



QUEENSLAND
FUTURES INSTITUTE



QLD POLICY LEADERS' FORUM
QUEENSLAND'S
STATE OF PLAY

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QUEENSLAND'S STATE OF PLAY

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Snapshot

The key theme from the 2024 Queensland Futures Institute's Policy Forum *Queensland's State of Play* was the critical need for collaborative, informed policymaking in the lead up to this year's Queensland election. The discussion outlined the opportunities across the property, agriculture, resources and tourism industries given the current economic environment and technological advancements such as AI – highlighting the role of industry, government and the education sector to work collaboratively to drive economic growth.

The discussion also highlighted challenges around workforce and skills development, capital availability and insurability challenges faced by businesses, and the need for a robust policy response to address these issues.

Summary of Panel Comments

- Queensland businesses are working through a challenging economic environment, resulting in cost, supply chain and workforce pressures across industries. There will also be a high level of geopolitical uncertainty in the year ahead given the prevalence of elections this year.
- In light of these challenges, it will be critical to foster meaningful, substantive policy debates as we approach the Queensland election. Government, industry and the education sector must work collaboratively in policymaking to achieve this.
- Queensland businesses must understand how they can leverage developments and continue to deliver value in this environment. This will include adopting AI to enhance the capability and output across industry, revolutionising the ways we work.
- It remains critical to foster a competitive business environment in Queensland which attracts and retains a skilled workforce and facilitates the capital investment we require for economic growth.

Panel Comments

What opportunities and challenges are prominent as we look to the year ahead for your industry?



Kirsty Chessher-Brown

- I represent the property development industry, particularly residential property developers.
- We're still experiencing a high level of demand for housing despite challenges around the rental crisis and significant affordability challenges.
- These challenges have been driven largely by supply-side factors, including delivery and supply chain issues – particularly for Southeast Queensland, and infrastructure funding issues for detached housing, and construction delays – particularly for apartments.
- This is reflected in the current crane index of Brisbane, which is experiencing a significant slump.
- The feasibility of apartment construction is limited – and is currently only being seen for construction on sites which have been purchased at the right price – as well as premium and blue-chip sites.
- The pressure on construction costs is significant and has shifted since Covid – towards being driven by productivity and program prolongation.
- Despite these challenges, the industry is optimistic about opportunities in Queensland.



Michelle Farquhar

- I have just joined Ai group and have just spent some time in Canberra discussing current opportunities for the industry and recent industrial relations legislation being passed.
- This legislation has been contentious, with ongoing reviews and potential amendments to reflect the challenges currently being faced by businesses, such as the right to disconnect.
- There is a strong need for balance and ongoing discussion between society and businesses on these issues to ensure employers can adapt to the regulatory burden being placed on them.
- Discussions also covered competitiveness, productivity, access to capital and the potential impacts of global events, such as the upcoming U.S. presidential election, and the great unknown of AI – and what these mean for businesses.



Andrew Barger

- The Queensland Resources Council is currently running a ubiquitous advertising campaign around coal royalty policy, which asks the Government to keep Queensland competitive.
- The QRC represents a broad spectrum of the industry covering exploration, mining, refining, energy, minerals, gas, and coal. Over 80% of Queensland's export revenue comes from our resources industries.
- The industry is currently dealing with the uncertainty around Queensland's royalty policy and the lack of genuine engagement with the government.

Panel Comments

- Despite the strong conditions, customers, investors and producers have highlighted that there is real uncertainty around the current policy environment. This is a result of the recent government interventions in the sector, such as the gas and coal price caps.
- There are some positive signals from the government, particularly in the critical mineral space. Despite policy and investment uncertainty and geopolitical risk, critical minerals will likely become a significant opportunity for Queensland.
- To take advantage of this opportunity, it will be critical to rebuild investment certainty for customers, investors and producers over the coming years. There will be a strong emphasis on providing raw materials – including aluminium, zinc and other materials which will be needed to support the next generation of products and growth areas such as Queensland’s energy resources such as wind farms, battery minerals and hydrogen opportunities.



Michael Guerin

- While Queenslanders have enjoyed food security for generations, there is an opportunity to raise some important advocacy discussions in the lead up to this year’s state election.
- The agriculture industry can meet the increasing demand for food whilst also creating jobs and boosting economic activity – but can also be powerful in solving the climate and environmental issues we face. It will be critical to balance food security with environmental concerns going forward.
- The agriculture industry in Queensland as well placed to engage with both sides of politics as well as communities to facilitate important policy conversations, such as around the live animal export debate. These conversations are important to challenge misinformation that is prevalent across the industry, particularly around the environmental impacts of agriculture.
- The industry is optimistic around the opportunities we will have to facilitate these conversations this year.



Brett Fraser

- The tourism industry is well placed to take advantage of opportunities in the current economic environment. While we have had a strong couple of years from domestic tourism, we still face challenges, particularly around international visitors to the state.
- The bulk of visitation in Queensland over the last two years has come from domestic visitors, however with the reopening of international borders, we are starting to see more Australians choosing to travel abroad. To date, we have not seen the return of international visitors to Queensland, resulting in a net deficit of international travellers.
- While international aviation capacity is rebuilding, we have not yet reached capacity levels equal to that of 2019.
- This is happening alongside other challenges being faced by the industry – namely, increasing costs of doing business and increasing cost of living for consumers.
- The tourism industry in Queensland relies heavily on capital investment made in previous years and it is becoming increasingly important for the industry to invest capital in new and existing product, however the complexity of approvals and red tape are stifling investment.
- It will be critical to address these challenges to facilitate industry growth and reinvestment in the coming years.

Panel Comments



Professor Margaret Sheil AO

- Universities are currently anticipating the release of the Commonwealth Government's University Accord review that will be released later this month and will outline a framework and 47 recommendations for the sector. These will likely focus on educational disadvantage and improving access to higher education – with a target of 50% of the Australian population having some form of higher education by 2050. This may also deliver greater coherence between higher education and vocational education pathways.
- However, this will likely include greater regulation and may not deliver additional research investment that has been advocated for by the sector. The review will likely also establish a tertiary education commission that will provide opportunities for differentiation between pathways.
- This is particularly helpful for the significant challenge around the loss of revenues from international students in recent years. The sector is also experiencing lower domestic demand from students – with the same number of enrolments as 2019. This is driven by low unemployment and increasing cost of living, which is resulting in students being unable to focus on education and subsequently taking on lighter study loads.
- Despite these challenges, the industry is optimistic around the opportunities for new and growing industries as well as a rebound in international enrolments. However, to deliver this there is a strong need for adequate funding to support workforce education and research – and develop education and technology capability that industry requires. Coherent pathways between the vocational education and training (VET) sector and higher education is also critical to deliver this.
- While these challenges may be similar to other sectors, Queensland benefits from high-quality universities and institutions with strong research capability and is well positioned to support strong growth moving forward.

As you gaze into your crystal balls for 2024, what's one low probability, high impact event from policy, technology, environment, and society that leaders in your industry have their eyes on? What processes or tools are you using to monitor these?



Kirsty Chessher-Brown

- Local government elections are equally important as State elections for the property industry.
- In terms of low probability, high impact developments – we are continuously monitoring the evolution of modern methods of construction (MMC) across Queensland. While the industry is currently exploring the use of this method, we continue to monitor the cost effectiveness of this in terms of cost of materials and logistics. This method is comparable to traditional methods in terms of cost but may deliver productivity gains – particularly considering the decentralised nature of the construction industry across Queensland.
- This is low probability as it has been attempted in other cities globally but has not yet found a successful path to implementation. As such, despite these challenges, it is important to continue the conversation and advocacy around the adoption of innovative solutions in the property industry in Queensland.

Panel Comments



Michelle Farquhar

- Given the probability of a Trump presidency, we have considered the impacts of this in terms of our relationship with China and the flow-on implications for supply chains.
- Regardless of the US election result a potential scenario could include a sea blockade, impacting our supply chains, particularly with China, Taiwan, South Korea, Vietnam, and Singapore.
- Actions to mitigate the impact of this scenario could include shifts in manufacturing – for example, giving rise to local or modular manufacturing, which could utilise 3D printing technology. Additionally, stockpiling is another option. From anecdotal evidence, we have already seen increasing construction of warehouse space as businesses increase their inventories.
- Ai Group is working closely with the Office of Supply Chain Resilience (OSCR) to build processes and systems to help build resilience and protect Australia in this scenario. This includes roundtable discussions with industry to capture insights, and feed back suggestions to policy makers at OSCR.



Andrew Barger

- It is likely that we will see a high level of geopolitical uncertainty given the broad prevalence of elections this year – across many international jurisdictions as well as Queensland at both the local and State level.
- Against this backdrop of democracy, the low probability, high impact event I would like to see is meaningful, substantive policy debates. A genuine policy contest must include all stakeholders of the political process – not just politicians, but also civil society.



Michael Guerin

- Land-use and natural capital is a significant area in the agriculture industry which would have high impact but is contentious and unlikely to be adequately discussed.
- We have seen the contentiousness of this issue across parts of Europe, such as in the tractor protests against climate-based targets for agriculture.
- Despite this, there are many opportunities to develop natural capital for Queensland. The international frameworks – such as the Taskforce on Nature-related or Climate-Related Financial Disclosures (TNFD/TCFD) – provide guidance around this and can be leveraged to provide a significant benefit to the Queensland agriculture industry.
- Given Queensland's broad landscape – which is home to 13 unique bioregions, with 84% of the land being in its natural state – building better natural and environmental outcomes in Queensland will have a significant impact, not only for the agriculture industry but also future generations.
- This is therefore an important issue to be discussing as we enter this year's election and is a key area of focus for the AgForce Young Producers' Council.
- Separately, it is also important to be discussing the current review into supermarket pricing given the role this will play in including producers and the agriculture industry within the broader policy conversation.

Panel Comments



Brett Fraser

- A key risk for the tourism industry is that of extreme weather events which we have seen becoming increasingly prevalent, and as recently as December and January. The increasing frequency of these events underscores the importance of sustainability and highlights the need for better preparedness for businesses and communities across Queensland.
- The recent examples of unexpected weather events in Cairns highlights the adverse outcomes associated with overlooking the probability of these events. There is clearly a strong need for resilience across local and state governments as well as industry – particularly given the greater impacts of these events on public infrastructure, such as roads and water.
- Additionally, the Commonwealth and State Government must come together to assist industry address the cost and availability to insure against these events.



Professor Margaret Sheil AO

- Given the prevalence of low probability events with significant impacts in recent years, it is important to develop the ability to respond to these and any other events or concerns we might face in the future.
- Coherent investment in research and development would support Queensland and Australia in developing solutions to address these challenges in the long-term. Any investment in research to support this area would therefore have a high impact, despite the low probability of such adverse events occurring.

We're now seeing firms like Microsoft and Adobe rolling out general purpose artificial intelligence models like ChatGPT into the workplace. There's a lot of debate around when, or even if, this will substantially impact how work gets done in 2024. Do you believe this will substantially impact your industry in 2024? (If so, how? If not, why not?)



Michael Guerin

- AgForce has recently assessed the benefits of AI in the systems used by the agriculture industry. Unsurprisingly, AI will have significant impacts for the industry and in the workplace. While there may be a learning curve to its adoption, it will enhance the capability and output across industry and revolutionise the way we work. Proactive adoption will be critical as businesses leverage this technology.



Brett Fraser

- Many of the industries larger businesses have already adopted AI technologies for some time. A good example is the travel booking websites.
- AI technology is being considered and adopted by SMEs across the industry more broadly, however there are greater barriers to adoption.
- We must support SMEs and the broader industry to achieve the gains already seen by larger businesses and overcome barriers to entry faced by SMEs.

Panel Comments



Professor Margaret Sheil AO

- AI has been a focus of the education sector for some time, with academics and experts driving conversations around its use. The sector is currently considering how to best integrate the use of the technology into courses and programs, which echoes previous adoption of technologies, such as integrity checkers.
- The education sector has an opportunity to ensure that students are fully engaging with new technologies, such as AI to drive innovation in their future workplaces.

What's one future policy initiative we could start working on today that would provide the best opportunity to create value for Queenslanders?



Kirsty Chessher-Brown

- There are many aspects to the policy discussions and reform which could help address the housing crisis. UDIA Queensland has found that community sentiment around some of these policies has shifted significantly, highlighting an opportunity to drive conversation and tackle this issue.
- It is critical to attract businesses to Queensland, particularly head contractors as, while there is a significant skilled workforce in Queensland, we are experiencing a head contractor shortfall. This reflects a perception of risk in doing business in the state which the Queensland Government must address in order to support the industry.



Michelle Farquhar

- Attracting and retaining a skilled workforce remains a key issue for Queensland. We must address the declining number of apprenticeships and high dropout rates across the state.
- Potential solutions to this issue could include developing initiatives for mature age entry into apprenticeships or introducing school students to industry at a younger age (i.e. middle school years) through collaborative education experience with industry and training providers.
- As new industries are developed, it will be increasingly important to ensure a high level of flexibility and adaptability of skills across our workforce.



Andrew Barger

- It is critically important to maintain a high level of quality and transparency in policy debates. This requires fact-based discussions and consideration of different viewpoints. If implemented, this would result in better solutions and more effective policymaking.

Panel Comments



Michael Guerin

- We must continue to advocate for the role of the agriculture industry to concurrently contribute to food security whilst also delivering environmental solutions for Queensland.
- For example, three years ago, an AgForce committee developed a view of what was needed from legislative targets to be held to account for environmental impacts. This led to a joint launch six months ago of a lower emissions pathway, built collaboratively between government and industry. This highlights the importance of collaboration, as well as the need for being open to these discussions.



Brett Fraser

- The Queensland economy requires new capital investment and reinvestment to drive its growth. To achieve this and support existing and new businesses, it is critical to ensure a strong and competitive environment.
- We must strike a balance between a supportive economic environment in which businesses can operate and an adequate level of government regulation. As such, there is a need to re-evaluate how Queensland's current regulations support businesses, investment, employment, and opportunities for economic growth.



Professor Margaret Sheil AO

- The Closing the Gap Report released this week highlights several areas of regression across educational disadvantages, out of home care, and high rates of incarceration.
- We must develop more effective solutions to address these issues and improve outcomes across communities. Investing in these areas now, such as through addressing school shortages, will ensure better long-term outcomes and reduce long-term costs.

Audience Questions

What can be done to recognise prior qualifications of international migrants and unlock this workforce?



Professor Margaret Sheil AO

- International qualification is a complex area which involves accrediting bodies, universities and industry. While we have a strong internationally qualified workforce, it can be challenging to provide opportunities for training and recognition of skills through professional accrediting bodies.
- Collaboration across the sector is needed to address workforce shortages. This is a key focus area which would benefit from further work. One example of the work being done to support this is that of Jobs and Skills Australia – a new agency trying to achieve alignment across the sector to achieve this.

How are private capital markets responding to the concern of climate change? Where is capital going across Queensland industry to support resilience against natural disasters?



Brett Fraser

- Capital markets play a significant role for industry to grow. This is particularly important when considering business resilience and insurability.
- We are currently seeing very low availability of insurance, particularly for businesses in northern Queensland. This is having a negative impact on access to capital.
- This highlights the importance for long-term sustainability plans for businesses across Queensland to attract investors and capital.



Michael Guerin

- The agriculture industry benefits from having mature frameworks around sustainability, which is an advantage compared to other industries. While the industry has adapted to UN frameworks and emissions reporting requirements, it is important to continue highlighting the stories around agriculture production across Queensland.
- AgForce has driven the development of AgCarE (Agriculture Carbon and the Environment) for the past six years, giving the industry an advantage in being an early adopter to delivering on sustainability efforts.

Audience Questions

What is your sector doing to be more engaging and more effectively communicate the value proposition of Queensland industry in the lead up to the election?



Michelle Farquhar

- It is critically important to communicate the successes and value delivered by businesses and industry and showcase the innovation of the Queensland economy. Reflecting this, Ai Group has recently run its first TikTok campaign, via its Apprentice and Trainee Centre.
- This form of communication highlights the importance of unpacking industry concepts – such as advanced manufacturing – to demystify buzz words and effectively communicate the opportunities for Queensland. This will become increasingly important as businesses look to adapt and utilise new forms of technology, particularly around robotics and AI, such as Computer Aided Design (CAD), Computer Numerical Control (CNC) and Computer Aided Manufacturing (CAM).
- There is also a need for education and training around the transition of businesses incorporating these new technologies and new business innovations – engagement is critical to achieving this.



Michael Guerin

- Engagement and communication are critical, particularly for the agriculture industry in sharing the views and issues faced by businesses. We must highlight the role of farmers in providing a secure food supply chain and the agricultural practices which communities take for granted. This provides a firm foundation to support robust policy conversations, particularly given the upcoming election.

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