



LGAQ Submission

Inquiry into Austrade's role in
attracting investment in Australia

The Local Government Association of Queensland (LGAQ) welcomes the opportunity to make a submission to the inquiry into Austrade's role in attracting investment in Australia.

The LGAQ is the peak body for local government in Queensland. It is a not-for-profit association established solely to serve councils and their needs. The LGAQ is one of the few peak bodies in Australia that has full membership from all the 77 councils across the state of Queensland. The LGAQ has been advising, supporting and representing local councils since 1896, allowing them to improve their operations and strengthen relationships with their communities. The LGAQ does this by connecting councils to people and places; supporting their drive to innovate and improve service delivery through smart services and sustainable solutions; and delivering them the means to achieve community, professional and political excellence.

Local governments are significant influencers of local economic environments. They understand the positive impacts that investment has on their local economies better than most others. It is for these reasons that councils are increasingly being proactive in engaging and investing in trade and investment inbound and outbound missions, investing in local capacity building and facilitating inbound investment attraction. They are a good source of local economic intelligence and often play a significant role in investment facilitation.

The types of information they use to facilitate and provide to investors are:

1. **Local Information/ Data:** local market analyses, data about certain location aspects (e.g. Workforce costs) and advice (e.g. On starting a business)
2. **Local Contacts / Networks:** for example, introductions to government agencies, research organisations, or potential suppliers that are relevant to the investor's activities and investment plan.
3. **Investment and Supply Chain Opportunities:** for example, access to tenders or investment projects or supply chains relevant to their business.
4. **Incentives:** providing discounts and incentives through infrastructure charges and funding for feasibility studies to help identify opportunities.
5. **Practical support:** securing permits or helping with planning approvals etc.

Local government also provide investment project facilitation or case management support to investors at different phases of their investment projects:

1. Before an investor has developed an investment project or plan. Local governments provide information on:
 - Specific business opportunities in the location

- Other opportunities (e.g. availability of certain skills, funding or projects)
 - Introduction to potential partners
 - Introduction to potential customers
2. When the investor is actively considering locations for a specific investment project. Local governments support the business case by providing information on:
- specific location factors (e.g. Workforce, utilities, costs)
 - regulatory procedures and requirements
 - Identification of suitable properties
 - Organisation of tailored site visits
 - Introduction to local contacts (e.g. potential partners, suppliers or employees)
3. When the investor has selected the location. Local governments support investors by providing information on:
- Regulatory requirements (e.g. construction permits, planning procedures)
 - Employee recruiting
 - Securing property and infrastructure
 - Support with communications and public relations
 - Support for additional services like (planning for employee housing, schooling, services)
 - Introductions to relevant local service providers (e.g. legal, HR, real estate)

Although most local governments offer many or even all the types of support outlined above the approach has been varied and, in some cases, not as developed as others who invest significantly in resourcing investment attraction initiatives.

One way to build and lift the level of Australia's competitiveness in investment attraction is to provide local government opportunities for professional development in the areas of investment attraction.

Thanks to the partnership and support of Trade and Investment Queensland (TIQ), Queensland councils are in a much better position to facilitate and support investment attraction activities. With funding support from TIQ and investment from the LGAQ training and mentoring programs have been introduced to build upon councils' past capabilities and advancing them to a higher standard to compete in the internationally competitive market.

The LGAQ is well positioned and has the experience in delivering programs in the area of trade and investment and targeting the relevant decision makers among its 77-member councils. This year with the support of TIQ the LGAQ has implemented an Australian first to deliver tailored training targeting councils across the whole of Queensland. Conducting extensive member consultation, promotion (prior and post-delivery) and reflection to ensure the development of professional programs are assisting councils to engage effectively with overseas delegations, stakeholders and partners. The current program has been very successful, with good attendance and recording a lot of positive feedback. Even though the program has been highly successful we do believe that we need to look further as there is more scope for further professional development particularly in investment attraction which has been identified as an area of need by our members.

We are particularly interested in targeting local government leaders and dedicated officers for investment attraction. The leaders of the local communities are key to raising awareness of the importance of investment attraction, they help develop and communicate the need, vision, and motivate stakeholders into action. Although leadership can come from many places within local communities, local elected officials are particularly well-positioned to take on the role of promoting investment attraction. The political influence of local elected leadership is critical to helping communities stay on the course toward a vibrant economic future. From the election platform to the design and coordination of public policies, mayors and council members have opportunities every day to effect change and promote a strategic vision of economic growth for their community. As many of these leaders have come from diverse backgrounds providing them with specific professional development in the area of investment attraction will inevitably lift their capacity to attract investment and complement federal and state government initiatives.

The LGAQ recommends that Austrade provides funding for the LGAQ to identify a suitable program and provider that will professionally develop local government to support engagement with potential investors and contribute to building the capacity of local government to compete in the globally competitive market.

However, building the capacity and level of competitiveness for local government must be in conjunction with all levels of government so that it does complement current initiatives and does not lead to overlap or duplication. Working with the three tiers of government in a coordinated approach will position Australia in

what is now a very globally competitive market for investment attraction strategies.

In addition to the above recommendation we do see the value in all three levels of government in working together and although we do have a relationship with our government partners, we see an opportunity and scope to formalise a partnership with Austrade to continue to build better outcomes for our constituents and communities.

Considering that local government involvement in investment attraction is and will continue to grow, it is important that all agencies and organisations collaborate and work in a coordinated manner. Additionally, it is important that local government is included in consultations and discussions on Austrade's strategy and planning for attracting investment to Australian businesses. Ensuring that local government understand these strategies to align their own investment attraction initiatives and not compete against each other.

The importance of having a coordinated and cooperative approach to investment attraction across all levels of government cannot be underestimated. Recognising that local government is a partner in government and not just a stakeholder sends a strong message of collaboration, support and coordination to local government, potential investors and to the business community. Stronger communication and the offering to local government the opportunity of working closer together to improve, support and coordinate trade and investment activities will help all navigate the tough global markets.

The LGAQ supports and encourages its members to work with all levels of government and embrace trade and investment opportunities and work in an efficient and effective manner to align and maximize resources across federal government and then down to state and local levels.

The LGAQ recommends that we cross promote and support enhanced communication between Austrade, state and local government, resulting in more coordinated and successful trade and investment outcomes.

With our three levels of government and our multilayer governance systems affecting several sectors and industries that foreign investment may seek to invest in, it is also important that investors and related agencies have a strong understanding of the responsibilities of each level of government and the confidence in the value that all these government's agencies can provide to support investment attraction.

The LGAQ recommends that a multi-lateral agreement between all levels of government be introduced to recognise the value and roles in which government must play and how they can each add value and work collaboratively to facilitate investment attraction and communicate a strong message of unity and stability to potential investors. Working effectively and efficiently to maximise opportunities, compete at a higher level and avoid confusion and misunderstanding which can cost time and money.

As a final point, the revised role of the Regional Development Australia (RDA) network should be considered and then reflected upon when considering the ongoing role of Austrade in investment attraction initiatives and efficiencies in investment attraction activities. Differentiating and clearly defining the roles of both organisations will help other organisations understand and identify the appropriate parties to contact.

Here in Queensland we also have 'Regional Organisation of Councils' that can and will overlap sometimes duplicate the role of these organisations. Our members have also commented on the duplication of efforts also occurring between Austrade and the State Government, so we welcome this inquiry to better align initiatives and present the same message overseas will be very helpful in guiding local government with their messaging.

Partnerships and strategic alliances between the federal, state government and local governments are extremely valuable in facilitating the delivery of initiatives and there has been a long history of working together and this will inevitably continue to. However, with a formal agreement a commitment to developing and maintaining a process of negotiation and engagement through regular meetings to discuss issues of mutual interest and resolve differences will lead to efficiencies and effectiveness in the allocation of resources and lead to better outcomes for Australia's investment attraction initiatives.

Thank you for taking the time to read this submission we hope that the points made are respectfully considered. Should you require clarification of any of the comments provided, we invite you to address inquiries in the first instance to the LGAQ's lead for Trade and Investment, Mr Paul Cranch

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