



CHAMBER OF COMMERCE AND INDUSTRY QUEENSLAND SUBMISSION

▼ *Transitioning Regional Economies*

Productivity Commission

February 2016

Introduction

1. The Chamber of Commerce and Industry Queensland (CCIQ) welcomes the opportunity to provide feedback to the Productivity Commission on the *Transitioning Regional Economies* initial report.
2. 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.
3. Since the slowdown, some of Queensland's larger regional towns and cities have seen a positive yet slow transition from the mining investment boom into a more diversified economy, encouraged by high tourist spending particularly from China.
4. However, the regional areas which are benefiting from the "tourism boom" are often not the same regional towns which were hardest hit from the mining downturn, meaning many of Queensland's regional localities are still facing significant challenges in transitioning to a more sustainable economic base.
5. As with other mining States such as Western Australia and the Northern Territory, 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.

Unemployment

6. Regions in Queensland are failing to transition post-mining boom, with many areas experiencing high – and climbing - levels of unemployment to this day. While unemployment rates are not entirely an accurate reflection of a slowdown in overall economic activity (many of those working in mining were FIFO and based elsewhere), the flow-on effects of reduced activity have had a detrimental effect on the employment for residents.
7. Regions 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.
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		2011-12	2015-16
Cairns	Unemployment rate (%)	7.9	8.6
	Participation rate (%)	65.8	60.4
Fitzroy	Unemployment rate (%)	4.8	6.6
	Participation rate (%)	69.2	69.1
Mackay	Unemployment rate (%)	3.3	6.8
	Participation rate (%)	71.3	69.2

Queensland - Outback	Unemployment rate (%)	7.2	13
	Participation rate (%)	74	61.7
Townsville	Unemployment rate (%)	6.8	9.7
	Participation rate (%)	71.4	60.5
Wide Bay	Unemployment rate (%)	8	9
	Participation rate (%)	55.6	51.5
QUEENSLAND	Unemployment rate (%)	5.5	6.2
	Participation rate (%)	67	65.4

#GoQLD Campaign

9. As part of CCIQ's advocacy for greater support for our regions, we have been involved in the Courier Mail's highly-publicised #GoQLD campaign. Now in it's second stage, CCIQ alongside other prominent Queensland business organisations will undertake a two-week examination of the "challenges regional Queensland faces, the strengths of our regions and how they might be leveraged to breathe new energy into what is the beating heart of our state".
10. Through the campaign, CCIQ has stressed how it is quite distinct 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.
11. As such, our call is for the State Government to recognise that regional businesses needed greater certainty to boost confidence levels, with much of that reliant on government leadership.
12. This includes a strong redirection of investment and attention into regional areas where it is needed most and as soon as possible. Many regions identify that government attention is only turned to them leading up to an election. CCIQ believes a better focus on regional plans was necessary to achieve this and to further identify points of competitive advantage.

Further Enquiries

13. CCIQ thanks the Productivity Commission for the opportunity to provide initial comment and welcome any feedback. We look forward to reviewing the Initial Report to be released in April 2017 and providing greater input at that stage.
14. Please contact [redacted], Policy Advisor, at [redacted] for matters relating to this submission.