

Employment creation opportunities in Queensland

Submission to inquiry by Queensland Parliamentary
Economic Development Committee

Australian Industry Group

August 2009



Introduction

The Australian Industry Group (Ai Group) welcomes the opportunity to make a submission to the Economic Development Committee's Inquiry into Employment Creation Opportunities in Queensland.

Ai Group is one of Australia's leading industry associations, representing over 10,000 employers nationwide across a broad group of sectors, including manufacturing, construction, engineering, transportation, environmental services, ICT, electrical and electronics, labour hire and other sectors.

We have a particular interest in relation to issues about employment generation, and consult regularly with our members on what opportunities there exists for employment generation in the state.

Ai Group is also active in a number of key Queensland Government strategies to tackle unemployment – for example, Ai Group sits on the Premier's Employment Taskforce, and (along with QMI Solutions) is a foundation partner for the delivery of the Government's *Toward Q2: Tomorrow's Queensland* economic objectives.

Outlined below are our responses to the specific questions posed by the Committee. It is important to note that our submission represents a brief response to each of the questions in the Committee's issues paper, and we would welcome the opportunity to further elaborate on these points at a further opportunity.

1. Overall comments

The most critical strategy that state governments should adopt in generating employment opportunities relates to the overall settings put in place to **generate and sustain economic growth**, throughout all parts of the state.

For a state government, this includes strategies in the following areas:

- A competitive **tax and regulatory environment** for industry that encourages investment
- Investment in **education and training**, to improve the skills base upon which industry relies
- A **modern infrastructure framework**, particularly in areas such as freight, transport, broadband and energy, that allows goods and services to be produced and transported in the most efficient manner possible
- Fostering attention and support for **industries of strategic importance** for Queensland, through targeting of incentives, export advice, collaboration etc.
- **Investing in networks and services** that encourage Queensland businesses to collaborate, innovate and benchmark themselves against world's best practice
- **Modernising government** to ensure an efficient and effective public service which responds to industry and community needs, and promotes relevant public investment whilst maintaining a sound fiscal outlook.
- **Support local industry capability and involvement** in government purchasing and projects

Queensland's traditional and emerging economic strengths

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

As outlined above, the best way to ensure that employment opportunities are maximised in existing industries is to do as much as possible to foster general economic growth and supportive business conditions.

In the current difficult economic environment, this is of particular importance.

It is also vital that Queensland maintains the commitment to the infrastructure program, underlined by engagement with local industry. Maintaining this commitment is not only important for maintaining levels of economic activity and employment, but also to build the future capacity of the Queensland economy. This commitment should also be matched by a commitment to involve local firms, as much as possible, in the delivery of the projects.

There are a number of mechanisms available to the Queensland Government to ensure greater local industry participation in the major infrastructure programs that are currently afoot. This includes investment in the Industry Capability Network.

It is also vital that there needs to be a **positive approach to globalisation**, and the need to adopt an outlook that seeks to ensure Queensland responds dynamically to global demand.

Finally, support and advice which encourages businesses to innovate in products, processes and practices is also critical.

Factors influencing business success

In late March 2009, Ai Group undertook a survey of its Queensland members to identify what were the most likely positive and negative factors likely to impact on their business over the next 12 months¹. Results from this survey are outlined below, and indicates the role of government policy in supporting (or negating) industry success, and consequently generate employment.

For Queensland, the results highlight the important role of areas such as infrastructure spending in helping support industry during the current downturn. Conversely, the results also show the significantly negative impact generated from low consumer confidence, and government regulation.

¹ Ai Group *Industry Snapshot: industry success over the coming year: what does business say about the likely help and hindrances over the coming 12 months* (May 2009)

Figure 1: What are the most likely positive factors likely to impact on your business outlook over the next 12 months?

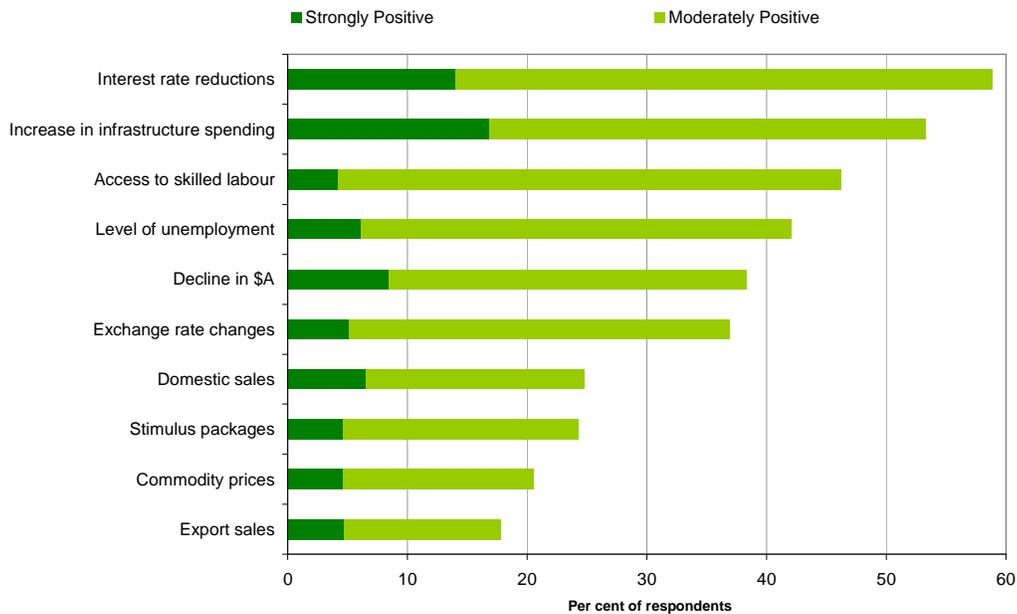
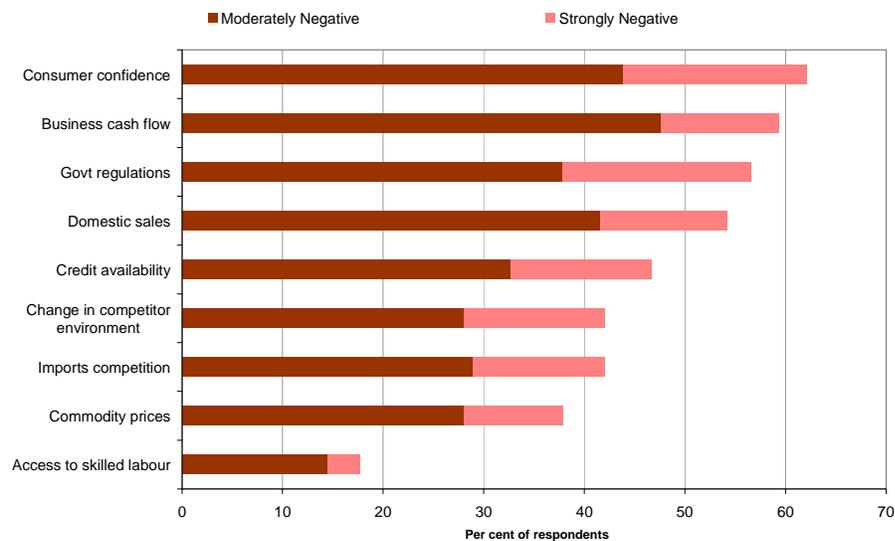


Figure 2: What are the most likely negative factors likely to impact on your business outlook over the next 12 months?



Infrastructure

As outlined above, infrastructure spending is an important component of Queensland's strategy in relation to employment.

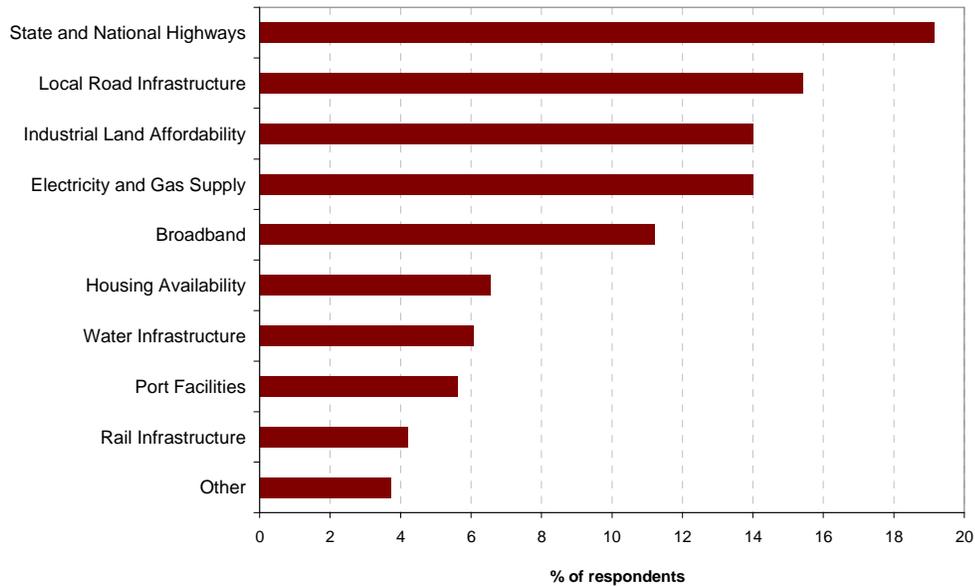
Outlined below are results from the same survey of Ai Group members, undertaken in late March 2009², which sought respondents' views about where the infrastructure spending

² Ai Group *Infrastructure Issues in Queensland (May 2009)*

should be targeted. As indicated below, respondents believed that the most critical areas of infrastructure spending were in relation to state and national highways, local road infrastructure, industrial land and electricity and gas supply.

Also, it is also to look at new approaches to the use of infrastructure which allows for a “smarter” use of existing infrastructure – for example, smart technology to better manage traffic flows on existing roads.

Figure 3. What is the most important infrastructure issue for your business growth?



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

Queensland’s natural resources have played a vital role in growing the state’s economy, and providing great employment opportunities for millions of Queenslanders, throughout the state’s history. This is evident in areas such as mining, agriculture and tourism.

There needs to be a review of how Queensland can better exploit the potential of its natural resources, including what is traditionally defined as Queensland’s “natural resources” in developing the State’s economic potential.

For example, this can be seen in the following areas (to name but a few):

- *Water Management* – South-East Queensland’s recent experience in dealing with the twin challenges of drought and enormous population growth can be exploited in helping other countries deal with these issues.
- *Mining Services* – Queensland’s resources industry has spawned a thriving sector in manufacturing, engineering and construction. Companies in this sector have been successful not only in Australia, but are world leading.
- *Tropical Health Expertise* – Queensland (and Australia) is one of the only developed countries in the world which is based in the tropics. Queensland can better export the expertise it has gained in developing its expertise in tropical health measures in developing countries in the Asia Pacific.

- *Education Services* Education is now one of Queensland's leading export industries, and has a number of positive spill-over benefits to industry and the community.

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

Much more can be done to maximise, and grow, Queensland's science, research and technology infrastructure.

The Queensland Government has made significant investment into such infrastructure over recent years. However, much more can be done to integrate this investment into industry. There needs to be much greater collaboration between industry and the university sector.

More needs to be done to foster a greater take-up of science, technology, engineering and mathematics (STEM) areas at school.

Furthermore, greater attention needs to be focused on **leveraging Commonwealth Government programs** on science and technology to bring about the most positive benefits for Queensland's economy. There are a range of initiatives at the Commonwealth level directed towards science and technology, and the Queensland Government needs to work closely with the Commonwealth Government in this area.

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?*

In the past ten years there has been considerable progress in Queensland on innovation. According to ABS data, more than 40 per cent of Queensland business innovated in the financial year of 2006-07³. Whilst this is more than all other States and Territories, it still lags many countries, such as Germany and Denmark.

If there are any flaws in the current approach it is that it is too disaggregated and overly focussed on the tertiary sector leading and industry following. The model needs to be turned on its head. Industry needs to drive the process with the tertiary sector acting as chief navigator.

Consideration could be given to the Queensland Government taking stock of all of its innovation-related programs, and considering the establishment of a more united front on innovation. One model could be the establishment of a single body funded by government but run outside of its confines that is charged with the single minded task of improving innovation at all levels, from start up to operational.

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

Greater focus also needs to be given on the industries which will make Queensland truly great.

While the identification of 15 priority industries for the State in 2007 gave greater focus to Government policy that had previously been the case, there is risk that the "net" is too broad, and that the number of priority industries should be reduced, so that there is a greater focus on a smaller number of industry sectors.

A possible approach could involve:

³ ABS *Innovation in Australian Business 2006/07* (August 2008) (Cat 8158.0)

- 1) A stocktake of the Queensland's current competitive advantages, undertaken by leading economists, together with advice from Queensland business leaders.
- 2) A high-level analysis of future international economic trends, and a matching of how Queensland's competitive advantages can be exploited in relation to these trends.
- 3) From this analysis, identifying a small number of industry sectors central to the exploitation of these trends.
- 4) Assembling a series of policy initiatives/incentives that facilitates growth in these industries.

Support for Industry

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

There are various ways that Queensland can ensure that our industry is competitive in an increasingly global economy. This includes:

- Supporting innovation and collaboration between enterprises, schools and universities
- Greater investment into industry networks such as the Industry Capability Network
- Continued focus on raising the qualifications profile of the Queensland workforce – this includes a focus on developing the skills of the Queensland population, but also supporting targeted skilled migration activities to meet skill shortage needs, and to also “bring the best and brightest to Queensland”.
- Inward investment attraction strategies
- Modern infrastructure, with a particular focus on transport, freight, energy and ICT infrastructure
- Playing a proactive, cooperative role in the review of Australia's federal system of government (eg through the Henry Tax review, COAG reforms etc)

The State also needs to better draw on the innovative, pioneering approach of Queensland businesses – across industry sectors and across Queensland regions – in building our economic strength.

The State needs to increase grass-roots support for businesses managing tough times but also continue to stimulate innovation and productivity across Queensland.

Funding to help business undertake activities such as market diversification, training and skills development, and research & development is well advised.

Greater business innovation and productivity is a critical ingredient in supporting long term economic growth for the state. In the past decade Queensland has made considerable progress on the innovation agenda. More than 40 per cent of Queensland businesses innovated in 2006-07, putting the State at the head of the nation, but still lagging many countries across the globe.

We need to look to better in applying Government funding in research and development, especially in the area of commercialisation, and focus on creating a true partnership between universities and industry.

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

Queensland's comparative advantages have changed in recent years. Previously they were heavily based on our natural resources. Whilst this undoubtedly remains the case for much of the state's economy, the changes in Queensland's population and industry structure in recent years has altered what Queensland's competitive advantages truly are.

For example, over the past 20-30 years, there has been considerable interstate and international migration to Queensland. Whilst this population growth has obviously created "growing pains" for Queensland, it has also changed the profile of Queensland's population – to be more highly skilled, outwardly focused population that is better able to exploit economic opportunities, and draw better upon other competitive advantages for the state.

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

Queensland's industry promotion strategies should be focused on supporting Queensland companies to be productive, innovative and competitive, drawing from a skilled-population, and being the best in the world in the products and services they deliver.

Under such an approach, the Queensland Government would play an important role in:

- Disseminating information about markets, best practice, business advice to Queensland businesses.
- Providing advice to Queensland companies about how to break into **overseas markets** (such as through Trade Offices)
- Investing in **skills development**, particularly in priority industry sectors and targeted skills areas
- **Tightly targeted industry incentives**, focused squarely on priority industry sectors on activities.
- Disseminating and communicating information to major companies and government agencies on **local industry capability**

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

There needs to be a tiered approach to industry promotion strategies.

At a broad level, there needs to be a broad-based approach to supporting business competitiveness, such as through a streamlined regulatory system, a competitive tax environment, and modern infrastructure.

At a more specific level, there is a strong case for targeted industry promotion strategies in a small number of industry sectors. As mentioned above, industry promotion strategies in Queensland currently cover a broad range of industry sectors – we believe there is a case to review these sectors, and to narrow them down to a much smaller number of industries or capabilities.

Unemployment in Queensland

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

Whilst strategies that foster economic growth in the state are the most important in encouraging employment growth (including those in disadvantaged groups), there is a need for targeted initiatives, at both a state and federal level, to ensure that the benefits of economic growth are enjoyed by all Queenslanders.

State Governments have a range of strategies at their disposal to improve employment opportunities for groups of disadvantaged workers. These include strategies such as wage incentives, payroll tax concessions, direct employment, marketing campaigns, requirements for government funded contracts, to name but a few.

However, careful consideration needs to be undertaken prior to the selection of such policies to ensure they have the desired effect, and to ensure there are no unintended consequences. It is also important to recognise that “disadvantage” is sometimes more complex than a simple membership of a particular population group.

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

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

Whilst full-time employment is an important goal, it also needs to be recognised that there are major advantages in having a more flexible labour force that can adjust to changing demands and needs of the economy. Many employees also prefer part-time or casual employment, and casual and part-time employment also plays an important role in many sectors of the economy, such as retail and hospitality.

A flexible labour force is also important for periods of an economic downturn. The recent ability of the Australian economy to better navigate the global economic and financial crisis than other countries (in terms of unemployment levels) is arguably partially due the fact that many Australian workers were able to remain employed, though at reduced levels (eg four day weeks).

The government should also work with regions to ensure that the correct policies and infrastructure are in place to maximise the competitive advantages of particular regions, and ensure there is a coordinated approach to planning and government services.

Government role in job creation

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?

Queensland Government labour market programs (such as through Skilling Queenslanders For Work) play an important role in complementing Commonwealth Government programs in helping individuals with the skills that employers need.

Along with Government and individuals, employers play a fundamental role in developing and enhancing the skills of their employees.

Employers are increasingly recognising that the skills-base of their workforce is one of the most critical variables to their business success. This was particularly highlighted in the recent period

of economic success where skill shortages were the most significant factor holding back business success.

More employers are also recognising that an increased skills base is also important for not only their own enterprise, but is beneficial for their industry sector and the state's economy as a whole.

Specifically, employers have an important role in encouraging individuals to take on skill development opportunities, working with training providers and other bodies on skill development needs, and where possible, allowing employees to take time off for skills development

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

Ai Group is not in a position to comment on whether all the government employment programs are working to the desired extent. However, there should always be a continued process of review and evaluation of such government programs to ensure they are a worthwhile investment.

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?

As outlined earlier, the most important thing that State Governments can do to stimulate employment is to do everything it can to foster and support economic growth.

In particular, state governments play an important role in supporting a competitive tax and regulatory environment for industry that encourages industry investment, investment in education and training, a modern infrastructure framework, fostering attention and support for industries of strategic importance for Queensland, and investing in networks and services that encourage Queensland businesses to collaborate, innovate and benchmark themselves.

Skills requirements for the Queensland economy

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

Over late 2008 and early 2009 Ai Group surveyed companies⁴ to gauge their reaction to the global financial crisis, particularly in terms of the impact of the global downturn on the skilling intentions for 2009. Two hundred and fifty companies responded to the survey: manufacturing sector 66.1%; services sector 12.4%; construction sector 9.2%; and 'others' 12.4%. These companies together accounted for an annual turnover of \$21.1 billion and a combined workforce of over 48,000. Whilst this was a national survey, the results can be applied to Queensland.

Skill Shortages

Skill shortages have been a major issue for companies in recent years. For 2008, 62.6% of companies indicated that they experienced skill shortages while 38.8% of companies did not. The impact of the economic downturn has essentially reversed this situation. For 2009, 25.7% of companies expect skill shortages and 62.7% do not.

⁴ Ai Group, unpublished data, January 2009

Those companies that experienced skills shortages in 2008 and those companies that expected to face skills shortages in 2009 were asked to nominate which occupations were expected to be in shortage.

For both 2008 and 2009 the largest occupation area identified for skill shortages was **technicians and trade workers**. This was 55.2% in 2008 and increased to 66.1% in 2009 indicating that where there are skills shortages they will continue to be experienced most acutely in the trades.

Of those companies in the manufacturing sector expecting skills shortages, **89.2% expect those shortages to be in the trades and technicians occupations**. This is the highest response rate for any occupation group across all of the sectors.

Drilling down to just look at metals manufacturers; 23.8% of metals manufacturers are anticipating skills shortages in 2009 and of those 86.7% expect these shortages to be in the trades and technicians occupations.

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

In previous downturns, training and capability development budgets are often reduced as businesses pay less attention to longer-term priorities in order to concentrate on more immediate concerns. Ai Group proposes increasing momentum on improving skilling opportunities so that unemployed people and existing workers are able to improve their skills during the downturn.

Areas of attention could include the following:

- Increasing commencement incentives for apprentices and trainees in traditional trade areas.
- Supporting Group Training Companies to take up all eligible 'out-of trade' traditional apprentices to support and case manage job rotation, accelerated training and work placement
- Measures in support of young people at risk of not completing year 12 or equivalent training qualifications

There also needs to be recognition that **skilled migration** needs to remain a core strategy for the Queensland Government to meet future skill needs. The number of infrastructure and energy related projects in the pipeline (for example, those related to the Surat Basin or LNG projects) will mean there will be an enormous need for skilled workers, and in many cases, skilled migration programs will be the only way to meet those skill needs in the short and medium term.

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?

There is a strong argument for the development of generic skills that can be used across a range of jobs or industries.

The development of skills are not only important in helping employees adjust to changing circumstances or changing needs, but also as a foundation for encouraging workplace innovation.

Generic skills are increasingly recognised as central to enabling innovative capabilities in all workers. This still recognises that science, engineering and technology skills are needed to contribute to R&D in companies, and other specialist skills, such as business and financial management, ICT and customer service skills are vital.

Whilst problem-solving skills are regarded as the most important for innovation, communication skills are considered to be the soft skills most lacking in organisations.

For example, a survey undertaken by Ai Group and Deloitte in April 2008⁵ identified that over half (53.5%) of firms believe that **communication skills** are considered the soft skill most lacking.

The survey also showed that nearly half of the firms (47.2%) indicated they lacked skill in **adapting to change**. Just over 30% of respondents cited shortages in **teamwork** and **problem-solving skills** (33.3% and 31.5% respectively). See below.

⁵ Ai Group and Deloitte *Skilling for Innovation* April 2008

Figure 4: Importance of Generic Skills for Innovation

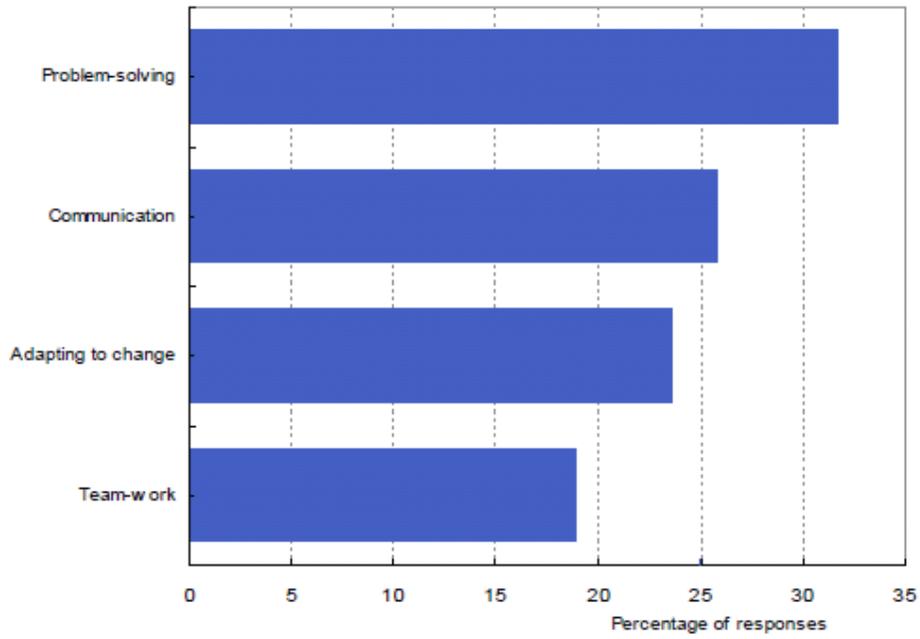
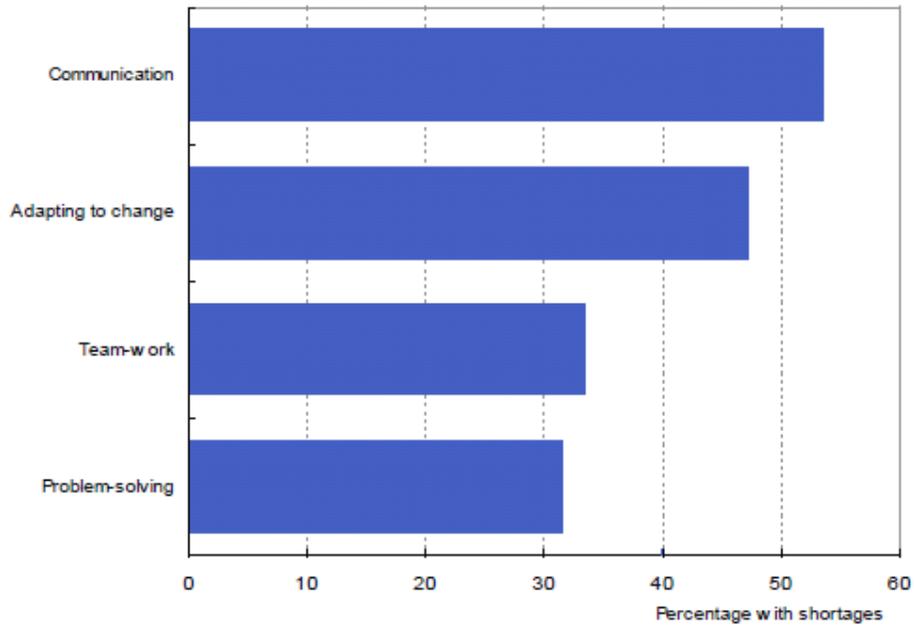


Figure 5: Shortages of skills for innovation



Interaction between regulation and economic growth and recovery

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

Poorly designed and poorly managed regulation imposes a significant inhibitor to employment opportunities in Queensland.

Government plays a legitimate role in business regulation. However, whilst industry does not dispute this role, it believes government can do much better in how it regulates.

Poor regulation inhibits business activity. It stifles innovation, reduces productivity and adds extra costs to firms doing business. As a result, it inhibits the ability of a business to grow, and consequently to grow employment.

Whilst some progress has been made in attempting to simplify government regulation, more can be done.

It also involves working in partnership with the Federal Government and other States to combat the difficult and uncertain economic situation, and to reduce administrative overlap between levels of government and across different states

An Ai Group survey on regulation in late March 2009⁶ identified that:

- The manufacturing, construction and related sectors spend a significant amount on managing government compliance, regulatory and taxation obligations. The majority of companies (69.5%) spend between 0.1% and 2.0% of their total sales revenue in managing government compliance activities imposed by Federal, State and Local authorities. Just over 6% spent greater than 5% of their total sales revenue on managing compliance activities. Almost 45% of companies spent more than 1% of their total sales revenue on compliance activities. Based on total ABS sales data for the manufacturing and construction sectors, this amounts to \$3.4 billion spent on compliance activities in these two sectors alone in 2007/08.
- These costs have increased over the past three years. In the past three years there has been a significant perceived increase in the cost of compliance for Australian industry. Overall, almost 7 in 10 respondents cited increased cost of compliance in this time period, and only just over one percent (1.1%) noted a decrease in compliance costs. Meanwhile, less than 1 in 4 (22.7%) believed their regulatory burden had remained more or less static over this time period.
- Occupational health and safety is the standout regulatory issue for firms in the sectors surveyed – both in terms of (a) the costs of managing such regulation and (b) the area that most businesses would prefer simplification. The main regulatory and compliance costs are in relation to occupational health and safety and taxation. Almost half of all businesses (47.2%) said they allocate most of their compliance resources to managing occupational health and safety obligations. Taxation obligations were the next high level of resource allocation (21.4% - GST, 10.7% company tax and 5.3% payroll tax). Large businesses were more likely to nominate OH&S issues as being the most resource intensive, with micro-businesses more likely to nominate GST issues as being the most significant.

⁶ Ai Group *Industry Snapshot: Untangling Red Tape: industry's views on compliance, regulation and taxation issues in 2009* (May 2009)
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Governments at all levels to be cognisant of such costs when introducing or amending government regulations which may add to cost pressures for industry – particularly during the current difficult economic period.

Figure 6: Have your government compliance costs increased, decreased or remained the same over the past three years?

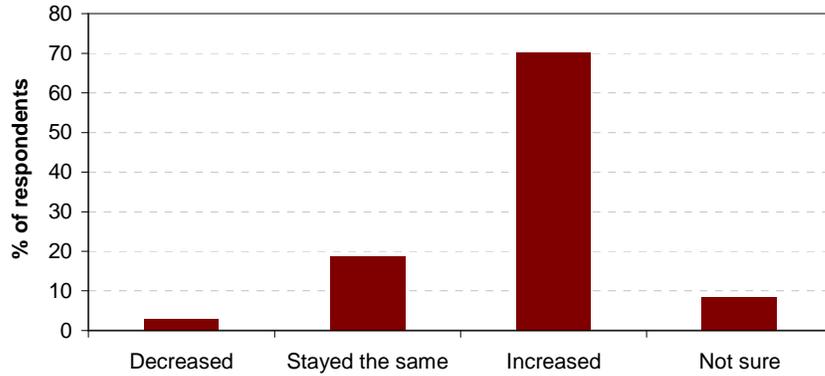


Figure 7: Rank the areas of government compliance for which you allocate most of your resources (ranking 1)

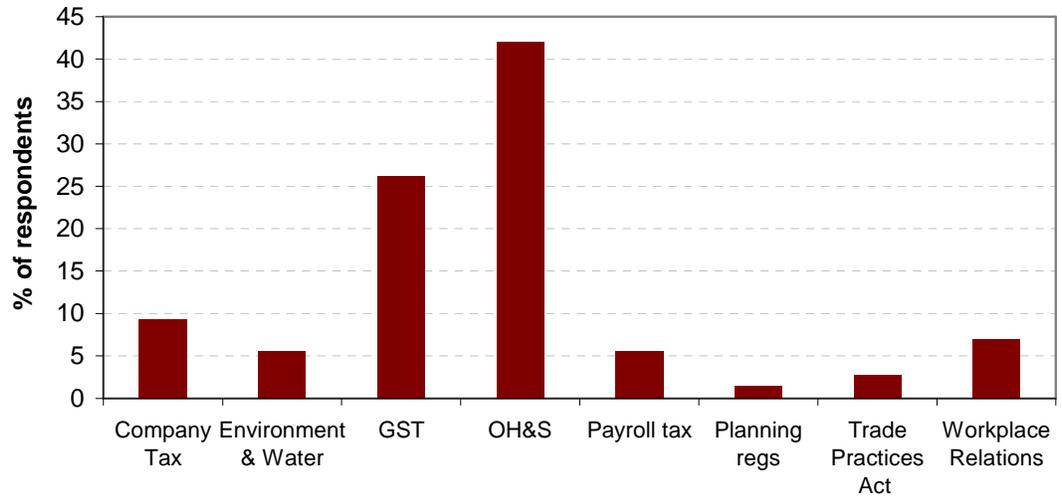
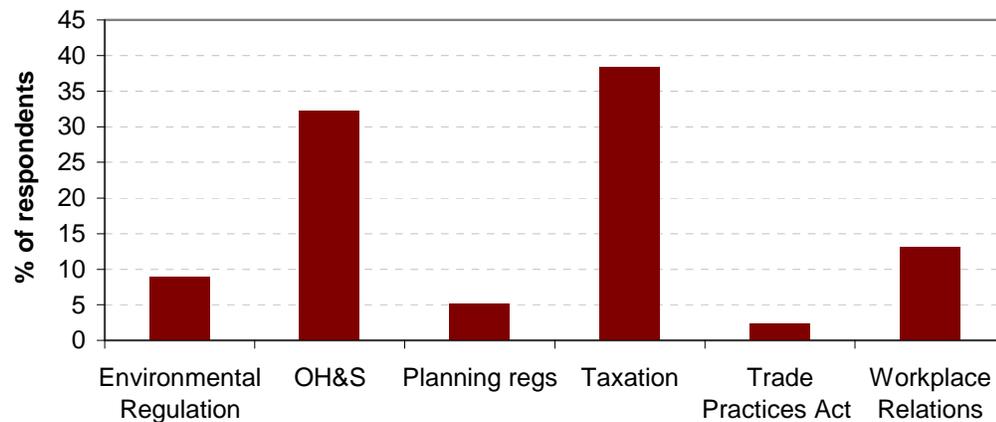


Figure 8: Most preferred areas of simplification.



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

In recent years, the Queensland (and Australian) Governments have put in place a number of strategies to reduce the regulatory requirements for industry. Whilst these reforms are heading in the right direction, more needs to be done. For example, greater attention can be given to the following:

- Continue work with other States and Territories towards **national harmonisation** of regulation in areas such as workplace health and safety and environmental regulation
- Focus on **specific areas of regulatory requirements** (eg frequency of reporting requirements, quality of regulatory officials' advice, fact-sheets on regulation) to see where improvements can be made, whilst retaining the overall aim of the regulation.
- Utilise the **networks provided by industry associations** in communicating changes on regulation, as well as drawing feedback.
- **Integrate reporting requirements and ensuring consistent terminology** as much as possible across various agencies.
- Improve the **quality, training and skills of compliance officers** to support their work in providing quality advice (and support) to licensees.
- **Be vigilant** in questioning the merit of new regulations, and constantly assessing whether other policy instruments can achieve the same ends.
- Introduce a **“one-stop-shop” approach** as much as possible on industry regulation in areas such as environmental and workplace health and safety regulation to ensure companies are not having to always deal with a multitude of regulations, government agencies, staff etc on similar areas of regulation.

The Queensland Government has recently made positive steps towards reducing the regulatory burden for Queensland industry. For example, the announcement in August 2009 that there will be a streamlining of reporting requirements in the energy and environment area was very

encouraging. The Queensland Government has also recently announced a commitment to work closely with organisations such as Ai Group to identify specific areas of compliance or regulatory activity that could be reduced or streamlined.

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

Queensland can be made an attractive business destination for business investment by focusing on the areas outlined at the beginning of our submission. This includes:

- A competitive **tax and regulatory environment** for industry that encourages investment
- Investment in **education and training**, to improve the skills base upon which industry relies
- A **modern infrastructure framework**, particularly in areas such as freight, transport, broadband and energy, that allows goods and services to be produced and transported in the most efficient manner possible
- Fostering attention and support for **industries of strategic importance** for Queensland, through targeting of incentives, export advice, collaboration etc.
- **Investing in networks and services** that encourage Queensland businesses to collaborate, innovate and benchmark themselves against world's best practice
- **Modernising government** to ensure an efficient and effective public service which responds to industry and community needs, and promotes relevant public investment whilst maintaining a sound fiscal outlook.
- **Support local industry capability and involvement** in government purchasing and projects

There is also a strong case for increased inward investment strategies by the Queensland Government, through organisations such as Invest Queensland.

In relation to costs for doing business, despite Queensland's relative competitiveness in relation to areas such as business taxation and workers compensation premiums, it is losing its competitiveness in other areas. This is outlined in the table below:

Taxes and incentives on employment	Lowest payroll tax and thresholds Low Workers Compensation Premiums
Energy costs	Increased significantly Lack of competition in some aspects of energy markets
Land costs	Industrial land more expensive in SEQ than most parts of Sydney and Melbourne
Freight and transport costs	Removal of fuel subsidy (estimated to cost industry about \$250 million per annum) Greater dissatisfaction reported with freight and transport networks in Queensland compared with other states
Housing	Median House Price Brisbane (Sept 2008) - \$410,000 For Sydney – \$480,000, Melbourne - \$385,000
Government fees and charges	Variable Big increase in Environmental License Fees in 2009
Regulatory environment	Comparatively better in many areas, but some areas need greater work

Specific example - Industrial Land Affordability

The relative costs of industrial land, to rent or purchase, has been increasing significantly in Queensland, and is comparatively more expensive than other states, or countries.

For example, in South East Queensland (according to research undertaken on behalf of the Property Council of Australia by Jones Lang LaSalle), industrial land prices increased massively between 2003 and 2007.

For instance, the price of land in Brisbane's northern Geebung region increased by 189% - from \$146/sqm in 2003 to \$420/sqm in 2007. In Acacia Ridge and the Northern Bank of the Australia Trade Coast, prices had increased by 167 per cent and 182 per cent respectively.

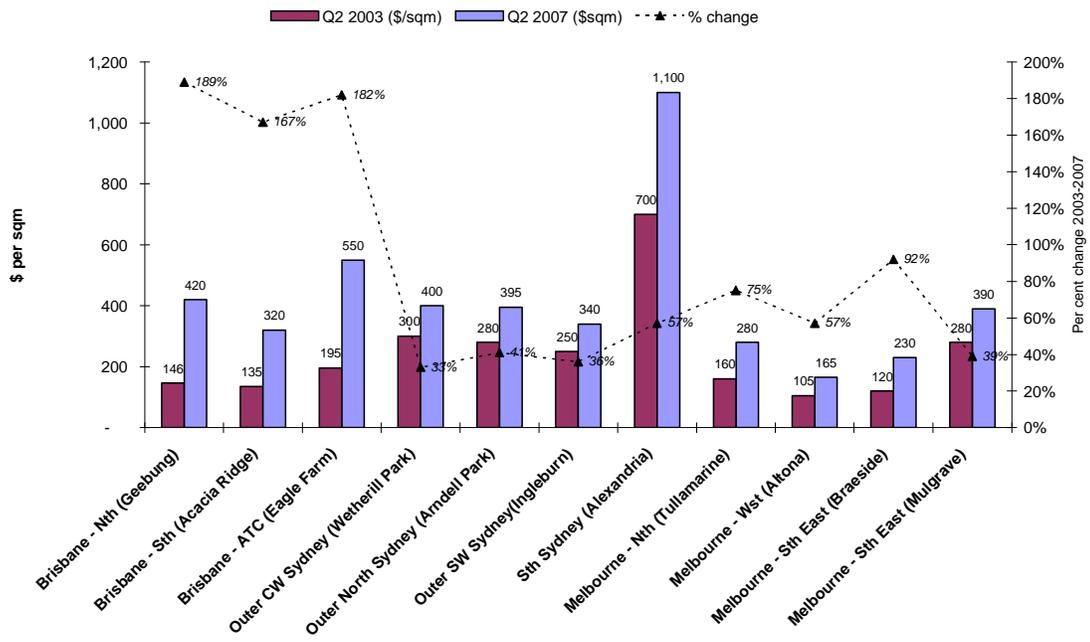
This compares to Sydney and Melbourne, where, on average, prices have risen 41 and 62 per cent during the same period. This is highlighted in Figure 9 below.

It should be noted that the Queensland Government has recently put in place a number of strategies that will help in improving this situation (such as the introduction of an industrial land monitoring strategy and the development of new planning legislation).

Further information

For any queries on this submission, please contact Aaron Johnstone, Policy and Public Affairs Manager, Australian Industry Group on 3244 1767 or email aaron.johnstone@aigroup.asn.au

Figure 9: National Industrial Land Values: 2003 and 2007



Source: Jones Lang LaSalle (November 2007)