



Gold Coast City Council

Secretary: *Falkham*

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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON
ENVIRONMENT AND HERITAGE

**SUBMISSION TO THE HOUSE OF REPRESENTATIVES ENVIRONMENT
COMMITTEE**

INQUIRY INTO EMPLOYMENT IN THE ENVIRONMENT SECTOR

AUGUST 2002

1. BACKGROUND

Gold Coast City Council manages a population of over 425,000 and an area of 1450 square kilometres extending from Beenleigh in the north and Coolangatta in the south. Council provides administration and management for the operation and growth of the City in harmony with community and environmental values. The Council's Commitment to the Environment statement ensures that Gold Coast City Council is committed to implementing measures that deliver continual improvement in environmental management and embraces Ecologically Sustainable Development Principles.

The Gold Coast is uniquely located on a relatively narrow coastal floodplain bounded on one side by the RAMSAR listed Moreton Bay Marine Park and on the other by World Heritage listed sub tropical rainforest areas on the coastal range. The resulting high-density development on the coastal strip has seen the emergence of a wide range of associated environmental management issues particularly with regards to areas such as coastal and floodplain management and water quality issues. A resulting expertise in these areas has necessarily arisen to ensure compliance with environmental legislation.

The Council has recognised the Environment Industry sector to be one of its 8 key industry areas in its Economic Development Strategy. A Scoping Study was commissioned in 2001 to determine the size and nature of the existing Gold Coast environment industry and the major issues affecting further growth of this particular industry. Workshops were held for industry members and an Environment Industry Working Party formed to discuss the results of the Scoping Study and to prepare an industry development action agenda tailored specifically for the environment industry. The results of this Scoping Study and preliminary action agenda form the basis of discussion for this submission.

2. ENVIRONMENT INDUSTRY SCOPING STUDY

2.1 Background to the study

The Gold Coast Environment Scoping Study was conducted for the Gold Coast City Council by the Griffith University Centre for Coastal Management. The primary aim of the Scoping Study was to provide a snapshot of the current status of the Environment Industry on the Gold Coast. This was to encompass the identification of current stakeholders; an appraisal of the economic value and employment potential of the industry and the identification of opportunities for innovation and economic development.

The study highlighted the difficulties in obtaining accurate data on the existing Gold Coast industry, existing databases held by State and Federal agencies do not adequately reflect the nature of industry on a local or regional level. The Gold Coast City Council is in the process of developing an online industry database for all industries in the Gold Coast region and will develop a comprehensive listing of all Gold Coast environment industries. This is a time consuming and expensive process in designing the database to accurately portray the true nature of the industry and identifying and contacting all environment firms to collect the appropriate data.

2.2 Industry definition

In the absence of a comprehensive database for the Gold Coast, the Scoping Study examined data from a Telstra Yellow Pages Directory search to provide an estimate of the current size and nature of the existing Environment Industry.

The definition used in the Scoping Study and by Council is the OECD definition, this has also been adopted for the National Environment Industry Action Agenda:

The Environmental Goods and Services Industry consists of activities which produce good and services to reduce, prevent, limit, minimise or correct environmental damage to water, air and soil, as well as problems related to waste, noise and ecosystems. This includes cleaner technologies, products and services that reduce environmental risk and minimise pollution and resource use (OECD - Eurostat 1999, pg 9).

For the Gold Coast Scoping Study, this definition was considered to encompass environmental aspects of energy generation and use. Appropriate aspects and activities associated with protection and conservation of the built and cultural environments are also included within the definition for this Scoping Study. This is consistent with the application of the concepts of industrial ecology to human activities within the natural environment.

Following detailed consideration by the REDAC Environment Working Party, it was agreed that this definition excludes 'eco tourism' as a component of the Environment Industry. On this basis, eco tourism is included in the Environment Industry Supply Chain.

2.3 Preliminary Survey results

The Scoping Study identified approximately 1950 firms on the Gold Coast that have business activities within the environment industry definition. This total number of companies is acknowledged to be questionable. The selection and allocation as Environment Industry is based on a broad assessment of what constitutes this industry. It also includes industries that may have been classed as users and suppliers to the environment industry. Further analysis of these firms gives the following breakdown of business activities:

- 42% - Production of Equipment & Specific Materials
- 50.4% - Technical Services, Consulting - environmental management, Risk analysis etc
- 7.6% - Construction & Installation of Facilities

According to the results of the Scoping Study, the majority of Gold Coast environment firms (25.6%) are involved in waste management and resource recovery areas, the other strong sector is the water and wastewater management sector (14.9%) this reflects trends sourced from national and international data.

A follow up telephone survey was conducted that narrowed the original estimate of 1950 firms given in the Scoping Study down to approximately 335 firms. A random sample of 96 was selected with 78 of those businesses providing useable responses, of these respondents 84.6% had their head office and operations based in Gold Coast City. This direct survey was able to produce much more specific responses to questions on size of firms and annual turnover.

GOLD COAST CITY COUNCIL: SUBMISSION TO ENVIRONMENT EMPLOYMENT INQUIRY

The telephone survey produced the following set of data:

Areas of Business

Waste	20.5%
Land Scaping	17.9%
Environmental Consultancy	15.4%
Water efficiency	12.8%
Construction & Development	12.8%
Environment Services	9.0%
Air quality & atmosphere	7.7%
Energy & Global Warming	3.8%

Distribution of occupations within Environment Industry Businesses

Management	27.7%
Production	18.6%
Professional	13.7%
Administration	11.3%
Sales & Marketing	4.6%
Distribution	3.6%
Other (Owners, draftsmen, field workers, drivers)	20.5%

Distribution of Businesses by number of Employees

Employment type	Number of Employees						
	0	1	2	3	4	5-9	10+
Permanent Part-time	91%	2.6%	2.6%	1.3%	0.0%	2.6%	0.0%
Permanent Full-time	7.7%	28.2%	12.8%	14.1%	5.1%	15.4%	16.7%
Casuals	69.2%	10.3%	3.8%	2.6%	5.1%	6.4%	2.6%

Environment Industry Business Turnover for 1999/2000 and 2000/2001

Turnover	1999/2000 %	2000/2001 %
Under \$50,000	12.1	12.1
\$50,001 - \$100,000	13.8	13.8
\$100,001 - \$250,000	25.9	17.2
\$250,001 - \$1,000,000	27.6	29.3
\$1,000,001 - \$5,000,000	12.1	17.2
Over \$5,000,000	8.6	10.3
Total	100%	100%
Did not disclose	25.6%	25.6%

The results from this telephone survey give a more accurate snapshot of the current status of the Gold Coast Environment Industry, however again it is a still a reflection based on the currently available data on the membership of the industry.

2.4 Scoping Study Recommendations

The recommendations of the Scoping Study all focus on the need for a better, more comprehensive database of the existing environment industry and a classification system that accurately reflects the activities of the industry.

The recommendations also point towards a lack of industry identity and intra industry collaboration. The study also suggests the formation of a regional based environment industry association to promote networking and collaborative opportunities amongst the industry and to represent the views of the industry in a larger arena in a cohesive and united manner.

Council is working towards providing funding for more work in the establishment of such a database, inline with the existing Council initiative to provide a citywide interactive database for all Gold Coast Industries.

2.5 Drivers and Barriers relating to Industry Development

The study also examined the drivers and barriers for further industry growth and development and identified that legislation and policies designed to protect the environment at all levels of Government were the greatest creators of opportunities for the environment industry. This higher standard of required environmental protection reflected the changing attitudes of society who now expect environmental protection measures as standard rather than additional features of industry activity. This change in community perception, as well as influencing government policy also creates a market in itself as people now include "environmentally friendly" criteria in their selection of goods and services.

Issues perceived in the Scoping Study to be barriers for the Environment industry were obtained from consultative feedback directly from the industry itself and reflect the primary concerns of current existing Gold Coast environment industry members. The issues raised are as follows:

- Absence of clear and consistent policy and regulatory interpretations at local and state level.
- Branch office syndrome, with such close proximity to Brisbane, many providers consider it unnecessary to locate offices of any size on the Gold Coast.
- Perception of "wealth" on the Gold Coast by State and Federal governments and consequent difficulties in obtaining governed funding support.
- Regulatory and Licence constraints and costs
- Lack of investment funds reduces the commercialisation and growth of innovative technologies and intellectual property.

3.0 ENVIRONMENT INDUSTRY WORKING PARTY

In accordance with Council's commitment to support the Environment Industry, its Regional Economic Development Advisory Committee (REDAC) formed an Environment Industry Working Party to provide input into and review the recommendations of the Scoping Study. This Working Party is comprised of industry members, state and local government representatives, representatives of local tertiary institutions as well as members of community environment and conservation groups.

From the recommendations of the study, the working party has developed an action agenda for further industry development with foremost attention being placed on increasing the image and identity of the industry, first by the collection of more detailed data and by the establishment of a Gold Coast Environment Industry Association. The working party will establish and evolve into a peak association for the industry, with Council aiming to step back from being the driver to a more facilitator role as key stakeholder and sponsor of the Association.

4.0 SUMMARY

The preliminary results of the Scoping Study and surveys have shown that the Gold Coast Environment Industry is healthy and progressive. However there is a definite lack of available data to accurately define the extent of the industry at a local or regional level. Current national and state databases do not provide enough information to determine what is happening within the industry.

There is also a lack of industry identity and recognition this has resulted in fragmented industry development with little interaction between key industry players. There is also a lack of an industry wide perspective on issues that may affect the growth of all or parts of the industry. Unlike other well-recognised, established industries that have organised industry representation and involvement in policy discussion, the environment industry appears to have little or no national industry voice (if such a voice exists, it is not well publicised or recognised even by those within the industry) and definitely no representation at a regional level.

The Gold Coast Environment Industry Working Party is currently establishing a regional industry association that will work towards an increased recognition of the environment industry on the Gold Coast at a national and international level. However to establish this representative body and a database that accurately defines the industry is an expensive process that Council cannot fully fund on an ongoing basis. More recognition and identification of the entire industry at a national level and more funding for such projects aimed at a local level would significantly increase the ability of such an organisation to represent the needs of the local industry.

As recognised in the Gold Coast Environment Industry Scoping Study, the major drive for environment industry development is relevant legislation that ensures environmental controls. For an industry such as the Environment Industry to be competitive on an international scale requires Australian governments to be at the forefront of developing environmental legislation, this will help encourage the Australian industry to become leaders in establishing innovative and commercially viable environmental technologies and services. Examples of a thriving environment industry can be found in countries such as Denmark who have become leaders in alternative energies such as wind and tidal energy generation, this industry development appears to have been led primarily by a legislative push from a progressive government.

Gold Coast City is dedicated to facilitating the economic development of industries within the region and in helping to promote these industries on a national and global scale. The first step however to helping an industry is to adequately define that industry and its membership and to determine the issues directly affecting that industry before an action plan can be developed in consultation with that industry to mitigate barriers to development and facilitate further expansion and identify further opportunities for those within the industry.