



QUEENSLAND  
FUTURES  
INSTITUTE

A BETTER QUEENSLAND

# BETTER IDEAS

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THE FUTURE OF  
REGIONAL QUEENSLAND

# Better Ideas

## THE FUTURE OF REGIONAL QUEENSLAND

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**Thursday 18th March**

7:30am – 9:00am

Customs House, 399 Queen St, Brisbane

### PANELISTS:



**CR ANNE BAKER**

Mayor - Isaac  
Regional Council



**CR MATT BURNETT**

Mayor - Gladstone  
Regional Council



**STEVE JOHNSTON**

Chief Executive Officer  
Bundaberg Regional Council  
(for Mayor Dempsey)



**CR JENNY HILL**

Mayor - Townsville  
City Council



**CR BOB MANNING OAM**

Mayor - Cairns  
Regional Council



**CR GREG WILLIAMSON**

Mayor - Mackay  
Regional Council



**MODERATOR:  
FIONA LEWIS**

Partner - Deals  
PwC Australia

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# Panel Comments

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## **Cr Anne Baker, Mayor, Isaac Regional Council**

- The Isaac Region is highly energetic – with a current mission of building power within its communities.
- There are currently opportunities for growth across several sectors. This includes the resource sector, which produces 51% of Queensland’s saleable coal, a large agriculture sector and a growing renewables sector – which currently includes 11 solar farms and is about to construct the largest wind farm in the Southern Hemisphere.



## **Cr Jenny Hill, Mayor, Townsville City Council**

- Townsville is the largest centre outside of Southeast Queensland and in northern Australia. The region survived COVID-19 better than metropolitan areas – given its geographic spread of 200,000 people across 3,500 sq km.
- Economic reform after COVID-19 will focus on science and technology to harness advanced manufacturing opportunities in the north – particularly in Lansdowne. Expressions of interest made during COVID-19 for three proponent projects – a solar farm to support the production of hydrogen, a microgrid for a local nickel refinery, and a battery manufacturing plant. If the Development Application is approved for the nickel refinery, it may be one of the first run purely on clean energy and will produce close to zero waste. These projects will drive economic growth and create manufacturing jobs.
- The cost of power is prohibitive for industry in Townsville – the cost of transmission is impacting the region, its industry, and businesses.
- Defence is a strong economic driver for the region. \$500,000 million dollars is about to be invested in Charters Towers by the Singaporean Government for training, for which Townsville is the area of choice for procurement and management of vehicles. Federal Government support is needed to ensure deep maintenance can occur in North Queensland at the largest army base in Australia. This would reduce the need to transport vehicles south to be maintained and would stimulate economic activity in the region.
- Papua New Guinea poses a risk to the region for COVID-19 transmission, but this risk is currently being addressed to keep the region and its communities safe.



## **Cr Bob Manning OAM, Mayor, Cairns Regional Council**

- The regions are strong and resilient, exemplified by the V-shaped recoveries after several previous economic collapses; Cairns is well placed to strongly recover from COVID-19 in the same way.
- Tourism is a large opportunity for the region. Cairns would benefit from travel bubbles with New Zealand, Japan, South Korea, and Singapore, utilising three new 5-star hotels to support a tourist return.
- There is also a shift in the attitudes towards defence, with the army moving OPV boats into Cairns and recent sales of two of three shipyards. This signals the potential for spending in maintenance sustainment in Cairns, providing jobs and economic growth.
- The region also recognises the importance of First Nations work – the Cairns Indigenous Art Fair has grown in significance over the past decade, and there is opportunity to expand its arts facility to the wider region, becoming one of the World’s largest. State and Federal government should take advantage of the opportunities this presents to help in Closing the Gap.



### **Cr Greg Williamson, Mayor, Mackay Regional Council**

- Regional Queensland is the powerhouse for state and national economic development, with a regional GDP higher than state and federal averages.
- While no coal is mined in Mackay, there is support of Isaac's industry. The regions industry is diverse, with Australia's largest technology centre in Mackay and a large agricultural base which produces a third of Australia's sugar. This can be used as the feedstock for the biofutures industry, producing ethanol.
- Given the resource sector was largely unimpacted by COVID-19, economic activity in the region has been business-as-usual since May 2020. This is reflected in multiple ways: Brisbane to Mackay was Australia's 3rd most popular flight path for a period; half of Queensland's GDP comes from north of Bundaberg; Mackay rental vacancy is only 0.5% - property stock cannot keep up with demand; and there are not enough people to fill the 1,123 vacancies (as advertised online on the morning of the breakfast). Townsville, Bundaberg, and Gladstone are experiencing similar conditions.



### **Cr Matt Burnett, Mayor, Gladstone Regional Council (via Zoom)**

- The hydrogen industry is a significant opportunity for Gladstone, Queensland, and Australia more broadly. A hydrogen ecosystem will be established in Gladstone, as indicated by a recently signed Memorandum of Understanding between multiple stakeholders. This will begin with a 10% hydrogen injection into the local gas network to supply 700 commercial, residential, and industrial customers, and expand to supplying overseas export markets including Japan. This will transform the region into Australia's hydrogen capital, requiring jobs and training investment to support its workforce.
- Gladstone's COVID-19 recovery was strong – the region's industry-based economy was well insulated and did not experience the degree of adverse economic impacts like Brisbane and other metropolitan areas. Domestic tourism has also remained relatively strong during the pandemic, with the full return of pre-COVID flights planned for Gladstone this June.



### **Steve Johnston, Chief Executive Officer, Bundaberg Regional Council (for Mayor Dempsey)**

- The return of travel to the regions presents opportunities for continued growth. Migration from metropolitan areas to the regions during COVID-19 resulted in a higher number of development applications in February 2021 than any other month, and surging demand in the local building industry.
- There is growing demand being placed on infrastructure in the region, with greater State and Federal public investment required in roads north of Gympie to improve linkages between metropolitan and regional areas. There is also critical infrastructure investment required in water and sewerage. Water security in the regions is a major issue which will particularly impact the agriculture industry

# Panel Discussion

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## Job opportunities in the regions – what will it take to drive highly skilled people into these roles?

- Attracting quality education providers and teachers to the regions is a major challenge, particularly for STEM areas. There is also a shortage of trades in the regions. This presents an opportunity around the future of skills and training for the future of work as new technologies and sectors emerge around automation. A sign-up, sign-off approach is needed to ensure collaboration between training and education providers to ensure trained workers stay in the regions.
- A dual sector university sector is likely to attract skills – with academia and trades able to build skills and capacity in manufacturing and hydrogen in Gladstone and the regions. Whilst training in hydrogen is like an LNG trained operator, if gas workers are reskilled in Gladstone, they are likely to stay in Gladstone.
- There is opportunity to build communities and the regional economy by increasing opportunities and providing meaningful work for Indigenous people.
- Attracting businesses to move to the regions would bring prosperity for the businesses themselves and the wider regions, but there needs to be incentive from State and Federal government to encourage this movement.
- Community precincts, retirement villages and other social infrastructure also plays a role to ensure people are attracted to work and later retire in the region
- Power throughout the transition to renewables; given the variability of the high penetration of rooftop solar in Queensland, this remains an important role for coal.
- The resource sector is a testbed for new and emerging technologies. Compressed natural gas trials, hydrogen and electric vehicles can all be adopted by industry prior to consumer markets.
- The industry can also support high-tech manufacturing, supporting jobs and economic growth of the manufacturing sector.

# Audience Questions

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What are the main challenges around social policy issues, including poverty and equity?

- Social and economic development are equally important. Social development appeared for first time ever last year in the Australian Infrastructure Plan, which recognises that workers will not be attracted to the regions if there is a lack of social infrastructure.
- While there has been enormous economic growth driven by mining in some regional communities, there has also been social decline, despite long-term resource developments near these communities. There needs to be a stronger focus on fit-for-purpose social infrastructure, skills, and training for the permanent population in areas where FIFO comprises most of the population.
- In Gladstone, the Philip Street Community and Families Precinct, which includes child and family support, mental and allied health, disability, alcohol and drug, multicultural and other community services, was planned in 2008 and is only now being delivered; local government played a major role in driving the project's funding and development by State and Federal government.
- Addressing Indigenous issues is particularly important for the regions, and all levels of government must work to ensure challenges for this demographic are addressed

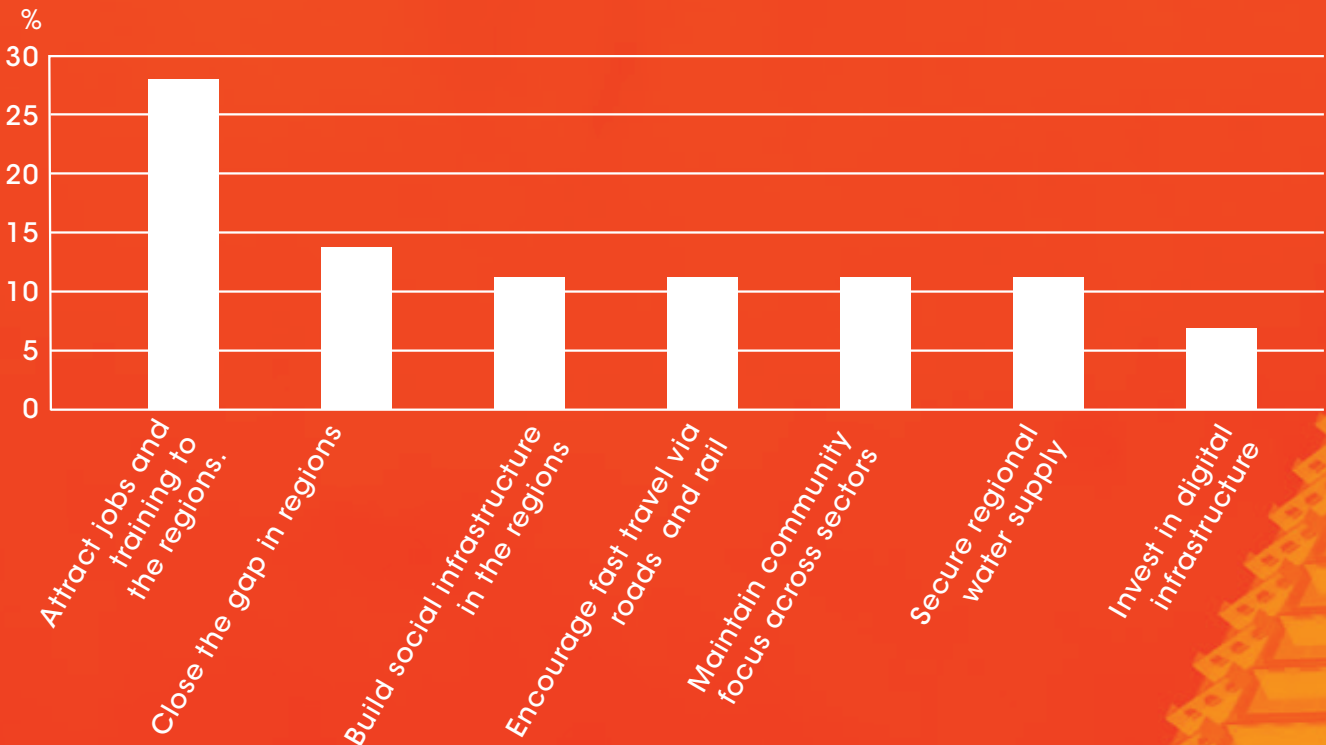
How can communities and local government manage competing interests between traditional economic drivers (mining) with new low-emissions technologies and environmental compliance?

- Communities have already considered how to best take advantage of industries to better utilise technology and new opportunities. For example, Mt Isa has a lot of rare earth minerals and is looking to process these onshore. Similarly, the Port of Townsville exports 40% of global sugar and the largest live cattle export, both of which can benefit from onshore processing to add value and stimulate economic development in local manufacturing and industry hubs.
- Water remains critical for the growing agriculture industry. This is critical to economic development for the regions, and more investment must be made in this infrastructure.
- While Mackay has the capacity to produce ethanol, this requires government incentive to use and begin to displace diesel, minimising emissions through use of biofuel as the biofutures industry develops. Because hydrogen is a medium-long term solution, the use of biofuels should be encouraged by government in the short-term to achieve this goal.
- The coal industry remains relevant due to the high-quality resource of the Bowen basin and the thermal opportunity of the Galilee basin. The regions must encourage renewables in this space to achieve an energy mix with current coal capacity to move towards a lower emissions energy industry.

## SUMMARY OF

# Attendee Comments

### TOP IDEAS AND INITIATIVES



## SUMMARY OF Ideas

- Enabling education and training in the regions is critical to attracting a strong, highly skilled workforce for current and growing industries. This needs to be supported by social infrastructure in regional communities to encourage individuals and businesses to relocate to the regions. This must also be supported by physical infrastructure, particularly roads and rail, to enable free flow of travel between the regions and metropolitan areas.
- Social development also provides an opportunity for all levels of government to close the gap and better support the welfare of Indigenous communities.
- Investment in new opportunities, digital and water infrastructure will also enable the development of industry and further support economic development. Water security is a critical issue relevant not only for the agriculture industry but communities more broadly.



# QFI Members



## REGIONAL AFFILIATES





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**FOR FURTHER INFORMATION**

**Steve Greenwood | Chief Executive**  
**[steve.greenwood@qldfutures.com.au](mailto:steve.greenwood@qldfutures.com.au)**

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**[www.qldfutures.com.au](http://www.qldfutures.com.au)**  
**Level 11, 111 Eagle Street Brisbane Q 4000**