



QUEENSLAND FUTURES INSTITUTE



QLD POLICY LEADERS' FORUM

QUEENSLAND'S STATE OF PLAY

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QUEENSLAND'S STATE OF PLAY

PANELISTS:



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Business School

Snapshot

The 2025 Queensland Futures Institute's Queensland's State of Play outlined the challenges and opportunities for Queensland's industry over the coming year across the property, agriculture and education sectors, as well as for the workforce and economy more broadly.

These sectors face ongoing challenges – particularly around cost pressures – which will require policy reforms and investment to overcome. Queensland also faces significant opportunities, particularly around its ability to deal with the disruption and innovation currently playing out across global political shifts and technological advancements which are changing the dynamics of our export markets, and the way we work.

Summary of Panel Comments

- Housing shortages and high construction costs will require careful policy reforms to remove tax disincentives and encourage private sector investment in Queensland.
- Proactive planning, rather than reactive 'reverse engineering', will be required to meet the housing and infrastructure needs of Queensland's growing population.
- Agriculture remains a key economic driver for Queensland, but regional infrastructure gaps and supply chain vulnerabilities must be addressed to support growth.
- The agriculture sector will also play a role in supporting sustainability and biodiversity, but this opportunity must be better communicated.
- Southeast Asia and India offer expanding trade opportunities, reducing Queensland's reliance on China.
- Given workforce constraints and rapid innovation, which is disrupting the way we work, and the jobs and skills required, there is a clear need for stronger collaboration between industry, vocational training, and universities.
- 40% of current work tasks will change by 2030, emphasising the urgency of upskilling, reskilling, and STEM education improvements.
- Queensland universities are experiencing rising domestic student demand but are dependent on international student fees for research funding and increasingly other investments for domestic students and community obligations
- Sustainable university funding models and reduced red tape will be needed to ensure long-term research and workforce readiness.

Panel Comments



Jess Caire

- The property industry in Queensland faces significant challenges, particularly in housing supply and infrastructure development. However, there is a sense of confidence in the sector this year after four years of continuous reform.
- Construction costs remain high and demand for housing remains strong, as Queensland continues to attract new residents.
- The priority for this year is securing a seat at the table for sensible policy reforms that support private sector investment and enable the delivery of homes, office buildings and industrial developments to support Queensland's growth.
- To achieve this, we must make sure we are planning housing in a way which is fit-for-purpose for the future, considering infrastructure development and our growing needs.
- Additionally, we must drive down costs to facilitate new supply; tax reform is a key policy lever to address this.
- Given the upcoming federal election, which may have both positive and negative impacts on the industry, we must proactively advocate for a clear policy direction to provide certainty for investors and encourage long-term investment in Queensland.



Michelle Farquhar

- Australian Industry Group has been working with businesses for 150 years.
- We recently spent two days in Canberra with 80 senior industry leaders from digital industries, manufacturing, and care sectors, engaging government ministers and policy leaders.
- Notably, we heard about the Australian Strategic Policy Institute's technology tracker – which monitors around 60 innovative and emerging industries critical to national security, prosperity, and social cohesion. These include:
 - Advanced materials & manufacturing (e.g., magnets, superconductors)
 - Biotechnology & gene technology
 - Vaccines
 - biofuels
 - Advanced robotics & drones (including swarming and collaborative drones)
- These industries are considered essential for Australia's future, but we lack the workforce to support their growth.
- There is also a workforce shortage in housing construction, impacting our ability to build homes.
- This is a key challenge for Australia, which will require a collaborative effort between industry, higher education, vocational training (VET) and government to ensure we can develop the necessary workforce for the industries of the future.

Panel Comments



Michael Guerin

- AgForce is a state-based farming group advocating for producers across Queensland, including as a delegate to the National Farmers Federation.
- Queensland is Australia's largest food producer, with a growth rate suggesting this will continue.
- Two-thirds of our production is exported, with Southeast Asia presenting significant export market opportunities given it represents about a third of the world's population.
- The industry faces several challenges, including a shrinking population across regional Queensland – which has lost 10% of its population in the past decade.
- Additionally, regional infrastructure investment is lacking, making it harder to support agricultural industry growth.
- One challenge specific to the cattle industry – relevant because Queensland has over 50% of Australia's cattle herd - is that it takes four years to produce a steak, with producers bearing 80% of costs and risks but only receiving 15% of returns. 40% of the total cost of beef production is borne between the farm and the consumer; producers take on most of the production costs, though don't receive a proportional return.
- A key risk is that of supply chain fragility, exemplified by the fact that 84% of city residents don't know where their food comes from. If supply chains fail, supermarkets have only two weeks' worth of food. However, shops with local supply chains will remain stocked even if centralised supply chains were to break down.
- There are several clear policy reforms which are needed to address this issue.
- Firstly, the Environmental Protection and Biodiversity Conservation (EPBC) Act needs urgent reform to address gaps and overlaps between state and federal laws and adequately recognise the role of farmers in providing climate solutions, not just food production.
- This shift in thinking is needed as 58% of Queensland's land is owned by producers, who can contribute to biodiversity (which also increases food production) and climate resilience.
- The upcoming federal election presents an opportunity for meaningful policy reform to support farmers.
- Queensland agriculture has an enormous upside and can be a world leader in sustainable food production.



Professor Margaret Sheil AO

- I am Chair of the Queensland Vice Chancellors' Committee, a coalition of seven vice chancellors across Queensland's universities.
- When considering the role of universities, it is important to consider that Australian universities are large by international standards - a 20,000-student university is small here but considered large globally. For example, QUT has around 50,000 students and 10,000 staff, resembling a small town in terms of population and activity.
- Universities are highly connected internationally, both through staff and students, which means they experience global trends immediately.
- This enables rapid uptake of developments such as AI by students, which sees students adopting it faster than universities can respond. However, this still results in a need for rapid changes to teaching, research and operations.

Panel Comments

- After a year of softening domestic demand, domestic student demand is increasing this year, with QTAC offers up about 5-6%. Engineering and business are the most popular degrees, along with strong demand in health.
- Last year, demand was lower due to a strong job market, but this year's resurgence in demand may indicate a weakening employment market. Cost of living remains a major issue for students, particularly balancing work and study.
- Last year, we were also dealing with international student market instability due to government visa restrictions, which impacted universities' financial stability and investment capacity. This resulted in a lot of effort being directed towards these measures, rather than into the forward-looking policy reforms under the Universities Accord.
- Caps on university enrolments were proposed but failed to be legislated.
- Since then, visa processing has improved, but there is still a catch-up effect impacting investment in research and broader community development by universities.
- Key challenges for universities include cost pressures, global uncertainty and political instability - which affect student mobility and funding.
- It will be critical to navigate policy changes from the federal government while staying focused on teaching and research as the core business of universities.
- Despite these challenges, there is a high level of optimism in Queensland due to the opportunities across research and workforce development, as well as the 2032 Olympics.

In your 'A Home For Every Queenslanders' paper released last year, you said it was critical every lever was pulled to respond to the chronic undersupply of housing – including reviewing land tax settings. Can you elaborate more on this and other options to reduce the cost of housing?



Jess Caire

- The property industry has warned for over 20 years that housing supply would not meet demand, but policymakers have failed to act.
- There still has not been enough acknowledgement of the cost pressures driving up the cost of delivering new supply – in addition to planning issues.
- The key focus last year in the lead up to the election was identifying ways to reduce costs, particularly through tax reform.
- Government fees and charges make up 33% of a house and land package in Queensland, equivalent to \$233,000 per home. This amount takes a first-home buyer nine years to repay on their mortgage.
- Local councils collect only 3% of the total tax revenue, while the state government benefits from rising land taxes and stamp duty without reinvesting in critical physical and social infrastructure to support the growing population.
- The rising cost pressures also lead to developers struggling to make projects viable, leading to fewer homes being built.
- Institutional private capital over a certain threshold faces land tax surcharges, even for Australian-based developers.
- Since 2016, 33,000 homes were not built due to poor investment conditions, as capital moved elsewhere.
- In short, tax disincentives are discouraging investment.
- To overcome this challenge, Queensland must position itself as the most attractive investment destination in Australia.

Panel Questions

- Instead of competing with New South Wales and Victoria, it should differentiate itself with better tax policies. A pro-investment approach would also expand the tax base naturally through increased development.
- Removing tax barriers would also stimulate growth in multiple property sectors – including more retirement villages, build-to-rent projects, office supply and industrial developments. This would lead to vibrant city centres and job creation.
- Planning reform alone will not solve the crisis - tax reform is essential.

The business sector is facing a range of challenges and rapid change – not least including the changing nature of jobs/work. Can you speak about the AI Group's 2025 Future of Jobs report – especially around the need to reskill and upskill the workforce?



Michelle Farquhar

- We have recently seen encouraging signs from Canberra, with politicians recognising the burden of red tape on businesses.
- Workforce transformation requires 'backward mapping' - identifying future industries and skills required in the future, then aligning education and training which will deliver that today.
- Industry must be central to policymaking, ensuring stronger integration between business, vocational education (VET), and higher education.
- We have recently seen internships and work experience decline, limiting real-world learning opportunities for students; ensuring collaboration between industry and education will help to address this.
- We are seeing three major megatrends shaping jobs – decarbonisation, disruption and digitalisation.
- The Future of Jobs Report 2025 has revealed there is some pessimism and headwinds being felt in 2025. This is seeing businesses get 'back to basics'. We found that:
 - 40% of skills used today will no longer be relevant by 2030.
 - 60% of businesses expect transformation through digitalisation.
 - 20% of current jobs will disappear; one-third will require major upskilling.
- To harness this disruption, we must have a workforce which is able to pivot. However, STEM education is lagging, with poor literacy, numeracy, and digital skills.
- It will therefore be critical to address the lack of enthusiasm for STEM - math and science should be seen as tools for solving real-world problems and underpinning lifelong learning.
- This has been achieved in Singapore, which has invested in the workforce transition through significant government investment. For example, this has supported mid-career workers transitioning into high-demand fields like cybersecurity.
- Other international examples of proactive workforce planning include some U.S. states aligning education with business needs by preparing specific numbers of skilled workers and trainees (e.g., electricians, plumbers) before companies relocate to these regions.
- However, Australia's apprenticeship system hasn't got these settings right to allow for this workforce development. We struggle with low completion rates and cultural bias against trades.
- Government and industry must take bold steps to embrace a step-change approach to workforce transformation.
- There is also a real opportunity for uplifting leadership and adaptability to guide the workforce through the fast-changing job market.

Panel Questions

There have been some recent improvements in our trade relationships with China. How is this benefitting Queensland, and what new markets are emerging for our agricultural sector to reduce reliance on key markets like China?



Michael Guerin

- Queensland exports two-thirds of its agricultural production, with exports growing as the industry expands.
- China remains a critical export market, but this introduces the risk of over-reliance.
- We have seen positive developments across trade with China, including the removal of tariffs on barley, wine and live lobsters – in addition to the lifting of trade barriers on beef from key Queensland processing facilities.
- This has resulted in higher prices, increased export volumes and renewed investment confidence.
- However, there remains the need for diversification.
- Southeast Asia presents major opportunities, with Vietnam, Indonesia, the Philippines and Malaysia showing strong demand for Australian produce.
- Of these countries, Indonesia represents a massive opportunity given the trajectory of being in the G-7 in the next 20 years, and existing strong relationships and trade agreements. This is exemplified through the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA), which is opening new doors for both live and processed food exports.
- Additionally, India's growing middle class represents a significant new market for wool, and horticulture products – as well as food exports.
- Middle East & North Africa (MENA) demand is also rising, particularly in Saudi Arabia and UAE – though the industry is working through some challenges around live exports to these markets.
- There is also growing export potential for dairy fodder and premium food products – with the ability to export hay to support dairy production overseas.
- In the UK & EU, the UK-Australia Free Trade Agreement eliminated tariffs on key agricultural exports, creating new opportunities. However, the EU trade deal collapsed due to environmental considerations – which see agriculture as part of the problem, rather than the solution.
- Australian agriculture has reduced net emissions by over 50% since 1995, but the EU has not acknowledged this progress.
- Additionally, ruminant livestock – which is a significant part of the agriculture industry in Queensland - play a critical role in improving biodiversity. This environmental benefit was recognised in the UK deal, but we are still working with the EU to recognise these environmental credentials and benefits.
- This shows how as Australia continues advocating for trade diversification to strengthen export resilience, we must tell our story better to global markets – and showcase the environmental leadership of Australian agriculture.

Panel Questions

How can we navigate and communicate the various challenges facing universities, especially in the light of the upcoming Federal election?



Professor Maragret Sheil AO

- Universities must work closely with industry and TAFE to ensure a responsive tertiary sector that meets workforce, research and environmental needs.
- For example, the UK had done a better job than Australia in positioning universities as key players in workforce development and economic growth. This collaboration must become a focus in Australia.
- Given policy uncertainty, it is critical to remain focused on educating students and producing high-quality research, rather than reacting too much to shifting government policies. This reflects the risk of getting sidetracked by short-term political changes.
- Increased regulation remains a major challenge for universities, limiting their ability to respond quickly to workforce demands.
- Additionally, the issues around visa processing and “soft” international student caps will remain a key challenge.
- The linking of international caps to suggestions that universities fund their own student accommodation if they want to increase enrolments is a problem for Queensland. This is not feasible in the short term, as universities face the same infrastructure challenges as other industries.
- Critically, Queensland is often misunderstood at the federal level. There is a clear need for ongoing advocacy and education of the state’s education sector in Canberra.

Panel Questions

What is something you would like to see in the future for your industry/sector over the next decade?



Professor Maragret Sheil AO

- University funding needs to be disentangled from current incentives and disincentives as the current system is unsustainable.
- None of the funders are industry not funding research fully, leaving universities to cover costs through international student margins.
- Increasingly, domestic student education quality is also reliant on international student revenue.
- As such, there is a clear need for rational policy settings that allow universities to sustainably fund research and education without over-reliance on international student revenue.



Michael Guerin

- In 10 years, Queensland has the potential to be a global leader in food production, environmental sustainability and agriculture.
- We will see young people enter the industry with a passion for combining food production and environmental restoration.
- We will also recognise the major role of landholders in landscape restoration and biodiversity conservation.
- Supply chains will be highly integrated, ensuring efficient paddock-to-plate food systems.
- Agriculture will be a driving force in Queensland's economy, reinforcing the state's status as an agricultural powerhouse.
- Regional communities will experience population growth, reversing current declines.
- Queenslanders will gain greater appreciation for the state's agricultural strengths, recognising the value it brings to Australia.



Michelle Farquhar

- In the future, primary and secondary students should no longer rank poorly in global academic performance comparisons. There must be greater excitement and engagement in STEM subjects – as this is essential for future workforce readiness.
- Additionally, a thriving research and development landscape will lead to inventions that are commercialised and transformed into innovations which underpin new future-focused industries.
- Achieving this vision will require a complete rethink of how education and industry interact today.



Jess Caire

- Queensland will be the most compelling investment destination in the Asia-Pacific, driven by strong advocacy and policy reforms.
- Barriers to innovation in construction will be removed, enabling more efficient housing delivery.
- Land use planning will be proactive, ensuring infrastructure keeps pace with community needs.
- The focus will be on forward planning, rather than reactive 'reverse engineered' development.

Audience Questions

What is the impact of robotics in the agricultural and housing sectors, and how will this play out over the next decade?



Michael Guerin

- Robotics and AI are attracting new talent to agriculture, expanding career opportunities beyond traditional farm labour.
- Young professionals are entering regional areas for jobs that didn't exist five years ago, and this trend will continue.
- Technology is enabling career diversity in agriculture, with roles in science, data and environmental management being more integrated into the industry.
- We will also see robotics improve agriculture by enhancing animal welfare and protection and improving environmental outcomes and sustainability.
- Technology will not replace human jobs in agriculture but add value and diversify career options.
- However, infrastructure will remain a major challenge for regional communities.
- For example, the Bruce Highway is a critical weak point for North Queensland's agricultural supply chain. The region relies on a single road, which is not built to withstand storms and cyclones.
- It will be critical to upgrade infrastructure to support housing, agriculture and build economic resilience; 'Building back better' will be necessary to ensure infrastructure resilience.



Jess Caire

- Coordinated land use planning is essential, using data-driven insights to forecast future housing needs rather than allowing unchecked urban sprawl.
- Industrial land expansion faces similar challenges - pushing industrial zones further out makes freight and logistics more difficult.
- Decisions should be driven by long-term data, ensuring the right developments are placed in the right locations.
- Planning must consider needs 5, 10, 15 and 20 years ahead, rather than reacting to current pressures.
- Current approach is reactive ('reverse engineering'), trying to build infrastructure in a decade that should have been invested in 30 years ago.



Michelle Farquhar

- Robotics is transforming food production, with indoor farming and automated agriculture already in practice. For example, on the Gold Coast, a factory-based farm is using robotics to grow lettuce, herbs, and other produce.
- This represents a major shift in agriculture, showing how technology is disrupting traditional food production methods.

Audience Questions

What can we do to improve the willingness to invest in learning and growth by industry and businesses?



Michelle Farquhar

- During economic downturns, businesses often cut education and training budgets first, which is a short-sighted approach.
- Upskilling and training are critical for retaining good employees and ensuring long-term business success.
- This is particularly important as the workforce will look entirely different in five years – so it is critical to prepare employees for this change.
- Mid-career reskilling - rather than just undergraduate education – will play a key role in this. Short courses, microcredentials and graduate certificates will be key to workforce transformation.
- Singapore is a leading example of this forward-thinking workforce planning.
- We must take action now and view this approach as logical and necessary – rather than radical.



Michael Guerin

- Queensland is Australia's largest agricultural state, yet it no longer has any agricultural training colleges following the closure of Longreach and Emerald.
- There is an urgent need for fit-for-purpose training, tailored to the needs of regional communities and the agriculture industry.
- Current education policies are too often focused on Southeast Queensland, neglecting the rest of the state.
- Opportunities for workforce development are enormous, but require a new approach that allows regional communities, industry, and local leaders to shape training programs.
- Thinking differently about training will unlock significant long-term benefits for the agricultural sector and Queensland's economy.

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