

Presentation by Linda Lavarch MP

Parliamentary Secretary to the  
Minister for State Development and Innovation

**Queensland Regional Engagement Forum –  
Smart Progress**

Innovation Centre Auditorium  
University of the Sunshine Coast  
90 Sippy Downs Drive  
Sippy Downs

**Friday, 23 April 2004**

**10.00am – 10.30am**

I would like to thank Professor Paul Thomas, the vice-chancellor of the University of the Sunshine Coast, and professor Ashley Goldsworthy, the executive director of the business higher education round table, for hosting and organising this event today.

I am delighted to be here at the University of the Sunshine Coast to deliver this address at the Queensland regional engagement forum – smart progress.

It is pleasing to note the diverse representation here at this conference - ranging from regional business and industry, the higher education sector and the different levels of government.

Close relationships between business and industry, government and educational research institutions such as universities, cooperative research centres and are crucial in making Queensland the smart state.

This is particularly important to the department of state development and innovation. This department is charged with the task of driving economic growth and innovation, developing business and industry and securing new employment opportunities.

Positioning Queensland as a smart state economy means not only excelling in research, development and innovation, but also building a strong and diversified industry base for the overall economy.

The department of state development and innovation does this through a range of initiatives including:

- Assisting the creation of internationally competitive industry sectors
- Aggressively marketing as an investment destination
- Strategically planning for infrastructure and involving the private sector through the delivery of public private partnerships

- Targeting international markets as importers for Queensland's products and services and ensuring our exporting businesses remain globally connected
- Developing a smart small business sector which seeks out new business opportunities and looks for better and more productive ways of doing business.
- Continuing to focus on regional development in Queensland to build new partnerships between all levels of government, communities and locally-based industry clusters.

This last point is of importance today. As Australia's most decentralised state, Queensland faces a number of challenges.

The challenge for Queensland is to ensure that all areas, particularly remote and rural regions, continue to evolve and attract new business and industry.

Of course there is no one-size-fits-all approach to regional economic development.

It must be managed in a way that is cognisant of local circumstances.

Generally speaking regional development strategies focus on improving the quality of life of the members of the community.

This is achieved by promoting wealth creation and employment, increasing regional productivity, and increasing access to services and resources while supporting environmental conscientiousness.

Certainly the Queensland government views regional development as an extremely important issue.

That is why one of the government's five priority areas relates to regional development.

This priority ... *building Queensland's regions* ensures that government activities – across the board – are aligned to deliver benefits to regional communities.

The supporting strategies of this priority reflect the department's core business.

That is:

- Increasing state-wide development so that Queensland's regions prosper
- Building and encouraging infrastructure to support state-wide development
- Expanding export markets and encouraging value-adding industries - and
- Building on the competitive and comparative advantages of Queensland's diverse regions.

Another key strategy to improve regional economic growth is to encourage greater investment.

The nature of many regional economies in our state means that investment – be that domestic or international – can be a catalyst in opening up new projects, such as the development of a mineral resource or resource processing.

Additionally large investments can have important flow-ons to regional economies by generating opportunities for local businesses.

Accordingly a key challenge for regions is to develop the capability to capture opportunities arising from new investments.

However at present many Queensland firms in regional areas are relatively small.

This means that they face major challenges in servicing larger or more complex customer needs.

With the increase in large-scale, geographically dispersed supply and value chains, this challenge will grow.

Small enterprises, working together, or partnering with larger firms, have a much higher chance of winning business and reducing commercial risks.

Here on the beautiful sunshine coast the lifestyle attributes offered by this area have driven local population and economic growth.

In particular this growth extends to the local tourism and hospitality industries.

The sunshine coast is renowned for its creativity and diversity.

This is a reflection of the types of business people who come to this area – and whose products and services do not rely on being in a particular place, but are able to use communications technology to carry out their activities.

The department's network of nineteen state development and innovation centres are strategically located throughout Queensland. They continue to be the frontline for the Queensland government's commitment to sustainable regional development and regional engagement.

Officers at these centres continually explore how more effective regional engagement between business, industry and of course post-secondary education can be fostered.

In looking at better ways of doing business there is an opportunity for the higher education sector to work with business and industry.

Seven of Queensland's nine universities have campuses outside of Brisbane – and each of these campuses service quite distinctive regions and industry bases.

These differences are reflected in the different research specialisations.

For example, James Cook University is Australia's leading tropical research university, and at Griffith University on the gold coast, ground breaking research is being undertaken in pharmaceuticals.

I believe that Queensland is well advanced in the area of universities regionally engaging with business and industry.

Queensland's regional universities are now creating spin-off companies and new markets.

This is occurring because many of these universities are pursuing a policy of regional engagement.

It is important that the priorities of these regional research institutions are developed with consideration of the issues affecting regional business and industry.

Since its first term in office the Queensland government has been committed to building and consulting with Queensland's regions. This commitment is as strong as ever.

Through Queensland's smart state initiatives, the department of state development and innovation is actively engaging the broad community in supporting research and development, pursuing higher educational standards and creating new emerging businesses.

The department of state development and innovation currently provides funds to the research sector to enhance its capabilities and to engage particularly with the business community.

For example, right here, the university of the sunshine coast and the government are participating together to engage with the broader community through this innovation centre and technology incubator - where we are today.

The Queensland government, through the department of state development and innovation provided the seed funding for this facility.

And this has now successfully led to a proposal to develop a knowledge precinct on the land adjoining the university campus.

Planning for this initiative has involved close collaboration between education Queensland, Maroochy shire council, Maroochy economic development board, main roads department, the University the Sunshine Coast, a private sector company and the department of state development and innovation.

The ultimate success of this initiative depends very much on the ability of the region to work in a collaborative manner.

For without collaboration even a community with quality technological and human assets will not be able to create the local advantages needed to successfully compete in a highly competitive environment.

The department of state development and innovation has also committed \$600,000 to be provided over the next three years to establish a technology incubator in Cairns.

This will give high-tech companies in the Cairns region a head-start in commercialising their technology and ideas.

Technology incubators provide accommodation for innovative young companies so they can work side by side with similar more established companies and get training, mentoring and assistance that will help put them on the path to successful commercialisation, new industries and new jobs.

The Cairns incubator is in addition to the department's state-wide technology incubation strategy, announced last year, which will result in up to five new technology incubators across Queensland.

Incubation can dramatically increase the success rate of high tech start-ups, which typically have a failure rate as high as 80 per cent.

The department of state development and innovation also partners with the Institute of Sustainable Regional Development, a research unit within the Central Queensland University, to undertake community and business development initiatives.

This partnership involves a funding agreement for the department of state development and innovation to provide \$200,000 each year to undertake projects in sustainable regional development.

The central Queensland University's expertise and research capabilities, in collaboration with government and community stakeholders, have provided additional skills to develop innovative economic development ideas in many regional areas.

For example, in 2002 and 2003 the Central Queensland University, in partnership with the department of state development and innovation, undertook the far north Queensland regional sustainable industries study.

This study examined the future development of sustainable industries in far north Queensland.

And it resulted in the development of a strategy which is currently being implemented by regional stakeholders and agencies.

Another Institute of Sustainable Regional Development and Department of State Development and Innovation project involves consultation and planning for regional development in the lower gulf area.

This project is a joint government, century mine and community project.

It aims to review, identify and implement strategies, investments and practices that will realise a sustainable future for the community beyond the thirteen year life of the century mine.

This project is currently underway and is due to be completed this year.

The concept of skills transfer from universities and the engagement of the university within its local environment is one which the department has encouraged for several years.

There are a number of programs, either state based or commonwealth based, where the department is involved in providing funds to the research sector to enhance its capabilities and to engage particularly with the business community.

For example, the Department of State Development and Innovation provides \$150 million through the smart state research facilities fund to facilitate further investment in world-class science and technology research and development infrastructure.

Some of the outcomes include:

- Twenty million dollars for the establishment of an Australian institute of bioengineering and nanotechnology
- Twenty two and a half million dollars for an institute of health and biomedical innovation at the Queensland university of technology
- Seven point four million dollars towards a centre of excellence in engineered fibre composites ... and
- Seven point eight million dollars towards the Australian tropical forest institute in cairns.

Queensland government support for cooperative research centres ensures that Queensland is the smart state for research and development and for a highly skilled workforce.

Our support enables nearly 50 of these centres to undertake research in areas such as biosciences, including tropical agriculture, medicine and environmental management.

The department of state development and innovation is providing four point four million dollars over four years for

- Cooperative research centre grants and coordination
- The information communication technology skills training and role models program ...and

- The innovation start up scheme – a scheme to help highly innovative, early-stage technology companies to commercialise their newly-developed products so that they have an increased chance of creating significant new industries and sustainable jobs in Queensland.

The partnering of industry and business with scientific research is vital.

The Department of State Development and Innovation also offers smart state fellowships.

These are grants of up to one hundred and fifty-five thousand dollars per fellow paid over three years to attract and retain world-class researchers, and grow mutually beneficial linkages between research, industry and business.

The Government's contribution must be matched collectively by two co-sponsors, one research and one industry or business.

Applications for round two of the smart state fellowships close on 7 may 2004.

The Government also invests in key infrastructure such as a process engineering light metals centre at the central Queensland university campus in Gladstone.

This investment included one point six million dollars in 2002-2003 for the centre.

Recent figures from the Australian Bureau of Statistics show the Queensland Government has spent double the national average of other states and territories on research and development, when compared to other state and territory governments.

Another area that the department is involved in is technology diffusion activities supported by organisations such as the Queensland manufacturing institute.

These organisations encourage the take up of technology and the placement of interns and graduates within business and industry.

In addition, the Australian Institute for Commercialisation which is a major national initiative to develop the results of research into commercial production, based its headquarters in Queensland in 2002.

We need to commercialise our research to create jobs here in Queensland rather than let our scientists and great ideas be exported overseas.

The Department of State Development and Innovation is currently developing an \$8 million advanced manufacturing plan with a strong education and training focus. This will build on early successes flowing from the Queensland government's \$26 million blueprint for manufacturing, - titled 'Making Queensland's Future', - launched in April last year.

Under the plan a competitive grants program will be established for educational institutions to develop new programs to meet the training and innovation requirements of industry.

To be successful, educational institutions and training providers will have to develop skills and innovation programs in close consultation with industry.

Two and a half million dollars will be available for this program over three years.

Under another part of the advanced manufacturing plan, a leading edge, highly skilled workforce will be developed by working with industry to improve the existing training and education programs in the manufacturing sector, particularly those offered by Tafe institutes.

Funding of one million dollars over three years will be made available for this.

Also under the plan, the Department of State Development and Innovation will allocate three million dollars over three years to establish a central Queensland manufacturing region based on Gladstone and Rockhampton.

This will target skills and training issues on a collaborative basis with industry and training providers, and address value-adding manufacturing opportunities.

These activities demonstrate that many of Queensland's universities and research organisations are actively engaged not only with business, industry and government but also more broadly the wider community.

The way forward is for closer relationships between business and industry and universities to continue to be fostered through university provision of consultancy, research and training services to regional business and industry.

The benefits of regional university, business and industry engagement are widespread and include:

- Building a unified approach to business development and policy research in regional Queensland
- Creating exchange between industry and the university sector, as well as across regions, and not reinventing wheels ... and
- Developing a strong empirical basis for regional research in Queensland.

Undoubtedly the success of our economy will depend on stimulating new momentum in our traditional industries as well as the birth of new industries.

Partnerships between the higher education sector, government and business and industry are essential to catalyse regional economic development through the investigation of new technology, best practice and extension services.

Through the initiatives that I have discussed with you today, we will enhance Queensland's reputation as a research and development hub for the Asia Pacific region – and we will continue to grow the smart state.

Ladies and gentlemen, thank you for your time today.