

Government Assistance for the Gold Coast's Leisure Marine Industry

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Slide

1. Government Assistance for the Gold Coast's Leisure Marine Industry

2. BACKGROUND

For over 50 years, the Gold Coast's economy was typified by 'boom' and 'bust' cycles. The economy was narrowly based on the building and construction industry and a rapidly growing tourism industry. In 1989 and again in 1998, the Gold Coast was badly affected by an economic recession, resulting in a very high level of unemployment.

In 1990 the city had a population of 250,000 people. But with more than 15,000 people each year choosing to make the Gold Coast their home, it was essential for the industry base to be broadened.

To encourage additional growth and development for the region, local government (Gold Coast City Council) decided in 2001 that it must support a number of emerging clean, non-polluting industries - large employers with strong potential for continued growth: Companies that would provide permanent employment opportunities for the relentless stream of new residents and their families.

In 2002 the Gold Coast City Council formed a Regional Economic Development Advisory Board (REDAB). Board members were drawn from each industry group + prominent business community members. Its purpose was to provide advice and direction that would assist the local government to develop appropriate industry development strategies.

3. *The Leisure Marine Industry*

With an average of 300 days of sunshine each year and an average temperature of 25° C. (a perfect climate for building boats and enjoying the boating lifestyle), the leisure marine industry was identified as one of nine industries worthy of assistance. Other industries included business tourism, education, environment, film & television production, food manufacturing, health & medical, I.T. and sport.

In 2001 the Gold Coast had an emerging but fragmented leisure marine industry: Approx. 100 companies employed around 1,000 people, mainly producing for the local market. These companies spread over a wide area and operated in relative isolation. REDAB agreed that boat building, marine servicing and associated waterfront support businesses would not only create thousands of local jobs, but also lead to a more stable workforce that would be less reliant on the tourism and property development industries for which the region is internationally renowned.

4. A decision was made to establish a world-class industry cluster, with the **vision that it would become an internationally recognised centre of excellence for the leisure marine industry** within 10 years.

For this to happen, local government support would be essential.

5. **LOCAL GOVERNMENT PROVIDED 4 PILLARS OF SUPPORT:**

- RESEARCH
- PLANNING
- CONSTRUCTION
- MARKETING

6. **RESEARCH-(Scope)**

Potential size of the local marine industry

- How much land would be required?
- What type of land would be required?
- Where would such land be found?
- What infrastructure would be required?
- How many companies would relocate to the new precinct?
- How much would the precinct cost to develop?

- 7.
- What level of investment would private enterprise contribute?
 - How many people would the marine precinct employ?
 - Where would they live?
 - What transportation needs would they require?
 - What industry training facilities would be required?
 - How long would it take to develop?
 - How would the project be funded?

8. **On-going Research:**

- Widespread local industry research conducted on an annual basis.
- On-going research to identify potential export markets
- Funding for an industry training needs analysis research program.

9. **Research Findings:**

Area of Land: To provide for future growth it was determined that a minimum of 250 hectares of vacant land would be required.

Location: The marine precinct had to be located beside reasonably deep water with easy access to the ocean. Very little undeveloped waterfront land was available.

Type of Land: Greenfield site well separated from existing housing developments.

Relocating Existing Companies: Presentations calling for expressions of interest from existing companies. Companies had to be able to see benefit in re-locating their operations to the new marine precinct.

Size of workforce: Projections based on the number and size of participating companies.

Development & Infrastructure Costs: Included land fill, railway bridges, road construction, providing water, sewerage, drainage, electrical, telephone and internet services.

Private Investment: Preliminary discussions were held with experienced private marina and property developers and expressions of interest were called.

Housing: Surrounding land had to be suitable for residential development to encourage workers to live close to their employment.

Transport: Land had to be located reasonably close to public transport so workers could access their employment.

Training Facilities: The nearest marine industry training college was located in Brisbane, approx.80 kilometres north of the proposed new marine precinct.

10. STRATEGIC PLANNING:

Before commencing this new project, a strategic plan was developed, incorporating clearly defined objectives for the marine precinct.

A large parcel of land (250 hectares of cane fields & grazing land) was available beside a major river feeding into the coastal waterways system. Council agreed to amend the existing land use plan and re-zoned agricultural land fronting this river.

11. Re-zoning required economic & environmental impact statements, plus approvals from State government departments of lands, primary industries, economic development, transport, environment, and amendments to the local government area plan.

12. The land designated for a marine precinct was very low lying and subject to seasonal flooding. The site required large quantities of landfill and appropriate drainage before it would be suitable for construction of the marine precinct. Electricity, water, sewerage, gas and a telecommunication network had to be connected to the site. This required additional cooperation between local, state and national government departments plus major Telcos.

Access from the nearby motorway was severely restricted by an existing intercity train line. Two rail bridges and suitable access roads also had to be constructed.

13. *Precinct Objectives*

- To attract world-class boat building companies
- To attract reputable, experienced marine service industry companies
- To become a significant source of stable employment
- To facilitate the growth of export-oriented companies
- To provide a one-stop-shop for servicing local and overseas boat owners

14. *Assistance in Locating Private Investment and Attracting Anchor Tenants*

The next stage was to secure a capable developer to construct the facilities and an anchor tenant, in much the same way that a regional shopping centre revolves around a major retailer; usually a major food chain or department store.

In this case, a significant area of marine precinct land was purchased by the Gold Coast City Marina consortium, while the Riviera Boat Company also agreed to establish a new, highly developed boat building facility within the marine precinct.

Other major boat builders soon followed. Effectively, the marina's buildings could be occupied by companies supplying a wide range of materials and services to these boat builders.

Gold Coast City Council's Department of Economic Development appointed a senior full-time marine industry liaison officer to work with the marine industry and to assist companies to relocate to the marine precinct.

They also assisted marine companies to obtain required government approvals to conduct their businesses within the precinct.

15. CONSTRUCTION:

Construction of the Coomera Marine Precinct commenced in late 2001.

Local government provided:

- Land fill
- Site drainage
- Rail bridges
- Access roads
- Essential services
- Road surfacing

16. Private developers provided:

Marina facilities
Dry boat storage
Haul-out facilities
Construction sheds & factories
Office space
Retail shops
Residential buildings
A child care centre

The Gold Coast Marine Precinct opened in late 2002. It was to be one of the world's first dedicated marine industry clusters.

17. MARKETING:

Local government also provided financial assistance for some marketing:

- Formation of a dedicated marine industry association.
- Assistance with exhibition costs at major national and international boat shows.
- Assistance with production of an industry web site.
- Assistance with production of a DVD presentation to promote the marine precinct.
- Assistance for emerging export companies.
- Assistance in staging industry workshops and seminars.

18. OUTCOMES:

- By 2007, the Gold Coast Marine Precinct had been recognised by international boat builders, boat owners and the boating media as one of the world's leading leisure marine precincts.
- The Gold Coast's marine industry comprises over 400 companies employing more than 3000 people.
- The industry exports over AUS\$350 million worth of boats to more than 30 countries
- Companies benefit from closer cooperation, consultation and mutual support.

19. Boat Builders

Major boat builders who have established their operations in the Precinct include Riviera, Maritimo, Telwater, Azzura and G-force Marine, with companies like Mustang, Pegiva, Stessl and Sunrunner building nearby. In all, the Gold Coast boasts over 30 boat builders, producing over 65% of all boats built in Australia.

20. *Repair & Refit*

Supporting these companies is a diverse range of specialist suppliers and highly skilled and experienced service providers. These companies make the Gold Coast Marine Precinct a one stop shop for everything relating to the leisure marine industry.

Air conditioning specialists, engine maintenance and repairs; electrical contractors, fibreglass, timber and aluminium repair specialists; fit-out companies, electronics suppliers and servicing; interior design and upholstery specialists – they are all part of the overall mix. **And**, they all benefit from business referrals between one another.

21. *Gold Coast City Marina*

Gold Coast City Marina has haul out facilities for boats of up to 35 metres in length and dry rack storage for more than 200 smaller boats.

22. *TAFE College*

In 2008, the Queensland state government opened a specialised technical college within the Gold Coast Marine Precinct. The college can train up to 200 students and apprentices. Currently it provides apprenticeship courses in fibreglass and aluminium boat building, diesel mechanics and outboard engine maintenance.

23. *INDUSTRY BENEFITS*

- One-stop-shop – Everything is available in the one location.
- Saves boat owners time and money.
- Continuity of work attracts skilled tradespeople.
- Maximises their income.
- Attracts leading supply chain companies – fibreglass supplies, electrical supplies, steel & aluminium wholesalers.
- Reduced lead times for supplies.
- Reduced freight costs – inbound and outbound. – Increased bargaining power with freight lines.

24.

- Critical mass attracts new technology. eg: high speed broadband and composite fibre production techniques.
- Sufficient companies to support professional training programs.
- Collective marketing and cooperative advertising programs extend the reach, value and professionalism of individual marketing budgets.
- Value of combined promotion far exceeds the individual contributions of precinct companies.

25. *THE BOTTOM LINE*

In the 9 years since the formation of the Gold Coast's marine precinct, its leisure marine industry has grown to become the largest in the Southern Hemisphere, with well over AUS\$200 million invested to date.

By the end of 2008, the Gold Coast had the largest concentration of marine businesses in Australia, with around 400 companies employing approx. 4,500 people.

In 2008, the industry contributed AUS\$657 million to the local economy and exported more than AUS\$500 million worth of boats and marine industry products to over 30 countries – 25% of all Gold Coast exports were marine-related.

The Precinct boasts world-class maintenance and refit facilities for vessels of up to 150 tonnes and is attracting millions of dollars worth of refit and maintenance work from visiting boats and superyachts from around the world.

An added benefit is that the residential area surrounding the marine precinct is now the fastest growing residential area in south east Queensland, providing homes for thousands of people who have chosen to live and work in the local area.

FUTURE OUTLOOK

26. Notwithstanding the recent worldwide economic downturn, the Gold Coast's marine industry cluster has weathered the storm and is now emerging in a far stronger position than it might otherwise be in.

- We have developed an international reputation for delivering the highest quality workmanship on time and on budget.
- We are continuing to promote the extensive range of services available.
- We are continuing to attract new companies into the marine precinct
- We are continuing to train new apprentices and employees.
- We are continuing to attract ever larger and more profitable refit projects.

27. **None of this would have been possible without the 4 Pillars of Support generously provided by the Gold Coast's Local Government:**

- **Professional RESEARCH**
- **Comprehensive PLANNING**
- **Infrastructure CONSTRUCTION**
- **MARKETING assistance**

28. Today, the Gold Coast boasts more than 470 kilometres of canals and waterways, lined by luxury homes and apartments. The city is now home to over 450,000 people. 32,500 own and regularly use boats. A further 40,000 boat owners from nearby areas regularly use the Gold Coast's waterways and leisure marine facilities.

29. **For Gold Coast residents, boating is a way of life and**

Our marine industry facilities are the envy of the boating world!

30. **Download this presentation at: www.goldcoastmarineindustry.org**

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