

Coronavirus Qld: Regional investment key to recovery

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INVESTMENT in regional Queensland is the pathway back from the impacts of the coronavirus, according to a new report which has surveyed more than 500 businesses across the state to assess the temperature of the Queensland economy and provide a blueprint for the decades ahead.

The Queensland Futures Institute has used the Queensland Treasury's Office of State Revenue payroll tax database to compile a comprehensive insight into the business community, in a bid to improve Queensland's economic growth through policy reform.

The report, exclusive to *The Courier Mail*, has been months in the making and culminated in a recent meeting at Brisbane's Customs House attended by regional mayors as well as key Queensland business figures.

Queensland Futures Institute managing director Steve Greenwood said it was clear the state's economy was about to take a significant short-term hit, with the education and tourism sectors already bearing the brunt of coronavirus.

"While certainty may be in short supply, current events, combined with the lowest interest rates in history, provide unique opportunity to sharpen our focus on local investment and infrastructure," Mr Greenwood said.

Mr Greenwood noted investment in infrastructure projects in regional Queensland over the past half-century, including the Fairbairn Dam at Emerald and the Eungella Dam west of Mackay, had provided ample evidence that regional infrastructure produced massive returns.

"Energy and water infrastructure investments in central Queensland in previous decades have delivered economic returns in the tens of billions and continue to do so," Mr Greenwood said.

"The flow-on societal benefits have spread across Queensland."

Mr Greenwood identified the Inland Rail project as one 21st century project with the potential to transform Queensland with high-speed freight movements between Melbourne, Brisbane and Sydney.

With 7200 Queensland jobs in the construction phase alone, the 1700km Inland Rail between Melbourne and Brisbane would not only make the Brisbane Port the obvious choice to service the Asian export market, but create wealth which would swiftly trickle down through inland Australia.

The Wellcamp International Airport has also been identified as a key piece of infrastructure to hold down the northern end of the Inland Rail's air freight corridor, which will begin in Victoria and pass through Parkes and Moree in Northern New South Wales.

“These dual air and rail freight corridors have the potential to transport goods to new logistics and industrial hubs which will require an enhanced skilled workforce and technology before being exported globally,” Mr Greenwood said.

The report – which comes with six key recommendations, including the creation of a government-backed investment fund to assist start-up businesses – exposes some crucial differences in businesses between the southeast corner and the rest of the state.

They include southeast Queensland businesses putting payroll tax (20 per cent of those surveyed) as one of the most important factors in their business when it comes to expanding, or even continuing.

Payroll tax is considered the fourth most important consideration in regional Queensland, behind the availability of a skilled workforce, labour costs and “where the business originally started”.

Another significant factor in the regions is the cost of energy, with 38 per cent of southeast Queensland businesses believing energy costs had a negative impact on business operations, compared with 49 per cent of businesses outside the southeast corner.

The location of a business’s origins were also revealed to be important as to whether the business continued or expanded in Queensland.

“This is unsurprising to the extent that it suggests once a business has been established in one location, that location becomes a dominant factor in where the business will continue to operate,” the report says.

“However it also validates a focus from government on effective policies to nurture the start-up community.

“If businesses can be encouraged to establish in Queensland, these results suggest there are forces which hold them in their original location.”