Economic Development Committee
Issues Paper No. 1 - July 2009

Inquiry into identifying world's best practice by governments to effectively stimulate employment opportunities in Queensland

1.0 Aim of this paper

After record low unemployment over recent years, Queensland, along with other developed economies, now faces rising unemployment with the onset of the global financial crisis. The Economic Development Committee ("the committee") has been asked by the Queensland Parliament to report on what government should be doing to create employment opportunities and ensure Queensland is well positioned for the inevitable economic upturn.

The committee has published this paper to stimulate debate and invite interested groups and individuals to make public submissions to this inquiry. Issues raised within this paper do not restrict the scope of submissions. Groups and individuals making submissions may comment on any matter they consider relevant to the inquiry.

2.0 The Economic Development Committee

The Economic Development Committee is a select committee of the 53rd Queensland Parliament established by motion of the House on 23 April 2009. The role of this committee is to monitor and report on issues in the policy areas of employment, infrastructure, transport, trade, industry development, agriculture and tourism.

3.0 Inquiry terms of reference

When the Queensland Parliament established the Economic Development Committee, it also referred an inquiry to the committee. The House requires that the Economic Development Committee identify world's best practice by governments to effectively stimulate employment opportunities to ensure that Queensland is well positioned to create employment opportunities in readiness for an economic upturn.

In undertaking this inquiry, consideration should be given to established and new and emerging industries, and specifically:

(a) Queensland's significant science, research and technology infrastructure

(b) Queensland's natural resources

(c) Areas in which Queensland has a demonstrated comparative advantage

(d) The current and future skills requirements of the Queensland economy

(e) The impact of regulation on economic growth and recovery.

The committee is to report to the Legislative Assembly by 30 October 2009.

As a committee of the Queensland Parliament, the committee will be limiting its consideration to those matters that are within the scope of Queensland Government.

4.0 Inquiry timeline

Call for submissions	July 2009
Submissions close	Friday, 7 August 2009
Public hearing	September 2009
Report to Parliament	October 2009

5.0 Queensland's economic growth

Queensland has recently had a long period of strong growth, low unemployment, skills shortages and strong productivity.[1] However, growth is now slowing, skills shortages are easing and unemployment is increasing. The growth of gross state product has fallen dramatically. Gross state product for the 12 months ending December 2007 grew by 7.1 per cent[2] compared to 0.8 per cent for the 12 months ending December 2008.[3] Unemployment in Queensland reached 4.9 per cent in April 2009, which is the highest trend unemployment rate since January 2006.[4] Unemployment is predicted to reach 6.5 per cent in 2009-10 and 7.25 per cent through most of 2010-11.[5]

6.0 Queensland's traditional and emerging economic strengths

Currently, the construction, manufacturing, retail and health sectors employ significant numbers of individuals within Queensland.[6] As shown in Figure 1, these industries, along with the agriculture and the accommodation/food services industries, within Queensland contribute more than 1.16 million jobs in the Queensland economy.

Queensland's economic strengths have traditionally been in those areas that capitalise on Queensland's natural resources. Agriculture, mining and tourism are the industries in which Queensland has a comparative advantage.[7] Agriculture and mining are particularly important industries for regional Queensland as nearly 80 per cent of the workers in these industries are employed outside south-east Queensland.[8] Opportunities for industry development in

1 Queensland Government, *State Budget 2008-09 Budget Highlights*, Queensland Government, Brisbane, 2008, p. 12.

2 Office of Economic and Statistical Research, *Queensland State Accounts*: *December Quarter 2007*, Queensland Treasury, Brisbane, 2008, p. 1, downloaded from www.oesr.qld.gov.au on 18 June 2009.

3 Office of Economic and Statistical Research, *Queensland State Accounts: December Quarter 2008*, Queensland Treasury, Brisbane, 2009, p. 1, downloaded from www.oesr.qld.gov.au on 18 June 2009.

4 Office of Economic and Statistical Research, *Queensland Economic Review*, Queensland Government, Brisbane, May 2009, p. 4, downloaded from www.oesr.qld.gov.au on 18 June 2009.

5 Queensland Government, *State Budget 2009-10 Budget Speech*, Queensland Government, Brisbane, 2009, p. 2.

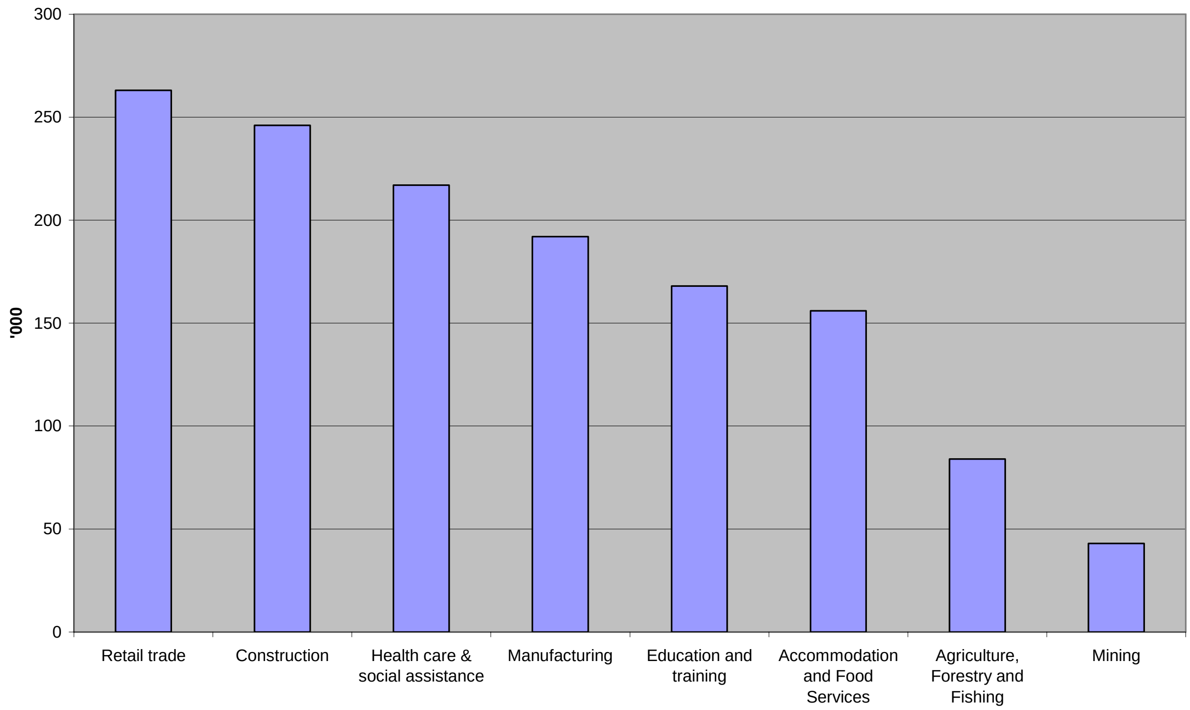
6 Australian Bureau of Statistics, *Labour Force, Australia, Detailed Quarterly, February 2009*, No. 6291.0.55.003, Australian Bureau of Statistics, Canberra, 2009, downloaded from www.abs.gov.au on 13 May 2009.

7 Queensland Government, *Smart Industry Policy and Decision Making Framework*, Queensland Government, Brisbane, nd, downloaded from www.industry.qld.gov.au on 19 June 2009.

8 Department of Tourism, Regional Development and Industry, Annual Report 2007-08, Queensland Government, Brisbane, 2008, p. 15.

Queensland include the promotion of new and emerging industries, as well as innovating existing industries to become more competitive.

Figure 1: Employed Persons by Certain Industries, Queensland - February 2009



Source: Adapted from Australian Government, *Employment by Industry Ranked*, Australian Government, Canberra, February 2009, downloaded from www.workplace.gov.au on 18 June 2009.

Queensland can grow emerging industries, such as biotechnology, e-security and nanotechnology. The Queensland Government has been encouraging diversification from Queensland's traditional economic areas into aviation, health and education services, science, medical research and technology.[9] This government focus on diversification into knowledge-based industries appears to be continuing. Under the *Toward Q2: Tomorrow's Queensland* policy, the Queensland Government has a target of increasing by 50 per cent the number of Queensland businesses that are undertaking research and development or innovation.[10]

Queensland can also make its existing industries, such as mining or agriculture, more competitive through research and innovation adoption.[11] Government has an important role to play in the innovation process by helping to create the conditions that encourage businesses to innovate. This can include investing in education, research and infrastructure, maintaining an operating environment that encourages business investment and emphasising open competition and the free flow of product, people and ideas.[12]

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[9] Queensland Government, *Strong Queensland*, Queensland Government, Brisbane, 2009, downloaded from www.thepremier.qld.gov.au on 13 May 2009.

[10] Queensland Government, *Toward Q2: Tomorrow's Queensland*, Queensland Government, Brisbane, 2008, downloaded from www.towardq2.qld.gov.au on 1 June 2009.

[11] P Andrews, *Queensland Science: Building a Smarter Future*, Queensland Government, Brisbane, nd, pp. 11-12.

[12] Australian Government, *Powering Ideas: An Innovation Agenda for the 21st Century*, Australian Government, Canberra, 2009, p. 18.

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?

6.1 Creating Employment Opportunities in a Global Trading Environment

Within 2007-08, Queensland was responsible for 19 per cent, or $44.1 billion, of Australia's exports.[13] Queensland was the third highest exporting state within Australia after Western Australia and New South Wales.[14]

Exports are increasingly important for the Queensland economy with approximately one in five jobs export related across Queensland. Within regional Queensland, one in four jobs is export related.[15] However, many of Queensland's major trading partners, such as South Korea, Taiwan, United States, United Kingdom, Netherlands and Brazil, are now in recession. Queensland's major trading partner, Japan, has had four consecutive quarters of negative growth.[16]

Figure 2 shows Queensland's exports by broad sector. Queensland has several large export industries demonstrating Queensland's comparative advantage in these fields. The major goods exports from Queensland in 2007–08 were coal ($13.1 billion), beef ($2.7 billion), other ore and concentrates (mainly zinc ores and concentrates - $1.8 billion), copper ($1.3 billion) and aluminium ($1.3 billion).[17] The major service exports from Queensland in 2007-08 were transportation services ($1.9 billion), travel services ($5.7 billion) and other services ($1.2 billion).[18] Queensland is one of the fastest growing exporters of knowledge-intensive goods and services in Australia.[19]

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13 Department of Foreign Affairs and Trade, *Australia's Trade by State and Territory* 2007-08, Australian Government, Canberra, 2009, p. 3.

14 Department of Foreign Affairs and Trade, p. 3.

15 Queensland Government, *Queensland's Export Performance*, Queensland Government, Brisbane, 2005, p. 1, downloaded from www.multiculturalaustralia.edu.au/doc/qld_govt_exports.pdf on 19 June 2009.

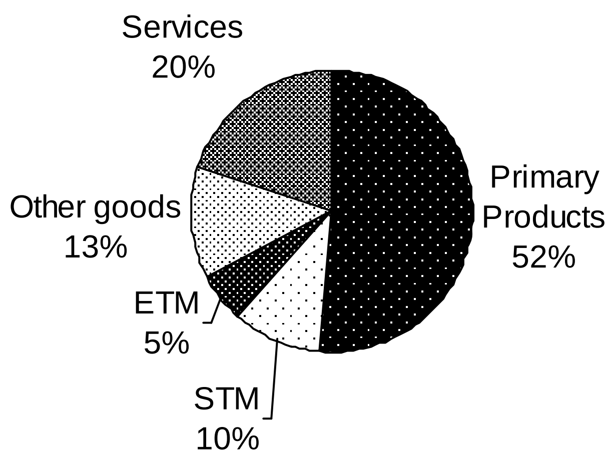
16 Queensland Government, *State Budget 2009-10 Budget Speech*, p. 1.

17 Department of Foreign Affairs and Trade, p. 56.

18 Department of Foreign Affairs and Trade, p. 56.

19 Trade Queensland, *Queensland: Exporting to the World*, Queensland Government, Brisbane, 2008, p. 1, downloaded from www.export.qld.gov.au on 19 June 2009.

Figure 2: Queensland's exports by broad sector: 2007 to 2008



Source: Adapted from Department of Foreign Affairs and Trade, *Australia's Trade by State and Territory 2007-08*, Australian Government, Canberra, 2009, p. 55.

6.2 Government support for industry

The Queensland Government has identified 15 key industries under the *Smart Industry Policy and Decision Making Framework*. These industries are advanced manufacturing, alternative and renewable fuels, aviation, biotechnology, creative industries, environmental and mining technologies and services, information and communication technology, marine, mining, primary industries, processed food, therapeutic medicines and devices, tourism, water and wine.[20]

Additionally, the Queensland Government has six Centres of Enterprise in regions across the state. These Centres of Enterprise are designed to drive economic growth within these regions. In Cairns and Far North Queensland the centre focuses on aviation services, tropical expertise and marine services. In Townsville and North West Queensland the centre focuses on mining and minerals processing and tropical science and expertise. The centre in Mackay and Whitsunday focuses on mining and marine services while in Fitzroy and Central West Queensland the focus is on manufacturing, engineering and industrial services. In the Wide Bay Burnett region the centre focuses on aviation and unmanned aerial vehicles and in the Darling Downs and South West Queensland the focus is on food processing and industry opportunities arising from the Surat Energy Resources Province.[21]

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[20] Queensland Government, *Smart Industry Policy and Decision Making Framework*.

[21] Trade Queensland, p. 3.

The Department of Employment, Economic Development and Innovation (DEEDI) has a number of programs designed to support regional, industry and business development in Queensland.[22] Examples of these programs include (but are not limited to):

- The *Business and Industry Transformation Incentives (BITI)* are for progressive businesses with significant growth potential within Queensland. The scheme provides funds to projects that will support innovation, increase productivity, export for growth and build regional strengths.[23]
- The *Indigenous Business Development Grant Scheme* helps Indigenous people to increase their economic independence, create employment opportunities and increase the participation of Indigenous people in the economy.[24]
- The *Government Business Information Service (GOBiS)* links business to government services and programs such as training, seminars and workshops, export opportunities and networking, government subsidies and grants, industry product matching and trade assistance and development.[25]

6.3 Queensland Government's Smart Industry Policy and Decision Making Framework and Smart State Strategy

The Smart Industry Policy is the current framework for industry development by the Queensland Government. This policy focuses on innovation and technology diffusion in order to increase productivity within Queensland industry.[26] The Smart Industry Policy targets five key issues to drive productivity growth: [27]

- Connecting industry with ideas
- Boosting incentives for productivity
- Developing skilled people
- Building markets for smart products
- Promoting an innovative business culture

The Smart State Strategy aims at investigating the fields of science, technology and research to develop a knowledge-based economy and diversify Queensland's traditional economic base of mining and agriculture in order to drive economic growth.[28]

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22 Department of Employment, Economic Development and Innovation, *Funding and assistance*, Queensland Government, Brisbane, 2009, downloaded from www.industry.qld.gov.au on 19 June 2009.

23 Department of Employment, Economic Development and Innovation, *Overview – Business and Industry Transformation Incentives*, Queensland Government, Brisbane, 2009, downloaded from www.industry.qld.gov.au on 19 June 2009.

24 Department of Employment, Economic Development and Innovation, *Indigenous Business Development Grant Scheme*, Queensland Government, Brisbane, 2009, downloaded from www.industry.qld.gov.au on 19 June 2009.

25 Queensland Government *GOBiS*, Queensland Government, Brisbane, nd, downloaded from www.sd.qld.gov.au/dsdweb/htdocs/gobis/frm_gobis_search_menu.cfm on 19 June 2009.

26 Queensland Government, *Smart Industry Policy and Decision Making Framework,* p. 5.

27 Queensland Government, *Smart Industry Policy and Decision Making Framework*, p. 5.

28 Queensland Government, *Smart State Strategy: Queensland's Smart Future 2008–2012*, Queensland Government, Brisbane, p. 5.

Issues for comment:

6. How does Queensland ensure that Queensland 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?

7.0 Unemployment in Queensland

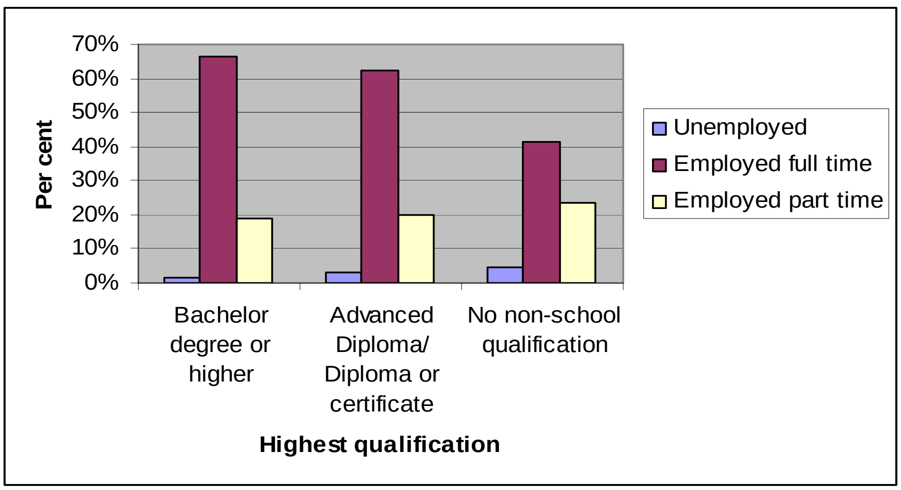
7.1 Overview

The global financial crisis is beginning to impact on the Queensland labour market with trend unemployment growing to 4.9 per cent, its highest point since January 2006.[29] This follows a 24-year low in 2008 of 3.7 per cent unemployment.[30] Given the slowing of the global, national and state economies and the recent Australian trend of falling number of job vacancies, the Queensland unemployment rate is expected to rise in the coming months.[31]

7.2 Skilled and unskilled unemployment

The unemployment rate is not spread equally across all categories of workers. As shown in Figure 3, individuals who have a post-school qualification have lower levels of unemployment and are more likely to be employed full time.

Figure 3: Employment rates by level of qualification, Australia, May 2008



Source: Adapted from Australian Bureau of Statistics, *Education and Work, Australia, May 2008*, No. 6227.0, Australian Bureau of Statistics, Canberra, 2009, downloaded from www.abs.gov.au on 9 June 2009.

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29 Office of Economic and Statistical Research, *Labour Force: April 2009,* Queensland Treasury, Brisbane, May 2009, p. 1.

30 Australian Bureau of Statistics, *Labour Force, Australia, Detailed Quarterly, February* and Office of Economic and Statistical Research, *Labour Force: April 2009*, p. 1.

31 Office of Economic and Statistical Research, *Queensland Economic Review*, p. 4.

Compared to other states and territories, Queensland has historically had a low level of individuals that hold a post-school qualification. In 2007, 20.7 per cent of all 25- to 64-year-olds in Queensland held a Bachelor degree or higher qualification compared with 24.1 per cent across Australia.[32]

7.3 Target groups

Certain groups of individuals, such as younger, older and Indigenous workers, are susceptible to unemployment, particularly during economic downturns. Younger workers are more vulnerable to growing unemployment levels because skilled unemployed workers find jobs faster than unskilled or first-time workers. Employment growth for younger workers slowed over the year to March 2009 with the unemployment rate for 15- to 19-year-olds rising to 11.9 per cent. For 20- to 24-year-olds the unemployment rate remained the same at 5.1 per cent.[33]

It is especially important during periods of economic downturn for mature-age workers (persons aged 45- to 64 years) to stay working as long as possible to maintain labour force participation rates, which helps to maintain economic activity. In Queensland mature-age employment increased by 2.7 per cent over the 12 months to March 2009, with gains in the labour force participation rate being particularly apparent amongst the 60-64 age group.[34] As shown in Table 1 below, the unemployment rates for mature-aged individuals are low, although their participation rates are also low.

Table 1: Mature-Age Labour Market – March 2008 to March 2009 Queensland

Age group	Unemployment rate	% Increase	Labour force participation rate	% Increase
45-54	3.2	1.0	83.3	0.7
55-59	2.2	0.0	69.2	-1.2
60-64	2.7	0.3	50.1	3.6

Source: Adapted from Queensland Department of Education and Training, *The Queensland Labour Market and Training Review – Three Months to March 2009*, Queensland Government, Brisbane, p. 3.

The Queensland Indigenous unemployment rate in 2007 was 9.8 per cent, which is less than half the rate it was in 2002 at 20.5 per cent. Queensland had the third lowest Indigenous unemployment rate of all states and territories and has been lower than the national average since 2004.[35]

7.4 Long-term unemployment and social barriers to employment

Disadvantaged workers include those who have been out of the workforce for a period of time (for instance parents or carers returning to work), those living in certain suburbs or regions that experience higher-than-average levels of unemployment, the long-term unemployed and those who for reasons such as health may have difficulty finding work.[36]

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32 Australian Bureau of Statistics *Australian Social Trends*, Catalogue No. 4102.0, Australian Government, Canberra, 2008, downloaded from www.abs.gov.au on 18 June 2009.

33 Department of Education and Training, *The Queensland Labour Market and Training Review – Three Months to March 2009*, Queensland Government, Brisbane, April 2009, p. 2.

34 Department of Education and Training, p. 2.

35 Australian Bureau of Statistics, *Labour Force Characteristics of Queensland Aboriginal and Torres Strait Islander People, 2007*. No. 1316.3. Australian Bureau of Statistics, Canberra, June 2008, downloaded from www.abs.gov.au on 13 May 2009.

36 S Baum and W Mitchell, *Red Alert Suburbs: An Employment Vulnerability Index for Australia's Major Urban Regions,* Centre of Full Employment and Equity, The University of Newcastle and the Urban Research Program at Griffith University, 2009, p. 2.

Research has suggested that long-term unemployed persons are more likely to face barriers to employment including lower levels of education, learning disabilities, lower literacy, lower levels of work experience, fewer job skills and a lack of knowledge of workplace norms resulting in absenteeism or lateness for work. Additionally, they are more likely to have had a psychiatric disorder or substance dependence within the previous 12 months, have had physical health problems or experienced other barriers such as domestic violence, transportation problems or a criminal conviction.[37]

Issues for comment:

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

7.5 Underemployment

Underemployment occurs when an individual is employed but would like to be working more hours. The increase in underemployment, particularly of part-time workers, can be attributed to a decline in the availability of full-time jobs resulting in some people undertaking part-time jobs in preference to unemployment or an increase in both the demand for and supply of part-time workers with an increase in the number of part-time workers who would like to work more hours.[38] The Australian Bureau of Statistics states that underemployment in Queensland was 6.8 per cent in February 2009.[39]

Issues for comment:

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

7.6 Regional unemployment

Queensland is the most decentralised state in Australia with regional labour markets across the state that have different unemployment rates. As shown in Table 2, while the overall Queensland unemployment rate is 5.3 per cent, unemployment is 6.0 per cent in south and east Brisbane, 7.3 per cent in Wide Bay-Burnett and 10.7 per cent in the Far North. Unemployment levels fell in the Darling Downs-South West (to 1.7 per cent) and in Ipswich City (to 4.7 per cent).[40] The increase in unemployment in the Far North region of Queensland provides an indication of how industries, such as tourism, are faring in the economic downturn.[41]

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[37] S Danziger and K Seefelt, "Barriers to employment and the 'hard to serve': Implications for services, sanctions and time limits", *Social Policy and Society*, 2(2), 2003, p. 152.

[38] Australian Parliamentary Library, *Underemployment and Overwork,* Research Note 27 1999-2000, Parliament of Australia, Canberra, 2000, download from: /www.aph.gov.au/library on 19 June 2009.

[39] Australian Bureau of Statistics, *Australian Labour Market Statistics,* No. 6105.0, Australian Government, April 2009.

[40] Department of Education, Employment and Workplace Relations, *Australian Regional Labour Markets – March Quarter 2009*, Australian Government, Canberra, March 2009, p. 3.

[41] Australian Bureau of Statistics, *Australian Labour Market Statistics*.

Table 2: Unemployment and participation rates by geographic location in Queensland (not seasonally adjusted), March 2009

Region	Unemployment %	Annual change (% pts)	Participation rate %	Annual change (% pts)
Brisbane City inner ring	4.7	1.1	74.6	-1.0
Brisbane City outer ring	4.6	0.7	69.0	3.2
South and East Brisbane balance	6.0	1.2	72.0	4.0
North Brisbane balance	4.4	1.8	62.2	-5.4
Ipswich City	4.7	-2.1	66.7	-0.9
Gold Coast	5.5	2.5	66.7	1.2
Sunshine Coast	5.3	0.8	60.4	-0.7
West Moreton	5.8	2.6	64.9	0.5
Wide Bay-Burnett	7.3	1.2	56.6	-1.6
Darling Downs-South West	1.7	-2.2	66.3	1.2
Mackay-Fitzroy-Central West	5.8	1.7	72.0	2.0
Northern-North West	5.0	0.4	73.4	6.2
Far North	10.7	5.0	70.2	3.2

Source: Adapted from Department of Education, Employment and Workplace Relations, *Australian Regional Labour Markets – March Quarter 2009*, Australian Government, Canberra, March 2009, p. 3.

Issues for comment:

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

8.0 Government role in job creation

The global financial crisis has increased unemployment rates around the world. This has caused governments to put in place job creation programs to combat the rising levels of unemployment.

8.1 Queensland employment programs

The Queensland Department of Employment, Economic Development and Innovation has a number of programs aimed at skilling the Queensland workforce, overcoming employment barriers and improving and increasing opportunities for employment.[42] One program links disadvantaged unemployed individuals with government services and assistance to help create pathways to employment.[43] There are also programs to provide on-the-job experience for

[42] Department of Employment and Industrial Relations, *Employment Programs,* Queensland Government, Brisbane, downloaded from www.deir.qld.gov.au/employment/programs/index.htm on 19 June 2009.

[43] Department of Employment and Industrial Relations, *Employment Programs*.

those with limited exposure to employment, programs for literacy and numeracy skills and incentives to employ a school-based apprentice or trainee. [44]

Since the global financial crisis the Queensland Government has created local Rapid Response Teams to focus on localised job losses[45] and a Queensland 'job squad' consisting of business advisers to contribute to government employment policy.[46] The Queensland Government has also launched the 'green army' initiative, which will create 2,300 jobs and 700 traineeships that are designed to protect Queensland's environment.[47]

8.2 Indigenous employment programs

The Queensland Department of Employment, Economic Development and Innovation has a number of Indigenous employment measures to assist Indigenous jobseekers which include complying with the *Indigenous Employment Policy for Queensland Government Building and Civil Construction Projects*; employing Indigenous employment managers and training support officers; and maintaining the Wal-Meta Unit to develop public sector employment and leadership programs for Indigenous Queenslanders.[48] The Queensland Government also provides mentors that support Aboriginal apprentices, trainees and vocational students in a culturally appropriate way.[49]

Issues for comment:

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?

8.3 International examples of employment programs

The United States approaches employment issues from all government levels: national, state and local community. New job creation programs emerged when *The American Recovery and Reinvestment Act of 2009 (Recovery Act)* was signed into law in February 2009. One of the goals of the act is to protect millions of jobs and create jobs by modernising United States (US) infrastructure, enhancing energy independence, expanding educational opportunities, preserving and improving affordable health care, providing tax relief, and protecting those in greatest need.[50] Two specific examples of programs from the United States are:

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44 Department of Employment and Industrial Relations, *Employment Programs*.

45 Department of Employment, Economic Development and Innovation, *Queensland Government Rapid Response Teams,* Queensland Government, Brisbane, downloaded from www.dtrdi.qld.gov.au/dsdweb/v4/apps/web/content.cfm?id=11836 on 19 June 2009.

46 *Economic Briefing for Queensland*, 27 January 2009, p. 1, downloaded from www.news.com.au on 19 June 2009.

47 A Bligh, *Get on Board the Green Army*, Queensland Government, Brisbane, 22 April 2009, p. 1, downloaded from www.cabinet.qld.gov.au on 19 June 2009.

48 Wal-Meta, *About Us*, Queensland Government, Brisbane, 2008, p. 1, downloaded from www.wal-meta.qld.gov.au/aboutus/index.htm on 19 June 2009.

49 B Cook, *National, regional and local employment policies in Australia,* Working Paper No. 08-06, Centre of Full Employment and Equity, University of Newcastle, October 2008, p. 10.

50 Employment and Training Administration, *Employment and Training Administration*, Department of Labor, United States, 2009, downloaded from www.doleta.gov on 19 June 2009.

- The *Green Jobs initiative* supports apprenticeship and job training programs designed to meet the growing demand for green construction professionals skilled in energy efficiency and renewable energy installations and increase widespread employment in green careers across several industry sectors.[51]
- The *High Growth Training initiative* helps workers obtain skills through training and career development resources to take advantage of new and increasing job opportunities in high growth, high demand and economically vital sectors of the US economy, such as health care, information technology and advanced manufacturing.[52]

The European Union is attempting to overcome increasing unemployment rates by easing transitions and restrictions within and into the labour market, improving the matching of individuals' skills with labour market needs, reinforcing access to training for unemployed persons, individuals at risk of dismissal and other vulnerable groups, as well as keeping workers in the labour force for as long as possible through policies such as those that discourage early retirement.[53]

Issues for comment:

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?

9.0 Skills requirements for the Queensland economy

As the world economy becomes more globalised, certain types of jobs are being moved from Queensland to other locations. Jobs in low and medium technology, manufacturing and services industries are increasingly moving from developed countries, such as Australia, to other countries where the cost of labour is lower.[54] However, there are skills shortages in other industries.

The State and Territory Skill Shortage List for Queensland lists nearly 150 occupations where employers are finding it difficult to recruit suitable staff.[55] The list includes managers (such as engineering managers, directors of nursing and childcare coordinators), professionals (such as geologists, agricultural scientists, accountants, statisticians, solicitors and economists), associate professionals (such as engineering associates, mine deputies and restaurant managers) and tradespersons (fitters, aircraft maintenance engineers, locksmiths, vehicle painters and jewellers).

However, ensuring that individuals are skilled requires more than training them for a particular job or occupation. The National Skills Policy Collaboration argues that people need 'essential skills' to enable them to participate effectively in work, learning and social activities. While

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51 Employment and Training Administration.

52 Employment and Training Administration.

53 Employment Council: Measures should be timely, targeted and temporary, say Ministers', *European Social Policy*, 6 April 2009, p. 1.

54 Queensland Government, *Toward Q2: Tomorrow's Queensland*.

55 Department of Education, Employment and Workplace Relations, *State and Territory Skill Shortage List – Queensland*, Department of Education, Employment and Workplace Relations, Canberra, nd, downloaded from www.workplace.gov.au on 12 May 2009.

these skills have a number of names, they not only include language, literacy and numeracy as a foundation but also include other broader elements built upon this foundation.[56] These 'broad based' qualifications are useful for more than the immediate task and provide a base that can be used to transfer skills and knowledge to new situations, changing work organisations and changing technology.[57]

Issues for comment:

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?

10.0 Interaction between regulation and economic growth and recovery

Economic regulation significantly influences the structure and efficiency of Queensland's economic environment including growth and employment. Without effective regulation of markets, the potential for competition and innovation can be hindered.[58] Queensland business supports regulation to ensure that consumers, the public and businesses are protected.[59]

However, business identified a need to reduce red tape in areas including the labour market, planning, infrastructure and taxation.[60] One study found that 54 per cent of businesses thought that government regulation created difficulties for business.[61] The Chamber of Commerce and Industry Queensland estimated the cost of government regulation at $17.9 billion per annum in Queensland.[62] While benefits may outweigh the costs of individual regulations, when regulations are considered in their entirety they impose a significant burden on business.[63]

The Queensland Office of Regulatory Efficiency (QORE) within DEEDI is leading a program of regulatory reform. The reform agenda is designed to increase the productivity and competitiveness of Queensland, and to enhance the attractiveness of Queensland to individual and business investment.[64]

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56 National Skills Policy Collaboration, *Investing Wisely: A Statement on Meeting Australia's Skill Needs by the National Skills Policy Collaboration*, April 2009, National Skills Policy Collaboration.

57 National Skills Policy Collaboration.

58 Queensland Treasury, *Regulatory Reform and Competition Policy*, Queensland Government, Brisbane, 2009, downloaded from www.treasury.qld.gov.au.

59 Queensland Office for Regulatory Efficiency, *2006-07 Red Tape Reduction Stocktake Report*, Queensland Government, Brisbane, nd, p. 2.

60 Queensland Office for Regulatory Efficiency, p. 2.

61 Chamber of Commerce and Industry Queensland, *Blueprint for Growth: Policy Priorities for Queensland's State Government*, Chamber of Commerce and Industry Queensland, Brisbane, 2009, p. 8.

62 Chamber of Commerce and Industry Queensland, p. 22.

63 Chamber of Commerce and Industry Queensland, p. 8.

64 Queensland Treasury, *Queensland Office of Regulatory Efficiency*, Queensland Government, Brisbane, 2009, downloaded from www.treasury.qld.gov.au on 19 June 2009.

Issues for comment:

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

11.0 Guidelines for making a submission

11.1 Form

- There is no set form for a submission to the committee. Written submissions may be in the form of a letter, a substantial paper or a short document and they may include appendices. Submissions may contain facts, opinions, arguments and recommendations for action. The committee will accept both written submissions and submissions lodged via their website.
- Written submissions should be signed and dated. Those signing a submission on behalf of an organisation should indicate at what level of the organisation the submission has been authorised (e.g. sub-committee, president, chair, state branch, etc). A return address and contact number should also be provided. Typed text on A4 paper is preferable, though legible hand-written submissions are acceptable.
- Public officers may make submissions as private individuals. However, if reference is made in a submission to their official position, it should also be made clear that the submission is made in a private capacity.
- Electronic submissions may be lodged via the committee's website at www.parliament.qld.gov.au/edc. Please contact the committee secretariat if you require any assistance.

11.2 Content and relevance

- A submission should be relevant to the committee's inquiry, otherwise the committee may decide not to accept it. The committee will inform you of its decision to accept your submission or otherwise.

11.3 Confidentiality

- If you want your submission, or part of it, to be treated confidentially then you should clearly write 'confidential' on each page and, in a brief covering letter, explain why your submission should be treated confidentially. The committee will then consider your request for confidentiality.

11.4 Unauthorised release

- A submission made to the committee should not be published or disclosed to any other person in that form without the committee's written permission.
- Submissions published without the committee's permission are not protected by parliamentary privilege. The publishers of these submissions may also be in contempt of Parliament.

12.0 Contact details

All written submissions should be sent to:

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

Email: edc@parliament.qld.gov.au

Submissions close on 7 August 2009

Extensions to the closing date may be given. If you need more time to make a submission, or for further information about the inquiry, contact the committee secretariat:

Telephone: (07) 3406 7486 or 1800 504 022
Fax: (07) 3406 7509

Copies of this paper are available online at http://www.parliament.qld.gov.au/edc

12.1 Email updates

If you would like to receive email updates about the committee's activities, please advise the committee secretariat.

COMMITTEE MEMBERS

Mr Evan Moorhead MP, Chair, Member for Waterford
Ms Fiona Simpson MP, Deputy Chair, Member for Maroochydore
Ms Tracy Davis MP, Member for Aspley
Ms Jan Jarratt MP, Member for Whitsunday
Mr Shane Knuth MP, Member for Dalrymple
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COMMITTEE SECRETARIAT

Ms Lyndel Bates, Acting Research Director
Ms Margaret Telford, Acting Senior Research Officer
Ms Anne Fidler, Executive Assistant