

## News

### **Victoria's ability to host high-tech jobs questioned Bracks government's hi-tech vision could be an illusion, researchers say**

**Liz Tay** 04/12/2006 15:14:51

Victoria's current economy may be unable to sustain the production of hi-tech jobs and a global competitive edge in the future, according to a study by Monash University's Centre for Population and Urban Research.

In a report titled "Melbourne's Second-Speed Economy", researchers Bob Birrell, Ernest Healy and Paul Smith questioned the newly re-elected Bracks government's 'hi-tech master-plan' for Victoria, which the researchers claim to be too heavily focused on funding scientific research facilities, and too neglectful of existing opportunities, to produce jobs of the future.

By analysing data from the Australian Bureau of Statistics during the periods 2000-2001 and 2005-2006, the researchers have revealed what they call a 'misconception' in perceptions of the growth and subsequent rapid decline in the job market over the past five years.

Data suggests an overall growth in property and business services industries, which include high-end servicing jobs, legal and accounting services, computing services, and technical scientific services. While this growth has previously been seen as evidence of globalization and economic success, the Monash study suggests that the growth has been largely domestically driven and does not, in fact, reflect on global competitiveness.

"It appears that in both Sydney and Melbourne over the past half decade or so, much of the employment growth in the property and business services industries has been very closely related to the property boom in both of these cities," said Healy, a sociologist and Research Fellow. "Our interpretation of the data at this point suggests that a lot of the jobs growth in the property and business services sector may have really not been so much to do with engagement of the global economy, but simply responding to domestic demand derived from population growth and the domestic property market," he said.

As a result of the widespread misconception, researchers speculate that governments are relying too heavily on population growth, property investment and property construction for continuing economic growth - elements that Healy said may create an "illusion of prosperity and economic viability", but will not make Australia more viable in the global marketplace in the long run. Instead of actively investing in existing companies for the generation of future hi-tech jobs, the Bracks government, for instance, is placing too much emphasis on "new hi-tech firms" that are expected to emerge and take the place of the existing manufacturing sector, he said.

"They [the Victorian government] think that new firms are going to appear out of thin air to provide all these new, good, hi-tech jobs," Healy said. "We're saying that with the right sort of financial and other support, many existing manufacturing firms can improve and refine what they are already doing, and generate not only new and better products for marketing globally, but can generate high level jobs in that process as well."

By consulting with prominent industry members such as Ericsson and Ford Australia, researchers found that while corporations worldwide have placed high value on Australian engineers, the country has not been producing enough tertiary graduates to capitalise on this advantage.

"In absolute terms, the sheer number of tertiary graduates that are being produced out of Australian universities as a whole since 1996 have not increased very much," Healy said. "The economy has kept growing, but the volume of tertiary graduates has not kept pace with the economy."

"We probably have a culture in Australia of not sufficiently valuing engineering relative to other areas," he suggested. "We may have a national cultural problem in engineering and engineers are not really something that we've placed a very high status upon in the past."

Researchers are now recommending that the Bracks government fund a larger number of university places for the training of engineers in Victoria.