



30 June 2020

Committee Secretary
Economics and Governance Committee
Parliament House
George Street
Brisbane Qld 4000

Dear Committee Secretariat

INQUIRY INTO THE QUEENSLAND GOVERNMENT'S ECONOMIC RESPONSE TO COVID-19

Mackay Regional Council supports the Terms of Reference for the inquiry into the Queensland Government's economic response to COVID-19. It is acknowledged that no formal review or debrief of the broader response to COVID-19 has been undertaken and this preliminary submission is made in consultation with Resource Industry Network, Regional Social Development Coalition and Regional Development Australia as key regional stakeholders.

Mackay Regional Council appreciates the opportunity to participate and comment on the inquiry into the Queensland Government's economic response to COVID-19.

Terms of reference:

- 1. That the Economics and Governance Committee inquire into and report to the Legislative Assembly on the Queensland Government's response to COVID-19 in relation to the economic response only;*
- 2. That in undertaking the inquiry, the Committee should take into account the Australian Government's response to COVID-19 and its impacts on the Queensland Government's response;*
- 3. That in conducting the inquiry the Committee is to be conscious of any requests for witnesses or materials and ensure that any requests do not unreasonably divert resources from the immediate COVID-19 response; and*
- 4. That the Committee report to the Legislative Assembly by no later than 3 months after the conclusion of the Public Health Emergency declared under the Public Health Act 2005 regarding COVID-19.*

BACKGROUND

Mackay Local Government Area

The Mackay region is home to a diverse and vibrant community, including rural and coastal living opportunities in 30 townships, small rural settlements and rural residential areas. The Mackay regional government area is one of the fastest growing in Queensland, with a population of over 116,000 people. The region's prosperous economy is expected to continue to drive strong population growth over the next 20 years.

The region has experienced the most prolonged period of growth in recent history and Mackay has established itself as a modern, regional city. The region's growth is fueled by the strength of our diversified economy, led by our globally recognised resource and engineering sector, resurging agribusiness, and growth in construction, education, logistics and tourism.

Mackay is the gateway to the rich coal deposits in the Bowen and Galilee Basins and hosts much of the engineering, manufacturing and resource service industries supporting the wider Mackay-Isaac-Whitsunday economies.

RESPONSE TO INQUIRY

1. PLACE-BASED RESPONSE

Local government played an especially important role as it is "closer to the ground". Local government initiatives were immediately felt by business and community. Local government's level of direct financial assistance to economic stimulus was varied from region to region, and unfortunately not all local governments had the flexibility to support businesses that fell through the cracks of federal and state support.

There are benefits in a planned approach involving all levels of government, agencies, sectors, industry, business and community in supporting response and recovery to any pandemic activity. This may include joint funding toward key recovery strategy and planning actions and requirement to first complete recovery plans which must showcase a coordinated engagement with sectors, industry and business at the regional scale.

Through empowering regions to take control of their future, in the early phases of the pandemic, there is a role for regions to develop plans and actions to:

- Advise government,
- Coordinate information dissemination (both ways, out and in),
- Capture economic and social impacts,
- Plan for recovery,
- Monitor recovery, review recovery and make changes where required.

Recommendations

- Some regional communities were very proactive and created their own place-based initiatives to care for and keep communities connected. We should gather and celebrate these positive stories.
- Consider funding for place-based support directed through Local Disaster Management Groups (LDMG).

2. GRANTS, FUNDING AND OTHER SUPPORT PROGRAMS

Small Business Advisory Services

The Mackay region lacks a regionally based small business support officer. A funded resource focusing on supporting small business has not existed in the region for approximately three years. Such a service would be vital to Mackay if it offered services such as:

- business advisory services for new or existing Queensland businesses
- business incubation
- workshops and seminars
- ongoing coaching and mentoring support
- conference and training room facilities
- affordable office or workshop space

Place-Based Support Programs

Key stakeholders in the Mackay Region responded quickly to support business and community. There was a number of businesses that fell through the cracks of Federal and State support, who struggled to interpret relevance of information and funding or needed guidance to transition their business model to cope with COVID-19 economic environment.

The place-based support ranged from coaching and micro-skilling to aid a business' transition to e-commerce, through to marketing campaigns encouraging #buylocal. The success of these place-based initiatives was a result of direct fiscal support through Local Government and private enterprise funding, such as BHP Vital Resources Fund and Local Buying Foundation.

A summary of the response effort across a number of key stakeholders is provided in Attachment 1.

Recommendations

- Allocation of a Small Business Advisory Service. Such a service would be vital to Mackay if it offered services such as:
 - business advisory services for new or existing Queensland businesses
 - business incubation
 - workshops and seminars
 - ongoing coaching and mentoring support
 - conference and training room facilities
 - affordable office or workshop space
 - funding and grant application support
- State Government funding strategically directed to Local Government, Local Disaster Management Groups or Peak Industry Bodies for the delivery of bespoke place-based solutions in a timely manner.

3. DATA SHARING

Access and analysis of data at a regional level has slowed many response efforts. The ability for Local Governments and regional economic development bodies to access State and Federal data continues to be a barrier to just-in-time bespoke support.

New State Government initiatives that collated state wide data (such as Jobs Finder Queensland), was identified as data sets not permitted for distribution to Local Governments or Local Disaster Management Groups. The lack of access to relevant and timely data and analysis greatly impacted the region's ability for agile and just-in-time economic support.

The region's ability to target responses and support was reliant on the region exhausting time and resources to data collection efforts which were a double up of collection efforts already being run by State and Federal departments. Business participation rates were low due to this duplication of data collection.

Recommendations

- Improved departmental / regional relationships with the dissemination of data analysis.

4. DIGITAL CONNECTIVITY

Digital Literacy

COVID-19 highlighted the inequity in our remote and rural areas in relation to digital capacity. Support networks experienced greater requests for basic digital literacy skill development. The capacity of some rural populations to be able to access and participate in virtual digital communication is significantly low and was a barrier to effective operations.

Networking and peak industry bodies rallied quickly in response providing digital literacy coaching and non-accredited courses. The volume of attendance greatly increased over the COVID-19 period. The types of programs receiving increased uptake included; Regional Social Development Coalition's (RSDC) Committee & Governance support programs for not-for-profit organisations. Greater Whitsunday Alliance (GW3) launch of a new program titled My Digital Coach. Kylie Porter, GW3 Chief Executive Officer commented on the program;

"This free program is designed to connect small business with a digital coaching to build or improve upon their digital assets and skills to trade through this crisis... We know that every small business is different and has unique needs and this program is designed just for that."

Small business managed the digital transition with varying levels of competency. The requirement for businesses to pivot to e-commerce and online-communication methods was unexpected and, in most cases, unplanned. Many regional businesses did not have adequate hardware and software to allow for successful e-commerce operations or to allow flexible working arrangements for employees.

Not-for-profit organisations especially struggled in this area, with operating models restricting them to the funds provided through state and federal funding. The requirements of funding models are often restricted with regard to delivery of services to meet the demand of region and do not allow for resources to allocate to business improvement, asset investment or professional development that allow these organisations to be agile and keep up with new technology.

Digital Infrastructure

Inadequate digital infrastructure posed concerns and significant barriers across the region. Some rural areas still have limited to no connectivity. The irregularity in services and connection in built-up regional zones is also an issue. Infrastructure for high-speed fibre connectivity would alleviate the need to disseminate work to other locations and enhance the region's ability to attract large national and international businesses to establish branches in the region.

Recommendations

- Future-proofed high-speed fibre connectivity. Identify connectivity blackspots and work to remove them from the Queensland profile.

5. INDUSTRY SPECIFIC IMPACTS

Tourism and Events

The impacts to operations within the Tourism and Accommodation industry were debilitating, and some businesses will not survive the transition out of COVID-19 restrictions. The local tourism industry, represented by Mackay Tourism Ltd, believed that the State government responded well to COVID-19 with respect to supporting the tourism industry.

Figure1. Feedback from Tourism industry

Support measures most popular:	Support measures least popular
<ul style="list-style-type: none"> • Reduced or waiving of taxes, rates and other fees and charges (Council rates in particular) • Keeping me up to date on the situation (Newsletters) • Support for accessing Government grants 	<ul style="list-style-type: none"> • Interest free loans to cover staffing and other costs • Assistance in attracting and / or retaining skilled staff • Business mentoring assistance and workshops

However, the Events industry has voiced significant concerns for their access to support during the COVID-19 pandemic. There is concerns that guidance and support was lacking for this industry during the early phases of the pandemic and lock down periods.

Mackay Regional Council in partnership with Mackay Tourism have engaged proactively to fill the gaps in the event sector in response to COVID-19. As a result of this prompt response we have managed to maintain all major events to be held at a future date or pivot to alternative delivery modes or reschedule to 2020.

Recently announced funding for the events sector has been well-received by local event organisers and those impacted by the temporary shutdown of conferencing and business events.

Community Services

Community services organisations have been some of the hardest hit with increased service demands. Their requirement to adapt to changing service delivery demands, increased demand as well as dealing with unprecedented workplace health and safety, and human resource requirements.

Placed Based support through GW3 and RSDC sought to aid business during this period. RSDC supported with Business Continuity Planning support and continued collaboration of interagency collaboration. GW3 launched a Business Wellbeing Service, providing free mental health support to Mackay Isaac Whitsunday small business owners.

We believe the increased demand for support will be sustained for some time which poses a concern around worker wellbeing/burnout. It is acknowledged that prior to COVID-19, the

industry workforce was already operating under higher workload requirements as a symptom of regional workforce shortages.

Education

Regional university and TAFE providers have been significantly impacted. Large restructuring and amalgamation of services has already taken place by these institutions in a bid to survive post COVID-19. The region has significant concerns for the ability to grow and develop locally based workforces. Any further reduction in scope of offering in region will again force individuals to relocate out of region to gain these skills. Attracting skilled workforce is an element that has always been difficult for regional centres.

Regional Workforce Retention and Attraction

Prior to COVID-19 the Mackay region struggled to attract and retain talented workforce to region across a number of sectors, it was the number one barrier to growth for METS sector in the Mackay Isaac and Whitsunday region. The region has continued to feel the pressure of an idle workforce due to COVID-19. The looming end date on financial support through Jobkeeper is putting pressure on businesses and supply chains.

Organisations have expressed that their Workforce planning has taken into account a need to downsize to survive the next 12 months and account for health restrictions. There is concern that cumulative cross industry downsizing will cause a glut of talent into the job vacancy market, and the region will lose this talent as they exit region in search of employment. With the relaxing of restrictions, the industries will ramp up again, leaving our regional supply chains ill-equipped and may lose out to southern metropolitan based businesses.

Recommendations

- Consideration given to programs to support regional talent retention and regional business agility.

6. STRATEGY FOR RECOVERY

The COVID-19 economic recovery phase has created a disjointed regional response for recovery. Understandably, there has been a call to have "shovel ready" infrastructure projects to boost regional growth. The development of "wish lists" that differ for respective industries, sector, sub-regions and regions, or where priorities for each are not aligned or integrated. It is vital that the priority infrastructure identified acknowledges:

- the recovery from COVID-19 is across multiple time lines (short, medium and long-term recovery),
- that infrastructure in itself will not support many sectors, industries and businesses heavily impacted by COVID-19. Investment toward enabling business operations to adapt and innovate post COVID-19 is required, and

- options to transition a COVID-19 redundant workforce across industries and sectors requires a large investment in additional training and development, as well as considerable time and coordination.

The regions would benefit from a COVID-19 Recovery Plan framework that is comprised of:

- Introduction: showcasing the process adopted to generate a regional COVID-19 Recovery Strategy, highlighting governance arrangements, engagement processes adopted, immediate and longer-term needs, transitioning business to life after COVID-19 outlining workforce reskilling needs and so on.
- Regional Vision and Directions: evidence of shared and collaborative processes that identify desired cross sector and stakeholder needs and their prioritisation against the backdrop of COVID-19 impacts and recovery.
- Showcase of COVID-19 Impact: common and agreed assessment of COVID 19 impacts toward the regional, sub-regional, sectors, industries and businesses.
- Desired regional outcomes: focus toward COVID-19 response and key deliverables where outputs and outcomes relating to key criteria are determined. Understanding the agreed outcomes may not necessarily relate to life post COVID-19 being the same as it was pre-COVID-19.

Implementation and monitoring arrangements: determine if the plans, strategies and actions are working to re-energise regional, sub-regional, industry and business economies.

7. NEXT STEPS

The focus of future economic response actions should be towards:

- Understanding economic impact from the pandemic.
 - The immediate and longer-term impacts,
 - Coordinated surveys and intelligence capture that ensures agencies and business sectors collect the right information once, versus multiple groups engaging in cross over information gathering exercises.
- Development of support stimulus programs that are fit for purpose
 - Regions providing early insight toward possible programs of support and regional feedback on program suitability and challenges and opportunities and uptake.

Developing regional recovery plans, where plans are developed in an appropriate time frame, where stakeholders are formally engaged and where plans are collaborative in their development with government and industry and community.

Mackay Regional Council thanks the Queensland Government for the opportunity to provide comment and would appreciate the opportunity to be involved in any further stages of this inquiry. To discuss further please don't hesitate to contact me directly on (07) [REDACTED] or via email at [REDACTED]

Yours faithfully,



Craig Doyle
Chief Executive Officer

Attachments

Attachment 1. Mackay Region - COVID-19 Response

Attachment 2. COVID-19 Australian Business Economic Impact Survey (ABEIS) - Mackay



Attachment 1. Mackay Region - COVID-19 Response

Mackay Region COVID-19 Collective Response Effort

x Currently involved
x Proposed

	Mackay Regional Council	Mackay Canegrowers Association	Mackay Tourism	Greater Whitsunday Alliance (GW3)	Greater Whitsunday Food Network Inc.	Resource Industry Network	Master Builders	Mackay Region Chamber of Commerce
Initiatives								
Business Survey (online)	x		x		x	x		
Business Survey (phone)	x		x					
Job Board & Vacancy Promotion	x	x						
Marketing Campaign Promotion - #wepledgelocal	x		x	x	x	x		x
Marketing Campaign Promotion - #buylocal								x
Marketing Campaign Promotion - Faces of Mackay	x							
Marketing Campaign Promotion - member Stories					x			
Promotion of State & Federal WHS information	x	x	x	x	x	x	x	x
Industry specific working groups - Supply Chain & Logistics		x			x	x		x
Industry specific working groups - Workforce		x						x
Provision of WHS consultancy services		x						
Promotion of WHS consultancy services		x						
Learning & Development - Owner focused development - Business/leadership			x	x	x		x	
Learning & Development - Owner focused development - WHS								
Learning & Development - Staff focused development - Business/Technical							x	
Learning & Development - Staff focused development - WHS							x	
Seminars - Industry updates			x		x	x		x
Promotion of Coaching Program - My Digital Coach	x		x	x				
Promotion of Coaching Program - METS Ignited Regional Accelerator						x		
Promotion of Farmers Market - Blue water Quay					x			
Internal Focus - Website Redevelopment					x			
CQU Digital Media Student Project					x			
Promote Members - lead generation						x		x
Direct Fiscal Support - Free Membership			x					x
Promote Fiscal Support - The Australian Tourism data warehouse			x					
Promote Fiscal Support - Council fees & licence concessions	x							x
Promote Fiscal Support - Council Refunds for Events	x							x
Promote Fiscal Support - Free car parking	x							x
Promote Fiscal Support - Rates concessions	x							x
Volunteer & NFP Support	x							
Job Creation - maintenance and capital projects	x							
Policy and Procedure reviews	x							
Small Business Mental Health Program				x				
Event coordination	x			x				
Event promotion	x		x	x				
Membership Campaign Drive						x		
State Government Election #Smallbusinessisabigdeal campaign and advocacy								x

This summary details only initiatives that directly support small business. Indirect initiatives such as website upgrades are detailed in the group's response below.



Attachment 2. COVID-19 Australian Business Economic Impact Survey (ABEIS)

Data in this spreadsheet is based on respondent's self-reported business location, filtered by postcodes of best fit for the region of: Mackay (R)

Data current as of: 16th June 2020

Q5 - To date, how has your business been impacted by COVID-19?

Industry Sector	Survey responses	Revenue		Survey responses	Staffing		Survey responses	Costs		Survey responses	Customers		Survey responses	Production of goods	
		Average impact	Median impact		Average impact	Median impact		Average impact	Median impact		Average impact	Median impact		Average impact	Median impact
Agriculture, Forestry & Fishing	4	2.5%	20.0%	3	10.0%	0.0%	2	-	-	3	-5.0%	0.0%	3	20.0%	0.0%
Mining	7	-4.3%	-5.0%	7	-3.7%	-6.0%	5	-1.0%	0.0%	5	0.0%	0.0%	5	0.0%	0.0%
Manufacturing	11	-34.6%	-30.0%	10	-11.7%	0.0%	9	38.0%	7.0%	10	-34.0%	-30.0%	9	-36.7%	40.0%
Electricity, Gas, Water & Waste Services	0	-	-	0	-	-	0	-	-	0	-	-	0	-	-
Construction	5	-35.0%	-47.0%	5	-36.0%	30.0%	4	21.5%	13.0%	4	-35.0%	-40.0%	4	10.0%	0.0%
Wholesale Trade	1	-	-	1	-	-	1	-	-	1	-	-	1	-	-
Retail Trade	24	-33.5%	-37.5%	22	-14.1%	-1.0%	21	0.1%	0.0%	23	-37.8%	-40.0%	21	-7.4%	0.0%
Accommodation & Food Services	58	-47.1%	-49.5%	55	-38.7%	50.0%	47	11.9%	-5.0%	53	-42.3%	-50.0%	45	-33.3%	20.0%
Transport, Postal & Warehousing	4	18.8%	15.0%	4	1.3%	0.0%	4	20.0%	10.0%	4	27.5%	15.0%	4	0.0%	0.0%
Information Media & Telecommunications	0	-	-	0	-	-	0	-	-	0	-	-	0	-	-
Financial & Insurance Services	1	-	-	1	-	-	1	-	-	1	-	-	1	-	-
Rental, Hiring & Real Estate Services	5	-65.8%	-90.0%	6	-45.8%	50.0%	5	39.0%	50.0%	6	-57.3%	-60.0%	3	-43.3%	30.0%
Professional, Scientific & Technical Services	13	-33.2%	-30.0%	13	-17.6%	-4.0%	12	2.1%	0.0%	13	-30.5%	-7.0%	12	-7.6%	0.0%
Administrative & Support Services	4	0.0%	10.0%	3	3.3%	0.0%	3	-3.3%	0.0%	4	1.3%	15.0%	3	-13.3%	0.0%
Public Administration & Safety	2	-	-	1	-	-	1	-	-	2	-	-	1	-	-
Education & Training	13	-18.5%	-15.0%	13	-2.2%	0.0%	11	11.8%	0.0%	11	-30.8%	-80.0%	10	-7.0%	0.0%
Health Care & Social Assistance	8	-15.6%	-25.0%	8	-4.4%	0.0%	8	6.9%	5.0%	8	-10.0%	-12.5%	9	1.1%	0.0%
Arts & Recreation Services	27	-54.2%	-90.0%	25	-14.8%	0.0%	22	20.7%	10.0%	25	-59.0%	-99.0%	24	-31.6%	0.0%
Other Services	22	-23.4%	-25.0%	16	-24.9%	0.0%	15	10.0%	0.0%	14	-40.7%	-40.0%	13	-10.0%	0.0%
Total	209	34.55%	30.00%	193	21.00%	1.00%	171	0.22%	0.00%	187	36.52%	40.00%	168	19.10%	0.00%



The donut chart illustrates the economic composition across various sectors. The data is as follows:

Sector	Relative Size (Estimated)
Accommodation & Food Services	22%
Arts & Recreation Services	18%
Retail Trade	15%
Other Services	12%
Manufacturing	8%
Education & Training	6%
Construction	4%
Health Care & Social Assistance	3%
Mining	2%
Agriculture, Forestry & Fishing	2%
Rental, Hiring & Real Estate Services	2%
Administrative & Support Services	2%
Transport, Postal & Warehousing	2%
Financial & Insurance Services	2%
Electricity, Gas, Water & Waste Services	1%
Public Administration & Safety	1%