



**Peak Agency for Economic Development**

28

07 August 2009

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



**To Whom It May Concern**

**Response to the Inquiry by the Economic Development Committee**

As the peak coordination agency for economic development in Tropical North Queensland, it is the Advance Cairns vision to develop a vibrant and sustainable regional economy that promotes and facilitates diverse employment, growth, social and lifestyle opportunities.

Advance Cairns is a not-for-profit organisation, jointly funded by the Cairns Regional Council and Cairns Airport and Seaport. We have a strong and varied stakeholder base with our Patrons Program, which provides the company with valuable links to the business community.

Our strength lies in collaboration with our member organisations, including: The Cairns Chamber of Commerce; Department of Employment, Economic Development and Innovation; Far North Queensland Area Consultative Committee & Tourism Tropical North Queensland.

We appreciate this opportunity to address the questions posed within the Inquiry into Economic Development. The Tropical North Queensland region is typified by a multitude of small enterprises and it is these style of companies that are the emphasis of our submission.

Earlier this year we surveyed the Cairns Business Community to ascertain the difficulties that they were facing and the sorts of changes that government could make to improve their performance. Some of the themes of the responses centred on:-

- an emphasis on reducing the cost of compliance for business;
- reduce the barriers on hiring staff (eg. payroll taxes – unfair dismissal laws);
- enforce buy locally campaigns for government contracts;
- fast-track infrastructure spending;
- reduce the incidences where private enterprise is competing with State Agencies for projects particularly where they have an unfair advantage.

Please find attached some responses to the questions posed in the inquiry document.

1. How does Queensland ensure that opportunities for employment creation are maximised in existing industries?

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It is vitally important that we assist the industries and companies that are presently operating in our regions. These companies took the initial risk of establishing their enterprises in the regions of Queensland and they should be assisted, rather than always striving to attract new businesses to a region. We need to assist these companies to prosper and subsequently employ more staff.

In these times of economic uncertainty it is essential that we not overburden the businesses in Queensland with spiralling costs. Small business in particular will continue to employ our residents as long as they can visualise a return on their investments.

The government did have a perfect opportunity to support regional jobs in our area in the maritime industry (which is also one of our centres of enterprise) through supporting the Navel Air Destroyer project (250 jobs) but this project was lost to another State.

2. How can Queensland make best use of its natural resources in creating jobs for Queenslanders?

Queensland needs to continue to capitalise on the clean green image that it espouses. In particular it should build upon the tropical expertise in Northern and Far Northern Queensland and selling that expertise across the tropical world.

It should also continue to use its proximity to the Asian powerhouses which are so close to our borders. We must foster the trade links to our near neighbours, expand our exports and grow businesses around that expansion.

3. Is Queensland's science, research and development technology infrastructure effectively utilised? Can it be used more effectively to enable greater employment in these fields?

There needs to be a closer relationship between the research activities carried out in our agencies and universities and the business community. The union between research and business is the real stepping stone to the true commercialisation of this research, culminating in job creation.

There are significant financial risks for private enterprises to delve into the realm of research and development and government should be a major player in assisting with this risk mitigation. If Government can provide assistance in mitigating risks associated with the R&D programs, this will enable private enterprise greater financial flexibility to get to the implementation phase and the therefore generate employment and facilitate implementation.

4. How can Queensland promote innovation in Queensland industry to create employment opportunities? How do we create jobs from public and private investments in research and development?

There needs to be incentives for companies to initiate and adopt innovation. For Queensland to retain vibrant industry, that industry must seek out and adopt new technology. However there is little assistance in the marketplace for companies to take this financial risk. As stated earlier government support for this innovation risk will bring forward the commercialisation and implementation phases.

5. How should Queensland identify new and emerging industries and support the creation of employment in new industries?

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The Queensland Government should use all of the avenues at its disposal to search out new emerging industries, including all of its own departments and agencies and then by creating strong relationships with other organisations and agencies such as regional development agencies. In addition to these agencies a strong relationship should be fostered with economic development organisation across the State.

It is helpful to work with agencies such as Advance Cairns and the other Regional Development Agencies from across the State, to identify emerging industries and keep abreast of industry trends in the regions. These groups can assist by bringing together the three tiers of Government and the business community to jointly work on initiatives.

6. How does Queensland ensure that Queensland industry is competitive in an increasingly global economy?

The only way that Queensland can compete within the global economy is by being on the forefront of innovation and helping business to fast track adoption and implementation phases. We need for government agencies such as Primary Industries and Forestry to not only lead the way with research but also have the extension capability to assist growers to adopt that new technology.

7. What are Queensland's competitive advantages and how should Queensland make the best of these advantages?

Some of our competitive advantages include:-

- Our proximity to Asia
- Our Tropical Expertise
- Our clean green image
- Lifestyle and liveability
- Diversity of topography (flood plains to deserts & rain forest to reef)
- Land availability
- Our abundance of water and fertile soil.

We need to have mechanisms to promote these advantages to the marketplace.

8. How can Queensland's industry promotion strategies best support Queensland industry to be competitive in the global marketplace?

We need to ensure that Queensland industry can operate in a manner that has the least amount of sensible restrictions. We must give business and industry the ability to operate in flexible manner.

We must position the State in accordance with globally recognised standards of technology, society and environmental sustainability

9. Should industry promotion strategies be narrowly focused on a small number of particular industries or be more broadly based?

There should be systems in place to work to the regions strengths. In other words if a region shows some promise in a particular industry sector than the government should support activities that leverage those strengths. However there should also be flexibility in the case where projects may come forward that do not lie in those sectors but still have considerable merit – they should

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not be discounted – these should be supported for promotion of growth and development opportunities.

10. How can the Queensland Government do to improve employment opportunities for groups such as youth, mature-age, indigenous and disadvantaged workers?

There are presently lots of initiatives available to assist these sectors, so all that is required is to have an awareness process in place to let people know of the particular programs.

We need to raise the awareness of the programs that are already in place and take the promotion of these directly to the source (ie. Youth – to schools to present).

11. Should full-time employment be a priority in creating employment opportunity? How should Queensland respond to underemployment?

Full time employment is a goal that we should all strive to develop, however there are a range of people that find part-time work more suitable to their circumstances. Employers need to feel comfortable with the employment laws before they will provide increases in full-time employment.

12. Should the government target policies at certain regions in Queensland? What criteria should be used to select these regions?

There is no doubt that regions should be supported according to the particular strengths that the region has in its arsenal. Whilst there are some similar issues across the regions – the *One Size Fits All* concept certainly does not work.

Government should target regions on two criteria:-

- The particular strengths and opportunities for that region;
- The level of business and employment downturn in that region.

13. Do the current Queensland Government employment programs help develop individuals with the skills that employers need?

The current range of programs (in particular *Skilling Queensland*) offers a substantial range of assistance to job seekers. These mixed with the incentives offered by the Australian Government means that there are significant resources available.

14. What role do employers have in developing and enhancing the skills of their employees?

Employers also need to invest in their staff and offer additional on the job training, personal/professional development up skilling and knowledge creation. Employers also need to work closely with Education Qld, TAFE and other training providers to ensure that the training being provided is in concert with the needs of business.

15. Are these Government programs working? If not, how can government improve these programs or better achieve these outcomes?

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Generally the plethora of training programs eg. traineeships, seem to work well at preparing people for the workforce.

16. What other strategies have been used successfully by other governments? Is it possible for an Australian state government to implement similar strategies to stimulate employment?

Governments around the world have seen the benefits of strong regional economic development corporations which have a close relationship with regional business. These organisations can move quickly to assist business and industry capture new opportunities.

17. What other best practice approaches can an Australian state government use to stimulate employment?

One area that is desperately needed is more advice and guidance for small business operators. Whilst the Queensland Government provides valuable assistance over the phone and via the internet; many small businesses require more personalised assistance. In the past both the State and Australian Governments offered a network of small business advisors who could take the time and sit with small business operators and potential start-up companies to assist them through the correct processes. There is a definite need to resume this process.

18. What skills do you believe are required currently in the Queensland economy?

The change in the demographic of our workforce means we need to pay serious attention to the way work gets done and ensure business practice evolves as quickly as our people do, to ensure we maximise productivity and outcomes.

19. How should Queensland ensure we have the skilled workers required by industry during a period of economic upturn?

We need to learn from our past, the Queensland economy will bounce back to one of strong growth. We need to look back to our recent past and calculate the skills that were short in those boom times and have people training in those skills now, so we do not fall short again. We also need to look forward across other economies to identify skills gaps that we have in Australia in comparison to global leaders and learn how we can use the downturn to start developing new skills that will give us a competitive advantage in the upswing

20. Is there a role for the development of generic skills that can be used across a number of industries and occupations instead of training for a particular job or occupation? Is there need for both types of training?

Yes there is a need for more flexibility in the training regimes. Traditional skills and certificates need to be retained but there is also a need for people to be trained in specific tasks so that they can work in the industries that have shortages (eg. perhaps if people do not have the capacity to be skilled up quickly as a carpenter than maybe they can gain a shorter certificate as a framer).

There is too much emphasis in the education system on picking a path, committing to years of study, then sticking to that path. In reality people often change paths many times and we need to make cross pollination of skills, or re-skilling/educating in new paths faster and more fluid.

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21. What impact does regulation have on the creation of employment opportunities in Queensland? How will the proposed regulatory reforms help stimulate employment opportunities?

Regulation has a huge affect in the decisions that employers make when considering increasing their workforce. Employers feel they are buried under the plethora of documentation and hurdles they must endure. Any sort of regulatory reform will be certainly appreciated.

22. How could Queensland reduce the cost of regulation on Queensland employers?

One initiative would be to consider a deferral of Payroll tax until the GFC is over. Also if there can be more interaction between government agencies so that employers could have a streamlined process through the project approvals journey.

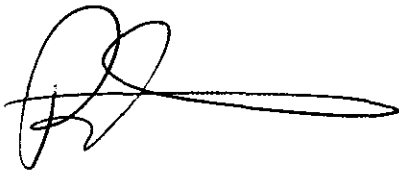
23. How can Queensland be made an attractive destination for business investment?

The feedback that our agency has received from potential and actual international investors that it is too hard to do business in Queensland. They have said that the amount and complexity of approvals to get a project off the ground in Queensland is far higher than the other States. The over-regulation is shifting business opportunities and investment attraction to other States.

In Conclusion:

We applaud the Queensland Government Committee for looking carefully at the issue of economic development and job creation and retention in our State and wish them well with their deliberations.

Yours Sincerely



Ross Contarino  
**CHIEF EXECUTIVE OFFICER**

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