



# ***ECONOMIC DEVELOPMENT COMMITTEE***

## **Members:**

Mr E.R. Moorhead MP (Chair)  
Ms T.E. Davis MP  
Ms J.H. Jarratt MP  
Mr S. Knuth MP  
Mr J.D. O'Brien MP  
Ms F.S. Simpson MP  
Ms E.C.M. van Litsenburg MP

## **INQUIRY INTO IDENTIFYING WORLD'S BEST PRACTICE BY GOVERNMENTS TO EFFECTIVELY STIMULATE EMPLOYMENT OPPORTUNITIES IN QUEENSLAND**

### **TRANSCRIPT OF PROCEEDINGS**

**FRIDAY, 18 SEPTEMBER 2009**

**Brisbane**

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### Committee met at 8.32 am

**CHAIR:** I call this public hearing of the Economic Development Committee to order. Before we begin, I would like to acknowledge the traditional owners of the land on which we meet today.

The committee conducts this hearing pursuant to the resolution of the Queensland Legislative Assembly of April 2009 that appointed it. This resolution requires the committee to monitor and report on issues in the policy areas of employment, infrastructure, transport, trade, industry development, agriculture and tourism. Today's hearing is to assist us with our inquiry into identifying world's best practice by governments to effectively stimulate employment opportunities in Queensland. This inquiry was referred to the committee by the House on 23 April 2009.

The inquiry is looking at ways governments can effectively stimulate employment opportunities to ensure Queensland is well positioned to create employment opportunities in readiness for an economic upturn. The committee is considering established and new and emerging industries, as well as Queensland's significant science, research and technology infrastructure; Queensland's natural resources; areas in which Queensland has a demonstrated comparative advantage; the current and future skills requirements of the Queensland economy; and the impact of regulation on economic growth and recovery.

I would like to introduce the other members of the committee here today: Ms Fiona Simpson, deputy chair and the member for Maroochydore; Ms Tracy Davis, the member for Aspley; Ms Jan Jarratt, the member for Whitsunday; we have an apology from Mr Jason O'Brien, the member for Cook; Ms Lillian van Litsenburg, the member for Redcliffe; and we also have an apology from Mr Shane Knuth, the member for Dalrymple. We also have a list of apologies from a number of other members and officials who were invited to attend but could not make it today. I ask that those names be recorded in *Hansard*.

#### EDC PUBLIC HEARING SEPTEMBER 18 APOLOGIES

Mr Ray Stevens MP, member for Mermaid Beach

Mr Derek Pringle, Master Builders Association,

Mayor Bob Abbott, Sunshine Coast Regional Council

Ms Anne-Marie Birkhill, Ilab Incubator

Mayor, Cr Lorraine Pyefinch, Bundaberg Regional Council

Mr Mark Ryan MP, member for Morayfield

Cr Col Meng, Mackay Regional Council

Ms Rosemary Menkens MP, member for Burdekin

Ms Dorothy Pratt MP, member for Nanango

Mr Steve Dickson MP, member for Buderim

The Hon. Minister Peter Collier MLC

Ms Grace Grace MP, member for Brisbane Central

The Hon. Andrew Fraser MP, Treasurer and Minister for Employment and Economic Development

Mr Phillip Bullock, Skills Australia

The Hon. Stephen Robertson MP, Minister for Natural Resources, Mines and Energy and Minister for Trade

The Hon. Judy Spence MP, member for Mount Gravatt

Mayor Val Schier, Cairns Regional Council

Mayor George Creed, Gladstone Regional Council

Mayor Michael Brunker, Whitsunday Regional Council

Mr Wayne Wendt MP, member for Ipswich West

The Hon. Neil Roberts MP, Minister for Police, Corrective Services and Emergency Services

Mr Howard Hobbs MP, member for Warrego

The Hon. Peter Lawlor MP, Minister for Tourism and Fair Trading

Professor Peter Lee, Vice Chancellor, Southern Cross University

Ms Lindy Nelson-Carr MP, member for Mundingburra

The Hon. Margaret Keech MP, member for Albert

Mayor of Maranoa Regional Council

**CHAIR:** The proceedings here today are lawful proceedings of the parliament and subject to the Legislative Assembly's standing rules and orders. Witnesses have been provided with the guidelines for witnesses appearing before parliamentary committees adopted by the Legislative Assembly, which the committee is bound to follow. Have you had an opportunity to read those documents?

**Miss Rose:** Yes.

**CHAIR:** Under the guidelines, you may object to answering any question put to you on the grounds that the question is personal and not relevant, or that the answer may incriminate you. We have not had that happen yet. The committee will not require you to take an oath or affirmation. However, we ask our witnesses to respect the proceedings. Recording of today's proceedings other than by Hansard is not permitted.

It is our intention to keep to the times of the hearing program that has been published. To assist us in keeping to that program, we ask that you keep your answers short. If you do choose to take questions on notice—that is, offer to bring back an answer later—we ask that you provide them to the committee by 2 October 2009.

**ROSE, Miss Allinta, Managing Director, Deadly Solutions**

**PEREL, Ms Sue, Manager, Kurbingui Youth Development Association**

**BOBIR, Ms Rachel, Employment Officer, Kurbingui Youth Development Association**

**CHAIR:** Thank you for giving up your time to come here today. The committee very much appreciates it. We might start by asking those present to make a short opening statement. In the case of Kurbingui, we have had an opportunity to read your submission so you can take that as read. But, if there are further points you would like to add, please do so. Who would like to start?

**Miss Rose:** I might start because I did not put a submission in. Deadly Solutions is a for-profit Indigenous company. I founded it 2½ years ago. It is based in Logan City, in Logan. We are operating from a site in Woodridge at the moment. At the moment the business runs a number of programs—one of them being the Skilling Queenslanders for Work program through the Department of Employment, Economic Development and Innovation, or DEEDI, formerly DEIR. We work with 50 Aboriginal and Torres Strait Islander job seekers in that catchment area, assisting them with job preparation and finding them training and getting an employment outcome.

We are also going to run STEP ERS. We have not started that. It is a new program through DEWR. The federal government has just come out with the new revised IEP program. We are a new tenderer and we were successful in tendering for that program, and we are a STEP panel provider. We also do private fee-for-service work, recruitment work, recruiting Indigenous people and placing them with employers not only in Queensland but also in Western Australia. So we do a number of things.

I have three staff, so there are four of us. We all identify as Aboriginal and Torres Strait Islanders. The foundation for the business is to make sure that Indigenous people successfully gain employment and are retained in the workforce.

**CHAIR:** Thanks. Sue and Rachel?

**Ms Bobir:** I will let Sue do the talking. I might just add anything that she forgets.

**Ms Perel:** Kurbingui Youth Development Association is in Zillmere. We are a not-for-profit community organisation. We have been in existence for eight years. In that eight years our core business is employment and training, although now we have some family support programs around drug and alcohol and family violence to support those programs. We have also taken a focus in terms of cultural awareness and engaging young people more strongly with their culture.

We have a number of programs within employment and training. We do the Skilling Queenslanders for Work program. I think that is extremely successful and very useful for the client base that we see. So I absolutely support the government in those work placement programs. It would be wonderful if we could do more. I think that is the best tool that we have ever had for Indigenous people to learn about workplace ethics and then to move them into employment. So our outcome rate for that has steadily been at 60 per cent, which I am very pleased with. I think the department is also pleased with that. So we have been able to maintain that, even though times are a bit tough right now.

**Ms Bobir:** Also, probably a significant part of our employment and training is our numeracy and literacy programs that we are also funded for under the same department. We have a significant number of people who are referred to our organisation not just for employment reasons but for other reasons, and we have identified that numeracy and literacy is a big factor in their lives. So that is something that we have taken a big focus on in 2009 and will continue to do.

Now that Sue has given the work placement programs a bit of a rap, the only down side with numeracy and literacy is that it is very low funded. There is a significant amount of tutoring work with adults. We do a lot of group work, especially with teaching. There seems to be a lot of people who have never touched a computer before, so we have run a lot of literacy programs through learning how to use computers. One factor of that is that nobody can go home and use their computer because not many people have one in their own home, although we have a community hub that is accessible. My point is that even though we can do these group teachings under the funding, the best learning does come with one on one, and that is obviously very time-consuming and the funding does not even cover an hourly rate of our workers. That is a shame because I think it is a really important factor in the whole scheme of things, even outside of employment and training.

**CHAIR:** We will go to questions from committee members, and I will start. My question is to both of you. Traditionally a lot of the political discussion around Indigenous employment has focused on rural and remote Indigenous communities, whereas I understand that 80 per cent of Indigenous people live in urban environments. I represent a seat in Logan, and I have a very large Indigenous population in my electorate. What are the different challenges faced by Indigenous people in urban environments?

**Miss Rose:** Look, there are a number. I have written a few down here. Just note that I am coming from the perspective of looking at Logan City. I think one of the key ones is transportation down there. It is not necessarily the actual transport infrastructure that is there to a degree; it is more the Indigenous people's access to transport and monetary resources to acquire a vehicle to get a driver's licence, to have a family member who would assist them in acquiring driving hours. That is one key one.

Another one is definitely support structures. Indigenous people generally lack those support structures and background, such as generations before them who might have held a business or generations before them who might have been employed. Maybe they might have a family member who has been employed only casually or part-time or intermittent employment. So they do not have those role models. Those support structures are pretty integral and we see that daily down there where the support structures, if they do not exist, no matter how hard you try to put an Indigenous person into employment, it continues to drag them back down. I guess there is no easy answer to that. It is just a matter of working more in a holistic framework and making sure that the families are supported as well as the individual when we are looking at employment and considering those things.

Some of the other things that are preventing, and I am seeing daily down there, are education and qualifications, which are not up to the same standard as others. In the economic situation that we are in, we are seeing skilled workers who are being retrenched or laid off and who are unemployed. They are gaining employment a lot more readily than those who are semi-skilled or unskilled. A lot of our mob are unskilled and semi-skilled. The problem is that they are at the bottom of the pile. So when it comes to job applications—and there are 60 to 80 applications per job or whatever is happening at the moment—they are right at the bottom. So when they are applying, they are not even getting a look-in.

So I guess the question is how do we get them to be at that standard. I think it is integrated training and work programs. I like the Green Army program. I think that is a great one. It is something that integrates the training and the learning with the employment so that they are being productive while they are still looking for employment.

**CHAIR:** Do you have anything to add to that, Sue?

**Ms Perel:** I agree wholeheartedly with the transport. We need to be able to demonstrate that having a driver's licence is pretty important. Having a driver's licence means a whole lot of stuff other than you can drive a car. When we run driver's licence classes, everybody drives up and parks outside and comes inside to our course and then drives home. So most of these people—and they are mature age people—have been driving for 30-odd years. They say, 'Why do I need a licence? I can drive.' It is very difficult to get through to people that this is the way it is. So money to be able to run those courses and to promote how important it is and all of that is really important. We can do that through literacy and have been doing that through a literacy approach.

**Miss Rose:** Actually, I would like to follow on from the driver's licence issue because, if anything, some of those hurdles to getting a licence are getting greater, with access to someone else's car to have the appropriate time to get the logbook hours up. So you are actually seeing a body of people where, to have access to a private vehicle, someone who can shepherd them through that process, is a very real workplace barrier.

**Ms Perel:** Very difficult, yes. They might not have anyone in their family who has a vehicle or, if they do have a vehicle, it is unroadworthy and it is sitting there and it is not being maintained.

**Miss Rose:** Very good point. That is something. Can I ask: you are actually doing something with your program to provide driver training?

**Ms Perel:** When we can. We have had in the past some really good examples and that was we had a local driving school who gave us cut-price classes and he was a great mentor. We got a number of people through successfully. We were very happy with that and I think that partnership arrangement could work, but there does need to be some funding to at least complement that process. It is doable, I think, but it is not always seen by government as an appropriate expenditure where we see it as a necessity.

We are training in construction and to be in construction you really need to be able to travel. A recent course we had was at Wamuran and our participants had to get way out there. We thought we were going to fail, but what happened was we had tried for six months to get local community buses and all sorts of things, but in the end—and we did not ask any questions—all 12 people got themselves there every day and back through car pooling. So I think there were—how many people? Two people or three people who owned a car?

**Ms Bobir:** Yes, there were about three.

**Ms Perel:** Out of 12. So they worked it all out and got themselves there. So we were extremely proud of that. But that is not going to work in an open workplace. So people do need their learner's.

**CHAIR:** Thanks, Sue.

**Ms JARRATT:** It was good to hear that you were having around 60 per cent of your work placement participants go on to some sort of permanent employment. I think across the broader employment programs it is about 70 per cent. So it is a little bit below the broader community results, but still that is pretty good. My question really is about what happens to the 40 per cent of participants who do not go on straight afterwards to some sort of permanent employment. Do they come back again? Do you see them again or do they just get lost in the system?

**Ms Bobir:** A percentage would come back. In our organisation, we have two projects. One is based in construction, which is predominantly men—although women do go on it—and the other one is in administration, and that is predominantly women and a few men go on and do that as well. Some women will not go back to work. They will decide to stay home and look after the children, or whatever. We have a significant amount who, if they do not get work, will move back to Cherbourg, Cairns, Townsville—wherever. They will go back to home roots—family. They have come to Brisbane for a certain amount of time to try to get work and they cannot so they go back home and then they do come back in.

We have found that our programs have been successful with our reputation for Indigenous people. If we cannot find them, usually once they have lost their jobs they have lost the credit on their mobile and we cannot call them. There is no real way of getting in touch with them—sending them letters and they come back. But they do just tend to walk back in the door a year later. It is just like, 'I'm back again, I went cotton picking' or whatever they did, 'But I'm back again looking for some work.' So some we just lose. They just move home and that is the end of it. Then there are a few who do wander off and then come back to us

**CHAIR:** You seem to be in agreement with that.

**Miss Rose:** Yes, I think the rapport that we build with our clients is very close. Also, in light of some of the issues that happen with JSAs—or Job Network providers—in terms of culture appropriateness and feeling welcome when they go to their JSA, that means that they come in contact with us a lot and they come down and see us. Sometimes they lose contact, they do not have credit on their phones, but they do make contact and they walk through the door usually.

**Ms DAVIS:** Thank you for coming today. I have had the opportunity to visit Sue out at Zillmere. For the benefit of the committee, can you speak about the difficulties that you face with young people in the area when they come from those more remote regions to look for employment and integrating into the local community and the challenges they face with that along with trying to establish employment down here?

**Ms Perel:** A lot of the young people who we see in that case may well be coming down to family or family members. It is not as though they are homeless. They are really quite connected in the community. A real difficulty often is something as simple as identification. A case that we had last week, which just astounded me, was a young boy who needed to get his birth certificate. He is living here with family. He was born in New South Wales. He was not registered. So he is 15, not at school and not registered. We went through the process with his mum to have him registered and we are still going through that process. But mum walked in the other day to say that she has two other boys who are not registered, so how can we help? So I just began to think we are always getting birth registrations and trying to find school records and all of that sort of stuff to be able to at least do a resumé for young people. That is certainly now obviously something that we have to take into account.

Another issue is education. They may well have left their community because they dropped out of school and have no intention whatsoever of going back because their experience has been not a happy one, and perhaps they have been in and out of school and are quite transient. That is another issue. Getting them back into education is a real task for us.

Our place, as you know, is really quite welcoming. There are lots of people hanging around and it is a bit like a garage sale. Everybody sees somebody hanging out there and so they are walking in to see what is going on. We are not a drop-in centre and we are very keen to promote that we are not a drop-in centre. You are there to work and there are some things to do. So those young people are allowed to come at specific times. It is usually three to five or something like that so that they can do something really intelligent on the computers like Facebook and Bebo and those sorts of things. I would like to say that we have a great homework club, but we do not. Those young people know where they stand basically. They know that we will support them but there is only so much that we can do. We really need to be looking at alternative school programs. There is a program called Get Set for Work. We have run that in the past quite disastrously, I have to say. It did not meet our needs. It is a great program. It might work somewhere else, but it is not working that well in the Indigenous community.

I think there are other options out there that might be better. That is a big open minefield for us, and it is somewhere that we need to go. We do not have the capacity as an organisation to run some of the programs that are around, but I am sure we could partner with other organisations. There is now a Youth Connections Program which seems like an answer for us, but we do not know how we can crack into that. We certainly cannot put forward a tender because we do not have that capacity. That was just a bit of an advertisement for us.

In terms of young people coming down, it is making sure they are still connected to their culture and that they have opportunities to progress really. There is no magic bullet for them. It is very difficult. There are a whole lot of issues that need to be addressed—just getting them to understand a pathway of moving forward. We are trying to trick them into literacy stuff. We can be really quite creative about literacy, and

that is where you are at and what you are doing. So if it is Facebook, then let us do something around Facebook. But it is not accredited training and it is not Access 10. We think it is really good and we see some changes but an employer really does not. We are stuck really. We are open to whatever opportunities there are for us.

All of the staff have now gone off and done their literacy training. We are about to train seven volunteer Indigenous literacy tutors. What we think might work is that, if we train up some Indigenous tutors and place them one on one with these young people who are out of school, maybe that is a strategy. That is our strategy for 2010. I think mentoring is a great option, especially for those young people that you speak of.

**CHAIR:** Thanks, Sue.

**Ms van LITSENBURG:** Sue, as you know, I have seen your work before and I know that you do a great job with the young people. Of the percentage you have that go into work, do you have any stats on how long they stay in work? Do they end up in permanent work, or do they after a year or so end up unemployed again? Do you have any stats on that?

**Ms Perel:** No. It is just really anecdotal. We do get some traineeships and apprenticeships, and that is probably the biggest employer, certainly in construction. People do seem to stay for longer in those apprenticeships and we do have some successes in achieving the full-time. Just as anybody else, people come and go from jobs. We try to encourage them to use us as a sounding-board. We often have people go into employment and perhaps their boss says something that they are a little offended about. Rather than going off, we encourage them to come and have a yarn with us and see what we can do. We can step in and speak to that employer and advocate on their behalf. We have done that a couple of times and that seems to work.

There are some silly things, like young people are really very sensitive. We had one young man that we were so excited about getting a job with the local stonemason, and he was so excited. He went the first day and just loved it. The boss rings the second day and he was not there. I was ready to pull out his hair. When we finally grabbed hold of him, we said, 'Why didn't you get to work today?' 'It was raining.' 'So, don't you go to work on rainy days?' 'Well, I didn't have a raincoat and I had to catch the bus.' 'Let's go and buy you a raincoat, let's go and talk to your boss and get this sorted.' That kid is still there three years later and he will achieve his apprenticeship. Just silly, stupid little things like that that he could well have lost that job over.

**CHAIR:** We have time for one last quick question. Allinta, in your opening statement you talked about making people work ready and people understanding the expectations of work. That is one of the things that our committee has been trying to get our head around. How do you make sure people have generic skills that make them work ready?

**Miss Rose:** I guess what is working for us, and we do something very similar to Kurbingui, is doing targeted life skills and personal skills training. The way it works is that Indigenous people deliver them. So they talk to them about the real issues about family, the break-up of family, coming from Cherbourg and having that background with a lack of education. So we try to bring real stories to the life skills and work skills. With that we are able to relate to the clients a lot more. We do something very similar to a lot of other providers that float around that might be contracted to an ESP, a Job Network agency, to do life skills training or those types of things. It is very structured and very similar, but we have structured it culturally appropriately so we talk about shame, we talk about these sorts of issues about not going to work, we talk about if they do not have money other ways to gain money, budgeting and things like that. We know that is working really well. We not only do targeted, structured training but we also bring a rapport one on one with the job seeker where our employment consultant builds a very strong relationship with that young person and also mature age job seekers.

That bond really is the mentoring relationship that we have been talking about. That mentoring relationship is very powerful, particularly when you look at role modelling. We try to role model to our clients because all of our workers have had professional backgrounds. We have all been in employment and recruitment services. I have been to university. So we role model to our job seekers and say, 'These are the types of things you can do. These are the career pathways that you can take. If you do not go this way, that is okay. We will take another route. Let's not give up on this. Let's go another route and find another industry that we might be able to go into.'

If they have a numeracy and literacy issue, we try to work with them as much as possible doing one-on-one work and numeracy and literacy activities, taking home sums and working on them night after night, and then bringing them back in and checking the answers.

**CHAIR:** I thank the three witnesses this morning for their time. We very much appreciate your insight from your firsthand knowledge.

**BEHRENS, Mr Nick, General Manager, Policy, Chamber of Commerce and Industry Queensland**

**LEWIS, Miss Megan, Education and Training Adviser, Chamber of Commerce and Industry Queensland**

**CHAIR:** I welcome witnesses from the Chamber of Commerce and Industry Queensland, so thank you Megan and Nick for joining us. There is a short spiel to get out of the way before we start, so please bear with me. The committee conducts this hearing pursuant to the resolution of the Queensland Legislative Assembly of April 2009 that appointed it. The proceedings today are lawful proceedings of the parliament and subject to the Legislative Assembly's standing rules and orders. Witnesses have been provided with the guidelines for witnesses appearing before parliamentary committees adopted by the Legislative Assembly which the committee will follow. Have you had an opportunity to read those guidelines?

**Mr Behrens:** I have.

**CHAIR:** Thank you. Megan, have you had a chance to read those guidelines as well?

**Miss Lewis:** I have not; I am sorry.

**CHAIR:** We might start with Nick so you can have a bit of a quick look at them.

**Miss Lewis:** Yes.

**CHAIR:** Thank you. Under the guidelines, you can object to answering questions put to you on the ground that those questions are personal and not relevant or that the answer may incriminate you. The committee does not require an oath or affirmation. However, we expect our witnesses to respect the proceedings. Recording of today's proceedings except by Hansard is not permitted. It is our intention to keep to the time frames provided for the program. To assist us in keeping to the program, we would ask that you keep your answers succinct. If you choose to take any questions on notice, we would appreciate if you could provide those answers to the committee by 2 October 2009. The committee has had a chance to read the submission provided by the Chamber of Commerce and Industry, but you can make a brief opening statement to add to that.

**Mr Behrens:** Thank you. The Chamber of Commerce and Industry Queensland appreciates the opportunity to appear before the committee. As you would be aware, as part of our submission we have presented three documents for your consideration that we thought may be relevant to those matters that you need to consider. The first one was the Pulse Survey of Business Conditions for the June quarter. That essentially details what we believe to be the business community's views on the state of the Queensland economy. It essentially details that there has been an upturn in business confidence, particularly for the national economy. Queensland finds itself in a unique situation in that for the first time in recent memory Queensland businesses regard the performance of the national economy to be stronger than the state economy, which is a unique situation. Whilst there has been an upturn in business confidence, that upturn in confidence is yet to translate into improved profitability, total sales revenue and employment levels. There are expectations for an improvement, but that improvement is yet to be realised.

The second document that I attached to our submission was the Blueprint for Growth. This was released immediately prior to the state election. The chamber wished to ensure that it had a good working relationship with the state government, whomever that may have been at the time. It essentially details what we believe the next state government needs to implement for the Queensland economy to grow and for employment opportunities to be created. So our view was that this document was perhaps the most relevant of the three that we provided for your consideration. The third document that we provided was only recently released—it was released on Monday—and it is the *Blueprint for fighting Queensland's over-regulation*. It details that there is in excess of 188,000 pages of Commonwealth legislation and in excess of 70,000 pages of state legislation, the highest by far of any state, and details that, as was in your issues paper, the cost of regulation within the Queensland economy is \$17.9 billion, which is an astounding number—one that we rechecked time and again and each time we checked we found it to be accurate. So it does give you an indication of what opportunities are before us in terms of what we may be able to do to trim the red-tape burden on the business community.

If I may please, I have a very short statement on the role of government in creating employment opportunities and then if you are happy I would love to open it up to questions. Please forgive me: it may sound strong; it may sound like a bit of rhetoric, but I can promise you it is the businesses' views of what it sees as government's role. This inquiry must recognise the vital importance that state government plays in building and sustaining the economy. To this end, CCIQ sees the responsibility of state government as creating an overall environment which is conducive to economic growth—no more and no less. Greater priority must be given to examining and reducing the costs of doing business in this state. Creating a strong business operating environment that allows local industries to compete globally is pivotal to the economic wellbeing of business and employment creation.

Further to this, every region in Australia is in competition with each other, to some extent, in the area of investment attraction and retention through competitive business cost and taxation regimes. As a result, Queensland needs to have a business operating environment that is the most competitive. Our

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competition is never standing still, and if Queensland does not respond to initiatives occurring elsewhere our attractiveness is diminished in the eyes of potential and existing investors. The notion of creating a competitive business operating environment has the single greatest influence on employment opportunities in the chamber's and the Queensland business community's view. Quite simply, it is not up to the government to determine where the strongest opportunities for employment rest; it is up to the private sector. The government's role is to implement an environment where these decisions can be made. Thank you.

**CHAIR:** Thank you. Megan, have you anything further to add to that?

**Miss Lewis:** Nothing further to add to that, no.

**CHAIR:** Thank you. On the issue of regulation, I was talking to a business in my electorate that was saying, 'There's this significant burden of compliance on my business,' and then went on to say that the problem is that there is not enough regulation on everybody else. Some businesses grow on the basis of regulation and some businesses need that regulation to build. Is there a forum for CCI to specify which regulations they see as poor regulations and those regulations they see as good regulations? Do you have a forum where you can put proposals of how you could minimise that compliance burden, regardless of the actual regulation?

**Mr Behrens:** That is a very good question, because I believe you have actually honed in on the very issue of regulation—that is, that each and every single piece of regulation can normally be justified as being in the public interest. It is only when you aggregate every individual piece of regulation does it create an overall regime that essentially blunts business growth. So, yes, there are hot spots of regulation compliance that have been identified. They include the environment, workplace health and safety and fire regulation. The Productivity Commission report, which is referenced in here, has identified those hot spots. Our view is that to combat the issue of red tape first of all we need to measure the overall magnitude of red tape and then we need to set goals about the systemic reduction and benchmarking and setting up KPIs for regulation reduction.

**CHAIR:** How do you measure red tape or regulatory compliance costs?

**Mr Behrens:** I am fortunate in that whilst Megan is our education and training adviser she comes from Treasury's regulation reduction unit and she has some very strong views on it, and I might even hand it over to her. Is it essentially about the regulatory triggers that you have mentioned?

**Miss Lewis:** The regulatory compliance or requests within a full regulation, so within a regulation we have identified or we strongly recommend that the best way to count those is looking at the actual specific requirements within a full piece of regulation or legislation. There are some really interesting case studies from British Columbia where they have applied that approach and within one piece of regulation they can come up with something like a thousand actual specific requirements placed on business in the community. So I guess that is a really effective way. The position really is that any mechanism that you adopt is not going to be perfect, but if you maintain that approach over a period of time it is a mechanism to measure the reduction or an increase or change over time.

The Commonwealth government utilises their business cost calculator as their mechanism. I think Victoria and South Australia apply that same mechanism. I am of the view that that is not necessarily a full compliance cost because the business cost calculator only looks at administrative burden and does not actually look at the full compliance. The actual specific activities that an organisation would have to do and put in place to comply a lot of the time is the greater burden.

**Ms SIMPSON:** Following on from that, I note in the blueprint document, and you also mentioned in your recommendation on page 5, the compliance of paperwork in all businesses must be reduced by funding a consultative body of business reps and policy makers to research and develop innovative and practical ways to lower red tape. I guess that is dovetailing into that other document you have just published. If we were to say to a government department, as we have, 'What are you doing on red-tape reduction?', they will pull out the policy and say, 'Look, we have this wonderful policy. We have just slashed red tape by X million dollars.' I guess my point is this: people will pull out policies and say they are doing it, but what do you see as the best way to fix the current red-tape process in government when they claim that it is being done? You are clearly saying it is not working.

**Mr Behrens:** Indeed, if you were to score government on the statements that it has made about its intent and desire to reduce red tape, you would score them very highly. But the reality is that when measuring the state-imposed regulatory burden, it is growing at 5 per cent annually in 2008-09. Up to May, I think there were 3,117 new pages of legislation imposed on the Queensland community. I believe that was 19 new acts. So the actual magnitude of the regulatory burden is growing and it does not correspond with the statements of desire of intent to reduce it. I think we need to recognise that what we are doing to this point is not working, even though it may be sincere and it may be genuinely based.

In terms of what we can do, that report details the seven point action plan. Indeed, we did write to the Premier this week saying that a logical extension of that seven point action plan is that at points in time there have been industry government round tables, there has been a working or action group. We see that to enable the greatest potential for something to be achieved, the government needs to work with the business community, sit down with it and say, 'What are the hot spots? What can be done?' Take the state government departments out of it because our view is, unfortunately, they are actually in a regime where I believe they are constrained and they are no longer able to look objectively at what needs to be done to fix the problem.



**Ms SIMPSON:** Can I follow on with that, Nick? A few years ago there was a review on the basis of competition policy, but it was a process that had to drive specific outcomes from government departments. Does there need to be a legislated approach where departments actually have to meet certain criteria by certain deadlines?

**Mr Behrens:** It is a good point in that the national competition payments was essentially a big stick to state government to say, 'You need to implement these reforms for you to be guaranteed this Commonwealth government funding.' There are various schools of thought whether or not you offer state government a carrot or you offer them the big stick. Our view is we have given the opportunity for carrots to work and it has not been working in recent times. I think there needs to be some form of linkage between action and guaranteed revenue. I see that as not necessarily a bad thing. I think it is a driver of real change.

**CHAIR:** Jan?

**Ms JARRATT:** Thank you. I refer to the blueprint for growth and this really comes out of the key recommendations. The first recommendation suggests that the future government should have accountable fiscal management with a transparent pathway to return a budget operating surplus and restore the state's AAA credit rating. We go down a little way further and it suggests that the state government should remove the impost of payroll tax on the business community and review stamp duties with the aim of eliminating those. To me they seem contradictory statements. How does a state government, in your view, return a surplus budget while removing the very things that feed into the budget?

**Mr Behrens:** Absolutely. I think one of the first things that we need to concede is that the timing of the removal of payroll tax is very poor timing. Payroll tax receipts as percentage of total taxation receipts since 2000-01 have grown from 24 per cent to now 30 per cent. Payroll tax is an important revenue stream for state government and at this point in time, unfortunately, we cannot do away with it. Having said that, we should have it as an aspirational goal that, at the end of the day, it is a tax on employment and if we were to redesign Queensland or possibly Australia's taxation system—

**Ms JARRATT:** Which are we are doing.

**Mr Behrens:**—we would not have a tax on employment. There is always tension between what we put to government and what our members expect us to say. I can promise you that with that statement on payroll tax, we have to say it otherwise our members picks up the phone and they call us and they say, 'Why haven't you done something in respect of payroll tax.' Having said that, we did a freedom of information request just recently to state government trying to analyse the demographics of those businesses that pay payroll tax. What we found is if you were to put in place a flat exemption threshold for payroll tax for Queensland businesses and you were to impose that at a flat exemption threshold of \$2 million, you would remove 72 per cent of all businesses that pay payroll tax. That is essentially reducing it from 18,000 payees down to 5,000 payees, so you are removing 70 per cent of all businesses that have to pay it and you would only lose 9.5 per cent of your revenue with payroll tax. In terms of the single greatest bang for bucks that you can get for doing something with payroll tax, yes, you are only really removing the distortion that exists, but at the same time 13,000 businesses would give the state government a big pat on the shoulder and say, 'Thank you very much, you have done the right thing.'

In terms of restoring the state's AAA credit rating and getting the state budget back into surplus, the important thing to note, from the chamber's view and that of the business community, is that all the actions to date have really been focused on the revenue side of the state budget. One of the things that is readily apparent is the lack of willingness of the state government—and I try not to be critical because I think it is an external stakeholder's observation of how the budget has been framed—but there is a lack of willingness on behalf of state government to look at its own expenditure. We do not want to see public servants' jobs cut. That is not the chamber's mantra at all. However, I do raise one interesting statistic: if you had capped the wages and salaries component of the state budget to 2008-09 levels for 2009-10, you would have slashed the budget deficit by 70 per cent.

**Ms JARRATT:** Are you prepared to go to the QTU and suggest that that is the QCCI's philosophy for the government?

**Mr Behrens:** Yes, I can appreciate that it would not be politically popular and it may not be palatable. But when we are taking the view that tough decisions need to be made—selling the assets is premised on 'these tough decisions need to be made' or, furthermore, 'tough decisions need to be made and we are going to do away with the state's fuel subsidy'—business would find it a lot more acceptable if it could see that state government was doing something. At the moment, in terms of its expenditure, we have the view that it is not doing enough. If you were to be harsh, you would say it is not doing anything.

**Ms JARRATT:** Well, we will not have a debate here today.

**Mr Behrens:** I know. I will give you an interesting statistic. The state budget expenditure from '08-09 to '09-10 I think increased by 12 per cent, but the wages and salaries component increased by 9.1 per cent. So immediately after the state budget we took the view, well, show us a Queensland business that is not in a growth stage but has increased their wages and salary component by 9.1 per cent for this coming financial year. I think you would struggle to find one. Our view was that many businesses are implementing wage freezes; many businesses, unfortunately, were having to shed jobs. Given that it is the business community that in many respects funds the state government, it is not unreasonable to expect the state government to take some of those measures, irrespective of how unpopular it may be to the unions.

**Ms SIMPSON:** To follow on from that, you have identified an issue to do with the productivity of government. Could I put it to you: how should that be better measured? There has been an emphasis on how businesses measure their costs and compliance, but what productivity measures should be put upon government?

**Mr Behrens:** As I said, I think the answer is that the government's role is to create the environment for business and the economy to grow. If it does that, then the productivity of state government would essentially be the growth in the economy or, if you wanted to be technical about it, growth in state product divided by the working hours to give an actual productivity measurement. I do not feel like I have really answered your question well, but it is this philosophy that we have that if the state government is doing a good job then the economy is growing. I will make the comment that the single greatest contribution a business can make to the social wellbeing of Queensland is to provide secure ongoing employment. So if you want to measure the productivity of the state government, then we have to create the environment for business to be able to do that. There are obviously other measures such as housing, education and health. They are all of paramount importance, but our view is if you enable business to grow that will in turn stimulate taxation receipts because the economy is growing.

**CHAIR:** In your opening statement you talked about the role of government. In that role, do you see the government has a role of promoting particular industries, particularly industries that are going to be globally competitive? The government has policies around aviation and mining services and those sorts of things. Does government have that role?

**Mr Behrens:** There is certainly a role. Yes, we make the grand statement that the state government should create the environment for business to grow—no more, no less. But the realities are that there are things that the state government can be doing, particularly in enabling critical mass to be met. Often an industry needs to get a leg up to establish itself and the government should recognise that. At this point in time, the state government has a vital role I believe in apprentices and trainees and boosting its apprentice and trainee intake when the building and construction industry is not in a position to be able to do that. I believe that the state government, through its public works program, is in a position to fill up that gap on a temporary basis so that when those apprentices and trainees have gone through the system and economic activity in the economy returns they can either choose to stay in the public system or go out into the private sector. So there are very good examples of how state government can assist in creating employment opportunities.

I do urge a degree of caution in picking winners in terms of payroll tax exemptions. There is certainly a view by the business community that it does lack equity and that if there is money available to assist an individual business then really that money should be utilised to the benefit of all business. If you need to sway a business or if you need to ensure that they stay in Queensland by giving them a taxation holiday, to our mind what you are really signalling is that your own taxation regime is not competitive enough to keep them there. So there is this issue of picking winners. Quite often—and I can only speak from other states' perspective—sometimes when the financial assistance is withdrawn the business either folds or exercises its right for mobility of capital and moves elsewhere. I just urge a degree of caution in the picking winners approach.

**CHAIR:** Time for one last quick question.

**Ms SIMPSON:** Thanks. With reference to the comparisons you have done between states with the regulatory burden and showing the quantity of burden is awesome in Queensland, would it be fair to say that the regions of Queensland, which are not all the same, are competing then with the regions of other states and are at a disadvantage because there is a lesser regulatory burden in other state jurisdictions?

**Mr Behrens:** Does Queensland find itself at a competitive disadvantage because of the 70,000 pages of state regulation? Yes, it does is the answer.

**Ms SIMPSON:** Thank you.

**CHAIR:** Thank you for your time, Nick and Megan, in turning up today. We very much appreciate your time to make a submission to our committee. Our next witnesses are from NCVET and Skills Australia.

**BEITZ, Ms Sue, Head of Secretariat, Skills Australia**

**KARMEL, Dr Tom, Managing Director, National Centre for Vocational Education Research**

**CHAIR:** If you were here for the last witnesses, please bear with me as I do the opening spiel. The committee conducts this hearing pursuant to the resolution of the Queensland Legislative Assembly of April 2009 that appointed it. The proceedings here today are lawful proceedings of the parliament and subject to the Legislative Assembly's standing rules and orders. Witnesses have been provided with the guidelines for witnesses appearing before parliamentary committees adopted by the Legislative Assembly which the committee will follow. Have you had an opportunity to read those guidelines?

**Dr Karmel:** Yes.

**Ms Beitz:** Yes.

**CHAIR:** Thank you. Under the guidelines you may object to answering any question put to you on the grounds the question is personal and not relevant or that your answer may tend to incriminate you. The committee will not require you to take an oath or affirmation but asks witnesses to respect the proceedings. Recording of today's proceedings except by Hansard is not permitted. It is our intention to keep to the published hearing program, so we would ask that you keep your answers to questions succinct. If you do choose to take questions on notice, the committee would ask that you provide those answers by 2 October 2009. I might ask each of the witnesses to provide the committee with an opening submission.

**Dr Karmel:** Thank you very much. Perhaps just as background I should explain what NCVER is. It is a not-for-profit company. It involves the Commonwealth, state and territory ministers responsible for training. Our business is statistics and research. Essentially, we are interested in informing policy and practice. I should say that we really have a national focus rather than a specifically Queensland focus, but we certainly can provide Queensland-specific statistics if you are interested in them. We collect statistics on vocational education and training students, trainee and student outcomes, and we can certainly do that for Queensland or Queensland in comparison with the rest of Australia, or whatever you would wish.

I would like to make comments on two specific areas in terms of this inquiry into positioning Queensland for the upturn. Those two specific areas are apprentices and trainees and also new entrants into the labour market. First, in terms of apprentices and trainees, trade apprenticeship commencements have significantly been affected by the downturn. There has been a decline of about 20 per cent from the March quarter this year on the March quarter last year. I guess that was to be expected. We have historical experience on the relationship of trade training and the economic cycle. We have seen this occur before and this downturn is no exception.

Traineeships, on the other hand—we do not have so much historical information about them, because they are a relatively recent phenomenon. We have seen them grow quite spectacularly at a time when the economy was growing. But from our data, it is clear that traineeships are not as affected as much as the trade apprenticeships. I can go into that more if you are interested. There has been a lot of attention in the press on completion rates and our trade apprentices. But my view is that completion rates are not really the issue in terms of the downturn. That is because I think completion rates will hold up pretty well. The issue is the lack of intake, which I think will very quite likely lead to problems when we see the upturn.

One issue that I would like you to think about is the role of institutional pathways in trade training. The apprenticeship system is a wonderful system. From an educational point of view, the combination of off-the-job training and on-the-job training and experience is a very good model. But the one difficulty with it is that it relies on an employer to provide an employment position. In a downturn, we see those decline—and we have seen them decline. Therefore, I think it is timely to think about whether there are other ways or variations of this model that can protect us from the cyclical nature of the apprenticeship system. That said, when I have canvassed this idea in a number of forums, industry does not like it. They are very wedded to the traditional approach, but I guess my point is that we should always be thinking about new possibilities—not to replace the current system but perhaps to expand it, because we know that there are issues with the current system.

The second area I would like to make a few comments on is new entrants. Downturns obviously affect those who are made redundant from their jobs. But the other group that is really affected is new entrants and that is because there are no new jobs for them coming into the labour market. There are two groups who are particularly affected: young people and recent migrants. For both of those groups, education and training is an obvious response and there are a number of reasons for that. The first is that the opportunity cost of undertaking education goes down if the alternative is to be unemployed. Going to school or going to TAFE or going to university is a much better option. We also know that the better educated tend to have lower unemployment rates so they are going to be more competitive during the downturn and, if there is an upturn, if education levels are higher, then of course from the economy's point of view, increased education generally leads to higher productivity. So it seems to me this is the one area where it seems to be a win in the short term and a win in the longer term.

That said, you need to think about what sort of education and training. I just make a couple of observations there. First, it has to be of substance. From a research perspective, when we look at the returns from education, we typically look at the return from an extra year of education. So the idea that you

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can run a training course for three weeks or four weeks and make a big difference I think is wishful thinking. The second point is that education needs to be real quality. There is not much point in getting kids to stay another year at school if they are not learning anything. So quality is probably more important than quantity.

Then, finally, I would emphasise the value of general education, even if it is of a vocational nature, rather than very narrow, specific training. This is for the obvious reason that a broad education would be useful to a whole range of jobs whereas very specific training may be useful for one job, but then the issue is whether you are going to get that job and how long you are going to stay in that job. So I would stress the value of more general education, as I said, even if it is of a vocational nature rather than very narrow training. I would be happy to elaborate on any of those issues for the committee.

**CHAIR:** Thanks, Tom. Sue, would you like to make an opening statement?

**Ms Beitz:** Sure, thank you. Thank you for inviting Skills Australia to appear before this committee today. As I said, I am here in the capacity as head of secretariat and representing Mr Philip Bullock, who sends his apologies. By way of background, Skills Australia is an independent body that was established by the federal government last year for the purpose of providing advice to the Minister for Education on current, emerging and future skill needs and current, emerging and future workforce development needs. It is a board comprised of a group of experts with backgrounds in industry, academia, education and training and economics.

Skills Australia, from the outset of the GFC, was very concerned about the implications obviously in the short term for jobs but also in the longer term for skills, and picking up on the sort of points that Tom has already raised, there was a view that history has shown us that there is a big drop-off in apprentices in times of recession and then coming out of that recession you do not have the skills that you require as the economy starts to improve again. So with that in mind and to avoid the mistakes of the past, Skills Australia provided advice, recommendations around the areas of job creation. I guess that picks up on and supports government activities such as the stimulus package and also encouraging the use of apprentices and leveraging that money to encourage the use and take-up of apprenticeships for those contracts and also using the downturn as a time to provide more training and upskill existing workers, again to take advantage of and be prepared for the future. Also, in the case where someone does lose their job, to provide early support through employment services. Generally, there is a tendency that someone is not entitled to employment services until about the three-month mark of unemployment.

So with that in mind, very much still on that kind of approach and supportive of initiatives, such as 10 per cent apprentices leveraging all government funds across the state and nationally, we see that there are still very much some challenges ahead. In terms of the lead indicators and skills vacancies, Queensland was one of the states that is not showing an improvement yet in the number of vacancies available. So that would indicate that unemployment will continue to be a problem for a little while. But there are obviously some important projects coming up through Gorgon over in the west, and whilst that has implications for that state, we think it will have broader implications for skill needs as in the past the labour force for mining in the west has very much drawn on the Queensland and Northern Territory labour forces as well.

As is the case for NCVER, Skills Australia does tend to take much more of a national approach in its advice and works very closely with the state training authorities and industry skills councils and, through industry skills councils, their counterparts in the state ITABs. So we are more connected through those kind of channels.

**CHAIR:** I might start the questions with one for both witnesses. What apprenticeships bring is the combination of training and employment together. So the training that the person gets is actually directly connected to their employment. I think there has been a push that more and more training is pushed back on to the individual, meaning that the person does training in the hope of getting a job in that field but may not. How do we make sure that the training people get is going to be for the job that they are going to do? I just worry about us spending a whole lot of money training people in skills that they may never be employed to use. How do we make sure that we are getting that right?

**Dr Karmel:** I am happy to go first. I think the first point is we are never going to get it right. Then the question is: why would you want to get it right? Perhaps I can give a couple of examples. When I look at our data on people who have completed vocational qualifications—so they are graduates—and the jobs that they go into, there is quite a good match in a number of areas. In the trades areas there is a reasonable match—70 to 80 per cent of people go into their trade. In the community services area there is also a reasonable match in terms of personal carers.

If you look everywhere else, the match is very poor, and that is the bulk of the activity. But that does not really matter because if we then ask the graduates, 'Are you using the skills you learnt in your course in your job,' most of them say yes. This gets back to my point about how narrow training should be and how broad training should be. For the bulk of courses in vocational education, you really need to think of them more as general education that is applicable to a whole range of jobs. Hence, in my opening comments I tried to emphasise the need not to concentrate too much on very narrow technical skills but on broader skills. A lot of the really narrow skills you can learn on the job. In terms of the skills of workers, certainly some of them come from previous education and previous experience but a heap come from learning on the job. You only have to look at wages and the premium that employers pay to experienced people to understand that. It is a matter of getting the education system to do what it is good at and getting employers to do what they are good at.

The classic example I suppose in terms of mismatch—this just shows how old I am—is when I graduated from university there was a whole cohort of geologists who graduated at the same time, and they graduated at exactly the time the boom ended and none of them got jobs as geologists. They did not remain unemployed. They had marketable skills and they ended up in all sorts of places doing all sorts of things. Even with trades I think you can think of it in that way. We know that for individuals who go into trades there is a quite high attrition. Typically it is a bloke, and apart from food and hairdressing they are typically blokes. They go into the trade when they are young, but then they start leaving almost immediately and by the time you get to age 50 there are not a whole lot of blokes still working in the trade. So their education has to really prepare them for more than just that specific job.

**CHAIR:** Did you have anything to add to that, Sue?

**Ms Beitz:** I think we are concerned about skills utilisation. There are questions about whether there has been something about the way we plan for skills. We tend to go out there, have a look at what the trends are in terms of industry, economic development and then think about what will the skill needs be into the future and then deliver or supply training and education to best match that. We are going through a bit of soul-searching about that at the moment in Skills Australia as to whether that is the right way to do things or not. There are some arguments to say that you are better from an enterprise or regional level or industry level to look at what the real reasons are that you are not getting skills in. For example, it might be in a regional area that there are jobs there, but you cannot attract people to come and work in those jobs because there is not housing available, there is not a secondary school to send the kids to. You may love to work there but if you want to educate your own children you just cannot stay there—so taking more from that kind of approach.

As Tom has said, young people and migrants are very vulnerable groups at the time of a downturn. I think there is potential for us to do better in terms of matching people who come here very highly skilled and then their skills are not necessarily utilised as well as we could. Where we have direct matching through 457 and those kinds of mechanisms, it is all well and good but general migration I do not think performs as well.

I think there is also room for better information for young people about what that job actually means, what it involves, the good and the bad of the job, more exposure to understand an industry and what is involved before they are making those choices. Tom has mentioned getting employers to do what they are good at. I think this is where the best productivity gains can be made. If employers are able to get the most from their people in the workplace and make those kinds of small 'i' innovative changes, there is huge potential for productivity improvement and skills utilisation. Ultimately it is true, there are people who will come through and they have very marketable skills. They are working. We know that education does quarantine people from problematic economic times, but there is some more that we could do to improve the match and use of skills.

**CHAIR:** Can I just quickly clarify something, Tom? In terms of your evidence, is it that we should be asking the individual to do the generic training themselves but do in-service training with their employer and an organisation? Is that what you are saying in terms of those narrow skills?

**Dr Karmel:** Yes, I guess so. In terms of leaving it to the individual, leaving it to the employer, it is always a little bit difficult in the sense that from a social perspective society takes it upon itself to educate its young. We provide compulsory schooling to the age of—I am not quite sure what it is now; it keeps going up. Then there is an expectation also that the community pays for education even beyond that. We see different initiatives now in different states. I guess what I am saying is that it seems to suit those general education skills that are not specifically tied to a particular employer. In terms of particular jobs, there is a continuum here really. If you take something like a trade or medicine, there are obviously technical skills that you learn but there are technical skills that will equip people for a whole range of jobs into the future rather than for a particular employer.

**Ms SIMPSON:** I wanted to follow up on the institutional pathways. I presume you are talking about where you have block training currently when someone has an apprenticeship they are in and out of the institution and on-the-ground training?

**Dr Karmel:** Not totally. I am really talking about something more radical than that. If you look at history, we have seen a number of occupations and professions go from on-the-job training to an institutional path. I am not sure what the earliest ones were, but probably doctors. If you go back far enough I think the surgeon barber has probably learnt it all on the job. I do not think they went to too many schools. Then we gradually saw that become institutionally based. Nursing is a more recent one. Law is one, too. You used to be a legal clerk and you learnt your skills that way. Now I think that has almost totally disappeared. So when I am talking about an institutional pathway I am really talking about a qualification—an entry point into an occupation. We do that in different ways. In medicine you finish your medical degree but you are not qualified to be a doctor. You still have to do two or three years as an intern. Interestingly enough, to be a schoolteacher you finish your degree and you are immediately equipped to do what schoolteachers do. Why we have that distinction I am not quite sure, but we do.

So I am thinking of something where you get a qualification and that gets you into an occupation but it gets you into an occupation in different ways. It can get you into it as fully qualified with no questions asked or it could be provisional—that is, you have some sort of provisional licence and then you would have to do a number of years of supervised work before you could get a full licence. There are a whole range of models.

If you are talking about your apprenticeship, one particular model would be to say that you get your institutional qualification in a trade and that immediately equips you to be a fourth-year apprentice, so you only have to do one extra year. One of the difficulties with that is that we have industrial structures that are set up based on old models and they are quite difficult to change. So you get those types of complications. I am not just talking about block release. I am talking about something rather grander than that.

**Ms van LITSENBURG:** Dr Karmel, just following on from that, what major changes would you then make to the secondary education system or the tertiary education system to line up with those kinds of ideas?

**Dr Karmel:** This is probably getting a little bit outside my ambit. Perhaps this is a personal view rather than an NCVER view. When we look at schools and particularly the trend of trying to keep young people in education as long as possible, I do not think we have quite got it right, particularly on the vocational side. Essentially, we have allowed schools to provide vocational education and training in schools and it tends to be the certificates and the training packages that are designed for an industrial environment. My feeling is that we would be better to try to integrate it more with educational values and basically give people broader vocational skills that then would enable them to perhaps choose a number of pathways afterwards.

The other thing that we have done is that we have certainly targeted the vocational education and training at those who are not academic, and there has been no attempt in my view to have vocational education and training in schools that is of very high quality that would attract a much broader range of individuals. So we sort of have a feedback loop, where we target those who are not achieving and then we give them low status things to do. I do not think this is helpful in broadening the range of quality programs at school. That is only a personal view.

**Ms DAVIS:** In your opening remarks you questioned the substantive value of short courses of three to four weeks.

**Dr Karmel:** Yes.

**Ms DAVIS:** Could you expand on that? Also, could you advise the panel on where they are an appropriate tool for education and training?

**Dr Karmel:** I am not trying to say that short courses do not have value. They certainly have value. You only need to do a short course perhaps to do some occupational health and safety training, and it is very important that you do that training. Similarly, it may be very useful to have a driver's licence or a fork lift or truck licence. My point is that, when you look at it more broadly and you look at who gets jobs and who does not get jobs when things are tough, those things do not count for a whole lot compared with somebody who has completed year 12 rather than left school at year 10 or completed a diploma compared to a certificate I. It is those much bigger differences that really seem to count in the labour market. I am not saying that those things do not count, but they are not going to solve any fundamental problems that we have.

**CHAIR:** My question is to you, Sue. One of the submissions we received from the OECD talks about the great differences in regional challenges both in terms of industry and skills. For example, the challenges in Brisbane are different from the challenges in Logan and the challenges in Mackay are very different from the challenges in smaller remote communities. Is there some sort of regional matching for skills needs and do you map those regional skills needs and link them in with the skills providers?

**Ms Beitz:** That would happen at a state level generally. So each of the state governments do very good planning. Smaller states tend to be able to get closer to that regional level. A place like Tasmania could tell you exactly what their need for particular skills would be and where their industries are. The closer you get to the local level the better you can forecast what your needs will be but to a current and emerging kind of picture. Skills Australia does not tend to get down to that level itself. We have looked at those needs through working with the industry skills councils who in turn work with the state industry advisory bodies and the state training and economic development people to feed up that information and give us a picture.

What Skills Australia is now focusing on is a bit of a three-pronged approach—first of all, to look further into the future as much as we can, based on a number of scenarios which essentially look at whether into the future we will have low growth, medium growth or high growth and what that would mean in terms of where we are heading, what skills we will need and which industries will be growing. That gives us the big picture into the future. But it is still based pretty much on historical data and tweaking particular factors and economic parameters based on what we think the future will hold.

With that kind of approach, you would need to update it a couple of years to check against reality over time. I guess that gets back to a view of whether we should be focusing on what has been termed as a skill ecosystem—so this kind of closer approach whereby you have a process where at a regional level or at a local industry level people can start to think about what their skill levels are. For example, if there are a number of mines in a local area, they could come together as an industry to think about what their skill needs are and to work on particular issues about attracting and retaining staff that may go beyond their enterprise and to work together to address that.

**Ms SIMPSON:** I have a question for you both. What tools or measurements should be used to assess existing and emerging skill requirements? In other words, in your organisations, what are the tools that you use or believe should be used?

**Dr Karmel:** I am an economist by training which colours the way I think about these types of things. If you are looking at skill gaps, shortages and so on, I look at only a couple of things. Mostly I look at wages, with the idea that if there are shortages wages go up. Also you can look at job vacancies. The whole point about the labour market is that there are many ways of accommodating issues—labour mobility, different technology, different ways of constructing jobs and so on. But it is really the wages—if the wages do not go up, generally speaking, I would argue that there is not a shortage.

**Ms Beitz:** I tend to agree with that. I think you do see the inflationary pressure once there is a skills shortage. I guess the question in my mind would be: what about those areas where you have growth in a town? There are certain jobs such as schoolteachers where maybe the wages are constrained by other industrial arrangements that do not necessarily show that there is a pressure there for that skill need. That would be one.

**CHAIR:** To put it bluntly, are you saying that a skill shortage in a low-paid job is an oxymoron, frankly?

**Ms Beitz:** Yes. There can be quite a bit of churning in those low-paid jobs, and difficulty recruiting. But, yes, a recruitment difficulty is not necessarily the same as a skills shortage. In fact, it is not the same.

**Ms JARRATT:** It sort of goes to the question I had in my mind, because as I go around Queensland I notice that the impacts of the GFC are different for different industry sectors. In the Whitsundays, I see the mining industry, the mining services industry and the tourism industry and, to an extent, the construction industry and they have all been impacted to different degrees. I think that there is still a fairly strong support for apprenticeships in the mining and mining services industry in and around Mackay, and I suspect that would be true across Queensland. However, in an industry like tourism, which probably is more the trainee type of employment, people are doing it really tough at the moment. There is no capacity in most of those businesses to take on additional costs at this stage. That goes to what you were just talking about, too, that in an area where there are traditionally lower wages, they are probably going to really struggle even when the climate starts to return.

Tom, in your introductory statement you spoke about other models of apprenticeships. The traditional one is where the employer takes on the impost of a paid position. You suggested that there might be other ways of looking at that, even though there is some resistance perhaps from industry to do that. Can you expand on that and perhaps think not just about those more traditional trade areas of apprenticeships? Is this applicable also to industries like tourism where we also need trained people?

**Dr Karmel:** If I can approach that in a couple of ways. First, the obvious model is where you do an institutionally based course and you come out with a diploma in carpentry, which has given you the skills to do carpentry. In terms of appropriate skills, obviously there is the classroom stuff but there is no reason why you cannot have work simulation. You can set up building houses at a TAFE quite easily. That is what I have in mind.

In terms of tourism, I think the issue really is to what extent do you need to get those skills before you work in the job? I think in a lot of those areas where we have introduced trainees, essentially what you are talking about are occupations where you can learn almost all of it on the job. Therefore, I do not actually worry so much about those occupations. Sure, there might be a decline in the training at the moment, but when things pick up and there are more jobs, the training can start again. I do not actually think that there will be a skill shortage any more than there would have been otherwise. Certainly my very casual observation, travelling around the country, is that there is a lot of labour in the hospitality industry that is short term, there are a lot of overseas young people basically on working holidays, and I think it is the type of industry that actually can respond pretty quickly. I do think it is quite different from, say, the traditional trades where the technical skills that you need are really a lot higher.

Of course, even with some of the trades there have always been problems. In the food trades, in cooking, there have been shortages of chefs for as long as I can remember and it is not surprising (a) when you go to a restaurant and (b) when you look at the statistics. You go to restaurants and you have a very nice meal, but you see these guys slaving out the back under really quite tough conditions, really high pressure, working antisocial hours. Then I look at the statistics from the ABS about how well these people get paid and they get paid quite poorly, in terms of the trades, so why wouldn't you have shortages? This is an example where training is not the issue; it is really the way that the jobs are constructed. Until employers make the jobs rather more attractive, they are always going to have shortages.

**CHAIR:** Fiona?

**Ms SIMPSON:** I have a question that goes back to the start when, Tom, you mentioned trade apprentices. While that was not the area that you particularly wanted to focus on, I have a question about it. With the economic downturn and people losing their jobs, apprentices are often going to be the ones who first lose their jobs. Is there an issue where there has been a break in employment and for some time—a number of months—people have been off the job and are not able to pick up what they have done so far in their apprenticeships? In other words, they cannot re-engage that apprenticeship part-way through.

**Dr Karmel:** I am not an expert in this area, but looking at the data it seems to me that, in fact, if apprentices are fairly well through their qualifications, on the whole employers are actually quite loath to make them redundant before they finish. From some analysis that I have done and what I have observed, there is a tendency to actually push them through a bit faster so you sign them off. The training is done, you sign them off earlier. So they still may lose their job, but I think on the whole employers do not like to see them finishing without completing their qualifications. Of course, then we have the group training companies who can manage that employment process and there have been some government programs to assist. I guess what I am saying is that it certainly is an issue for the individual, but overall I think it is the least of our worries because we seem to have that one reasonably well managed. The systems are quite flexible in terms of coming back in and having your previous training recognised. No doubt you can find individual examples where things have gone really badly for the individual, but I think overall it is not one of the real problem areas.

**Ms Beitz:** I think in the past there were some administrative problems around that, but I believe that is well fixed now. Most states, if not all, have what they have called an out-of-trade register. This is an initiative that has been set up to help apprentices be reconnected with another employer, but the group training is an excellent way of managing that too.

**Dr Karmel:** One comment I would make is that one of the issues with the apprenticeship and traineeship system is rather poor completion rates. We are talking about completion rates of around about 50 per cent, which seems to indicate to me that it is not working for quite a few people. That is, it is not worth their while finishing the apprenticeship or the traineeship, and you would have to ask yourself why.

**Ms SIMPSON:** Has there been much research done on that?

**Dr Karmel:** We have done a bit—well, quite a bit actually.

**CHAIR:** I understand on that point that part of the difficulty in the data is that a lot of states only measure cancellations; they do not measure recommencements after those cancellations as well.

**Dr Karmel:** This is something that we struggle with. We have the data and we get the data that the states give us, so it depends on their administrative arrangements. There are some complexities about these recommencements, but I do not actually think it is as big an issue as people make out. The other thing I would say is that there is a tendency to want to have it both ways, that is, you want to count everybody as a commencement to get your commencement numbers up, but you prefer not to count them when you are counting the completions.

**CHAIR:** This question is probably for you, Sue: my recollection of the apprenticeship commencement data shows that for decades there has been an historical link where economic activity and apprenticeship commencements followed each other. I understand that that nexus, from about 1996, broke away and it was no longer a strong link. Now we are at the point where we are trying to go against the trend and do countercyclical spending on apprenticeships and training. How do we get back into that nexus between growth and apprenticeship/training rates, and will we have to keep doing countercyclical training to catch up for years?

**Ms Beitz:** This is interesting. We are working on an initial workforce development strategy at the moment. We will have a paper out within the next couple of weeks. Some of the data in there shows us that, even through this last boom time, the number of people doing apprenticeships and traineeships reduced. We were kind of speculating a bit as to whether what is actually going on is that people are just not engaging in the training because there is so much activity going on.

You certainly hear anecdotal stories that a plumber can have an assistant doing some work and that assistant is more inclined to work as a plumber's assistant and not as a first- or second-year apprentice because they can be paid much better money to do that and there is plenty of demand for them. So I think there are some interesting industrial aspects to this as well to be looked at a bit more closely. There is nothing to say that a person has to be paid an award rate, but obviously there is a cost to an employer in training someone as well. So it is quite complicated, but I think industrial arrangements is an area to look at a little more closely in terms of some of the incentives being right.

**CHAIR:** Tom, you were saying that institutional training is a countercyclical measure, essentially, because you are taking the burden off the employer.

**Dr Karmel:** It could be used in that way, but my comment on your previous question is that I do not think the nexus has been broken. I think the mistake is that when people look at the statistics, they look at apprentice and trainee statistics as a whole, which is quite wrong. You really have to get down to the occupational levels and there is still a very strong link with the cycle for the traditional trades—for automotive, electrical and the construction people. There is still a very strong cyclical relationship, but you do not find that relationship with a trainee, because they are different. They are different types of occupations.

That said, there have been structural changes so that the types of training rates that we once saw we would never see again in some areas, merely because the trades are changing. Printing technology is basically a disappearing craft.

**CHAIR:** The death of the compositing trade to a graphic designer.



**Dr Karmel:** Exactly. Automotive—the way that people service their cars now is quite different from 20 years ago. So there are these structural changes as well. But we still see this quite strong cyclical link in those traditional trades.

**CHAIR:** Thank you for your time today. Thank you for coming to give evidence before the committee. We appreciate being able to share some of your vast knowledge and experience in this sector. The committee will now break for 15 minutes for morning tea.

**Proceedings suspended from 10.12 am to 10.31 am**

**BUSH, Mr Geoffrey, Employment Officer, HR Programs, Local Government Association of Queensland**

**HOFFMAN, Mr Gregory, Director, Policy and Representation, Local Government Association of Queensland**

**CHAIR:** The committee will get back underway and there is a spiel that we have to go through for those people who have just arrived. The committee conducts this hearing pursuant to the resolution of the Queensland Legislative Assembly of April 2009 that appointed it. The proceedings here today are lawful proceedings of the parliament and subject to the Legislative Assembly's standing rules and orders. Witnesses have been provided with the guidelines for witnesses appearing before parliamentary committees adopted by the Legislative Assembly which the committee will follow. We will ask witnesses as they come forward to confirm that they have read those guidelines.

Under the guidelines you are entitled to object to answering questions put to you on the grounds that the question is personal and not relevant or that the answer may incriminate you. The committee will not require you to take an oath or affirmation. However, we expect witnesses to respect the proceedings. Recording of today's proceedings other than by Hansard is not permitted. It is our intention to keep to the time frames provided for the hearing program. To assist in keeping to that program, we would ask that you keep your answers succinct. If you take questions on notice, we ask that you provide your answers to the committee by 2 October 2009. The committee has received the LGAQ submission and this morning has resolved to publish that submission. To start off, we might ask for a brief opening statement from the LGAQ.

**Mr Hoffman:** Thank you, Mr Chairman. Thanks to the committee for the opportunity to appear before you today. Firstly, I tender the apologies of our President, Councillor Paul Bell, who is unable to be here and has asked us to make this presentation on his behalf. As you are aware, the LGAQ is the peak body representing the 73 city, regional and shire councils in Queensland. Our submission in that context is not so much about specific industry sectors or specific projects and locations but more about the policies and processes of engagement between state government, local government and communities and business sectors in relative local or regional areas. It is also about the present and future situation facing local government as a major employer within Queensland, having as it does some 40,000 employees state-wide. I would like to draw your attention to a number of the conclusions that are contained on pages 10 and 11 of our submission as the basis of our opening remarks if that is appropriate.

**CHAIR:** Of course.

**Mr Hoffman:** An issue of interest to local government state-wide is the extent to which the processes of engagement between state government and local government do provide an open dialogue that enables issues, whatever the subject matter happens to be, to be fully explored and the respective positions understood and, where necessary, agreements reached and progress made on whatever the subject matter happens to be. At the moment the processes of state government and local government around regional and economic development are in a state of flux with significant changes occurring at a federal level which is impacting at the state and therefore local government level with the demise of the former area consultative committee process and the creation of Regional Development Australia.

It is fair to say that there was and still is enthusiasm about the prospects that the RDA can bring to the processes of engagement across the three spheres of government, but there is a perception growing and some anxiety as to where and how it might all go because of the time that is being taken to resolve the mechanisms and processes and a concern perhaps in the absence of getting underway that the level of engagement between the three spheres, particularly with local government, might not produce the results or direction that certainly people at a local and regional level are looking for. The reason for that is that the process of establishment of the RDA mechanisms is very much a federal and state government activity. Whilst there have been efforts made for an engagement in that process, it has not really been an open door.

The outcomes of the process will be more relevant than necessarily that process itself, but the fact that it is pretty much a closed door process to getting the structures in place has raised some anxiety and some apprehension within local and regional communities, particularly those organisations that exist at the local and regional level. A point probably not understood well enough is that across the state—and it is not necessarily universal—there is a significant investment on the part of councils and businesses in many areas in support of local and regionally based economic development initiatives, and those particular communities—those particular places—are looking for an active engagement in the process. As I say, the end result of how it is established and how it gets underway will be the proof in the pudding as to whether the mechanisms do work.

In saying that, our submission does encourage the government to recognise the absolute importance of that level of engagement so that the true intentions of the RDA involving the federal government, state government and local government can be realised. So we highlight that as an important point in the development of processes towards and arrangements towards enabling the broadest possible and most effective approach to the engagement across the interests to be achieved. Related to that is the need for support for the development of capacity. As I said before, many areas have a strong base and a

reasonably well-resourced capacity to engage and support business development at the local level, but it is not universal. A significant part of our submission is that, if there is to be progress made, there needs to be significant investment and support for the development of capacity at the local and regional level—people involved at a local government level, people involved in business who know their way around, to know how to engage, to have skills and capacity to engage effectively to support initiatives at the local level but to be effective contributors to the wider engagement processes across the state and, for that matter, at the national level.

I would add to that that the statistics that are available to support regional development activities are fairly scratchy. No criticism intended, but what can be done at a helicopter, or high level, in terms of work done at the state level does obviously have its limitations. Quite a number of these regional organisations that I have alluded to previously find it necessary to supplement what is available at the state level with a significant amount of additional work to, if you like, finesse and complete the statistics that are generated at the state level. I think that is something that can flow from that if it is recognised and accepted as important—and I believe it is fairly self-evident that if you are going to make informed decisions about economic and regional development opportunities in any given area it needs to be based on a solid and complete set of business statistics and analysis. So we highlight that there are some limitations there and that is an area worth investigating.

I would also indicate that in the resource communities, where significant development is taking place—the Bowen Basin, the Surat Basin, the Galilee Basin, the north-west province—there are immense pressures for support to the communities for the implications, the impacts, that are arising from that development, welcome though it is, to ensure that the impacts on the communities are managed as effectively as possible. For those communities, there is a need not only for significant financial resources to enable community infrastructure to be able to meet the demands as they arise and not to be constantly in catch-up but also those local government areas to contribute to this process in the most effective way. They are in need of that being recognised and support for them, too. There are unspent moneys—

**CHAIR:** I know you probably have a lot to say, but if you can bring your submission to a close? I think the members have a lot of questions for you.

**Mr Hoffman:** There are unspent moneys in relation to the resource communities and we certainly would like to see those flow quickly.

I will conclude briefly by highlighting issues around local government employment: some 40,000 employees, a growth rate of around about three per cent per year, but confronted with a very serious problem of an ageing workforce—in fact, a workforce which, on percentage terms, is significantly higher in its age profile than the national average and the state average. Given that we have some 400 occupational categories within local government, and a lot of those are at the professional level, local government is going to face a very significant employment attraction and retention issue within the next decade, let alone the next two. There is more information in our submission about that, but I highlight that as an issue that you need to consider as a sector. I will conclude at that point.

**CHAIR:** Thanks, Greg. You said in your submission that economic development is one of those areas where the relationship between state government and local government is currently in flux. I think the Gympie Regional Council said in its submission that, since amalgamation, in the last three weeks it has employed an economic development officer for the first time in its history. Regional land use plans, like the South East Queensland Regional Plan, provide a nexus on those land use issues between state government planning policies and interests and local government land use plans. Is there room, do you think, for economic development to sit into that type of framework, where local government, economic development plans and state government industry plans are mapped out on a regional basis?

**Mr Hoffman:** It does, yes. In fact, the local government legislation and the planning legislation—both of which are now, likewise, in change—highlights that as a significant and essential feature. There is no doubt about that. So the answer is yes, many times over, and it is essential that that occur.

One of the resources which we as an association developed—and it is nationally recognised and it was done with support from state government some two years ago—is a guideline titled Incorporating Economic Development into Local Government Planning, which is providing a resource tool and an understanding of how the two can come together. They are the sorts of things that we do. We certainly want to now, in the context of the restructure of local government, refresh that tool to enable that to provide some guidance in that regard.

**CHAIR:** Is that a policy document that we can access?

**Mr Hoffman:** Absolutely.

**CHAIR:** Do you mind providing the committee with a copy of that?

**Mr Hoffman:** By all means.

**Ms SIMPSON:** Thank you very much. I want to follow on in regard to two of your recommendations, which are relevant to one of the previous hearings where we asked questions of DEEDI. In the two recommendations you talk about encouraging greater transparency, to paraphrase it, about the government's economic regional development strategies and to investigate the development of consistent business statistics and an economic profiling system. You have just mentioned that again. What evidence

have you seen of measurements that the state government has between the regions? Has that information been provided to local government so that you can see what statistics they are gathering with lead and lag indicators in the regions to measure economic activity?

**Mr Hoffman:** The statistics are those produced by OESR. I confess that I am not personally familiar with those in detail. The advice I have received is that they are useful, but they do not go far enough. They are supplemented by investment at the local level or a regional economic development organisational level by additional investment by those organisations to flesh that out.

What that means is that what is available state-wide is to a certain level, but it is patchy as to whether we have comprehensive state-wide profiling and it depends on who does what where. Our experience is that some can do it, and do it, and others do not. So that is an area of identifying what might be a more comprehensive suite of appropriate statistics to enable better planning at a state-wide level as well as assisting planning and development initiatives at a regional level to be undertaken. I can provide you with some more information if you want some examples of what has had to be done.

**Ms SIMPSON:** Yes, that would be great.

**Mr Hoffman:** To supplement the state based statistics. That might help you understand the point that I am making.

**Ms van LITSENBURG:** Do you think that the larger regional councils are able to take a greater role in the regional development of economies in regional areas? Apart from the current planning instruments, how would you see the state's role in supporting and structuring things for regional councils in that respect?

**Mr Hoffman:** The answer to your question is yes, they can take a more comprehensive role now, in part because the profiling, or the footprint that they now have, means that, if they are going to effectively plan for the development of that community, then looking at its economic capacity and potential is fundamental to that function.

The observation made in the submission about, if you like, a disconnect between state policies and what I call regionally based policies is not meant as a criticism per se but a recognition that to date there probably has not been a strong enough alignment at an intergovernmental level. Local government has not necessarily been seen in the eyes of the state as a player in the intergovernmental space.

**Ms van LITSENBURG:** If you had the opportunity, what do you think local government would need from state government to support you to develop those—

**Mr Hoffman:** I guess in the first instance an open door and a recognition that this is something that should be done conjointly in that it is impossible for either sphere of government to develop its strategies without an understanding of the other. Programs that see the state developing its initiatives in its regional approach need now to be more closely aligned with what is happening at the local government level. Maybe the RDA provides the forum for that initial engagement, but behind that and recognising that the RDA by its very structure is fairly thin; it is not heavily resourced. It does provide an opportunity for engagement, but hanging off that has to be the ability for governments particularly to come together to work on those things. That would be our request; that the committee recognise the importance of the joint development of regional economic development strategies between the state government and appropriate regional councils, or regional organisations that might cover a wider footprint.

Recognising that it is not just the regional councils but their collaboration across a regional area in the South Burnett, North Burnett, Wide Bay, the Darling Downs, western downs, Maranoa—those areas that bring together a number of councils need to be working together and in conjunction with appropriate state agencies.

**CHAIR:** Thank you for that. We now need to move on to your members in local councils. It would assist the committee if you have time if you could stay around. The next witnesses are inherently connected with your submission as well. Do you have an opportunity to stay in the room while we bring our council witnesses to the front?

**Mr Hoffman:** Yes, I am happy to.

**BROWN, Councillor Raymond Claude, Mayor, Western Downs Regional Council**

**DYNE, Councillor Ron, Mayor, Gympie Regional Council**

**GELA, Councillor Frederick Solomon, Mayor, Torres Strait Island Regional Council**

**JACKSON, Mr David Gavin, Manager, Economic Development, Brisbane City Council**

**MCGUIRE, Mr Nicholas Eric, Deputy Manager, Economic Development, Logan City Council**

**PERRY, Mr Grayson, Manager, Economic Development Branch, Gold Coast City Council**

**SCARCE, Mr Rodney John, Chief Executive Officer, Torres Strait Islander Regional Council**

**CHAIR:** Thank you for your time and attendance today. I think witnesses here have all heard the opening statement about the rules of the committee today. Can you indicate for the record whether you have received a copy of the witness guidelines and have had a chance to read those? I indicate for the record that there is no-one who has not received a copy of the guidelines. We have received submissions from all of the witnesses except Mayor Brown. What we might do is give each of the witnesses an opportunity to make a very short two-minute statement adding on to what is in their submission. We might start with the Torres Strait.

**Mayor Gela:** Before I start, I would like to acknowledge the traditional owners of the land on which this event is taking place. I would like to recap and touch on the content that we provided in our submission. Prior to the council amalgamation, island councils ran their own enterprises in the local communities. Not only the financial benefits but also the culture and social economics remained within the local communities on each island. The communities on each island had control of their own enterprises and the business flowed back to their own communities.

At the inaugural regional council meeting it was resolved by the regional council members that the enterprises be divested back into the island communities. As a matter of principle to ensure that the enterprises are sustainable and viable based on best practice principles, the regional council has engaged a consultant to conduct a series of work and to provide some recommendations to the regional council in relation to what type of assistance and support that regional council needs to provide, especially prior to divesting the community enterprises into any local based association as such.

There are in excess of 40 enterprises in the Torres Strait islands which include hotel canteens, ferries, fuel depots, guesthouses, hostels, motel lodge resorts, kiosks, takeaways, variety stores, mini-marts, a quarry, arts and craft, a post office, nurseries—just to name a few. From the reports that we have been provided to date by the consultants we have engaged, there is a general trend coming out of the reports already received that there is a great need for training to operate the enterprises successfully and viably including management, office staff and the enterprise employees. Currently the bookkeeping and management are handled by the regional council staff. The reports have also found that there is a great reliance on CDEP, which is the Community Development Employment Projects program. Council is working with the communities to establish, as I mentioned before, registered associations to take control of the enterprise when divested. The communities would like to build the enterprises to the stage that islands would be less reliant on CDEP payments. The island is disadvantaged by the geographically isolated location which creates its own problems with obtaining qualified tradespeople to work on the islands as well as train locals in their various trades.

**CHAIR:** If you could just finish up quickly?

**Mayor Gela:** In conclusion, I would like to place on record that based on the census approximately 34.6 per cent of the population are aged between zero and 14 years. The regional council currently employs 1,400 people on CDEP. If we do not look at establishing any industries in the community to support economic growth, not to mention provide meaningful employment, that number would only increase or be maintained at that level. So there needs to be some sort of a light at the end of the tunnel.

**CHAIR:** Thank you, Mayor Gela. I apologise for the break in the proceedings. We might quickly deal with Townsville City Council, which we have been able to track down on the phone. No, it appears that we are still having issues, so while we sort out the technology we might move on to Grayson Perry from the Gold Coast City Council.

**Mr Perry:** Thank you, Chair. I appreciate the opportunity. The Gold Coast submission focused on a range of activities and actions that our city has undertaken over the past decade. Really to fundamentally change the economic structure of our city, the GFC has highlighted to us that these programs are extremely long term. We have done extensive work and had success over the past, say, 13 years in trying to broaden the base for our city away from tourism and construction, but a major global economic shock

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such as the GFC can still have a major regional impact on our economy. The programs that we are putting in place in many cases are intergenerational. They cannot be done alone by council. They do require a whole-of-government effort—local, state and federal government—and what we have seen over the past decade is that our residents and community really have an increased recognition of economic development. They understand what it is and what it can deliver, but there is also an increase in the expectation that government deliver on those economic development activities and outcomes. So what we are seeing is a requirement to do more as residents become more aware of economic development and what it is but, having said that, significant increases in resourcing are required to do that. Local authorities perhaps are not able to do that themselves.

**CHAIR:** Thank you. We will now hear from Nick McGuire from the Logan City Council.

**Mr McGuire:** Clearly you have a copy of our submission in front of you, so if I could add value in any way to that submission it would be to say that from an economic development perspective in Logan City Council the focus that we have is very closely aligned to building strong working relationships with the community. So the information that we have included in our submission is very much based on the feedback and the relationships that we establish within our communities. It talks about things like cost of compliance, innovation and ways to encourage entrepreneurialism and innovation within small business. As I said, the most important thing I can put across is that we do have a very strong working relationship with our business community in Logan City. I think it is very reflective of the sorts of challenges and the issues and the opportunities that our community is facing not only in Logan City but also in South-East Queensland, because it is obviously very representative of the type of growth that we are experiencing in South-East Queensland. So the sorts of issues that we have talked about in the submission are reflective of the sort of growth that we are trying to manage at the moment.

**CHAIR:** Thanks, Nick. We will hear next from Mr Jackson.

**Mr Jackson:** The Brisbane City Council would like to thank the committee for the opportunity to be here today. At this time in the financial crisis and the point in the business cycle, we believe that the best thing that governments can do is to foster confidence in the business sector and do everything that it can to do that, ultimately to foster business-led growth. The biggest issue facing Brisbane City Council and the metropolitan area as far as the economic growth in jobs generation of course is the deficit of infrastructure spending over many years. We think that the addressal of that at this particular point is the best way to both generate employment in the short term and to actually position the metropolitan area for growth going forward. Not only does that address the immediate issues; it also actually creates the capacity for long-term growth in the Brisbane and the Queensland economy over time.

There are also some very interesting opportunities ahead in that infrastructure space. Clearly infrastructure is very much a productivity-enhancing factor and as we move towards implementing the national broadband rollout, for example, we expect that to have very significant multiplier effects as it fosters innovation in the community over the next five to 10 years. We think that that is a particularly important factor. So we are advocating very much the infrastructure spend side of building the metropolitan area's economy.

**CHAIR:** Thanks, David. We will now hear from Mayor Brown.

**Mayor Brown:** I thank the committee, and I am sorry that we did not have a formal delegation. I am probably different to everything else that has been said here this morning because we are the other way. We have an unemployment rate of 1.7 per cent. We have 38,000 people identified to come into our region in the next few years in relation solely to the mining sector—a massive growth. I represent 23 towns and 30,000 people. If you do the multiplier effect, we are 3½ hours from this table as I sit here now, so we will have drive in, drive out, and that effect is six times. So if you multiply six on that, there is a massive impost on our region.

Infrastructure is probably our greatest concern. We have 75 projects identified of \$85 billion of infrastructure to be built in the next five years. There are eight members of state parliament that this affects across the region—from Gladstone right through to where we are. Our concerns, other than the massive wealth in growth, are in relation to transport infrastructure. When I talk here, it is what I call a partnership between the three tiers of government and also our companies, because our No. 1 priority is our communities. Without the federal government involved here, this is not going to happen. The Premier announced yesterday that \$850 million a year will be extracted from my region alone in royalties. She commented that it will be spent in hospitals and schools. Great! I am quite happy to support our state. I do wish some of it to come back to my region.

At the moment we are very extremely limited with the reduction of subsidies in water and sewerage. We are struggling to plan our towns to encompass this massive development. Towns particularly the size of Miles will double in size in 18 months. Wandoan will go from 360 people to 2,500 inside two to three years, and there is the possibility to go to 10,000 people. At this stage the largest carbon sequestration power station in the world is a possibility to go in at Wandoan. The largest coalmine at 70 million tonnes a year will go into Wandoan. These are the figures that we are talking about. We are at the forefront of the coal seam gas industry and the major energy province in not only Queensland but also Australia and possibly the world.

It is a great way of highlighting our region. The impact that I am imposing on everybody else in the south-east corner is that I am the one who is jamming your Ipswich Motorway and all of the infrastructure to the port, because at the moment I have coal going on truck because it cannot go on the rail network to get it into the port. So that impact is also disturbing Toowoomba, Gatton, the Lockyer Valley and right through to Ipswich and through to Brisbane. So we need to address it. Last week alone there were three deaths on the Warrego Highway. I am well aware that it is a federally funded road, but it is the cumulative impact that is occurring. We are regularly having accidents.

The issues and concerns for government relate to not only transport infrastructure but also affordable housing. That has a massive impact. People who are used to paying \$200 a week are now paying up to \$650 a week rent, so we have people now starting to move out of houses and into our parks. So affordable housing is a huge concern. In terms of the planning side of it, it is our job as a local authority to plan for the future. We need some release of crown land owned by the state government to do some of this planning. This is massive planning. If we do not strategically plan properly, we will end up with a catastrophe. I am not saying that the Bowen Basin was handled badly, but it can be improved. We are trying to improve it.

Issues such as child-care facilities have a massive impact. How can we get people to come and live in our area if we do not have child-care facilities? So there are all of these things. I have an agricultural college that caters for 116 permanent residents. It presently only has 27 because it is an agricultural college. Let us look at it with a view to state government turning it into an education centre where we can actually bring in the mining sector and do a centre of excellence of mining and agriculture hand in hand. So they are some of the issues. Thank you for the opportunity, Mr Chair.

**CHAIR:** Thanks very much. We will now hear from Councillor Dyne.

**Mayor Dyne:** Thank you very much, Chair. Ron Dyne, Mayor of the Gympie Regional Council area. Thank you very much for the opportunity to speak today. The concern in the Gympie Regional Council area is that we are probably unique in some aspects. Forty-three per cent of the council area is state owned land, which has a major impact on rateability, obviously. Most of that land is taken up by forestry products. The rest of the Gympie Regional Council area is primarily primary production. We are looking at trying to grow the small secondary industry that we have. Our concern is that we need a whole-of-government approach in that we have identified industrial land but we keep impacting on the Bruce Highway. Unfortunately, Main Roads needs megamillions of dollars—and I am talking in the order of, for just one industry, about \$70 million—to upgrade the Bruce Highway.

The Bruce Highway currently is at its maximum design capacity. We feel that, with other state departments, we are putting money into developing industrial land strategies and so forth, yet we keep getting knocked back because of the capacity of the Bruce Highway. Basically what we are looking at is that we need a whole-of-government approach. We are unique, I suppose, in as much as we are an adjunct to South-East Queensland. Industries that are looking at relocating cannot relocate to our area because we have not got the road capacity to handle those resources. That is basically our situation. Thank you very much.

**CHAIR:** Thank you, Mayor Dyne. One of the things that struck me across all of the local government submissions—and I must say thank you to the local government sector for your interest in our inquiry—was the great diversity of views on regional development. We had the Torres Strait islands talking about building capacity to provide services to their own communities and then regions like the Western Downs and Mackay talking about infrastructure problems and actually getting people to go there. Brisbane and Logan had some issues that are the same in terms of their industry policies, but the labour markets are quite different. How does the government bring all those diversities together? How do we deal with the fact that every region of Queensland provides such a different challenge in terms of employment creation?

**Mr McGuire:** For me personally, I am not sure presently what the role of the Department of Employment, Economic Development and Innovation is with regard to the regional centres. I think there is a great opportunity for those centres to play a more proactive role in working collaboratively with the regional councils or the local councils and perhaps starting to focus some of their priorities on the same sorts of priorities that we are focusing on. As I mentioned in my brief introduction, we work very closely with industry so we have a very good handle on what is going on with industry and what their priorities are. From that point of view, I think it is very difficult for the state to take one position that gets across all the different areas. I think it is the role of the state development centres to work more collaboratively with councils and, vice versa, for councils to work more collaboratively with the state development centres to identify what those priorities are and to see how they can deliver those in a really collaborative and cooperative fashion.

**CHAIR:** Councillor Gela and Mr Scarce, the challenges of your part of the world are probably a world away from the challenges of David's area of Brisbane. How do we make sure that employment policies are relevant to your part of the world?

**Mr Scarce:** John Scarce, Chief Executive Officer of the Torres Strait Island Regional Council. In the submission you would see that we were trying to stop a lot of the leakages and get things back to the grassroots level before we can take the next steps. As you say, Logan City and Brisbane are probably 30 steps ahead of us. As was previously mentioned, there needs to be a couple of different positions. We need to have our focus on the basics and we are at the basics stage now. We need to develop the skills  
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and the ability in our own region. As was mentioned before, and it has been mentioned in parliament I believe, the Torres Strait is the most expensive postcode in Australia. It costs \$1,950 a week for three-bedroom properties up there. The council is currently paying that sort of money now to house the skills that we have to bring in from outside the region because the skills are not there. There has never been an emphasis on really targeting those skills to be in that region.

It is a case of being parochial: help us first and let the others come along, because they have gone a long way. We have a lot of catch-up to do, but we need the basics such as education, training and those abilities to create opportunities, just to stop the leakage to begin with. That will go a long way in getting the welfare cycle away from the people of the Torres Strait. There are a lot of industries up there. The marine industry, the shipping industries, the building industry and things like that can be enhanced and that can go a long way. Then we need to target the professionals as well, so that we have our own accountants, lawyers and so on who are from the region and go back to the region to assist. Currently, there are no opportunities or limited opportunities for them, so they remain down in the mainland, fracturing homes.

**CHAIR:** Fiona?

**Ms SIMPSON:** I would like to follow up with a question to the Torres Strait island representatives. I notice in your submission you identified the lack of public transport or general transport between the islands, particularly with scheduled ferry services. I take it this is an issue that you have put forward to state government before. What has been the response and are you getting any movement? That is a pretty basic service if you are going to have economic development and people being able to access jobs or bring in skills.

**Mr Scarce:** Probably the thing that highlighted it the most was October last year when CASA took the licence away from regional transport and we had absolutely nothing. There needs to be a scheduled and subsidised air route up there, similar to what happens in western Queensland. Up there it is completely commercially viable at the moment. It costs nearly \$1,000 return to fly from Murray Island to Horn Island, and that is before you even hop on the plane, and it has just been announced that they have cut services and increased the prices from Horn Island to Cairns. It now costs \$800 return to Cairns. That is \$1,800 for somebody who has to travel in to Cairns. People have to travel from the islands to Thursday Island for dental services and everything like that. It costs them a minimum of \$1,000 plus their dental care on top of that. People on the CDEP of \$458 a fortnight have to try to find that money just to get basic services.

We have approached Queensland Transport to look at getting a subsidised air route and they were throwing everything at it in October, November and December last year. It has stalled and we need to get back on to them to start that. We also proposed an alternate sea transport that would be a lot cheaper and a preferable method to the Torres Strait people. They do not particularly like to jump on a plane, particularly a little one with only nine seats and one engine. Incidents have happened in recent history of planes losing their engines or only just getting them started 50 metres from the water, which you do not hear about down here but we hear about all the time. That is a concern and a lot of the elders in particular, the aged, frail and disabled cannot travel by those methods of transport. It is a significant issue, both for the health and wellbeing of people but also in terms of them being able to get around. It is quite difficult.

**Ms JARRATT:** I am overwhelmed. You have brought home the diversity of the state that we live in and people's perception of where they live naturally is tied to their own environment. You have Torres Strait Islanders unable to access medical care and that is their concern and somebody in Brisbane is concerned that they get stuck in traffic every morning trying to get to work. I do not know how we bring this together as a state government. We seem to get caught in the conundrum of trying to please everybody but, at the end of the day, probably not satisfying anyone's needs in terms of local government. I am wondering: are there ideas out there for how the state government can better look at dividing up the pie that we have? It is limited and, at the moment, it is smaller than it ever was so there are limits to what we can do, even if our intentions are the best in the world. How can we more equitably service the needs of such a disparate group of communities?

**Mr Jackson:** Could I perhaps offer an opinion? There are some types of activity that have been demonstrated to be effective as categories of activity and others that perhaps are less effective. Perhaps the objective needs to be phrased as making the local environments most conducive to local initiative and innovation. I think that in every region of Queensland we have entrepreneurial people who are there ready to give it a go if they have the right environment. The things that make a competitive environment are good infrastructure and good education and training to name but two. So I think it is a matter of perhaps looking very closely at that infrastructure spend and absolutely optimising that and preferably putting even more spending into that space, because it will pay in the long run for the government to actually put that spend in.

**Ms JARRATT:** Do you prioritise infrastructure spending on social infrastructure first and then value-adding?

**Mr Jackson:** I think that a way to look at the maximum help for everybody in the long term—and I think you have to look at the long term—is to try to build the size of the cake as opposed to cutting up a very small cake. So the idea must be to create the wealth in the first place whilst recognising equity considerations but also recognising in the long term you have to create the wealth before you can distribute it. So I think you cannot prioritise social spending before you create the value that you have to distribute.



I think you have to look very carefully at that issue. They are no doubt very hard decisions to be made, but I think as a principle once you try to create a very large pool of resources in the longer run and then progressively look at how you equitably divide that up and prioritise that wealth creation side of things, everybody will benefit and be better off in that overarching time frame—from the least well off person to the most well off person. That would be my perspective.

**Mr Perry:** If I could perhaps add a comment to that, David, as well? I think if you are looking at economic development program activity on the ground in regions, a couple of thoughts here are perhaps giving the state development centres more discretionary funding so that they can allocate the funding from the state development centres rather than bringing it back to George Street all the time. That way they are attuned to their own regions and what they should be spending economic development funding on.

The other comment also is I think there are some perhaps microfinance opportunities. In the last 18 months with the GFC within councils we have been getting quite a number of calls from people who want to start a business. For whatever reason they cannot access bank loans. They are not looking for grant funding; they are looking for loan funding to start their businesses, whether it is a small one-man operation or a husband-and-wife operation. That might be an opportunity to kick-start local employment opportunities on the ground.

The third comment is council need to access a lot of state development funding where we would collaboratively fund between maybe council, state development and industry particular projects, whether it is cluster development, industry development, export development. Those types of small amounts of funding have gone. So we basically have accessed zero over the past two years. So to kick-start some of this small on-the-ground activity, those simple measures might be quite easy to do.

**CHAIR:** Grayson, in the submission from the Gold Coast City Council, one of the concerns raised by the Gold Coast City Council—and I know it was reflected in the Cairns Regional Council's submission as well—is a concern that some regions in Queensland do not have a very diversified economic base and that particularly the Gold Coast and Cairns are very vulnerable to the cyclical nature of the tourism industry. How does the state government help regions like the Gold Coast and Cairns diversify to give them some security in these downturn times?

**Mr Perry:** I suppose there are short and long-term approaches. The short term is really to pump prime the economy to mitigate the effects of the GFC. Those are perhaps fairly simple measures—whether it is funding construction works to get employment happening or maintained; building stuff, what we are calling on the Gold Coast shovel-ready projects. So those are short-term, very quick effects, which are great.

The long-term structural stuff is based around building education infrastructure and research and development infrastructure. I think the numbers speak for themselves. It has been a very Brisbane-centric research and development spend over the last decade to 20 years. A lot of our regions have the capacity to undertake research and development activity, so perhaps looking at distributing some of that outside of the capital city and also putting in place the longer-term educational aspiration projects which we are working on at the moment. We all want an educated workforce. We all want skilled people. But how do you do that? You cannot do that late in life, because you are only playing around the edges. You really have to fundamentally start at grades 2, 3, 4, 5 and 6 to get kids thinking about what they want to do in life.

It is not all about a university degree; it is about technical skills, it is about technical and trade qualifications, but it is building aspirations so that they want to do something when they leave school. We are working on a whole range of programs at primary school now with Griffith University, Bond, Southern Cross and the council to put in place those programs on the ground. It is also about getting parents to believe in an aspiration for their children as well. We have to put in place programs to assist that.

**Ms SIMPSON:** That is an area that I really want to address—the interface between the educational sector and economic development in the regions, where councils are taking leadership or have a key leadership role. We had a university present to us from the Sunshine Coast, which is my area. They said that they are facing challenges where future funding models for the university may stop them investing in an economic development interface with business. My question is: with the different regions of Queensland there is different university access and different vocational access. Is there something that has been actively pursued across local government to have an interface with educational institutions to tailor the programs that you need for your regions?

**Mr Perry:** If I can say from the Gold Coast we have recently entered into an MOU arrangement with all the universities and TAFEs where they have agreed, via a signed MOU, to undertake a range of activities together. So the universities have recognised that there are some things that they can do to work together on. So they do come to the big table twice a year to discuss those and recognise that there are some things that they want to do on their own with councils. So we have undertaken to do some separate activities with them.

That is really designed to bring university, council, government and industry to the table. Education Queensland sits on that MOU as well. I think that is probably one of the things that we are doing.

**Mr McGuire:** I would say, too, just at that level down from that—below university level—we have done a lot of work recently in trying to build closer working relationships between the private sector training organisations and business to make sure that the training that has been provided and the people who are

going out into the workforce—the training that they are getting—is reflective of what industry actually needs. That sounds like a fairly simple solution, but the reality is that a lot of the training that is being provided is not reflective of what industry needs now and what they are going to need in the future. So we are trying to build those closer working relationships, understanding and providing an environment where those different stakeholders can come together and discuss their needs. That is something that we have really tried to focus on, which we found from a workforce point of view and getting long-term unemployed and socially disadvantaged people into employment has provided some great benefits.

**Mr Jackson:** As a slightly different perspective from the Brisbane point of view, we have certainly been involved in working with TAFE, for example, in looking at some of the local skill needs and that sort of thing from time to time. But it has been demonstrated—and Nobel Prizes have been won on the fact—that advances in technology, which obviously are then based on research and development that is carried out at universities, are the long-term generator of economic growth. It is that changing technology, that accelerating productivity.

Again, from a whole-of-Queensland point of view, really putting the dollars into effective research and development is a good way to build a strong long-term economy. I guess the important thing is effective research and development. So really, one has to be very careful about allocating those funds so that it is most effective, because you could actually waste a lot of money if you were not effective. But in the long run, that creating of a strong knowledge economy will depend on the volume of dollars that is actually put into R&D in embedding that technology in Queensland.

**Mayor Brown:** Since we are in a position of enormous growth and new growth, it is very hard to say. As of this morning, one company contacted me wanting to put 500 employees on the ground before Christmas—one company. No housing, nothing else. Where are they trained and where are they from? Obviously, we are going to drain from the south-east corner again. This is the thing. Do we start to look now? I have a coal seam gas industry that will last 40 years minimum. Do we look at some form of training for our children right now, because at the moment what we do with a lot of our children is send them into the south-east corner to get trained.

We have contacted USQ in Toowoomba to see if they would like to set up a subcampus in our region to try to address this thing. Also, what goes with a lot of this industry is the environment. We would like to encourage the EPA to even have a look at their social stuff in the EPA. This is an avenue where the state government can come on board and actually train some staff out there to assist us.

We all keep talking about cost shifting that is occurring across the region. A lot of our issues, even in the learning centres—and this is always reflected in regional Queensland—is that we have to put it up. The local government is the one who has to take the front foot on all of this. It is about time the state government came on board and said, 'How can we direct staff that you require?' I have 750 employees in my local authority and we are losing them as fast as we can train them because these boys have dollars. And what do they do with my rural sector? They steal all my staff from the rural sector too. All of a sudden we have a deficiency in employment in another sector associated with the mining. The rural sector is totally different but we are losing our staff.

**CHAIR:** I just want to follow on from that. It is a similar issue. It seems to me, Councillor Gela and Councillor Brown, that when you are looking to grow in those regional and remote communities it involves the import of skills into your region. But in places where that has happened, like Gladstone and I know in your area of Mackay, it has created a two-speed economy, where you have the existing residents who are used to paying \$200 a week. Then you have construction workers, teachers, nurses and doctors who come in with living away from home allowances and salary packages with six figures. Are there opportunities to train those people locally rather than import those skills? How do we deal with those growing pains?

**Mayor Brown:** The growing pains are significant. When you have a girl who serves you coffee and gets \$14.72 an hour and her rent goes from \$200 a week to \$650 a week, she is not going to last in your community much longer.

**CHAIR:** Because the construction workers are getting \$350 a week living away from home allowance.

**Mayor Brown:** I know, and this is the impact that it has. I know what is happening out from Mackay, where you cannot get taxi drivers in Blackwater and all these sorts of things. Our service industries are collapsing in front of us, let alone the social impact. The flow-on effect from that is that you start to get people on 457 visas come into your region. Regionally, in Australia and in Queensland particularly, we are very conservative and we have a lot of Christian beliefs. All of a sudden we have the impact of different religions and different races coming into our region. I will say it: when you have a Muslim society come into a small country town and say, 'Can we have a mosque?' things are changing and they are changing very quickly. You have to have your community adapt to that change and accept it. We have been very fortunate that our communities are very accepting of different cultures, but the impact is just growing. We have only just started this development and we are going to need help. The reason why we need help from the state is that in areas like strategic planning and town planning you use regional plans. They are very important. We need to get them up and moving very quickly.

**Mayor Gela:** I will say a few things and then John can add to it. In the Torres Strait it is a little bit different. Thursday Island basically is utilised as the central administration hub. The private sector and public sector both exist on Thursday Island. In the 15 communities within the electorate of the regional council, the regional council is the one-stop shop. The employment that is provided by the Australian Quarantine and Inspection Service, Customs and Immigration is basically minimal—next to nothing. So a lot of the skills that have been developed in the region have been lost either to Thursday Island or to the mainstream. A lot of them make their way all the way down to Cairns because of the fact that they cannot afford the rent that is being charged on Thursday Island because basically Defence and Customs are inflating the rental market. So there is a mixture of views.

The other thing I must add is that CDEP itself is an issue. It is a disadvantage to my people. We can capitalise on a lot of resources. There is a lot of potential in the Torres Strait. In the rest of Australia the goldmine is basically based on land. In the Torres Strait our goldmine is in the water. We can capitalise on that. But the issue is breaking that welfare mentality and that cycle. CDEP is basically a federal government program. I call it 'sit down' money. Our forefathers are working-class people. They basically came down here and set the record in terms of laying the railway lines. They dived Darnley Deep in terms of the pearling industry. Today's generation is a little bit different. The mind shift needs to begin from the youngest age.

We have developed a working relationship with the schools in terms of looking at targeting areas within our corporate structure at least so that we can get people skilled up in the region and be assured that there is guaranteed work. Departments have a role to play too. They need to start tagging positions because for basic administration positions where on-the-job training can be provided it is not being provided.

I must admit that there is a situation that is happening in the Straits with skilled people who are brought in. For example—and I mean no offence when I say this, but I will say it openly because I have nothing to lose; I travelled four hours to get here in the first instance—if the husband comes in as the executive or the manager, a week later their wife takes a seat in the first instance, without a proper recruitment process—without the position being advertised and giving people a fair opportunity in terms of applying for a position. This is happening basically as we speak. It has been happening for quite some time. So there are basic positions that can be tagged and we are working with the schools.

There is a strong push in terms of developing trades expertise. There is definitely a need for it in the Straits and there is the potential to provide the opportunity to individuals if they want to go to university and study law and so forth. There is limited focus on developing students to become entrepreneurs in our region. That is why there is limited scope for individuals standing on their own two feet and saying, 'I'm going to establish my business. I'll capitalise on the marine industry.' That is where we need to head.

**Mr Scarce:** Just going back a little bit in terms of the TAFE system, when we have tried to access certain things through the Thursday Island TAFE, they do not have the ability to do it. We have our purchasing officers being trained out of north Brisbane—out of Mackay, out of Cairns and everywhere. TAFE needs to get back to where it used to be. If we have a core number of people who can be trained—such as 15 purchasing officers across the region—then that training should be able to be delivered at Thursday Island at a minimum rather than having the expense of bringing them down to north Brisbane TAFE because that is the only facility in Queensland that seems to be offering that function.

As Councillor Gela mentioned, a lot of our professional positions—engineers, accountants, solicitors and everything—are tagged with cadetships. They will all be getting on with trying to get the cadets to come on board. But it is six to eight years from when local people get their degree before this materialises and then probably even longer to be able to build up to take on management positions. We have set up something that probably takes 10 to 12 years to get some of the basics in the professional side.

The other thing that we need to target is that a lot of kids come back from school and still have numeracy and literacy issues. They do not have enough to be able to put them straight into university or even trades. We need to be looking at another six months worth of training before we can get them into those key areas. So that is something that we need to address with those boarding schools up and down the east coast that take these kids. We need to address why they come back and still do not have the basics of English and mathematics to be able to go on to tertiary education.

**Ms SIMPSON:** I have a question that is probably more relevant initially to the South-East Queensland councils but it does have an implication for others as well. We have talked about the South East Queensland Regional Plan. It is a document that has principal activity centres. It is mainly a land use plan. It does have an infrastructure plan that sits beside it. However, with those councils in the south-east which particularly have principal activity centres, have you seen much evidence of any economic plan from state government that aligns with that land use plan?

**Mr Jackson:** I can help with that question. The answer is that we have not seen it much in the South East Queensland Regional Plan, and I will go back and tell you about the activity that we have been working closely with the Queensland government on for the last five or so years. We have worked closely with the Queensland government—the old Office of Urban Management subsequently became the Department of Infrastructure and Planning—to commission the best available forecasting about what the future of South-East Queensland was going to be in terms of employment growth et cetera going out 25-odd years. We have had several iterations of this work and the methodology has now been really quite well bedded down. The growth over the next 25 years will be very substantial indeed in terms of new jobs et cetera.

All local authority areas in South-East Queensland will grow very significantly in percentage terms and indeed in absolute terms, so we have a very strong understanding of where these employment growth areas will be. The important thing from an economic development point of view is that that growth be recognised and addressed in terms of location of transportation hubs and other infrastructures that will actually support transportation and the other logistics that are necessary to focus on those. Our criticism from the Brisbane City Council point of view in a strictly economic development sense is that many of the actual so-called activity centres that have been talked about in previous iterations of the South-East Queensland plan do not actually recognise where the jobs growth is. You can do plotting of the high-growth job areas or the expected high-growth job areas and you can actually see where those are.

Inevitably, there is a concentration of that in particular localities. But if you are doing the right thing in an economic development sense, you will prioritise the provision of infrastructure into the areas that are going to need it in the future. We think that is something that has not really been addressed explicitly and we would like to see a lot more of that, because that would appear to be the best use of the infrastructure dollar spend. The fact that we have not done that over the last 25 years in South-East Queensland is probably part of the reason we have such an issue now. We have not recognised those factors. So that is my proposition to you. Sydney of course is a basket case, because even though there was information 25-odd years ago about where the growth would be they were paralysed in terms of actually doing anything about it, and they are paying the price now.

**Mr McGuire:** If I could make a comment on that in terms of the Logan City Council area and the number of those new principal activity centres that are starting to unfold, the short answer is no, I have not seen any state economic development plans around those principal activity centres. Then the other side of that is that I do not think the state really needs to develop any economic development plans around those areas. This is what I think would be a better approach, because the major developers are the one party that are not involved in this discussion—that is, the private sector, and the private sector have developed some fantastic economic plans around some of those principal activity centres.

Again, for us, I would love to see us working more collaboratively with the private sector as to how we can help them deliver the economic development plans that they have already developed. If there are already good, solid economic development plans in place, there is no point in state or even local government going out and duplicating that process. I just think there is a better role for us to play in delivering those things collaboratively.

**Mr Perry:** The Gold Coast provided significant input into the development of the SEQ plan. We undertook significant economic analysis at our cost and provided that to the state government. We are okay with the SEQ plan. We are a corridor city, so you can see where the growth is going to occur—places such as Coomera, Helensvale and the new Varsity Lakes station. So those outcomes have been pretty good for us, but in terms of an economic plan that articulates what you are going to do in terms of economic development activity, no.

**CHAIR:** From my own electorate experience dealing with Logan City Council, I know that council has a very close relationship with small business, given that the first port of call for most businesses starting up is your town planning officers, your health regulations and the environmental regulations that the councils administer. Do councils have a forum where they sit down with those small businesses to try to reduce the regulatory burden on those businesses? Do you engage with businesses and say, 'How can we make life easier for you?'

**Mr Perry:** From a Gold Coast perspective we do not necessarily do that. We do have an advisory board—it meets once a quarter—made up of the chairs of every industry organisation in the city. So it is an advisory board of council which reports back to council. So any issues that individual businesses are facing bubble up through those industry chairs and then into council, and if it is a council issue we can address it via a council process or if it is a state or federal government issue the mayor or CEO can take that further. So we do have an advisory board process rather than individual business group process.

**Mr McGuire:** Similarly, we have a couple of different structures in place that allow us to pass on the feedback of business to the other areas of council. We have what we call our new business monitor. For any business that is looking to move into the city or is an existing business in the city that is looking to expand, we raise the profile of what they are all about, what their issues are, what sorts of benefits they are going to generate for the city and try to really ram home the importance of working with this business to generate an outcome for all of the different other departments within the organisation. So we have that sort of structure in place. That is not to say there is not a lot of room for improvement, because there definitely is, but we do have some structures in place to address those sorts of things.

**Mr Jackson:** From a Brisbane point of view, we have targeted very specifically in the next three to four years really getting a very good development application process going. So it is an extremely focused approach. It is to really streamline the planning and DA process, so very significant resources are being put into that.

**Ms SIMPSON:** I want to follow on from that. David, would it be fair to say—or you can correct me if I am paraphrasing you wrongly—that the infrastructure spend needs to be targeted more to where there is economic development or the potential of economic development?

**Mr Jackson:** I would rather actually make the statement about employment growth. Given a whole bunch of existing business connections and the existing infrastructure network which provides transportation et cetera and the ways that a company behaves and the way that employees behave, we have a very strong view about where employment is growing. For example, the CBD is a very rapidly growing CBD and it will continue to be so, and it is important that it continues to be so because of the agglomeration economies and the value it adds to the entire South-East Queensland economy. So the CBD will grow strongly, Australia TradeCoast will grow strongly, the south-west corridor out towards Ipswich will grow strongly and there are some other areas also. We believe that, on the basis of what we know to be those quantum of growth, the transportation infrastructure should be planned accordingly and all of the other follow-up infrastructure needs to be planned accordingly.

I am saying that I think we could have a long discussion about the definition of economic development, but the best thing that could happen in terms of the actual material standard of living of residents in South-East Queensland would be for those high-growth areas to be well serviced with infrastructure, because that will then permit that wealth-creating growth that is expected to actually occur. If one said, 'No, we don't really want that area to grow or this area to grow,' despite the best kinds of views as to where that is most likely where business and employees will prefer it to be, if one had an alternative view, then one has to do a lot of explaining as to why you would be facilitating growth where it is most likely to occur and rather putting it somewhere else. We think you might have some questions asked about the actual value for money you are going to get out of that infrastructure in terms of people's ultimate standard of living.

**Ms SIMPSON:** I actually have a bit of a follow-on question, because this actually goes to those outside South-East Queensland. We have also had a submission from the Queensland Resources Council which is perhaps relevant to what has been put forward from Ron about that area. There is infrastructure outside of where there is the population growth, but there is great opportunity for economic growth. I guess my question would be whether there needs to be a different approach to value for money or the assessment of how that infrastructure is targeted.

**Mayor Brown:** I think with infrastructure in regional areas like ours, with massive growth there is a high expectation from the state government that the companies involved put the infrastructure in place. When you get a company—and in our case Origin is about to spend \$35 billion—yes, there is a bit of ownership there. In their EIS they must address what they are going to do. I have seven EISs in the process right now, and when you start to read 13,000 pages and so many volumes for each one, there are a lot of motherhood statements there. What we are looking for is that partnership. State governments have to be well aware, if they are about to put big dollars into infrastructure, of their long-term gain. A lot of small industries are actually jumping on the coat tails of these big EISs, saying, 'We'll wait for the Xstratas and the Origins and the British Gases to put the infrastructure in and then we will jump in on top.' Hang on, let us all contribute here. That is the bigger picture.

We are not as big as these boys in terms of staff and resources. We have very small budgets. We have had to create a projects unit to solely follow these units to see how they fit into our structure. That is where the link socially, economically and productively across the region comes in. That has an impact on us and our finances. This is where we do need to start the partnership deal with the state and the companies. Do not forget the companies are involved here. They are the ones that make big dollars out of this, but they are not solely responsible for it. That link to get that together is the hard bit, and that is where we are coming from.

**Ms JARRATT:** I just want to follow on from that, Mayor Brown, if you do not mind. I do understand that the sudden focus on and sudden development of a region throws up enormous problems for you, and there are some great opportunities that come out of it as well. Just as an aside to that, in 2001 I remember sitting around a table trying to decide what we would do with the empty houses at Moranbah. I know how quickly a community can turn around and how that can leave a government based on bureaucracy in its wake. You never seem to get your needs met as quickly as you would like. Given that this is not the first time a region like yours has experienced this type of sudden growth, have you found any processes available to you that can provide some learnings from other areas? Do either the LGAQ or the state government provide those sorts of linkages for you so that you do not have to reinvent that wheel every time you come up against a problem? If not, do you think this might be something that would be of value to you?

**Mayor Brown:** We would welcome that with open arms. The LGAQ has been very good. They know where they can tap into certain regions, particularly in the Bowen Basin and north west province, where they can actually see where issues occur. We are probably unique as we are not solely open-cut coalmines and we are not solely coal seam gas. We have this underground coal gasification, which is a whole new monster lying below the ground. That is massive. I do not think the government even realises what is about to occur here.

The big thing in our favour is that we are a very strong rural community. There are a lot of small towns close by, so a lot of these housing issues can be taken up where the rural sector have cottages that they used for farm employees and are now renting out to the mining sector. There is a bit of a win-win.

**Ms JARRATT:** Yes, there are opportunities.

**Mayor Brown:** Exactly right. When you get a major agricultural machinery company come to a town because they can see it is a growth area, okay, it is energy and mining but it is a booming area and we want to be part of it. They are the ones I am welcoming. I think the new ones in our case are the big power stations. I have four power stations in production right now. I have three being built and six proposed. Of the six proposed, there are four massive big solar ones and one big wind one. That is the greatest thing ever, because it is hot, it is cold; I get blamed for the climate change, too. So we are trying to do our part. I have a rural community with very magnificent prime agricultural land and there is that big tie between mining and the rural sector. You have to get a grip. Let us protect our prime land but still have the energy sector. We know that we have to do our dues for our state and that is what we are trying to do to create the balance.

As for staffing, I would love to be able to tap into more of the state things. We have been crying out from day one. I might say that the best thing about the amalgamation is that suddenly it put 85 per cent of the Surat Basin in my region. I have a bit more control over it. Where we still need help is particularly with the EPA and the mining energy sector, and in the state government we need those people on board. I have nine camps that have just sprung up across the region on exploration leases. I have no control. LGAQ has been very proactive in trying to create a policy of how to address it. When you get a camp of 2,000 personnel, you have yourself a town before you know it. They drain on other towns close by because they are taking water and sewerage. There are all of those sorts of factors. We do not have that expertise as a local government. We do use the LGAQ a lot for these processes, but we need to use the state to be involved with this, too. I keep harping on this partnership. It is not you and us and them; it is us, as a whole.

**CHAIR:** Greg Hoffman, do you want to add anything to that?

**Mr Hoffman:** If I may. On the point that Mayor Brown raises about the engagement between local government and state government, particularly around the exploration approval process and ultimately the operation of mines, there does need to be legislative change, because the mechanisms that exist at the moment do not provide a ready-made, guaranteed, accepted, understood engagement between the state bureaucratic processes and local government processes. We are in those discussions, as Mayor Brown indicates. But I have to say that there is something of an inertia within the bureaucracy to want to deal with that, because it will mean a change in the processes that have been long established. Now, instead of guaranteed legislative accepted mechanisms they are administrative add-ons. They are only as good as the individuals within respective departments at particular times are in recognising the importance of that guaranteed engagement. So we are in that debate, and I would like simply now to put it on record that that is an important part of the process to achieve that partnership that Mayor Brown has alluded to. It is so important to successful outcomes in the generation of these new communities and the provision of infrastructure, whether it is federal government, state government, local government or, appropriately, the industry involved.

**Ms SIMPSON:** That sparks a question about whether there need to be designated state development areas for those major projects where it is almost like a coordinator-general approach to coordinate across departments. Does there need to be that sort of approach? You say there is legislative need, but you also need someone to drive the coordination of that in cooperation with council.

**Mr Hoffman:** The resource communities partnership, established some 18 months ago, is a mechanism that was put in place to enable the pressures that are currently within the Bowen Basin and Surat, emerging within the Galilee and, likewise, in the north west province to have some consistency in the approach between state government and local government. That had a lot of promise, but it is only as good as the resource support that is behind it. I have to say that there has been some diminution of departmental interest and accept that that is probably a resourcing issue of the current times that is impacting it. But it still leaves a lot of pressure at the local level to try to deal with these issues. But that can only happen if there is a willingness at the state level to recognise that this is a long haul issue and you do not just create a mechanism and say, 'Fine, it's there; you work it,' because a lot of the key decision making is in fact state government decision making. That is why legislation needs to ensure that engagement is guaranteed, not whimsical or disparate, depending on individual projects.

**CHAIR:** I wanted to ask a question of the councils. It is probably more relevant to the elected officials than the economic development officers. In your capacity as employers, for a long time councils have provided in regional communities, but all over the state, entry-level employment for people digging ditches, driving trucks, building roads. With technology, those sorts of jobs are disappearing. How do councils make sure they are doing their fair share of the training of people who want to get into the workforce when those entry-level jobs are disappearing?

**Mayor Brown:** I think the concern is that the hole will always be in the road if someone does not fix it. You can type on the computer and get all the IT work in the world, but that is not going to fix the hole in the road. We still need that grassroots, on-the-ground level of service. There are people there to do it. We need to foster it. Local government is a major employer. You heard Greg's comments before. I think we employ 40,000 across Queensland. We are major employers. We have endeavoured in our own operation to put a survey out to staff asking, 'Where do you want to go? What do you want to do?' With amalgamation, there has been a stipulation of three years doing such and such. We want to train people for what we believe is where we need them.

We are getting a bit of angst where people are saying, 'No. We are guaranteed three years. You cannot make us.' It is really sad because we want them to move with us. It is a journey we all want to take. We are struggling with that at the moment. We are in the midst of a survey that is going out again to ask, 'Is there another area you would like to be retrained in?' Things are changing. Technology is changing and we want to move with it. I have an 84-year-old grader driver on one of those electric, no-steering-wheel graders. He thinks it is heaven. What a wonderful tool to show to the people that you are never too old to learn. He has retired twice. He just loves it.

**Mayor Dyne:** The Gympie Regional Council contributes a lot to initial training. We take people off for training. We have a large number of trainees. Just last year, out of a budget of \$115 million, \$570,000 was spent just on training alone. So councils are heavily committed to the training side of things. Whilst we do not have an 84-year-old grader driver, we do have two women grader drivers. So it is filtering right through. Primary training—filling holes and patching roads and so forth—is our major core business. I was saying previously to the lady who just left that in local government now they say that everything has to be about strategic planning and doing all of those sorts of things, but unfortunately the community has not gone with those ideas. They still want their councillors to go out and look at the pothole and get that pothole fixed. Part of our core business is doing those sorts of things. As I say, we spend a lot of money on training in a small regional council.

**Mayor Gela:** Human resources are local governments' greatest asset. We look at working and developing capacity within the corporate structure, especially the office workers and also the workers who basically get things moving—the grassroots workers who work outside. Our regional council has committed a substantial amount of money to developing skills. Within the region the primary issue that we have is that what was in existence in the past, prior to the amalgamation of the 15 island community councils' organisational structure, does not necessarily exist anymore. So there are people that have to be redeployed to other positions. We are very fortunate that people within the region are open to expanding their field of expertise.

**Mr Hoffman:** Certainly state-wide there is major investment, increasing investment, being made by local governments to the employment of people and the generation of skills at the entry level, particularly for younger workers, through apprenticeship skill based schemes and through traineeships. A lot of that was done and is continuing to be done with state government support. In fact, the local government sector still receives the strongest level of state support in that field because of its capacity to do these things and, recognising that that employment base of local government is increasing around three per cent per year—and that is a product of growth within the state generally—more services are needed to cater for that growth. So the need is there and councils are responding.

At the other end, the program for older workers, Experience Pays, is where local government is looking to ensure that it can retain its employees in a way that enables them to utilise their skills for the longer term. I would be happy to provide you with some information as to the scope of those programs and how they are working. I think the fact that we are doing this and the state government is supporting local government is a demonstration that there is capacity there to do this, and we would dearly like to continue to do it for the obvious reason that it is a crying need in many individual situations.

**Ms SIMPSON:** I want to follow that with a question in regard to amalgamation. Greg, you have just mentioned that there is generally three per cent growth in employment each year across local government, although I imagine that there are different stories in different regions and different councils. Is there an estimate as to what the likely job shedding will be after the three-year moratorium on job losses post amalgamation may look like or do you still believe that there will be a net increase in jobs across the councils?

**Mr Hoffman:** In short, I think there still will be an increase. The issue that is confronted by the regional councils at the moment is that their ability to arrange or re-arrange their workforce is complicated by the guarantee. I will not enter into the debate about the merits of it, but the issue is what sort of workforce they need and the skills they need. The need to increase numbers here and perhaps realign numbers there means that it is a bit like jelly—you push it one way and it will pop up another way. In an aggregate sense, the numbers will probably stay the same or our view is that they will grow. It is a matter of the appropriate people in the appropriate positions with the appropriate skills, and that is what needs to change.

**Ms JARRATT:** I am going to go to an entirely new area now, and that is the impacts of climate change. Either directly or indirectly, the CPRS and the consequences of climate change are going to impact on our communities, and as local government you are very closely tied to that. Have you begun to think about how that might change the way you do business, especially in terms of the economic development part of your business? If not or even if you have begun, can you identify ways in which state government can work with you more closely to make sure that this challenge is not one that we look back on and say, 'Gee, I wish we'd done more'?

**Mr Hoffman:** The most significant aspects of climate change or specifically the CPRS and the emissions trading scheme that will impact on councils relate to their waste removal and their sewage treatment related processes. There is a lot of work being done at the moment to identify what the immediate obligations will be in terms of the ETS. It is a very significant amount of money. There is no doubt about that. As is intended with the whole initiative that is designed to drive changes as to how these

things will be approached, there is a technology issue involved as well as a cost issue involved in responding to how you can better handle waste issues as well as sewage treatment and disposal. So it is being focused on. There is documentation. Local Government Infrastructure Services is working closely with many councils. We can provide information if you wish.

**Mr McGuire:** Can I just ask: you are not talking about the business of council, are you? You are talking about the business community?

**Ms JARRATT:** I am speaking about how you might change the way you do things in order to take into account the new challenges for businesses—planning and all sorts of things.

**Mr Perry:** For example, the Gold Coast has put in place in its economic development strategy a key performance indicator that says that all businesses by 2040 in the city must have a sustainability plan. So we are working towards putting in place programs and initiatives, and we have been working with state government closely on its ecoBiz program, to roll that out amongst businesses. Businesses know that it is on the horizon and they know they have to do something about it. But a lot of them still do not quite know how to get there. So we have been providing some gap programs to get them thinking about that.

**Mr McGuire:** I think it is a very similar approach with Logan City Council. I think 90 per cent of our business community is small business, so the age-old saying that they spend most of their time working in their business as opposed to on their business suggests that they are not really focused too much at this point in time on what is going to happen in the future with regard to climate change. What we have tried to do is flip it around a little bit and talk to them about the fact that if they do focus more on these issues of climate change it is actually a money-saving opportunity for them or an opportunity for them to raise money. If they are saving on energy, water, waste and things like that then they are actually making money.

The other side of it again is that, with human nature, very much we do not react to these sorts of things until the crisis is very much upon us. So how we manage to fast-track that and to get it into the mind of the business community so that they start to act now is an ongoing challenge. In the meantime, as Grayson said, the state government offers some good programs through ecoBiz and the ClimateSmart business clusters, and we work very closely with the state government to deliver those programs to our business community.

**Mr Perry:** But, once again, they are perhaps not as well resourced as they could be. For example, we ran an ecoBiz program for a number years but we could not get to the amount of businesses that we wanted to under that. We put in place a lot of our own financial commitment to ensure the ecoBiz program in our city continued.

**Mr McGuire:** And then as a continuation of that, I think the evolution of the ecoBiz program through to the ClimateSmart Business Cluster Program is a good way to start to address that, because then it is not just about individual EPA officers going out and working with individual businesses but the cluster being able to work together and learn together and make changes.

**Mr Jackson:** From a Brisbane point of view, the council has done a lot of work into the climate change agenda. We have an entire branch associated with that. Our Natural Environment and Sustainability Branch has a whole program around CitySmart, which is the climate change issue. That is not my area of expertise; however, what I will say is that certainly the world will need an awful lot of innovation and investment to deal with climate change going forward, and in that there will be a lot of new business opportunities and a lot of new technologies based on a lot of new R&D that has to be done. So we recognise that from an economic development point of view. We established the CitySmart Innovation Festival to try to help Brisbane position itself moving forward, and that has been very successful. So there will be a lot of restructuring that will need to be done, and the sooner we get on with it the better.

**Mayor Brown:** I was just going to add, from an area that is producing a lot of this so-called black coal, that they will never change it to green. It is as simple as that. With the carbon sequestration plants that they wish to put into place, it is still going to cost lots of power to get it to go that way. Just the small things, like the ClimateSmart programs, are great in the urban centres, but you try to wheel them across your regions where they have to drive 160, or 180 kilometres to put someone's new light bulbs in. We struggle.

**Ms JARRATT:** It has a few challenges.

**Mayor Brown:** What do they do? They also bring electricians from Brisbane or Toowoomba out, which means our local electricians do not get a look-in.

**Ms JARRATT:** They can sign up.

**Mayor Brown:** Yes. So there are some processes through which we have started to try to get that positive thing across, and I do welcome the initiative by the state government. The recycling side of things is great in bigger centres, but in small regional centres it is a major cost. We have just implemented one and we are looking at a major superdump, bringing our 23 towns into one to make recycling more profitable—a huge cost. What happened to our subsidies? Gone. We fund it now. There is a cost on our people. So it wheels across.

With that rural sector, the mining sector again, it is very hard. When the coal seam gas industry is about to produce 550 megalitres of water per day to the surface and they start growing trees on good agricultural land, what happens there? You have 30 years of growing trees. Great. Carbon. Beautiful. But, 'We have no food to feed you, I am very sorry.' So there is that line.



**Ms JARRATT:** Opportunities and challenges.

**Mayor Brown:** Yes.

**Mr Scarce:** In the Torres Strait we have not focused on the emissions trading scheme or anything else like that. We are actually too busy trying to deal with the effects of climate change.

**Ms JARRATT:** Exactly.

**Mr Scarce:** We have communities that go under three or four feet of water during the king tides around January and February that we have to deal with, and the agenda to proceed by the year 2020 is that we will be losing a couple of communities and things like that because of the effects. We are clearly a climate change taker. What little things we can do with our emissions trading and our sewage treatment plants and things like that are not going to add to any benefit to what we are already effecting now with what is happening.

**Ms SIMPSON:** I have a question that I would like to ask Ron from the Gympie Regional Council. You made the point in regard to industrial land that there is opportunity, but you do not have the infrastructure—the roads—for it. That is a huge barrier for people coming in. My question is—and this might be one that needs to be taken on notice: can your council provide figures as to what the economic benefit is of that industrial land, if it is able to go ahead?

**Mayor Dyne:** I will take that on notice in terms of the figures, but the indications in our area are that there are a large number of businesses trying to relocate out of the South-East Queensland area and they are looking towards Gympie or the Wide Bay area. Whether we talk about just Gympie in isolation or Wide Bay as a generalisation, we are still locked into the development of the Bruce Highway.

My major concern is that, even though we are looking at a bypass in Gympie at present, Main Roads indicates to me that when that road is completed what is currently the Bruce Highway will still be at maximum design capacity. So it is becoming quite a concern. We are continually chasing ourselves. We do not seem to be proactive enough to get ahead of that.

So I will get those figures to the committee, if that is appropriate. But certainly, I would just like to hark back to what I said initially about government departments. A lot of the discussion here today has been about how can we improve things, but we do not seem to have an overall coordinator of something. One department says, 'Give us some money and we will throw some money in and we'll do a study,' and then another department cans it. So we really need to somehow—and I do not know how it is done in government—get some coordination so that all the departments are working towards a common aim rather than their own particular forte, be it economic development or whatever, and then it is put aside by Main Roads.

**CHAIR:** Thank you to all witnesses for your attendance today. We very much appreciate you taking your time to share with us your expertise. Again, can I say that the committee was overwhelmed by the interest of local government in our inquiry. I think it has given the committee a great deal of thought around the issues to do with the growing role of local government in economic development. So again, thank you for your time. I would also like to thank those people who have taken the time to attend our hearings, both a fortnight ago and today. I think it gives us some hope that this committee process does provide an opportunity for the general public to participate in the parliament's deliberations. So thank you to all of those involved.

**Committee adjourned at 12.17 pm**