

## FW: A few high level strategic issues or messages for the Review

Ken Smith <Ken.Smith@tiq.qld.gov.au>

Wed 14/05/2014 9:50 AM

To: Lauren-Lee London <Lauren-Lee.London@tiq.qld.gov.au>;

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**From:** Smith, Ken - London

**Sent:** Tuesday, 15 January 2013 6:02 AM

**To:** McKean, Greg

**Subject:** FW: A few high level strategic issues or messages for the Review

Greg

I prepared the email below last night and couldn't see it on my blackberry. Did you receive it? We have been having some system problems at this end.

Best

Ken

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**From:** Smith, Ken - London

**Sent:** Monday, 14 January 2013 6:13 PM

**To:** McKean, Greg; 'Geoffrey Thomas'; John Mickel; geoff.waite@treasury.qld.gov.au

**Subject:** A few high level strategic issues or messages for the Review

Dear Greg

I refer to you email requesting a few high level ideas for the review to consider as you put the document to bed. As I only got back to work today after returning from holidays in Brisbane (from the frying pan to the freezer...its actually snowed here most of the day!) I will be brief. Here are some ideas which are largely sourced from some key UKTI documentation:

- TIQ should deliver measurable improvement in the business performance of its customers through: 1. improving the capacity of Queensland businesses (particularly SME's) to grow through increased internationalization and growth in export income; 2. Attracting high quality FDI to Queensland to stimulate economic growth and improve our productivity and capability; 3. Improve Queensland's reputation as an international partner of choice particularly in the 4 pillars of the Qld economy
- To do this TIQ needs to improve its operational performance by increasing the professionalism of the services it provides and increase reasonable charging for its services (Charging on selected outcomes achieved is a good measure of value by business in the services provided)
- The strategy has to place an emphasis on the fact that Queensland is again open for business; open to trading with both established and emerging markets, and open to foreign direct investment that will further stimulate economic growth. We will provide the competitive environment that is conducive to attracting and retaining companies
- In the export arena, the focus will be on encouraging many more SME's to export. This means supporting SME's break into new markets by improving export readiness and capability. Secondly we will provide intensive support for large companies to win overseas contracts, and in winning major contracts this will encourage greater SME participation in supporting the supply chains to these larger companies. KPI's include quality and satisfaction, Volume measures, business benefit measure of additional profit attributed to TIQ support and measure of return on taxpayers funds invested. There should also be a measure of Total no. of jobs created and taxpayer cost for each job created.
- With FDI, we need to have a specific target on creating a pipeline of say 100 plus projects per year of both new and additional investments from overseas Companies who have established in Queensland. The emphasis is on benefits to the Qld economy through growth and competition to ensure we develop industries that are competitive on a global basis. TIQ should ensure that investors have a seamless one stop shop for access to services and advice on behalf of the Queensland Government. KPI's include Satisfaction measures, Value add of investment attracted and return on taxpayer funds invested, Jobs created and taxpayer cost per job and volume measures of number of businesses attracted and percentage of high quality Companies attracted which deepen and broaden our economy
- As a guide in the deployment of resources we should aim to see a distribution of funding provided by Government or generated by TIQ which is benchmarked against other similar agencies. For example UKTI targets 3 in every 4 pounds providing support overseas helping UK Companies to export and attracting high quality FDI; 1 in every 3 pounds spent (with a target to increase progressively) in the high growth/emerging markets like the BRIC countries; 1 in every 5 pounds to deliver services through partners including through private sector delivery; just 4 pence in every 1 pound spent on administrative support. Their pie chart sees 55% on

overseas delivery in developed markets; 22% (and targeted to increase) in overseas delivery in High Growth and emerging markets; 19% on UK delivery and 4% on support.

I hope this helps. Sorry it's a bit rushed, but I need to get to the airport9Yet again). Fun in the snow.

Best

Ken

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RTI RELEASE

**REVIEW OF THE LONDON OFFICE OF THE  
QUEENSLAND AGENT-GENERAL AND  
TRADE COMMISSIONER FOR EUROPE**

**Ken Smith  
Coordinator-General  
Director-General  
Department of Infrastructure**

*February 2007*

## **Table of Contents**

<b>1. RECOMMENDATIONS .....</b>	<b>3</b>
<b>2. INTRODUCTION .....</b>	<b>6</b>
BACKGROUND .....	6
METHODOLOGY .....	6
<b>3. CONTEXT .....</b>	<b>8</b>
HISTORY OF THE LONDON OFFICE .....	8
LEGISLATIVE HEAD OF POWER .....	9
EXISTING STAFF AND STRUCTURE OF THE EUROPEAN OFFICE .....	9
BUSINESS PROCESSES .....	10
THE PLANNING CONTEXT .....	11
<b>4. MAJOR ISSUES IMPACTING ON THE EUROPEAN OFFICE .....</b>	<b>13</b>
INTRODUCTION .....	13
IMPROVING COMMUNICATION .....	13
CLARIFYING ROLE IN INVESTMENT ATTRACTION .....	15
IMPROVING COORDINATION OF SKILLED MIGRATION .....	16
THE EUROPEAN OFFICE – ROLES AND RESPONSIBILITIES BEYOND A TRADITIONAL QGTIO .....	16
IMPROVING SPECIALIST KNOWLEDGE UNDERPINNING TRADE AND INVESTMENT STRATEGIES .....	17
MAXIMISING DELEGATED AUTHORITY .....	18
ENSURING HUMAN RESOURCE STRATEGIES FOR LOCALLY ENGAGED STAFF ARE EQUITABLE .....	19
<b>ANNEXURE 1 .....</b>	<b>22</b>
<b>ANNEXURE 2 .....</b>	<b>23</b>
<b>ANNEXURE 3 .....</b>	<b>24</b>
<b>ANNEXURE 4 .....</b>	<b>25</b>
<b>ANNEXURE 5 .....</b>	<b>26</b>

## **1. Recommendations**

The review recommends that:

### **Improving Communication:**

1. an internal communication protocol be established – particularly with respect to the use and timely response to email traffic to avoid frustration on both sides (4.9.1).
2. all Queensland based staff travelling within the region on official purposes be obliged to inform the Commissioner of their itineraries so that the office can "add value" to their work where they are able to do so (4.9.2).
3. the Commissioner (and other Commissioners) brief the CEO's Forum on at least a yearly basis on issues and opportunities in the region (4.9.3).
4. trade and investment staff of the QGTIO should continue to visit Queensland at least once every two years to develop working relationships with Queensland based staff and local companies (4.9.4).
5. there be consideration of establishing specialist fora in additional sectors to develop more integrated approaches to trade and investment strategies in areas such as infrastructure, skills attraction, game technology, ICTs, marine industries etc. (in addition to the specialist groups such as QETI, PFTC, Bio-technology). These fora should include senior industry representatives and Directors-General. They should also provide targeted marketing material and provide opportunities for regular communication with staff based in overseas offices (4.9.5).
6. planning and implementation of major campaigns in the region (such as skilled migration programs) fully involve staff of the European office (4.9.6).

### **Clarifying Role in Investment Attraction:**

7. the approach to trade and investment be more integrated and organised around a sectoral model engaging key stakeholders (4.14.1).
8. the European (and other overseas offices) be more heavily involved in investment attraction opportunities for both small and large enterprises (4.14.2).
9. the specific integrated trade and investment targets for the European office be renegotiated and form the basis of ongoing accountability (4.14.3).

### **Improving Coordination of Skilled Migration:**

10. Directors-General of relevant agencies work with Trade Division to develop a more consistent approach to skilled migration (4.18.1).

#### **The European Office – Roles and Responsibilities Beyond a Traditional QGTIO:**

11. Queensland continues to commit to maintain the position of Agent-General and review the position description to incorporate the opportunities outlined in the report (4.23.1).
12. there be recognition of the additional work undertaken by the European office with the continuing recognition of the role of Agent-General as distinct from Trade Commissioner through the appointment of a Deputy Agent-General at a similar seniority as the existing Deputy Commissioner (4.23.2).

#### **Improving Specialist Knowledge Underpinning Trade and investment Strategies:**

13. the Premier and Minister for Trade consider expanding trade and investment panels in key priority areas to drive targets for improved outcomes (4.26.1).
14. the panels be chaired by an industry expert and include other industry representatives and relevant Directors-General (4.26.2).
15. the Premier considers establishing a Chief Trade and Investment Adviser on a full or part-time basis (similar to the Chief Scientist position) and specialist trade and investment advisers in specific industries (appointed on an honorary basis) (4.26.3).

#### **Maximising Delegated Authority:**

16. there be a review of delegated authority within the context of the principles outlined in 4.28 (4.32.1).
17. the Premier and Minister for Trade consider a broader review of overseas' offices and possible reorganisation of the QGTIO's overseas operations as a way of ensuring effective management and operations of the state's investment in its overseas operations (4.32.2).

#### **Ensuring Human Resource Strategies for Locally Engaged Staff are Equitable:**

18. the current annual review of remuneration for LES conducted by the International Consultant's Centre (ICC) (or an equivalent company with expertise) is appropriate. The review process should provide an opportunity for staff to input on local market conditions and changes, and be transparent in its methodology and rationale for recommendations (4.43.1).
19. the office implement a formal Performance Planning and Review process for all staff incorporating two way feedback between supervisor and staff on performance and development issues (4.43.2).



20. the Human Resource policies with respect to the leave without pay arrangements for Queensland public servants who take up a LES position be subject to a 12 monthly review and enforced consistently (4.43.3).
21. the Queensland Government consider offering a 9% employer contribution to an accredited UK based pension fund, along similar lines as the Australian High Commission (4.43.4).



## 2. Introduction

### Background

- 2.1. The Premier asked that I conduct a review of the London office of the Queensland Agent-General and Trade Commissioner for Europe.
- 2.2. The Terms of Reference subsequently approved in early November 2006 for the review are:
  - 2.2.1. Review the staffing and structure of the QGTIO Europe;
  - 2.2.2. Review business processes and practices to ensure the efficient operation of the Office and transparency and accountability for all transactions;
  - 2.2.3. Develop a forward 12 month plan for work of the QGTIO Europe for the period 1 August 2007 to 31 July 2008; and
  - 2.2.4. Provide a report and recommendations for the Premier's consideration by the end of February 2007.
- 2.3. This Review and recommendations are related to Terms 1, 2 and 4 and are informed by the Queensland Government's Export Strategy – *Driving Export Growth for Queensland 2006-2011*.
- 2.4. Following the Premier's approval of the Terms of Reference, the Deputy Director-General of the Department of State Development and Trade wrote to the Agent-General and Trade Commissioner, Mr John Dawson to inform him of the review and seek his and the staff's cooperation (See Annexure 1).
- 2.5. The Review was conducted over a one week period between Thursday, 4 January and Thursday, 11 January 2007.

### Methodology

- 2.6. The Review has been conducted through a series of detailed discussions with Trade and Investment staff in Brisbane and in the London office. I had the opportunity to attend the European office's Annual Strategic Planning Conference held on Tuesday, 19 December 2006.
- 2.7. I also met with a range of stakeholders in London who work closely with the European office or who have significant investment interests in Queensland. This included representatives of Austrade, Invest Australia, individual consultants, senior representatives of major international companies with significant export operations in Queensland and/or or were keen to pursue investment opportunities.

- 2.8. A complete list of the individuals consulted during the short review is included in Annexure 2. Whilst obviously not representative of all the stakeholders who work closely with the European office, I believe that these discussions assisted the conduct of the review and its findings.
- 2.9. The methodology also relied heavily on a review of key documentation provided by the Department in Brisbane and the European office.
- 2.10. The review's findings and recommendations are solely those of the author and I accept full responsibility for any omissions or errors in the report.
- 2.11. At the outset, I would like to particularly acknowledge the assistance provided by the Deputy Director-General, Angela MacDonagh and the Agent-General and Trade Commissioner, John Dawson. They and their respective staff have been very honest in communicating their views and in sharing written material. All parties approached the review with an open mind and are clearly committed to improving the operations and outputs of the European office.

### 3. Context

#### History of the London Office

- 3.1. The rich history of the Queensland Government's presence in London is important in not only understanding its historical antecedents but what factors continue to influence its operations today. This section of the review will be brief and is largely sourced from Scott et als History of the Queensland Premier's Department – The Engine Room of Government (UQP, 2001).
- 3.2. The first appointment of the Queensland Colony to the United Kingdom was in 1860. Henry Jordan was appointed as Emigration Commissioner. The first Agent-General was subsequently appointed in 1864. From the outset, the emphasis of the office was on promoting Queensland as a destination for both labour and capital whilst representing the new Colony's interests at major international exhibitions. In addition, the office managed a quasi-diplomatic function facilitating communication between the British and the Queensland governments. The office has also for the majority of its existence managed the procurement of specialist items for the Queensland Government from railway supplies to text books, international journals to clothing and technical equipment.
- 3.3. The office has remained open from this time, except for 3 years from 1866 when Queensland suffered a major financial crisis. In the latter part of the 19<sup>th</sup> century commercial agents were also hired to represent Queensland's interests in Germany and southern Europe.
- 3.4. At various times, but particularly in the decade following Federation, there had been extensive debate about maintaining the Agent-General's position in London. However, the role of the office evolved and changed depending on the prevailing social and economic conditions of the time. During the two world wars for instance, the office provided a pivotal role in distributing assistance and an important point of contact and communication both between the two governments and with Queensland citizens engaged in the conflicts in UK, Europe and the Middle East.
- 3.5. The Office therefore provided an important mode upon which successive Queensland Governments managed their relationship with the world. By the 1980's the Queensland Government expanded offices into important markets of Tokyo, Bahrain and Los Angeles. There are now 12 QGTIO's operating in overseas markets (London, Los Angeles, Shanghai, Hong Kong, Taipei, Tokyo, Osaka, Seoul, Jakarta, Bangalore, Riyadh and Abu Dhabi).
- 3.6. The term Agent-General was one used to describe the representative of a British Colony of Australia and Canada. Historically therefore, Australian states and Canadian provinces were allowed representation in Britain. Both countries are now represented by High Commissioners at the diplomatic level. Only Queensland, South Australia, Victoria and Western Australia retain the Agent-General position. All other states operate from the Australian High Commission

offices. Only Queensland retains a separate office, Queensland House, on The Strand.

### **Legislative Head of Power**

- 3.7. The *Agent-General for Queensland Act 1975* outlines the basis for appointment, termination, terms of service, and duties and functions of the Agent-General for Queensland. The appointee should therefore be appointed under this Act, not the Public Service Act. The appointee is contracted for a term determined by the Governor in Council on terms and conditions negotiated with the Government of the day. Despite this, the current Agent-General and Commissioner, John Dawson, is appointed under Section 70 of the Public Service Act.
- 3.8. The duties and functions are outlined in Section 6 of the Act (see Annexure 3), and are very similar to the roles of trade commissioners generally in the areas of trade advocacy for primary and secondary industries, facilitating investment and commercial relationships (internationally not only with the UK but Europe and the European Economic Community), marketing Queensland, promoting tourism, encouraging immigration to Queensland and cooperation with the other States' Agent-General and the Australian High Commission.

### **Existing Staff and Structure of the European Office**

- 3.9. Including the Agent-General/Commissioner, there are currently nine staff operating from the European office based in London. In addition, there are two business advisers – one for France and one for Germany.
- 3.10. The Agent-General/Commissioner is appointed on contract. Mr John Dawson has held the position for the last six years and will complete this appointment on 31 July 2007.
- 3.11. The eight staff of the office based in London are all engaged as Locally Engaged Staff (LES). Their positions are outlined in the current organisational chart in Annexure 4. The two Business Advisers (France and Germany) are contracted staff. The French adviser (Mr Pierre Yves Kerneis) is contracted on a retainer. The German adviser's (Mr Ralf Schindler) services are contracted as required.
- 3.12. With respect to the LES the average term of employment (9.65 years) demonstrates a fairly high degree of stability in the local workforce. The average, however, is affected by two of the staff who have served the office for over 37 and just under 15 years respectively. There has been greater staff turnover in the more junior positions, possibly due to the limited career progression opportunities available for staff in a small office.

### **Business Processes**

- 3.13. During the limited time available for the review, it has not been possible to conduct a detailed audit of the operations of the office. The office appears to operate effectively and efficiently, staff morale is high, feedback from key stakeholders is positive, and due regard is given to transparent management of the budget allocated to the office.
- 3.14. The employment of a very competent office manager, Ms Madeline Lyne, with significant experience in the Queensland office and the New South Wales Agent General's and Australian High Commission greatly assists the effective operation of the office.
- 3.15. In a similar vein, the management of the office's accounts by a highly qualified accountant, Ms Roshan You should provide confidence in the proper and transparent management of the office's financial affairs.
- 3.16. The general operations of the office include local support for its information and communication technology systems and the building management has been under the very capable stewardship of Mr Robin Hailes. Robin has the additional job as driver and is the office's longest serving staff member and is invaluable in providing an amazing "corporate memory" to the organisation.
- 3.17. An internal audit report was finalised in July 2006. It examined records and financial transactions for the period January 2005 to April 2006 and concluded that:
- "QGTIO is an established office with effective working relationships and valued networks",  
"The review confirms that the required records and supporting documentation are properly maintained".
- 3.18. The Audit report made a number of recommendations for improvement in procedures and processes which I believe to not be matters of high risk to the Department or Queensland Government. My own conclusions and issues which require consideration relate to issues of improving effectiveness of the European office's operations and the need to streamline the administration of issues managed jointly by London and Brisbane. These are outlined in Section 4 of the Review.
- 3.19. Importantly, given the potential threat to government entities and their representatives of terrorist activity on UK soil, the Department conducted a comprehensive security review of the QGTIO and the Commissioner's residence. This review was conducted by AKE Asia-Pacific Pty Ltd in February 2006 and provided a comprehensive assessment of security risks and recommendations on emergency response procedures. The offices are secure and staff respect the need to maintain a secure work environment. It will be important as private tenants take up occupation that attention is given to maintaining security awareness and preparedness in a mixed use environment.



### The Planning Context

- 3.20. Queensland has a very cohesive export strategy encapsulated in the document *Driving Export Growth for Queensland 2006-2011*. This informs both the sectoral and geographic targets for driving Trade Queensland. The strategy identifies Europe as a sophisticated market with the expanded EU being one of the world's largest trading blocks with a population of over 493 million. This will create a consumer market bigger than the USA, Japan and Canada combined.
- 3.21. The state strategy particularly recognises the need to strengthen our links with the UK and Germany and the emerging Russian market based economy. Strategic sectoral opportunities identified include:
- ICT services;
  - Mining services, equipment and technologies;
  - Medicinal and scientific equipment;
  - Education and training;
  - Aviation, aerospace and satellite navigation;
  - Biotechnology;
  - Marine industry;
  - Pharmaceutical;
  - Food and Agribusiness;
  - Creative Industries;
  - Tourism and Sport;
  - Infrastructure, construction and engineering services.
- 3.22. There are also a number of specific agreements in place within the region which provide the basis upon which we can plan and build our interventions into particular markets. These include:
- Protocol of Co-operation with the region of Lombardy (Italy);
  - Protocol of Co-operation with the Moscow City Government (Russian Federation);
  - The Aachen Declaration on Co-operation in Coal Trade and Research with North Rhine Westphalia (Germany);
  - Statement of intent with the Regional Government of Piemonte (Italy).
- 3.23. There is direct evidence from both strategic planning carried out in the European office (see Annexure 5 extract of papers from December 2006 Strategic Planning Conference) and weekly minutes and reports and monthly, six monthly and annual achievement reports prepared by the office have full regard to the state's overall strategy. I will comment in the next section on the effectiveness of the existing reporting arrangements.
- 3.24. My own observation is that the primary strategic issues which require greater clarity for the European office relate to:

- role in investment attraction;
- the links between investment attraction and trade in specific sectors; and
- the role of the office vis a vis other agencies in migration – particularly skilled migration to Queensland in the health, engineering and trade sectors.

These issues and recommended approaches will be dealt with in the next section of the report.

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## **4. Major Issues Impacting on the European Office**

### **Introduction**

4.1. There are a number of significant issues identified during the review which can be broadly categorized as:

- improving communication channels (within the Department and between Queensland Trade, Investment and Migration with the European office and other Queensland Government agencies);
- clarifying the role of the office in investment attraction;
- improving the coordination of strategies to attract skilled migrants to Queensland;
- clarifying the role of the European office beyond the traditional QGTIO functions;
- improving the specialist knowledge underpinning trade and investment strategies in specific industry sectors;
- maximising delegated authority for day to day decision making and encouraging budget flexibility within a strong accountability and strategic planning and reporting framework; and
- ensuring human resource strategies for locally engaged staff are equitable and competitive within the local market.

4.2. Each of these issues are dealt with in the following sections. Where appropriate, I have outlined a recommended approach for responding to these issues.

4.3. In addition, this section of the report will comment on priorities for the first 12 month work program of the new Agent-General and Trade Commissioner to be appointed 1 August 2007.

### **Improving Communication**

4.4. In any organisation, staff always perceive improvement in the flow of communication as paramount to achieving better outcomes. Management of internal and external communications is a major challenge for any organisation – but is particularly critical for organisations which span different time zones and large distances.

4.5. Staff of the European office expressed frustration with not always being “kept in the loop” on major activities or projects which they see as critical to the success of the office. There is no question that this was the major issue raised by all staff

of the office. On the other hand Brisbane staff have also raised concern with the quality and timeliness of communication with the office.

- 4.6. On a positive note, staff also acknowledged areas in which communication with Brisbane was more effective. This strength and clarity of the communication links with specialist areas such as QETI, PFTC, Office of Bio-technology, Aviation and Aerospace were seen as noteworthy in this regard.
- 4.7. Externally, the strong communication links with Austrade, Australia Invest and the Embassies in a number of countries in the region were seen by staff as very effective in driving improved outcomes for Queensland. In addition, contact at a government level, particularly with the UK and major international companies with a strong presence in Queensland (eg. Rio Tinto, BHP) was both pro-active and of great value. From discussion with the European office and limited external key stakeholders, the maintenance of these key external relationships is sound and important to ensure Queensland's best interests are maximised.
- 4.8. It is important for the Brisbane office to recognise the depth of expertise and networks of the European office – particularly their links with the local market and understanding their demand for product and services. The importance of linking this demand with Queensland's capacity to supply appropriate quantum, quality and type of service is essential to achieve our trade and investment objectives.
- 4.9. The review therefore recommends that:
  - 4.9.1. an internal communication protocol be established – particularly with respect to the use and timely response to email traffic to avoid frustration on both sides.
  - 4.9.2. all Queensland based staff travelling within the region on official purposes be obliged to inform the Commissioner of their itineraries so that the office can "add value" to their work where they are able to do so.
  - 4.9.3. the Commissioner (and other Commissioners) brief the CEO's Forum on at least a yearly basis on issues and opportunities in the region.
  - 4.9.4. trade and investment staff of the QGTIO should continue to visit Queensland at least once every two years to develop working relationships with Queensland based staff and local companies.
  - 4.9.5. there be consideration of establishing specialist fora in additional sectors to develop more integrated approaches to trade and investment strategies in areas such as infrastructure, skills attraction, game technology, ICTs, marine industries etc. (in addition to the specialist groups such as QETI, PFTC, Bio-technology). These fora should include senior industry representatives and Directors-General. They should also provide targeted marketing material and provide

opportunities for regular communication with staff based in overseas offices.

- 4.9.6. planning and implementation of major campaigns in the region (such as skilled migration programs) fully involve staff of the European office.

#### **Clarifying Role in Investment Attraction**

- 4.10. Staff perceive that the office is primarily trade focussed. Little time is spent on in-bound investment attraction opportunities. There is no doubt that there has been a lack of clarity (at least from the European offices staff perspective) on the directions and therefore their role in investment attraction.
- 4.11. Concern was expressed about the lack of an integrated approach to trade and investment attraction, which for many industries were historically and will no doubt continue to be two sides of the one coin. A good example is the resources sector and the top international companies which dominate this sector see Queensland as a major and reliable supplier and worthy of significant exploration and development investment. In other words, the interest of these companies is in both export and investment to further boost export opportunities.
- 4.12. A number of core examples were quoted by the European office staff when more active communication and involvement and more regular engagement locally could have been better managed by Brisbane-based officers.
- 4.13. It will be important to continue to develop integrated strategies in industry sectors for both trade and investment. Australia Invest have a focus of in-bound investment opportunities in areas such as financial services, infrastructure management, engineering and engineering support services, ICTs and shared services. This encompasses both small companies and major international organisations. It also needs to have regard to development opportunities for in-bound investment and "head office" creation around specialist functions of organisations given the different organisational arrangements now being implemented by many multi-national companies (eg. Rio Tinto have their International ICT, Local and Engineering Innovation operations running out of Brisbane as an international head office function).
- 4.14. The review therefore recommends that:
- 4.14.1. the approach to trade and investment be more integrated and organised around a sectoral model engaging key stakeholders.
  - 4.14.2. the European (and other overseas offices) be more heavily involved in investment attraction opportunities for both small and large enterprises.
  - 4.14.3. the specific integrated trade and investment targets for the European office be renegotiated and form the basis of ongoing accountability.

#### **Improving Coordination of Skilled Migration**

- 4.15. Given Queensland's ongoing growth and challenges of skills shortages in critical areas such as health services and engineering, it will be important to continue to promote Queensland as a destination for skilled migrants. The Premier recently stated that this was one of the top three priorities of the Government this year. Ironically, this has been an important role of the European office throughout its almost 150 year history.
- 4.16. The European market has been and will continue to provide an important supply of skilled workers. Recent programmes put in place by individual Queensland agencies have had various levels of success. There is a need to review the success or otherwise of the approaches to recruitment and the role of different strategies such as the use of migration expos and more targeted approaches through industry journals etc.
- 4.17. To take most advantage within the European market place, it will be necessary to institute more order and coordination into the Business and Skills Migration Program. The overall strategy would benefit from a greater consistency of approach whilst fully involving individual agencies and industry representatives.
- 4.18. The review therefore recommends that:
  - 4.18.1. Directors-General of relevant agencies work with Trade Division to develop a more consistent approach to skilled migration.

#### **The European Office – Roles and Responsibilities Beyond a Traditional QGTIO**

- 4.19. The review has provided a potted history of the office. In addition to the traditional roles of a QGTIO, there is no doubt that the Agent-General responsibilities continue, even now, to put greater and different demands on the European office compared with the other nine offices. This includes the responsibilities for skilled migration and the major assistance provided in the organisation of regular visits by the Governor, Premier, Chief Justice, Ministers and senior departmental staff.
- 4.20. Whilst our important historical links with the UK and Europe remain strong, it is important to maintain strong links with Europe given its significance to the world's economy and as a major investor and market for our products and services. The location of the office in London, whilst recognising our history, also recognises this city as a truly not only one of the world cities – but undoubtedly the current financial capital of the world.
- 4.21. The opportunities of this market are therefore not only important historically, but provide a basis for growth directly within the region as well as a secondary source for other regions which predominantly deal with this market place eg. Middle East, the Americas and India. Strategies centring around capturing a "third party bounce" can be as or more effective for trade and investment opportunities or dealing directly within other regions and jurisdictions outside Europe.

- 4.22. Europe is also important to Queensland as a sources for benchmarking our approaches to public policy (given the similarity of our systems of government) and is the headquarters of major international headquarters such as the OECD and UNESCO. It is smart for a jurisdiction, like Queensland to benchmark our directions and outcomes in major areas of public policy whether social, economic or environmental. This is strategically and competitively important to Queensland especially in comparison to New South Wales which has closed its London office.
- 4.23. The review therefore recommends that:
- 4.23.1. Queensland continues to commit to maintain the position of Agent-General and review the position description to incorporate the opportunities outlined in the report.
  - 4.23.2. there be recognition of the additional work undertaken by the European office with the continuing recognition of the role of Agent-General as distinct from Trade Commissioner through the appointment of a Deputy Agent-General at a similar seniority as the existing Deputy Commissioner.

#### **Improving Specialist Knowledge Underpinning Trade and Investment Strategies**

- 4.24. As outlined above (4.10 – 4.13), it is important to continue to conceptualise our trade and investment strategies as integrated and planning and managed around clusters of capability. There is a need to ensure effective links between the demands of our clients/markets and the capability of existing and future industries to meet these demands.
- 4.25. The value of specific investment in structures outside of Brisbane (such as the European office) is to understand client demands as well as capability/interest in investing offshore. The most effective strategies implemented in Queensland are those which have coherent leadership, strong personal support from the Premier and Minister for Trade, and which engage all key industry and government stakeholders. The review has recommended previously the importance of developing fora of the key players with sufficient political support and leadership to drive strategies, targets and outcomes.
- 4.26. The review therefore recommends that:
- 4.26.1. the Premier and Minister for Trade consider expanding trade and investment panels in key priority areas to drive targets for improved outcomes.
  - 4.26.2. the panels be chaired by an industry expert and include other industry representatives and relevant Directors-General.
  - 4.26.3. the Premier considers establishing a Chief Trade and Investment Adviser on a full or part-time basis (similar to the Chief Scientist



position) and specialist trade and investment advisers in specific industries (appointed on an honorary basis).

#### **Maximising Delegated Authority**

- 4.27. There is a perception of staff in the European office that Brisbane has insufficient trust in their capability; that over time there has been a diminution in their capacity to "get on with the job"; this has led to a withdrawal of delegated authority and an increase in "micro-management" and gatekeeping" by the Trade Division. All long term staff commented that over the years, there has been an erosion in delegations to local office staff.
- 4.28. The general philosophy of any modern organisation is to set clear strategic directions, targets, outcomes and budget parameters and to delegate authority within an accountability framework for achievement. There is however, a difficulty in any organisation where the capability and skills varies widely across the organisational units. Where this occurs, the organisational response is more often than not to establish rules based on a "Lowest Common Denominator" approach (ie. every work unit is treated the same irrespective of unit capability).
- 4.29. However, there are clearly differing capabilities of QGTIO's – from large offices such as Europe, Los Angeles, Tokyo and Shanghai to the smaller offices in Taiwan and Abu Dhabi. For example, the European office is able to employ an accountant and office manager for the effective management and accountability for its allocated budget.
- 4.30. Government agencies and private companies traditionally regionalise their organisational structures to ensure appropriate delegating authority to maximise local autonomy and accountability. The organisation of Austrade is interesting in regionalising its offshore operations as follows:
- The Americas;
  - Europe, Middle East and Africa;
  - North East Asia; and
  - South East Asia and Pacific.
- 4.31. The advantages for Austrade are clear. The regional arrangements ensure worldwide coverage and both delegated authority and clear management structures outside Australia. Whilst Austrade has a broader remit than Queensland's Trade and Investment offices, it provides an interesting model which could deliver a better alignment with our own operations and a better basis for management of our Commissioners and agents outside Brisbane. It also has the capacity to align better with the Australian platform of trade and investment internationally.
- 4.32. The review therefore recommends that:

- 4.32.1. there be a review of delegated authority within the context of the principles outlined in 4.28.
- 4.32.2. the Premier and Minister for Trade consider a broader review of overseas' offices and possible reorganisation of the QGTIO's overseas operations as a way of ensuring effective management and operations of the state's investment in its overseas operations.

#### **Ensuring Human Resource Strategies for Locally Engaged Staff are Equitable**

- 4.33. It is important that terms and conditions for the employment of Locally Engaged Staff (LES) remain competitive within the local employment market. Whilst some concerns have been expressed by staff of the European office about the process for remuneration determination and annual review for LES, my own conclusion is that the Division's approach is appropriate.
- 4.34. In particular, the engagement of an experienced human resource agency, International Consultant's Centre (ICC) which is part of the Mercer Group, provides a basis for transparent remuneration reviews to ensure that salary levels and employment packages are broadly consistent with the local market. To ensure maximum transparency it is important that the outcomes, methodology and rationale for recommendations by ICC be available to staff. It is also important that staff be given the opportunity to input to the annual review process particularly to provide evidence of local market comparisons (eg. remuneration levels for similar positions in other state offices and the Australian High Commission).
- 4.35. There appears to be generally a good match with employee entitlements in other areas of recreation, sick, maternity and long service leave entitlements. The recent development of a draft Human Resource Manual is important and Trade Division is to be commended for its development. It is important that it continues to be refined and maintained.
- 4.36. Apart from the remuneration and major issues of the employment contract arrangements outlined above, there are three issues which I would like to comment on:
  - the importance of a Performance Planning and Review (PPR) system being put in place for all staff;
  - the clarification of employment conditions for Queensland based staff "seconded" to overseas offices, but employed under LES arrangements; and
  - superannuation entitlements for LES.
- 4.37. On the first issue, it is important that every member of staff have clear and explicit expectations on their responsibilities. It is important for all staff to regularly report formally on their performance, and discuss development opportunities with their supervisor. This can be delivered through a PPR process which provides for



regular (at least once every three months) two way feedback between each employee and their supervisor.

- 4.38. Queensland public servants who accept LES positions are required to take leave without pay for their duration of employment with an overseas office. It is understood that the maximum period the employee can take leave without pay is two years. This is appropriate. It is important to institute reviews at a minimum of 12 monthly intervals and implement decisions consistently so that Brisbane based structures and personnel are not disadvantaged by those engaged overseas not relinquishing Queensland Public Service positions.
- 4.39. The final human resource issue which is of concern is that LES are not eligible for an employer contribution to superannuation. The rationale appears to be that in the UK, staff have an entitlement to the national pension scheme. However, this provision is not equivalent to a superannuation entitlement providing a minimum stipend for those eligible. The UK aged pension has not for example been linked to Average Weekly Earnings as it has been in Australia.
- 4.40. The UK Government has been progressively implementing superannuation reforms, but has stopped short of insisting on an employer contribution as occurred in Australia in the major financial and social policy reforms of the 80's.
- 4.41. Recently, the UK Government passed laws which required that all employees without access to occupational pension schemes have access to a pension scheme. The Queensland office scheme is managed by Scottish Widows – however it is not compulsory and is supported by employee contributions only.
- 4.42. The issue of access to an employer contribution to superannuation will become an increasingly important issue in the attraction and retention of staff. An increasing number of employers in the UK are providing schemes for their employees as part of their employment packages. In fact, the Australian Government provides LES with a 9% employer contribution to a UK based scheme. This contribution is in line with the minimum employer contributions under Australian law.
- 4.43. The review therefore recommends that:
  - 4.43.1. the current annual review of remuneration for LES conducted by the International Consultant's Centre (ICC) (or an equivalent company with expertise) is appropriate. The review process should provide an opportunity for staff to input on local market conditions and changes, and be transparent in its methodology and rationale for recommendations.
  - 4.43.2. the office implement a formal Performance Planning and Review process for all staff incorporating two way feedback between supervisor and staff on performance and development issues.

- 4.43.3. the Human Resource policies with respect to the leave without pay arrangements for Queensland public servants who take up a LES position be subject to a 12 monthly review and enforced consistently.
- 4.43.4. the Queensland Government consider offering a 9% employer contribution to an accredited UK based pension fund, along similar lines as the Australian High Commission.

RTI RELEASE

## **ANNEXURE 1**

*Deputy Director-General letter to Agent-General and Trade Commissioner*

RTI RELEASE

## ANNEXURE 2

### *Individuals consulted during the Review*

- Premier and Minister for Trade, the Honourable Peter Beattie MP
- Chief Justice of the Supreme Court of Queensland, the Honourable Paul de Jersey, AC
- Premier's Chief of Staff, Mr Rob Whiddon
- Deputy Director-General, Trade and International Division, Ms Angela MacDonagh
- Agent-General and Trade Commissioner, Mr John Dawson
- Director, International Operations, Trade and International Operations Division, Mr Stephen Biggs
- Director, Invest Queensland, Mr Bob Durance
- Trade Officers, Trade and International Operations, Ms Shelley Jones and Mr Jensen Humphries
- Director, Migration and Skills Recruitment, Ms Kate Ellis
- Austrade London Office, Invest Australia, Ms Melissa Hillebrand
- Austrade London Office, Mr John Madew
- President, Corporate Development, BHP Billiton, Mr Tom Henley
- Chief Executive Officer of Rio Tinto, Mr Leigh Clifford
- Director, Group Resources, Rio Tinto and CEO designate, Mr Tom Albanese
- Consultants, Mr Michael Stevenson and Mr John Russell
- Staff of the London office:
  - Deputy Commissioner, Ms Catherine Casey
  - Business Development Manager, Mr Albert Kello
  - Office Manager, Ms Madeline Lyne
  - Senior Marketing Officer, Ms Leisa Wallace
  - Senior Marketing Officer, Ms Alexandra Rocheteau
  - Administration Assistant, Mr Robin Hailes
  - Information/Marketing Officer, Ms Lorna Whitwell
  - Accounts Officer, Ms Roshan You

## **ANNEXURE 3**

*Section 6, Agent-General for Queensland Act 1975 – Duties and Functions*

RTI RELEASE

## ANNEXURE 4

*Organisational chart*

RTI RELEASE

## **ANNEXURE 5**

*Extract of papers from December 2006 Strategic Planning Conference*

RTI RELEASE



## Ken Smith

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**From:** Geoffrey Thomas <s.73>  
**Sent:** Tuesday, 4 December 2012 12:12 PM  
**To:** Smith, Ken - London  
**Subject:** Re: TIQ Review LES Staffing

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Ok  
Me too  
Talk then  
Regards  
Geoffrey

---  
Geoffrey A. Thomas

s.73

On Dec 4, 2012, at 9:26 PM, "Smith, Ken - London" <Ken.Smith@trade.qld.gov.au> wrote:

Geoffrey

That one has been pushed back until next Monday 10 December. Getting my Brendans mixed up obviously. I gather Brendan from Crowe Howarth is over in the West for the rest of the week and isn't available before then.

I have also been talking to Chris Rodwell as well given our shared experiences. We agree on the basic reforms needed to steer a way forward for TIQ on what should be a great strategic advantage for Queensland, its profile and encouraging greater trade and investment relationships to develop our economy and competitiveness. Its interesting to see this, particularly in the context of what other states do in these overseas markets and the support they get from their jurisdictions.

Look forward to catching up tomorrow.

Regards

Ken

**Ken Smith** | Agent General  
Queensland Government  
Trade & Investment Queensland | Europe  
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**From:** Geoffrey Thomas [mailto:s.73]  
**Sent:** Tuesday, 4 December 2012 11:09 AM  
**To:** Smith, Ken - London

**Cc:** McKean, Greg; [geoff.waite@treasury.qld.gov.au](mailto:geoff.waite@treasury.qld.gov.au); s. 73  
**Subject:** Re: TIQ Review LES Staffing

Ken I was referring to Brendan from Crowe Howarth-I thought he told me that he was talking to you Monday

Geoffrey A. Thomas

s. 73

On Tue, Dec 4, 2012 at 8:33 PM, Smith, Ken - London <[Ken.Smith@trade.qld.gov.au](mailto:Ken.Smith@trade.qld.gov.au)> wrote:

Thanks Geoffrey. I just finished a call with Stephen and Russ Mackie this morning. The one with Brendan was last week. 0530 start. I won't go on about the benefits of daylight saving for phone calls back home.

Just as well I am a morning person! I see Geoff Waite is copied in. Now there's a blast from the past. Hello Geoff, see you're back at home.

Cheers

Ken

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**From:** Geoffrey Thomas [<mailto:gat@geoffreythomas.com>]

**Sent:** Tuesday, 4 December 2012 10:29 AM

**To:** Smith, Ken - London

**Cc:** McKean, Greg; [geoff.waite@treasury.qld.gov.au](mailto:geoff.waite@treasury.qld.gov.au); s.73

**Subject:** Re: TIQ Review LES Staffing

Hi Ken Look forward to it -we were only talking about it today -I was thinking of joining your phone call with Brendan the Accountant I think Monday

cheers

Geoffrey

Geoffrey A. Thomas

s.73

On Tue, Dec 4, 2012 at 5:29 PM, Smith, Ken - London <[Ken.Smith@trade.qld.gov.au](mailto:Ken.Smith@trade.qld.gov.au)> wrote:

Hi G and G. I was talking with Chris Rodwell about matters pertaining to the Review and was reminded that we haven't made a time to catch up. Let me know when you're available.

Cheers

K

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**From:** Smith, Ken - London  
**Sent:** Thursday, 29 November 2012 6:19 AM  
**To:** McKean, Greg  
**Cc:** s.73  
**Subject:** Re: TIQ Review LES Staffing

That's fine Greg. Whenever suits.

Geoffrey. Usually better for me your afternoon, my morning. My mobile number is s.73

Thanks and look forward to discussing when convenient.

Ken

Sent from my BlackBerry

---

**From:** McKean, Greg  
**To:** Smith, Ken - London  
**Cc:** 'Geoffrey Thomas'  
**Sent:** Thu Nov 29 16:14:10 2012  
**Subject:** RE: TIQ Review LES Staffing

Ken,

I have just spoken to Geoffrey Thomas and John Mickel and Friday evening does not work for them either.

I have cc Geoffrey in to this. He mentioned that it might be easier for him to speak to you over the weekend.

Regards,

Greg

---

**From:** Smith, Ken - London  
**Sent:** Thursday, 29 November 2012 3:29 PM  
**To:** McKean, Greg  
**Subject:** RE: TIQ Review LES Staffing

Tomorrow's fine. If you can let me know today if its confirmed Greg

**Ken Smith** | Agent General

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**From:** McKean, Greg  
**Sent:** Thursday, 29 November 2012 4:42 AM  
**To:** Smith, Ken - London  
**Subject:** RE: TIQ Review LES Staffing

Thanks Ken - Apologies for this. We could do next week if that suits better?

Greg

---

**From:** Smith, Ken - London  
**Sent:** Thursday, 29 November 2012 2:31 PM  
**To:** McKean, Greg  
**Subject:** Re: TIQ Review LES Staffing

Yes Greg, I still have the Ag one with Greg soon, but OK now Friday morning with cancellation of another appointment.

Ken  
Sent from my BlackBerry

---

**From:** McKean, Greg  
**To:** Smith, Ken - London  
**Cc:** Callander, Cindy  
**Sent:** Thu Nov 29 12:21:00 2012  
**Subject:** RE: TIQ Review LES Staffing

Ken,

Geoffrey Thomas had to cancel coming in today for his own work commitments. I believe he will come in tomorrow (Friday). Could we postpone until 5.30pm Bne time on Friday?

Regards,

Greg

---

**From:** Smith, Ken - London  
**Sent:** Wednesday, 28 November 2012 10:08 PM  
**To:** McKean, Greg  
**Cc:** Callander, Cindy  
**Subject:** RE: TIQ Review LES Staffing

Hi Greg. As it happens, yes I am. I have a teleconference from 0530 to 0700. So will be in the mood.

I will include in my diary. Do you want to ring me? Direct is s.73

Ken

CC..Diary 0730 please

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**From:** McKean, Greg  
**Sent:** Wednesday, 28 November 2012 11:33 AM  
**To:** Smith, Ken - London  
**Subject:** Re: TIQ Review LES Staffing

Hi Ken  
The Review Team appreciates your significant input. Are you available for a teleconference at 5.30pm Brisbane time tomorrow?  
Regards  
Greg

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**From:** Smith, Ken - London  
**To:** McKean, Greg  
**Sent:** Wed Nov 28 19:53:29 2012  
**Subject:** RE: TIQ Review LES Staffing

Thanks Greg. I think John was going to share the other information I provided to him this week with the team. Let me know if you need any further information.

Regards

Ken

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**From:** McKean, Greg  
**Sent:** Tuesday, 27 November 2012 9:36 PM  
**To:** Smith, Ken - London  
**Subject:** Re: TIQ Review LES Staffing

Thanks Ken. I will update.  
Regards  
Greg

size=2 width="100%" align=center tabIndex=-1>

**From:** Smith, Ken - London  
**To:** McKean, Greg



**Sent:** Tue Nov 27 22:26:03 2012  
**Subject:** FW: TIQ Review LES Staffing

Dear Greg

Please note, I made a mistake, the part time accountant is LES 3 not 4.

I have corrected the text below.

Regards

Ken

**Ken Smith** | Agent General

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**From:** Smith, Ken - London

**Sent:** Monday, 26 November 2012 5:03 PM

**To:** McKean, Greg

**Cc:** Mackie, Russell; Biggs, Stephen

**Subject:** TIQ Review LES Staffing

Dear Greg

I refer to your email of 23 November 2012. Below is the substantive response which I will try to keep to one page.

## **1. Market development focus**

### **1.1 Current**

- From an economic consideration the region covered by the London Office can be clearly delineated into two zones – the new flourishing countries in the eastern zone including Turkey, Russia, Poland and other Eastern European states and the CIS (Commonwealth of Independent States). Economic growth, significant mineral reserves and demographic advantages will drive the development of these countries. The traditional economies in the western area of Europe are facing major economic uncertainties and a dampening of growth. High growth is forecast to diminish for governments in the region and large corporates with healthy balance sheets are expected to look to gain a higher rate of return by investing in growth areas including the Asia Pacific. Queensland will be well positioned, given the resource based investment potential, to gain a healthy market share of this investment.

- Therefore Turkey, East European and Russian regions have been prioritised for trade and the traditional western Europe countries prioritised for investment and opportunities, particularly in areas such as biotech and aviation. This is not exclusive as there is a growing interest in Russia as a source of investment in Queensland's mining sector and a number of significant opportunities in export still exist in the western European market. These opportunities may in fact increase with changes to the European Community as a result of the current economic downturn.

- Although the European Union countries which are experiencing a downturn in economic growth three markets in the region – Turkey , Russia and Poland are amongst the world's leading growth markets. In fact two of these markets – Turkey and Russia – are forecast to be in the top eight global growth markets by 2050 and Goldman Sachs rate growth in Russia and Turkey as being amongst the highest growth markets on the planet (in addition to India, Indonesia, China, South Korea, Mexico and Brazil).

- Priority sectors include:

- Opportunities in Aviation , Aerospace and Defense industries

- METS opportunities particularly in Turkey, Kazakhstan and Russia

- Food & Agribusiness opportunities particularly in Russia, UK and Western Europe

- Higher education in Europe and Russia including recent participation at EAIE in Dublin (it moves to a different European city each year, 2013 is in Istanbul)

- Supporting Queensland participation in major world exhibitions including, the Farnborough Air Show, Paris Air Show, SIAL, MEDICA, World Food Moscow, Prod Expo Moscow, Offshore North Sea(ONS Stavengager and Aberdeen), Mining World Russia, Novokuznetsk (Kemerovo, Siberia) Coal and Bio Europe

- Investment attraction, particularly with construction and infrastructure, food and agriculture, tourism infrastructure and biotechnology sectors.

## **1.2 Future**

- More attention to the growth markets in the old eastern European areas, particularly, Poland, Ukraine and Hungary as their economies continue to liberalize post communism; Just as in the Americas an office has been established in Santiago, the establishment of a presence in Moscow or Turkey would be advantageous in the medium term to ensure Queensland's competitive advantage in METS and Agriculture , but also in Education and specific niche areas of advanced manufacturing can be maintained and enhanced.

- Enhancing our work in Southern Europe, particularly Turkey given its geo political strategic position and relationships to the growing markets of the Middle East, North Africa, the CIS, Russia and Western Europe. Turkey will grow to over 100 Million people in the next few years and join the small club of less than 10 nations with a population of this size. It also has one of the youngest population

profiles of the world with a solid education system and growing wealth, particularly in and around the major world city of Istanbul.

- To maximise the value of the Queensland Government office on London, consideration should be given to expanding its focus beyond immediate markets to have a greater targeted international focus, initially in the METS sector. This would recognise London's role as the world's premier financial sector as well as the London exchange being the choice of listing for most of the existing and developing international mining companies.

- There needs to be some consideration of responsibility for work within the growing African markets, particularly the West African region which is one of the fastest growing economic regions on the globe. It is very accessible from London. Major countries such as Nigeria are forecast by leading investment banking group Goldman Sachs to be a key emerging market by 2050. (Indeed, Standard and Chartered refers to BRIC's to include Nigeria). This is reinforced by the Citigroup who forecast Nigeria will get the highest average GDP growth in the world between 2010–2050. Ghana has experienced immediate substantial recent GDP growth including 13.7% in 2011 and is forecast to grow by 8.3% in 2012 and 7.7% in 2013. West Africa includes the following markets: Benin, Burkina Faso, Cameroon, Chad, Cote D'Ivoire, Equatorial Guinea, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo

## **2. LES Resources**

### **1. Focus of staffing**

- Rather than reproducing a document only recently produced, please see attached an outline of the four trade related LES positions and proposals that one continue to be graded at a senior LES 8, and the other 3 (of which 2 are filled are graded in a flat structure at an LES 6 level); the other 2 LES positions are Office Manager (LES 5) and a part time (60% FTE) accountant (LES 3). The latter are fairly standard position descriptions and are vital for the running of the office and HR, administrative and financial support to myself and the rest of the staff.

<<London staffing 2.doc>>

- Each of the Trade and Investment specialists has lead sectoral responsibility and is given the opportunity to work on developing relationships with clients and partners in particular markets. (It is also true that Queensland companies looking to export to or potentially invest in our region often don't fall into neat government silos, and in many cases overlap more than one) Although this depends on availability and content knowledge when we are involved in specific countries in other markets. Major responsibilities for monitoring and coordinating each sector (flexibly applied) per current staff member includes:

FOOD AND AG..John Williams (LES 8)

METS including Gas..Phil Taylor(LES 6)

TOURISM..Ken Smith (AG and Trade Commissioner)

CONSTRUCTION..Pauline Shearman(LES 6)

AVIATION AND AEROSPACE..Phil Taylor

EDUCATION Ken Smith and Pauline Shearman

BIO, LIFE SCIENCES, HEALTH CARE...Pauline Shearman

CLEAN TECH/ENERGY AND RENEWABLES..Pauline Shearman

KNOWLEDGE INDUSTRIES AND SERVICES...John Williams

ARTS AND CREATIVE INDUSTRIES..Ken Smith

MIGRATION SERVICES..Ken Smith

- We all take responsibility for the UK. To date country responsibility has been: KS for Russia, Ireland, Germany and Spain; JW for France and Germany; PT for Turkey and Norway and PS for Kazakhstan ( PS is a fluent Russian speaker and will be increasingly involved in Russia and the old eastern states)

## **2. Vacant Position**

The vacant position is the LES 5 which was previously held by Brisbane based Jenny McLachlan on LWOP. It hasn't been filled since Jenny returned to Brisbane. If the position was filled it would be responsible for Education, the Life Sciences and Migration which is a significant workload in this office. The occupant would also assist in the area of Food and Agriculture and on other issues in a small team environment as they emerge. The position has not been filled given the staffing and budgetary constraints currently in place.

## **3.Small Increase**

### **3.1 Need/ Want**

You undoubtedly won't be surprised if my answer is yes. I believe that 3 additional staff are required. One can be sourced from the vacant position left unfilled, but in our budget this year. If this position was available I would allocate major responsibility to progressing our work in the Education sector which is one of the state's top 4 export earners. There are great opportunities in the Russian, Turkish and Western European markets.

The 2 net additional positions would include :

One specialist for migration, particularly skilled and business migration. Queensland is a high demand destination along with WA. All other states represented here have a migration specialist (i.e. Victoria, WA and SA). I believe we are disadvantaged in this market without a migration specialist. I am aware that this issue is part of a separate review. Given the type of work involved, I would advocate an LES 6 position for this work. Any spare capacity, could be applied to work overflow from other team members.

One administrative support, at an LES 4 grading to provide for data entry, administrative support for the Trade and Investment staff, research and maintenance of a more reliable Client Relationship Management system

Greg, I trust this is of use. I am of course happy to discuss.

Kind Regards

Ken

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**From:** Smith, Ken - London

**Sent:** Friday, 23 November 2012 8:32 AM

**To:** McKean, Greg

**Cc:** Callander, Cindy

**Subject:** RE: TIQ Review LES Staffing

Dear Greg

I am happy to provide the additional information and will send through some more detailed proposals to you.

As you know our Project budget has been reduced by 52%, so the plan has been adjusted accordingly.

I have also had a good chat to John Mickel about a number of the key issues being considered in the review and provided John with my review of the London Office undertaken some 5 years ago. I am going to drop John an email about the other issues we discussed and will copy you in.

Regards

Ken

**Ken Smith** | Agent General

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**From:** McKean, Greg  
**Sent:** Friday, 23 November 2012 2:32 AM  
**To:** Smith, Ken - London  
**Subject:** TIQ Review LES Staffing

Hi Ken,

The TIQ Review Team would like to seek your views on the current staffing levels in your office, relative to your business plan.

Additionally, if there was the potential of a small increase in LES staff: (1) Do you need/want it & (2) if yes, what would they do - and what level.

In particular, they are seeking advice on:

**Market development focus**

- Current market development focus of the office re: industry sectors and/or projects in the business plan.
- Potential sectors that might be focussed on in the future (2-3 year horizon).

**LES Resources**

- Describe the focus of the work for each LES at the moment including support staff.
- If there is a vacant LES position in the office at the moment - what would they be doing.
- if there was the potential of a small increase in LES staff:
  - (1) Do you need/want it &
  - (2) if yes, what would they do - and what level.

Concise info in dot point form would be appreciated addressing these info / issues - **and no more than 1 page total please.**

Given the time constraints on the Review - could I ask for a response to me **no later than your COB Monday (earlier if possible).**

Kind regards,

Greg

**Greg McKean**

**Business Manager** | ASEAN, Overseas Market Development - ASIA

**Trade & Investment Queensland** | Queensland Government

Floor 19, 111 George Street, Brisbane



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## Ken Smith

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**From:** Geoffrey Thomas <s.73>  
**Sent:** Tuesday, 11 December 2012 10:26 AM  
**To:** Smith, Ken - London  
**Cc:** s.73  
**Subject:** Re: KPI's

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Thanks Ken -good stuff  
Greg -please print for tomorrow  
Tks  
Geoffrey

Geoffrey

Geoffrey A. Thomas

s.73

On Tue, Dec 11, 2012 at 8:03 PM, Smith, Ken - London <[Ken.Smith@trade.qld.gov.au](mailto:Ken.Smith@trade.qld.gov.au)> wrote:

Dear Geoffrey and John

I provide a copy of my note on KPI's to John Williams who was recruited from UKTI in Brisbane. He is a long term Trade and Investment specialist who has spent time in postings throughout the world including Russia and African continent, including Morocco, Nigeria and South Africa. He has been very helpful in looking at the potential for the Western African market given his significant experience on the ground in a number of nations representing the UK Government.

His points are particularly insightful and may be useful for consideration in the review.

Regards

Ken

**Ken Smith** | Agent General

Queensland Government

Trade & Investment Queensland | Europe

Queensland House, 392 Strand

London WC2R 0LT, United Kingdom

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**From:** Williams, John  
**Sent:** Tuesday, 11 December 2012 9:33 AM  
**To:** Smith, Ken - London; Callander, Cindy  
**Subject:** RE: KPI's

Ken, It looks good. A couple of points for you to consider

- Personally, the biggest improvement to my behavior came not long after I joined the Invest in Britain Bureau in the mid 90s. Andrew Fraser, the CEO (whom you've met) was the first brought in from the private sector (Saatchi and Saatchi). He stressed to staff that this was an exciting and interesting aspect of Government work, but that we were directly competing for company time and attention with the private sector. We therefore had to deliver private sector speed and quality of response.
- Currently UKTI has been given significant extra funding by the Treasury to, at PM's request, double exports by 2020. At the Intellect function ten days ago, UKTI's new MD Trade for SMEs, Crispin Simon, said a condition of the additional money from Treasury was to change the senior management team from 75% career public servants and 25% private sector, to the complete opposite.
- And finally, you will know the Queensland Government view over the years, and the contradictory academic studies. Some, but not all, staff are more likely to go the extra mile if they can see a clear link with reward through performance pay or some other bonus system. This is true especially for TIQ teams overseas, and in regional offices, where there are far fewer opportunities for promotion.

John

---

**From:** Smith, Ken - London  
**Sent:** Tuesday, 11 December 2012 8:42 AM

**To:** Callander, Cindy; Williams, John  
**Subject:** FW: KPI's

JW and CC

Given your experience, what do you think?

Ken

**Ken Smith** | Agent General

Queensland Government

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**From:** Smith, Ken - London

**Sent:** Tuesday, 11 December 2012 7:15 AM

**To:** 'Geoffrey Thomas'; s.73; McKean, Greg; [geoff.waite@treasury.qld.gov.au](mailto:geoff.waite@treasury.qld.gov.au)

**Cc:** Rodwell, Chris

**Subject:** KPI's

Dear Geoffrey

When we spoke last week, I agreed to put pen to paper, or fingers to the keyboard on potential KPI's for TIQ. I have a strong view that if the business is to be driven to achieve successful outcomes, that the KPI's need to be small in number and subject to regular measurement,

benchmarking internally and wherever possible externally. They have to be measurable and used to motivate all staff so that they can see where their own work fits into the whole. The other thing is that the KPI's have to emerge from the Strategic Planning process. This is why the UKTI system has been so successful. There was a strong statement from Government about intent and the measurement (PIMS) was established to support the plan and transparently report on performance to Government, the Parliament and to key stakeholders in peak Business groups as well as individual companies using the service. I believe UKTI is acknowledged as the premier trade and investment agency in the world. This is in no small part due to clarity of its role and its focus on deliverables, something that is unfortunately absent in TIQ.

So without going through all the strategic work, the following are suggestions of draft KPI's which I believe are critical to the success of a state trade and investment agency:

1. **Customer Satisfaction**...a key performance measure; Measured, if possible independently, on a regular basis of customer satisfaction with services whether trade missions, networking and referral to key contacts, and market or sector knowledge and insights .This could be achieved fairly easily using a standard 5 point scale. The most important thing is that the results are published and excellent performance is rewarded and as necessary improvement strategies are put in place where there is consistent underperformance from an functional unit against client expectations.
2. **The specific value add of TIQ services** whether for exporters or FDI/inward investment. The purpose is to measure the importance of and the extent of the TIQ specific services which were important to the export or investment outcome. I mentioned previously that this should be carried out independently by an external contractor (as per UKTI model for PIMS). In our case, this could be done by the Office of Economic and Statistical Research(OESR)
3. **Impact of TIQ on Queensland Economy**. A annual economic assessment by an independent body of the economic impact on the Queensland economy (GSP), particularly through productivity improvements and job creation. The latter could include case studies of Companies assisted for exports and those attracted to establish in the Queensland market at a point in time and over time
4. **Customer Satisfaction**...particularly focused on the delivery of after care to Companies ( this is important given that over 70% of investment attraction is re-investment)

As you can see, I have not included any dollar figures as a actual performance measure. This would be accounted for in the above measures. As discussed ,the current measurement system based on recording dollar values of exports and inward investment is both simplistic, misleading and subject to misuse. The system has been established in the absence of

any coherent strategic plan for the agency and with inadequate attention to the systems, such as a CRM which would be a foundation support for a competent state agency in the Trade and Investment arena.

I hope this is of assistance. I am happy to discuss.

Regards

Ken

**Ken Smith** | Agent General

Queensland Government

Trade & Investment Queensland | Europe

Queensland House, 392 Strand

London WC2R 0LT, United Kingdom

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## Ken Smith

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**From:** Smith, Ken - London  
**Sent:** Friday, 16 November 2012 1:08 PM  
**To:** 'John Mickel'  
**Subject:** February 2007 review of the London Office  
**Attachments:** SKMBT\_C45012111613430.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Dear John

It was great talking to you earlier today. I trust you survived the storm.

I have attached a copy of my review, as discussed. It's a tad outdated, but deals with many of the substantive issues we discussed on the phone. I will put a few dot points together for you and Geoff Thomas to consider as part of your review and send next week under separate cover.

I look forward to staying in touch. All the best to Catherine and your family.

Warm regards

Ken

**Ken Smith** | Agent General  
Queensland Government  
Trade & Investment Queensland | Europe  
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**From:** admin@int.trade.qld.gov.au [mailto:admin@int.trade.qld.gov.au]  
**Sent:** Friday, 16 November 2012 1:44 PM  
**To:** Smith, Ken - London  
**Subject:** Message from KMBT\_C450

**REVIEW OF THE LONDON OFFICE OF THE  
QUEENSLAND AGENT-GENERAL AND  
TRADE COMMISSIONER FOR EUROPE**

**Ken Smith  
Coordinator-General  
Director-General  
Department of Infrastructure**

*February 2007*

## **Table of Contents**

<b>1. RECOMMENDATIONS .....</b>	<b>3</b>
<b>2. INTRODUCTION .....</b>	<b>6</b>
BACKGROUND .....	6
METHODOLOGY .....	6
<b>3. CONTEXT .....</b>	<b>8</b>
HISTORY OF THE LONDON OFFICE .....	8
LEGISLATIVE HEAD OF POWER .....	9
EXISTING STAFF AND STRUCTURE OF THE EUROPEAN OFFICE .....	9
BUSINESS PROCESSES.....	10
THE PLANNING CONTEXT .....	11
<b>4. MAJOR ISSUES IMPACTING ON THE EUROPEAN OFFICE.....</b>	<b>13</b>
INTRODUCTION .....	13
IMPROVING COMMUNICATION .....	13
CLARIFYING ROLE IN INVESTMENT ATTRACTION .....	15
IMPROVING COORDINATION OF SKILLED MIGRATION .....	16
THE EUROPEAN OFFICE – ROLES AND RESPONSIBILITIES BEYOND A TRADITIONAL QGTIO .....	16
IMPROVING SPECIALIST KNOWLEDGE UNDERPINNING TRADE AND INVESTMENT STRATEGIES .....	17
MAXIMISING DELEGATED AUTHORITY .....	18
ENSURING HUMAN RESOURCE STRATEGIES FOR LOCALLY ENGAGED STAFF ARE EQUITABLE .....	19
<b>ANNEXURE 1.....</b>	<b>22</b>
<b>ANNEXURE 2.....</b>	<b>23</b>
<b>ANNEXURE 3.....</b>	<b>24</b>
<b>ANNEXURE 4.....</b>	<b>25</b>
<b>ANNEXURE 5.....</b>	<b>26</b>

## **1. Recommendations**

The review recommends that:

### **Improving Communication:**

1. an internal communication protocol be established – particularly with respect to the use and timely response to email traffic to avoid frustration on both sides (4.9.1).
2. all Queensland based staff travelling within the region on official purposes be obliged to inform the Commissioner of their itineraries so that the office can "add value" to their work where they are able to do so (4.9.2).
3. the Commissioner (and other Commissioners) brief the CEO's Forum on at least a yearly basis on issues and opportunities in the region (4.9.3).
4. trade and investment staff of the QGTIO should continue to visit Queensland at least once every two years to develop working relationships with Queensland based staff and local companies (4.9.4).
5. there be consideration of establishing specialist fora in additional sectors to develop more integrated approaches to trade and investment strategies in areas such as infrastructure, skills attraction, game technology, ICTs, marine industries etc. (in addition to the specialist groups such as QETI, PFTC, Bio-technology). These fora should include senior industry representatives and Directors-General. They should also provide targeted marketing material and provide opportunities for regular communication with staff based in overseas offices (4.9.5).
6. planning and implementation of major campaigns in the region (such as skilled migration programs) fully involve staff of the European office (4.9.6).

### **Clarifying Role in Investment Attraction:**

7. the approach to trade and investment be more integrated and organised around a sectoral model engaging key stakeholders (4.14.1).
8. the European (and other overseas offices) be more heavily involved in investment attraction opportunities for both small and large enterprises (4.14.2).
9. the specific integrated trade and investment targets for the European office be renegotiated and form the basis of ongoing accountability (4.14.3).

### **Improving Coordination of Skilled Migration:**

10. Directors-General of relevant agencies work with Trade Division to develop a more consistent approach to skilled migration (4.18.1).

#### **The European Office – Roles and Responsibilities Beyond a Traditional QGTIO:**

11. Queensland continues to commit to maintain the position of Agent-General and review the position description to incorporate the opportunities outlined in the report (4.23.1).
12. there be recognition of the additional work undertaken by the European office with the continuing recognition of the role of Agent-General as distinct from Trade Commissioner through the appointment of a Deputy Agent-General at a similar seniority as the existing Deputy Commissioner (4.23.2).

#### **Improving Specialist Knowledge Underpinning Trade and Investment Strategies:**

13. the Premier and Minister for Trade consider expanding trade and investment panels in key priority areas to drive targets for improved outcomes (4.26.1).
14. the panels be chaired by an industry expert and include other industry representatives and relevant Directors-General (4.26.2).
15. the Premier considers establishing a Chief Trade and Investment Adviser on a full or part-time basis (similar to the Chief Scientist position) and specialist trade and investment advisers in specific industries (appointed on an honorary basis) (4.26.3).

#### **Maximising Delegated Authority:**

16. there be a review of delegated authority within the context of the principles outlined in 4.28 (4.32.1).
17. the Premier and Minister for Trade consider a broader review of overseas' offices and possible reorganisation of the QGTIO's overseas operations as a way of ensuring effective management and operations of the state's investment in its overseas operations (4.32.2).

#### **Ensuring Human Resource Strategies for Locally Engaged Staff are Equitable:**

18. the current annual review of remuneration for LES conducted by the International Consultant's Centre (ICC) (or an equivalent company with expertise) is appropriate. The review process should provide an opportunity for staff to input on local market conditions and changes, and be transparent in its methodology and rationale for recommendations (4.43.1).
19. the office implement a formal Performance Planning and Review process for all staff incorporating two way feedback between supervisor and staff on performance and development issues (4.43.2).

20. the Human Resource policies with respect to the leave without pay arrangements for Queensland public servants who take up a LES position be subject to a 12 monthly review and enforced consistently (4.43.3).
21. the Queensland Government consider offering a 9% employer contribution to an accredited UK based pension fund, along similar lines as the Australian High Commission (4.43.4).



## 2. Introduction

### Background

- 2.1. The Premier asked that I conduct a review of the London office of the Queensland Agent-General and Trade Commissioner for Europe.
- 2.2. The Terms of Reference subsequently approved in early November 2006 for the review are:
  - 2.2.1. Review the staffing and structure of the QGTIO Europe;
  - 2.2.2. Review business processes and practices to ensure the efficient operation of the Office and transparency and accountability for all transactions;
  - 2.2.3. Develop a forward 12 month plan for work of the QGTIO Europe for the period 1 August 2007 to 31 July 2008; and
  - 2.2.4. Provide a report and recommendations for the Premier's consideration by the end of February 2007.
- 2.3. This Review and recommendations are related to Terms 1, 2 and 4 and are informed by the Queensland Government's Export Strategy – *Driving Export Growth for Queensland 2006-2011*.
- 2.4. Following the Premier's approval of the Terms of Reference, the Deputy Director-General of the Department of State Development and Trade wrote to the Agent-General and Trade Commissioner, Mr John Dawson to inform him of the review and seek his and the staff's cooperation (See Annexure 1).
- 2.5. The Review was conducted over a one week period between Thursday, 4 January and Thursday, 11 January 2007.

### Methodology

- 2.6. The Review has been conducted through a series of detailed discussions with Trade and Investment staff in Brisbane and in the London office. I had the opportunity to attend the European office's Annual Strategic Planning Conference held on Tuesday, 19 December 2006.
- 2.7. I also met with a range of stakeholders in London who work closely with the European office or who have significant investment interests in Queensland. This included representatives of Austrade, Invest Australia, individual consultants, senior representatives of major international companies with significant export operations in Queensland and/or or were keen to pursue investment opportunities.

- 2.8. A complete list of the individuals consulted during the short review is included in Annexure 2. Whilst obviously not representative of all the stakeholders who work closely with the European office, I believe that these discussions assisted the conduct of the review and its findings.
- 2.9. The methodology also relied heavily on a review of key documentation provided by the Department in Brisbane and the European office.
- 2.10. The review's findings and recommendations are solely those of the author and I accept full responsibility for any omissions or errors in the report.
- 2.11. At the outset, I would like to particularly acknowledge the assistance provided by the Deputy Director-General, Angela MacDonagh and the Agent-General and Trade Commissioner, John Dawson. They and their respective staff have been very honest in communicating their views and in sharing written material. All parties approached the review with an open mind and are clearly committed to improving the operations and outputs of the European office.

### 3. Context

#### History of the London Office

- 3.1. The rich history of the Queensland Government's presence in London is important in not only understanding its historical antecedents but what factors continue to influence its operations today. This section of the review will be brief and is largely sourced from Scott et als History of the Queensland Premier's Department – The Engine Room of Government (UQP, 2001).
- 3.2. The first appointment of the Queensland Colony to the United Kingdom was in 1860. Henry Jordan was appointed as Emigration Commissioner. The first Agent-General was subsequently appointed in 1864. From the outset, the emphasis of the office was on promoting Queensland as a destination for both labour and capital whilst representing the new Colony's interests at major international exhibitions. In addition, the office managed a quasi-diplomatic function facilitating communication between the British and the Queensland governments. The office has also for the majority of its existence managed the procurement of specialist items for the Queensland Government from railway supplies to text books, international journals to clothing and technical equipment.
- 3.3. The office has remained open from this time, except for 3 years from 1866 when Queensland suffered a major financial crisis. In the latter part of the 19<sup>th</sup> century commercial agents were also hired to represent Queensland's interests in Germany and southern Europe.
- 3.4. At various times, but particularly in the decade following Federation, there had been extensive debate about maintaining the Agent-General's position in London. However, the role of the office evolved and changed depending on the prevailing social and economic conditions of the time. During the two world wars for instance, the office provided a pivotal role in distributing assistance and an important point of contact and communication both between the two governments and with Queensland citizens engaged in the conflicts in UK, Europe and the Middle East.
- 3.5. The Office therefore provided an important mode upon which successive Queensland Governments managed their relationship with the world. By the 1980's the Queensland Government expanded offices into important markets of Tokyo, Bahrain and Los Angeles. There are now 12 QGTIO's operating in overseas markets (London, Los Angeles, Shanghai, Hong Kong, Taipei, Tokyo, Osaka, Seoul, Jakarta, Bangalore, Riyadh and Abu Dhabi).
- 3.6. The term Agent-General was one used to describe the representative of a British Colony of Australia and Canada. Historically therefore, Australian states and Canadian provinces were allowed representation in Britain. Both countries are now represented by High Commissioners at the diplomatic level. Only Queensland, South Australia, Victoria and Western Australia retain the Agent-General position. All other states operate from the Australian High Commission

offices. Only Queensland retains a separate office, Queensland House, on The Strand.

### **Legislative Head of Power**

- 3.7. The *Agent-General for Queensland Act 1975* outlines the basis for appointment, termination, terms of service, and duties and functions of the Agent-General for Queensland. The appointee should therefore be appointed under this Act, not the Public Service Act. The appointee is contracted for a term determined by the Governor in Council on terms and conditions negotiated with the Government of the day. Despite this, the current Agent-General and Commissioner, John Dawson, is appointed under Section 70 of the Public Service Act.
- 3.8. The duties and functions are outlined in Section 6 of the Act (see Annexure 3), and are very similar to the roles of trade commissioners generally in the areas of trade advocacy for primary and secondary industries, facilitating investment and commercial relationships (internationally not only with the UK but Europe and the European Economic Community), marketing Queensland, promoting tourism, encouraging immigration to Queensland and cooperation with the other States' Agent-General and the Australian High Commission.

### **Existing Staff and Structure of the European Office**

- 3.9. Including the Agent-General/Commissioner, there are currently nine staff operating from the European office based in London. In addition, there are two business advisers – one for France and one for Germany.
- 3.10. The Agent-General/Commissioner is appointed on contract. Mr John Dawson has held the position for the last six years and will complete this appointment on 31 July 2007.
- 3.11. The eight staff of the office based in London are all engaged as Locally Engaged Staff (LES). Their positions are outlined in the current organisational chart in Annexure 4. The two Business Advisers (France and Germany) are contracted staff. The French adviser (Mr Pierre Yves Kerneis) is contracted on a retainer. The German adviser's (Mr Ralf Schindler) services are contracted as required.
- 3.12. With respect to the LES the average term of employment (9.65 years) demonstrates a fairly high degree of stability in the local workforce. The average, however, is affected by two of the staff who have served the office for over 37 and just under 15 years respectively. There has been greater staff turnover in the more junior positions, possibly due to the limited career progression opportunities available for staff in a small office.

### **Business Processes**

- 3.13. During the limited time available for the review, it has not been possible to conduct a detailed audit of the operations of the office. The office appears to operate effectively and efficiently, staff morale is high, feedback from key stakeholders is positive, and due regard is given to transparent management of the budget allocated to the office.
- 3.14. The employment of a very competent office manager, Ms Madeline Lyne, with significant experience in the Queensland office and the New South Wales Agent General's and Australian High Commission greatly assists the effective operation of the office.
- 3.15. In a similar vein, the management of the office's accounts by a highly qualified accountant, Ms Roshan You should provide confidence in the proper and transparent management of the office's financial affairs.
- 3.16. The general operations of the office include local support for its information and communication technology systems and the building management has been under the very capable stewardship of Mr Robin Hailes. Robin has the additional job as driver and is the office's longest serving staff member and is invaluable in providing an amazing "corporate memory" to the organisation.
- 3.17. An internal audit report was finalised in July 2006. It examined records and financial transactions for the period January 2005 to April 2006 and concluded that:
- "QGTIO is an established office with effective working relationships and valued networks",  
"The review confirms that the required records and supporting documentation are properly maintained"
- 3.18. The Audit report made a number of recommendations for improvement in procedures and processes which I believe to not be matters of high risk to the Department or Queensland Government. My own conclusions and issues which require consideration relate to issues of improving effectiveness of the European office's operations and the need to streamline the administration of issues managed jointly by London and Brisbane. These are outlined in Section 4 of the Review.
- 3.19. Importantly, given the potential threat to government entities and their representatives of terrorist activity on UK soil, the Department conducted a comprehensive security review of the QGTIO and the Commissioner's residence. This review was conducted by AKE Asia-Pacific Pty Ltd in February 2006 and provided a comprehensive assessment of security risks and recommendations on emergency response procedures. The offices are secure and staff respect the need to maintain a secure work environment. It will be important as private tenants take up occupation that attention is given to maintaining security awareness and preparedness in a mixed use environment.

### **The Planning Context**

- 3.20. Queensland has a very cohesive export strategy encapsulated in the document *Driving Export Growth for Queensland 2006-2011*. This informs both the sectoral and geographic targets for driving Trade Queensland. The strategy identifies Europe as a sophisticated market with the expanded EU being one of the world's largest trading blocks with a population of over 493 million. This will create a consumer market bigger than the USA, Japan and Canada combined.
- 3.21. The state strategy particularly recognises the need to strengthen our links with the UK and Germany and the emerging Russian market based economy. Strategic sectoral opportunities identified include:
- ICT services;
  - Mining services, equipment and technologies;
  - Medicinal and scientific equipment;
  - Education and training;
  - Aviation, aerospace and satellite navigation;
  - Biotechnology;
  - Marine industry;
  - Pharmaceutical;
  - Food and Agribusiness;
  - Creative Industries;
  - Tourism and Sport;
  - Infrastructure, construction and engineering services.
- 3.22. There are also a number of specific agreements in place within the region which provide the basis upon which we can plan and build our interventions into particular markets. These include:
- Protocol of Co-operation with the region of Lombardy (Italy);
  - Protocol of Co-operation with the Moscow City Government (Russian Federation);
  - The Aachen Declaration on Co-operation in Coal Trade and Research with North Rhine Westphalia (Germany);
  - Statement of Intent with the Regional Government of Piemonte (Italy).
- 3.23. There is direct evidence from both strategic planning carried out in the European office (see Annexure 5 extract of papers from December 2006 Strategic Planning Conference) and weekly minutes and reports and monthly, six monthly and annual achievement reports prepared by the office have full regard to the state's overall strategy. I will comment in the next section on the effectiveness of the existing reporting arrangements.
- 3.24. My own observation is that the primary strategic issues which require greater clarity for the European office relate to:

- role in investment attraction;
- the links between investment attraction and trade in specific sectors; and
- the role of the office vis a vis other agencies in migration – particularly skilled migration to Queensland in the health, engineering and trade sectors.

These issues and recommended approaches will be dealt with in the next section of the report.



## **4. Major Issues Impacting on the European Office**

### **Introduction**

- 4.1. There are a number of significant issues identified during the review which can be broadly categorized as:
- improving communication channels (within the Department and between Queensland Trade, Investment and Migration with the European office and other Queensland Government agencies);
  - clarifying the role of the office in investment attraction;
  - improving the coordination of strategies to attract skilled migrants to Queensland;
  - clarifying the role of the European office beyond the traditional QGTIO functions;
  - improving the specialist knowledge underpinning trade and investment strategies in specific industry sectors;
  - maximising delegated authority for day to day decision making and encouraging budget flexibility within a strong accountability and strategic planning and reporting framework; and
  - ensuring human resource strategies for locally engaged staff are equitable and competitive within the local market.
- 4.2. Each of these issues are dealt with in the following sections. Where appropriate, I have outlined a recommended approach for responding to these issues.
- 4.3. In addition, this section of the report will comment on priorities for the first 12 month work program of the new Agent-General and Trade Commissioner to be appointed 1 August 2007.

### **Improving Communication**

- 4.4. In any organisation, staff always perceive improvement in the flow of communication as paramount to achieving better outcomes. Management of internal and external communications is a major challenge for any organisation – but is particularly critical for organisations which span different time zones and large distances.
- 4.5. Staff of the European office expressed frustration with not always being “kept in the loop” on major activities or projects which they see as critical to the success of the office. There is no question that this was the major issue raised by all staff

of the office. On the other hand Brisbane staff have also raised concern with the quality and timeliness of communication with the office.

- 4.6. On a positive note, staff also acknowledged areas in which communication with Brisbane was more effective. This strength and clarity of the communication links with specialist areas such as QETI, PFTC, Office of Bio-technology, Aviation and Aerospace were seen as noteworthy in this regard.
- 4.7. Externally, the strong communication links with Austrade, Australia Invest and the Embassies in a number of countries in the region were seen by staff as very effective in driving improved outcomes for Queensland. In addition, contact at a government level, particularly with the UK and major international companies with a strong presence in Queensland (eg. Rio Tinto, BHP) was both pro-active and of great value. From discussion with the European office and limited external key stakeholders, the maintenance of these key external relationships is sound and important to ensure Queensland's best interests are maximised.
- 4.8. It is important for the Brisbane office to recognise the depth of expertise and networks of the European office – particularly their links with the local market and understanding their demand for product and services. The importance of linking this demand with Queensland's capacity to supply appropriate quantum, quality and type of service is essential to achieve our trade and investment objectives.
- 4.9. The review therefore recommends that:
  - 4.9.1. an internal communication protocol be established – particularly with respect to the use and timely response to email traffic to avoid frustration on both sides.
  - 4.9.2. all Queensland based staff travelling within the region on official purposes be obliged to inform the Commissioner of their itineraries so that the office can "add value" to their work where they are able to do so.
  - 4.9.3. the Commissioner (and other Commissioners) brief the CEO's Forum on at least a yearly basis on issues and opportunities in the region.
  - 4.9.4. trade and investment staff of the QGTIO should continue to visit Queensland at least once every two years to develop working relationships with Queensland based staff and local companies.
  - 4.9.5. there be consideration of establishing specialist fora in additional sectors to develop more integrated approaches to trade and investment strategies in areas such as infrastructure, skills attraction, game technology, ICTs, marine industries etc. (In addition to the specialist groups such as QETI, PFTC, Bio-technology). These fora should include senior industry representatives and Directors-General. They should also provide targeted marketing material and provide

opportunities for regular communication with staff based in overseas offices.

- 4.9.6. planning and implementation of major campaigns in the region (such as skilled migration programs) fully involve staff of the European office.

#### **Clarifying Role in Investment Attraction**

- 4.10. Staff perceive that the office is primarily trade focussed. Little time is spent on in-bound investment attraction opportunities. There is no doubt that there has been a lack of clarity (at least from the European offices staff perspective) on the directions and therefore their role in investment attraction.
- 4.11. Concern was expressed about the lack of an integrated approach to trade and investment attraction, which for many industries were historically and will no doubt continue to be two sides of the one coin. A good example is the resources sector and the top international companies which dominate this sector see Queensland as a major and reliable supplier and worthy of significant exploration and development investment. In other words, the interest of these companies is in both export and investment to further boost export opportunities.
- 4.12. A number of core examples were quoted by the European office staff when more active communication and involvement and more regular engagement locally could have been better managed by Brisbane-based officers.
- 4.13. It will be important to continue to develop integrated strategies in industry sectors for both trade and investment. Australia Invest have a focus of in-bound investment opportunities in areas such as financial services, infrastructure management, engineering and engineering support services, ICTs and shared services. This encompasses both small companies and major international organisations. It also needs to have regard to development opportunities for in-bound investment and "head office" creation around specialist functions of organisations given the different organisational arrangements now being implemented by many multi-national companies (eg. Rio Tinto have their International ICT, Local and Engineering Innovation operations running out of Brisbane as an international head office function).
- 4.14. The review therefore recommends that:
- 4.14.1. the approach to trade and investment be more integrated and organised around a sectoral model engaging key stakeholders.
  - 4.14.2. the European (and other overseas offices) be more heavily involved in investment attraction opportunities for both small and large enterprises.
  - 4.14.3. the specific integrated trade and investment targets for the European office be renegotiated and form the basis of ongoing accountability.

#### **Improving Coordination of Skilled Migration**

- 4.15. Given Queensland's ongoing growth and challenges of skills shortages in critical areas such as health services and engineering, it will be important to continue to promote Queensland as a destination for skilled migrants. The Premier recently stated that this was one of the top three priorities of the Government this year. Ironically, this has been an important role of the European office throughout its almost 150 year history.
- 4.16. The European market has been and will continue to provide an important supply of skilled workers. Recent programmes put in place by individual Queensland agencies have had various levels of success. There is a need to review the success or otherwise of the approaches to recruitment and the role of different strategies such as the use of migration expos and more targeted approaches through industry journals etc.
- 4.17. To take most advantage within the European market place, it will be necessary to institute more order and coordination into the Business and Skills Migration Program. The overall strategy would benefit from a greater consistency of approach whilst fully involving individual agencies and industry representatives.
- 4.18. The review therefore recommends that:
  - 4.18.1. Directors-General of relevant agencies work with Trade Division to develop a more consistent approach to skilled migration.

#### **The European Office – Roles and Responsibilities Beyond a Traditional QGTIO**

- 4.19. The review has provided a potted history of the office. In addition to the traditional roles of a QGTIO, there is no doubt that the Agent-General responsibilities continue, even now, to put greater and different demands on the European office compared with the other nine offices. This includes the responsibilities for skilled migration and the major assistance provided in the organisation of regular visits by the Governor, Premier, Chief Justice, Ministers and senior departmental staff.
- 4.20. Whilst our important historical links with the UK and Europe remain strong, it is important to maintain strong links with Europe given its significance to the world's economy and as a major investor and market for our products and services. The location of the office in London, whilst recognising our history, also recognises this city as a truly not only one of the world cities – but undoubtedly the current financial capital of the world.
- 4.21. The opportunities of this market are therefore not only important historically, but provide a basis for growth directly within the region as well as a secondary source for other regions which predominantly deal with this market place eg. Middle East, the Americas and India. Strategies centring around capturing a "third party bounce" can be as or more effective for trade and investment opportunities or dealing directly within other regions and jurisdictions outside Europe.

- 4.22. Europe is also important to Queensland as a source for benchmarking our approaches to public policy (given the similarity of our systems of government) and is the headquarters of major international headquarters such as the OECD and UNESCO. It is smart for a jurisdiction, like Queensland to benchmark our directions and outcomes in major areas of public policy whether social, economic or environmental. This is strategically and competitively important to Queensland especially in comparison to New South Wales which has closed its London office.
- 4.23. The review therefore recommends that:
- 4.23.1. Queensland continues to commit to maintain the position of Agent-General and review the position description to incorporate the opportunities outlined in the report.
  - 4.23.2. there be recognition of the additional work undertaken by the European office with the continuing recognition of the role of Agent-General as distinct from Trade Commissioner through the appointment of a Deputy Agent-General at a similar seniority as the existing Deputy Commissioner.

#### **Improving Specialist Knowledge Underpinning Trade and Investment Strategies**

- 4.24. As outlined above (4.10 – 4.13), it is important to continue to conceptualise our trade and investment strategies as integrated and planning and managed around clusters of capability. There is a need to ensure effective links between the demands of our clients/markets and the capability of existing and future industries to meet these demands.
- 4.25. The value of specific investment in structures outside of Brisbane (such as the European office) is to understand client demands as well as capability/interest in investing offshore. The most effective strategies implemented in Queensland are those which have coherent leadership, strong personal support from the Premier and Minister for Trade, and which engage all key industry and government stakeholders. The review has recommended previously the importance of developing fora of the key players with sufficient political support and leadership to drive strategies, targets and outcomes.
- 4.26. The review therefore recommends that:
- 4.26.1. the Premier and Minister for Trade consider expanding trade and investment panels in key priority areas to drive targets for improved outcomes.
  - 4.26.2. the panels be chaired by an industry expert and include other industry representatives and relevant Directors-General.
  - 4.26.3. the Premier considers establishing a Chief Trade and Investment Adviser on a full or part-time basis (similar to the Chief Scientist



position) and specialist trade and investment advisers in specific industries (appointed on an honorary basis).

#### **Maximising Delegated Authority**

- 4.27. There is a perception of staff in the European office that Brisbane has insufficient trust in their capability; that over time there has been a diminution in their capacity to "get on with the job"; this has led to a withdrawal of delegated authority and an increase in "micro-management" and gatekeeping" by the Trade Division. All long term staff commented that over the years, there has been an erosion in delegations to local office staff.
- 4.28. The general philosophy of any modern organisation is to set clear strategic directions, targets, outcomes and budget parameters and to delegate authority within an accountability framework for achievement. There is however, a difficulty in any organisation where the capability and skills varies widely across the organisational units. Where this occurs, the organisational response is more often than not to establish rules based on a "Lowest Common Denominator" approach (ie. every work unit is treated the same irrespective of unit capability).
- 4.29. However, there are clearly differing capabilities of QGTIO's – from large offices such as Europe, Los Angeles, Tokyo and Shanghai to the smaller offices in Taiwan and Abu Dhabi. For example, the European office is able to employ an accountant and office manager for the effective management and accountability for its allocated budget.
- 4.30. Government agencies and private companies traditionally regionalise their organisational structures to ensure appropriate delegating authority to maximise local autonomy and accountability. The organisation of Australia is interesting in regionalising its offshore operations as follows: <sup>AUSTRADE</sup>
- The Americas;
  - Europe, Middle East and Africa;
  - North East Asia; and
  - South East Asia and Pacific.
- 4.31. The advantages for Austrade are clear. The regional arrangements ensure worldwide coverage and both delegated authority and clear management structures outside Australia. Whilst Austrade has a broader remit than Queensland's Trade and Investment offices, it provides an interesting model which could deliver a better alignment with our own operations and a better basis for management of our Commissioners and agents outside Brisbane. It also has the capacity to align better with the Australian platform of trade and investment internationally.
- 4.32. The review therefore recommends that:

- 4.32.1. there be a review of delegated authority within the context of the principles outlined in 4.28.
- 4.32.2. the Premier and Minister for Trade consider a broader review of overseas' offices and possible reorganisation of the QGTIO's overseas operations as a way of ensuring effective management and operations of the state's investment in its overseas operations.

#### **Ensuring Human Resource Strategies for Locally Engaged Staff are Equitable**

- 4.33. It is important that terms and conditions for the employment of Locally Engaged Staff (LES) remain competitive within the local employment market. Whilst some concerns have been expressed by staff of the European office about the process for remuneration determination and annual review for LES, my own conclusion is that the Division's approach is appropriate.
- 4.34. In particular, the engagement of an experienced human resource agency, International Consultant's Centre (ICC) which is part of the Mercer Group, provides a basis for transparent remuneration reviews to ensure that salary levels and employment packages are broadly consistent with the local market. To ensure maximum transparency it is important that the outcomes, methodology and rationale for recommendations by ICC be available to staff. It is also important that staff be given the opportunity to input to the annual review process particularly to provide evidence of local market comparisons (eg. remuneration levels for similar positions in other state offices and the Australian High Commission).
- 4.35. There appears to be generally a good match with employee entitlements in other areas of recreation, sick, maternity and long service leave entitlements. The recent development of a draft Human Resource Manual is important and Trade Division is to be commended for its development. It is important that it continues to be refined and maintained.
- 4.36. Apart from the remuneration and major issues of the employment contract arrangements outlined above, there are three issues which I would like to comment on:
  - the importance of a Performance Planning and Review (PPR) system being put in place for all staff;
  - the clarification of employment conditions for Queensland based staff "seconded" to overseas offices, but employed under LES arrangements; and
  - superannuation entitlements for LES.
- 4.37. On the first issue, it is important that every member of staff have clear and explicit expectations on their responsibilities. It is important for all staff to regularly report formally on their performance, and discuss development opportunities with their supervisor. This can be delivered through a PPR process which provides for



regular (at least once every three months) two way feedback between each employee and their supervisor.

- 4.38. Queensland public servants who accept LES positions are required to take leave without pay for their duration of employment with an overseas office. It is understood that the maximum period the employee can take leave without pay is two years. This is appropriate. It is important to institute reviews at a minimum of 12 monthly intervals and implement decisions consistently so that Brisbane based structures and personnel are not disadvantaged by those engaged overseas not relinquishing Queensland Public Service positions.
- 4.39. The final human resource issue which is of concern is that LES are not eligible for an employer contribution to superannuation. The rationale appears to be that in the UK, staff have an entitlement to the national pension scheme. However, this provision is not equivalent to a superannuation entitlement providing a minimum stipend for those eligible. The UK aged pension has not for example been linked to Average Weekly Earnings as it has been in Australia.
- 4.40. The UK Government has been progressively implementing superannuation reforms, but has stopped short of insisting on an employer contribution as occurred in Australia in the major financial and social policy reforms of the 80's.
- 4.41. Recently, the UK Government passed laws which required that all employees without access to occupational pension schemes have access to a pension scheme. The Queensland office scheme is managed by Scottish Widows – however it is not compulsory and is supported by employee contributions only.
- 4.42. The issue of access to an employer contribution to superannuation will become an increasingly important issue in the attraction and retention of staff. An increasing number of employers in the UK are providing schemes for their employees as part of their employment packages. In fact, the Australian Government provides LES with a 9% employer contribution to a UK based scheme. This contribution is in line with the minimum employer contributions under Australian law.
- 4.43. The review therefore recommends that:
  - 4.43.1. the current annual review of remuneration for LES conducted by the International Consultant's Centre (ICC) (or an equivalent company with expertise) is appropriate. The review process should provide an opportunity for staff to input on local market conditions and changes, and be transparent in its methodology and rationale for recommendations.
  - 4.43.2. the office implement a formal Performance Planning and Review process for all staff incorporating two way feedback between supervisor and staff on performance and development issues.

- 4.43.3. the Human Resource policies with respect to the leave without pay arrangements for Queensland public servants who take up a LES position be subject to a 12 monthly review and enforced consistently.
- 4.43.4. the Queensland Government consider offering a 9% employer contribution to an accredited UK based pension fund, along similar lines as the Australian High Commission.

## Ken Smith

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**From:** John Mickel [s. 73] >  
**Sent:** Monday, 26 November 2012 8:22 PM  
**To:** Smith, Ken - London  
**Subject:** RE: A few additional issues to consider for the review

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Ken,

Thanks for this I hope I have your permission to pass this on to the Review team. It has been arranged to set a date to have a formal interview process with you as I believe it part of a due process for all overseas officers to input the committee. The issue of a statutory board is interesting and I am dismayed that another Government agency has gone to an overseas market without notifying Trade Queensland. An accountancy firm has now been engaged to go through all the process systems to see if we can rid ourselves of some if not all the frustration issues that face people overseas. We have identified western Africa and Eastern Europe as good opportunities for the future. I will wait for your permission before I on forward your email to the rest of the team.

Thanks,

John

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**From:** Smith, Ken - London [mailto:Ken.Smith@trade.qld.gov.au]  
**Sent:** Tuesday, 27 November 2012 3:30 AM  
**To:** John Mickel  
**Subject:** A few additional issues to consider for the review

Dear John

I have just sent Greg McKean a few pages on key markets/sectors and staffing issues as input to the review. I won't bother you with these items. It did remind me that I said I would drop you another email following our telephone discussion. I will try to keep it short for both of our sakes (you from a reading and me from a typing perspective). So here goes:

### 1. Governance

I realize it is very difficult, but the only structure I can see being effective is a Statutory Body which can report to a Minister, be linked to a Department for systems and HR/Finance support but be independent of a particular Department whether the Minister is, as you were, responsible for Transport or as per the present responsibility being with the Treasurer, or Natural Resources or in fact the Premier. The model works quite well for the Public Service Commission, Events and Tourism, the Children's Commission, the Public Advocate, the Public Trustee and all the Arts and cultural bodies.

The added advantage of such a model is you could have a small expertise based board appointed to provide strategic oversight of the Managing Director and the agency whilst still very much being accountable to a specific Minister. This would allow the Government to ensure the trade and investment Strategy is headed in the right direction and updated in response to changing economic circumstances and opportunities.

This is important, as TIQ doesn't really fit with the culture of Treasury, and didn't with Transport or Premiers and was a bit lost in DEEDI before the election

### 2. Priorities

There is a need to get clarity on which export markets and sectors, what investment attraction and FDI we are seeking, and who we are trying to encourage to invest, live and work in our state through business and skilled migration. Once this is done, there needs to be regular and consistent information provided by Brisbane HQ to each of the international offices. The quality and frequency of material we get is very sporadic at the moment. It's great in mining (through geological services) and has been better recently in Agriculture and Tourism Investment sectors.

Sometimes it is like pulling teeth trying to get up to date information from sources not only in head office, but throughout the QPS. This clearing house function linking to a range of areas in Government must be a key priority of TIQ centrally.

It is obvious that up to date information on specific opportunities and key sectors is the lifeblood of our communication with clients whether they are Queensland based or are based in market here in the UK or throughout Europe.

One frustration is the lack of co-ordination with Investment Queensland. TIQ's investment targets appear to be based on whatever IQ isn't interested in. Even today I saw a presentation which had only come to us second hand. It is excellent, and good that it was eventually shared with us via TIQ. But in an ideal world IQ would as courtesy alert me to the fact that they were in serious discussion with a German HQ'd company. I know this is simply an extension of the old problem when Public Servants would come into market without bothering to communicate with their representative internationally in that market, even if this is a courtesy call for briefing of issues in market.

On the trade side there must be an improved way of alerting Queensland companies to opportunities in the regions we cover. UKTI has a system that has evolved over the years. It used to be called the Export Intelligence Service, now companies register online to be notified of business opportunities in the sectors and markets they are interested in. We accept this might not be possible for TIQ, but we feel there needs to be a systematic way of growing the pool of companies we support in our region with quality information on major tender opportunities becoming available for major projects.

We also need high quality marketing material, including if possible regular updated messages from the Premier or one of the senior leadership team on Queensland being a great place to invest. In my experience WA does this far better than any other state in this market. Also, every other state represented here in London has a migration specialist to attract business and skilled migration apart from us. This severely disadvantages us when it comes to attracting these highly valued migrants to our shores.

### **3. Markets**

As you know, the London Office has responsibility for markets down to Turkey and Israel and including Russia, the Commonwealth of Independent States (CIS, including Kazakhstan) and the old Eastern European states (including Poland), whether currently in or outside the European Union. Many of these states have strong growth rates and as a result of mineral resources and reforms in their economies provide excellent opportunities for initially export, but also investment attraction in the medium to longer term. So, although the European Union countries are experiencing a downturn in economic growth three markets in the region – Turkey, Russia and Poland are amongst the world's leading growth markets. In fact two of these markets – Turkey and Russia – are forecast to be in the top eight global growth markets by 2050. Goldman Sachs includes Russia and Turkey amongst the top 8 economic growth nations in the world (alongside, Indonesia, China, India, South Korea, Brazil and Mexico).

There is no doubt that London has many advantages in access to these major growth markets. London undoubtedly has a role as the world's premier financial sector as well as the London exchange being the choice of listing for most of the existing and developing international mining companies. In terms of the finance sector, London continues to be the choice of international location for major banks and sovereign wealth funds from China, the Middle East and India. All the major international banks are either headquartered in London or have a significant presence in the City. Each of the four (4) major Australian banks also maintains a strong and growing presence in the market. Two of which have established retail

banking arms, NAB and Westpac. QIC and Queensland based investment companies like LM Investments also have a growing presence in the market. London is increasingly becoming important internationally as a financial hub and commercial centre and a key regional centre to tap into the multinationals.

- Five of the six major multinational mining companies (BHP, Xstrata, Rio Tinto, Glencore, and Anglo) have their head office or major office in London to manage their global operations. A range of junior miners have also established in London for means of access to financial funding (including the AIM in London becoming an important access point for finance for junior mining companies) and commercial expertise.
- A number of Queensland Mining Equipment, Technology and Services (METS) companies including Xstrata Technology, Russell Mineral Equipment and Salva Resources have or are establishing offices in London to target projects in the European/Russian region and Africa. The western part of Africa is in the same time zone as London.

As well, many of the African states are also growing strongly. A proposal was put forward internally in August, but not considered at this stage to expand the responsibility of the London Office to include West Africa, given the well established and growing links of Countries in this region to the London financial and corporate marketplace. West Africa consists of Benin, Burkina Faso, Cameroon, Chad, Cote D'Ivoire, Equatorial Guinea, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, and Togo. The African market is becoming one of the most attractive markets for Queensland companies supplying to the mining and increasingly the oil and gas sector. DFAT estimate that there are currently 200 Australian companies involved in 650 projects in 37 African countries. In further recognition of the opportunities in Africa DFAT is committing \$200 million between 2011 and 2015 in Africa on mining related development assistance.

The West African region is one of the fastest growing economic regions on the globe. Major countries such as Nigeria are forecast by leading investment banking group Goldman Sachs to be a key emerging market by 2050. (Standard Chartered refer to BRIC's which sees Nigeria as one of the top 5 growing economies of the world in the same league as the BRIC's) This is reinforced by the Citigroup who forecast Nigeria will get the highest average GDP growth in the world between 2010–2050. Ghana has experienced immediate substantial recent GDP growth including 13.7% in 2011 and is forecast to grow by 8.3% in 2012 and 7.7% in 2013.

s.47(3)(b)

Outside of the mining sector opportunities in Nigeria include logistics and transport infrastructure, geological and mining engineering services, mine safety, mine equipment and mine operation and asset management

The increasing peace and political security in the region has enabled multi national mining companies to pursue opportunities for large scale mining projects including

- Rio Tinto – Iron ore project in Guinea, aluminium projects in Guinea and Cameroon. In Guinea, Rio Tinto's Simandou iron ore project represents a \$10 billion investment including construction of a 730 kilometre railway line. The project is expected to double Guinea's GDP by 2015.
- BHP Billiton has invested in the Mt Nimba (Guinea) bauxite and alumina smelter project.
- Xstrata – Two iron ore projects in Mauritania
- Vale – Manganese project in Gabon and iron ore project in Guinea.
- Severstal – Iron ore project in Liberia

The other advantage of London is a practical one in that London is in the same time zone as West Africa and has much quicker and regular flights to the region.

#### **4. Systems**



In terms of responsiveness to our clients and major stakeholders, the priority has to be the establishment of a Client Relationship Management System or CRM. Allowing for all significant client contact to be recorded whether it be through the International Offices or HQ, is essential if TIQ is to be a professional responsive organizational unit. It is also critical to the establishment of a KPI system which could focus on measuring added value provided by TIQ, and additional value generated for the Queensland economy and of course additional jobs created. The current system of Export Incentive Forms or estimates of inward investment currently in place is unreliable and not accurate in evaluating impact independently.

In our discussion you raised the issue of KPI's and how they could be measured. The best system I have seen is the United Kingdom Trade and Invest PIMS (yes, believe it or not a bureaucrat with a sense of humour, PIMS stands for Performance and Impact Monitoring Survey). PIMS is independently managed and is aimed at improving accountability, understanding the impact of services provided on customers, including detailed feedback on the quality and satisfaction with services and comparison of the impact and quality of different services provided.

Data is gathered independent telephone interviews (conducted by a business survey company) which are voluntarily undertaken by the businesses. These are quarterly quantitative interviews with follow up surveys after a year, qualitative and non user surveys.

The base of the successful system is in both a clear strategy for the agency ( in this case, was a five year strategy entitled, Prosperity in a Changing world) and an effective CRM which provides the basis upon which follow up Quant and Qual interviews are undertaken.

See [www.ukti.gov.uk/uktihome/aboutukti/item/11584.html](http://www.ukti.gov.uk/uktihome/aboutukti/item/11584.html) for more information on PIMS

The key is that any assessment of impact is undertaken independently of the Trade and Investment Agency. This could be done by way of contract with an external provider or alternatively by an experienced agency like the Office of Economic and Statistical Research.

## **5. Budget and Delegations**

As discussed, I understand the Government needs to tighten the belt this year. However, the extent of the correction to our project related budget is some 48% of last year's budget, a 52% haircut. This is making it difficult to commit to all of the business activities we would otherwise want to.

But as I mentioned, this can be dealt with in the short term, but must be accompanied by more flexibility in administration and the current waste of time on uncertain business planning and reporting processes. Delays in approvals for "domestic" travel have now been dealt with, but only after some huge cost blow outs in travel expenses due to the golden rule of book early and reap the reward.

As well, there is an unwillingness to provide delegations to even senior Locally Engaged Staff and a Treasury "policy" to limit the number of official credit cards which doesn't make sense for staff traveling into different areas on (hopefully) a regular basis. This has involved in some cases providing huge cash advances ( 1000 GBP sterling) for a woman staffer traveling alone into Kazakhstan. I won't bother you with inane comments I have got about justifying petrol acquisitions on a weekend for the Government vehicle. There is sometimes a major problem with the rules people put in place for staff unlikely to travel further than Chermiside once a year.

John, I am happy to provide any further information or discuss this with you in more detail should you wish.

Regards

Ken

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