



QUEENSLAND FUTURES INSTITUTE



QLD POLICY LEADERS' FORUM

INVESTING IN REGIONAL QUEENSLAND

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INVESTING IN REGIONAL QUEENSLAND

PANELISTS:



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Snapshot

The key theme from the 2024 Queensland Futures Institute's *Investing in Regional Queensland* forum was the significant opportunity across the state in future industries, and the significant work being undertaken by universities and Local Councils to ensure we are well positioned to take advantage of key projects and developments in the regions.

The discussion highlighted the significant demand on skilled workforces, housing and supporting infrastructure that will be needed across the regions to deliver innovative projects in critical minerals and renewable energy as we transition our economy and grow our capability in these industries. This will require collaboration across universities, industry and government, and significant public and private investment across regional areas.

Summary of Panel Comments

- There is significant demand for skilled workers, particularly in North Queensland. Universities will play a critical role to deliver the workforce of the future, contributing to regional development and job creation and encouraging local retention of graduates.
- The proposed caps on international students could significantly impact regional universities, which rely on these students for funding and economic contribution. As such, there's a need for better alignment with economic initiatives to support these institutions.
- There are significant opportunities across Queensland given our existing strengths across resources and critical minerals. For example, Gladstone is transitioning from a fossil fuel-based economy to renewable energy and manufacturing, with significant investments in green hydrogen and steel projects.
- Major renewable energy and decarbonisation projects are underway across the state, including green iron and polysilicon projects in Gladstone and Townsville.
- The key challenge around these projects is providing the required supporting infrastructure and housing. For example, Mackay is facing a severe housing shortage, hindering its ability to attract workers. Regional areas face underinvestment in public infrastructure, which hampers their ability to take advantage of these opportunities and attract new residents and businesses.
- Both public and private investment in housing infrastructure is critical to overcome this challenge.
- Collaboration between universities, industry and government is also needed to ensure we are well positioned to take advantage of these opportunities in the future.

Panel Comments



Prof. Helen Bartlett

- Universities play a critical role in regional development and investment across Queensland. We have nine universities in the state, four of which are based in regional areas. These universities not only create jobs and contribute to regional GDP, but also produce graduates who generally remain in the regions - with seven out of ten choosing to stay and work locally.
- As 90 per cent of the future workforce will require post-secondary qualifications, half of which will be university degrees, the demand for higher education, especially in regional settings, will increase significantly.
- There is a significant opportunity to build the capacity for universities to be more involved in regional economic development and investment planning. However, better alignment between universities and economic development initiatives is needed.
- An example of successful collaboration is the University of the Sunshine Coast Moreton Bay Campus, which was developed in partnership with the City of Moreton Bay, and will become an area where the university, industries and businesses work together on economic development opportunities to ensure consistent planning, advocacy and engagement across key priority areas.
- Since last year's Australia universities Accord process, one of the main challenges facing the higher education sector is participation and retention of underrepresented students, particularly from lower socioeconomic backgrounds and regional areas. These students often face multiple barriers, including distance, transportation, housing and financial difficulties. Universities have a role to help overcome these difficulties and support these students.
- Another significant challenge is the decline in revenue from international students, as a result of the proposed caps which will have a considerable impact on the regional campuses that rely on these funds to support their operations.



Prof. Simon Biggs

- There is significant demand for skilled workers in North and Far North Queensland. This has resulted in James Cook University regularly placing in the top two universities across Australia in terms of employment rates and starting salaries for graduates.
- The real challenge for JCU is operating as a regional and remote university across a vast land area. This makes it challenging to provide education to everyone. For reference, the university is located closer to Port Moresby than Brisbane. While six out of ten students in Brisbane complete their ATAR (Australian Tertiary Admission Rank), only three out of ten do so in our catchment region.
- This educational attainment gap is a major concern because if students fall behind in early education - particularly by Year 3 - they rarely recover this gap. This affects their ability to pursue higher education.
- It is vital to close this gap in order to meet the needs of the future workforce. Children born today will be graduating close to 2050. As such, we must ensure that the education system is delivering quality education now in order to meet the education targets for 2050.
- Despite these challenges, North Queensland holds enormous opportunities, especially with the anticipated investments and demand in the energy transition, defence, agriculture and aquaculture. However, our educational system needs significant improvements to meet these demands.

Panel Comments



Cr Matt Burnett

- Gladstone's LNG boom attracted about 10,000 workers to our region and 14,000 to Curtis Island. However, the subsequent crash had a massive impact on the 70,000 strong local economy.
- To avoid repeating this past mistake, Gladstone Regional Council has developed a 10-year roadmap focused on the next wave of industry – underpinned by renewable energy and manufacturing.
- Our community is particularly invested in ensuring the longevity of existing industries and businesses -like Rio Tinto, which has committed to net zero emissions, including for its major aluminium refineries and smelting facilities in Gladstone. We're pleased that both state and federal governments are supporting these industries through grants to help them transition to green operations.
- While renewable energy projects like solar and wind farms are important, the community is focused on ensuring continued employment opportunities in traditional industries.
- Gladstone is well positioned as a future renewable energy superpower, with significant projects like the Fortescue Future Industries electrolyser manufacturing facility and hydrogen production facility under construction. Additionally, the Stanwell hydrogen production facility - which is currently undergoing front end engineering design – represents a massive investment comparable in scale to an LNG plant. This will solidify Gladstone's role in the global energy transition.



Brian Restall

- Quinbrook is an infrastructure investor focused on renewable energy, battery projects and industrial decarbonisation across the UK, US and Australia.
- We are currently developing two major projects in Queensland: a \$6 billion green iron project in Gladstone which will deliver 1,500 operational jobs, and an \$8 billion green polysilicon project in Townsville which will deliver 2,500 operational jobs. Both projects are substantial and aim to add value onshore while being competitive with established overseas producers.
- The green iron project in Gladstone is located next to the Stanwell Hydrogen Project and will help to decarbonise the steel industry.
- In Townsville, the green polysilicon project will enable the production of this critical component of solar panels and computer chips. Currently, 97% of the world's polysilicon wafers come from China - so a key outcome of this project will be reducing the dependency on imports by establishing a local supply chain.
- Both projects are situated in State Development Areas and will be supported by investment to create nearby clusters of renewable energy to power these operations.
- We expect there will continue to be opportunities for investment and development across Queensland over the next few years, particularly leading up to the 2032 Olympics in the data centre industry.

Panel Comments



Cr Greg Williamson

- The key challenge for the regions - particularly in Mackay - is filling jobs. This is due to a severe housing shortage – the current rental vacancy rate is incredibly low at 0.5%, and since Covid, the number of available rental properties has decreased as more people have moved to the region.
- This shortage is partly due to decreasing rental stock, as houses become owner-occupied rather than rented. The slow pace of private enterprise in building new housing is also a key contributor. There is a clear need for more investment in housing infrastructure to accommodate the growing population and workforce.
- Another major issue is the lack of public infrastructure investment in regional areas like Mackay, Gladstone and other areas north of Bundaberg. Securing the necessary funding for this infrastructure development is a major challenge.
- This is due to representation; only ten out of 150 federal parliamentary seats across Australia are located further north of Bundaberg. In Queensland alone, 1.3 million people live north of Bundaberg. This underrepresentation hinders our ability to attract the public investment needed for growth and infrastructure development..
- This is despite a strong regional economy, with a regional GDP of around \$95,000 per person for about 180,000 people.
- As such, the lack of infrastructure investment is a significant barrier to Mackay's ability to attract new residents, fill jobs and support ongoing economic contributions to the Queensland and broader Australian economy.

Gladstone as a region is facing significant impacts as the global economy continues towards decarbonisation. Structural change will be required as we move away from fossil fuels towards new industries. What are the biggest fears and opportunities that you hear from your community around the transition and what it means for them, and how is the Council responding to take advantage of these changes?



Cr Matt Burnett

- The Gladstone Regional Council's 10-year roadmap will underpin our transition efforts.
- The biggest concern in our community is the future of the three nearby coal-fired power stations.
- Neighbouring areas like the Banana Shire, which heavily rely on thermal coal and a coal-fired power station, face even greater challenges given this cornerstone of their local economy.
- The push for net-zero emissions is an important target, though not reaching it immediately isn't catastrophic from a jobs perspective, given the need to transition the workforce.
- We are now seeing the transition play out in Gladstone, with exciting projects like the green hydrogen and green steel initiatives. Another project in Gladstone - Alpha HPA - is using green energy to produce high-purity alumina, which is vital for various technologies, including batteries and glass.
- As such, the community is optimistic about these new projects, which will create operational jobs and support other industries.
- A major challenge is housing the construction workforce, especially given the high demand due to multiple projects simultaneously underway.

Panel Questions

- For example, a worker's accommodation facility near Calliope has been approved for an extended period to help address this. A key consideration around developments like this is their location – either within communities or near projects.
- Gladstone has a large State Development Area, strategically planned for future industries, which significantly helps to facilitate project development. While these projects are significant and numerous, Gladstone is well accustomed to these developments given the vast number of major projects over the years.
- However, the main concern will remain to be the eventual closure of coal-fired power stations and the impact on jobs. It is therefore critical to take advantage of new opportunities which are emerging and will help to mitigate any job losses while supporting continued population growth in Gladstone

Similarly to Gladstone, Mackay has been facing significant challenges and structural adjustments. If there was one project within your region that you could see come to life in the next five years, what would it be?



Cr Greg Williamson

- There are several project opportunities which could come to fruition – including in tourism, like the mountain bike track, which needs around \$30 million to complete the second stage.
- Mackay Regional Council is also working on a \$70 million community hub in the northern beaches area, where housing is expanding.
- Another very exciting project is the development of precision fermentation and biomanufacturing in Mackay. This project involves using the carbon content of sugar crystals to produce proteins like milk or egg white. The state has declared a State Development Area in Mackay for this purpose, which is a major step forward.
- This could see the region become the leaders in exporting powdered milk products to Southeast Asia, a major demand market.
- On the back of this, Cauldron, an Australian bio-manufacturing startup, has announced plans to establish a \$100 million precision fermentation pilot project in Mackay.
- This project has the potential to transform Mackay into the “Silicon Valley of precision fermentation”.
- The development will require significant public infrastructure, including port facilities, road transport, water, and green power. However, the Council can't fund these developments alone and needs investment from state and federal governments to make them happen.

Panel Questions

The Australian Government is investigating the implementation of caps on foreign students enrolling at our universities. What impact, if any, do you see this having on your organisation, how are you responding to this, and what impact do you believe this will have on our regions?



Prof. Simon Biggs

- The push for caps is largely driven by concerns that immigration is affecting the housing market and cost of living, especially given the post-pandemic spike in student numbers.
- However, international education is Australia's largest service export, contributing significant income to the country.
- JCU in Queensland is the only university with a significant international student population north of Bundaberg - with about 2,000 international students in Townsville and Cairns.
- In regional areas, the impact of international students is less visible compared to capital cities - where there are hundreds of thousands of international students.
- The funding model for universities - which works in capital cities with multiple providers - doesn't make sense for remote and regional areas with smaller populations.
- As such, regional areas require more bespoke solutions, as there's insufficient competition to sustain multiple universities.
- We're concerned that the government's focus may be on major providers in capital cities rather than regional ones, which could be problematic for us.
- JCU could easily support growth of our international student population by another thousand, as our market and jobs sector can accommodate this.

The Australian Government is very focused on increasing our tertiary participation and attainment rates, particularly amongst people from disadvantaged backgrounds. The Government is undertaking a range of reforms and further consultation, including on funding models. What do you think is needed from governments, providers and industry from an investment perspective to make tertiary education more relevant and accessible to regional communities, and what are the benefits to regional Queensland if we get this right?



Prof. Helen Bartlett

- Regional universities are already highly relevant - providing essential workforce talent for hospitals, schools, and small businesses across these communities.
- The University of the Sunshine Coast operates across four different LGAs - with five campuses, serving a mix of outer metro and regional areas.
- Increasing access to higher education for regional students is challenging. But as highlighted in the recent Accord process, better educational attainment is critical for underrepresented groups like first-in-family to go to university students, those from lower socio-economic backgrounds and First Nations students.
- Place-based education is key to delivering this, including regional university study hubs can provide support for students in rural and regional areas.
- Additionally, we are seeing a major trend towards flexible education delivery which combines face-to-face, online and blended learning. However, this model is more expensive than traditional models.

Panel Questions

- Another major opportunity is working with industry to ensure our curriculum is up-to-date and job-oriented. For example, we work with industry partners like Cisco and Google to embed industry certifications into our courses. These industry partnerships are also critical for providing work-integrated learning opportunities, which also provide the opportunity to support students who struggle financially if funded through these partnerships.
- There's a need to address misperceptions about international students and educate communities on their value. For example, there is an opportunity to attract international students to regional areas through packages that include housing, financial support and part-time work to help fill skills gaps.
- Local infrastructure can also be leveraged to support industry co-location and innovation hubs. This is exemplified through our Moreton Bay Campus and Sunshine Coast industry precincts in the food and beverage sector.
- Another example of industry and government collaboration could include supporting small businesses through short courses and long-term funding for business capacity building in the regions.
- Additionally, collaboration between TAFE and universities, such as through the TAFE Centres of Excellence, is critical as it can improve pathways for students and address regional priorities.
- Overall, collaboration between universities, TAFE industry and government is essential to maximise investment and address regional needs. Government support plays a critical role in enabling the above opportunities.

As an Investment Management Firm, what is it about Queensland as an investment location that excites Quinbrook? Can you tell us more about your green iron project in Gladstone and the green poly project in Townsville? How can renewables and resource export industries work together? How can the local community benefit from these projects?



Brian Restall

- There are incredible opportunities across Queensland, particularly in renewable energy and critical minerals. The state boasts world-class wind and solar resources which position it as a leader in renewable energy. The state is also rich in resources and critical minerals which are essential for the global shift towards industrial decarbonisation.
- However, there is carbon in the supply chain of renewable projects, including in steel, concrete, polysilicon, and batteries - which drives need to use renewable energy for these products.
- Separately, trade war tactics are on the rise globally as economies decouple, leading countries to prioritise secure supply chains in strategically important industries like clean energy.
- These factors mean Queensland is well-positioned to capitalise on these opportunities - combining our abundant resources with renewable energy to create new industries and revenue streams.
- However, the biggest challenge is getting the policy settings right in Queensland and Australia more broadly. A key challenge for investment is the complex planning and environmental processes.
- Our projects in Gladstone and Townsville are designed to value-add with renewable energy, creating long-term jobs and benefiting local communities.
- The Townsville project will create 2,500 operational jobs, and the Gladstone project will generate 1,500 operational jobs, providing significant local benefits.
- It is critical for leaders to maximise Queensland's international advantages for the benefit of the state and future generations

Audience Questions

What can we do from a housing perspective to accelerate the development and construction of safe, secure and affordable housing in Queensland? This seems to be the key to unlocking the workforce and education opportunities that are needed to realise the opportunities discussed today.



Cr Greg Williamson

- Mackay currently faces a significant housing crisis - with 700 to 1,000 people sleeping rough every night.
- While the visible homeless population is about 70, there are many other people, including domestic violence victims, who can't find affordable housing and are couch surfing or sleeping in cars.
- There is a clear need to release more housing stock. However, current government efforts - including through the recent state government housing summits - haven't provided effective solutions.
- As such, private enterprise needs to step up to build more housing. Another key solution is creating downsizing opportunities for those in under-occupied state houses.
- Solving the housing crisis will require collaboration between all levels of government and private enterprise – not just a public sector-led response.



Prof. Helen Bartlett

- Universities can play a role in addressing this issue by building student accommodation that would free up low-cost housing for others in the community.
- However, regional universities need support, such as through concessional loans, to build this accommodation.
- The University of the Sunshine Coast encourages home stay programs, particularly for international students, as a way to utilise under-occupied homes and provide cultural experiences for students.
- While these measures are small, they are positive steps from the university sector to address this broader issue.



Brian Restall

- Project-related construction camps have the potential to contribute to the housing solution. These should be developed with the intention of providing long-term housing that can be sold off after projects. There is potential for these to contribute housing to local towns – such as Townsville or Gladstone - though they are only a small contribution to solving the housing crisis.



Cr Matt Burnett

- Local governments can be part of the housing solution but are limited by challenges such as infrastructure caps which impede their ability to develop supporting infrastructure.
- A major challenge is the slow release of housing stock by developers, which exacerbates housing shortages and drives up prices.
- Another challenge is the construction labour and high construction costs of building housing, particularly in regional Queensland.
- Innovative solutions can play a role to address this issue. For example, state and federal efforts to address homelessness have supported the conversion of a caravan park into affordable housing in Gladstone.
- Additionally, collaboration between local, state and federal governments, is critical to delivering the supporting infrastructure which is also needed for housing developments.

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