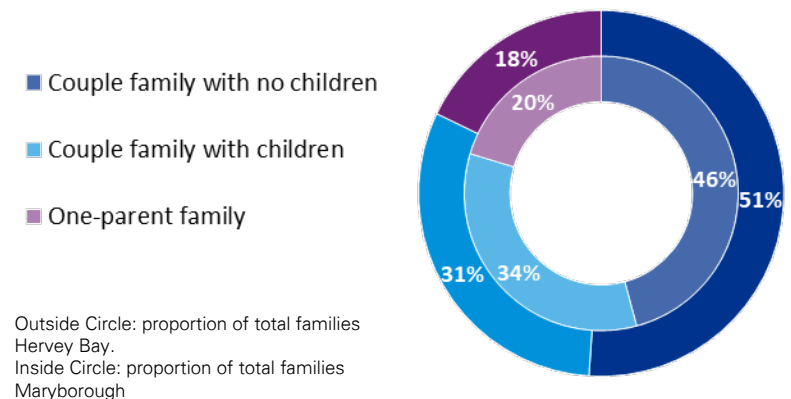
Insights
- Household composition across Fraser Coast is in line with broader trends in Queensland.
- The most common family type across Fraser Coast is couple families with no children, reflective of the older demographic age profile.

Dwelling and tenure

Population growth in the Fraser Coast region has encouraged an expansion in the housing market over the last decade. Dwelling composition and form has changed over this time, with today having a large proportion of dwellings with separate houses and owned outright.

Dwelling composition[1]

Fraser Coast's dwelling composition reflects broader State trends, with separate houses comprising the largest portion of occupied dwellings (82% compared to 74% in Queensland). Both the share of semi-detached/townhouses and apartment dwellings is low across Fraser Coast (8% and 4% respectively, compared to 11% and 13% in Queensland). This reflects the region's dispersed land use.

	Hervey Bay	Maryborough	North Fraser Coast	South Fraser Coast	Fraser Coast LGA	Queensland
Separate house	77%	86%	87%	93%	82%	74%
Semi-detached, row or terrace house, townhouse	11%	7%	1%	0%	8%	11%
Flat or apartment	5%	4%	2%	0%	4%	13%
Caravan	4%	2%	5%	3%	4%	1%
Other	3%	1%	5%	4%	3%	1%

Household size[2]

The average household size for the Fraser Coast region is broadly comparable to Queensland at large, with an average of 2.27 people per household (compared to 2.51 in Queensland). This occupancy rate is projected to decline marginally until 2041 in line with the Queensland trend (2.26 people per household in Fraser Coast and 2.46 in Queensland). These occupancy rates have been used as baseline assumptions for projecting dwelling demand into the future.

82% Separate houses in Fraser Coast

2.3 Average occupancy rate for Fraser Coast dwellings

Tenure type[3]

As shown in the chart to the right, a similar proportion of dwellings in Fraser Coast are owned, either outright or by mortgage, compared to Queensland (combined 63% and 59% respectively). Although the proportion of dwellings owned is comparable, the share of dwellings owned outright is significantly higher compared to Queensland more broadly (39% compared to 28%). This trend is partly underpinned by older people moving to the region from other parts of Australia where property is more expensive.

Tenure Type Fraser Coast and Queensland

11%
10%
28%
39%
26%
31%
31%
24%

- Owned outright
- Owned with a mortgage
- Rented
- other
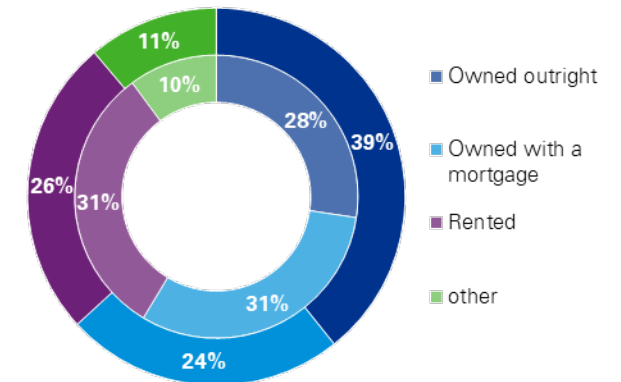
Outside Circle: proportion of total occupied dwellings Fraser Coast.
Inside Circle: proportion of total occupied dwellings Queensland

Insights
- The majority of dwellings in Fraser Coast are separate houses.
- Household sizes are broadly comparable to Queensland at large.
- Unlike Queensland, a large majority of dwellings are owned outright across Fraser Coast underpinned by the migration of older people moving to the region from other parts of Australia where property is more expensive.

Sources: 1 – ABS Census of Population and Housing. 2016. *B31 Dwelling Structure.*
2 – Queensland Treasury; Australian Bureau of Statistics, 2016 Census of Population and Housing. 2018 edition. Queensland Government Dwelling Projections – medium series.
3 - ABS Census of Population and Housing. 2016. *B32 Tenure Type and Landlord Type by Dwelling. Structure*

Dwelling rental and sale prices

Average rental price[1]

Average rental prices of a four bedroom home in Fraser Coast have been steadily increasing since March 2018 after experiencing a prolonged recess over 2016 and 2017.

Over the five year period from December 2014 to December 2019, rental prices for a four bedroom home increased by $40 on average across the Fraser Coast region. This is double the increase in prices experienced throughout Queensland at large ($20) over the same time period.

As at December 2019, the median rental price in Fraser Coast for a four bedroom home was $380 per week, $50 lower than the Queensland average of $430 per week. In Hervey Bay, the average rental price was $400 per week, higher than the average in Maryborough ($333 per week).

Fraser Coast Median Rent of 4 Bedroom House March 2014 – December 2019
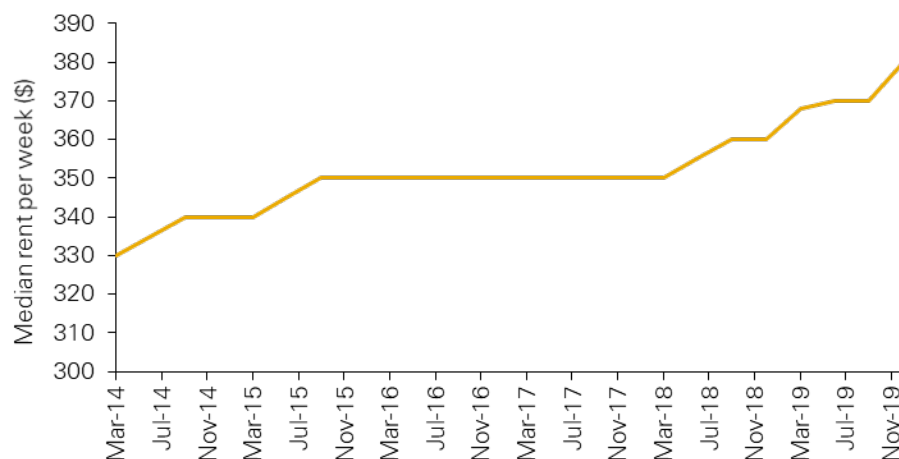
Sources: 1 – Residential Tenancies Authority. December 2019. *Rental Bonds data (Queensland Government Statistician's Office derived).*
2 - Department of Natural Resources and Mines, Office of the Valuer-General. September 2019. *Property Sales.*

Median sale prices[2]

As at September 2019, the following median sale prices were recorded:

Sale type	2019 median sale price		5 year per annum growth rate (2014-2019)	
	Fraser Coast LGA	Queensland	Fraser Coast LGA	Queensland
Existing attached and detached dwellings	$321,000	$455,000	1.2%	1.9%
New house and land	$359,000	$470,000	1.9%	1.3%
Vacant residential land	$160,000	$238,000	1.6%	2.6%

Across all sale types, Fraser Coast recorded lower prices than the Queensland average, indicating a comparatively more affordable housing market. For both existing attached and detached dwellings and vacant residential land types, prices have been growing at a slower rate than the Queensland median over the last five years. For new house and land sales, prices have been growing slightly above the Queensland average, potentially indicating a strong uptake in house and land packages for the region.

Housing prices may also provide an indication of the distribution of housing demand throughout the region. Those areas with higher dwelling prices are likely to experience higher demand. Craignish - Dundowran Beach recorded the highest median sale price of $515,000 ($45,000 above the Queensland median) prior to September 2019. The lowest sale prices were recorded in Maryborough (SA2) with a median price of $203,000, less than half of the Queensland median sale price. Higher dwelling prices are observed more often in the Hervey Bay region compared to Maryborough.

Insights
- Rental prices for a four bedroom home in Fraser Coast have been steadily increasing since March 2018 and are relatively lower in Maryborough compared to Hervey Bay.
- Fraser Coast has historically had an affordable housing market with average sale prices lower than Queensland across all categories.
- Higher dwelling prices are observed more frequently in Hervey Bay compared to Maryborough.

Local housing market trends

Consultation with local property industry stakeholders identified a range of local trends and factors affecting the Fraser Coast housing market.

Understanding the local market

Movement in demand across the region

Recently, there have been high increases in demand in Hervey Bay and moderate increases in northern coastal areas such as Burrum Heads, Maryborough, Tiaro and Glenwood.

In addition, there have been a number of new properties developed in Tiaro and Glenwood. The majority of the buyers of these dwellings are tree change retirees pushing up from the Sunshine Coast hinterland due to upward price pressure. Perhaps not all of this population contributes significantly to the Fraser Coast economy as they may be better serviced by Gympie.

Distribution of housing product

Hervey Bay is the only locality in the region with a significant supply of attached housing. All other areas have mostly detached housing.

Demographic of buyers and renters

Retiree buyers are most active in Hervey Bay and along the rest of the northern coast, first home buyers are active in Maryborough and the south east coast and younger families are active buyers across the region.

Commercial property market insights

The region is experiencing decreasing demand for rental space due to growth in e-commerce and consolidation of businesses, resulting in a large amount of old commercial retail stock and strip shops in Maryborough and Hervey Bay which are under-utilised.

Continued suburban development in outer areas may increase the decline of these under-utilised commercial areas. Market-led redevelopment of these areas is required to bring people and activity back to these established centres.

Emerging trends

Demand for new products

There is an emerging market for RV homes: detached houses with enclosed garages large enough to fit an RV or caravan, pitching to buyers with travelling lifestyles. Additionally, there is an increase in demand for National Disabilities and Insurance Scheme (NDIS) compatible housing.

Source: RV Homebase Fraser Coast

Downsizing

There is a trend of downsizing within the region in dwelling size and occupancy, supporting an emerging market for units and other attached dwellings and a decreasing market for larger blocks. Notably, buyers are not downsizing in price. The percentage spend on downsizing in Fraser Coast is relatively high, partly reflected in a purchase ratio of approximately 80% compared to approximately 60% in Brisbane, a factor of median house prices in the regions. Approximately 75% of migration within Fraser Coast is downsizing within Hervey Bay.

The region may see increased migration as a result of economic shock in capital cities (e.g. COVID-19) due to the housing affordability and lifestyle advantages of the region.

Amenity as the main drawcard

Amenity is the primary consideration of buyers, particularly younger people. The principal drawcard is the beach, followed by high schools, sporting precincts, shopping centres, as well as the general proximity of these to the dwelling, as modern families seek to reduce their reliance on multiple vehicles.

Demand for amenity is reflected in the growth pattern of the region, with large growth along the coastline and significant growth consistently in the high amenity suburbs on the beachfront in Hervey Bay, with the majority of new homes in the region tending to be constructed in these areas.

Sources: 1 – FCRC.

Considerations for the future of Fraser Coast

Smaller households

There is a high number of no children couples and lone person households reflective of the older population.
It was identified there is increasing demand for smaller dwelling types, in addition to continued demand for detached houses.

Owned outright

Those with houses owned outright may be less inclined to move to alternative, more suitable housing options.

Increasing rent

Will have an impact on those seeking affordable housing options, e.g. older and disadvantaged residents.

Hervey Bay to remain an attractive destination

Especially for those seeking affordable housing options and a lifestyle change.

Separate houses

Any future increase in housing will likely be dominated by separate house types if the current trend continues. This will have implications on the land required per dwelling.

Amenity & Lifestyle

As buyers continue to demand high amenity and seek coastal lifestyle benefits, there will be increasing development along the coast as well as increased demand for high quality, attached housing.

Residential land supply analysis

This section discusses the demand for, and supply of, residential land in Fraser Coast which includes the following:

- Overview

- Demographic implications for housing provision

- Projected residential demand

- Residential settlement pattern

- Existing residential dwelling and lot supply

- Existing vacant residential land supply

- Alignment of residential land supply to dwelling demand

- Delivery of housing to enhance the region's lifestyle advantages

- Considerations for the future of Fraser Coast.

Overview of chapter

The purpose of the Residential Land Supply Analysis section in this report is to identify whether the existing supply of zoned land can meet the future demand for housing.

To determine the future demand for housing, the population projections are used to provide estimates for future dwelling demand. The following pages in this section detail future demand for residential housing in Fraser Coast:

- Demographic implications for housing provision; and

- Projected residential demand supply.

To determine the future supply of housing in the region, this section considers past dwelling and lot approvals and current vacant residential land. This analysis identifies whether there is currently sufficient suitably zoned residential land to accommodate the future population.

The following pages seek to understand supply for residential housing in Fraser Coast:

- Existing dwelling and residential lot supply;

- Indications of capacity;

- Existing vacant residential land supply; and

- Geographical alignment of supply and demand.

Finally, this section aligns the residential land supply to dwelling demand to identify whether there is sufficient supply of residential zoned land to meet the housing demands of the future population.

Balancing the demand for housing with the supply of residential land

Demographic implications for housing provision

There are a number of key implications that can be derived from the demographic analysis performed in the previous chapter:

- Population growth of 1.0% per annum until 2041, although lower than the Queensland average (1.6% per annum), is expected to induce an increase in overall demand for housing in the region.

- This housing demand will be concentrated within Hervey Bay with 1.2% per annum population growth expected until 2041. Maryborough is projected to lose approximately 4% of its share of the region's population by 2041 and, as such, is likely to experience flat or declining housing demand.

- Current and future population growth is characterised by a high proportion of people aged 65+. This trend indicates the need for affordable and appropriate housing, especially in Hervey Bay where 36.1% of the population will be aged 65+ by 2041.

- The high proportion of couple families with no children in Fraser Coast suggests there may be an opportunity for these families to be accommodated in smaller dwelling types, especially in Hervey Bay.

- Fraser Coast has a higher proportion of people with disabilities compared to Queensland which indicates the need for affordable and appropriate housing for this population group. This should be particularly concentrated in Hervey Bay and Maryborough where there is a greater portion of the population listed as having a profound or severe disability.

- Affordable housing is also important more broadly to the region with a high regional unemployment rate (8.3%) and low median weekly income ($906) compared to Queensland (6.1% and $1,402 respectively).

- Overall, Fraser Coast's current and projected demographics suggest the need for an increase in housing that is both affordable and suitable for downsizing, to support the region's growing population.

	POPULATION GROWTH to 2041	AGEING POPULATION (65+) in 2041	COUPLE FAMILY NO CHILDREN	PROFOUND OR SEVERE DISABILITY	UNEMPLOYMENT RATE	HOUSEHOLD INCOME
FRASER COAST						
	1.0% p.a.	36.1 %	51%	9.7%	8.3%	$906
HERVEY BAY						
	1.2% p.a.	36.2%	50.5%	9.6%	NOT AVAILABLE	NOT AVAILABLE
MARYBOROUGH						
	0.4% p.a.	32.5%	42.5%	9.9%	NOT AVAILABLE	NOT AVAILABLE
QUEENSLAND						
	1.6% p.a.	21.0%	39.4%	5.2%	6.1%	$1,402

* Unemployment and household income is only available at a region or State level.

Projected residential demand in Fraser Coast

The population of Fraser Coast is expected to continue to grow at approximately 1% per year until 2041. This population growth will induce additional demand for housing in the region. Projected dwelling demand and land required for the future population is shown below.

Projected dwelling demand[1]

Identified in the table below are three population growth scenarios which are periodically reported by the Queensland Government Statisticians Office (QGSO). Each scenario induces a corresponding estimate of housing demand for the Fraser Coast. By 2041, housing required to support the Fraser Coast community will be between 51,863 and 64,174 dwellings. This corresponds to an annual growth in dwellings of between 0.45% and 1.43% per year from 2019. An overall increase in demand of between 4,881 and 17,192 dwellings is expected between 2019 and 2041.

Some or all of the expected increase in demand can be met by continuing current dwelling approval trends in the market. Dwelling approvals per year average at approximately 690 dwellings. In a medium population scenario, the continuation of this trend would see housing demand met by the year 2035. However, in a high population scenario, this trend would see availability fall short of the 17,192 dwellings required by 2041.

For Hervey Bay, population growth in a medium scenario is expected to induce housing demand of just over 34,000 dwellings by 2041, an increase of approximately 7,500 dwellings. For Maryborough, growth is expected to induce demand for over 13,000 dwellings, an increase of over 1,400 dwellings. As such, yearly growth in dwelling demand is expected to be higher in Hervey Bay (1.2%) than Maryborough (0.5%) up until 2041.

In addition, Hervey Bay is expected to accommodate the majority of new dwellings (70.0%), followed by Maryborough (13.0%) with the reminder of new dwellings outside these townships (17%).

Year	Scenario - Low		Scenario -Med		Scenario - High	
	Population	Housing	Population	Housing	Population	Housing
2019	106,712	46,982	106,712	46,982	106,712	46,982
2021	106,386	47,291	107,817	47,927	109,379	48,621
2026	109,589	48,934	113,679	50,760	117,989	52,685
2031	113,007	50,568	120,159	53,768	127,707	57,146
2036	115,455	51,522	125,633	56,064	136,401	60,869
2041	117,160	51,863	130,630	57,826	144,971	64,174
Total Increase	**10,448**	**4,881**	**23,918**	**10,844**	**38,259**	**17,192**
p.a Growth	**0.43%**	**0.45%**	**0.92%**	**0.95%**	**1.40%**	**1.43%**
Historical average p.a. dwelling approvals	**690**					

Assumptions: Medium scenario occupancy rates used across all scenarios. 2016 occupancy rate used for 2019 data. Per annum growth from 2019-2041.

Year	Hervey Bay (Med)		Maryborough (Med)	
	Population	Housing	Population	Housing
2019	60,305	26,550	27,286	12,013
2021	60,708	26,986	27,875	12,391
2026	64,767	28,920	28,503	12,727
2031	69,514	31,106	29,177	13,056
2036	73,549	32,821	29,764	13,282
2041	77,133	34,145	30,330	13,426
Total Increase	16,828	7,594	3,044	1,413
p.a Growth	1.12%	1.15%	0.48%	0.51%
% of Fraser Coast Dwellings (Med Scenario)		70.0%		13.0%

Sources: 1 – Queensland Government Statisticians Office. 2018. *Queensland Government Population Projections, 2018 edition*, Queensland Treasury; Australian Bureau of Statistics. 2018. *Queensland Government Dwelling Projections 2018 edition, 2016 Census of Population and Housing*.

Residential settlement pattern[1]

The Fraser Coast region is characterised by a concentration of urban settlement within the localities of Hervey Bay and Maryborough. Outside of these localities, the western and southern parts of the region feature good quality, rural farming lands with small local settlements.
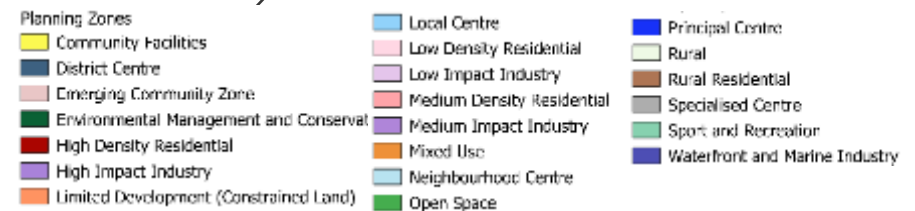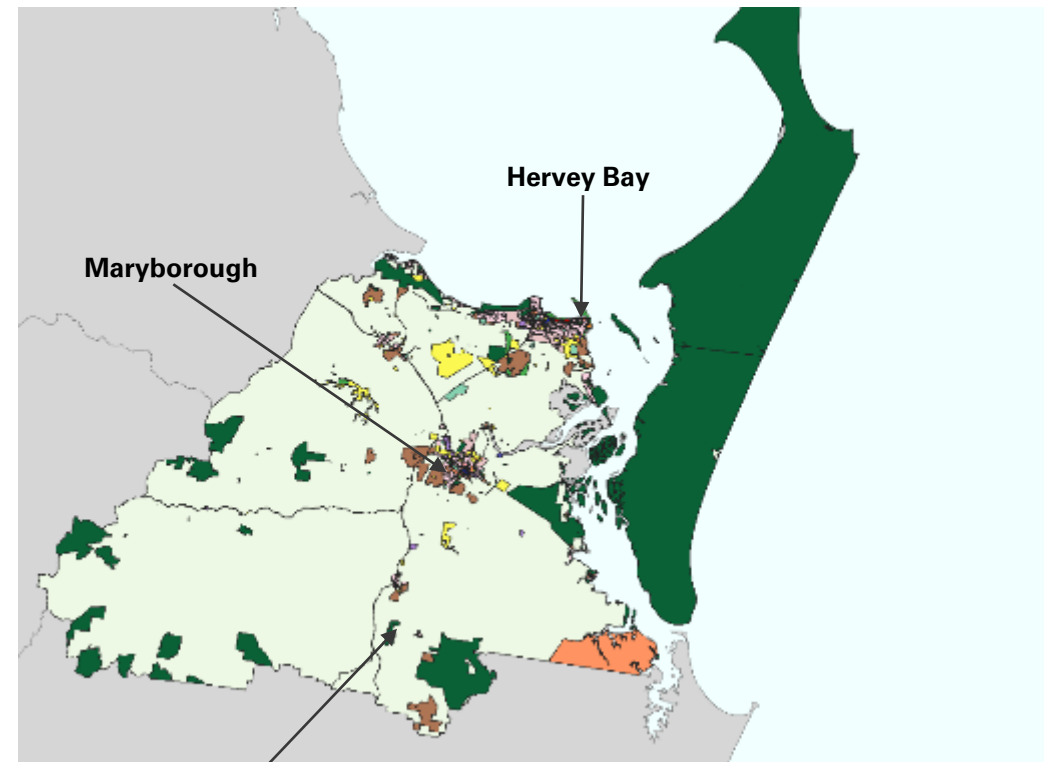
The Fraser Coast Planning Scheme and cadastral information provides the following current residential land structure for the region:

	Number of lots	Proportion of total residential lots	Average lot sizes or dwellings per hectare[2]
Medium Density Residential	4,367	9.2%	-
Low Density Residential	34,507	72.9%	500m² - 2,000m²
High Density Residential	2,150	4.5%	-
Rural Residential	6,309	13.3%	4,000m² to 2ha
Total Residential lots	47,333	-	-

The majority of residential lots are zoned as 'low density residential' (72.9%), followed by 'rural residential' (13.3%). This trend is prominent across both Hervey Bay and Maryborough (as shown in the maps to the right). High concentrations of low density residential living has caused development to be quite dispersed, not only across the region but within these key towns.

Lot sizes[2]

Large allotments are a key attractor for new residents looking to move to the area. Average lot sizes in the region are quite large in comparison to SEQ[3] with low density residential blocks between 500m² and 2,000m² in Fraser Coast compared to 600-800m²in more densely populated cities in the State.

Hervey Bay

Maryborough

Planning Zones

- Community Facilities
- District Centre
- Emerging Community Zone
- Environmental Management and Conservat
- High Density Residential
- High Impact Industry
- Limited Development (Constrained Land)
- Local Centre
- Low Density Residential
- Low Impact Industry
- Medium Density Residential
- Medium Impact Industry
- Mixed Use
- Neighbourhood Centre
- Open Space
- Principal Centre
- Rural
- Rural Residential
- Specialised Centre
- Sport and Recreation
- Waterfront and Marine Industry

Insights
- Concentration of urban settlement in Hervey Bay and Maryborough.
- High proportion of low density residential blocks, leading to dispersed settlement.
- Larger average lot sizes for low density residential blocks.

Sources: 1 –Fraser Coast Regional Council. 2020. *Digital Cadastral Database;* Fraser Coast Regional Council. 2020. *Planning Zones.* 2 – Fraser Coast Regional Council. 2014. *Fraser Coast Regional Council Planning Scheme (latest version).* 3 – Buckley Vann. March 2011. *Fraser Coast Regional Council – Housing Needs Assessment*
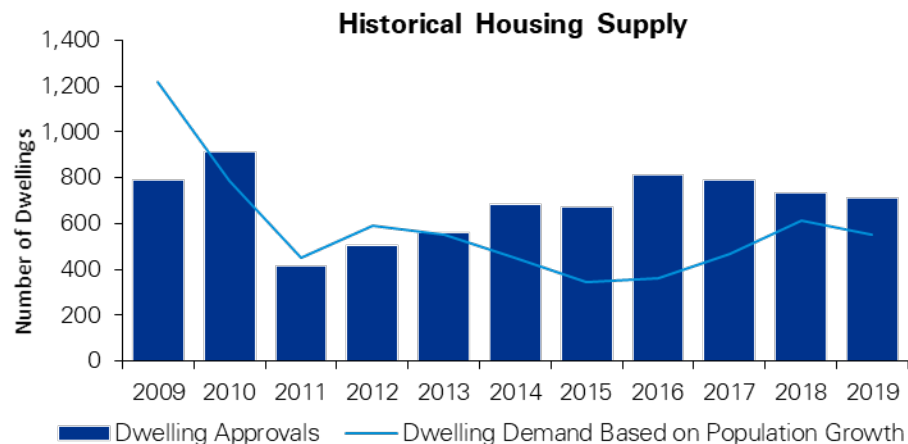
Existing residential dwelling and lot supply

A region's population growth should be matched by adequate housing supply in order to fulfil the needs of the growing population. If there is not a close relationship between demand for housing (population growth) and supply of housing, there can be adverse impacts on affordability, with some households forced to reside in unsuitable housing types. Fraser Coast's population has been growing on average at 1.2% per year over the last 10 years (2009-2019), slightly below the Queensland average of 1.6%. Dwelling approvals and residential lot registrations can give an indication of whether this population growth has been, or will be, met by adequate housing growth.

Existing dwelling supply[1]

Dwelling approvals are an indicator of construction activity of new houses within a region and are therefore a lead indicator of future dwelling supply. The chart below shows dwelling approvals and 'population induced' dwelling demand (based on historical population growth and occupancy rates) from 2009 to 2019. Over the last 10 years, dwelling approvals in Fraser Coast have outpaced the demand induced for housing by population growth.

On average, dwelling demand has been declining by 7.6% every year, due to a softening in population growth. In comparison, dwelling approvals have only slowed by 1.0% over the same time period. As such, the full delivery of the dwelling pipeline will create some spare capacity in the Fraser Coast housing market.

Historical Housing Supply

Legend: ▬ Dwelling Approvals —— Dwelling Demand Based on Population Growth

Existing residential lot supply[2]

Residential lot registrations provide an indication of the potential volume of residential land available for development in the future. As such, lot registrations provide an early indication of available land for dwelling construction. As shown in the figure below, the number of residential lot registrations has varied over the last decade. In 2009, this number peaked, which is likely to have induced an influx of dwelling approvals in 2010. The number of residential lot registrations in 2019 in Fraser Coast totalled 2,516.
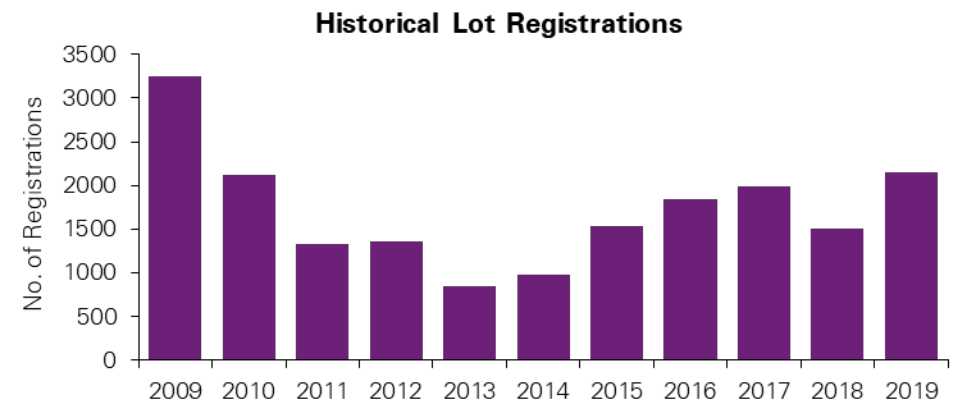
Historical Lot Registrations

Sources: 1 – Australian Bureau of Statistics. 2019. *8731.0 Building Approvals, Australia, various editions,* Australian Bureau of Statistics. 2019. *3218.0 Regional Population Growth, Australia, various editions.*
2 – Queensland Government Statisticians Office. 2019. *Residential Land Development Activity Profile - Residential Lot Registrations.*
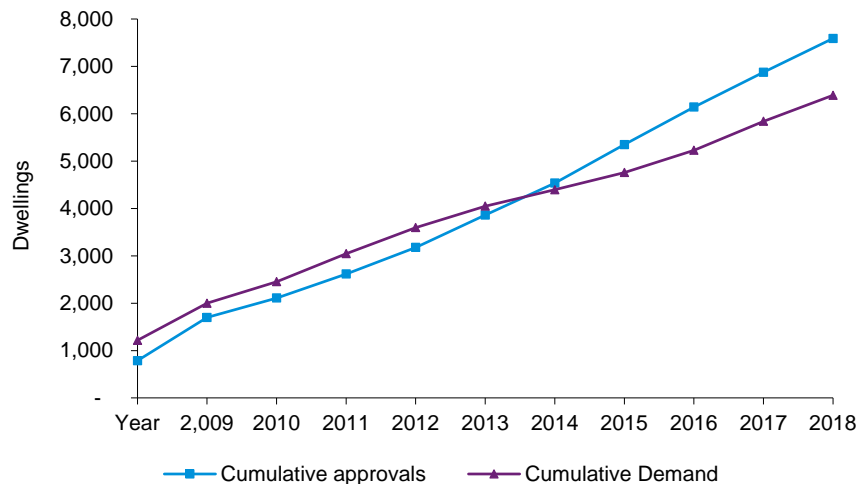
Existing residential dwelling and lot supply (cont.)

Over the 10 year period from 2009 to 2019, the number of yearly residential lot registrations has continued to outpace dwelling approvals with an average of 1,719 lot registrations per year but only 690 dwelling approvals per year. This may be indicative of latent capacity for dwelling development that can be utilised in the future.

Indications of capacity in the housing market[1,2]

As shown in the table opposite, historical dwelling trends from the last 10 years indicate an over-supply of housing of approximately 1,200 dwellings. This figure is only indicative and based on population and occupancy assumptions, but it acknowledges there is likely spare capacity in the Fraser Coast market. In addition, as residential lot registrations continue to outpace dwelling approvals, there is likely to be a strong pipeline of usable residential land available for the future.

Cumulative residential development approvals and demand from population growth

Year	Cumulative residential development approvals[3]	Cumulative dwelling demand induced by population growth	Net cumulative position
2009	787	1,215	-428
2010	1,698	2,000	-302
2011	2,110	2,453	-343
2012	2,616	3,045	-429
2013	3,177	3,597	-420
2014	3,862	4,050	-188
2015	4,535	4,396	139
2016	5,348	4,758	590
2017	6,140	5,228	912
2018	6,875	5,839	1,036
2019	**7,588**	**6,389**	**1,199**

Insights
- Historical dwelling approvals have outpaced population growth with the full delivery of the pipeline likely to create some spare capacity in the Fraser Coast market.
- The number of residential lot registrations have varied over the last 10 years.
- Residential lot registrations have outpaced dwelling approvals with likely latent capacity for development.
- Strong indications of capacity in the housing market.

Sources: 1 – Australian Bureau of Statistics. 2019. *8731.0 Building Approvals, Australia, various editions,* Australian Bureau of Statistics. 2019. *3218.0 Regional Population Growth, Australia, various editions.*
2 – Queensland Government Statisticians Office. 2019. *Residential Land Development Activity Profile - Residential Lot Registrations.* 3 – Building approvals which includes residential dwelling units alterations, additions and conversions.

Existing vacant residential land supply

Purpose of the existing vacant residential land supply

This analysis of vacant residential land provides a high level understanding of the supply of residential dwellings to determine whether residential supply meets the needs of the future population. It is used to understand the impact of the potential future scenarios on housing and identify where there is likely to be pressure on housing supply into the future.

FCRC will be undertaking further detailed analysis of the future supply of residential dwellings in the next stages of the Planning Scheme review. This analysis has only considered vacant residential land supply which will be one of many factors considered by FCRC in their detailed analysis.

Identification of vacant land

The existing vacant residential land supply is determined by identifying vacant land which is zoned for residential purposes under the current Fraser Coast Planning Scheme. The residential zones identified in the Planning Scheme include:

- Low density residential zone
- Rural residential zone
- High density residential zone
- Medium density residential zone
- Mixed use zone.

Zones outline the acceptable type of development for the land and minimum lot sizes. Given that lot sizes vary across the zones, the number of residential dwellings that can be delivered on lots varies.

Emerging community zone

The emerging community zone identifies land that is intended for an urban purpose in the future. The other vacant residential land will support population growth in the near future with the emerging community providing long-term supply of residential land. The emerging community zone provides land to support the needs of the future population across all activities - residential, commercial, industrial, and recreation. As such, not all of the identified land will be used for residential purposes and there is some flexibility in the final land use type.

The timely conversion of non-urban land for urban purposes is supported by the provisions of infrastructure.

The vacant residential land and expected dwelling yield is identified in the table over the page. The lot size, zone, precinct zoning, and location were considered when determining supply.

Each lot is sorted by its land size in the respective zones into either:

- **Sub-divided:** land which has already been sub-divided and further division of the lot is not permitted under the Planning Scheme, or
- **Greenfield:** land (large lots) which can be further sub-divided.

Some of these lots are in a precinct area where the planning controls vary from the rest of the zone. These lots within a precinct are identified separately due to the different sub-division.

The emerging community zone identifies land to be developed in the future to support growth. This land includes residential and other uses to support complete communities.

Totals of the lots for each zone, both subdivided and potential new lots, are used to determine the total number of potential dwellings.

The Planning Scheme inputs are detailed further in Appendix A.

Limitations

The analysis identifies the expected residential supply based on existing vacant land data and current planning subdivision controls excluding individual site constraints and overlays. The inputs used relate to vacant, suitably zoned residential land.

Across the region, there is significant additional residential capacity on land which already has a structure on it (i.e. it is not vacant). This under-utilised land or infill development has not been considered in this analysis.

In addition, the actual supply of houses is subject to consumer demand and the development of lots by the private sector.

Existing vacant residential land supply (cont.)

The existing vacant residential land supply analysis identifies that there is a supply of land to deliver 24,800 dwellings within Fraser Coast.

The low density residential zone provides the greatest supply of vacant residential land supporting the delivery of 15,375 dwellings followed by the emerging community zone with 11,000 dwellings.

Given the large minimum lot size for rural residential developments (4,000 m^2 to 2 ha), these lots deliver fewer dwellings (3,657).

The low density residential zone, rural residential zone and emerging community typically support detached dwellings (a separate house).

The high and medium density residential and mixed use zones have a lower number of vacant lots. To deliver higher dwelling yield in these zones typically requires redevelopment - modification or removal of the existing structure. These zones typically already have a building or structure on them, often lower density. The development or redevelopment of these sites delivers an attached housing product (6,247 dwellings) (e.g. units or townhouses).

**Indication of housing types delivered**

Low density and rural residential are primarily developed for detached housing, and the medium to higher density zones are typically developed for attached housing. The supply of vacant land reflects the existing mix of dwelling types in the region with 80% detached housing and 20% attached housing.

The existing vacant low density and rural residential zone is expected to deliver 80% of all new housing (primarily detached housing). The high and medium residential zone, and mixed zone vacant land is expected to deliver 20% of all new housing (primarily attached housing).

use

Dwelling yield from existing vacant land in Fraser Coast
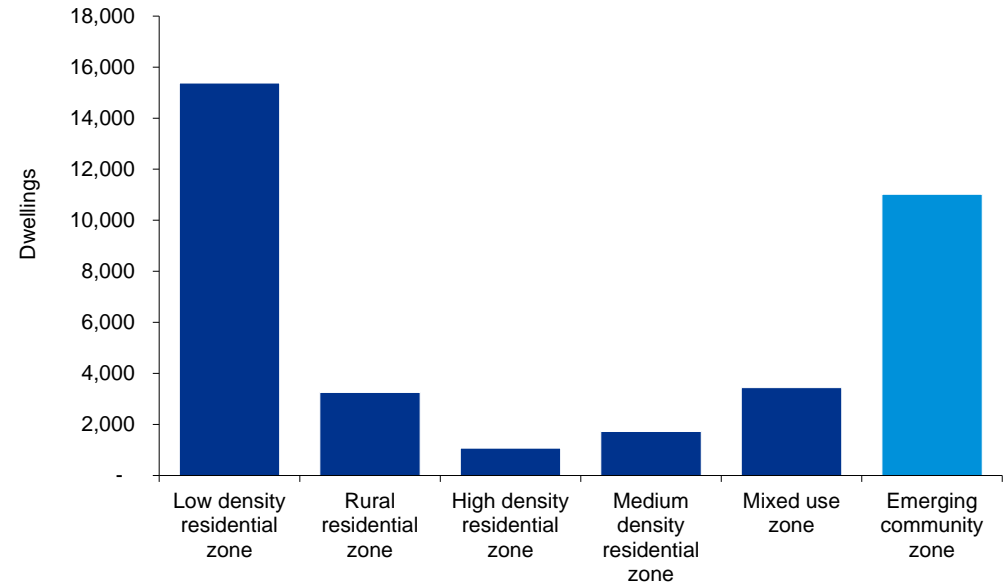
Vacant retail and commercial tenancies

In both Hervey Bay and Maryborough, there are currently a number of vacant retail and commercial tenancies. Online retail, rising operating costs and changes in consumer behaviour have contributed to decreased demand for retail and commercial spaces.

Theses tenancies are typically located in the centre of town on commercial strips and have an important role in the vibrancy and attractiveness of a place. The use or adaptive re-use of these vacant tenancies will be considered as part of supporting the future of the Fraser Cast region.

Alignment of residential land supply to dwelling demand

The region's population growth should be matched by adequate housing supply in order to fulfil the needs of the growing population. In addition, Queensland planning schemes are required to ensure there is a minimum of 15 years' land supply to ensure the adequate supply of housing.

Aligning future housing demand to existing residential land supply

The QGSO medium population projections have identified that by 2041, 10,663 additional dwellings will be required in the region. Current vacant land supply analysis has identified that there is suitably zoned vacant residential land to deliver these dwellings by 2041.

Sufficient supply of vacant land as a result of lower than anticipated population growth

This large supply of vacant residential land is consistent with the lower than anticipated population growth that the region has experienced over the last decade. The previous scenarios for growth anticipated a significantly higher demand for dwellings than the actual number of dwellings required.

Residential land supply compared to population projections
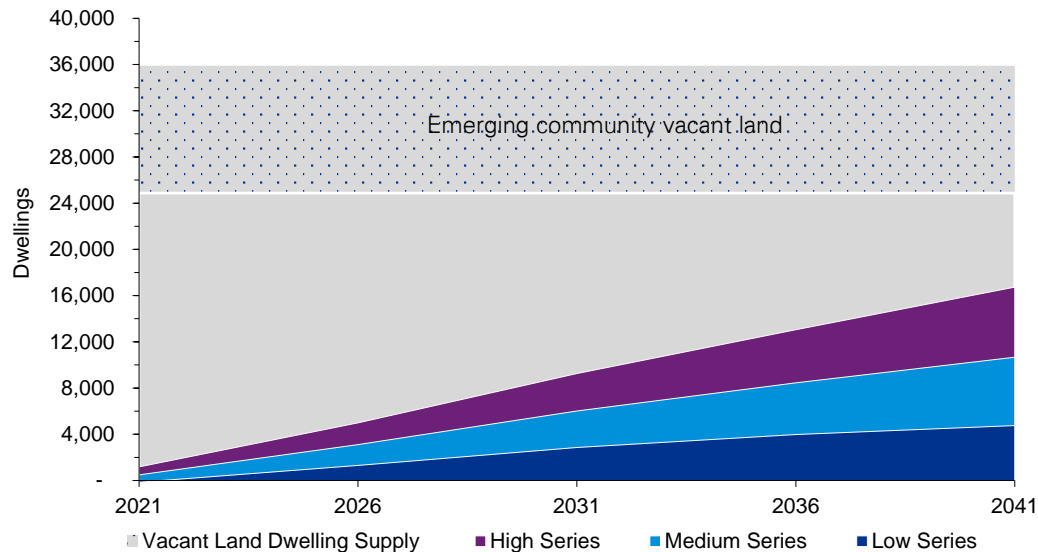
Location of future housing demand

Projected population growth and historical migration patterns indicated that, in the future, there will be greater demand for housing in the northern part of Fraser Coast, most notably in Hervey Bay. There will be demand for new dwellings in the southern region including Maryborough where there is ample vacant land supply, however it is approximately half that of the northern region. This reflects the trend for people moving to the coastal areas, attracted by a desirable lifestyle and amenity.

Area	Vacant land Dwelling yield		Projected Population Growth		Projected Dwelling demand	
Hervey Bay	53%	13,431	71%	19,643	71%	8,730
Maryborough	17%	5,708	11%	3,016	11%	1,340
North Fraser Coast	10%	3,254	12%	3,422	12%	1,521
South Fraser Coast	20%	7,106	6%	1,604	6%	713
Total		**35,653**		27,685		**12,304**

Insights

- In the northern part of Fraser Coast and Hervey Bay, supply and demand will need ongoing monitoring to ensure there is enough suitably zoned land. Without the emerging community vacant land in Hervey Bay there is an under-supply of vacant residential land (6,181 dwellings without emerging community).
- While there is sufficient suitable zoned residential land to support the growing population, this supply and demand analysis does not take into account changing consumer preferences (type of housing, amenity, affordability) and any changes to the Planning Scheme.

Alignment of residential land supply to dwelling demand (cont.)

Hervey Bay has the largest supply of vacant residential land

Hervey Bay contains 53% of vacant residential land in the region, supporting more than 13,000 new dwellings. It is the primary location for future attached dwellings as it has vacant land zoned for high density, medium density and mixed use. The figure below shows the location of the vacant land which is an expansion of the existing urban areas.

North Fraser Coast

In the northern region, there is sufficient supply of vacant residential land (2,680 dwellings) excluding the emerging community zone to support the future population (1,500 people).

Maryborough and the southern region has ample vacant residential land to support the future population in these areas

These regions are not reliant on the emerging community zones to support future population growth, with vacant land supply in the other zones providing more than double the dwellings expected to be required.

South Fraser Coast

In the southern part of the region, there is sufficient supply of vacant residential land (7,000 dwellings) excluding the emerging community zone to support the future population (700 people).

Hervey Bay - Residential land supply compared to population projections

Maryborough- Residential land supply compared to population projections

Delivery of housing to enhance the region's lifestyle advantages

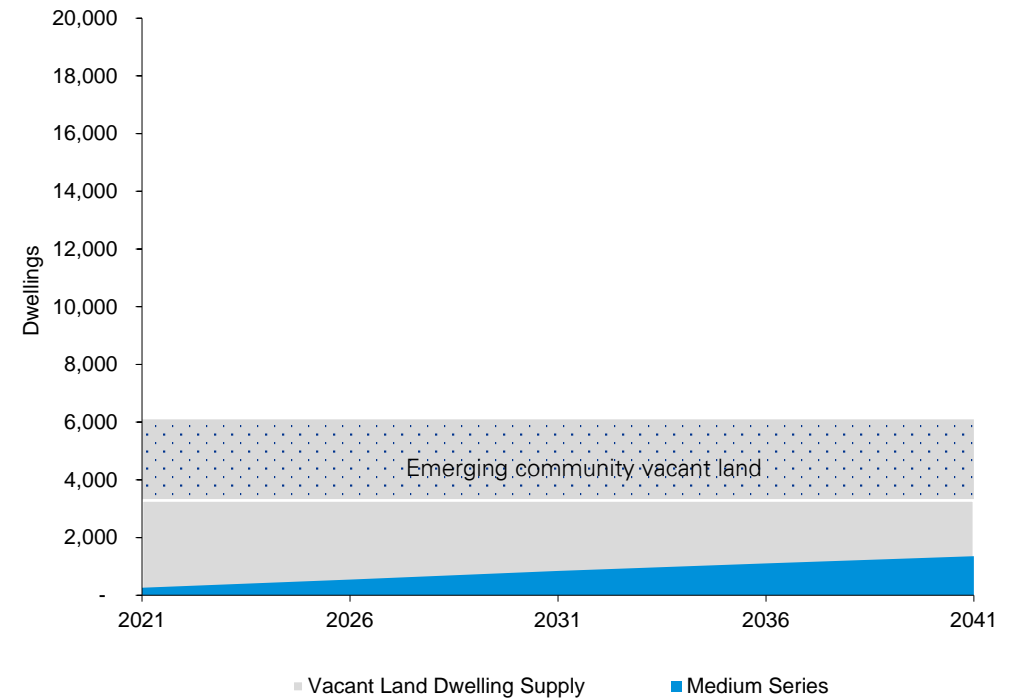**'Good growth' enables a region to meet the needs of a growing population while preserving lifestyle, natural amenity and businesses. The delivery of new housing has a central role in ensuring the Fraser Coast is a popular destination for many years to come.**

To continue to be an attractive destination into the future, the region will need to preserve and enhance the lifestyle advantages which include:

- **Natural environment:** access to the coast, leafy neighbourhoods, regional landscape and quality of the environment and waterways.

- **Access to services:** where residents can easily access their daily needs - work, education, recreation and health services.

- **Housing affordability:** diversity of housing type and choice in housing location.

- **Regional lifestyle:** cohesive community, limited traffic and short commute times to services while in close proximity to SEQ.

Increased demand for housing can result in 'good' and 'bad' growth for the community, environment, affordability and business in the region. These types of growth are further explored in the table to the right.

Through the Planning Scheme, FCRC has the opportunity to support new populations while delivering 'good growth' in the region.

	Good Growth	Bad Growth
Location	Location of housing brings people closer to the lifestyle advantages of the region: access to the coast, leafy neighbourhoods, preservation of the regional landscape, quality of the environment and waterways, and short commute times to work, school and services.	Location of housing erodes lifestyle values of the region: highly urban neighbourhoods, loss of the regional landscape, deteriorating quality of the environment and waterways, and longer commute times to work, school and services.
Dwelling type	A range of dwelling types to meet changing consumer preferences and stages of life. Where increased density is delivered, there is an increased level of public amenity (parks, access to shops and schools). Greater investment in amenity is supported by the larger surrounding population.	Limited dwelling choice - one size fits all approach. Lack of complimentary investment to provide amenity to areas of increased density.
Affordability	Providing housing choice across locations to ensure people can choose an affordable product in their preferred location.	Providing affordable housing by developing new areas further away from developed desirable areas. The additional cost to service these areas with infrastructure and additional commute times can undermine the perceived affordability.

Detailed residential analysis next steps

This review of vacant residential land for Fraser Coast has provided a high level approach to understand the patterns of supply and demand in the region.

A detailed analysis to determine the supply of residential dwellings requires analysis of a number of considerations in addition to the existing vacant land.

In the review of the Planning Scheme, FCRC will be undertaking a detailed analysis of residential land to more accurately determine the likely future location and supply of residential dwellings.

| Development of residential house on vacant land | Subdivision of lots with an existing house, building or shed | Redevelopment of land zoned for medium or high residential density | Vacant land which cannot be fully developed due to site constraints | Timing of the delivery of residential dwellings driven by infrastructure provision | Yield from the emerging community zone will vary across the region |

This report
Demographic & Economic Trend Analysis

Considerations for detailed residential land supply analysis as part of the Planning Scheme review process

Considerations for the future of Fraser Coast

Ample vacant land

There is sufficient supply of vacant zoned residential land to support the future population of Fraser Coast. However, Hervey Bay may be reliant on the emerging community vacant land for some of this demand.

Implications of dispersed settlement pattern

While there is sufficient land, providing the necessary infrastructure will need to consider the efficiency of the network – making the most of existing investment and expanding the network where most feasible.

Housing choice & consumer preferences

To ensure the region remains attractive, it will have to meet the housing preferences of the existing and new residents to the region. This includes diversity of housing type and choice in housing location.

Location of land supply & consumer preference

Housing will be required across the region to support the future population. It is expected that demand will be greatest in the northern half of the region, reflecting the lifestyle advantages which attract many people to the region.

Changing retail and commercial areas

Reduced demand for retail and commercial spaces as a result of broader trends will create an opportunity to reconsider these buildings and landholdings.

Amenity & Lifestyle

Lifestyle, along with employment, is a primary driver for people relocating to the Fraser Coast. Preserving and enhancing access to the coast, leafy neighbourhoods, regional landscape and quality of the environment, community facilities and waterways will be critical for the future of the region.

Industry

This section discusses the key economic characteristics of Fraser Coast which includes the following:

- Economic snapshot
- Industry overview
- Geographic distribution of jobs in Fraser Coast
- FCRC COVID-19 Business Survey Insights
- Considerations for the future of Fraser Coast.
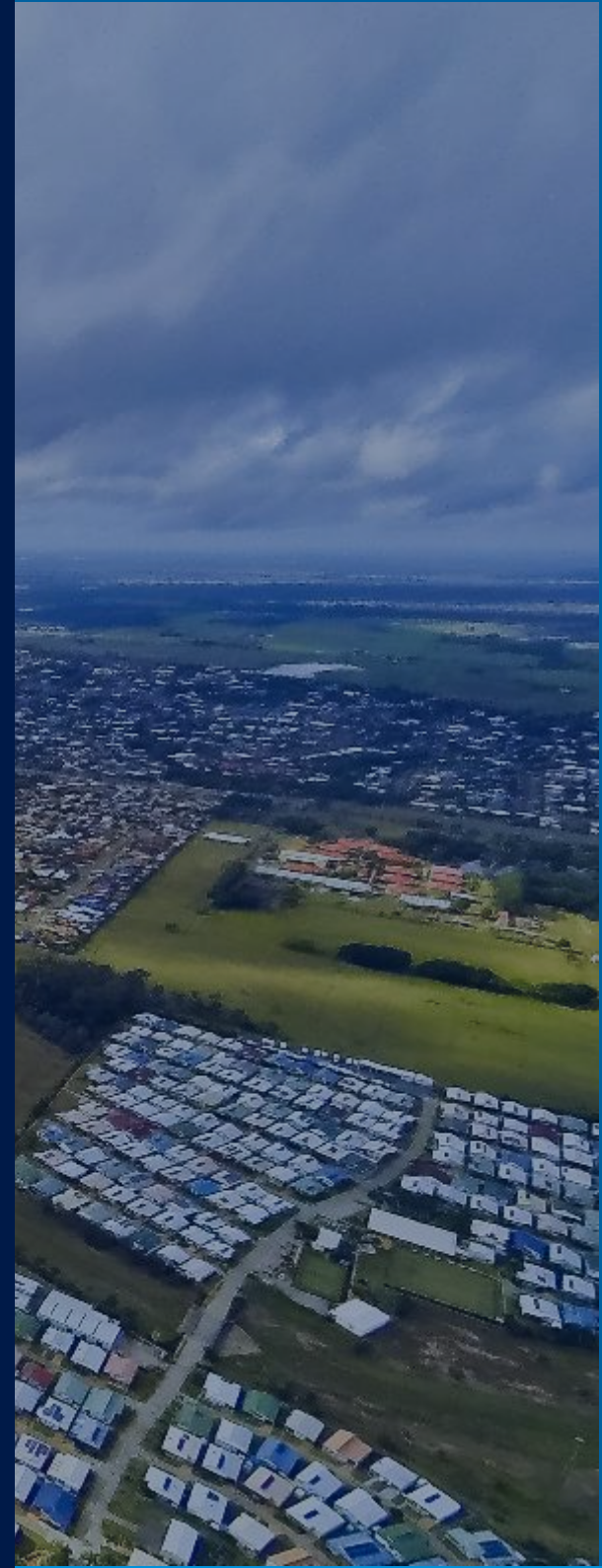
Economic snapshot

Large Health Care and Social Assistance Industry

$477m GVA — Largest industry in the region by GVA[1]

Largest employer in the region: **5,544** employed[2]

Services a significant local demand base of elderly and disabled residents:

1 in 10 require assistance for a profound or severe disability*[3]

27.1% of population are over 65[4]

The region is **dominated by small businesses.**

59.0% sole traders

27.1% 1-4 employees[2]

Construction and Manufacturing

$429m GVA
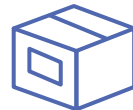
$260m GVA

are other key industries in the region[1]

1 in 3 businesses in the region operate in construction or agriculture.*[2]

Tourism

is a significant value generator and employer in the region.

Fraser Island and whale watching are major tourism attractions.

$436m GVA

5,035 employed

845 businesses[6]

Hervey Bay and Maryborough are the centres of employment for the region's service industries.
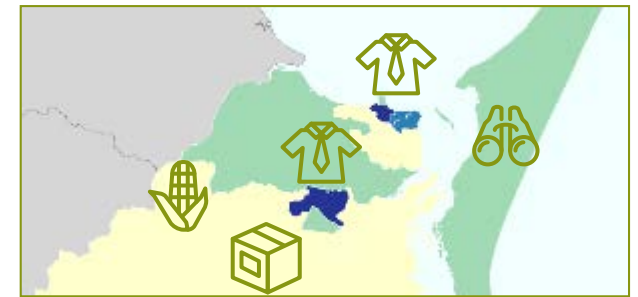
Tourism and **Agriculture** are the key employers outside of urban localities.[5]

The economic contribution of Tourism is growing healthily.

5.9% Average annual GVA growth since 2013/14

4.9% Average annual spend growth since 2013/14

despite a decline in businesses.[6]

44

Industry overview

Gross value added[1]

The sectoral breakdown of the region's economic output can be measured using gross value added (GVA), a measure of total sales less cost of inputs. In the 2018/19 financial year, the top three industries in Fraser Coast by GVA were Health Care and Social Assistance $476m, Construction $429m and Manufacturing $260m. Tourism contributes to the GVA of multiple industry sectors such as Accommodation and Food Services, Retail Trade and Arts and Recreation Services. The 2017/18 estimated GVA directly attributed to Tourism in Fraser Coast is overlaid on the chart to the right (note: not excluding Tourism contribution from component industries) to demonstrate the large scale and importance of Tourism in the region and relative to Queensland.[2]

Concurrent with the employment profile and proportion of local businesses, Health Care and Social Assistance and Construction were materially larger industries by GVA in Fraser Coast relative to Queensland (14.0% compared to 9.0% and 12.6% compared to 8.8%). Mining was significantly smaller (2.2% compared to 13.1%), reflective of the industry's confinement of operation to regions with resource rich deposits. To a lesser extent, the Financial and Insurance industry was smaller in Fraser Coast (5.0% compared to 7.0), consistent with the employment profile of the area and reflective of trends of smaller, high-skilled services in economies in regional areas.

Local businesses[3]

As at June 2019, there were 5,963 businesses registered in Fraser Coast. Of the local businesses operating in the area, the largest proportion were non-employing (59.0%), defined as business owners only (no additional staff), followed by businesses with workforces of 1-4 employees (27.1%). By industry, the highest proportion of local businesses in Fraser Coast were in the Construction (20.1%), Agriculture, Forestry and Fishing (10.5%) and Rental, Hiring and Real Estate Services industries (9.9%). A similar mix is compared to Queensland, where the largest number of local businesses were in the Construction (17.0%), Rental, Hiring and Real Estate Services (11.4%) and Professional, Scientific and Technical Services (11.4%) industries. The large presence of agricultural businesses relative to professional services is typical of regional areas and reflective of the region's employment profile.

Gross value added by industry (%), Fraser Coast (LGA) and Queensland 2018/19

Legend: Fraser Coast (R), Queensland
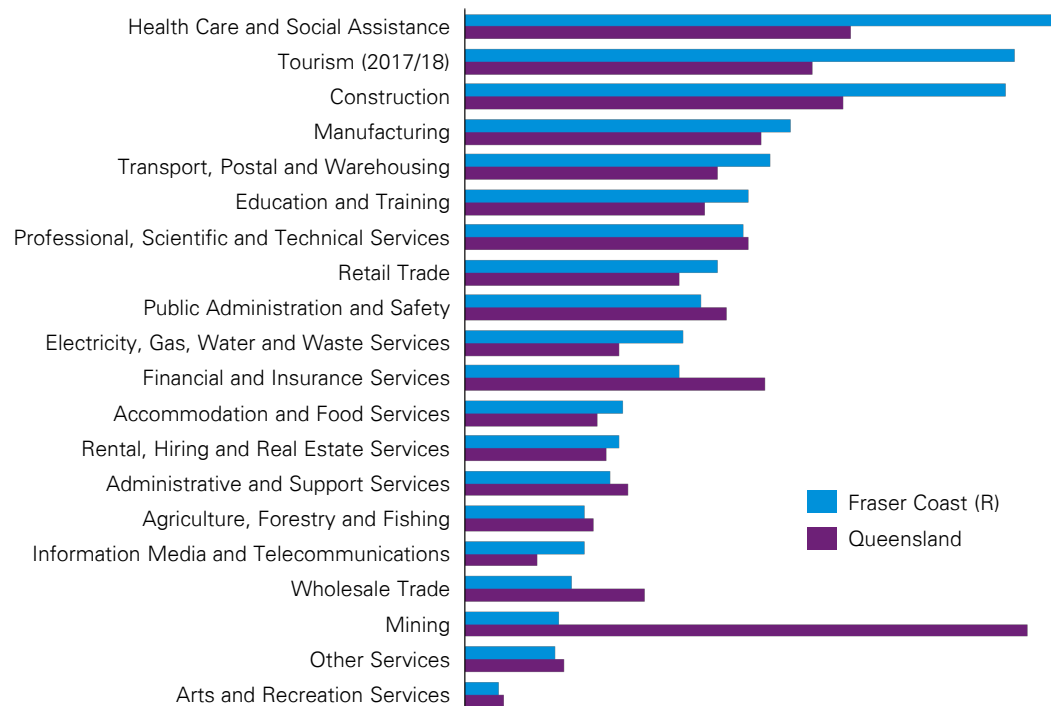
Insights
- The key industries in the region by GVA are Health Care and Social Assistance, Construction and Manufacturing.
- Tourism generates significant value added for the region, equivalent to these main industries.
- The region is dominated by small businesses, mostly sole traders.
- Approximately one-third of businesses in the region operate in construction or agriculture.

Sources: 1 – NIEIR, 2019, accessed at economy.id. 2 – Tourism Research Australia. 3 – ABS 8165.0, Counts of Australian Businesses, including Entries and Exits, various editions.
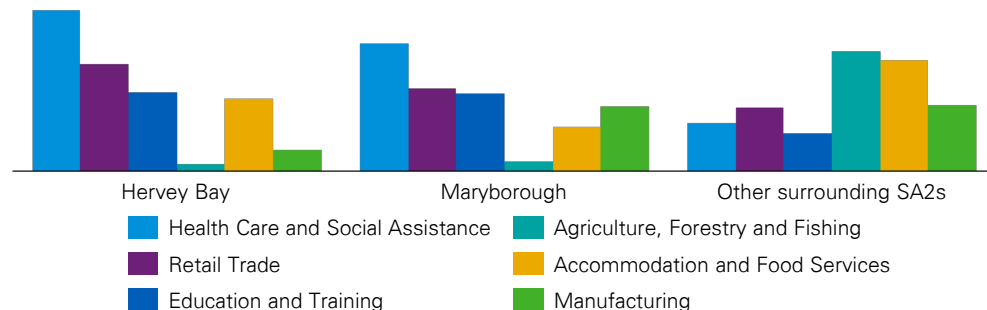
Industry overview (cont.)

Local employment

Local employment describes industry by employment in Fraser Coast as a place of work. As defined by Census 2016, the total working population of Fraser Coast was approximately 27,940 (excluding *Not stated* or *Inadequately Described* responses). Health Care and Social Assistance was the largest industry of employment in Fraser Coast, employing 19.8% of the workforce, followed by the Retail Trade industry (13.6%) and the Education and Training industry (10.8%). These were also the largest employers in Queensland, albeit they were proportionately larger local employers in Fraser Coast than across the State. These same trends were seen when examined by place of usual residence. The occupation profile of the region was reflective of these key industries: larger proportion of Community and Personal Service Workers and (15.1% compared to 11.5%) and lower proportion of Professionals (16.2% compared to 20.2%). The 2015/16 estimated employment directly attributed to Tourism in Fraser Coast is overlaid on the chart to the right (note: not excluding Tourism employment in component industries). Consistent with value added, Tourism is a large and important employer in the region and relative to Queensland.

Within Fraser Coast, Hervey Bay and Maryborough were the centres of employment for service industries, whilst Agriculture (17.3%), Accommodation and Food Services (16.0%) and Manufacturing (9.6%) were the key industries outside the urban localities. The geographic distribution of industry is reflective of the land use requirements for the industry and the proximity to residential areas and natural assets.

Local employment (%), 2016

Source: ABS, Census of Population and Housing, 2016, and TRA, 2020.

Major industries of local employment (%) by township, 2016[1]

- Health Care and Social Assistance
- Retail Trade
- Education and Training
- Agriculture, Forestry and Fishing
- Accommodation and Food Services
- Manufacturing

Insights

- In addition to generating the most value added, Health Care and Social Assistance is the largest employer in Fraser Coast. The large resident population of older people and those with a disability form the demand base for this industry.
- Hervey Bay and Maryborough are the centres of employment for the region's service industries.
- Tourism and Agriculture are the key employers outside of the urban localities.

Source: ABS, Census of Population and Housing, 2016. 1 – Tourism data for the region does not distinguish between localities.

Geographic distribution of jobs in Fraser Coast
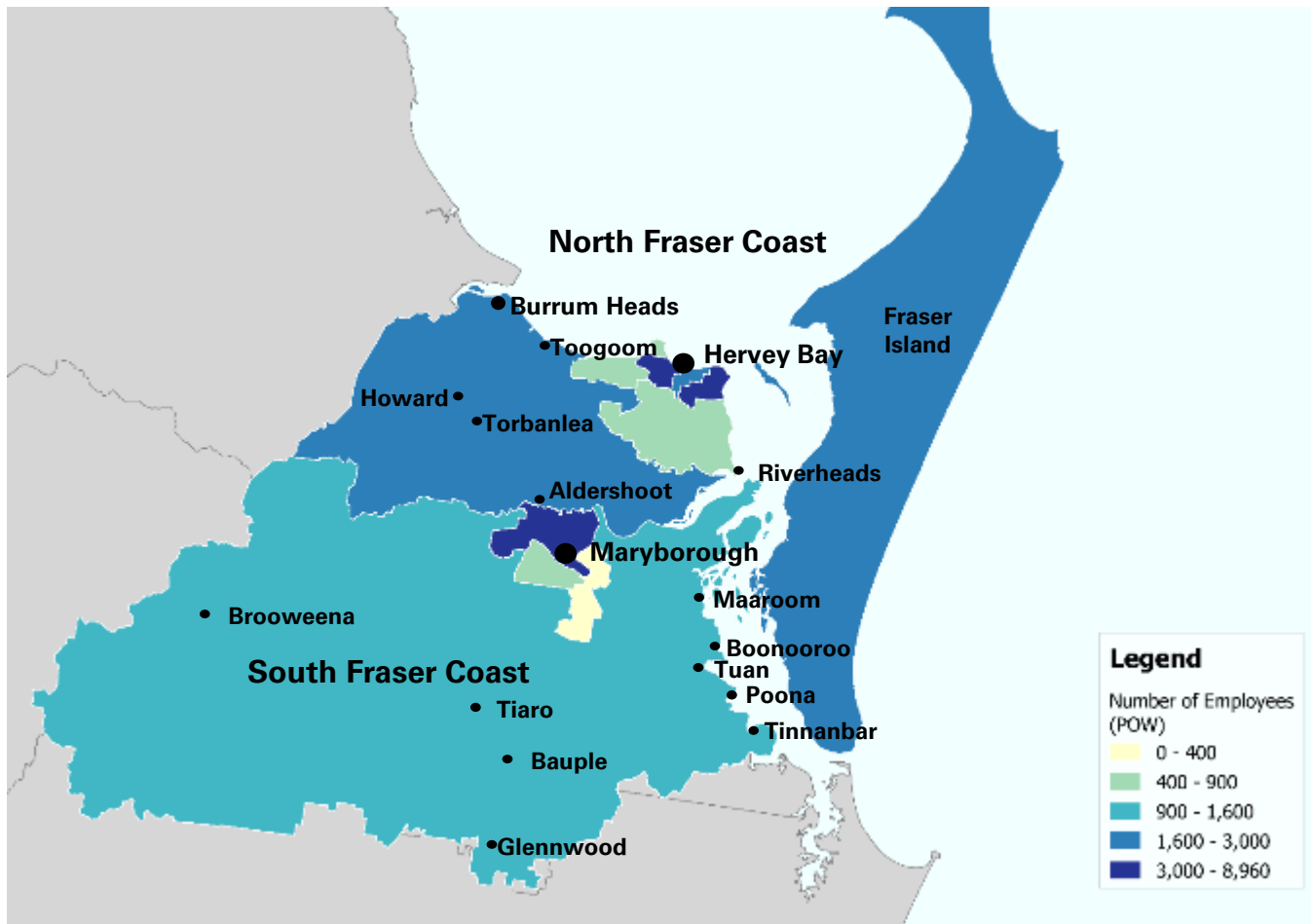
The map to the left displays the geographic distribution of employment across the Fraser Coast region.

Employment in the region is concentrated in the two urban localities of Hervey Bay and Maryborough.

Hervey Bay (15,499 people) was a relatively larger employer across the region compared to Maryborough (9,661 people).

The moderate employment observed in outer areas of Hervey Bay and Maryborough is due to the concentration of employment in the centre of these towns.

Employment outside of the major centres is predominantly driven by agriculture, local services for the region's smaller townships and some tourism related employment.

Legend

Number of Employees (POW)

- 0 - 400
- 400 - 900
- 900 - 1,600
- 1,600 - 3,000
- 3,000 - 8,960

Source: KPMG analysis of data from the Census of Population and Housing, 2016, TableBuilder.

COVID-19 health and economic crisis

COVID-19 has caused significant health, economic and social disruptions, **resulting in a change in consumer behaviour, business confidence and government policy.**

Economic modelling indicates that Queensland has experienced a sharp economic decline in the short term due to the emergency health response of COVID-19, with the largest impacts felt between June and September 2020.

A considerable recovery is expected to materialise by June 2021 if the health crisis maintains its current trajectory, however lower overall growth and employment outcomes could emerge if further restrictions are required.

Foregone production will have a sustained impact on the economy in the long term with indicators not returning to pre-crisis levels until after 2030. This long-term impact will be driven by a smaller population and weaker global demand.

Trends emerging from COVID-19

COVID-19 will accelerate or decelerate a number of trends that existed pre-pandemic, as well as creating new global trends. Some of these trends observed to date which are relevant to Fraser Coast include:

- More than half of economic contraction caused by COVID-19 is due to uncertainty.
- Consumers will choose to delay spending, particularly on discretionary items until there is more economic certainty. This is particularly relevant for holidays.

- Overall distances travelled by people have dramatically reduced. This change in travel behaviour. This will impact the tourism catchment.
- Travel restrictions have impacted international visitor flows as well as the movement and attraction of talent and skills.
- Aviation and cruise travel sectors are particularly hard hit, and it is likely to be some time before these markets return to pre-COVID activity. Limited travel wipes out the overseas travel market including both business and recreational travellers.
- COVID-19 has accelerated the rise of the digital economy through necessitating large scale, economy-wide digital transformation. This transformation is relevant to all industries in Fraser Coast.
- Digitisation is now an expectation and is essential for a wider range of businesses, even for previously exclusively face-to-face industries. Health, aged care and social services, as well as education, have to change their service delivery approaches.
- The resilience of industries has been tested, with some better able to respond to the changing mobility of workers, clients and goods.
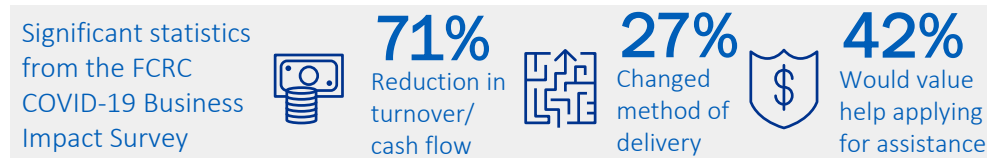
Changes to industry

Given the emerging trends. some industries are impacted more than others. The industries forecast to be hardest hit include Arts and Recreation Services, Accommodation and Food Services and Construction.

Those industries which are not forecast to be hardest hit will still have to adjust to the new way of working and respond to the accelerated digital economy.

FCRC COVID-19 Business Survey Insights

COVID-19 affected significant impacts on businesses in Fraser Coast.

The COIVD-19 Business Impact Survey put to business owners in the region in April 2020 by the FCRC captured these impacts and key insights. There were 328 respondents to the survey representing a breadth of industry sectors.

Significant statistics from the FCRC COVID-19 Business Impact Survey

71% Reduction in turnover/cash flow

27% Changed method of delivery

42% Would value help applying for assistance

Business status in April 2020

The majority of businesses remained open, some at a reduced capacity, hours or with a change in service provision.
Common responses indicating the current status of businesses were:
- Business is open (regular hours of operations) (43%);
- Business is temporarily closed (24%);
- Business is open at a reduced capacity (20%); and
- Change in service provision due to social distancing (16%).

Immediate impact

The majority of businesses experienced a reduction in turnover or cash flow or decreased demand as an impact of COVID-19, and a significantly smaller proportion reported positive impacts.
Common responses indicating the impact of COVID-19 on businesses were:
- Reduction in turnover/cash flow (71%);
- Decreased demand for services and products (43%); and
- Government restrictions on operations (31%).

Response

The vast majority of businesses had made changes to their operations in response to COVID-19, and these changes were diverse.
Common responses indicating operational changes of businesses were:
- Changed the method of delivery (including shift to online) (27%);
- Reduced staff numbers (27%);
- Deferred or cancelled investment plans (20%); and
- Re-negotiated property rent/lease arrangements (19%).

Long-term enablers for recovery

Most businesses would value assistance with understanding and applying for Government funding as well as business strategy support.
Common actions sought by businesses to support regional recovery were:
- Help to apply for Government assistance (42%);
- Help to understand Government assistance measures (37%);
- Business strategy support during recovery period (35%); and
- Regional Tourism Marketing (33%).

Influencing factors for the future
Future of work
➢ There has been a disruption to traditional ways of working, an acceleration of 'gig or project based' work, increased reskilling and redeployment of the workforce and an acceleration of remote working.
Changes in consumer behaviour
➢ Consumer behaviour and spending habits have changed as people look to rationalise their spending and alter their price/value relationships.
Rise of the digital economy
➢ Reliance on the technological world has increased, manifested in an increase in digital commerce, reliance on digital communication technology, and large scale digital transformation.

Considerations for the future of Fraser Coast

Key industries

Most of the key employers in the region are population serving industries, such as Health Care and Social Assistance, Construction and Education and Training. These industries provide stable growth. However, the region may need to look to scalable export industries to drive step growth in the future.

Local businesses

The region is dominated by small businesses, mostly sole traders operating in construction or agriculture. These businesses are key to the local economy and will require increased support into the future in dealing with increased competition and the acceleration of 'gig or project based' work.

Distribution of jobs

Employment in the region is concentrated in the two urban localities, Hervey Bay and Maryborough. The acceleration of remote working and the rise of the digital economy may see employment concentration reduce in urban areas.

COVID-19

COVID-19 has seen an acceleration of existing trends affecting industries: disruption to traditional ways of working, the rise of the digital economy and changing consumer behaviour.

Tourism & Agriculture

Tourism and Agriculture are the key employers outside of urban localities. Change in these sectors will have the greatest impact in the smaller communities in Fraser Coast.

Export industries

The region will look to high value add export industries, such as Advanced Manufacturing and Tourism, to drive step growth in the region in the future.

Factors shaping the future of Fraser Coast Industry

This section discusses the key economic factors which will shape the future of the region which includes the following:

- Considerations of the future of Fraser Coast

- Health Care and Social Assistance

- Property and Construction

- Education and Training

- Tourism

- Traditional manufacturing

- Advanced manufacturing

- Agriculture

- Emerging industry – Renewable energy

- Major projects

- Considerations of the future of Fraser Coast.

Considerations for the future of Fraser Coast

The economic future of Fraser Coast will be underpinned by its key industries where there is an existing or emerging comparative or competitive advantage.

The growth of these industries depends on whether the industry is population servicing (local) or exports goods outside the region (traded).

The factors shaping the growth of these industries are considered in more detail in the following pages which was developed through stakeholder consultation.

Industries underpinned by population growth

Responsive to population growth

Health Care and Social Assistance
The largest employer in the region.

Construction
One-third of businesses in the region operate in construction or agriculture.

Education and Training
One of the top three employers in the region.
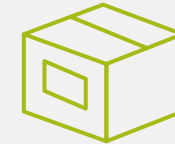
Industries that export goods outside the region

Drives workforce & population attraction

Tourism
The largest export industry in the region.

Manufacturing
The region has a strong traditional manufacturing base.

Emerging Industry – Advanced Manufacturing
Has the potential to drive step growth.

Emerging Industry – Renewable Energy
Projects both existing and in the pipeline.

Population driven industry growth – Health Care and Social Assistance

Health Care and Social Assistance is a pillar of the region's economy, supported by large and increasing local demand.

Health Care and Social Assistance is one of the dominant industries in Fraser Coast, employing 5,544 people in 2016[1], underpinned by the relatively large resident population of elderly and disabled requiring care.

In recent years in Fraser Coast, employment in the Health sector has grown at an average annual rate of 3.04%, driven by high migration of older residents and private sector investment.

Average annual employment growth 2011-2016[1]

3.04%

Historical industry trends[2]

Strengths
- Fraser Coast attracts an older demographic which underpins the sector.
- There is a large proportion of residents requiring assistance with a profound or severe disability and the implementation of the NDIS increased demand from this segment.
- Transformation of the local health care system in recent years marked by the development of the first fully integrated digital hospital in a regional area in Australia – St Stephen's in Hervey Bay.[3]
- Recent upgrade of Hervey Bay Hospital and delivery of a new ambulance station in Urraween.

Challenges
- Limited access to a skilled workforce and local specialist medical care.
- Lowering ratio of nurses to patients which is lowering the overall care standard.
- Time and cost ineffective to travel to other major hospitals in Brisbane and Bundaberg for this care.

Sources: 1 – Census of Population and Housing, 2011 and 2016, TableBuilder. 2 – FCRC Stakeholder Survey and Workshops. 3 – Unitingcare Health: St Stephen's Hospital Hervey Bay. 4 – ShapingSEQ.

Megatrends shaping the future of the sector[4]

- A rapidly aging population.
- Increasing demand for aged care beds and skilled staff.
- Residents seeking greater lifestyle amenities.
- Increasing role of technology in providing care.
- A growing preference for intergenerational living and the ability to age in place.

Influencing factors for the future [2]

Demand from an older population:
- Due to the improvement of the health system, the representative migrant has gradually changed from a welfare dependent retiree to a self-funded retiree – opportunity for a higher value add private health product.
- Balancing of the local demographic, although positive for the region, may restrict the projected growth of the industry.

Skilled workforce:
- Attraction and retention of a skilled workforce, particularly medical specialists.
- Improvement of the VET system, development of school based apprenticeships to improve the local pipeline of skilled workers.

New investments in the industry:
- Fraser Coast Hospice development.
- Development of St Stephen's Private Hospital in Hervey Bay and subsequent closure of St Stephen's Hospital Maryborough.

Population driven industry growth – Property and Construction

Employment has been increasing steadily despite declining economic contribution in recent years.

The property and construction industry in the region faces the same growth challenges as broader industry: lack of access to a skilled workforce and dissatisfaction with apprentice and VET programs. The industry employed 1,941 in Fraser Coast in 2016[1].

In recent years in Fraser Coast, employment in the Property and Construction sector has grown at an average annual rate of 3.75%, supported by high demand for detached housing.

Average annual employment growth 2011-2016[1]
3.75%

Historical industry trends[2]

Strengths

- Strong residential housing demand.
- Emerging market for RV home product.
- Increased demand for NDIS compatible housing.
- The beach will remain a strong drawcard for buyers.
- Local downsizing creating high demand for attached housing products.
- The cost of housing is affordable comparative to other coastal locations on the east coast of Australia.

Challenges

- Limited commercial and industrial demand, particularly for office space.
- Limited job creation and access to a skilled workforce.
- Poor VET system and retention of apprentice trades workers.
- Increasing price of labour.
- Transient labour force underpinned by project specific demand.

Sources: 1 – Census of Population and Housing, 2011 and 2016, TableBuilder. 2 – FCRC Stakeholder Survey and Workshops. 3 – EY, Property Council of Australia and Green Building Council of Australia: Will the Australian property industry seize the upside of disruption?

Megatrends shaping the future of the sector[3]

- Digital technology and robotics to improve operational efficiency and construction delivery.
- Additive manufacturing of construction materials.
- Internet of things in residential and commercial buildings, including building automation systems and meters with built-in intelligence.
- Sharing economy for heavy construction equipment.
- Decreasing demand for commercial rental space due to rise in e-commerce.

Influencing factors for the future [2]

Strong residential housing demand:

➤ High housing affordability, particularly for a coastal lifestyle product, relative to southern markets.

➤ Strong residential housing demand across the region from retiree market – trend aged migration is a continuing opportunity for the industry.

Skilled workforce:

➤ Attraction and retention of a skilled workforce, particularly trades workers who tend to leave for apprenticeships or fly-in fly-out mining.

➤ Improvement of the VET and apprenticeship system, and training programs to improve the local pipeline of skilled workers.

Investment in the industry:

➤ Extension of trunk infrastructure into designated emerging community precincts to encourage developer interest in these precincts.

➤ Enhancement of community infrastructure on the Hervey Bay foreshore to leverage the region's natural assets.

➤ Planning and development of suitable industrial land.

Population driven industry growth – Education and Training

This sector is a stable contributor to the region's economy and employs a significant proportion of the workforce.

While the high school and private school sector in Fraser Coast has been experiencing significant growth in recent years, the higher education segment has been struggling to compete with other universities in the broader region, experiencing low demand from both local and international students. The industry as a whole employed 3,023 in Fraser Coast in 2016[1].

In recent years in Fraser Coast, employment in the Education and Training sector has grown at an average annual rate of 2.41%, supported by investment in the secondary education system.

Average annual employment growth 2011-2016[1]

2.41%

Historical industry trends[2]

Strengths
- Recent improvement of local primary and high school system, notably growth in enrolment in private high schools as well as new private schools.
- Collaboration with industry partners.
- Increasing numbers of students completing VET and tertiary education from a low base.

Challenges
- Lack of access to skilled workforce.
- Limited international students.
- Limited local demand for tertiary education, those who desire to attend university tend to leave the region as University of the Sunshine Coast (USC) offers a limited range of courses.
- Limited research and development.
- COVID-19 has greatly limited the access of universities to the international student market.

Megatrends shaping the future of the sector[3]

- New technology increasing digital connectivity and expansion of online delivery methods.
- Lifelong learning and ongoing skilling.
- Australian universities are increasingly attractive to international students.
- Tertiary students want to define the experience they have as well as the degree.

Influencing factors for the future [2]

Demand:
- Increase marketing to international students and increase the attractiveness of USC to locals who desire to attend university.
- The local socio-economic demographic is low and does not highly demand tertiary education.

Improvement of education system:
- Expand the course offering in tertiary and secondary institutions and the VET system to improve alignment to local and emerging workforce requirements, e.g. aviation manufacturing program.
- Incorporate natural assets in course offering and promote edu-tourism, e.g. Marine Centre of Excellence.

Investment in the industry:
- Expansion of the education precinct (inclusive of USC and TAFE) under the Hervey Bay CBD Urban Renewal Master Plan.
- Increase digital capability, specifically bandwidth to enable remote working and studying and the improved sharing of data and resources between educational institutions.
- Improved secondary system to remain critical in attracting and retaining families to the region.

Sources: 1 – Census of Population and Housing, 2011 and 2016, TableBuilder. 2 – FCRC Stakeholder Survey and Workshops. 3 – ShapingSEQ.

Market driven growth - Tourism

Tourism supports the accommodation, food, retail and arts industries and is one of the largest sectors in the region.

The Tourism industry is a large contributor to the economy of Fraser Coast, and this contribution is growing healthily. The industry employed approximately 3,918 in FY16[1]. However, there is sentiment that the industry must address certain challenges to ensure growth into the future, such as expanding the calendar and number of attractions, improving the overall image of the region and reinforcing the regional organisation of the industry as a whole.

In recent years in Fraser Coast, employment in the Tourism sector has grown at an average annual rate of 2.08%, reflective of reductions in 'drive by' tourism, the region's key market.

Average annual employment growth FY13-FY18[1]

2.08%

Historical industry trends[2]

Strengths
- Growth of tourism contribution is quite high, reflects the strength of the region as a visitation destination, solid increases in spend, employment and local demand (pre COVID-19).
- Will bounce back very fast from COVID-19 due to the reliance on the domestic market.
- Character of small towns in the region to support drive tourism (e.g. Tiaro).
- The new sports precinct enables new events to be held.

Challenges
- Small attraction offering, not year round.
- Coordination of the marketing and organisation of the industry, difficult compliance requirements for micro-businesses.
- Greater competition in pass-through tourism, the key market for the region, has seen this market decrease.
- Reputation/image of the region.
- Limited access to a skilled workforce.
- Declining revenues in Maryborough.

Sources: 1 – Tourism Research Australia. 2 – FCRC Stakeholder Survey and Workshops. 3 – CSRIO Futures: The Future of Tourism in Queensland.

Megatrends shaping the future of the sector[3]

- Preservation of natural assets to support nature-based experiences.
- Shift in discretionary expenditure towards experiences as opposed to products in the tourism market.
- Climate change is expected to increase the likelihood of extreme weather events.
- Increasing competition and shifting consumer preferences by Australians to overseas travel (prior to COVID-19).
- Growth in Asian tourism.

Influencing factors for the future [2]

Expansion of offering and image of the region:
- Inclusion of year round, multi-night attractions such as sports, major events, foreshore entertainment and eco-tourism experiences in the hinterland, e.g. wineries to transform the image of the region as a destination market.
- Lower discretionary spending due to impacts of COVID-19.

Improved coordination of the industry:
- Development of a dedicated tourism and events body in collaboration with stakeholders and government to brand the region and control a central booking system and simplify compliance requirements for businesses.
- Recognition and development of an interconnected strategy for the region's unique tourism markets: Hervey Bay, Maryborough and the hinterland.

Accessibility of the region:
- Limited and expensive air travel and non-divided roads restrict access.
- Bruce Highway upgrades will improve the tourism drive market for the weekend.

Market driven growth - Tourism

Tourism in Fraser Coast is driven by two globally-renowned, nature-based attractions: heritage listed Fraser Island, the world's largest sand island, and whale watching in Hervey Bay, designated the world's first Whale Heritage site in recognition of the area's world leadership in whale watching best practice.[1]

Economic contribution[2]

Tourism does not fall under an ANZSIC category as it covers a range of industry sectors, such as Accommodation and Food Services, Retail Trade and Arts and Recreation Services. Hence, its economic contribution is estimated under the State Tourism Satellite Account framework using spend and national account data and input-output modelling.

In the 2017/18 financial year, the tourism market in Fraser Coast had a GVA of $436m. Compared with standard classification industry GVA data from the following financial year (see previous slide), it can be seen that tourism is one of the largest value generating markets in the region. Tourism is a comparatively larger market in Fraser Coast than in Queensland; approximately 14.4% of registered businesses in Fraser Coast operate in tourism employing 18.0% of the labour force, compared to 12.7% and 11.6% in Queensland.

Trends[2]

Over the 2014/15 to 2017/18 financial years, Fraser Coast experienced average high annual growth across economic indicators (ranging from 5.9% GVA to 4.5% in employment), yet slower growth in tourism-specific indicators such as number of visitors and average stay (0.7% and 1.2%). Notably, the number of registered businesses operating in tourism contracted over this period, with approximately 50 businesses exiting accounting for a loss of 1.4%.

Insights
- Tourism is a significant value generator and employer in Fraser Coast, and its economic contribution is growing healthily.
- Recently, there has been a decline in the number of businesses operating in tourism as well as slow growth in visitors and average stay.
- The main tourism attractions in Fraser Coast are Fraser Island and whale watching in Hervey Bay.[1]

Fraser Coast Tourism Trends[2]

	2014/15	2017/18	Average annual growth
GVA ($m)	346	436	5.9%
GRP ($m)	381	478	5.8%
Employment	4,220	5,035	4.5%
Consumption ($m)	570	708	5.6%
Businesses	895	845	-1.4%
Visitors ('000)*	1,478	1,522	0.7%
Nights ('000)*	2.877	3,327	3.7%
Average stay (nights)*	4	4.2	1.2%
Spend ($m)*	385	467	4.9%

* 2015 and 2018 calendar years. Sources: 1 – Tourism and Events Queensland.
2 – Tourism Research Australia.

Market driven growth - Traditional manufacturing

In Fraser Coast, the sector has seen declining employment and economic contribution in recent years.

The sector has been gradually declining in recent years partly due to limited access to a skilled workforce. The sector employed 1,652 people in 2016[1]. However, the industry has been experiencing the broader megatrend of a pivot from traditional to advanced manufacturing. This offers significant opportunity for the industry, particularly considering the alignment of advanced manufacturing with emerging industries such as aviation and robust State government strategies for the sector.
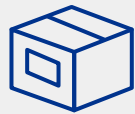
In recent years in Fraser Coast, employment in the Manufacturing sector has decreased sharply, reflecting the broad adoption of productivity enhancing technology and automation methods.

Average annual employment growth 2011-2016[1]
-6.45%

Megatrends shaping the future of the sector[3,4]

- A shift from mass production towards bespoke goods.
- Supply chain transformations due to collaboration and technological advances enabling vertical integration.
- Resource scarcity and increased value of environmental and social credentials creating a focus on sustainable operations.
- Data analytics optimising operations, adoption of Industry 4.0 technology and techniques.
- Expansion of the value chain, increased value in research and development and after-sale service offerings.

Historical industry trends[2]

Strengths
- Established traditional manufacturing base.
- Long-standing supply chains, connection with local construction industry and blue collar employment.
- Renewed government investment in manufacturing in the region.

Challenges
- Lack of existing capability for advanced manufacturing.
- Limited access to a skilled workforce.
- Poor highway and rail interchanges.
- Poor asset growth in Maryborough.
- Current capability is limited to heavy industry.
- Lack of local training facilities, apprentices have to leave the region.
- Education system not valuing trades careers.

Sources: 1 – Census of Population and Housing, 2011 and 2016, TableBuilder. 2 – FCRC Stakeholder Survey and Workshops. 3 – QLD Advanced Manufacturing Roadmap. 4 – Advanced Manufacturing Growth Centre Sector Competitiveness Plan.

Influencing factors for the future [2]

Skilled workforce:
- Attraction and retention of a skilled workforce, particularly trades workers.
- Improvement of the VET and apprenticeship system to improve the local pipeline of skilled workers.

Supporting traditional manufacturing:
- Preference for sales and supply chain localisation (motivated by COVID-19 impacts).
- Increased digital capability, specifically bandwidth.
- Improved availability of well serviced industrial land.

Development of advanced manufacturing capability (detailed overleaf):
- Increase in high value low volume, advanced and precision manufacturers.
- Adapting and leveraging the region's existing traditional manufacturing base.

Market driven growth – Advanced Manufacturing

Global cost competition has affected the viability of traditional manufacturing and caused a subsequent pivot towards advanced manufacturing.

The industry seeks to service niche markets and supply chains and capture significant value in the research and development and after-sale service provision 'book-ends' of global value chains. Queensland, and Fraser Coast, is positioned well to facilitate a thriving advanced manufacturing sector, with an existing competitive advantage in reputation for a quality, strong manufacturing base, government supported culture of innovation, relatively cheap high skilled labour, an education network aligned to the sector, a growing number of innovative small – medium enterprises (SMEs) and strong ties to Asian markets.

Key growth opportunities and transition elements for traditional manufacturers are:

- Embracing Industry 4.0 technology, such as big data, advanced analytics, human-machine interfaces, 3D printing and robotics;

- Increased research and development (R&D) and innovation to improve value differentiation;

- Attraction and retention of a highly skilled workforce;

- Shift in market focus towards global value chains and high value export markets and shift in product focus towards low volume, high value and after-sale services; and

- Cost reduction by streamlining management and increasing automation.[1,2]

Queensland Advanced Manufacturing Roadmap

The industry is recognised as a priority emerging industry under the Queensland Government's *Advance Queensland* initiative. It outlines the State vision for the industry to be a global market leader by 2026.

A key action under the strategy is the support of regional manufacturers in Queensland with specialised manufacturing hubs established in Cairns, Townsville and Rockhampton.

Emerging industry alignment

Advanced manufacturing is well positioned to service other State priority emerging industries: aerospace, biomedical, biofutures, defence and mining equipment, technology and services. Alignment to these industries allows residual benefits to be captured from funding to other industries as well as ensuring target markets have strong support and growth potential. There is potential for manufacturers in Fraser Coast to collaborate and develop the region as a specialised hub supporting existing local emerging industries such as aerospace and defence.

Aerospace

The aerospace and aviation industries currently support approximately 70 high paying jobs in the region, with other projects in the pipeline including the Hervey Bay Airport Redevelopment.[3]

The alignment of advanced manufacturing to aerospace includes:
- Precision manufacturing and expertise;
- Vacuum brazing;
- Heat treatment; and
- Large scale super alloy casting.

Defence

Advanced manufacturing supports the defence sector through the manufacturing and maintenance of heavy vehicles and specialised command, communication and control systems.

This capability has recently been introduced to Fraser Coast with the establishment of the joint venture Rheinmetall – NIOA advanced munitions forging and manufacturing facility in Maryborough.

The facility will provide approximately 220 jobs for the region over the construction and production phases, replacing the previously imported supply of munitions for the Australian Defence Force.[4] Full rate production is expected by 2022.

Sources: 1 – QLD Advanced Manufacturing Roadmap. 2 – Advanced Manufacturing Growth Centre Sector Competitiveness Plan. 3 – Jobs estimated based on FCRC information. 4 – Jobs estimated sourced from NIOA www.defence.nioa.com.au/projects/maryborough-forging-manufacturing-facility.html.

Market driven growth - Agriculture

In Fraser Coast, the agriculture sector has seen fluctuating employment and decreasing economic contribution in the past 15 years.

Historically a foundational industry for the region, Agriculture in the broader region is undergoing a transition from predominantly sugar production towards higher value crops and pursuing value add opportunities in food manufacturing and agri-tourism. The industry employed 764 people in the region in 2016[1].

In recent years in Fraser Coast, employment in the sector has increased, partly recovering from declines over 2006-2011. The sector represents a small proportion of employment in the region.

Average annual employment growth 2011-2016[1]

4.10%

Historically strong industry built on sugar exports

The agricultural industry, which is predominantly sugar production, has been iconic for the broader Wide Bay region. Within Fraser Coast, Maryborough has been the hub for agriculture, with a rich history of sugarcane production. Despite trend and forecast decline in the sugar industry[2], Maryborough remains a home to large sugarcane farming businesses such as MSF Sugar. Some of these large companies are selling off the sugar cane land as they transition out of the region.

Maryborough Mill, one of four QLD sugar mills operated by MSF Sugar[3]

Developments in the industry [4]

➢ Agricultural land owners have gradually been transitioning production to higher value crops, particularly macadamia nuts, and increasing adoption of more efficient farming practices.[5]

➢ The industry is made up of approximately 625 small businesses (2019).

➢ The development of eco-tourism and agri-tourism attractions in the Fraser Coast hinterland, such as wineries and farm-stay experiences, serve to support the agricultural industry, connect the region's tourism micro-economies and improve the breadth of the region's tourism attractions.

➢ The agriculture industry is the primary employer for people in regional areas, outside the two townships, supporting approximately 750 employees in 2016.

Macadamia nut production has been increasing across the broader region[6]

Sources: 1 – Census of Population and Housing, 2011 and 2016, TableBuilder. 2 – Queensland AgTrends 2018-19, Department of Agriculture and Fisheries, 2018. 3 – MSF Sugar. 4 – FCRC Stakeholder Survey and Workshops. 5 – ABC Rural. 6 – Fraser Coast Chronicle.

Market driven growth - Emerging Industry: Renewable energy

Renewable energy, particularly solar, wind and hydrogen, is a key emerging industry in Fraser Coast.

Investment in renewable energy projects may provide opportunity for long-term growth in industry and employment in the region as well as increasing energy security and improving environmental sustainability.

Current and continued investment in the pipeline of renewable energy projects will support short-term growth in the local construction sector.

Construction sector average annual employment growth 2011-2016[1]
3.75%

Source: Fraser Coast Chronicle

Solar[3]
Solar has an existing presence in the region. **The Fraser Coast Community Solar Farm** at Nikenbah features over 1,500 ground mounted panels and produces 630MWh of power annually. The aim of the farm is to offset the power consumption of Wide Bay Water and feed back additional power into the local grid to pass on cost savings to local ratepayers.

Value proposition and challenges[2]

Strengths
- Provides an opportunity for the region to become energy independent and provide energy for the broader grid.
- Renewable energy resources are located outside of major population centres, ideal industries to support regional economies.
- Access to affordable and reliable electricity can attract and grow businesses in the region.
- Renewables contribute to environmental quality and reduce economy-wide greenhouse gas emissions as well as reducing reliance on coal generated power.
- Increases economic diversification of the region and improves productivity and economic growth.

Challenges
- Limited access to a skilled workforce.
- Limited digital infrastructure, particularly bandwidth.
- Poor access to substations.
- Community acceptance of renewables.

Wind[4]
There is a major proposed wind project in the pipeline in Fraser Coast. **Forest Wind** proposes to install more than 200 wind turbines across the Tuan State Forest, east of Tiaro to capture coastal winds and generate up to 1,200MW of power annually. Construction is proposed to commence in mid 2021 with stage one operational by 2023.

Source: Forest Wind

Source: The Linde Group / Queensland Hydrogen Industry Strategy.

Hydrogen[5]
Hydrogen is already traditionally manufactured as an industrial gas used in the production of ammonia and plastics. However, hydrogen as an energy carrier is an emerging industry with strong direction and support under the Queensland Hydrogen Industry Strategy. This supportive political environment positions Fraser Coast well to foray into the industry.

Sources: 1 – Census of Population and Housing, 2011 and 2016, TableBuilder. 2 – FCRC Stakeholder Survey and Workshops. 3 – FCRC. 4 – Forest Wind. 5 – Queensland Hydrogen Industry Strategy, DSDMIP.

Facilitating the development of industry through Major Projects

Infrastructure enablers

Major Projects support the growth of industry and can make the region more attractive to people relocating or visiting. These investments can be catalytic in a region, supporting new employment and business investment. Below are a selection of major projects in the region that have been nominated by FCRC as catalytic for the region's future growth.

1. Hervey Bay City Centre Redevelopment
- Development of the attractiveness of the area for people and businesses and sense of place.
- Entertainment, cultural, education, residential, retail and commercial precincts, and the expansion of the USC campus.

2. Fraser Coast Hospice
- Improved social outcomes for the community.
- Supports the health sector.
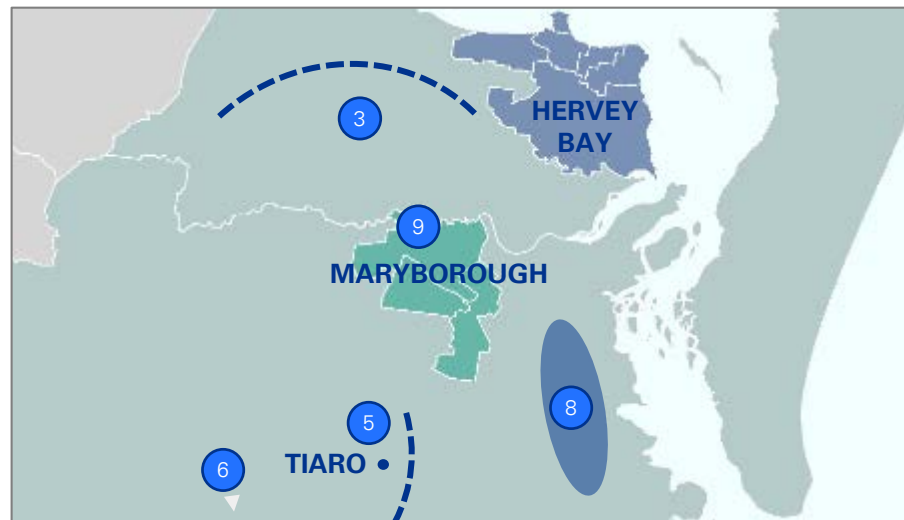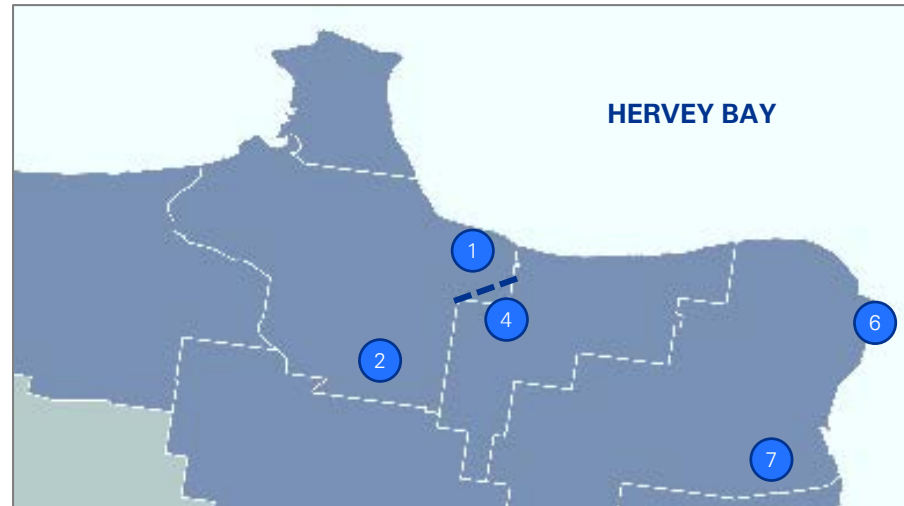
Road upgrades:
3. Torbanlea Pialba Road
4. Urraween to Boundary Road
5. Bruce Highway - Tiaro Flood Immunity Upgrade
6. Gympie Bypass
- Improved accessibility and ease of movement, safety and travel time.
- Improved travel time to Brisbane will support logistics networks and the tourism industry.

6. Urangan Harbour Redevelopment and Expansion
- Develop the attractiveness of the area for people and businesses and sense of place.
- Provides critical tourism infrastructure, potential catalyst project for the cruise and super yacht industry.

7. Hervey Bay Airport Redevelopment
- Develop utilisation of the airport and increase air traffic to the region.
- Supports the tourism and aviation industries.

8. Wind Farm
- Supply clean energy and deliver economic, social and environmental benefits for the broader region.
- Supports the local construction industry in the short term and provides long-term operations jobs.

9. Rheinmetall – NIOA
- Advanced munitions forging and manufacturing facility in Maryborough.
- It provides approximately 220 jobs for the region over the construction and production phases.

Source: FCRC and KPMG analysis.

Considerations for the future of Fraser Coast

Health Care and Social Assistance

The largest local industry will continue to be underpinned by demand from the region's older population. Key to growth will be attracting and retaining skilled workers and specialists and continued investment in the local health care system.

Property and Construction

The industry has seen declining employment in recent years. Continued strong residential housing demand, attracting a skilled workforce and continued investment infrastructure will be influencing factors for the future of the sector.

Education and Training

Aside from serving the needs of the current population, investment in developing the tertiary and secondary education system will enable industry by strengthening the pipeline of local skilled workers and be a drawcard for young adults and families.

Major Projects – Industry

There are many major projects going ahead in the near future that will support and potentially drive a step change in industry development such as the Hervey Bay Airport Redevelopment, Urangan Harbour Master Plan, Rheinmetall – NIOA and Hervey Bay City Centre Redevelopment.

Major Projects – Accessibility

Major upgrades to Torbanlea – Pialba Road, the Bruce Highway/Tiaro Flood Immunity Upgrade will increase the accessibility of the region and improve ease of movement, safety and travel time which will support logistics networks for industry and improve access for tourists.

Manufacturing

Increasing competitive pressure in global markets is seeing a transition in focus of manufacturing towards high value, highly differentiated goods and services. However, traditional manufacturing bases remain critical to regions, the value of strong local manufacturing networks recently being highlighted by the disruption from COVID-19.

Tourism

Tourism is the primary export industry in the region. Drivers of tourism growth will be developing a year long calendar of destination attractions in addition to the region's natural drawcards, improving the coordination of the industry and investing in infrastructure to improve accessibility to the region.

Emerging Industry

The region has existing capabilities in aerospace, defence (in alignment with advanced manufacturing) and solar as well as a major wind energy project in the pipeline. Emerging industries such as these have the potential to drive the future of the region.

Advanced Manufacturing

Fraser Coast is poised to leverage its existing traditional manufacturing base into a thriving advanced manufacturing industry with the potential to drive exports and step change economic growth for the region.

Future scenarios for Fraser Coast

This section outlines three future scenarios for Fraser Coast based on the influencing factors identified in the previous sections of this report. These future scenarios are as follows:

- Approach to the future scenarios

- A return to trend

- A slower growing region

- A higher growing region

- Implications of the scenarios for Hervey Bay and Maryborough

- Influencing the drivers that shape the future of the region

- Planning for the future of Fraser Coast.

Approach to the future scenarios

The future of Fraser Coast will be shaped by a small number of primary drivers which will underpin changes in the region's population profile.

Births, deaths and a reliance on the migration of new residents

The Fraser Coast region has a large proportion of older people and low proportion of families. Given this imbalance, the rate of births is not enough to replace or exceed the population decline attributed to the older population.

There is additional population decline in the region from the outward flow of young adults seeking employment and education in metropolitan areas.

Therefore, the region relies on the migration of new residents to the region to grow the population. While the majority of the migrant population is over 50 years of age, the continued inflow of new residents exceeds the natural decline of the population.

The scenarios consider the migration of over 50s as a driver of future growth, and the retention of young adults and attraction of families through new employment opportunities as flow-on impacts associated with other drivers.

A desirable lifestyle but in competition with other coastal locations

Fraser Coast is an attractive region offering a coastal lifestyle, unique natural assets, attractive regional landscapes and, desirable and affordable housing product. While these attributes have successfully attracted people to the region in the past, other regions along the Queensland coast have similar qualities and there is competition between locations.

The scenarios consider the role of these lifestyle attributes as a drivers of future growth.

Industries that export goods and create employment growth

The growth of tourism, manufacturing (including advanced manufacturing) and renewable energy is driven by demand from wider markets – not the local population. As these industries grow, they attract workers, and increasingly skilled workers, from outside the region. This employment growth contributes to population growth, particularly if these people bring a spouse and/or children with them to live in the region.

New investment into these businesses and increased market demand is required for these industries to grow.

The scenarios consider the following industries as drivers of future growth:

- **Tourism;**
- **Manufacturing and advanced manufacturing; and**
- **Renewable energy.**

Investment in the region

To continue to be a desirable location and grow employment, there needs to be targeted investment in the region to support lifestyle, amenity, affordable housing and the growth of industry. This investment is both from the private and public sector.

The scenarios consider identified and potential investment in the region as a driver of future growth.

Future Scenarios for the Fraser Coast region

Approach to the future scenarios (cont.)

Flow-on impacts from migration, employment growth and investment

The increase in migration of over 50s directly supports the growth of the Health Care and Social Assistance sector. Both the new over 50s migrant population and employment growth generate demand for local services, underpinning the growth of construction, education and training and other local services.

The scenarios consider the growth of population-serving industries in the region as a flow-on impact from the drivers of growth.

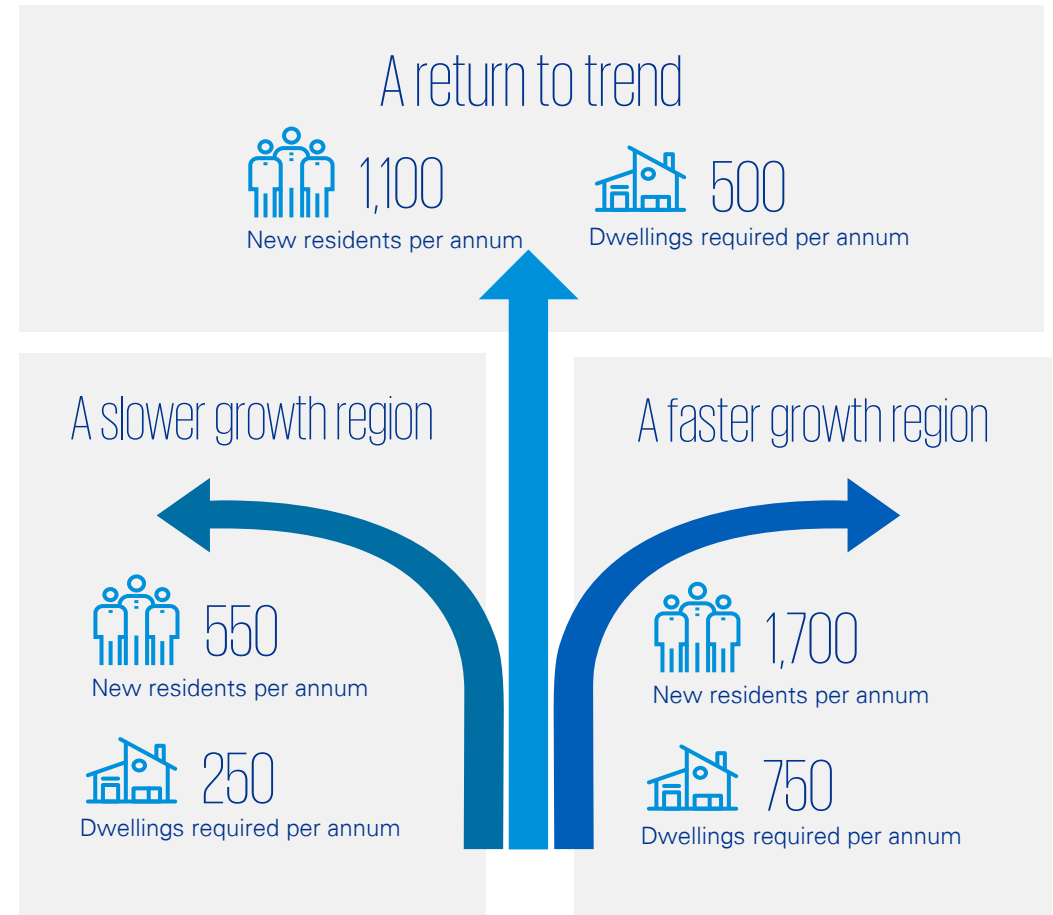**Future scenarios for Fraser Coast**

These drivers of future growth are considered in three scenarios for the future of Fraser Coast:

- **A return to trend** – future growth reflects the growth trend in the last five years and the medium population projections.

- **A slower growth region** - future growth reflects a lower growth trend compared to the last five years and the low population projections.

- **A faster growth region** - future growth reflects a higher growth trend compared to the last five years and the high population projections.

The assumptions which underpin each scenario are detailed in Appendix B.

The three scenarios have been developed to understand the drivers of future growth which underpin the QGSO population projections (low, medium and high). They do not establish new population projections for the region.

The scenarios set the bounds to provide a frame for strategic decision making regarding future urban development, infrastructure and economic activity.

A return to trend

1,100 New residents per annum

500 Dwellings required per annum

A slower growth region

550 New residents per annum

250 Dwellings required per annum

A faster growth region

1,700 New residents per annum

750 Dwellings required per annum

A return to trend

A return to trend scenario forecasts the region growing at historical rates after recovering from short-to-medium term decline as a result of COVID-19. Population growth under the trend scenario reflects 0.96% p.a. or 130,630 people by 2041.[1] A return to trend equates to approximately 1,100 new residents requiring approximately 500 new dwellings annually.[2]

Driver	Scenario
Over 50s migration	• The **region's brand** - coastal lifestyle, beautiful natural features, desirable community, excellent health system, affordable housing product - will be **maintained** and continue to drive migration of over 50s. • The **Health Care and Social Assistance sector** will continue to grow at trend, underpinned by continued older migration and the existing aging population and **continued investment in the sector**. • COVID-19 will have a short-to-medium term impact on migration as the health crisis restrictions limit the movement of people and has a significant economic impact reducing people's financial capacity to relocate. These impacts may prevent migrants moving from others states, particularly if the ability to visit family and friends is limited into the future.
Traded Industry Employment Growth	• COVID-19 has significantly hampered the short-to-medium term trajectory of all **tourism markets** due to travel restrictions and a downward influence on discretionary spending. A 'new trend' growth profile for tourism will feature a **decline in short-term growth**, with gradual increase towards the historical trend growth rate. Supporting factors for trend growth in the sector are continued investment in tourism infrastructure, expansion in the offering of year round attractions, preservation of natural assets and improved coordination of the sector. • Employment in **traditional manufacturing** will **continue to decline** in the region in line with national trends. This reflects the broader industry's transition to 'value over volume', increasing use of technology and automation, and the adoption of a less labour intensive advanced manufacturing model. While there is new investment in the region, the change in employment requirements across the industry (i.e. a shift to less labour-intensive production) will result in less employment overall. • The **agricultural industry** in the region will continue its transition from predominantly sugar production towards higher value crops. Increased adoption of technology and automation will see **employment decline and productivity increase**. • **Continued investment in renewable energy** will provide short-term construction employment and improve the environmental footprint of the region.
Investment in the region	• The region will continue to have an **outward migration of young people** as they move to metropolitan areas for education and employment. • Advanced manufacturing to grow to reflect trend growth, underpinned by **continued investment** by business into the future.
Flow on impacts	• Local industries, such as construction, education and other population serving industries, will grow with the population, in step with the key growth drivers. • Growth in employment and investment across traded and local industries will see the region attract and retain families at trend.

1 – from 2016. 2 – average medium scenario occupancy rate. Source: Queensland Government population projections (medium series), 2018 edition; Australian Bureau of Statistics, *Population by age and sex, regions of Australia,* 2016 (Cat no. 3235.0).

A slower growing region

A slower growing region scenario forecasts the region growing slower than historical rates with further slowing of some growth drivers in the short-to-medium term as a result of COVID-19. Population growth under the slower growing scenario reflects 0.52% p.a. or 117,160 people by 2041.[1] A slower growing region would represent approximately 560 new residents requiring approximately 250 new dwellings annually.[2]

Driver	Scenario
Over 50s migration	• **Diminishing** brand of the region may serve to lower the growth in migration of over 50s which could be due to the deterioration of natural assets, loss of community cohesion, high unemployment, or a lower property price advantage to other coastal locations. • **Negative external factors** may reduce the proportion of retiree migrants. These could include decreasing or fluctuating property prices in metropolitan areas and along the east coast of Queensland. • COVID-19 will have a medium-term impact on migration as the health crisis restrictions continue to limit the movement of people and worsening economic conditions limiting people's financial capacity to relocate. • The **Health Care and Social Assistance sector** will experience slowing growth, underpinned by slowing older migration, particularly of self-funded retirees, and **lowered investment** in the sector if this migration trend were to occur.
Traded Industry Employment Growth	• COVID-19 has significantly hampered the short-to-medium term trajectory of all tourism markets due to travel restrictions and a downward influence on discretionary spending. A 'new trend' growth profile for tourism will feature a **sharp decline in short-term growth**, with return to a lower long-term trend over the forecast period. This lower long-term trend will be impacted by **lower long-term discretionary spending** driven by pessimistic consumer sentiment, **reduced investment** in tourism infrastructure and **limited** expansion of the offering. • Employment in **traditional manufacturing** will **continue to decline** in the region, in line with national trends, **although at a faster rate.** This reflects the broader economic environment, reduced access to capital, increasing use of technology and automation, and the adoption of a less labour intensive advanced manufacturing model. • The **agricultural industry** in the region will continue its transition from predominantly sugar production towards high value crops, although this will be a slower rate. Increased adoption of technology and automation will see **employment stabilise and productivity increase**. • A **reduced program of investment in renewable energy** will be delivered providing some employment in the local construction industry.
Investment in the region	• The region will have **higher outward migration of young people** due to trend migration of regional young people to metropolitan areas. Slow growth in the tertiary education sector, specifically **decreased or ineffective investment** in skilling pathways, and **a decline in** entertainment options for young people may contribute to higher outward migration. • COVID-19 impacts on logistics networks and supply chains, combined with **decreased or ineffective investment** in the sector, may influence low growth in advanced manufacturing.
Flow on impacts	• Local industries, such as construction, education and other population serving industries, will experience low growth, in step with the key growth drivers discussed above. • Declining growth in employment and investment across traded and local industries will see the region attract and retain families at a lower rate.

1 – from 2016. 2 – average medium scenario occupancy rate. Source: Queensland Government population projections (low series), 2018 edition; Australian Bureau of Statistics, *Population by age and sex, regions of Australia,* 2016 (Cat no. 3235.0).

A faster growing region

A faster growing region scenario forecasts the region growing faster than historical rates, after some short-to-medium term decline as a result of COVID-19. Population growth under the high scenario reflects 1.38% p.a. or 144,971 people by 2041.[1] A faster growing region would represent 1,700 new residents requiring approximately 750 new dwellings annually.[2]

Driver	Scenario
Over 50s migration	- The **region's brand is enhanced** - coastal lifestyle, restoration and championing of natural assets, continued growth in the health system, lower unemployment, affordable housing product - driving increased migration of over 50s. **Positive external factors** will continue to shift the demographic of the representative migrant from a welfare dependent retiree to a self-funded retiree (particularly increasing property prices in metropolitan areas and along the east coast of Queensland). - The **Health Care and Social Assistance sector** will experience increasing growth, underpinned by higher older migration, reputation for quality health care and the existing aging population and **increased investment** in the sector.
Traded Industry Employment Growth	- COVID-19 has significantly hampered the short-to-medium term trajectory of all tourism markets due to travel restrictions and a downward influence on discretionary spending. A 'new trend' growth profile for tourism will feature **short-term decline in growth**, with gradual medium-term growth towards a lower long-term trend level over the forecast period. Supporting factors for high growth in the sector are increased demand from the domestic tourists, **increased investment** in tourism infrastructure**, significant expansion** in the offering of year round attractions and **improved coordination** of the sector. - Employment in **traditional manufacturing** will **continue to decline** in the region in line with national trends, **although at a slower rate** as a result of investment by the established competitive businesses. - The **agricultural industry** in the region will continue its transition from predominantly sugar production towards high value crops. Increased adoption of technology and automation will see some **employment growth and productivity increase**. The agricultural industry will deliver value-add activities such a food manufacturing and agri-tourism (bringing visitors to the properties to experience the goods produced). **Growing investment in renewable energy** will increase the attractiveness of the region by lowering energy costs, improving the environmental footprint of the region and **supporting the local construction industry.**
Investment in the region	**Significant investment in tertiary skilling delivered in the medium term** will grow the education and training sector and provide a multiplier effect on broader industry employment due to the improvement of skilling pathways. **Significant investment in health care which is delivered in the medium term** will further grow the Health Care and Social Assistance sector. This may include expansion of the hospital and allied services. - The region will have **lower outward migration of young people** due to young people moving to metropolitan areas for education and employment. Growth in the tertiary education sector, specifically investment in skilling pathways and increased recreational activities in town (e.g. cafes, bars, microbreweries, live music venues) underpins this reduced outward migration. **Increased investment** in the advanced manufacturing sector will support higher growth of this sector into the future.
Flow on impacts	- Local industries, such as construction, education and other population serving industries, will experience high growth, in step with the key growth drivers discussed above. - Reflecting this migration and employment growth, the region will grow the number of families both through attraction and retention of these people.

1 – from 2016. 2 – average medium scenario occupancy rate. Source: Queensland Government population projections (high series), 2018 edition; Australian Bureau of Statistics, *Population by age and sex, regions of Australia,* 2016 (Cat no. 3235.0).

Implications of the scenarios for Hervey Bay and Maryborough

	Hervey Bay	Maryborough
A return to trend	**Over 50s Migration** – Hervey Bay and the northern part of the region are anticipated to continue to attract the over 50s migrant population who are attracted to the coastal lifestyle. As such, there will be demand for new dwellings supporting the construction industry. **Traded Industry Employment Growth** – Hervey Bay is located on the coast and adjacent to Fraser Island. These natural assets underpin the tourism industry. The town will be impacted by the short-term downturn but benefit from later continued growth of the sector. Investment by Astro Aero will create new employment in advanced manufacturing with up to 300 jobs.[1] **Flow on impacts** – The large Health and Aged Care sector will continue to grow in Hervey Bay underpinned by the migrant population. Local industries, such as construction, education and other population serving industries, will grow with the population, in step with the key growth drivers. Under this scenario, the town will grow by approximately 780 people per year who will require 350 new dwellings.[2,3]	**Over 50s Migration** – Historically, Maryborough has had lower migration of over 50s, half that of Hervey Bay. However, the recent development catering for the caravan and RV market may increase attraction of the over 50s market in the short term. **Traded Industry Employment Growth** – Employment in traditional manufacturing will continue to decline at approximately 11 jobs per year in the region, in line with national trends.[3] However, recent investment by Hyne, Downer EDI and Rheinmetall may stabilise the industry as they are estimated to provide approximately 225 jobs.[1] While there is new investment in advanced manufacturing, some of this workforce may choose to reside at Hervey Bay. The tourism, retail and accommodation industries will be impacted by the short-term downturn from COVID-19. **Flow on impacts** – Local industries, such as construction, education and other population serving industries, will be impacted by the decline of manufacturing. Under this scenario, the town will grow by approximately 120 people per year who will require 50 new dwellings. [2,3]
A slower growing region	A key change in the lower growth scenario is the decline of over 50s migration and lower growth of tourism. Overall activity in the town will slow, impacting the population serving industries. Under this scenario, the town will grow by approximately 470 people per year who will require 210 new dwellings. [2,3]	A key change in the lower growth scenario is the decline of over 50s migration, lower growth of tourism and further decline of manufacturing. Overall activity in the town will slow, impacting the population serving industries. Under this scenario, the town will decline by approximately six people per year. Therefore, the town will require approximately three new less dwellings per year. [2,3]
A faster growing region	A key change in the higher growth scenario is the increase of over 50s migration, higher growth of tourism and advanced manufacturing. Overall activity in the town will increase, supporting population serving industries. Under this scenario, the town will grow by approximately 1,120 people per year who will require 500 new dwellings.[2,3]	A key change in the higher growth scenario is the growth of the over 50s migration, growth of tourism, lower decline of manufacturing and continued growth of advanced manufacturing. Overall activity in the town will increase, supporting the population serving industries, although this would be at a slower rate compared to Hervey Bay. Under this scenario, the town will grow by approximately 250 people per year who will require 110 new dwellings. [2,3]

1 – Employment figures provided by FCRC. 2 – average population growth rate – high, medium, low. 3 – Average QGSO forecast occupancy rates used to calculate dwelling demand based on population growth. Source: Queensland Government population projections (high, medium and low series), 2018 edition; Australian Bureau of Statistics, *Population by age and sex, regions of Australia*, 2016 (Cat no. 3235.0)., census of Population and Housing, 2011 and 2016, TableBuilder.

Implications of the scenarios for wider Fraser Coast

Wider Fraser Coast [1]	
A return to trend	**Over 50s Migration** – The coastal areas and some hinterland areas of the region are anticipated to continue to attract the over 50s migrant population who are attracted to the coastal lifestyle. As such, there will be demand for new dwellings supporting the construction industry. **Traded Industry Employment Growth** – COVID-19 has significantly hampered the short-to-medium term trajectory of all tourism markets due to travel restrictions and downward influence on discretionary spending. A 'new trend' growth profile for tourism will feature a decline in short-term growth, with a gradual increase towards the historical trend growth rate. The agricultural industry in the region will continue its transition from predominantly sugar production towards higher value crops. Increased adoption of technology and automation will see employment decline and productivity increase. Under this scenario, the regional areas will grow by approximately 200 people per year who will require 90 new dwellings.[2,3]
A slower growing region	A key change in the lower growth scenario is the decline of over 50s migration and lower growth of tourism. Overall activity in the town will slow, impacting the population serving industries. Under this scenario, the regional areas will grow by approximately 100 people per year who will require 50 new dwellings.[2,3]
A faster growing region	A key change in the higher growth scenario is the increase of over 50s migration, higher growth of tourism and agriculture. This will be underpinned by development of eco-tourism and agri-tourism attractions to improve the breadth of the region's tourism attractions. Overall, this increased activity will support nearby population serving industries. Under this scenario, the regional areas will grow by approximately 300 people per year who will require 140 new dwellings.[2,3]

1 – Wider Fraser Coast includes all the regional areas and excludes the townships of Hervey Bay and Maryborough. 2 – Average population growth rate – high, medium, low. 3 – Average QGSO forecast occupancy rates used to calculate dwelling demand based on population growth. Source: Queensland Government population projections (high, medium and low series), 2018 edition; Australian Bureau of Statistics, *Population by age and sex, regions of Australia*, 2016 (Cat no. 3235.0), census of Population and Housing, 2011 and 2016, TableBuilder.

Influencing the drivers that shape the future of the region

The future scenarios are underpinned by a range of factors. Some of these are within the domain of FCRC's influence while others are subject to external influences. For each of the drivers of growth, the level of influence or change by external factors is considered.

Driver	Influencing the drivers	External factors
Over 50s migration	While it is desirable to attract over 50s with a higher net wealth, FCRC has limited control over shaping the migrant population. However, FCRC can respond to the external factors by: • Supporting the delivery a desirable housing product, housing choice, amenity and lifestyle; • Ensuring positive brand experience and strong brand recognition as a desirable destination; • Preserving and enhancing the natural assets which underpin the lifestyle experience; • Supporting the continued delivery of high quality health care and aged care.	External factors that influence the level and type of migrant population to the region include property price movements in metropolitan areas and across the east coast. The demographics of the over 50s migrants has changed in the past depending on consumer preference, housing affability and perceptions of the region. With increasing property prices in metropolitan areas and along the east coast of Queensland, changes in demographics will continue to change the future Fraser Coast population.
Traded Industry Employment Growth	FCRC can facilitate the growth of industry in the region by creating a business friendly environment by: • Providing suitable land ('fit for purpose') to support industry growth; • Supporting industry coordination and information sharing; • Working with stakeholders to grow a skilled workforce and skilling pathways; • Supporting the up-skilling of small business in the region; • Working in partnership with relevant State and Commonwealth Departments.	The traded industries - tourism, manufacturing including advanced manufacturing and renewable energy - are subject to global market forces and trends. These external factors include changes in technology and consumer preference, globalisation, competition and natural disasters. A recent example of external factors is the impact of COVID-19 on the tourism industry.
Investment in the region	Investment in the region to support growing population is delivered by both the private and public sector. Investment by the private sector is associated with a step change in growth. FCRC has a role in contributing to business confidence for that investment which may include: • Transparent approvals process to provide clarity; • Delivery of supporting infrastructure; • Provide suitable land ('fit for purpose') to support industry growth; • Preserving and enhancing the lifestyle attributes of the region to attract a skilled workforce to the region.	Most of the factors that influence a business investment decision are external. These include: • The cost of borrowing money and availability of finance; • Changes in future demand; • Market confidence/expectations; • Anticipated productivity.

Planning for the future of Fraser Coast

These scenarios have been prepared to assist FCRC planning for the future of the region. Across all scenarios, Fraser Coast is a growing region. These scenarios and QGSO population projections provide a baseline for strategic decision making regarding future urban development, infrastructure and economic activity.

These scenarios draw on available information to provide a best estimate of future growth against which policy can be developed. While these projections may not eventuate as anticipated due to unforeseen external factors, they provide a valuable insight into the anticipated patterns of growth the region is likely to experience. These scenarios will help FCRC to deliver their desired future for the region and provide a foundation to interpret change when it occurs.

As seen in previous population projections for the region, there are inherent uncertainties in any forecasts. Notably, these scenarios have been developed during the COVID-19 pandemic which is significantly impacting on people's way of life, the health care system and the economy. At this time, the long-term impacts from COVID-19 are unclear. In this rapidly changing environment, these scenarios will need to be considered in light of new information as the long-term impact of COVID-19 plays out and other external factors emerge. Regular monitoring of indicators aligned to the driving factors is recommended to maintain a relevant baseline for strategic decision making.

Considerations for the Planning Scheme review

Throughout this report, a number of considerations for the Planning Scheme review have been identified. These are summarised below:

- Guiding the development of vacant land to support expected location of population growth, notably in Hervey Bay, and efficient expansion of the infrastructure network;

- Supporting the delivery of a desirable housing product, housing choice, amenity and lifestyle as the region pursues a good growth agenda;

- Preserving and enhancing the natural assets which underpin the lifestyle experience, the main driver of migration and tourism;

- Ensuring there is 'fit for purpose' land to support the growth of industry, particularly the emerging advanced manufacturing opportunities;

- Ensuring the development assessment process delivers development confidence, assessment efficiency and meets community expectations to facilitate residential and industry investment.

Appendix

Appendix A: Vacant land supply inputs

This table provides an overview of the inputs used to evaluate the supply of vacant developable residential land in the current Planning Scheme. This analysis identified the vacant residential zoned land in Fraser Coast by considering the lot size, zone, precinct zoning, and location. Data cleansing was undertaken to remove errors and outliers in the data set.

Zone	Planning Scheme min. lot size	# Vacant Lots	Min lot size to subdivide	Land for services	Subdivision Lot size	Sub- Total Dwellings	Total Dwellings
Dwelling yield based on Lot Size							
Low density residential zone		**3,334**					**15,375**
Subdivided	0.05 Ha	3,276				3,276	
Greenfield - General	0.05 Ha	55	2.00 Ha	30%	0.05 Ha	11,997	
Greenfield - Precinct LDR1	0.20 Ha	3	4.00 Ha	30%	0.20 Ha	102	
Rural residential zone		**1,745**					**3,253**
Subdivided		1,653				1,653	
Greenfield - General	2.00 Ha	44	4.00 Ha	30%	2.00 Ha	189	
Greenfield - Precinct RR1	0.40 Ha	30	1.00 Ha	30%	0.40 Ha	1,247	
Greenfield - Precinct RR2	1.00 Ha	18	2.00 Ha	30%	1.00 Ha	164	
Emerging community zone - EC		**231**					**11,020**
Subdivided		158				158	
Greenfield		69	2.00 Ha	50%	0.05 Ha	10,656	
Greenfield - Precinct EC1		4	4.00 Ha	50%	1.00 Ha	205	

			Land Total	Dw/Ha			Total Dwellings
Dwelling yield based on Total Area							
High density residential zone*	100 d /ha	79	10.74 Ha	100			**1,074**
Medium density residential zone*	50 d /ha	104	34.53 Ha	50			**1,727**
Mixed use zone*	50 d /ha	68	68.93 Ha	50			**3,447**
Additional Dwelling Capacity							**35,896**

Appendix B: Scenario assumptions

The future scenarios were quantitatively checked against the QGSO population projections to confirm the scenarios were consistent. This method required a range of assumptions to be made regarding each of the growth drivers and their components. These assumptions relate to changes in population growth which were derived through stakeholder consultation.

Driver	Assumption	Base People/ jobs	Trend	Low	High
Baseline population	QGSO 2019 ERP.	106,712	n/a	n/a	n/a
Over 50s Migration	Figures based on migration 2011 to 2016 5 year CAGR from ABS Census data.	14.684	1.77%	1.27%	2.27%
Health Care and Social Assistance	Employment figures based on 2011 to 2016 5 year CAGR from ABS Census data.	5,544	3.04%	2.04%	5.04%
Tourism	Employment figures from FY13 to FY18 5 year CAGR from TRA, adjusted for Fraser Island employment (less 400 jobs).	4,635	2.08%	1.08%	3.08%
Manufacturing Traditional	Employment figures based on 2011 to 2016 5 year CAGR from ABS Census data.	1,652	-6.45%	-7.45%	-5.45%
Renewables, Agriculture	Not a material contributor to population growth in any scenario.	n/a	n/a	n/a	n/a
Retention of Young People	Figures based on population 2011 to 2016 5 year CAGR from ABS Census data.	21,974	-0.19%	-0.69%	0.31%
Manufacturing Advanced	Based on FCRC employment information. Growth rates are assumed based on this information. Base assumed to be 0 as these roles are captured in traditional manufacturing.	0	3.00%	2.50%	4.00%
Attraction / Retention of Families	Multiplier for employment growth to capture children and spouses calculated using ABS data.	n/a	0.58	0.58	0.58
Construction	Grows in line with population. Figures based on ABS Census data.	1,941	n/a	n/a	n/a
Education and Training	Grows in line with population. Figures based on ABS Census data.	3,023	n/a	n/a	n/a
Other industry	Grows in line with population. Figures based on ABS Census data.	7,000	n/a	n/a	n/a
Remote working	Grows as a proportion of the base population.	n/a	n/a	n/a	0.05%
Shock - New University	Artificial shock based on FCRC information.	100 (High only)	n/a	n/a	0.10%
Shock - Private Hospital	Artificial shock based on FCRC information.	500 (High only)	n/a	n/a	n/a