



Speech by

Hon. Desley Boyle

MEMBER FOR CAIRNS

Hansard Wednesday, 10 October 2007

MINISTERIAL STATEMENT

Business and Industry Transformation Incentives

Hon. D BOYLE (Cairns—ALP) (Minister for Tourism, Regional Development and Industry) (10.19 am): Today I am pleased to announce a new financial incentives scheme that will help drive the future growth of Queensland. Business and Industry Transformation Incentives will replace a number of existing business grants, including the Queensland Industry Development Scheme, known as QIDS. These new incentives will target small to medium enterprises operating within Queensland's priority industry sectors. They will be geared towards funding projects that have the potential to be transformational. That means projects that assist the business receiving the incentive to grow in size or diversity. Preferred projects may also have a flow-on or spill-over impact on other businesses. For example, a fruit processing company may introduce technology that helps sort fruit faster and with better accuracy. Consequently, handling and packaging times would be reduced. The fruit supplier would benefit through getting more accurate feedback on the quality and mix of their product. At the same time the retailer may benefit through receiving consistency in the quality of the product.

Projects that build strength in regional industries, lead to greater innovation, productivity and exports or raise the competitiveness of an industry will be considered transformative. With regard to this new scheme, business has been consulted. In fact, throughout the reform process the new BITI guidelines have been endorsed by an advisory group of business and industry leaders chaired by Dr David Watson. The minimum incentive under the new scheme is lifted from \$5,000 to \$30,000 and the maximum from \$50,000 to \$250,000. However, just because we are lifting the amount available does not change our focus. It is still on small to medium enterprises. That has already been happening. Over the past three years nearly 90 per cent of firms that received a QIDS grant larger than \$30,000 were small to medium enterprises.

Another difference with these new grants is the use of funding rounds to boost competition and ensure greater returns for Queensland taxpayers. A pilot round for BITI is now open and will close in early November. We expect to be able to announce some transformational projects by the end of this year. There will be up to five rounds scheduled for 2008. I encourage interested businesses to contact their local state development centre.