



## **Sunshine Coast Labour Force Commentary**

Prepared for Regional Development  
Australia Sunshine Coast

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# Sunshine Coast Labour Force Commentary

## Executive summary

- The following commentary on employment growth, participation and unemployment is based upon labour force data released by the ABS and Queensland Government Statistician's Office (shown in Appendix A). Regional data from the ABS labour force survey is based on relatively small samples, as such subject to relatively high standard sampling errors. Please view the data and commentary with this caution in mind.
- **The Sunshine Coast has strong growth in part-time jobs compared to the Queensland average**, largely due to its significant tourism-related industries (retail, accommodation and food services). Over the year to November 2016, 22.7% of net part-time job gains in Queensland occurred in the Sunshine Coast.
- **The 55 – 64 year age group is driving lower participation in the Sunshine Coast.** Participation in every age group in the Sunshine Coast is higher than its respective Queensland average, except the 55 – 64 year age group. Between the 2006 and 2011 censuses, the proportion of 55 – 64 year olds in the Sunshine Coast grew more rapidly than the Queensland average.
- **The Sunshine Coast unemployment rate dropped more quickly than the Queensland average**, from 5.5% to 5.0% over the year to November 2016. Queensland dropped from 5.8% to 5.7% over the same period. Much of the drop in the Sunshine Coast's unemployment rate is related to the falling participation rate in the region.
- **Over 2016, youth unemployment in the Sunshine Coast was 10.7% on average**, while Queensland youth (15-24 years of age) unemployment was 13.6%. Across Queensland and Australia, the unemployment rate for youth is much higher than unemployment for other age groups across Queensland. Based on census data, the proportion of 15-24 year olds in the Sunshine Coast is falling faster than the proportion across Queensland. This may translate to lower unemployment for the age cohort.

### The data

The following commentary on employment growth, participation and unemployment is based upon labour force data released by the ABS and Queensland Government Statistician's Office (shown in Appendix A).

Regional data from the ABS labour force survey is based on relatively small samples, and so is subject to sampling error. The ABS 6262.0 - Information Paper: Regional Labour Force Statistics, 2014 states the following in regards to data quality:

*"As with state and national estimates, regional Labour Force estimates are subject to sampling error. Compared with estimates at the state and territory level, estimates for regions are based on smaller samples and are subject to higher relative standard errors."*

Regional level labour market data should be analysed with caution, including due to sample rotations. The sample used to compile data for Queensland Labour Force Statistics changed in October 2016.

## Employment

Over the last three years, total employment in the Sunshine Coast has contracted by around 2.2%, while Queensland employment has grown by 0.2%.

Employment growth in Queensland has risen and fallen with mining activity. But now that mining has passed its construction phase and into its production phase, labour is a much less important part of the sector. This means a rise in mining production does not mean more employment.

Within the Sunshine Coast, mining is a less important driver of employment. Employment growth in the Sunshine Coast mostly fluctuates due to other drivers, such as the age distribution of the population, tourism and health services demand. So if Queensland employment growth changes, this may not translate to a change in the Sunshine Coast's employment growth.

Based on three-month averages, total employment in the Sunshine Coast contracted over the year to November 2016. This is despite slight growth in employment across Queensland in total. If the Sunshine Coast population continues to age more rapidly than the Queensland average, negative or flat employment growth may continue, as the region will be constrained by little growth in labour force supply.

## Part time vs full time employment

As at November 2016, part-time workers accounted for 37.2% of Sunshine Coast workers and 31.0% of Queensland workers. Over the last year, the share of part-time workers in Queensland and the Sunshine Coast have both risen.

The share of part-time workers in the Sunshine Coast is expected to grow. The Sunshine Coast contributed approximately 22.7% of net part-time job gains in Queensland over the year to November 2016, despite only representing around 7.7% of total Queensland part-time employment as at November 2015.

The strong growth in part-time employment is largely due to the industry composition of the Sunshine Coast's employment. Specifically, the Sunshine Coast includes a relatively high share of service-based workers, in tourism industries such as retail and accommodation and food services, as well as other service industries, such as education and training. Looking ahead, the proportion of part-time jobs in the Sunshine Coast is expected to grow.

Tourism in particular is an important part of the Sunshine Coast economy. Retail trade is the Sunshine Coast's largest industry by employment, at 12.3% of workers, compared to 10.8% in Queensland. Accommodation and food services employment is also relatively high, accounting for 10.0% of Sunshine Coast workers and only 7.3% of Queensland workers. Over the year to September 2016, tourism expenditure in the Sunshine Coast was \$2.1 billion, around 14% of Queensland's total tourism expenditure.

## Participation

Australia's participation rate is falling. As life expectancies rise and the Australian population ages, a higher share of the population moves into retirement.

The participation rate in the Sunshine Coast region has dropped significantly in the last year, from 59.3% in November 2015 to 56.7% in November 2016. This decrease is significant compared to the Queensland average participation rate, which fell from 65.6% to 63.9%. Over the last five years, the Queensland participation rate fell 3.6 percentage points, while the Sunshine Coast participation rate fell 4.6 percentage points.

The 55 – 64 year age group is driving lower participation in the Sunshine Coast. During the year to December 2016, the average participation rates for all age groups under 55 years of age were higher in the Sunshine Coast than in Queensland in total. However, the 55 – 64 year age group had a participation rate of just 53.5%, compared to 63.6% in Queensland for the same age group.

Between the 2006 and 2011 censuses, the proportion of 55 – 64 year olds in the Sunshine Coast grew more rapidly than the Queensland average. As at 2011, the Sunshine Coast 55 – 64 year age group accounted for 16.3% of the population, compared with 14.5% in Queensland. If the growth in this age group continues into the future, it may translate to a lower overall participation rate for the Sunshine Coast.

## Unemployment

The unemployment rate in Australia has been drifting downwards over the last year, despite only modest employment growth. This is largely due to the ageing population leaving the workforce in order to retire. While a falling unemployment rate is often associated with strong employment growth, this is not currently the case.

In Queensland, the unemployment rate edged downwards from 5.8% in November 2015 to 5.7% in November 2016. The Sunshine Coast unemployment rate dropped much more quickly, from 5.5% in November 2015 to 5.0% in November 2016.

Much of the drop in the Sunshine Coast's unemployment rate is related to the lower participation rate in the region. In the Sunshine Coast, the unemployment rate is relatively high in the 55 – 64 age group, which also has a much lower participation rate than elsewhere in Queensland.

## Youth unemployment

Youths are defined as persons aged 15 – 24 years.

Over 2016, youth unemployment in the Sunshine Coast was 10.7% on average. This is a much better result than the Queensland average, which was 13.6% over 2016. Across Queensland and Australia, the unemployment rate for youths is much higher than unemployment for other age groups across Queensland.

The Sunshine Coast has a relatively high youth participation rate. Indeed, only three regions in Queensland have higher participation rates: Brisbane Inner City, Moreton Bay – South and Fitzroy.

Many leading employment sectors in the Sunshine Coast have many positions which do not require tertiary training (i.e. retail, accommodation and food services). This may be a key factor behind the higher participation rate and lower unemployment rate of Sunshine Coast youths. The proportion of youths in the Sunshine Coast also fell faster than the Queensland average between the 2006 and 2011 censuses. A falling share of youths in the area may improve rates of participation and employment, especially if unemployed youths are migrating elsewhere to find work.

# Appendix A: The Data

## A.1. The data

Regional data from the ABS labour force survey is based on relatively small samples, and so is subject to sampling error. The ABS 6262.0 - Information Paper: Regional Labour Force Statistics, 2014 states the following in regards to data quality:

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Regional level labour market data should be analysed with caution, including due to sample rotations. The sample used to compile data for Queensland Labour Force Statistics changed in October 2016.

**A.2. Queensland employment data (3 month averages)**

<b>Queensland</b>	<b>Nov 2011</b>	<b>Nov 2012</b>	<b>Nov 2013</b>	<b>Nov 2014</b>	<b>Nov 2015</b>	<b>Feb 2016</b>	<b>May 2016</b>	<b>Aug 2016</b>	<b>Nov 2016</b>
Employed total ('000)	2299.6	2292.3	2327.9	2313.3	2370.0	2381.1	2355.2	2348.3	2344.2
Employed full-time ('000)	1648.9	1655.2	1655.2	1614.5	1648.4	1666.1	1624.0	1639.5	1618.1
Employed part-time ('000)	650.8	637.1	672.7	698.7	721.7	715.0	731.2	708.8	726.1
Unemployed total ('000)	124.9	141.3	136.1	158.5	145.9	157.9	163.5	152.7	141.0
Labour force total ('000)	2424.6	2433.6	2464.0	2471.7	2515.9	2539.0	2518.7	2501.0	2485.2
Not in the labour force ('000)	1167.7	1232.9	1267.0	1313.2	1319.9	1310.3	1346.6	1377.6	1406.1
Civilian population aged 15+ ('000)	3592.2	3666.5	3731.0	3784.9	3835.8	3849.4	3865.3	3878.6	3891.3
Unemployment rate (%)	5.2	5.8	5.5	6.4	5.8	6.2	6.5	6.1	5.7
Participation rate (%)	67.5	66.4	66.0	65.3	65.6	66.0	65.2	64.5	63.9

Source: QGSO

**A.3. Sunshine Coast employment data (3 month averages)**

<b>Sunshine Coast</b>	<b>Nov 2011</b>	<b>Nov 2012</b>	<b>Nov 2013</b>	<b>Nov 2014</b>	<b>Nov 2015</b>	<b>Feb 2016</b>	<b>May 2016</b>	<b>Aug 2016</b>	<b>Nov 2016</b>
Employed total ('000)	150.9	151.5	163.0	163.8	168.9	170.3	166.6	158.0	152.5
Employed full-time ('000)	92.3	97.5	98.7	97.1	107.6	113.0	106.1	103.4	95.7
Employed part-time ('000)	58.6	54.0	64.3	66.7	61.4	57.2	60.5	54.6	56.8
Unemployed total ('000)	8.9	11.1	8.3	12.1	9.9	7.5	8.1	8.4	8.0
Labour force total ('000)	159.8	162.5	171.3	175.8	178.8	177.8	174.7	166.4	160.5
Not in the labour force ('000)	100.7	103.5	99.5	99.1	99.9	102.0	106.3	115.6	122.4
Civilian population aged 15+ ('000)	260.5	266.0	270.9	274.9	278.7	279.8	280.9	282.0	282.9
Unemployment rate (%)	5.6	6.8	4.9	6.9	5.5	4.2	4.6	5.0	5.0
Participation rate (%)	61.3	61.1	63.3	64.0	64.1	63.5	62.2	59.0	56.7

Source: QGSO



**A.4. Employment by industry**

Industry	Share of employment, 12 month average to Nov 2016		
	Queensland	Sunshine Coast	Difference
Agriculture, Forestry and Fishing	2.4%	1.1%	-1.3%
Mining	2.4%	1.7%	-0.8%
Manufacturing	7.1%	5.3%	-1.8%
Electricity, Gas, Water and Waste Services	1.1%	1.2%	0.1%
Construction	9.3%	10.4%	1.1%
Wholesale Trade	2.8%	1.9%	-0.9%
Retail Trade	10.8%	12.3%	1.5%
Accommodation and Food Services	7.3%	10.0%	2.7%
Transport, Postal and Warehousing	5.7%	4.0%	-1.8%
Information Media and Telecommunications	1.5%	1.0%	-0.5%
Financial and Insurance Services	2.7%	2.7%	0.0%
Rental, Hiring and Real Estate Services	2.1%	2.8%	0.7%
Professional, Scientific and Technical Services	7.5%	6.5%	-1.0%
Administrative and Support Services	3.6%	4.2%	0.6%
Public Administration and Safety	6.4%	4.9%	-1.4%
Education and Training	8.2%	10.6%	2.5%
Health Care and Social Assistance	13.0%	11.8%	-1.2%
Arts and Recreation Services	1.8%	2.7%	0.9%
Other Services	4.4%	4.8%	0.5%
TOTAL - All Industries	100.0%	100.0%	0.0%

Source: QGSO

**A.5. Queensland employment by age, 2016**

Queensland	15 - 24	25-34	35-44	45-54	55-64	65+	Total
Employed total ('000)	382.6	527.9	512.3	514.1	337.4	80.4	2354.7
Employed full-time ('000)	184.6	407.2	382.8	386.7	237.8	35.9	1635.0
Employed part-time ('000)	197.9	120.7	129.5	127.5	99.5	44.5	719.7
Unemployed total ('000)	60.3	30.3	26.3	20.6	15.5	1.0	154.2
Labour force total ('000)	442.9	558.2	538.7	534.8	352.9	81.4	2508.8
Not in the labour force ('000)	203.7	122.3	104.2	102.0	202.3	632.6	1367.0
Civilian population aged 15+ ('000)	646.5	680.4	642.8	636.8	555.2	714.1	3875.9
Unemployment rate (%)	13.6	5.4	4.9	3.9	4.4	1.3	6.1
Participation rate (%)	68.5	82.0	83.8	84.0	63.6	11.4	64.7

Source: QGSO

**A.6. Sunshine Coast employment by age, 2016**

Sunshine Coast	15 - 24	25-34	35-44	45-54	55-64	65+	Total
Employed total ('000)	23.8	28.9	38.4	39.3	23.6	6.6	160.5
Employed full-time ('000)	11.3	21.8	28.0	25.9	13.5	2.6	103.0
Employed part-time ('000)	12.5	7.1	10.4	13.4	10.1	4.0	57.5
Unemployed total ('000)	2.8	0.9	1.8	1.0	1.4	0.0	8.0
Labour force total ('000)	26.6	29.8	40.1	40.3	25.0	6.6	168.5
Not in the labour force ('000)	9.2	5.1	5.4	7.6	21.7	64.2	113.3
Civilian population aged 15+ ('000)	35.8	35.0	45.5	47.9	46.7	70.8	281.7
Unemployment rate (%)	10.7	3.0	4.4	2.6	5.7	0.3	4.7
Participation rate (%)	74.4	85.3	88.2	84.1	53.5	9.3	59.8

Source: QGSO

**A.7. Population share by age group, Sunshine Coast and Queensland**

Item	Region	15 - 24	25-34	35-44	45-54	55-64	65+
2011 Census	Sunshine Coast	14.1%	12.7%	17.1%	17.6%	16.3%	22.1%
	Queensland	17.0%	17.0%	18.0%	17.1%	14.5%	16.5%
2006 Census	Sunshine Coast	14.9%	13.4%	17.6%	18.0%	15.7%	20.5%
	Queensland	17.4%	16.9%	18.6%	17.4%	14.1%	15.6%
Percentage point growth	Sunshine Coast	-0.8%	-0.7%	-0.5%	-0.3%	0.6%	1.7%
	Queensland	-0.4%	0.1%	-0.6%	-0.3%	0.4%	0.9%

Source: ABS

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