

3 September, 2019

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Dear Committee Secretary

**RE: Select Committee into the Jobs for the Future in Regional Areas**

Thank you for the opportunity to provide this input in response to your invitation for submissions. The Regional Development Australia Townsville and North West Queensland (RDA) Committee acutely understands the current opportunities and challenges in relation to jobs in regional areas.

**Context in which we are making this submission**

RDA works across the 15 local government areas in north and north-west Queensland, an area that covers nearly 26% of Queensland. To put our comments in context, I provide the following facts about our region based on statistics from the Queensland Government Statistician's Office July 2019 Regional profile.

- In June 2018 the population was approximately 267,005; the long term forecast is for our regional population to increase to 353,453 by 2041.
- 72% of the population is located in Townsville, Northern Australia's largest city.
- 9.8% of the population identifies as being of Aboriginal or Torres Strait Islander background.
- The region has 81.9 homeless persons per 10,000 vs 45.6 per 10,000 in Queensland.
- Unemployment stands at 8.3% (11,068 persons) in the March 2019 quarter.
- The majority are in the region's two largest cities: 7,363 of these people are in Townsville; 1,069 are in Mount Isa.
- Palm Island, Burke, Doomadgee, Carpentaria and Mornington Island have the highest unemployment rates ranging from 45.6% to 35.5%.
- Industries in which the region has a high employment specialisation ratio are agriculture/forestry/fishing, mining, utilities, public administration, education/ training and health care/social assistance.
- The region is a strong minerals, beef cattle, sugar and horticultural producer with significant volumes of these products going to export markets, often directly from the Port of Townsville to nearby Asian markets.

**New industries and employment opportunities that can be created in regions**

Our region is home to a large defence base, with a major army barracks located in Townsville, an air force base in Townsville and other defence land parcels throughout the region. Despite the large defence base, we have a small defence industry and see many of the defence related opportunities being serviced by businesses outside our region. There is opportunity to expand on servicing the defence industry particularly for our advanced manufacturing industry and increase employment opportunities in our region as a result.

There is a growing demand for agricultural products throughout Australia and internationally and our region has opportunities to expand our capabilities to meet this demand. Opportunities available to explore include to diversify our crops, improve our irrigation (therefore increasing our efficiencies and productivity), and explore agricultural tourism.

### **The number of existing jobs in regional areas in clean energy technology and ecological services and their future significance**

Clean energy technology projects provide employment opportunities in our region and we see a larger number of job opportunities during construction phase, but like most construction projects once complete, the employment opportunities reduce significantly. We have seen this in the Hughenden Solar/wind projects and Genex Project Stage 1 and the upcoming Stage 2.

Currently, in the Burdekin, we have a solar farm operational and a second farm to come on line shortly. Once constructed and operational, they will provide 6 jobs at the Clare Solar Farm and 10 at the Haughton Solar Farm. We see significant more jobs during the construction phase.

In the Hinchinbrook region, the NQ Bio Energy project will provide significant employment during construction but due to the nature of the project being both sugar milling and renewable production they will retain a significant workforce once construction is complete. We can also see this in a project in the Burdekin with Wilmar. This project will secure employment across the Burdekin and throughout the seasons. In the mill alone it will ensure year round work for approximately 30 people, 75 operating contractors (per year) meaning 105 people whom mostly live and work in the Burdekin are provided jobs. Greater employment is provided in cogeneration plants and this is an area that should be supported and encouraged by the Government to help secure jobs in regional area in clean energy technology and ecological services.

### **Lessons learned from structural adjustments in the automotive, manufacturing and forestry industries and energy privatisation and their impact on labour markets and local economies**

The loss of the timber milling industry jobs in Hinchinbrook Shire when World Heritage was introduced in the eighties caused the immediate loss of 200+ jobs in the Hinchinbrook Shire, when the timber mill was closed down. There has never been alternate employment provided to replace those lost jobs, as the forestry plantation jobs provide very little employment or local economic input. Since then the Shire has struggled to develop alternate industry to support the losses to the local economy. Developing tourism products and providing infrastructure to support a growing industry has been the focus of the local government. State and Federal government assistance to navigate relevant legislative hurdles to develop significant marine infrastructure would greatly increase tourism product and industry development in the shire and provide economic benefit.

### **The importance of long-term planning to support the diversification of supply chain industries and local economies**

Long term planning is critical to support the diversification of supply chain industries and local economies. In our region we need to support the long term planning and investment being made into infrastructure to encourage growth of existing industries and the establishment of new industries. The long term planning must address the needs and demands from our industries but also assess the trends and opportunities in the future. In our region the Inland Queensland Roads Action Plan (IQ-RAP) is a long term plan design to improve the roads in our region, and achieve improved efficiencies across the supply chain. Improved road infrastructure means the freight network in our region can run more efficiently, increasing its ability to compete globally. With a huge reliance on roads across our large remote region, this project is a great example of what can be achieved when supporting the long term planning for the benefit of industries and local economies.

**Measures to guide the transition into new industries and employment, including:**

**i) Community infrastructure to attract investment and job creation**

Community infrastructure investment is critical in our region. A key element to grow our remote and rural region in to increase the liveability and this can be done through long term planning and investment in community infrastructure. It is critical for businesses and investors to be able to attract and retain employees to live in the region, retain and to attract visitors to the region. Community infrastructure plays a large role in achieving this. RDA welcomes investment into community infrastructure to improve the liveability of our region.

**ii) The need for a public authority to manage the transition**

At the very least, a public authority could provide funding to local identified organisation that can assist in supporting workers to renew skilling to transition and also supporting businesses in establishing new ventures that will ultimately provide employment and economic growth to these regions.

**iii) Meaningful community consultation to guide the transition**

RDA understands the high value in listening and learning of challenges and opportunities that are specific to our region. We encourage genuine, local consultation to fully understand the new industries and employment opportunities and RDA is well placed to support this consultation as required.

**iv) The role of vocational education providers, including TAFE, in enabling reskilling and retraining**

Vocational education providers are critical to enable reskilling and retraining and play an important role in our region in providing those opportunities. RDA is in a position to take a long term view on those skills and training needs in our region in the future and can vision a large increase in STEM related skills throughout our region in the immediate, short and long term future. Vocational education providers need to be aware of these future skills and training needs, and be supported to increase the take up of these training opportunities. With the future skills requirements envisioned, we need to address the demand looking at opportunities in primary and secondary schools right through to university.

**Other Matters**

RDA continues to support the need for cheaper energy in North and North West Queensland. All businesses, mines and agricultural enterprises rely on keeping operating costs down to remain competitive. A reduction in energy costs will stimulate employment and have a positive effect on all employment in regional Queensland into the future.

Yours Sincerely,

**Frank Beveridge**

Chairman

RDA Townsville and North West Queensland Committee

