



QUEENSLAND
FUTURES
INSTITUTE

A BETTER QUEENSLAND

BETTER IDEAS

QUEENSLAND STATE OF PLAY 2020

SNAPSHOT

Key discussions from the 2020 Queensland Futures Institute **Queensland State of Play 2020** event focused on current industry dynamics, challenges and future opportunities.

Significant influences across all sectors are being felt as a result of the devastating bushfires and the impacts of coronavirus. The economic effects of these impacts on Queensland are yet to be defined, but are predicted to exceed the \$1 billion impact of SARS in 2003.

With the need for robust, collaborative, action based leadership an overarching theme of the discussion, all participants expressed a strong desire for state government to establish a more unified bipartisan approach to planning and executing Queensland's critical future economic drivers. Current divisive political

point scoring at both a state and federal level was seen to be harming genuine progress and opportunity. The 'Uluru Statement from the Heart' was raised and positively reinforced as a potential model for this evolution.

Climate change, and the ongoing damage to our international reputation, particularly in the tourism sector, was defined as an opportunity for both the state government and industry leaders to become front runners in balancing environmental, social and economic sustainability and resilience.

Better Ideas

QUEENSLAND STATE OF PLAY 2020

WEDNESDAY 5 FEBRUARY

7.30am – 9.00am

Customs House, 399 Queen St, Brisbane

MODERATOR: Professor Nicole Gillespie

KPMG Chair in Organizational Trust;

Professor of Management

UQ Business School

PANELISTS:

Rebecca Andrews

Head – Queensland

Australian Industry Group

Andrew Barger

Policy Director, Economics and Infrastructure

Queensland Resources Council

Dr Georgina Davis

Chief Executive Officer

Queensland Farmers' Federation

Daniel Gschwind

Chief Executive Officer

Queensland Tourism Industry Council

Mark Henley

Chief Executive Officer

Queensland Council of Social Service

Chris Mountford

Queensland Executive Director

Property Council of Australia

Amanda Rohan

General Manager, Policy & Advocacy

Chamber of Commerce and

Industry Queensland



THE UNIVERSITY
OF QUEENSLAND
AUSTRALIA

Business
School

QFI thanks its Sponsor

KEY COMMENTS FROM Panelists



MODERATOR:

Professor Nicole Gillespie

KPMG Chair in Organisational Trust and Professor of Management
UQ Business School

- + Introduced the panelists to share their views and perspectives on the outlook for the year ahead, including current challenges and future opportunities.



Rebecca Andrews

Head - Queensland
Australian Industry Group

- + Australian Industry Group represents small, medium and large industry groups from many sectors and anticipates the economy in 2020 will continue along the current path of "life in the slow lane".
- + Queensland Treasury mid-year review indicated Queensland's economic outlook is now approx 2.5%, trending below the 3% forecast. Reasons for this decline include global climate challenges, a slowing of consumer spending, low wage growth, low productivity, private investment in infrastructure, and more recent challenges including drought, devastating bush fires and now the coronavirus.
- + Positive outlooks in our economic forecast include continued steady population growth – particularly in Queensland, low interest rates, a resurgence in the mining sector, some government spending in key areas – with more required, and high workforce participation.
- + Proposed solutions to get out of "the slow lane" include a requirement for strong fiscal and economic leadership, with a focus on action, to execute the great plans, strategies and policies we have in place.
- + **Critical areas for Australian Industry Group include:**
 - Tax reform, particularly in Qld around payroll tax and land tax where increases have had an impact on business
 - Regulatory reform – genuine reform in areas of red tape reduction, reduction in compliance issues and streamlining processes for business, to make it easier to do business
 - Further increases by government in infrastructure spend to create confidence in our economy and encourage investment from the private sector
 - Continued and increased investment in people and skills



Andrew Barger

Policy Director, Economics and Infrastructure
Queensland Resources Council

- + Qld Resources Council is the peak industry body in Qld for resources including coal, copper, coal seam gas, metal exploration, metal refining, and engineering services. Much like the Queensland economy, the industry is very outward focused and export oriented, with most of what's produced being consumed overseas, making the sector enormously trade exposed.
- + Already volatile markets, particularly commodity markets are impacted by confidence with current challenges including the US/China trade wars, virus concerns, and geopolitical tensions.
- + Demand remains good, with good recognition of the quality of our resources, however unexpected events like the coronavirus are not built into current forecasts, and the potential impacts are still not defined.
- + Trade is a very delicate industry, but the fundamentals are good and "the race is ours to lose". If we can keep doing what we do well, our prospects are reasonably bright.



Dr Georgina Davis

Chief Executive Officer
Queensland Farmers' Federation

- + Queensland Farmers Federation represents 18 industry associations in the intensive and irrigated agricultural sector. These associations represent around 15,000 farmers across Queensland in a range of commodities.
- + For this sector climate change remains one of the most significant threats, with affirmative action needed. Regional Australians and particularly Queenslanders are bearing the brunt of climate change.
- + A major concern is the depletion of natural resources, especially soils and water. Impacts from the depletion of surface and ground water are likely to affect future generations.
- + Many of the greatest challenges in Qld can be won and fought in regions; however regional Queensland lacks the quantum and dispersion of infrastructure needed, with specialist skills and workforce difficult to source.
- + The regions offer some of the best opportunities to manage our sovereign climate change risks. Strategically they have the land areas for renewable energies, production of hydrogen and habitat restoration.
- + Many areas are still struggling with the provision of health care, education, and even mobile coverage.
- + In the last 6-12 months many communities are starting to run out of drinking water. Safe drinking water is something every Queenslanders should have access to.
- + Investment in infrastructure needs to take centre stage to promote growth, but also to improve our resilience.
- + In a state election year we need all sides of politics to work together to deliver infrastructure solutions, particularly for water, across the entire state. Leadership in this area has been very weak in the past, and we run the risk of it being weak into the future.
- + Much of the climate change will be felt through water and availability of water. Water is a key connector and a key enabler and we need to have safe, secure access to water for all.
- + Provision of essential services needs to be smarter. Where we have lost infrastructure we shouldn't be replacing like for like. Innovative technologies are out there and we need to be pushing into the future.



Daniel Gschwind
 Chief Executive Officer
 Queensland Tourism Industry Council

- + Tourism will continue to grow again. Historically we have faced dramatic challenges with a litany of catastrophes over the decades from manmade to natural disasters, and the one constant is that tourism globally keeps on growing. The urge to travel is irrepressible.
- + With the bushfires and coronavirus, we are now in the middle of one of the greatest crises we have faced in Queensland and Australia.
- + When SARS hit in 2003, it cost the Australian economy at least \$1 billion. It will be far worse this time, and the crisis will continue for months not weeks.
- + Many small businesses will be pushed to the wall without cash flow. A strong focused response as an industry and in collaboration with the government is required to keep our businesses afloat.
- + We will be looking for support packages that prepare our industry and businesses to be ready to take advantage when the recovery comes.
- + **Other big challenges ahead include:**
 - Climate change – for tourism it’s not only what we do to mitigate and adapt, but also how we are seen internationally in terms of our response. Our image has taken a massive hit

- from the shocking bushfire pictures including burning koala’s etc, which has done possibly more damage than the coronavirus will do in terms of our international reputation. This must be addressed. We cannot stand by why our regionally very green credentials are being trashed. We must be seen to be doing the right thing and our industry is very engaged, not just on the reef, but elsewhere to be seen to be doing the right thing. All tourism activities are reliant on a partnership with government local, state and federal. Inevitably it is a partnership, as an industry we sell natural assets that are the responsibility of governments and we must work collaboratively
- Skills and innovation capacity - we need to ensure our education sector creates capacity for all of us to be competitive in a global market
 - Regional infrastructure - particularly important across all sectors, including water
- + Governments must provide a collaborative effort to address the big challenges. We want all politicians and decision makers to be focused on these big issues. It must be collaborative and outcome focused.



Mark Henley
 Chief Executive Officer
 Queensland Council of Social Service

- + Queensland Council of Social Service is the peak organisation working across the community and social services sector from large organisations such as St Vincent de Paul down to local neighbourhood support groups.
- + **Challenges across this sector include:**
 - An increase in homelessness
 - Increases in mental health
 - Increases in domestic and family violence
 - Massive investment in the child protection system

- Government is slow to respond and they invest in the crisis end, where it is critical to invest early instead
- Living affordability remains a constant challenge across the state. 1 in 8 people are living in poverty in QLD, and 1 in 6 of those are children, which is a concern for the future. We need better investment and support to ensure people have adequate income to live, and live reasonably well, giving them access to employment, sustainable housing, child education, and adults to continue to be educated

- Unemployment – more than half the unemployed are over 45yrs, and over 30% have a disability or major health issue. We need to work with people to find employment but if they can’t find employment we need to ensure they have an adequate income for a decent life.

- + We would like to ensure there is a vision and shared plan for Queensland. QFI and industry leaders need to be involved and take a leadership position on a revitalised Queensland Plan, as it appears not be happening at government level, and there are many opportunities for all if we have a shared vision.



Chris Mountford
 Queensland Executive Director
 Property Council of Australia

- + The Property Council of Australia represents the larger owners and developers of property across all asset classes including commercial buildings, shopping centres, residential developers, retirement village developers etc.
- + Last year saw a variety of mixed results across different asset classes depending on the sector of property and geography. Without any significant new change drivers, 2020 appeared to be following a similar trend, however we now see an increase in the sense of downside risk around the economy, off the back of the challenges coming out of the bushfires, coronavirus, and other factors. Our membership is now indicating a level of concern around the economy for the year ahead, including the impacts of two elections in the year.
- + On the positive side, we are seeing some good structural components to what’s happening for the future.
 - There is strong demand for property globally through large investors and funds
 - Strong population growth is coming into Australia

- Important investments are being made across Queensland and SEQ including the Brisbane Airport expansion, International Cruise Terminal, Cross River Rail, and Brisbane Metro which all positions us well for growth into the future
- + For this year, what we would like to see from government is not too dissimilar to everyone else. A focus on both dealing with the here and now, and what that means from an economic standpoint, whether its addressing the issues around the coronavirus and bushfires to make sure we don’t suffer through this year, but we also want to see government leverage those structural opportunities for the future as well. For us an SEQ City Deal is important in terms of restructuring how governments work together and deliver for the region. Working on how we structurally change access to affordable housing, so that as we do move into a continued phase of population growth and hopefully economic growth, we don’t leave people behind.



Amanda Rohan
General Manager, Policy & Advocacy
 Chamber of Commerce
 and Industry Queensland

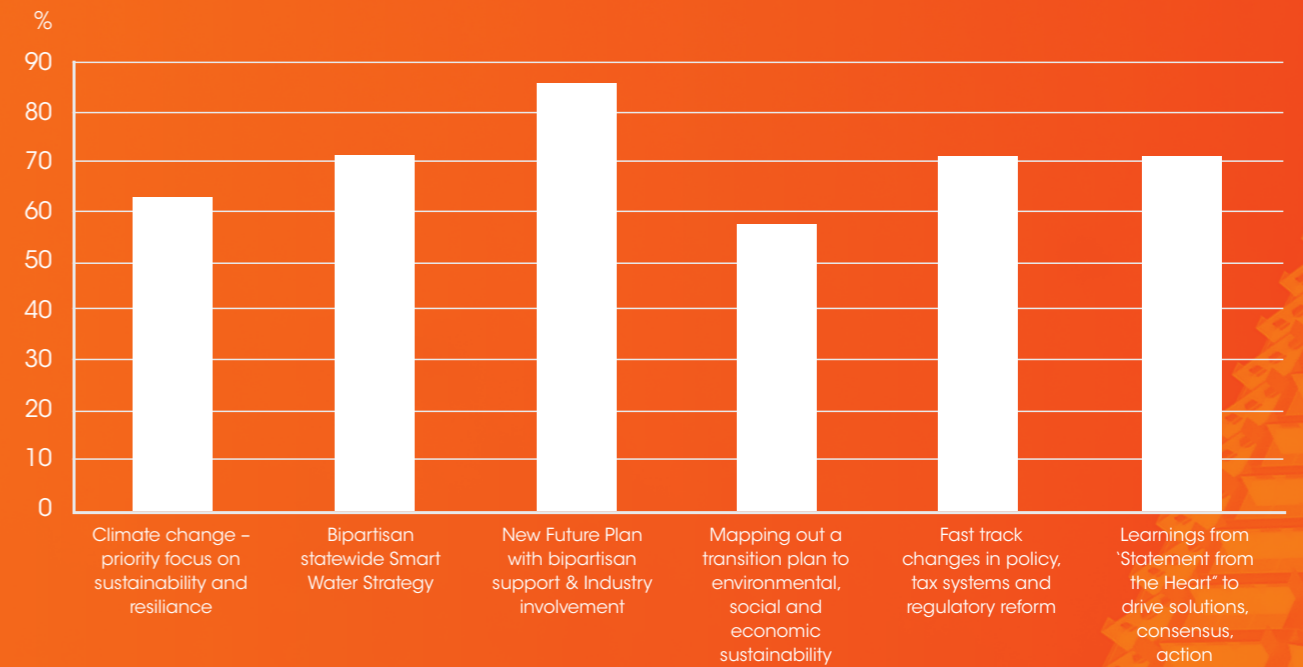
- The small business community are facing challenges across all industry pillars. Leading into Christmas, businesses had the lowest business confidence since the GFC. Retail sales were sluggish over Christmas, consumers are tightening their wallets, and unemployment is at the highest rate in the nation.
- Queensland has more businesses going out of business, than any other state or territory.
- CCIQ are looking to start and lead a conversation about an economic stimulus for Queensland to kick-start the small business economy.
- Increased investment is needed to support businesses and provide them the confidence to invest to grow and to scale.
- Strong infrastructure investment remains critical to future growth.



SUMMARY OF

Attendee Comments

TOP IDEAS/INITIATIVES



SUMMARY OF Ideas

- + All sectors indicated concern and uncertainty around the 2020 economic impacts to Queensland of recent natural disasters and now the coronavirus, with many industries already feeling the effects.
- + General optimism for longer term economic growth remains, with strong leadership required to invest more aggressively in infrastructure, people and skills, while interest rates are low, to establish a path to future economic success. With 4 year terms on the table following the state election, it is a good time to put in place solid economic and fiscal management plans that can really drive Queensland forward.
- + Increased leadership and involvement from heads of industry and private enterprise in collaborating closely with state government to help set the agenda, achieve bipartisan approvals and accelerate outcomes was proposed. Additionally, strong support was indicated for 'Uluru Statement from the Heart' style decision making forums. Standards and expectations are increasing in what we are looking for from our politicians, economic and community leaders, and we need to evolve to a new streamlined model that remains focused on driving solutions through both healthy respectful debate and timely consensus.
- + Critical areas for investment and review discussed included: increased investment in people and skills – including social challenges and living affordability; overdue and pre-emptive tax and regulatory reform to support the rapid pace of change, innovation and opportunity; game changing investments in infrastructure spending (while interest rates remain low); and a state-wide response to water management and availability.
- + A collaborative and transparent development of a Queensland Climate & Energy Transition Plan, detailing our pro-active pathway to a renewable energy focus was proposed, supporting key industries in providing clarity and enhancing engagement at both a local and international level in response to increasing demand and expectation.



General optimism for longer term economic growth remains, with strong leadership required to invest more aggressively in infrastructure, people and skills

Members





QUEENSLAND
FUTURES
INSTITUTE

A BETTER QUEENSLAND

For further information

Steve Greenwood | Managing Director
steve.greenwood@qldfutures.com.au

www.qldfutures.com.au
Level 11, 111 Eagle Street Brisbane Q. 4000