

Senate Finance and Public Administration Committee
PO Box 6100
Parliament House
Canberra ACT 2600

9 March 2017

Dear Committee

RE: Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016

We thank you for the opportunity to provide input into the Inquiry on the relocation of government bodies to Australia's regional areas. The following submission by the Chamber of Commerce and Industry Queensland (CCIQ) is also intended as a broad representation on behalf of Queensland's regional and local chambers whose views we have sought.

CCIQ strongly supports a move to decentralise government jobs into the regions and believes Queensland can deliver unparalleled support, opportunities and enrichment to these agricultural-based entities.

The Chamber unashamedly advocates for the relocation of these services and creation of well-paid, skilled jobs into our State's regional cities. Faced with a number of economic challenges as these cities transition from the resources boom, the decentralisation of agricultural entities is a unique opportunity to capitalise on the existing strengths of the Queensland regions and assist in the economic recovery.

The policy to move corporate Commonwealth entities with agricultural policy or regulatory responsibilities into regional areas is supported in principle, with the effects on the ability for the entities to perform their functions subject to the details of the proposal. CCIQ will be looking closely at the impending report for strategies that will attract suitable employees to relocate to the region as well as in skilling the local workforce.

Queensland's agricultural advantage

Geographically, Queensland is Australia's second largest state, with almost 144 million hectares (or 83 per cent) of its land area used for agriculture. Queensland has the largest area of agricultural land of any Australian state and the highest proportion of land area in Australia dedicated to agriculture.

For 2016–17, the total value of Queensland’s primary industry commodities (combined gross value of production and first-stage processing) is forecast to be \$18.55 billion, 6 per cent greater than 2015–16 and 15 per cent greater than the average for the past 5 years (QLD AgTrends, 2016).

The agriculture, fisheries and forestry sector as a whole, has long been the backbone and social fabric of many rural and regional communities throughout the State. The breadth of knowledge, expertise, diversity of agricultural sectors and strong relationships forged by businesses in our agricultural industry is undoubtedly a key advantage that Queensland holds over our State counterparts.

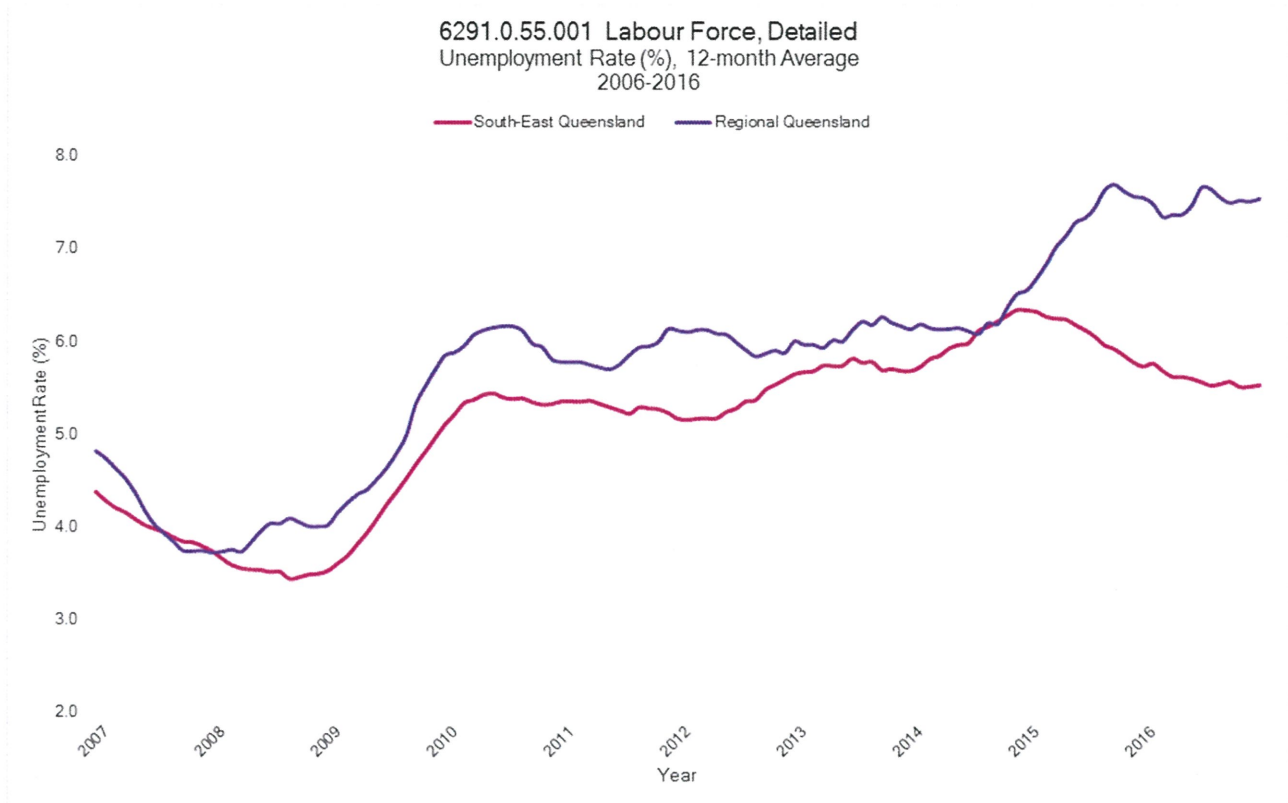
Economic boost to our regions

The slowdown in the resources industry has had an unmistakable impact on Queensland’s economy, which over the past two decades was characterised heavily by the resource industry’s dominance in the State’s economic makeup. As with Australia’s other mining States, Queensland’s once resource-reliant regions are unlikely to see a return in the high levels of economic activity or investment, at least in the short-medium term.

Regions in Queensland are failing to transition post-mining boom, with many areas experiencing high – and climbing - levels of unemployment to this day. Areas of Queensland which are experiencing high levels of unemployment, coupled with a significant increase in unemployment from the peak of the mining boom (circa 2011) to present day, are Cairns, Fitzroy, Mackay, the Outback, Townsville and Wide Bay. These are all of Queensland’s regions (outside of the South-East Queensland region) except for the Darling Downs – Maranoa region which has a more diversified economy based on agriculture, forestry and fishing.

		2011-12	2015-16	Increase %
Cairns	Unemployment rate (%)	7.9	8.6	8.9% ↑
	Participation rate (%)	65.8	60.4	-8.2% ↓
Fitzroy	Unemployment rate (%)	4.8	6.6	37.5% ↑
	Participation rate (%)	69.2	69.1	-0.1% ↓
Mackay	Unemployment rate (%)	3.3	6.8	106.1% ↑
	Participation rate (%)	71.3	69.2	-2.9% ↓
Queensland - Outback	Unemployment rate (%)	7.2	13	80.6% ↑
	Participation rate (%)	74	61.7	-16.6% ↓
Townsville	Unemployment rate (%)	6.8	9.7	42.6% ↑
	Participation rate (%)	71.4	60.5	-15.3% ↓
Wide Bay	Unemployment rate (%)	8	9	12.5% ↑
	Participation rate (%)	55.6	51.5	-7.4% ↓
QUEENSLAND	Unemployment rate (%)	5.5	6.2	12.7% ↑
	Participation rate (%)	67	65.4	-2.4% ↓

The divide between South-East and Regional Queensland persists as one of the defining elements of the Queensland economy at present, with there being clear differences in how each region is performing. With an unemployment rate of 5.5 per cent, business in South-East Queensland remain more optimistic regarding the economic outlook for the state compared to those businesses operating in regional areas.



Source: ABS, CCIQ

CCIQ frequently makes the distinction that the southeast corner of Queensland clearly has a reasonable confidence factor but in the regions, not only do they have the economic statistics slowing but business confidence too.

CCIQ data indicates that Sales and Revenue figures have been strengthening across the past two years, while strengthening conditions have only been recorded in regional areas in the past quarter (December 2016). The last time sales and revenue was above the neutral level of 50.0 across both South-East and Regional Queensland was December 2009.

Overall however, businesses operating in South-East Queensland continue to enjoy more favourable business conditions relative to regional Queensland, with CCIQ forecasts of key business indicators suggesting this will continue into 2017.

Our call is for the State Government to recognise that regional businesses need greater certainty to boost confidence levels, with much of that reliant on government leadership. Policies such as this one, to create jobs in the regions through decentralisation of government entities, is one way that government can take the lead in creating that certainty and generating higher economic activity.

In closing, we thank the Committee again for the opportunity to provide comment and look forward to reviewing the report to be tabled in May. Please contact Senior Policy Advisor, Catherine Pham, at cpham@cciq.com.au for any matters relating to this submission.

Yours sincerely,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Kate Whittle
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Chamber of Commerce and Industry Queensland