

Moreton Bay Regional Council - Submission to Economic Development Committee Issues paper No.1 - July 09

Introduction

The Moreton Bay Regional Council area is one of the fastest growing regions in Queensland. Covering the areas of the former Caboolture and Pine Rivers Shires and Redcliffe City it extends to 2011 square kilometres, with a population as at 30 June 2006 of 332,737 and a growth rate of 2.4% since 2005. Projected population by 2026 is expected to be approximately 489,000 persons.

The Moreton Bay region's proximity to Brisbane and major transport infrastructure makes it easy to access, a benefit that has attracted numerous new residents and businesses. The region's strong economic performance provides competitively priced sites and an array of business and investment opportunities.

Major business precincts at Narangba, Burpengary, Caboolture, Morayfield, Strathpine, Brendale, Lawnton, Kallangur, Petrie, Albany Creek, Arana Hills, North Lakes, Everton Hills, Kippa Ring, Clontarf and Redcliffe all contribute towards the diverse economy that makes the region a great place to do business.

The Moreton Bay Regional Council is committed to growing employment opportunities for its residents and is equally committed to ensuring all levels of Government play their part. The Council, in responding to this Issues Paper, have indicated that a more realistic measure of employment be developed, which provides a more accurate indication of the hours a person works, rather than counting a person who may work as little as one hour per week as being employed.

If you have any further questions please contact Scott Templeman, Executive Manager Economic Development and Tourism on 3480 9944 or email scott.templeman@moretonbay.qld.gov.au

Issues for comment

- 1. How does Queensland ensure that opportunities for employment creation are maximised in existing industries?*
- 2. How can Queensland make best use of its natural resources in creating jobs for Queenslanders*
- 3. Is Queensland's science, research and technology infrastructure effectively utilised? Can it be used more effectively to enable greater employment in these fields?*
- 4. How can Queensland promote innovation in Queensland industry to create employment opportunities? How do we create jobs from public and private investment in research and development?*
- 5. How should Queensland identify new and emerging industries and support the creation of employment in new industries?*

There is a disconnect between the policy of industry development and the main demographic groups that are affected by changes in the economy. The research and experience shows that those most affected by changes in the economy are the older and very young workers that have limited skills and low education. The Government is concentrating its industry development strategies on high technical and knowledge ventures such as biotechnology, e-security and nanotechnology, which does not address the workers that are most affected.

There is a need to address the two issues, that is; the majority of affected workers and the development of new and emerging industries. The perception is that there is no industry development for the industries that are most likely to employ the majority of affected workers, while most of the resource and funding is channelled towards emerging industries that will have minimal effect on the employment numbers.

With the changing demographic and affluence of the Queensland population there is an opportunity to provide more support and assistance to some of the traditional and existing industries that will have a positive effect on the majority of affected workers. There is very little assistance available for business owners and operators in retail and yet it is the State's largest employment sector. Retail also employs a large number of younger workers and can cater for older workers as well.

Health care and social assistance is the third largest employment sector in the Queensland economy and has the potential for employing a range of workers from various education and skill backgrounds. The changing demographic would indicate that this sector could contribute more jobs in the medium to long term.

The issues concerning research and development and innovation are also relevant. For Queensland to be a competitive economy in the long-term it does need to foster and develop new and innovative industries. To create jobs from these industries will take some time and will need investment and an element of Government support to bring them to fruition.

Emerging industries need to be supported and facilitated by Government at all levels for them to develop. An element of risk is needed to be exercised by Governments to allow these industries to develop and make a return to taxpayers. The Government also needs to recognise that some emerging industries are not high tech, or knowledge industries but still will deliver a positive contribution to the economy and employment. An over-emphasis on high tech and knowledge industries may miss opportunities in traditional and existing industries; therefore a balanced approach from industry development functions of Government needs to be used.

The creation of jobs from high tech and knowledge industries will come from the successful commercialisation of innovation. There have been many examples of Australian innovation that has been commercialised by firms based in the US and Europe, such as the human papilloma virus vaccine and the black box flight recorder that were developed in Queensland. Commercialisation of innovations such as these can make a return on investment for the Government and develop an industry locally that will provide jobs for current and future Queenslanders.

To summarise this section of the submission, there is not enough focus on the industries that have the most employment in terms of numbers.

6. *How does Queensland ensure that industry is competitive in an increasingly global economy?*
7. *What are Queensland's comparative advantages and how should Queensland make best use of these advantages?*
8. *How can Queensland's industry promotion strategies best support Queensland industry to be competitive in the global marketplace?*
9. *Should industry promotion strategies be narrowly focused on a small number of particular industries or be more broadly based?*

To remain competitive in the global market Queensland should support and promote business successes. Industry has a responsibility to provide world class service to remain competitive. Assistance for smaller business to expand into the relevant export markets should continue as well as assistance and advice for industries that are expanding at a rapid pace.

The annual costs of utilities (gas, electricity and water) that service Queensland industries and businesses must be comparable to or less than the cost that is borne by similar industries in other Australian States and Territories. These are ongoing costs that can be significant for particular industries and businesses over time and if Queensland finds itself in a position where it is uncompetitive compared to other States in respect of one or more of these inputs its industries will be less competitive globally and may relocate interstate or overseas to reduce their costs if the opportunity arises.

To be effective, industry promotion needs to be supported by actions that result in a reduction in overall business costs if the outcome is to make Queensland business globally competitive. There is a real risk that best efforts in supporting industry through a host of new initiatives will deliver little if the costs borne by Queensland industry are continually above those of its competitors, whether they are interstate or overseas. The up-front costs of establishing new industries, particularly the cost of infrastructure provision and the holding costs associated with delays in securing development approvals are critical issues that need to be addressed.

Queensland's industry promotion strategies can assist industry by picking champions in industry and giving them exposure to the global marketplace. By doing this Queensland will be in the forefront of the decision makers' minds when it comes to business relationships and reputation.

Queensland is an attractive location for business. There are a number of comparative advantages that entice people to move here. Queensland should use these advantages to attract the types of businesses that can provide employment opportunities to the target areas its employment programs assist. It should also focus on new opportunities for Queensland job seekers. Queensland comparative advantages include but are not limited to:

- Being close to Asia
- A stable system of Government
- Good social and economic infrastructure
- A safe society in which to live
- Good financial institutions
- A great climate
- Available workforce
- First class education facilities, and
- Established health system

For many decades Queensland had a well deserved reputation as being a good place to do business because of its low business costs. This was a significant comparative advantage which has been eroded over time and is likely to be lost if the costs of development are not reigned in. The sprawling urban form of South East Queensland imposes high infrastructure costs on development, particularly across outer metropolitan areas. The prevailing philosophy of seeking to recoup the cost of infrastructure provision from development imposes costs on developers who have no choice to pass these onto business and industry. It is necessary to explore alternative means of funding infrastructure so as to reduce what has become a significant cost to business which undermines Queensland's comparative advantages.

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

Queensland Government has a range of programs to improve opportunities for disadvantaged groups. These programs when run well provide individuals with confidence and skills to pursue future employment. Queensland Government should continue to offer these programs to eligible organisations.

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

Full-time employment does not need to be the priority in creating employment opportunities. There is a need for employers to be more flexible in its employment arrangements. Many experienced employees are not considered for positions because they may not wish to work on a full-time basis. This can include parents of school aged children, retirees, students etc. Good work ethics and previous work and life experience from an employee who is only able /or willing to work part time may outweigh the attitude of an employee who is able to work full-time. Where there is a demand for full-time opportunities this should be met, but where a job can be done, with a little flexibility, this should also be considered.

Underemployment trends need to be researched in greater detail to indicate whether it is a growing problem or whether it is cyclical. Is underemployment a perceived issue?

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

Government should identify each region's strengths and develop policies that add value to these. Regions with higher unemployment should be targeted but only if this is equitable and competitive. Business attraction to regional areas will only be successful if there is a business case.

- 13. Do the current Queensland Government employment programs help develop individuals with the skills that employers need?*
- 14. What role do employers have in developing and enhancing the skills of their employees?*
- 15. Are these Government programs working? If not, how can the Government improve these programs or better achieve these outcomes?*

The current Queensland Government employment programs help individuals get job ready with some providing training and experience in certain industries. Skills required by employers can be broken into two categories; essential skills and job related skills. Government programs can teach the first category by providing information to individuals about the types of people employers are looking for, giving them some valuable experience in simple processes, what an employer expects but the employer has to provide the on the job training and processes relevant to that employer. Government cannot be expected to provide employees to have an understanding of each business's processes and practices. Employers have a role in developing and nurturing new employees to be able to undertake the task to the required standard of that employer.

Some programs are extremely successful. This can be dependant on the organisation running them and what exposure the participants are given to the "real world". Real life projects provide skills that are required in an employment situation and therefore provide the participants with a relevant learning journey and transferable skills. Mostly theory based programs with limited exposure to employers do not result in the same skill levels of the participants, which ultimately leads to a lower level of success of the program.

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

Further research is required to be able to respond to these questions. Narrowing the gap between labour market needs and individuals' skills may be a role of government. Any programs designed to undertake this role should be well researched and ensure that they meet the needs of the employers. The main restriction of this is that employers needs can change quicker than governments are able to respond. Any measures that are investigated need to be timely and relevant.

- 18. What skills do you believe are required currently in the Queensland economy?*
- 19. How should Queensland ensure we have the skilled workers required by industry during a period of economic upturn?*
- 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 a need for both types of training?*

Queensland should ensure that the "essential skills" training is available to all Queenslanders. This will give them the advantage when seeking employment. Training for a particular job is also important and industry research is the best way to establish what these needs are. The

Queensland Government already has access to this type of research and should use this to provide relevant training options. As previously mentioned, new training courses take years to develop and business needs can change more quickly due to external indicators.

Generic skills can be transferred across industries. If these become a standard, then the specific job/occupation training can be implemented quicker to meet the changing needs of the employers.

21. *What impact does regulation have on the creation of employment opportunities in Queensland? How will proposed regulatory reforms help to stimulate employment opportunities?*
22. *How could Queensland reduce the cost of regulation on Queensland employers?*
23. *How can Queensland be made an attractive destination for business investment?*

Any regulation has an impact on employment opportunities. The greater the extent of the regulation; the greater the impact. The cost of time and resource to undertake regulatory functions is the key factor in this. This includes all regulations, examples of which include planning regulations, Work Cover, Workplace Health and Safety,

To be effective, activities aimed at attracting investment need to be supported by actions that result in a reduction in overall business costs if the outcome is to make Queensland business globally competitive. There is a real risk that best efforts in supporting industry through a host of new initiatives will deliver little if the costs borne by Queensland industry are continually above those of its competitors, whether they are interstate or overseas. The up-front costs of establishing new industries, particularly the cost of infrastructure provision and the holding costs associated with delays in securing development approvals are critical issues that need to be addressed.

The relationship between the regulatory environment and the skills and resources possessed by regulators is a key issue that must be addressed. The boom times that were experienced over the past decade were accompanied by a critical shortage of professional workers necessary to keep the regulatory wheels turning. The impact was long delays for business navigating regulatory systems. This was a direct result of the good economic times with skilled experienced staff drifting away from the public sector to pursue more lucrative opportunities both in the private sector and overseas. The potential benefits of regulatory reform are diminished or even negated if there are too few skilled people to ensure the regulatory environment operates properly and efficiently. It is vitally important to ensure that when more prosperous times return both Local and State Government have and are able to hold onto a sufficiently large workforce of skilled professionals.

A critical cost of regulation directly relates to the time delays that business and industry experiences when navigating the regulatory environment. Whilst the new planning legislation will address some of the more serious deficiencies of the current development assessment system, to have real benefits it needs to be supported by changes to State and Local Government administrative processes and cultures together with an embracement of new technology including electronic lodgement and assessment.

Both State and Local Government also need to put more serious effort into addressing and resolving development issues when planning instruments are prepared so as to relieve business of this burden at the time of securing development approval. Where planning for an area has been undertaken properly all issues should be resolved. It is unacceptable to have a situation where development that complies with all relevant State and local planning instruments is still required to supply regulators with voluminous information on its impacts and experience delays at the time of obtaining development approval. The cost of regulation for industry will be reduced if there is a shift of this burden from the time of development assessment to that of plan making.

A combination of better and more streamlined development approval processes and better and more integrated strategic planning will be of assistance in making Queensland an attractive destination for business investment. Business is simply not attracted to an environment where regulatory decisions take a long time to be made and there is uncertainty in strategic planning such as the timing of the supply of essential infrastructure.