



# **SUBMISSION TO THE QUEENSLAND GOVERNMENT ON *THE QUEENSLAND PLAN***

▼ **CHAMBER OF COMMERCE AND INDUSTRY QUEENSLAND SUBMISSION**

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## **SUBMISSION – THE QUEENSLAND PLAN**

### **1. OVERVIEW**

1.1 The Chamber of Commerce and Industry Queensland (CCIQ) welcomes the opportunity to provide feedback into the development of *The Queensland Plan* (the Plan). CCIQ supports a government vision and development of a 30 year plan to identify local and state-wide priorities with the view to shaping Queensland's future. CCIQ has been supportive of the government's inclusive community consultation process and is delighted the State Government has welcomed input into the significance of small to medium businesses to Queensland's future. This submission aims to provide feedback on behalf of these businesses.

#### **1.2 ABOUT THE CHAMBER OF COMMERCE AND INDUSTRY QUEENSLAND**

CCIQ is the peak industry group in Queensland, representing in excess of 25,000 businesses with links to more than 120 local chambers of commerce and professional associations. CCIQ has members in all Queensland regions, in all industries and of all business sizes.

#### **1.3 CCIQ'S CONSULTATION PROCESS**

CCIQ has undertaken an extensive consultation process in order to provide feedback on the Plan. This has included:

- Specific discussion of the Queensland Plan at CCIQ's Regional Policy Council meetings;
- A CCIQ webinar with the Minister for Environment and Heritage Protection, the Hon. Andrew Powell MP, which also sought feedback from participants; and
- Previous CCIQ submissions and research to Government, which have included detailed surveys of our members.

1.4 This feedback has been incorporated throughout CCIQ's submission.

#### **1.5 OVERARCHING STATEMENT**

CCIQ's submission on the Plan is based on Queensland being a free market place, with the economy and industries driving investment, innovation and employment generation backed by government's creation and maintaining of an economic environment conducive to supporting that growth (ie. competitive tax system, provision of required infrastructure, a simplified and streamlined regulatory framework, world class education and health systems and a strong, capable and efficient public service).

## 2. IN THE CONTEXT OF LIVING IN THE COMMUNITY, HOW DO WE MOVE OUR FOCUS FROM ME TO WE?

- 2.1 Businesses are a critical component of all Queensland regions and their communities. They provide employment, drive investment and infrastructure development, and deliver goods and services. Viable and profitable local businesses are key to strong economies and to building a strong sense of community. CCIQ is supportive of strategies being included within the Plan that help establish and maintain strong, viable and sustainable local businesses, subsequently creating a sense of ownership and pride within their communities and assisting in a cultural change from “me to we”.

***CCIQ consistently believes that the single greatest thing that business can do to enhance societal wellbeing is to provide secure, ongoing employment. The Queensland Plan should be about allowing that to occur.***

### 2.2 **SUPPORTING SMALL BUSINESS: The important role of small business in the community**

Over 96% of Queensland businesses are small businesses. This means that small business is the lifeblood of many local communities and economies. They provide employment, supply goods and services and invest in economic and community infrastructure. Recent business closures within local communities have demonstrated the significant flow on implications including:

- the loss of locally produced products and services (and potentially industries);
- increased unemployment;
- reduction in the demand for purchases along the supply chain;
- reduced expenditure within the local economy as products and services are sourced from outside the community; and the
- migration of skilled workers to other regions to seek alternative employment opportunities.

- 2.3 Ensuring the viability of small local businesses will allow communities to develop a sense of ownership, fostering social cohesion, pride and loyalty to local economies. To foster this community focused mindset, it is essential that the importance of supporting local businesses is promoted within each community, and that all levels of government create and foster an appropriate economic environment that is conducive to growth.

#### 2.3.1 *Key recommendations*

- Local Governments should play a key role in promoting local businesses and industries, encouraging regional growth and investment. This should include not only encouraging residents to buy locally, but local governments to do the same in terms of their procurement activities where possible.
- A key role of the State Government should be to create and foster an appropriate economic environment that is conducive to growth (addressed

further under the question “How do we structure our economy to ensure our children inherit a resilient future?”).

#### 2.4 **BREAKING DOWN REGIONAL BARRIERS: The importance of enhancing the connectivity between regions and decentralising the population and industries**

Queensland is characterised by unique challenges that are derived from hosting a geographically dispersed population and industries. In order to enhance social cohesion, encourage increased population movement and regional investment, and drive productivity improvements, it will be important to remove the regional barriers that currently exist. This will in turn enhance connectivity and drive economic growth and productivity into the future.

2.5 Some Queensland communities, particularly in rural and regional areas, often raise concerns of Government focusing too much attention and spending in south east Queensland, resulting in an “us versus them” mentality. Although these perceptions are beginning to lessen, it is essential to maintain a proactive approach to ensuring all regions are given appropriate priority in terms of government investment, infrastructure development, public events and so on.

2.6 Subsequently, CCIQ is supportive of strategies aimed at promoting the strengths of regions and the potential opportunities available in order to drive regional economies, investment and encourage an increased number of start-ups. This should include encouraging population settlement outside of the south east corner, resulting in the decentralisation of the current population and industries in order to strengthen regional economies, diversify the economic base of rural and regional communities, create additional employment opportunities and ensure Queensland can reach its full potential by sustainably capitalising on growth. Promoting population flow to regional Queensland may also ease the strong population growth in SEQ, positively contributing to tackling urban congestion and infrastructure deficiencies.

2.7 Population flows will occur in areas of economic opportunity. Accordingly, constraints on business growth in the regions must be addressed including inadequate and unreliable infrastructure (such as roads and telecommunications), and the lack of skilled workers. Addressing regional constraints and barriers associated with distance and connectivity will be essential to place regional and rural areas of the state on an even playing field with the south east corner.

##### 2.7.1 *Key recommendations*

- Deliver the required infrastructure and address current bottlenecks to increase mobility and connectivity amongst regional communities. This must include improving current transport networks (roads, rail, air, public transport) and delivering improved telecommunications infrastructure (infrastructure requirements are addressed further under the question “How do we structure our economy to ensure our children inherit a resilient future?”).

- Deliver strategies aimed at encouraging industries to move into regional areas (including state government departments) and motivating people to settle outside of SEQ.
- Creating more employment and further education opportunities in regional and rural areas to encourage younger people and skilled workers to stay in the regions rather than move to the “city”.

## 2.8 **EMPOWERING LOCAL COUNCILS: The role of local government in fostering community participation**

Local governments are perfectly positioned to foster social cohesion and create a strong sense of community across Queensland. To promote a shift in focus from ‘me to we’, CCIQ suggests the State Government play a role in empowering local councils, particularly in rural and regional communities, to ensure they meet community and business expectations and are responsive to local economic and community needs.

2.9 However, the inconsistency in the application of regulations by local government is one of the largest contributors to the red tape burden on businesses. Subsequently, CCIQ believes that the State Government also has a key role in ensuring consistency across Queensland local governments.

### 2.9.1 *Key recommendations*

- Reduce local government red tape and administration constraints on local businesses to empower regional industries, potentially creating further employment opportunities.
- As recommended under section 2.3.1, local governments should play a key role in promoting local businesses and industries, encouraging regional growth and investment.
- Promote a partnership approach across all levels of government to ensure councils:
  - Maintain and deliver the required local infrastructure, including transport, social, energy and telecommunications;
  - Capitalise on local tourism opportunities and attractions;
  - Organise local events to enhance community participation;
  - Streamline disaster recovery and response strategies;
  - Create and conserve community spaces; and
  - Establish youth and workforce development programs.

## 2.10 **DRIVING REGIONAL ECONOMIES: Local industry participation and buying locally**

Enhancing social cohesion must involve increasing opportunities for local businesses to become involved in local and regional projects and by encouraging Queenslanders to support their local businesses and in turn their community

through sourcing products and services locally. CCIQ believes the Plan is a pivotal mechanism for developing strategies and initiatives that help drive regional economies and ensure local businesses thrive. Supporting initiatives that increase the involvement of local businesses in both public and private sector projects is essential due to the positive impacts that extend well beyond the businesses directly involved, including employment and business growth, productivity, competitiveness of local industries, skills development and regional standards of living. CCIQ remains a strong supporter of the State Government's Buy Locally Campaign.

#### *2.10.1 Key recommendations*

- Continual work by state and local governments to encourage residents, businesses and tourists to buy goods and services locally.
- Implementation of the State Government's new Queensland Procurement Policy to deliver improved outcomes for regional businesses and address the concerns raised by businesses with respect to assessing, accessing and participating in procurement opportunities.
- Increased support for local businesses on how to meet procurement standards.

#### **2.11 ENHANCING LIVEABILITY: Making Queensland a safe and attractive place to live, work and do business**

A focus on enhancing the liveability and safety of local communities is required to foster greater social interaction and cohesion. In addition to other initiatives discussed throughout this submission to create a more attractive business environment conducive to growth, increased support and investment must also be directed towards providing safer communities to live, work and run a business. Latest statistics provided by the Queensland Police Service show a six per cent increase in the State's overall crime rate (including a thirteen per cent increase in armed robbery, three per cent increase in shop stealing and a seven per cent increase in offences against property). Action is required to deliver long term reductions in these statistics.

##### *2.11.1 Key recommendation*

- Implement strategies and programs directed towards delivering safer communities to live, work and run a business in all Queensland regions.

### **3. HOW DO WE CREATE AND FOSTER AN EDUCATION CULTURE THAT TEACHES SKILLS AND VALUES TO MEET GLOBAL CHALLENGES AND OPTIMISE REGIONAL STRENGTHS?**

#### **3.1 BUILDING A JOBS FOCUSED EDUCATION AND TRAINING CULTURE**

CCIQ believes that we must be focussed on developing the skills that are needed for the jobs and industries of the future. This means recognising that one of the fundamental guiding tenets for our education and training system, comprised of early childhood, schools, vocational education and training (VET) and higher education, should be on the importance of employability, and creating linkages with jobs and industry. In particular, CCIQ considers that our VET system must be geared toward the needs of employers, and putting in place a framework that is demand-driven and industry-led. This means that the State Government must affirm the role of Queensland's VET system as a means of preparing users for jobs in our state's current, emerging and future industries. While this is a long-term goal, which requires changes that cannot be made overnight, it is crucial that we begin putting in place the necessary building blocks in the coming years to ensure that our education and training system is responsive to the needs of future industry.

#### **3.2 CONTINUING EMPHASIS ON RE-SKILLING AND UP-SKILLING**

In our lifetimes, we have seen both the rise and fall of a number of industries and sectors. This includes witnessing the resources boom in Australia in its peak, and seeing the decline of manufacturing in the previous form that we knew it. While this submission has noted the many new economic opportunities that exist for Queensland's future, we must ensure that our policy settings are geared to ensure that we are able to take advantage of those opportunities, as well as to steer those who have been working in declining industries toward those that we anticipate will thrive. Currently, CCIQ does not consider that this has been the case, and indeed, the VET sector in particular has shown itself in many instances to be ill-equipped to address emerging and future pressures on it and the broader Queensland economy.

3.3 CCIQ believes our education and training system should have the flexibility and responsiveness necessary to facilitate continuous re-skilling and up-skilling by workers to ensure that workers are able to shift in a relatively seamless manner between different industries as the Queensland economy transitions. This also goes to the issue of workforce participation and engagement: a lack of opportunities for workers to re-skill and up-skill should clearly not constitute a barrier to entering or re-entering the workforce. This goes to the importance of engaging with employers to assist them in undertaking detailed workforce planning – that is, supporting employers to develop workforce planning practices that clearly articulate what skills they will need to achieve their business objectives, how they will acquire these skills and how they will use them once they are sourced.

### **3.4 WORKFORCE DEVELOPMENT**

Developing the skills of the current and future Australian workforce, and ensuring that the right skills are in the right place at the right time is a critical challenge that cannot be completed overnight. However the skills shortages that currently and will persist in Queensland, and the economic opportunity costs that they present, should serve as a call to action for future governments to ensure that in the future, the people of our state have the skills that are needed by future industries. Ensuring that business and government are taking a proactive approach to workforce development will mean that we are creating opportunities in Queensland.

### **3.5 CONTINUED SUPPORT FOR APPRENTICESHIPS AND WORK-INTEGRATED LEARNING**

The concept of work-integrated learning as providing a valuable pathway or linkage between education and work is well-established, and while the apprenticeship and traineeship models may continue to evolve as technology improves and offers more dynamic means of delivering training, CCIQ believes that the quality trades and qualifications that these training methods provide young workers demonstrates the continuing need for them in the Queensland economy.

3.6 However, we have seen that the ability of employers to take on workers in a training capacity has been challenged by a range of factors, including soft business conditions, removal of employer incentive payments that offset the costs of providing these opportunities and increases to apprentices and trainee wages. Apprenticeships and traineeships are essential to building the skilled workforce of the future, and government policies must focus on ensuring that the regulatory environment around them is consistent and affordable. If we continue to experience deep troughs in apprenticeship commencement numbers on a long term basis, this will have serious implications for our capacity to meet our skills needs in the future.

### **3.7 ENCOURAGING GREATER WORKFORCE PARTICIPATION**

Over the next 25 years, the proportion of the population aged over 50, that is, those approaching the traditional retirement age, is expected to grow by 67 per cent. This may be contrasted with those in the 20-49 age group, comprised of new and existing entrants to the workforce, and which is expected to grow by only 36.5 per cent. While people are staying in the workforce longer, a trend that we need to encourage, our policies must begin to reflect these changing realities. We must tailor programs that encourage further participation from women, mature-aged, long term unemployed, those with a disability as well as skilled migration.

### **3.8 VET ACCESSIBILITY**

Another issue that goes to the heart of boosting workforce participation is the useability and accessibility of education and training, with employers long

reporting that they have found public providers of VET, in particular, provide courses that are not relevant to the needs of their workplace, or deliver training in an inflexible manner (for example, not offering web-based courses for distance students). There is a need for greater utilisation of technology for remote training delivery. In a state such as Queensland, which is characterised in large part by its vast regional remote areas, our future VET system must be able to ensure that people around the state can access quality education and training.

### 3.9 RECOMMENDATIONS

- **Long term reform goal – move to an industry led, demand driven skills market**
  - The development of an industry driven education and training system, particularly with respect to vocational education and training, is a **long term** reform goal that would put important linkages between industry and education that would make it inherently more flexible and dynamic with respect to its capacity to respond to changes in industry and business needs. However, doing so requires a systemic shift that involves sustained political will to put in place the following measures:
    - An affirmation of the role of industry as the primary end-users of the VET sector;
    - Moving to a fully contestable funding model, which includes TAFEs in sustainable markets moving to commercial business models or withdrawing from those markets;
    - Ensuring that there is a continuing and adequate focus on the exigent needs of regional and remote Queensland, including decentralising VET decision-making in Queensland to regional skills authorities;
    - Establishing an appropriate mechanism responsible for addressing quality issues and provide regulation in the VET sector.
- **Shift toward a contestable model of funding, and limit the availability of non-contestable funding**
  - The introduction of contestable funding, whereby providers of VET compete for government funding, must be undertaken gradually. However, by taking the necessary first steps toward contestability, such as limiting the availability of block funding to TAFEs and making them adhere to key performance indicators, will incentivise TAFEs to be more responsive to the needs of industry.
  - It will also, over time, encourage a broader range of providers to enter markets previously dominated by public providers – with the end goal being that our future VET sector is more diverse, dynamic and choice-oriented than is currently the case.
- **Gain federal-state consensus on apprenticeship policies**
  - It is unrealistic and unsustainable for employers to be expected to carry the majority of the burden of training our skilled workers of the future. The decline in apprenticeships must be addressed by:
    - Developing a consensus between the Federal and Queensland governments so that there is a continued

understanding that a balanced policy on apprenticeships is required to ensure long term consistency in the numbers and quality of apprentices.

- Re-establishing the role that both trades and non-trades apprenticeships play in transitioning young people from school to work, and recognising that this is a public good that warrants the payment of effective incentives to employers to offer opportunities for this valuable work-integrated learning.
- **Introduce measures aimed at regional Queensland**
  - We need to ensure that in the future, our regions are not forgotten and that they have the tools to fully exploit the state's economic opportunities. We need forward thinking measures designed at attracting skilled workers to regional and remote areas of Queensland should be considered, including:
    - Working with local government to enhance and promote the 'liveability' of Queensland's regions;
    - Establishing better linkages between regional employers, training providers and communities;
    - Decentralising aspects of VET decision-making to regional areas of Queensland, empowering local skills authorities to make recommendations.
- **Skills shortages, re-skilling and workforce participation**
  - Better support must be provided to small and medium businesses for workforce planning practices – it is imperative that businesses are able to anticipate how their businesses will change, and how their skills and labour needs will change with them. This is an area where both the Queensland and Federal governments must take on roles as facilitators, particularly for small and medium businesses;
  - Foster greater industry involvement where industry input is a requirement at all levels from ministerial advisory mechanisms, through to training packages and down to delivery, in order that the system delivers outcomes that meet the needs of the labour market. This is not something that can be done once new industries have emerged – it is a cultural, structural and administrative step that must become entrenched.

## 4. HOW DO WE EMPOWER AND EDUCATE INDIVIDUALS, COMMUNITIES AND INSTITUTIONS TO EMBRACE RESPONSIBILITY FOR AN ACTIVE AND HEALTHY LIFESTYLE?

4.1 Queensland communities are being defined by an increasing number of overweight and unhealthy Queenslanders, including children and younger people, which is exposing the current and future workforce to an increased risk of medical conditions including heart disease, diabetes and cancers. Furthermore, challenges will be presented by the aging population, as older generations are encouraged to stay in the workforce longer to fulfil skill shortage gaps, however are more susceptible to work-related injuries and generally experience longer rehabilitation and recovery periods. CCIQ is supportive of a collaborative approach to tackling community health issues that involve all levels of government, industries and local communities.

### 4.2 **HEALTHY WORKPLACES: The important role business can play in creating a healthier workforce**

The importance of the health and wellbeing of workers on productivity and the strength of the economy have long been documented. Current statistics on community health and wellbeing both represent a concern and challenge to businesses and government's alike. Conversely, the benefits of achieving healthy workplaces reach far beyond individual workers, with positive implications for business and the community. Healthy workplaces can reduce sick leave, staff turnover and workers compensation claims, and increase productivity, participation and retention.

#### 4.2.1 *Key recommendations*

- Continued promotion and roll out of programs such as Workplaces for Wellness.
- Provisions of incentives to assist business in encouraging the adoption of active transport for travelling to and from work, or part of the journey thereof (for example, providing assistance to install end-of-trip facilities).
- Other initiatives supported include:
  - Businesses consider the implementation of flexible working arrangements where possible to create healthy work/life balance;
  - Encouraging HR/WHS staff to include a focus on encouraging healthy and active lifestyles amongst employees;
  - Community initiatives such as walking groups, provision of nutritional information and group fitness programs;
  - Provision of infrastructure that promotes active and healthy lifestyles within communities such as bicycle and walking paths, sporting facilities and community/green spaces;
  - Health initiatives in schools to increase physical activity and the consumption of healthy foods and drinks;
  - Ongoing broad community campaigns such as “Swap It, Don’t Stop It” and “Life. Be In It”.

#### 4.3 **PARTNERSHIP APPROACH TO WHS: Taking greater responsibility for health and safety outcomes**

Every year, more than 5,000 Queenslanders are permanently injured, and tragically 25 people die from workplace incidents. The impact of workplace injuries extends beyond the workplace, with absences due to injuries and illnesses estimated to cost the Queensland economy more than \$5 billion a year in addition to the cost in human suffering resulting from death or injury. Increased emphasis is required on prevention moving forward, where employers and employees work together to ensure healthy and safe workplaces.

##### 4.3.1 *Key recommendations*

- Simplifying the current regulatory approach to make it less prescriptive and more outcomes focused, allowing businesses to be proactive in achieving improved safety outcomes and adopting best practice approaches that work best for their organisation.
- Incorporating a partnership based approach to ensuring healthy and safe workplaces, where employees take more responsibility for their own health and the health and safety of others, and are recognised/rewarded for achieved best practice outcomes.
- Ongoing implementation of initiatives aimed at reducing the number of fatalities, lost-time injuries and other WHS incidents, and creating safer and healthier workplaces. This should include promotion of innovative solutions to WHS issues and common complaints, as well as the sharing of best practice examples from real businesses.
- Implement strategies to address concerns and reduce the current barriers to workforce participation associated with the employment of people in high risk categories (ie existing illnesses/health concerns, older generations, pregnant women etc).

## 5. HOW DO WE STRUCTURE OUR ECONOMY TO ENSURE OUR CHILDREN INHERIT A RESILIENT FUTURE?

- 5.1 It is essential that strategies are put in place now to ensure Queensland has a strong economy in 30 years time. Support must be provided for diversifying our economic base and building on our strengths in traditional industries in order to enhance the resilience of our economy, create abundant employment and investment opportunities for our younger generations and for maintaining high standards of living. A key priority of current and future government must be to create and maintain a business operating environment that is conducive to growth.

***CCIQ must have a globally competitive business operating environment that encourages investment and growth.***

### 5.2 **CREATING A GLOBALLY COMPETITIVE BUSINESS ENVIRONMENT CONDUCTIVE TO GROWTH: Reducing the barriers for business growth and creating a sound economic environment**

Queensland needs a business operating environment that is the absolute stand out as the region to do business. Subsequently, a key priority of the State Government must be to create and maintain a business operating environment that is conducive to economic growth. This is essential for enhancing the competitiveness of Queensland businesses in a global marketplace. This must include:

- A competitive tax system;
- Simplifying and reducing red tape and unnecessary legislation;
- Reducing the cost of employing and retaining staff;
- Addressing infrastructure gaps and bottlenecks;
- Reducing the market dominance of the major retailers;
- Creating a strong state budget position and an efficient and capable public service/government.

- 5.3 There have also been substantial increases in the costs associated with running a business which are proving unsustainable for many Queensland small businesses. These include rising electricity prices, taxes/fees and charges, freight, insurance, water, rates and so on. These pressures have both direct and indirect impacts on businesses, and must be a key priority of governments moving forward.

#### 5.3.1 *Key recommendation*

- Remove the barriers to business growth in Queensland, allowing the market to drive innovation and investment.
- Continued priority of all levels of government on reducing the cost of running a business, and reducing the cost of living pressures on the community.

#### 5.4 **FOCUS ON KEY INDUSTRIES OF THE FUTURE: Diversifying our economic base**

A key message being received by businesses is the need to expand our economic base to enhance the resilience of our economy, particularly against future global economic uncertainty and to reduce our over-reliance on specific sectors of the economy. Recent consultations undertaken by CCIQ have found that there are a number of emerging industry bases, whilst in their infancy, are nonetheless cementing a more diversified economic future for Queensland.

- 5.5 There is a crucial need to undertake extensive research and analysis of national and global trends and weaknesses to determine industries where Queensland may be able to excel over the next 30 years and opportunities that we have the capacity (or can build capacity) to take full advantage of in order to strengthen our economy, diversify our economic base and deliver a stronger and more resilient economy for future generations. Capitalising on our core strengths, CCIQ believes these industries will include ICT, scientific and medical research, food product innovation, advanced manufacturing, professional services, aviation and education. Government support is important to ensure growth in emerging industries, that supporting infrastructure is in place or being developed and that the education system is delivering appropriately skilled people to take advantage of the opportunities in a timely manner.

##### 5.5.1 *Key recommendations*

- Build on Queensland's competitive advantages to diversify our economic base and strengthen our economy.
- Ensure regulations and business operating costs do not present barriers to business and market entry in Queensland.

#### 5.6 **BUILDING ON OUR CURRENT STRENGTHS: Importance of our traditional industries into the future**

While expanding our economic base, it is also clear that future strengths and opportunities will remain in our traditional industries including:

- **Agriculture:** In a world with growing food security concerns associated with an increasing population and subsequently, an increasing demand for food, Queensland holds a significant competitive advantage in terms of abundant prime agricultural land and a good reputation for producing quality primary products. Increased emphasis is required on encouraging younger generations back to the land, driving innovation to develop more efficient techniques/products and ensuring export and import policies around the world will allow for the distribution of food in a timely and cost efficient manner by Queensland producers.
- **Tourism:** The tourism industry has huge potential to grow in Queensland and with the right support, will flourish into the future. It is important to identify new and emerging market opportunities (ie China, India, cruise industry) and develop the support systems required to take advantage of

those opportunities in the short to medium term. Diversifying our tourism experiences and tailoring them to meet the needs of target markets will help make Queensland the primary tourism destination in Australia. Priority needs to be placed on industry innovation, product renewal and up skilling to build our reputation as a high quality destination.

- **Resources:** The resources sector remains an economic engine room of Queensland. There are \$142 billion in proposed new expenditure in Queensland resources projects, which will create significant additional economic activity within Queensland regions, and create an estimated 40,000 additional construction and operating jobs out to the year 2020 and beyond. Ensuring the resources sector has access to an adequate skilled and diverse workforce, efficient approvals processes, secure and reliable infrastructure (including rail, water, port and energy), and an appropriate regulatory framework will be key to the ongoing success of the industry over the next 30 years.
- **Manufacturing:** Further development and innovation is required in the manufacturing industry, which currently employs over 187,000 people and generates more than \$20 billion to the state's economy. The industry faces many challenges including an aging workforce, global competition, increasing cost pressures and a small domestic market. For the industry to be a success into the future, it will need to be technologically sophisticated, innovative, and adaptive to industry, market and global trends, with our competitive advantage being delivering high quality, timely and value added products. The industry requires support to transition into being a more competitive industry by delivering seamless supply chains, reducing cost bases, opening up markets in emerging economies, efficiency using resources and ensuring access to the required infrastructure and innovative technologies.
- **Building and construction:** Alongside strong population growth, focus on regional development and encouraging increased business activity in all areas of the state will drive growth in the building and construction industry. To thrive into the future, the industry will need to be safer, more efficient, more competitive, innovative and adaptable to the needs of Queensland industries and communities. A strong building and construction industry is paramount to delivering the infrastructure needed in a strong and growing economy, and to achieving higher standards of living.

#### 5.6.1 Key recommendation

- Ensure priority remains on supporting and growing our traditional industries into the future, allowing them to be innovative and adaptive to changing domestic and global trends.

## 5.7 DELIVER INFRASTRUCTURE THAT ANTICIPATES GROWTH: Long term planning approach to infrastructure delivery

Queensland must maintain a long term planning approach to infrastructure delivery that extends well beyond existing election terms and commitments. This is key to driving economic/regional growth and productivity by enhancing the accessibility of all regions, encouraging business investment and expansion, and delivering more seamless supply chains. It is essential for government to have efficient, reliable and accurate planning and processes in place to ensure a clear understanding and identification of community and business short, medium and long term infrastructure priorities. This is key to delivering infrastructure that anticipates growth and ensures infrastructure bottlenecks do not lead to economic constraints and missed opportunities. Further engagement with the private sector on infrastructure delivery, maintenance and operation moving forward will also be key to ensure infrastructure is accessible and capable when it is required.

### 5.7.1 Key recommendations

- A key priority of current and future governments must be working with the private sector to deliver the infrastructure crucial to driving business investment, growth and productivity, and for breaking down the barriers between regions. This must include:
  - **Transport:** Improving Queensland's transport networks to meet the needs of the economy must include delivering upgrades to the Bruce Highway, building Toowoomba's second range crossing, improving freight networks, enhancing access to public transport particularly in regional areas and reducing congestion.
  - **Telecommunications:** Enhancing the capacity of Queensland businesses to compete in a global marketplace and reduce the barriers associated with a geographically dispersed population.
  - **Water:** Ensuring the resilience of Queensland industries and communities to future significant drought events. This must include consideration of long term water storage capacity needs, distribution networks and cost structures.
  - **Energy:** Ensuring regional and SEQ networks are capable of meeting long term demand and growth, with particular attention placed on reducing the impact of increasing electricity prices.
  - **Social:** The importance of social infrastructure in maintaining and attracting people and businesses/industries to regions is significant. Support is required for housing construction in areas marked for significant growth (such as mining areas/emerging industries) and for building/maintaining parklands, sporting facilities, and other community facilities that foster social cohesion and community connectivity.
- Implementing long term planning approaches that provide certainty for industries and communities, contributing to improved investment and growth outcomes.

## 5.8 **ASIAN CENTURY: Queensland businesses benefiting from the opportunities presented by a growing Asian economy and population**

It will be essential to make the most of the opportunities presented by Asia, particularly considering that by 2025, it will not only be the most populous region of the world, but also the largest economic zone. This shift in the global centre of economic activity is inevitable, and will present many opportunities closer to home for many Queenslanders as the Asian region continues to experience higher standards of living, improved health, and greater access to goods and services. Queensland is already taking advantage of some of the opportunities available from the growth in Asia, such as meeting demand for minerals and energy exports (coal, gas) and increased tourist visitations, however Queenslanders need to be smarter in better managing the emerging opportunities presented by Asia.

### 5.8.1 *Key recommendations*

- Supporting businesses and the economy to recognise and take advantage of opportunities presented by the world's largest economic zone.

## 6. HOW DO WE STRENGTHEN OUR ECONOMIC FUTURE AND ACHIEVE SUSTAINABLE LANDSCAPES?

- 6.1 Queensland businesses are strongly committed to balancing environmental sustainability with economic prosperity and recognise their role in minimising the impact of their activities on the environment. In fact the majority of Queensland businesses recognise the competitive advantage and market opportunity that best-practice environmental management and energy and resource efficiency provides with many viewing these outcomes as core to their business strategy, even in the absence of any regulatory measure compelling them to do so.
- 6.2 However sustainability encompasses more than traditional notions of environmental resource management and environmental protection. A balanced and proactive approach to sustainable economic growth requires consideration of broader issues such as the capacity of Queensland and its regional centres to accommodate growing populations, challenges associated with urban development and encroachment, access to social and economic infrastructure and optimal resource use, as well as the protection of Queensland's unique environmental, cultural and lifestyle values. Achieving sustainable economic growth is therefore as much about planning and investment as it is about management and protection.
- 6.3 CCIQ believes it is therefore crucially important that industry and government work together to achieve sustainable economic growth alongside necessary environmental outcomes.

6.4 **QUEENSLAND'S ENVIRONMENTAL FOOTPRINT: Marketing our green-productivity potential**

One of the greatest challenges presenting Queensland is how to improve our environmental footprint while maintaining our position as global leaders in innovation, productivity and economic growth. Remaining competitive in global markets and exploiting export markets is core to the economic future of many of our current and emerging industries.

- 6.5 CCIQ believes we should be pursuing policies that support the growth of Queensland industries that are globally efficient in terms of their emissions, resource use and environmental footprint. This affords Queensland businesses not only a point of differentiation to an increasingly ethical and values driven global consumer market, but ultimately represents an opportunity for price competitiveness and productivity through increasing output with fewer inputs.
- 6.6 For example, many of Queensland's manufacturers and producers have much lower environmental footprints than their competitors overseas. Accordingly, the Queensland Government should be pursuing a strategy to promote the green credentials of Queensland industries and increase production and exports of goods and services which are more sustainable to the global environment. CCIQ believes this is complementary to a number of government commitments including 'building a four pillar economy' and 'reducing unemployment'.

6.7 Queensland industries are also ideally positioned to capture opportunities presented by global growth in markets for green technologies and products. Queensland has a highly skilled and educated workforce, existing research and development capabilities and significant opportunities for innovation investment attraction. What is needed are real incentives for Queensland businesses to innovate and improve production technologies, re-engineer production processes and manufacture leading/best-practice products.

*6.7.1 Key recommendation*

- In partnership with industry, the Queensland Government should promote and build on the green credentials of Queensland industries as a global competitive advantage and marketing tool over the coming decades.

**6.8 MANAGING ENVIRONMENTAL VALUES: Sharing the responsibility of delivering sustainability outcomes**

Queensland businesses recognise the importance of and their role in environmental protection. They are acutely aware of the significant economic impact and future cost that environmental degradation could have on the sustainability of important industries to our economy and for our lifestyle characteristics.

6.9 Industry has historically been the target for many of the issues and challenges in regard to environmental sustainability. Accordingly the business community has significant regulation and costs imposed on them which affect profitability, innovation and investment. Over recent years the general sentiment towards business has been anti-development and restrictive. This approach is unsustainable and unbalanced given the fact that in most cases businesses are simply responding to market and consumer expectations. There needs to be greater recognition within communities of their role as consumers of business products and services, and for communities to be held accountable for their role in achieving sustainability. The challenge for government is to support the education of consumers in relation to the impact that their consumption habits and demands have on sustainability and the environment.

*6.9.1 Key recommendation*

- There needs to be greater focus on the sharing of responsibility or a partnership approach to the sustainability of Queensland's environmental resources. CCIQ is particularly supportive of an industry led sustainability strategy, inclusive of targeted business programs to support improvements in the way businesses manage environmental resources and their impacts on the landscape.

## **7. HOW DO WE ATTRACT AND RETAIN THE BRIGHTEST MINDS AND IDEAS WHERE THEY ARE MOST NEEDED AND CAPITALISE ON GLOBAL OPPORTUNITIES?**

### **7.1 ECONOMIC OUTLOOK AND BUSINESS INVESTMENT: Creating a positive business and investment culture**

Economic growth requires a positive business and investment culture which recognises and builds on the competitive advantages, economic successes and opportunities unique to Queensland's varied and diverse regions. Business and consumer confidence above everything else will define the economic outlook and business investment in Queensland into the future. This in turn will be a significant catalyst for attracting and retaining leading minds, entrepreneurs and innovation.

7.2 Queensland business feedback largely and consistently reflects a picture of overall optimism, economic diversity and significant opportunity for growth. This sentiment needs to be promoted both within the region and outwardly across Queensland. The business community itself also needs to be better at communicating who they are, what they do, the extent of their professional capabilities and market sophistication to state, national and international markets to attract investment, more start-ups and skills to all regions of Queensland.

#### *7.2.1 Key recommendation*

- Implementing a collaborative approach to business and investment attraction and industry promotion.

***Queensland must have a sponsoring, mentoring and supportive climate that encourages business innovation and start up.***

### **7.3 APPROPRIATE WORKPLACE RELATIONS FRAMEWORK: Enhance the capacity of businesses to employ and retain skilled staff**

The extent to which government seeks to regulate how employers and employees engage with each other has important implications for whether businesses, and the people who run them, will choose to remain in a given place. While in Australia, workplace relations is an issue for the Commonwealth, states must use intergovernmental processes to work with their federal counterparts to advance necessary changes. In particular, it will be increasingly important in the coming years that our workplace relations system is geared to address future challenges and issues, and that it does not limit the capacity of businesses to respond accordingly.

7.4 This is particularly the case in Queensland, and it will remain the case: a good example is the fact that in Queensland, one of our greatest natural benefits is our natural environment, with world-class tourist destinations around the state. However, the tourism sector is currently struggling under the weight of inflexible workplace laws, which operate on a 'one-size fits all, 9am to 5pm' basis that is already anachronistic and will be increasingly so in coming decades. As such, the

Queensland Government must be able to advocate for the State in respect of its exigent needs. If we are to attract investment, both domestically and internationally, it is most important that we can demonstrate our labour market regulation is calibrated to cater to a diversity of business circumstances.

#### 7.4.1 *Key recommendation*

- The State Government, in consultation with industry, lobby the Federal Government on delivering a workplace relations system geared towards ensuring businesses have the capacity to respond to future challenges and opportunities.

### 7.5 **ENCOURAGING INNOVATION AND ENTREPRENEURSHIPS: Driving economic and jobs growth**

Encouraging innovation drives economic growth and creates jobs, giving businesses a competitive edge. Indeed, it is widely accepted that innovation is key to long-term economic stability and growth by creating a basis for competition and enhancing competition at the business, state and national levels. The role of government with respect to private sector innovation is to facilitate opportunities, as it is businesses, not governments that deliver innovative products, processes and services. It is therefore most important that the business environment in Queensland is attractive to businesses by removing financial and regulatory barriers that may operate as a deterrent to investment and engagement in innovation, research and start-ups.

#### 7.5.1 *Key recommendation*

- The State Government to facilitate private sector innovation and investment.

### 7.6 **SKILLED MIGRATION: Embracing overseas talent and investment**

We need to recognise that not only should we be encouraging the brightest minds to flourish in Queensland, and to remain in Queensland, but that we should be encouraging them to *come* to Queensland. This means ensuring that we have the right policy settings on our skilled migration systems, both at a state and federal level. This will require substantial collaboration between future state and federal governments: while Queensland has a skilled migration program, it exists as a subset of the Commonwealth program and is therefore strongly affected by its policy settings. As with workplace relations, future Queensland Governments will need to be effective advocates for a steady and consistent skilled migration policy that is geared towards growth and flexibility. At the heart of this policy must be a recognition that there are inherent benefits that come from overseas workers bringing their skills to the Queensland.

- 7.7 Even as we improve our approaches to workforce development to support Queenslanders and Australians to obtain suitable jobs, it is essential that Australia has a positive and robust skilled migration program that has bipartisan political support – a consistent, long-term policy on skilled migration is essential

to promoting business certainty, and to encourage those living abroad to consider moving to Queensland. While it is important for Queensland to address a longstanding challenge that has persisted within the state, namely, a lack of mobility that sees Queenslanders reluctant to move beyond their immediate metropolitan or regional city to take on new job opportunities, CCIQ considers that skilled migration is a key mechanism of supplementing local labour.

- 7.8 Moreover, we will, as a state, need to be more willing to make better use of other skilled migration mechanisms, such as Regional Migration Agreements, that we have at our disposal as a means of attracting and maintaining major projects and investment. This means taking a more pragmatic approach to the use of both temporary and permanent skilled migration pathways in order to assure businesses in Queensland (or wishing to establish in Queensland) that they have a reliable means of filling their labour demands at times when the local labour market is not fully capable of providing the skills and labour where and when it is needed.

*7.8.1 Key recommendation*

- The State Government should work with industry and the Federal Government to ensure the best use of skilled migration programs and policies to enhance the capacity of Queensland businesses to meet their skill and labour needs.

## **8. ADDITIONAL CONSIDERATIONS FOR ESTABLISHING THE VISION FOR QUEENSLAND**

### **8.1 MEASURABLE TARGETS: Importance of ensuring the plan is being achieved**

8.2 It is vitally important that the Queensland Plan is a clear plan, underpinned by challenging but achievable goals/targets, which are measurable. It is not sufficient, for example, to say that we will promote economic growth unless there is a measurable target as to where our economy should be in a given time frame. To foster community ownership these targets or goals must be in the public domain and subject to regular progress reports.

#### *8.2.1 Key recommendation*

- The Queensland Plan should include measurable goals and targets which are subject to regular progress reports.

### **8.3 CREATING A SUSTAINABLE GOVERNMENT: The role of government in 30 years**

CCIQ firmly believes that ‘business as usual’ for the State Government is not an option into the future. A large public service, increasing health budget blow-outs and rising demand for substantial infrastructure investment are just a few examples that demonstrate this unsustainability moving forward. Funding the current model of government business could only occur from increases in taxes, fees and charges, which creates an environment that is not conducive to growth, discourages investment and will not assist in restoring Queensland’s AAA credit rating. For the Government to deliver the required services moving forward, it will need to be the enabler of efficient private markets, rather than be the service provider. The State Government’s focus needs to shift to removing impediments to market entry, reducing regulatory burdens and impediments to innovation and competition, and ensuring a basic framework of consumer protection and public safety.

#### *8.3.1 Key recommendation*

- The Queensland Plan needs to define a clear role for government and the public service and embed strategies and cultural change in order to achieve this vision. CCIQ wholeheartedly agrees with the current State Government philosophy of being the enabler of services not the doer.

## 9. FUTURE INVOLVEMENT

- 9.1 CCIQ would like to remain involved in future opportunities surrounding the finalisation, implementation and evaluation of the Queensland Plan. Please contact Nick Behrens, CCIQ General Manager – Advocacy on [nbehrens@cciq.com.au](mailto:nbehrens@cciq.com.au) regarding future opportunities.
- 9.2 CCIQ welcomes the opportunity to provide input into the Queensland Plan and looks forward to engaging further with the State Government on the 30 year vision for our state.