



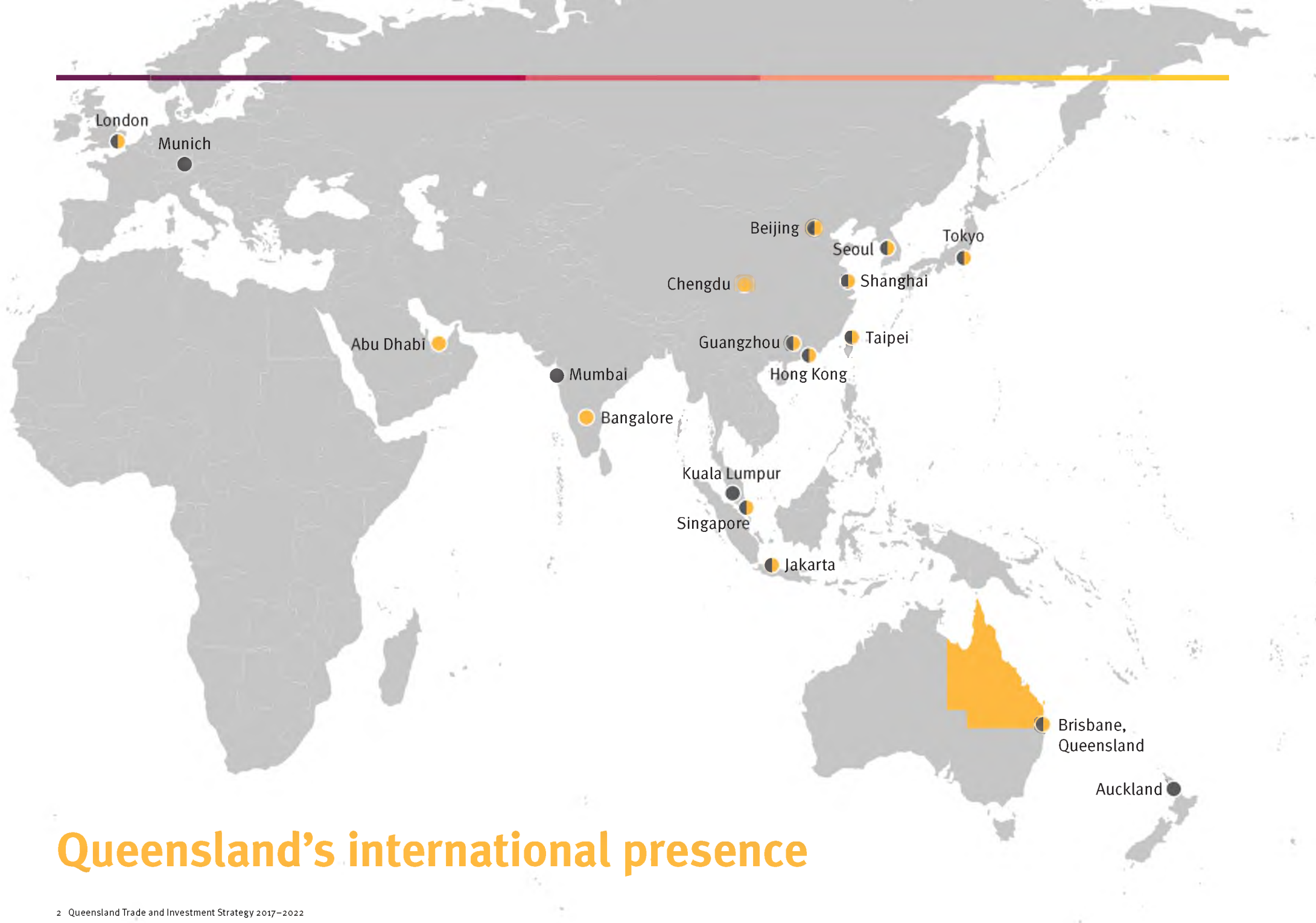
Advancing Trade and Investment

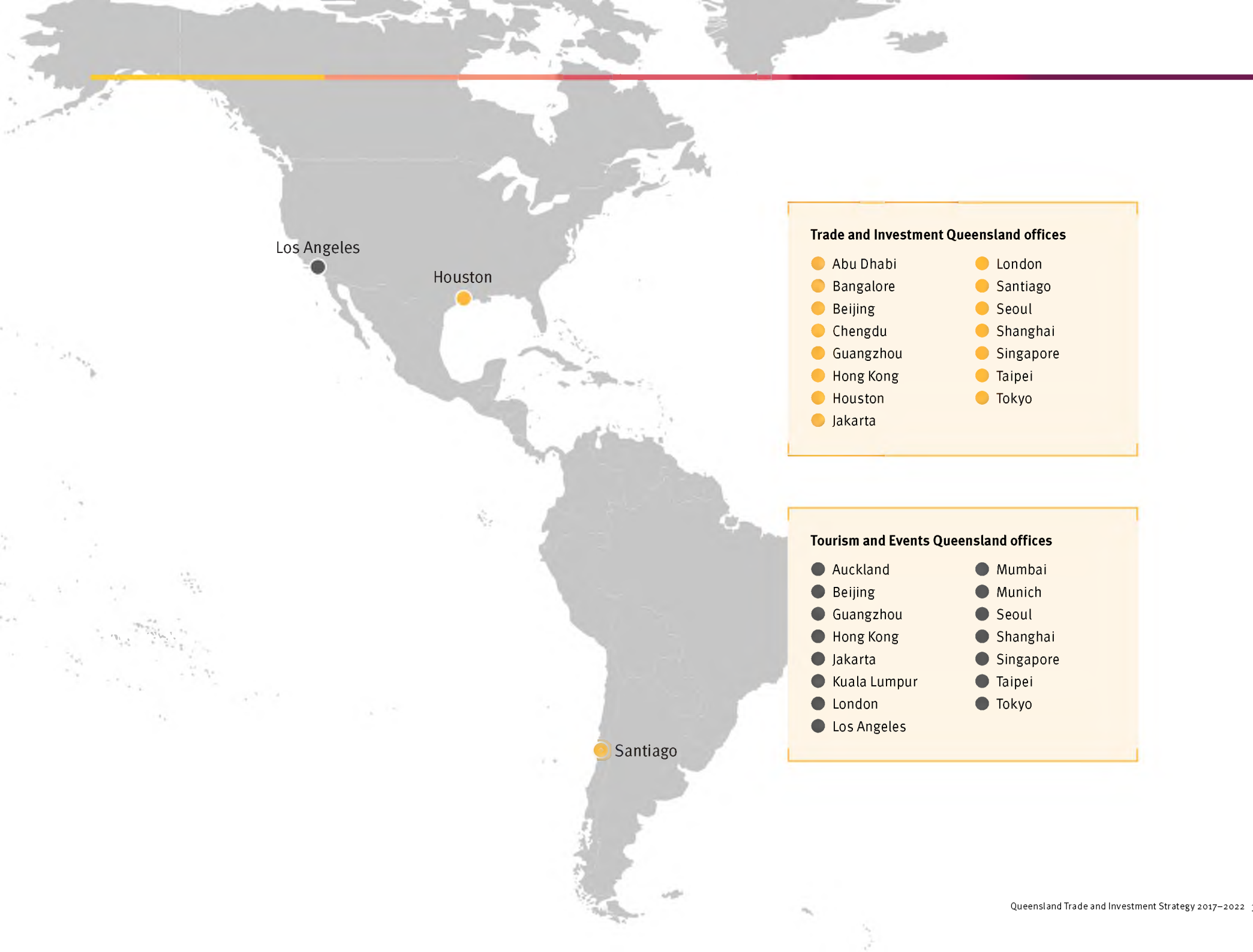
Queensland Trade and Investment Strategy 2017–2022



Queensland
AUSTRALIA
endless opportunities







Los Angeles

Houston

Santiago

Trade and Investment Queensland offices

- Abu Dhabi
- Bangalore
- Beijing
- Chengdu
- Guangzhou
- Hong Kong
- Houston
- Jakarta
- London
- Santiago
- Seoul
- Shanghai
- Singapore
- Taipei
- Tokyo

Tourism and Events Queensland offices

- Auckland
- Beijing
- Guangzhou
- Hong Kong
- Jakarta
- Kuala Lumpur
- London
- Los Angeles
- Mumbai
- Munich
- Seoul
- Shanghai
- Singapore
- Taipei
- Tokyo

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Foreword

Queensland has always been a trading state. Trade is vital for our economic success and for creating jobs.

A burgeoning Asian middle class, pressure on natural resources, digital disruption and a prolonged recovery from the Global Financial Crisis provide challenges and opportunities for Queensland.

Queensland's core strengths, including our proximity to growing trading partners, our wonderful natural environment and our adaptable economy position our state strongly.

Our challenge is to match what we have to offer with what the world needs.

My Government's *Advance Queensland* agenda is all about positioning Queensland for the future. Because in a changing world, standing still is to fall behind.

It's about strengthening our existing great industries of resources, tourism, food and agribusiness and education as well as diversifying our economy through emerging industries like renewables, biofutures, life sciences, defence and aged care.

This strategy is based on a clear and compelling vision: to position Queensland as Australia's most innovative and dynamic trading economy.

Realising that vision is the key to creating jobs and prosperity for all Queenslanders.



The Honourable Anastacia Palaszcuk MP
Premier of Queensland
Minister for the Arts

Queensland is well placed to take advantage of the trends shaping our world.

We must seize the opportunities presented by our natural advantages and our location but it will require clear direction and single-minded determination. This strategy is a blueprint for doing just that. It identifies Queensland's traditional strengths and our emerging opportunities.

It details actions the Queensland Government is already taking, supported by new ideas, to build our already strong export culture, assist businesses to expand their export activity, enhance TIQ's customer focus and strengthen our already formidable network of overseas offices.

The strategy also recognises the immense mutual benefits that foreign investment can bring. But this investment must be in new, job-creating projects and infrastructure. Smart foreign investment can create secure, high-paying jobs, revitalise businesses, embody the latest ideas and open up access to lucrative markets in the investors' home countries.

This strategy complements other mechanisms the Queensland Government already has in place to encourage investment, such as the State Infrastructure Plan, our Market-Led Proposals framework, Priority Development Areas and the Business Development Fund.

These initiatives are the key planks of the Queensland Government's economic plan – a plan to secure high-paying jobs now and into the future and deliver a more prosperous Queensland.



The Honourable Curtis Pitt MP
Treasurer
Minister for Trade and Investment

Advancing Trade and Investment

Queensland Trade and Investment Strategy 2017–2022

The *Queensland Trade and Investment Strategy 2017–2022* (the Strategy) is a plan for cooperation between governments, business, educational institutions and local councils to create jobs for Queenslanders.

It aims to use Queensland's natural and acquired strengths to tap into the Immense opportunities being created by expanding international markets.

By capturing these opportunities, the Strategy seeks to achieve two aspirational targets:

- Increase Queensland's share of national overseas exports to 22 per cent and maintain through to 2022.¹
- Increase the number of investment outcomes facilitated by the Queensland Government by 20 per cent by 2022.²

To achieve these targets, the Strategy recognises megatrends affecting the global economy such as the rise of Asia, population ageing, pressure on natural resources, climate change, borrowing constraints on governments, the glut of private capital and the opportunities of the digital age.

It identifies Queensland's competitive strengths, such as our abundant natural resources, skilled workforce, innovative culture, a regionalised economy with modern infrastructure and shared time-zone with Asia.

By aligning Queensland's competitive strengths with global megatrends, the Strategy identifies industries where the state has an actual or potential comparative advantage. This enables the prioritisation of Queensland's most promising export and investment markets.

As has been the case throughout Queensland's history, future job creation will require large amounts of foreign direct investment (FDI).

Investment from outside Queensland provides the capital needed to develop new industries and improve the productivity of existing ones. Foreign investment also promotes stronger connections with foreign markets and the adoption of innovative technologies, helping our industries to remain competitive against tough rivals.

Trade is also essential to Queensland's economic growth. The Strategy recognises that Queensland's largest export industries – mining, food and agribusiness, tourism and international education and training – will continue to drive trade and job creation, and that the competitiveness of these industries will be boosted by innovative technologies and business practices.

At the same time, the Strategy strengthens collaboration between business and government to deploy innovation and create industries of the future, including mining equipment, technology and services, defence and aerospace, advanced manufacturing, biomedical and life sciences, renewable energy and biofutures.

A number of Queensland Government agencies are already supporting trade and investment through existing programs and actions. These actions are highlighted throughout the Strategy.

The vision for the Strategy is clear and ambitious:

**Positioning Queensland as Australia's most innovative and dynamic trading economy
– a magnet for global investment.**

While the Strategy identifies existing and future industries as sources of employment and growth, the market is likely to find additional opportunities that lie beyond these identified industries. Therefore, although the Strategy provides a focus for future industries, it remains open to change and new ideas.

The Strategy sets out a number of priorities to advance Queensland's trade and investment agenda and backs these priorities with a set of new initiatives valued at \$35 million over five years.

Our priorities are to build on Queensland's existing strengths, further diversify our economy, target key overseas markets, build the export capabilities of small and medium-sized businesses, increase international engagement with Asia and beyond, and promote investment in businesses, infrastructure and innovation. We will pursue these priorities with emphasis on Queensland's regions outside the south-east corner of the state.

These priorities will be pursued through a coordinated whole-of-government approach, making it easier for businesses to gain access to advice, obtain development approvals and work collaboratively with government agencies to secure access to export markets and foreign investment partners.

The Strategy highlights the upcoming Gold Coast 2018 Commonwealth Games, looking to leverage off this once-in-a-decade opportunity to generate wide benefits for Queenslanders.

The Strategy also includes a separate section on North Queensland to promote exports and job-creating investment into the region by exploiting its strengths including its proximity to Asia, agricultural and marine assets, strong tourism attractions and abundant mineral resources.

While the Strategy is a Queensland Government document, it has been developed in consultation with key stakeholders and will succeed only as a cooperative endeavour with the federal government, local councils, business associations, individual businesses, unions, universities and other educational institutions.

it is a shared enterprise for a shared future of more and better jobs, and greater prosperity, for all Queenslanders.

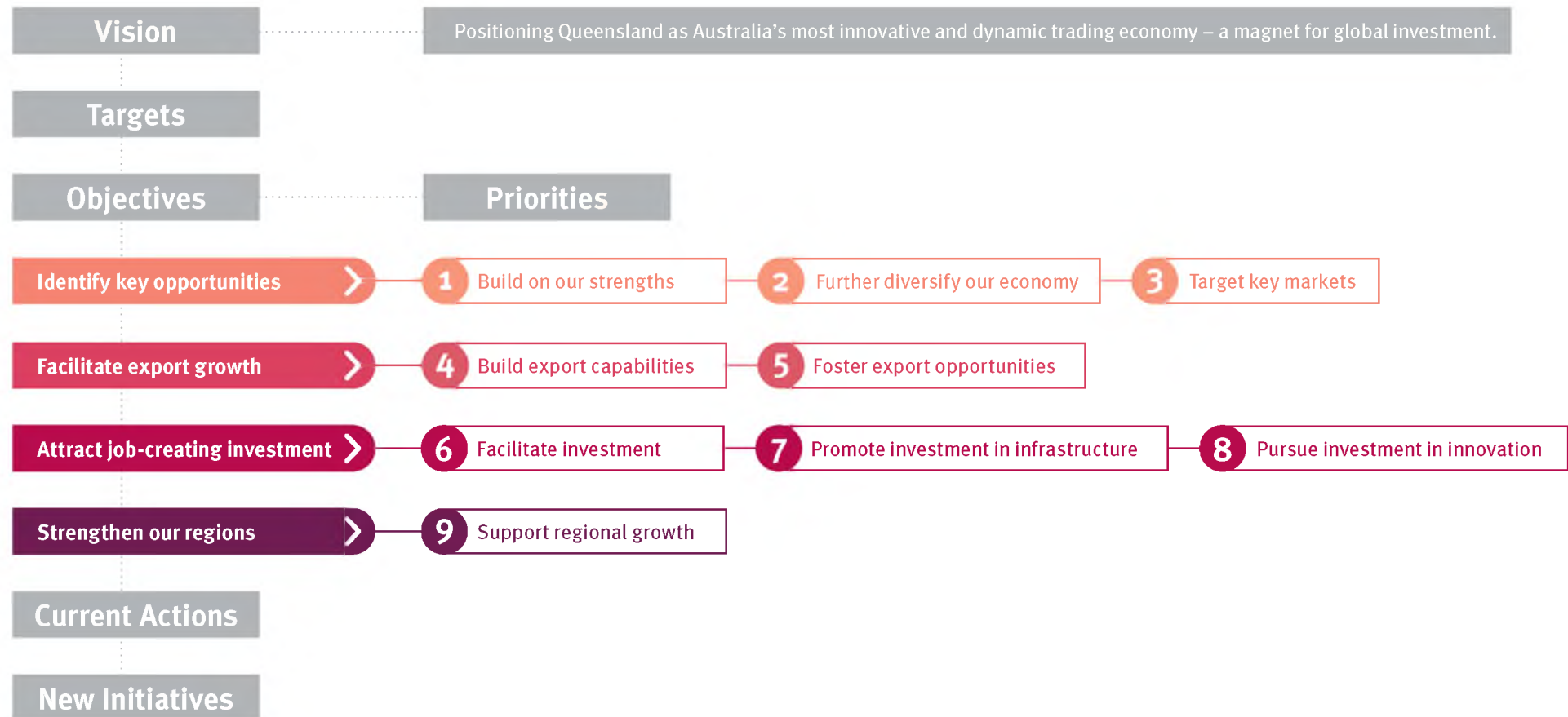
Queensland's targets

Increase Queensland's share of national overseas exports to **22 per cent** and maintain through to 2022.¹

Increase the number of investment outcomes facilitated by the Queensland Government by **20 per cent** by 2022.²



Queensland Trade and Investment Strategy 2017–2022

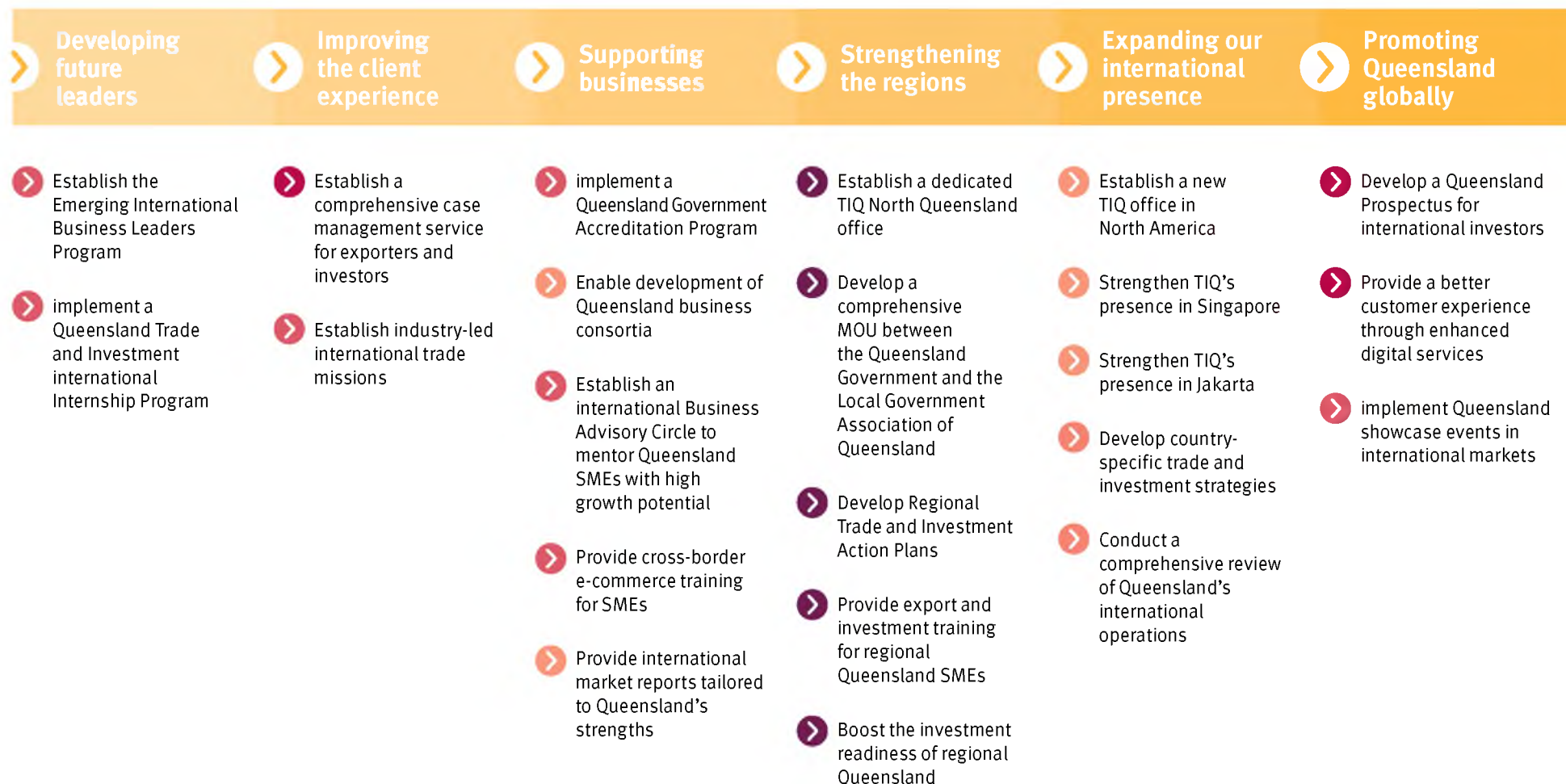


....
\$35
million

**in new programs
over five years**
....

New initiatives for advancing trade and investment

Maturing the pipeline of Queensland's exports and investments



Our foreign investment imperative

Queensland's economy needs foreign investment. Our vast land mass and regionalised population means that the Queensland Government needs private investment to help fund all of the required economic development and infrastructure needs across the state.

FDI in Queensland has enabled the opening up of land to agriculture, the building of our cities and regional centres, and the construction of highways, rail networks, seaports and airports. These endeavours have dramatically improved our living standards and could not have been achieved without the support of foreign investment.

investment enabled by foreign capital not only creates new jobs but also higher paying jobs, with workers typically engaged in high-value industries incorporating the latest technologies that enable industries to be internationally competitive.³

Foreign investment can also open up and secure markets for Queensland businesses in an investor's home country. As an example, Japanese investment in Australian coalmines was largely motivated by a desire to secure coking coal supplies for Japanese steel mills. Chinese investment in Australian agribusinesses is typically undertaken to secure reliable supplies of safe, premium produce for Chinese customers. Those investors have a clear interest in ensuring market access for the products being produced by their investments in Australia.

Australia is an attractive market for investors with foreign direct investment into Australia growing by 118 per cent over the 10 years to 2015.⁴ The USA and EU are the dominant sources of Australia's FDI.


The Queensland Government supports foreign investment in new projects that employ Queensland workers and engage local suppliers and service providers. The Government does not support selling existing infrastructure assets to either Australian or foreign companies. This does not create new local jobs and only results in a transfer of the infrastructure from public to private ownership.



Townsville, Queensland
Courtesy of Port of Townsville

“Foreign capital that builds new assets – like some of the capital that funded the mining boom – that’s one thing. Foreign capital that buys up the existing assets, I’m not saying that we should be closed to that, but that’s not creating new capital for the country. That’s just altering the allocation of who owns the capital that’s here now.”

Former Reserve Bank Governor, Glenn Stevens, interview with *The Australian* and *The Wall Street Journal*, 17 August 2016.

 **A \$1 billion increase in FDI in Australia results in the creation of about 1,000 Australian jobs⁵**

Our trade imperative

Trade is important to Queensland at both the microeconomic and macroeconomic level. Exports support one in five Queensland jobs, with increased trade in goods and services predicted to be the key driver of economic growth in the state over the next few years.⁶

For individual businesses, exporting opens up new markets for goods and services. This is particularly important in Australia where a relatively small domestic market can limit growth. The broadening of markets can lead to stronger growth rates and higher profits, as well as improved efficiencies created by competition and economies of scale. A growing number of target markets can also help to spread business risk, making businesses less susceptible to fluctuations and economic shocks in particular regions.

Queensland workers benefit not only through the creation of new jobs, but also because companies that export make good employers, outperforming non-exporting companies with regard to wages, staff development and employment conditions. Exporters are also more innovative and adopt new technologies and management practices more rapidly than non-exporters.⁷

At the macroeconomic level, trade increases the rate of innovation in the economy due to the transfer of knowledge and technology and the need to continually improve products and practices due to increased competition. Trade also deepens diplomatic and business relationships between Queensland and the rest of the world, and encourages higher levels of foreign investment.

The other side of the trade equation is imports. Importing plays a significant role not just in growing the economy but also in supporting exporters. For instance, many exporters import essential product components and add value by creating higher-order goods. Also, importing goods that Queensland cannot produce cheaply allows the state to specialise in products and services where Queensland has a comparative advantage over interstate and international competitors.



Port of Brisbane, Queensland

A coordinated government approach

This Strategy aligns with existing Queensland Government priorities to deliver coordinated trade and investment activities.

While the private sector is the engine of economic growth, government has the ability to foster trade and investment activities with its decision making in areas such as planning, regulation, infrastructure and spending.

The Queensland Government plays a central role in shaping the conditions for private sector success. A coordinated, whole-of-government approach addressing the barriers and impediments faced by industry will support a stronger economy and job creation, and ensure Queensland remains globally competitive.

The Strategy provides a coordinated government approach to advance Queensland's trade and investment opportunities at all levels with a clear focus on supporting small to medium-sized businesses (SMEs), developing our future business leaders, improving client services, expanding our international influence and strengthening regional Queensland.



Trade and investment Queensland (TIQ) is the Queensland Government's dedicated global business agency. Through TIQ, the Queensland Government has one of Australia's largest international networks of 15 trade and investment offices in 12 markets (see inside front cover).

Our international presence promotes Queensland products and services, and facilitates investment attraction to Queensland. Led by Trade and investment Commissioners, the offices are a vital connection between international investors and business opportunities in Queensland. They provide local expertise in foreign markets, facilitate business introductions and assist inbound and outbound delegations, helping our businesses expand their international footprint.

TIQ also has a regional Queensland presence across eight locations which works closely with other Queensland Government regional networks to assist firms with export advisory services and investment facilitation. In partnership with the Australian Trade Commission (Austrade), TIQ delivers export advisory



Brisbane, Queensland
Courtesy of Tourism and Events Queensland

services to SMEs seeking to access international markets.

Brisbane-based staff support the international and regional offices, provide market intelligence on industry sectors and key markets, and coordinate targeted trade missions.

Queensland's framework for sustainable economic growth

The Queensland Government's framework to achieve sustainable economic growth focuses on six policy channels underpinned by the Government's priorities of infrastructure, investment and innovation.

This Strategy directly relates to the priority 'promoting business investment and exports', but also aligns with the aims of the other five priorities (see figure below).



Infrastructure | Investment | Innovation

ADVANCE QUEENSLAND

The Queensland Government is investing \$405 million in the *Advance Queensland* initiative to:

- unlock the potential of businesses to innovate;
- invest in existing sectoral strengths and foster new opportunities;
- build for future generations by investing in schools and health; and
- grow innovation in our regions.

Advance Queensland programs focus on areas where Queensland possesses a competitive advantage for creating new products and services that deliver real outcomes for the state.

One of the *Advance Queensland* programs that will help shape Queensland's trade and investment landscape is the development of industry roadmaps to diversify our economy (see pages 26–29).

This Strategy uses *Advance Queensland* as a foundation to highlight the important role that ongoing innovation will play in the growth of trade and investment.

Advance Queensland will position Queensland as a place where entrepreneurs, industry, universities and government collaborate to turn great ideas into commercial products and businesses that create jobs.



Cairns, Queensland
Courtesy of Tourism and Events Queensland

Queensland in the global context

Our strong economic foundation

Past economic performance

Queensland's economy in the 19th century was built upon agriculture and resources which drew immigrants and investment to the state. In the 20th century, Queensland consolidated its commodities-based export position, proving to be a reliable supplier of raw resources feeding Asia's industrial and urban transformation. By the 1980s, coal overtook sugar as Queensland's main export and Japan became the state's major export market, a position it held until 2013 when it was overtaken by China.

From the 1990s onwards, Queensland embarked on a period of sustained economic expansion, benefiting from a commodity boom in the early 2000s, high levels of infrastructure investment and rapid population growth.

The onset of the global financial crisis in 2008 led to weaker domestic conditions, with the state's economy hindered in subsequent years by subdued global economic conditions, the on-going strength of the Australian dollar and natural disasters. Despite this, Queensland's economy showed resilience and avoided recession.

The Queensland economy has outperformed the rest of Australia throughout most of the past two decades.

Growth strengthened after the global financial crisis, driven by a recovery in coal exports and a large increase in business investment as a result of the construction of liquefied natural gas (LNG) projects.



Current export profile

interstate and overseas exports comprise almost one third of Queensland's economy.

The value of Queensland's exports has increased by almost 50 per cent in the last decade, led by a rise in resources, and more recently, LNG, agricultural and education services exports.

In 2015–16, the nominal value of Queensland's goods exports increased 2.7 per cent to \$51.6 billion. In 2015–16, Queensland services exports increased 6.8 per cent to \$11 billion.

Queensland's mining, food and agribusiness, tourism and international education and training (IET) sectors are major exporters and support jobs throughout Queensland (see Figure 1).

Figure 1: Queensland goods and services exports, 2015–16⁸



Current investment profile

Foreign investment has been a key element of Queensland's success story, contributing to the successive waves of growth the state has enjoyed in gold, wool, food and agribusiness, and mining.

FDI into Australia over the 10 years to 2015 has grown in value by 118 per cent.⁹ Australia's major foreign direct investment source markets are the USA, EU, Japan and UK, while China has been a major growth market in recent years (see Figure 2). FDI in mining has dominated activity in recent years (see Figure 3).

Figure 2: Top foreign direct investment into Australia by country, 2005 to 2015¹⁰

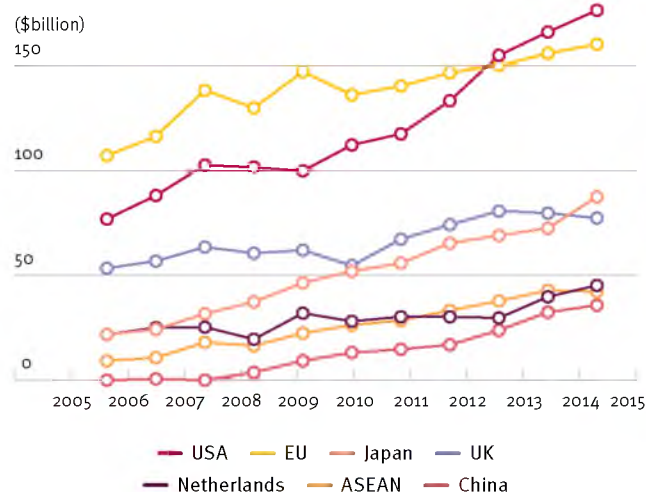
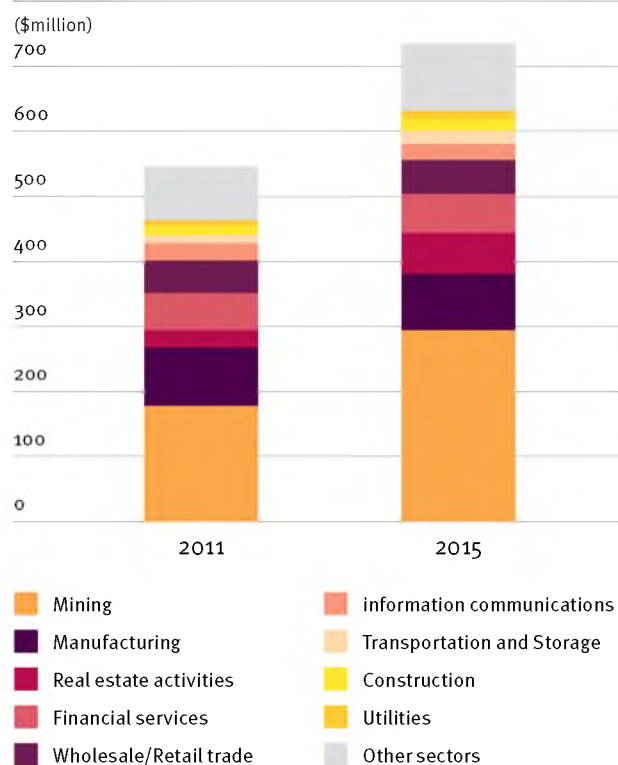


Figure 3: Australia's key foreign direct investment sectors, 2011 to 2015¹¹



Future outlook

With the completion of the LNG construction phase and subdued market conditions, the Queensland economy faces new challenges. These include a weaker outlook for many of Queensland's major trading partners and business investment returning to a more conventional growth path.

However, through its ongoing focus on infrastructure, investment and innovation, the Queensland Government will build upon Queensland's economic strengths and productive advantages, while ensuring existing and emerging industries can capitalise on opportunities as they occur.

Trade and investment will remain significant sources of economic growth for Queensland. In particular, growth in the Asia-Pacific region is likely to drive demand for a range of goods and services, including mineral and energy resources, tourism, education and food and agribusiness.

Queensland's skilled workforce, strong economic and social infrastructure, and stable regulatory framework are all conducive to business investment. As capital becomes more mobile with advances in technology and global value chains, Queensland will become an increasingly attractive location to do business.

Queensland's economic growth is forecast to be stronger than all other Australian states to 2018–19

Global megatrends

The global environment in which Queensland competes has changed radically since the turn of the century and the pace of change is likely to accelerate in the coming decades.

Queensland must prepare for the future, and carefully consider the implications of trends which will transform the trade and investment landscape globally and within our Asia-Pacific region.



Megatrend 1

The rise of Asia

The world's economic centre of gravity is shifting from West to East as China and India resume the position they held until the 16th century as the world's largest economies.

China, India and Japan will be three of the world's five largest economies with China and India forecast to contribute almost 35 per cent of world gross domestic product (GDP) over the coming years to 2021.¹²

China's re-emergence as a global economic powerhouse involved rapid industrialisation and urbanisation. Its economy had a voracious appetite for steel and electricity to build its cities and supply its large-scale manufacturing plants. This caused Australia's biggest mining boom in 140 years, as demand for iron ore, coking and thermal coal and LNG soared to unprecedented heights.

India is investing in new coal technologies. With limited metallurgical coal resources, India is rapidly expanding its imports. This demand is forecast to remain high, while at the same time India transitions to advanced technologies.

**By 2021 Asia will have
three of the world's
five largest economies:
China, India and Japan¹⁷**

India is expected to overtake China as the world's most populous nation within the next decade¹³ and is forecast to achieve average annual growth rates of 7.8 per cent over the next few years.¹⁴ China's annual growth rate, although slowing, is still strong, and is expected to be about 6 per cent.¹⁵

Indonesia, with a population of 260 million, is right on Queensland's doorstep and has consistently achieved strong average economic growth of around five per cent per annum. It is needing to prioritise the development of modern, efficient infrastructure over the coming five to 15 years.¹⁶

With a combined population of around 380 million, the other members of ASEAN – Thailand, Malaysia, the Philippines, Singapore, Vietnam, Myanmar, Cambodia, Laos and Brunei – have embarked upon a program of closer economic integration.

With the economic rise of Asia and corresponding wealth, major companies and government-owned corporations are investing in other countries to secure food and resource supply as well as diversifying their investment interests.

**Asia's global share of exports
will almost double
by 2030 to 39%¹⁸
.**

Megatrend 2

Burgeoning middle classes

By 2020, 54 per cent of the world's population will be in the middle class, up from 27 per cent in 2009.¹⁹ The Asia-Pacific region is projected to be home to two-thirds of the world's middle class, a total of 3.2 billion people by 2030²⁰ (see Figure 4).

Premium-quality products

Asia's middle class is demanding high-quality goods and services and is willing to pay premium prices for safe, clean, green and premium-quality food products.

In view of Queensland's reputation as a producer of quality foods and its proximity to Asia, the state is well placed to take advantage of this rising demand.

Asian consumers regard Australian dairy products and beef as safe and of excellent quality. Fresh Australian horticultural products flown directly to China are making inroads into the Chinese market, especially around Chinese New Year.

Tourism

The increasing affluence of Asia's population will drive demand in Queensland tourism, with wealthy visitors seeking attractive destinations, cultural experiences, luxury accommodation and high-quality service.

China represents huge potential as a source market. Although Australia now hosts one million Chinese tourists a year,²¹ this represents only a small fraction of the Chinese tourists travelling abroad annually.

Education and training

As wealth increases globally, individuals are seeking quality education and training from reputable institutions to improve their employability and earning capacity.

The IET industry is one of the fastest growing industries globally. Australian onshore international student enrolments are projected to grow by 3.6 per cent annually.²²

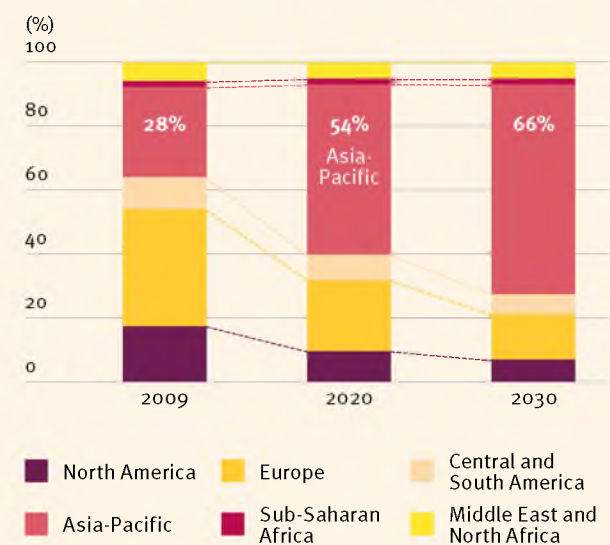
Two-thirds of Australia's growth in IET is expected to come from the Asia-Pacific region. Parents in Asia generally regard Australia as a safe place to send their children to study.²³ Queensland also has time-zone advantages over Europe and North America that enable parents from the region to more easily communicate with and visit their children.

By 2020

54% of the world's population

**will be in the middle class,
up from 27% in 2009**

Figure 4: Size of middle class by region²⁴



Global megatrends (continued)

Megatrend 3

Demographic shifts

A large and growing proportion of the world's population lives in cities, and the median age is rising due to longer life expectancies and lower fertility.

While it is well known that the populations of most European countries and Japan are ageing, it is less well known that population ageing is also occurring in a number of other Asian countries. The proportion of the East-Asian population over the age of 65 will grow by 22 per cent between 2015 and 2020.²⁵

China's population growth is expected to stabilise over the next decade and decline from 2030.²⁶ Japan's population is projected to decline by almost 20 per cent by 2050.²⁷ Korea's population is stabilising and is projected to decline from around 2030.²⁸

In contrast, the populations of India, Indonesia and the Philippines will continue to grow over the next three decades.²⁹

By 2050, **66%** of the world's population is projected to be living in cities, up from **54%** in 2015³⁰

Megatrend 4

Pressure on natural resources and the environment

The world has limited natural resources, yet has a growing population with increasing demands for energy, water and food. Governments, businesses and communities are under pressure to find alternative, more efficient and renewable energy sources.

Population growth, development and urbanisation will increasingly place pressure on air and water quality as already experienced in many countries.

Problems with water quality and land degradation will make it difficult for China, India, Indonesia and other large Asian neighbours to produce the premium food products that their middle classes are demanding.³¹

Following the 2016 Paris Climate Change Agreement, countries, particularly in Asia, will be stepping up their efforts to limit carbon emissions, turning to clean-coal technologies, renewable energy sources and gas as a transitional fuel.

Demand for energy is forecast to grow by **as much as 50%** by 2030³²

Megatrend 5

Infrastructure development in emerging and less-developed economies

Over the next five years an enormous amount of infrastructure investment will be required in emerging economies.

In addition to its domestic infrastructure development, China unveiled its *One Belt One Road* (OBOR) initiative in 2013. This involves re-establishing the Silk Road through Central Asia, West Asia, the Middle East and Europe, plus a maritime Silk Road through the South China Sea, the South Pacific Ocean and the Indian Ocean.

Much of the funding for this vast infrastructure program will come through the newly established Asian infrastructure investment Bank led by China. Fully implemented, the OBOR could involve investment of up to US\$8,000 billion. This presents opportunities to Queensland exporters, particularly in the state's North.

Africa is another area that will require a great deal of infrastructure investment, with its population growing faster than that of any other continent.³³

China will construct **2 cities the size of London** each year for the next 20 years³⁴

Megatrend 6

Slower growth in the developed world

Growth in the developed world is expected to continue to be slower than experienced prior to the global financial crisis³⁵, driven by long-term trends of slower global population growth and emerging economies increasing their share of global production.

Slower population growth is leading to an ageing population and increased demand for health and aged care services, especially in developed economies. This is coinciding with the rapid growth in manufacturing in emerging economies, as they seek to raise their own living standards through industrialisation and urbanisation.

In this environment, traditional sectors such as primary industries and manufacturing will need to adapt in order to compete in global markets.

Projected average GDP growth to 2018:

Advanced economies	Developing & emerging economies
= 1.8%	= 4.9% ³⁶

Megatrend 7

Access to capital

There is a worldwide glut of private savings associated with population ageing and anxiety about the future. Managers of these savings are looking globally for investment opportunities.

In addition, the slower growth in developing markets will mean that capital from these markets is likely to look outwards for new markets to invest in to achieve growth.

Governments are having to become more creative in funding the delivery of services by engaging the private sector in innovative financial arrangements. The stable returns from infrastructure projects are increasingly attractive to managed and superannuation funds.

More international investment funding partnerships will be essential in addressing the growing demand for spending in areas such as health, aged care and infrastructure.

50% of the total global stock of capital will reside in the developing world by 2030³⁷

Megatrend 8

Digital disruption

The rapid growth of digital technologies and the pervasiveness of the internet means that trade increasingly occurs on-line. This is affecting the traditional distribution models for many businesses.

Although e-commerce takes Queensland's startups and SMEs into a global market, it also means that markets are more competitive and increasingly complex to navigate.

Disruptive technologies such as online product and service supply, social media, ride and room sharing and financial technologies are affecting traditional ways of doing business, and are supporting flexible industry relocation.

Digital disruption is allowing firms to bring back functions that were off-shored due to wage costs, enabled by advances in robotics, 3-D printing, and artificial intelligence.

By 2030, 50% of the world's population will have access to the internet, up from 34% in 2012³⁸

Objective 1

Identify key opportunities

In a constantly changing global economy, the Queensland Government is committed to remaining agile and responsive to market opportunities as they arise.

Priority 1 Build on our strengths

Priority 2 Further diversify our economy

Priority 3 Target key markets

**FOCUS: Gold Coast 2018
Commonwealth Games**

Priority 1 Build on our strengths

Queensland possesses many natural and acquired competitive strengths which have led to the growth of our major export industries – mining, food and agribusiness, tourism and international education and training. These industries form a strong foundation for future growth and jobs.

Queensland's competitive strengths

Our people

- A well-educated and skilled workforce
- A multicultural population from over 220 homelands
- A growing population base
- A strong research and development culture



Natural resources and environment

- An average of 300 days of sunshine a year
- World-renowned beaches, national parks, rainforests and tropical reefs
- Five World Heritage areas
- Abundant arable land
- Large reserves of high-quality coal
- Significant reserves of proven and probable coal seam gas (CSG)
- Among the world's top five producers of lead, zinc, bauxite and silver



Reliable and efficient infrastructure

- Six international airports
- 191 regional airports
- 20 strategically located seaports
- 8,250 kilometres of railway
- Over 220,000 kilometres of road infrastructure
- World-class schools, universities and training facilities
- World-class tourism attractions
- Clear pipeline for future infrastructure projects
- Independent assessment of proposals



Ease of doing business

- Shared time zones and proximity to two of the world's three largest economies
- A pro-business government
- A resilient and diversified economy with no sector making up more than 12 per cent of the economy
- Efficient development approval and project facilitation processes
- Australia is ranked fifth in the Economist intelligence Unit's Business Environment Rankings of best countries to do business and in the World Bank's top 10 countries for strong governance³⁹

Cost of doing business

- Competitive payroll tax
- Low living costs
- Low port and congestion costs
- Competitive labour costs
- Our commitment to maintaining our conducive business environment



Queensland has the
**lowest overall payroll
tax rate in Australia**

.....

Our existing global presence

Queensland has one of Australia's largest international networks of state representation. In addition to TiQ's international trade and investment offices (see inside front cover and page 12), Tourism and Events Queensland has a presence in 13 markets (see inside cover). Having a local in-market presence helps to raise awareness of Queensland's tourism and event experiences and destinations.

The Queensland Government continues to monitor its international presence with a view to deepening existing market opportunities and expanding to new markets where resources can achieve the best results for Queensland. This is evidenced through the establishment of new offices in Chengdu and Singapore in 2016 (see page 31).



Major export industry 1

Mining and mining equipment, technology and services

Mineral and energy resources key facts:

- More than 180,000 direct and indirect employees.
- Contributed \$21.6 billion to Queensland's economy in 2015–16.
- One of the world's largest exporters of seaborne coal.
- Queensland is in the world's top five for the production of lead, zinc, bauxite and silver.
- The sector attracted 40 per cent of all capital investment in Queensland and exploration expenditure of over \$436 million in 2015–16.
- Queensland has more than 800 mining equipment, technology and services (METS) companies – more than any other Australian state.

Queensland has strong comparative advantages in the production of zinc, aluminium and LNG.

Queensland's international competitiveness in mining has resulted in considerable expertise in METS directly employing more people than the mining sector itself.

Resources Investment Commissioner

The Queensland Government's Resources investment Commissioner helps secure new partnerships to support Queensland's mining and METS industries. This includes matching international investors with mineral deposits, mines, explorers and mining technology companies that are seeking capital.

New markets and exporters

There are growing opportunities for METS suppliers in India and the Americas, including the USA, Mexico, Chile and Peru. In 2015, 66 per cent of Australian METS companies were already globally active, with an additional 16 per cent intending to begin exporting by 2017.⁴⁰

Investment in minerals exploration

The Queensland Government has released Queensland's first exploration forward plan to deliver certainty and opportunity to the Queensland resources sector and investors. The seven areas include Cloncurry in the north-west, Bowen Basin in central Queensland and Surat in the south-west.

Case Study: Blast Movement Technologies

Brisbane-based Blast Movement Technologies was founded in 2005 and today is the global leader in blast movement monitoring technology used by mining companies around the world to improve their recovery rates of ore. The company's patented system – based on technology developed at the University of Queensland – allows mine operators to accurately locate ore and waste zones after blasting. This ensures that ore is not accidentally overlooked or discarded, which in turn increases revenue.

Current action: The Queensland Government is developing the *Advance Queensland METS 10-Year Roadmap and Action Plan*.



Queensland's coal and bauxite reserves are among

the largest in the world

.....



Gladstone, Queensland
Ray Cash Photography © The State of Queensland

Major export industry 2

Food and agribusiness

Food and agribusiness key facts:

- 144 million hectares or 83 per cent of Queensland is dedicated to food and agribusiness.
- Around one in seven Queenslanders are partly or wholly supported by the food sector.
- In 2014–15 Queensland's agribusinesses provided:
 - 22 per cent of Australia's primary produce.
 - a gross value add of \$8.2 billion to the Queensland economy.

Queensland has a strong comparative advantage in the production of beef, fish and crustaceans, chickpeas, cotton, sugar cane and sorghum.

High-value products

Queensland has a long and proud history in agriculture and the future presents an unprecedented opportunity for further growth as a world leader in high-quality agricultural produce that is safe, clean and green.

High-quality produce is increasingly in demand, particularly in Asia, as international investors seek to secure product supply to provide for growing middle-class populations (see global megatrends 1, 2 and 4). This presents a distinct advantage for Queensland exporters to access and significantly differentiate our food and agribusiness products.

AgTech and services

Queensland's success in food and agribusiness has highlighted our innovative agricultural processes and technologies.

Technological advances in production, robotics, bioproducts, packaging materials, and digital and wireless technologies will continue to influence the agricultural sector and create service export opportunities offering high-paying jobs.

Current action: The Queensland Government's Advance Queensland Technology Commercialisation Fund is increasing agricultural innovation to help commercialise intellectual property to maintain Queensland's competitive advantage in food and agribusiness.

Current action: The Queensland Government is developing an agriculture and food research, development and extension 10-year roadmap to enhance scientific collaboration in Queensland.



Brisbane, Queensland
Courtesy of Tourism and Events Queensland

Aquaculture

Queensland's clean, unpolluted waters provide ideal locations for temperate and tropical marine species. Combined with Queensland's extensive aquaculture research programs and diverse industrial base that is serviced by regional centres, Queensland is building an enviable reputation for high-quality aquaculture products.

Queensland's aquaculture industry employs over 450 workers and had a gross value of production (GVP) of \$120 million in 2014–15, representing 38 per cent of the total value of fisheries production in the state. Aquacultured prawns (\$82.6 million) and barramundi (\$27.5 million) account for the majority of the total GVP.

Current action: The Queensland Government is creating terrestrial Aquaculture Development Areas (ADAs) to encourage the growth of a sustainable aquaculture industry, including the development of assessment codes and regulatory conditions for each ADA.



Mooloolaba, Queensland
Courtesy of Tourism and Events Queensland

Major export industry 3

Tourism

Tourism key facts:

- Directly and indirectly employed 219,000 people representing 9.4 per cent of Queensland jobs in 2014–15.
- Contributed \$23 billion to Queensland's economy directly and indirectly in 2014–15.
- Queensland tourism exports were \$6.6 billion in 2014–15.
- For the year ending March 2016, domestic and international overnight visitors spent \$19.6 billion or \$53.8 million per day.

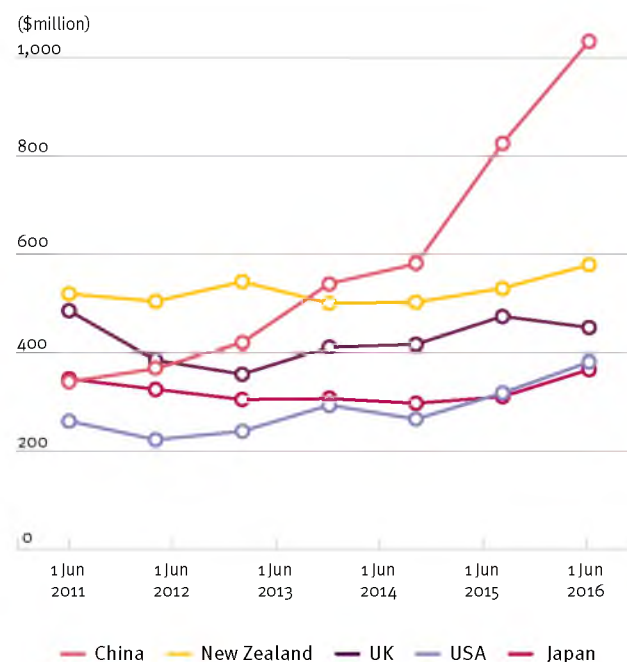
One of the world's most naturally diverse places, Queensland has five World Heritage areas including the Great Barrier Reef, stunning beaches, islands, rainforests and outback landscapes serviced by vibrant cities and rural communities. It's no wonder Queensland's tourism sector has comparative advantages over national and international tourism sectors.

In addition to 20.3 million domestic visitors, Queensland attracted more than 2.5 million international visitors who spent \$5 billion in the year ending June 2016. Figure 5 highlights the rapid rise in Chinese expenditure in the sector over the past five years.

Advance Queensland: Connecting with Asia

The Queensland Government is investing in long-term tourism connectivity with new and additional flights from mainland China, Hong Kong and Canada into the Gold Coast, Cairns and Brisbane. This investment is intended to make Queensland the number one destination for millions of visitors and to increase regional jobs in tourism.

Figure 5: Queensland's international visitor expenditure 2010 tot 2016⁴¹



Current action: The Queensland Government's Advancing Tourism 2016–20: Growing Queensland Jobs strategy aims to increase jobs, overnight visitor expenditure and numbers.

Major events

Major events attract international visitors and media attention, benefiting Queensland's economy through increased event-related expenditure as well as flow-on effects due to increased promotion, networking opportunities and capability building. International events such as the 1982 Commonwealth Games and Expo '88 in Brisbane significantly raised Queensland's international profile.

Queensland's infrastructure and proven ability has led to the successful hosting of major international events such as the November 2014 G20 Leaders' Summit in Brisbane and the September 2014 G20 Finance Ministers' meetings in Cairns. These meetings attracted more than 7,600 delegates and 2,300 media representatives from around the world.

The Gold Coast 2018 Commonwealth Games will again cast Queensland into the global spotlight (see pages 32 and 33).

Current action: The Queensland Government is enhancing visitor experiences as a part of a \$400 million initiative to grow Queensland's tourism and events industry and foster innovation.

Case Study: 2016 World Science Festival Brisbane

In March 2016 over 120,000 people converged on Brisbane's Cultural Precinct for the World Science Festival, enjoying performances, debates, demonstrations and scientific displays from over 100 of the world's leading names in science and the arts.

It was the first time this world-renowned event has been hosted outside New York. The festival showcased Queensland as a major event destination and a hub for innovation. The Queensland Museum has the exclusive Asia-Pacific hosting rights until 2021.

Major export industry 4

International education and training

International education and training (IET) key facts:

in 2015–16, Queensland's iET sector:

- generated \$3 billion in export revenue;
- supported around 20,000 jobs; and
- was Queensland's second-largest service export.

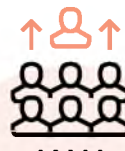
Queensland has some of the world's best education and training institutions. Our multicultural population, safe communities, enviable lifestyle and some of Australia's best weather and locations make it a destination of choice for many international students (see global megatrend 2).

Queensland is geographically close to key growth markets in Asia and offers a unique and affordable lifestyle attractive to students and their families.

A defining feature of Queensland's IET industry is its dispersion across the regions. In 2015, the economic contribution of student-related export revenue outside of Brisbane was \$937 million. Regions also benefit from increased tourism, from both students and their visiting friends and family, and other education-related expenditure.

A strong and sustainable IET industry enhances global engagement, with alumni becoming lifelong ambassadors who understand Queensland and are likely to return and invest.

Current action: The Queensland Government's International Education and Training Strategy to Advance Queensland 2016–2026 includes \$25.3 million of initiatives to ensure that Queensland captures a sizable share of the rapidly growing IET market.



In 2015, Queensland's IET sector supported around 20,000 jobs



Case Study: Best Semester Abroad competition

The Best Semester Abroad competition is an innovative way to promote Queensland as an exceptional education destination globally. The competition phase of the campaign alone reached five million people in 10 of Queensland's top source markets for international students.

In July 2016, 20 winning students from 10 countries were announced. Each winner received a semester of study in Queensland including tuition, flights, accommodation and holiday experiences valued at up to \$30,000.

The winners are encouraged to be active on social media to promote Queensland's educational institutions, climate and environment to their networks and beyond. As at February 2017, their social media content had reached over 10 million people, including more than 2 million views of their video content.



Priority 2 Further diversify our economy

Further economic diversification is critical to mitigate the adverse impacts of changes occurring in the global economy. The Queensland Government is committed to further diversifying Queensland's economy and creating new jobs by actively seeking opportunities in new and emerging industries.

Keeping abreast of emerging global opportunities takes time, effort and money. The provision of market intelligence aimed at capitalising on Queensland's industry strengths and linking these to the demands of specific markets will give businesses a competitive edge.

New initiative: Provide international market reports tailored to Queensland's strengths.

Businesses offering complementary products or services, or engaged in emerging industries, can have greater success entering new markets when they collaborate with each other. Without support and coordination, opportunities for collaboration between SMEs can be missed and scale may not be realised when promoting a product or service offering overseas.

New initiative: Enable development of *Queensland business consortia*.

Advanced manufacturing

In a tough, globally competitive environment, a strong and resilient core of Queensland businesses have made a successful transition into the production of sophisticated, high-value goods. The move to advanced manufacturing contributes to greater productivity, the retention and growth of a highly skilled workforce and the creation of well-paid jobs.

Queensland's established network of research and development institutions, skilled workforce and infrastructure base supports innovation in areas such as nanotechnology.

Queensland is well placed to encourage the development of profitable new products, services and industries and capitalise on the recent trend in advanced economies towards the on-shoring and capability building of advanced manufacturing.

Case Study: Ferra

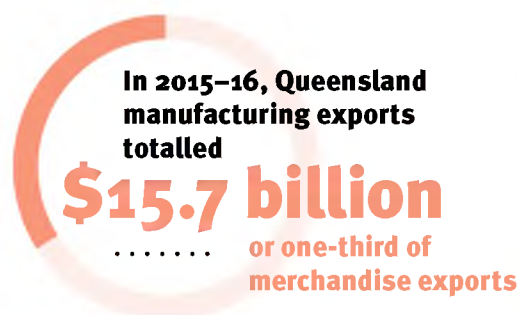
Brisbane-based manufacturing company Ferra Engineering is a specialist in providing engineering services and designing, manufacturing and assembling aerospace structures and sub-systems.

A leader in the field, Ferra supplies some of the largest organisations in the world, including, Boeing, Lockheed Martin, Northrup Grumman and Airbus. Exports make up more than 80 per cent of Ferra's business.

Current action: The Queensland Government is implementing the *Advance Queensland Advanced Manufacturing 10-Year Roadmap and Action Plan* including up to \$7.6 million in funding for initiatives that will support the growth of the industry.

A diverse economy:

.....
no sector makes up more than 12% of Queensland's output



Townsville, Queensland
Courtesy of Port of Townsville

Biofutures

The industrial biotechnology and bio-products industry presents opportunities for Queensland to develop and manufacture products from sustainable organic and waste resources, rather than from fossil fuels.

Queensland is one of the very few developed economies located in the tropics, providing unique and ideal conditions to transform high-quality, high-yield feedstock into bio-products. Backed by Queensland's emerging role as a leader in renewable energy (see page 29) and commercial aviation's aspiration for carbon-neutral growth by 2020, Queensland's biofuels opportunities are vast.

It is projected that bio-products such as fuels, chemicals and plastics from agricultural, forestry and green-waste feedstocks could increase Queensland's gross product by up to \$1.8 billion annually by 2035, supporting more than 6,000 jobs.⁴²

Case Study: Southern Oil Refining's Advanced Biofuels Pilot Plant – Gladstone

Queensland's first advanced biofuels production facility will be built in Gladstone. If successful, the pilot plant will be expanded into a commercial-scale advanced biofuels production facility capable of producing 200 million litres of advanced biofuel annually that is suitable for military, marine and aviation use.

Current action: The Queensland Government is implementing the *Advance Queensland Biofutures 10-Year Roadmap and Action Plan* which includes a \$19 million investment across four key areas to boost Queensland's footprint in the sector.



The global bioplastics market is expected to grow from US\$7.5 billion in 2013 to more than US\$43 billion in 2020⁴³

.....

Biomedical and life sciences

Past investment by the Queensland Government has built world-class research institutes and scientific capabilities in areas including tropical and infectious disease, vaccine development and delivery, and telemedicine. These institutes have developed strong skills in advanced imaging, genetic services, bio-fabrication, preclinical and early phase clinical trials, pilot scale biopharmaceutical products, medical devices and diagnostics.

With the demand for products and services in personalised and preventative medicine growing globally – particularly in Asia – Queensland is well positioned to achieve accelerated growth in this area (see global megatrends 2 and 7).

Case study: Ellume

The 2015 Johnson & Johnson innovation industry Excellence Awards recognised Brisbane-based healthcare company Ellume as the Emerging Company of the Year for its development of simple, highly sensitive and reliable diagnostics for infectious diseases and for linking the results to optimal therapy.

Ellume's first product was the Respirio Flu Test, the world's first at-home, non-invasive, ultra-sensitive test for detecting and differentiating influenza A and B (seasonal and pandemic). Ellume is also developing products to diagnose other diseases such as Respiratory Syncytial Virus (RSV), HIV, malaria and chlamydia.

In March 2016, Ellume received \$50,000 under *Advance Queensland's* Knowledge Transfer Partnerships program to work, in partnership with the University of Queensland, on the development of the product for diagnosing RSV.

Current action: The Queensland Government is developing the *Advance Queensland Biomedical and Life Sciences 10-year Roadmap and Action Plan*.

Priority 2 Further diversify our economy (continued)

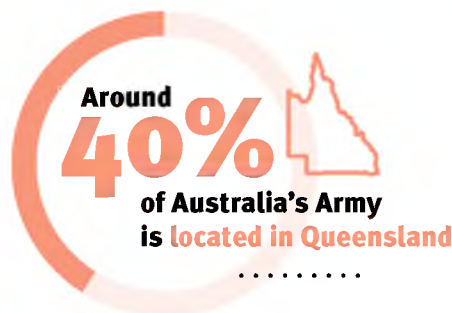
Defence and Aerospace

Queensland hosts the second-largest contingent of Australian Defence Force (ADF) personnel of any state or territory. The ADF has made a strong commitment to capital equipment investment and is a growing contributor to the Queensland economy. Queensland's location within the Asia-Pacific region and current defence capability will ensure the ADF continues to regard Queensland as a strategic priority.

Queensland is well-placed to capitalise on the Australian Government's 2016 *Defence White Paper* commitment to increase defence spending to two per cent of GDP by 2020-21.

Close to one-third of Australia's aircraft manufacturing and repair services industry is based in Queensland, contributing around \$600 million to the Queensland economy in 2014-15. The aerospace sector is expected to grow to US\$350 billion globally by 2023,⁴⁴ presenting exceptional opportunities for Queensland companies.

Current action: The Queensland Government is developing the *Advance Queensland Defence and Aerospace 10-year Roadmaps and Action Plans*.



Health services

Healthcare demand outstrips supply in the Asia-Pacific region, and is expected to grow with increases in wealth, population, chronic disease and health awareness (see global megatrends 2 and 7).

Queensland has the capability and capacity to supply these markets with a variety of health services such as medical research, residential aged care, retirement living and leisure, and preventative health and wellness.

Major knowledge-based growth opportunities in health services exports from Queensland include:

- design and construction of healthcare facilities, including digital hospitals and multipurpose health and knowledge precincts;
- healthcare facility management and training; and
- exchange of health and medical research information, expertise and skills.

Case Study: Cook Medical Australia

Cook Medical Australia is dedicated to bold leadership in pioneering medical solutions to enhance patient care world-wide. Through research and development, manufacturing, and continuing to prioritise patients, Cook Medical helps to create innovative healthcare treatments that improve people's quality of life. The Brisbane-based manufacturing facility is Cook Medical's Asia-Pacific headquarters, employing over 450 local people.

Current action: The Queensland Government is developing an action plan to increase health industry investment in Queensland and Queensland's export of health products and services.

Professional and business services

Queensland's exports of professional and business services were valued at almost \$700 million in 2015–16, an increase of over 20 per cent in the past five years. Particular strengths for Queensland include financial services; architectural, engineering and scientific services; and environmental, agricultural and mining services.

Queensland's financial services exports represented a significant proportion of this and was the third largest services export after tourism and IET.

Queensland's architectural, engineering and scientific services exports were valued at almost \$300 million in 2015–16, and some Queensland architectural firms are gaining significant business traction in Asian markets.

More than half of Australia's environmental, agricultural and mining services exports in 2015–16 were from Queensland.

The Queensland Government, through TIQ, works with industry organisations, service providers such as law and accountancy firms, as well as consultants and major domestic and international financial institutions, to promote and facilitate investment in Queensland.

 **Professional and business services**
increased
over 20%
in the past five years
.....

Renewable energy

It is estimated that more than \$300 billion was invested globally in renewable energy in 2015 with 196 countries committing to emissions reductions at the 2015 Sustainable Innovation Forum.⁴⁵

Queensland is emerging as a leader in renewable energy. There are increasing opportunities to attract renewable energy investment and take greater advantage of our high-quality renewable energy resources to create jobs, encourage local manufacturing and develop skills and products for export.

The Queensland Government's Renewable Energy Expert Panel has released a draft report which outlines pathways for Queensland to achieve a 50 per cent renewable energy target by 2030. In a first for any Australian state or territory government, government-owned land in Queensland is being assessed for suitability for large-scale renewable energy developments and will be released to renewable energy proponents under the *Advancing our Cities and Regions Strategy*.



Ravenshoe, Queensland

Case study: Solar 150 solar investment program

The Queensland Government's Solar 150 program is establishing a large-scale renewable energy industry in Queensland—acting on climate change, creating new jobs and diversifying our economy.

In collaboration with the Australian Renewable Energy Agency (ARENA), upfront capital grants and long-term revenue contracts will be provided to encourage the development of six large-scale Queensland solar projects with construction set to begin in early 2017.

This will boost investment in Queensland by over \$637 million, support around 600 direct jobs, increase our existing solar generation 30-fold, and produce enough electricity to power 120,000 homes.

Current action: The Queensland Government is working to achieve Queensland's 50 per cent renewable energy target by 2030.



Windorah, Queensland

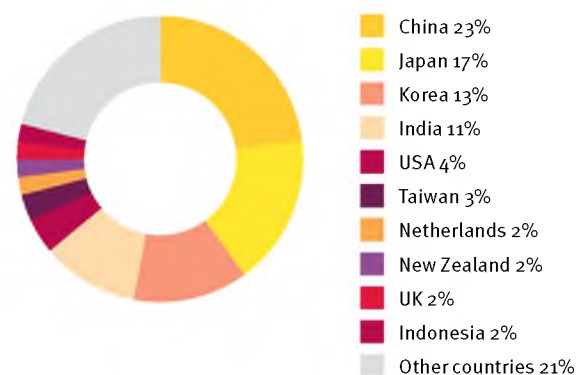
Priority 3 Target key markets

As the global economic centre of gravity shifts towards Asia and the world's middle class grows, Queensland must seek new markets for trade and investment to support job creation and economic growth. The criteria used to identify Queensland's key markets include past performance in trade and investment and predicted future growth.

Export performance

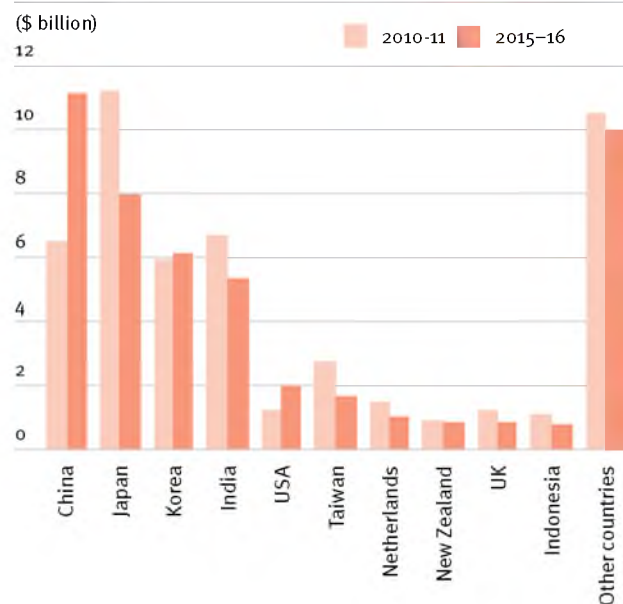
Queensland's major goods export markets are in Asia, led by China, Japan, Korea and India (see Figure 7). Over the past five years, Queensland's major goods export markets

Figure 7: Queensland's major goods export markets, 2015–16⁴⁶



that have shown the greatest growth have been China, the USA and Korea. China overtook Japan in 2013 to become Queensland's largest export market (see Figure 8).

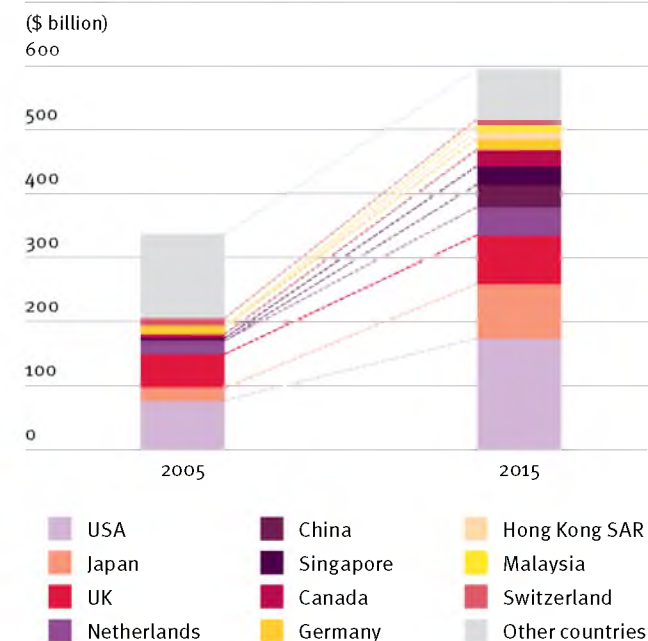
Figure 8: Total value of Queensland's goods exports by markets, 2010–11 to 2015–16⁴⁷



Investment performance

The USA, Japan and the UK are the top three sources of FDI into Australia (see Figure 9).

Figure 9: Australia's major foreign direct investment source markets, 2005 to 2015⁴⁸

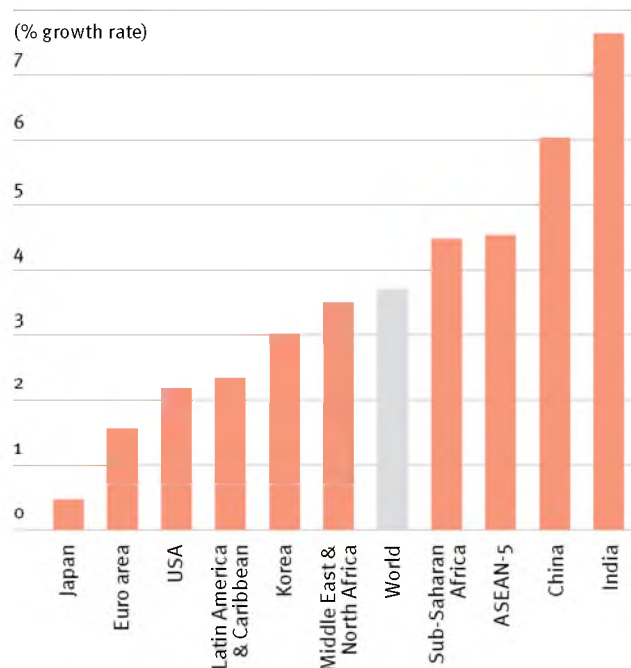


Future growth outlook

Queensland will add to traditional strong trading ties with developed economies such as the USA and Japan by building stronger relationships with the new growing economies of Asia (refer to global megatrend 6).

According to the IMF, India and China are projected to show strong economic growth to 2021. The ASEAN-5 countries (Indonesia, Malaysia, the Philippines, Singapore and Thailand) and Sub-Saharan Africa are also predicted to show growth above the world average (see Figure 10).⁴⁹

Figure 10: Forecast average annual growth in gross domestic product 2016 to 2021⁵⁰



Case study: New TiQ offices: Singapore and Chengdu, China

In 2016, the Queensland Government established two new TiQ international offices in Singapore and Chengdu.

Singapore's reputation as the Asia-Pacific hub for finance, multinationals, innovation and aviation made it a strategic choice. Past Singaporean investment has contributed greatly to Queensland's economy, particularly in tourism infrastructure. Further investment in key industries such as food and agribusiness, education, and urban development and infrastructure presents an exciting opportunity for future economic development.

As a major aviation hub with direct flights to Queensland, Singapore also presents an opportunity to secure greater distribution of Queensland products in Asia.

TiQ's Chengdu office is the fourth trade and investment office in mainland China. With a population of 10 million people, Chengdu is considered one of China's most important second-tier cities and is located in Sichuan, China's fourth largest province by population.

Sichuan Province and Chengdu have many economic links that align with Queensland's major export and emerging sectors including rich mineral deposits, agribusiness, and science and technology.

Chengdu's large and growing middle class has a growing appetite for premium food and wine.

The USA is the largest source of FDI into Australia and a key market for technology and innovation. Queensland must ensure that it is effectively targeting investors and advanced export opportunities in this priority market.

New initiative: Establish a new TiQ office in North America.

Singapore is one of South-East Asia's key financial and aviation hubs. Along with its close proximity to Queensland, it is strategically located as a gateway to the ASEAN-5 countries which are forecast to grow at an annual rate of 4.5 per cent to 2021.

New initiative: Strengthen TiQ's presence in Singapore.

Indonesia, with a population of 260 million, is already the world's 16th largest economy and is growing quickly. There is significant potential for Queensland businesses to increase trade with our close neighbour and stronger engagement with Indonesia is needed to take advantage of this opportunity.

New initiative: Strengthen TiQ's presence in Jakarta

With the global economic landscape evolving at such a rapid pace, the Queensland Government's trade and investment policies must be responsive to global megatrends and targeted to key markets to ensure Queensland businesses have the right support globally.

New initiative: Develop country-specific trade and investment strategies.

New initiative: Conduct a comprehensive review of Queensland's international operations.

FOCUS:

Gold Coast 2018 Commonwealth Games

The Gold Coast 2018 Commonwealth Games (GC2018), to be held from 4 to 15 April 2018, will be the biggest event held in Australia this decade and the first time the event has been hosted in a regional Australian city. Other regions of Queensland will also benefit with GC2018 events being held in Brisbane, Cairns and Townsville.



As one of the biggest international sporting events globally, GC2018 is expected to attract over 6,600 competitors and officials from 70 nations and territories, showcasing Queensland to 1.5 billion people world-wide.

GC2018 will inject approximately \$2 billion into the Queensland economy, providing opportunities for increased investment, boosting prospects for Queensland exporters and leaving a lasting legacy of world-class infrastructure.



An investment promotion opportunity

Through the development of the GC2018 Trade and investment Program, the Queensland Government is capitalising on the opportunities GC2018 presents for broader trade and investment outcomes. The program aims to leverage GC2018 by:

- strengthening Queensland's and Australia's international business and government relationships;
- showcasing Queensland to the world and promoting the state as an attractive place to do business; and
- increasing export and investment attraction opportunities.

investment opportunities associated with GC2018 extend beyond sport and events to other sectors of the economy. For instance, the Gold Coast Health and Knowledge Precinct, which includes the Gold Coast University Hospital and Griffith University, will also incorporate the new \$550 million Commonwealth Games Village.

Following GC2018, the Village and its supporting infrastructure will be transformed into a mixed-use residential development enhancing the entire precinct, promoting further investment and creating flow-on effects to the Queensland economy.

The Commonwealth Games will attract

6,600 athletes and officials

GC2018 will reach an audience
of **1.5** billion people

70 nations and
territories
will be competing
.....

A boost to our services exports

Tourism operators and other businesses on the Gold Coast and throughout the state will benefit from increased visitor numbers and expenditure during GC2018. These benefits are expected to continue beyond the Games as visitors extend their holidays and explore the state. There will also be long-term benefits due to return visitors and the increased global media exposure highlighting Queensland as a prime holiday destination.

Further opportunities exist for Queensland's sporting and events specialists. Australia is globally renowned as a sporting nation with strong capabilities in hosting and delivering world-class sporting events. GC2018 will build upon this reputation and give Queensland businesses a platform for expanding operations globally.

A lasting legacy

In preparation for GC2018, the Queensland Government is investing in infrastructure which will leave a lasting legacy after the Games. This includes building three new competition venues and upgrading a further seven venues.

These venues are already attracting other major events and the associated investment to the state, including:

- 2017 Commonwealth Weightlifting Championships;
- 2017 Badminton World Federation Sudirman Cup;
- 2018 international Triathlon Union World Triathlon Grand Final and World Championships; and
- 2020 World Bowls Championships.

The \$41 million Gold Coast Aquatic Centre, purpose-built for the GC2018, has already hosted the 2014 Pan Pacific Swimming Championships and 2015 FINA Diving Grand Prix.

The newly-built sound stage at Village Roadshow was co-funded by the Queensland Government and will be temporarily transformed to host the squash competition for GC2018. As the largest sound stage in the southern hemisphere, the venue has already proven to be a major draw-card for filmmakers (see page 43) and will continue to boost Queensland's film and television industry into the future.

A \$160.7 million package of transport infrastructure will also be completed in time for the Games. This includes the Gold Coast Light Rail Stage 2 project which will deliver a 7.3 kilometre northern extension of light rail from the Gold Coast University Hospital to Helensvale.

Case Study: Centium Software

Queensland company Centium Software has a strong reputation for providing software solutions to some of the world's biggest sporting events.

Managing the arrival and accommodation of thousands of athletes and officials is a challenge common to events world-wide, and Centium Software has developed a software solution which streamlines and improves hospitality management for this international market.

Centium Software has exported its technology to numerous events including the Delhi 2010 Commonwealth Games, the London 2012 Olympic Games and the Toronto 2015 Pan American Games.

Backed by this strong portfolio of global experience, Centium Software will be providing their world-leading technology to support accommodation and transfers to and from official points of entry at GC2018.

Objective 2

Facilitate export growth

The Queensland Government provides existing and potential exporters with the support and knowledge they need to reach global audiences.

Priority 4 Build export capabilities

Priority 5 Foster export opportunities

Priority 4 Build export capabilities

Queensland's well-educated and skilled workforce supports continued growth in the economy. A strong future relies on the ability of the current and next generation of Queenslanders to respond to global challenges such as limited natural resources, changing market demographics, financial constraints and digital disruption.

Empowering new exporters and startups

The Queensland Government actively supports the growth and international expansion of new exporters and startups because they contribute significantly to Queensland's economic development.

The *Advance Queensland* initiative will help Queensland startups commercialise products and services in order to secure investment for overseas expansion.

The Queensland Government also builds relationships in overseas markets to assist Queensland companies with their market entry. Accelerators, incubators and co-working hubs offer facilities, advice, and contacts for Queenslanders looking to undertake entrepreneurial activities in a number of local and international markets.

Current action: The Queensland Government signed a Statement of intent with Dubai South in September 2016. This agreement will create new opportunities for Queensland businesses to expand and develop their products and services in the United Arab Emirates and the Middle East region.

In competitive global markets, businesses need to stand out. Stakeholder feedback indicated that products and services that are quality assured can be more appealing to buyers and investors.

New initiative: implement a *Queensland Government Accreditation Program*.

Queensland is the nation's
2nd largest goods exporter and
3rd largest services exporter



There were over **7,000** goods exporters in Queensland in 2014–15, an increase of **4.7%** on the previous year

Harnessing the power of e-commerce

Trade transactions are now commonly occurring online, with Australian websites increasingly receiving international orders (see global megatrend 8).

Despite this, over 40 per cent of Queensland businesses do not have a mobile-friendly website and less than 25 per cent are selling online.⁵¹ And although e-commerce brings Queensland's startups and SMEs into a global market, it also increases the competitiveness and complexity of the global marketplace.

The benefits for businesses of e-commerce include reduced capital costs, shorter transaction times and increased customer reach.

Case Study: Opmantek

Gold Coast-based Opmantek has been delivering open-source network management software systems since 2010. Deployed in more than 80,000 organisations in 130 countries, Opmantek is one of the world's fastest growing tech companies. The quality of its software helps organisations detect faults, review network performance and predict where future failures are likely to occur.

In 2015, the company beat Dell to be voted America's favourite systems management product in the 13th annual American Business Awards.

Traditional business models are being disrupted by the rapid growth of digital technologies. E-commerce presents an enormous opportunity for Queensland companies to grow internationally, but fewer than 25 per cent of Queensland businesses are currently selling online.

New initiative: Provide cross-border e-commerce training for SMEs.

Skills development

Queensland exporters need specific skills to enter and sustain their presence in international markets.

The Queensland Government, in collaboration with the Export Council of Australia and Austrade, offers the Queensland export community a number of export skills development programs. For instance, the Speed Networking for Exporters workshops cover topics such as managing global freight risk, protecting intellectual property rights, export finance and navigating free trade agreements (FTAs).

Current action: The Queensland Government's successful *Mentoring for Growth* program is being expanded, providing businesses with strategic advice for growth, investment, export and resilience.

Taking a business into new global markets can be challenging for many business owners. More opportunities are needed for Queensland SMEs to gain the knowledge and skills required to grow their business internationally. Experience has shown that SMEs that receive mentoring and in-market opportunities to hone their skills and build commercial relationships have an edge over their competitors.

New initiative: Establish an *International Business Advisory Circle* to mentor Queensland SMEs with high growth potential.

New initiative: Establish the *Emerging International Business Leaders Program*.

Queensland's next generation of business leaders need practical in-market training in trade and investment to equip them with the skills to build and grow international businesses and develop cultural awareness. The Queensland Government's extensive network of international offices is a resource that can be utilised to provide these opportunities.

New initiative: Implement a *Queensland Trade and Investment International Internship Program*.



Brisbane, Queensland

Priority 5 Foster export opportunities

Queensland's partnerships with businesses, research institutes and governments are a crucial factor in maintaining our ability to adapt to the fast-paced global environment. These strategic relationships help to pave the way for Queensland businesses to export goods and services and create more high-quality, local jobs.

The Queensland Government and Queensland businesses have expertise in areas such as food and agribusiness, translational research, industrial biotechnology and tropical health, and actively pursue partnerships with other entities to identify innovative solutions to shared problems.

The Queensland Government offers networking programs to support research and industry-based collaboration, including Innovate Queensland collaboration events and IQlink. It participates in forums such as Life Sciences Queensland which aims to build relationships between business and research, and grow opportunities for life sciences organisations in Queensland.



International trade missions

The Queensland Government prioritises trade missions in its international engagement strategy. Participation in government-led trade missions provides Queensland businesses with a platform for engagement and promotion that they would be unlikely to achieve otherwise.

Involvement in a trade mission boosts the credibility of businesses in foreign markets, especially in Asia and the Middle East, where government assistance is highly regarded.

The purpose of trade missions is to:

- introduce Queensland businesses to foreign industry executives and government officials;
- establish contacts in-market for export or investment opportunities;
- provide in-market support to Queensland firms entering new markets;
- build international connections and opportunities for collaboration;
- gain intelligence and learn about international markets including understanding regulatory requirements;
- meet other Queensland businesses that have either entered or are seeking to enter foreign markets; and
- raise Queensland's profile internationally.



The Queensland Government also hosts foreign and domestic delegations that include government officials, academics, investors and buyers who are seeking to engage with Queensland firms in order to invest, import Queensland goods or services, or find opportunities to collaborate in areas of expertise.

For example, the Queensland Government has developed linkages with Japan's Ministry of Agriculture, Fisheries and Forestry (MAFF), and in March 2016 hosted a MAFF mission of delegates to showcase Queensland's tropical and agribusiness expertise.

Current action: The Queensland Government actively encourages inbound trade missions to promote Queensland's investment and export opportunities.

 Consultation indicated that government should provide more assistance to businesses wanting to break into new markets, including the opportunity to showcase their goods and services internationally to new customers and investors.

New initiative: Establish industry-led international trade missions.

New initiative: Implement Queensland showcase events in international markets.

Free trade agreements

The Queensland Government works closely with the Australian Department of Foreign Affairs and Trade (DFAT) and Austrade to promote FTAs to benefit Queensland businesses.

The Queensland Government promotes these benefits through its network of Trade and investment Commissioners (see page 12) that delivers country-specific FTA presentations, online information and guidance material, and a dedicated FTA specialist assisting clients via the Queensland Government's trade and investment hotline.

Current Australian trade agreements

- ASEAN-New Zealand FTA
- Chile FTA
- China FTA
- Japan Economic Partnership Agreement
- Korea FTA
- Malaysia FTA
- New Zealand Closer Economic Trade Agreement
- Singapore FTA
- Thailand FTA
- United States FTA

Under negotiation

Read more at www.dfat.gov.au

- Trans-Pacific Partnership
- Australia-Gulf Cooperation Council FTA
- Australia-India Comprehensive Economic Cooperation Agreement
- Environmental Goods Agreement
- Indonesia-Australia Comprehensive Economic Partnership Agreement
- Pacific Agreement on Closer Economic Relations
- Regional Comprehensive Economic Partnership
- Trade in Services Agreement

Case Study: Queensland broccoli in Japan

Japan has become Queensland's third-largest overseas market for broccoli after just one season of exports, injecting \$1 million into Queensland.

The Queensland Government and Horticulture innovation Australia work to help Queensland's vegetable growers capitalise on the lower Australian dollar and reduced tariffs under the Japan-Australia Economic Partnership Agreement.

International partnerships

The Queensland Government recognises the importance of international partnerships and has established a number of international agreements to increase trade and investment opportunities.

Queensland has established sister-relationships with Shanghai, China; Saitama, Japan; Gyeonggi, Korea; Central Java, Indonesia; and South Carolina and Texas in the USA.

Sister relationships establish high-level diplomatic and cooperative relationships and can be used to facilitate the development of business, social, technological and cultural links. They are particularly important across Asia, as they signify Queensland's willingness to cooperate and build strong and enduring relationships.

The Queensland Government will continue to pursue sister agreements that contribute to the Queensland Government's economic growth strategy.

International commercial agreements

In addition to traditional investment attraction activities, the Queensland Government places a heavy emphasis on supporting commercial arrangements with international companies. These agreements facilitate the sharing of expertise, new technologies and research, building essential capabilities within Queensland's workforce.

The Queensland Government's network of international representation is committed to facilitating opportunities to develop durable commercial agreements with high-profile firms.

Case Study: Queensland-Chinese Academy of Sciences (Q-CAS) Collaborative Science Fund

Q-CAS is an *Advance Queensland* initiative under Queensland's strategic science agreement with the Chinese Academy of Sciences. The Q-CAS Collaborative Science Fund seeks to foster new scientific partnerships in key areas of joint interest that deliver economic, social and environmental benefits for Queensland and China.

Priority areas for joint research are agricultural biotechnology and food production (including food safety), human health (including immunology and neuroscience) and energy.

The recipients of the 2016 Q-CAS round can be found at advance.qld.gov.au.

Objective 3

Attract job-creating investment

Increased investment in Queensland's businesses, infrastructure and innovative practices will drive jobs and economic growth.

Priority 6 Facilitate investment

Priority 7 Promote investment in infrastructure

Priority 8 Pursue investment in innovation

Priority 6 Facilitate investment

Investment will continue to be vital to maintaining Queensland's strong economy and creating employment. However, the global investment environment is changing, requiring the adoption of new and innovative ways of doing business.

Supporting investment attraction


To encourage investment in the state, the Queensland Government provides firms with a variety of services including:

- detailed industry knowledge about business costs;
- preparation of business cases;
- arranging site visits;
- introductions to industry and service providers;
- government liaison; and
- market intelligence.

The Queensland Government partners with local councils, economic development agencies and private service providers to assist in the identification and development of particular investment-ready projects. The Queensland Government works closely with Austrade to co-host international investors on visits to the state and promote projects to potential investors.

In addition to smaller scale private investment, the Queensland Government regularly hosts institutional investors and actively promotes Queensland projects for investment to these firms.

Current action: The Queensland Government's \$40 million *Advance Queensland Industry Attraction Fund* encourages firms to either relocate to Queensland or establish new projects.

 In a competitive international marketplace, Queensland needs to stand out, boldly showcasing its advantages and encouraging the flow of high-quality FDI.

New initiative: Develop a Queensland prospectus for international investors.

Coordinator-General

The Queensland Government Coordinator-General (CG) drives economic development projects and programs across Queensland. The CG has wide-ranging powers to plan, deliver and coordinate large-scale projects, whilst ensuring their environmental impacts are properly managed.

These powers have been used to assess major projects in a broad range of industries including mining and petroleum, aviation, tourism, water infrastructure and transport, as well as to acquire land for infrastructure corridors and projects.

Case Study: Queensland's CSG-LNG sector

Queensland's CSG and LNG sector has grown into a global-scale, world-leading export industry in a short period. The US\$60 billion in capital expenditure that has taken place since 2010 to develop gas fields and LNG export infrastructure has had a significant effect on Queensland's economy.

The CG:

- assessed the gas field development, pipeline and LNG plant projects, and stated conditions for their approval;
- secured land on Curtis Island for the establishment of liquefaction, processing and offloading facilities in the Port of Gladstone; and
- provided State Development Area access corridors for gas transmission pipelines near Gladstone.

State Development Areas

State Development Areas (SDAs) are clearly defined areas of land established by the CG to promote economic development in Queensland. SDAs are designed to provide certainty to investors and the wider community about the types of development that can occur within an SDA, overriding local and state government planning instruments related to the use of the land within the SDA.

They typically take the form of one of the following:

- industrial hubs for large-scale, heavy industry – mainly located on the coast of Queensland, in close proximity to ports, rail and major road networks;
- multi-user infrastructure corridors – for the co-location of infrastructure such as rail lines, water and gas pipelines, and electricity transmission lines; or
- major public infrastructure sites.

Current action: The Queensland Government is supporting planning enhancements for the Port of Cairns and progressing port master planning for the priority ports of Gladstone, Abbot Point, Townsville and Hay Point (Mackay).

Ports

Queensland has an extensive network of 20 ports along its coastline, ranging from small community ports to world-class coal export terminals and a capital city multi-cargo port.

These ports are a major component of Queensland's supply chain and economy, facilitating trade and the development of the regional, State and national economies. Queensland has both population centres and industries requiring imports, as well as natural resources which supply global markets—particularly in Asia.

Priority Development Areas

Priority Development Areas (PDAs) are parcels of land across Queensland that are identified for accelerated development, creating greater certainty for investors.

PDAs provide opportunities for investment in a broad range of infrastructure projects. For example, the Queen's Wharf Brisbane PDA provides a mix of commercial, residential and tourism development (see below case study).

More than 25 PDAs have been declared throughout Queensland.

Case Study: Queen's Wharf

The Queen's Wharf PDA is a \$3 billion resort development project in Brisbane. It will incorporate a casino, world-class hotels, residential towers, restaurants and cafes, a cinema and enhanced public spaces.

The new development will enhance connectivity between the Brisbane CBD and the riverfront, providing new and reinvigorated areas of public open space to support recreation opportunities as well as access to and enjoyment of the Brisbane River.

Queen's Wharf Brisbane will also support the revitalisation of heritage places and the strengthening of Brisbane's presence as a cultural and entertainment destination. When operational in 2022, the development is expected to deliver an annual \$1.7 billion boost to the Queensland economy through an extra 1.4 million visitors annually and an additional 8,000 ongoing jobs.

Stakeholder feedback indicated that navigating government services related to trade and investment can be challenging. It is essential that the Queensland Government provides responsive, customer-focused trade and investment facilitation services in order to attract and retain inbound investment and to empower local businesses to realise their global business ambitions.

New initiative: Provide a better customer experience through enhanced digital services.

New initiative: Establish a comprehensive case management service for exporters and investors.



Priority 7 Promote investment in infrastructure

Investment in infrastructure provides more jobs and improved regional access to new and existing markets. The Queensland Government is committed to promoting infrastructure investment to support economic growth and serve the state's dispersed regional population.

Queensland's vast geographic size and regionally dispersed population means that Queensland needs extensive infrastructure networks with capital investment to support economic and population growth.

Queensland's modern and reliable infrastructure supports the productive activities of local businesses and makes the state an attractive place to invest capital.



State Infrastructure Plan

Queensland's State infrastructure Plan (SIP) sets out the strategic direction for the planning, investment and delivery of infrastructure throughout the state. The SIP sets a clear vision for the future with a new approach to infrastructure planning and prioritisation that articulates how we will respond to key opportunities and challenges facing Queensland.

it provides certainty through a program of investment over the next four years and outlines future opportunities for encouraging proposals from industry.

Within the SiP, the State infrastructure Fund provides over \$2 billion to assist in infrastructure development projects that enhance productivity, support jobs for Queenslanders and increase business confidence.

Current action: The Queensland Government is delivering the \$20 million *Maturing the Infrastructure Pipeline Program*.



Public-private partnerships

Private sector investment is vital to delivering infrastructure and a number of projects highlighted in the SIP have a mix of public and private investment.

The Queensland Government actively pursues public-private partnerships (PPP) for selected, high-value projects. Queensland Treasury identifies investment opportunities and assesses private finance options for significant projects and programs.

Projects of significance to Queensland are promoted to international investors as part of Ministerial-led trade and investment missions, as well as to inbound investor delegations.

Case study: Cross River Rail

Following a positive independent assessment by Building Queensland, in June 2016 the Queensland Government committed \$800 million towards the Cross River Rail project, with a further \$10 million committed by the Australian Government.

The project, a 10.2 kilometre rail link including 5.9 kilometres of tunnel under the Brisbane River and CBD, will be one of Australia's largest innovation and economic development initiatives, providing exciting opportunities for private investment.

Cross River Rail will benefit commuters across Queensland's south-east region by increasing peak period rail capacity into the CBD from 86 to 134 trains per hour, increasing the proportion of Brisbane's population living within 30 minutes of employment from 15.2 per cent in 2015 to 20 per cent in 2026, and avoiding annual congestion costs to the economy of \$240 million in 2036.

Market-Led Proposals

The Queensland Government welcomes proposals from international and domestic proponents for innovative private sector solutions under the Market-Led Proposal (MLP) framework. An MLP is a submission or request initiated by a private sector proponent seeking an exclusive commercial arrangement with government to provide a service or infrastructure to meet a community need. MLPs include a role for government such as access to government land, assets, information or networks.

If the Queensland Government is satisfied that the detailed proposal demonstrates the project will deliver good outcomes and value for money, it will grant the proponent an exclusive mandate to deliver on its proposal, rather than engage in a competitive process for the service or infrastructure.

MLPs are a way to harness good ideas, private sector funding and entrepreneurship, and make projects that benefit Queenslanders happen sooner by contracting exclusively with proponents rather than through a competitive tender process.

More than 100 preliminary MLPs have been received by the Queensland Government. Detailed planning is currently occurring with proponents for a range of potential projects including:

- Logan Motorway Enhancement Project;
- Brisbane International Cruise Terminal;
- Queensland Aquarium and Maritime Museum; and
- Mount Cotton Driver Training Centre.

Current action: The Queensland Government will continue to champion its Market-Led Proposals process.



Priority 8 Pursue investment in innovation

The Queensland Government is prioritising innovation through research and development, proof of concept and commercialisation of ideas. This will support a diverse economy and high-quality jobs, now and into the future.

Innovation and creativity is fundamental to the continued competitiveness and profitability of Queensland's major export industries. It will also help develop our emerging industries, diversify Queensland's economy and cement Queensland's reputation as a hub for innovation in the Asia-Pacific region.

The Queensland Government has appointed the state's first Chief Entrepreneur to invigorate Queensland's startup sector, support business innovation, encourage entrepreneurship and advocate for Queensland nationally and internationally.



Excellence in research facilities

The Queensland Government's investment in research infrastructure has attracted talented researchers, scientists, innovators, entrepreneurs and investors to Queensland, establishing our reputation for high-end research capability.

Advance Queensland continues to build our capacity to attract skilled workers and investment, increasing high-value, knowledge-based jobs, driving productivity improvements and providing the opportunity for Queensland to capitalise on our strengths and expertise.

A number of Queensland's research facilities are utilised to co-locate complementary innovators from industry, academia and government to encourage effective collaboration between stakeholders and the translation of research into goods and services available for the market.

Examples of these world leading research facilities are the Australian Tropical Science and Innovation Precinct at James Cook University, and the Translational Research Institute, Eco-sciences Precinct, Biosciences Precinct and Health and Food Sciences Precincts in Brisbane.

Current action: The Queensland Government's \$24 million *Advance Queensland Innovation Partnerships* program encourages collaboration between Queensland's research organisations and industry.

Case Study: BGI

Queensland welcomed the Asia-Pacific headquarters of BGI, one of the world's largest genomics organisations in August 2016. Co-located with the QIMR Berghofer Medical Research Institute in Brisbane, BGI will collaborate with Queensland's research community on a range of initiatives including:

- cancer and dementia research with the QIMR Berghofer Medical Research Institute;
- millet research with CSIRO;
- sport health research with Griffith University; and
- marine science and healthcare research with James Cook University.

Founded in Beijing in 1999, BGI has now established 47 laboratories world-wide, employing more than 5,000 people. BGI's decision to come to Queensland demonstrates the company's confidence in the state as a major global hub for biotechnology.

"We've been considering coming to Queensland for some time given the strength of Queensland's research sector and a visionary state government committed to innovation and science as the driving forces of economic development." Professor Wang, BGI President.

Current action: The Queensland Government's \$10 million *Ignite Ideas Fund* supports the development of new or improved products.

Research partnerships

Innovation in Queensland is strengthened by collaborations with Australian and international research institutions, universities, government agencies and industry groups.

Queensland has research partners in many countries, including the UK, India, China, the USA, Canada, Israel and New Zealand. Many have been supported by the Queensland Government, including the recent University of Queensland and Emory University Drug Discovery Initiative, an outcome of the 2015 BIO Convention in Philadelphia, USA.

More information on Queensland's science capability can be found at www.qld.gov.au/science.

Case Study: Queensland Emory Drug Discovery Initiative

The Queensland Emory Drug Discovery Initiative has been established to discover and develop new drugs to combat health afflictions including cancer, diabetes, inflammatory disorders and infectious diseases, and translate research efforts into positive global outcomes.

The partnership will provide Queensland with the ability to leverage expertise and world-class capabilities to translate local biomedical research into drug candidates, commercial returns and jobs for Queenslanders.

Generating a creative economy

Queenslanders understand that exposure to the arts helps us think creatively and develop new ideas. Businesses are increasingly employing creative services to develop new business methods and broaden and increase output.

Queensland's creative organisations, world-class venues, festivals and artists are unmatched in Australia. These attributes attract highly skilled creative professionals, who make a valuable contribution to Queensland's growing innovation culture and economic development.

The Queensland Government has supported several exclusive cultural experiences that have been international drawcards. Recent examples are:

- The American Ballet Theatre and Ballet Preljocaj through the Queensland Performing Arts Centre International Series;
- The internationally renowned *Asia Pacific Triennial of Contemporary Art* series;
- *Falling Back to Earth* – Australia's first solo exhibition of globally acclaimed artist Cai Guo-Qiang in 2013; and
- The Queensland Symphony Orchestra's unique collaboration with British celebrity-physicist Brian Cox for *Journey Through the Cosmos* in 2014.

Queensland also has a robust screen industry with diverse shooting locations, skilled crew and excellent production infrastructure. The Gold Coast's filmmaking hub includes Australia's largest sound stage. Recent productions include *Thor: Ragnarok* and *Pirates of the Caribbean: Dead Men Tell No Tales*.

The Queensland Government's screen industry agency, Screen Queensland, provides incentives to attract high-profile international screen productions to Queensland, enhancing international collaboration and encouraging highly skilled and innovative professionals to live and work in Queensland.

Case Study: Circa Contemporary Circus

Brisbane-based Circa Contemporary Circus, widely known as 'Circa', is one of Australia's most successful creative exports, touring 34 countries in the last 10 years.

According to the Australia Council for the Arts, of all the organisations funded by the agency, Circa conducts almost one-third of all international performing arts activities and attracts one-third of international audiences.

In 2016 alone, Circa toured 18 countries, one quarter of which were new markets for the company and reached a cumulative global audience of over 182,000 people.

Case Study: Create Queensland – YouTube

The Queensland Government is the first state government to secure a partnership with YouTube to deliver a unique program to help talented content partners succeed on the YouTube platform.

Funded by *Advance Queensland*, *Create Queensland* provides creative YouTubers with funding, production resources and expert support to develop high-quality digital content, and reach new global audiences. Screen Queensland is also providing funding to connect mainstream producers with local YouTube creators to encourage the production of Queensland media content.

The partnership was the result of a trade mission by the Deputy Premier and Minister for Trade and Investment in June 2015.

Objective 4

Strengthen our regions

The Queensland Government is committed to building our regional strengths – our people, local businesses, natural resources and diverse landscapes.

Priority 9 Support regional growth

Focus: North Queensland

Priority 9 Support regional growth

As well as benefitting from a skilled, regional population, Queensland has abundant natural resources which can be leveraged to create diverse regional economies and more local jobs. The Queensland Government delivers specific support across all of Queensland's regions.

Enhancing regional advantages

Queensland's economic success is largely due to its regional strengths in food and agribusiness, tourism and mineral and energy resources.

The regions outside South East Queensland contributed over \$100 billion to Queensland's gross state product in 2010–11. Therefore, the Queensland Government is committed to supporting regional SMEs, improving access to markets, and revitalising regional centres.

Building on our regional strengths — our people, local businesses, natural resources and diverse landscapes — is vital for Queensland's future economic performance.

Current action: The Queensland Government's \$130 million *Jobs and Regional Growth Fund* will provide assistance to private sector projects which create opportunities for employment and economic growth in the regions outside South East Queensland.

Current action: The Queensland Government's *Advancing Regional Innovation* program encourages innovation across Queensland and supports local economies to create jobs for regional Queenslanders.

Queensland's local governments play a key role in championing trade and investment opportunities both in Queensland and internationally. State and local government trade and investment activities need to be well-coordinated to produce better regional outcomes.

New initiative: Develop a comprehensive Memorandum of Understanding between the Queensland Government and the Local Government Association of Queensland.

Support regional SMEs

The Queensland Government's regional offices provide local knowledge and assistance to business and industry to ensure regional strengths maximise investment and export outcomes.

Services provided by regional offices include:

- local and regional market intelligence;
- capacity building to support economic growth;
- investment attraction and export assistance;
- business and industry development; and
- international market knowledge, networks and industry expertise.

Working with local councils, chambers of commerce and industry associations, regional offices operate in seven regions throughout Queensland with staff located in Cairns, Townsville, Mackay, Rockhampton, Bundaberg, the Sunshine Coast and Toowoomba.

In partnership with Austrade, these staff act as TradeStart advisors to assist SME exporters to access international markets.

Current action: The Queensland Government's *Advancing Small Business Queensland Strategy 2016–2020* helps create a thriving environment for small business to start, grow and employ.

Stakeholder feedback indicated that regional SMEs have limited opportunities to access export and investment training. Training can help business owners to enter new global markets and to attract investment to grow their business.

New initiative: Provide export and investment training for regional Queensland SMEs.

Improve access to markets

Transport connections and other infrastructure assists in attracting and retaining regional population and businesses. Maintaining and improving regional transport and freight networks will improve access to markets, broaden trade opportunities and allow competitive industries to grow.

Supporting strong business relationships and networks across regional, national and international markets to expand trade, access new technologies, and provide opportunities for foreign investment in the regions will build on our prosperous, dynamic and diverse regional economies.

Current action: The Queensland Government is reducing barriers to trade by providing advice on formal trade agreements.

Current action: The Queensland Government is investigating Central Queensland locations with potential to export high-value products to international markets via airfreight.



Julia Creek, Queensland
Courtesy of Tourism and Events Queensland

Revitalise regional economic centres

Queensland's regional centres create important economic development opportunities that support local communities as well as surrounding remote and regional areas.

The maintenance and renewal of our regional centres is vital to maintaining the liveability of our regions. Queensland's regional planning processes are developed locally with each region's unique communities, environment and economy taken into consideration.

Targeted infrastructure renewal helps to improve housing access, health outcomes, education services, recreation facilities and other essential services. It contributes to job creation and the attraction and retention of young people in the regions, in turn encouraging investment and economic activity.

Through clear and flexible planning, the Queensland Government is working collaboratively with local governments to release surplus land for renewal, as well as identifying redevelopment opportunities for commercial and community outcomes.

Current action: The Queensland Government's *Advancing Our Cities and Regions Strategy* is identifying opportunities for economic and community development in regional centres.

🔍 Global competition to attract quality foreign direct investment is strong. While investors are showing interest in regional Queensland, international investors, in particular, require better coordinated and targeted support. Stakeholder feedback, particularly in North Queensland, indicated that Queensland regions and businesses would benefit from increased government support to attract much needed investment.

New initiative: Boost the investment readiness of regional Queensland.

Aboriginal and Torres Strait Islander businesses

Queensland's Aboriginal and Torres Strait Islander communities, businesses, land trusts, corporations and cultural heritage bodies play an important role in securing Queensland's future economic success.

There are opportunities for Indigenous businesses to start up or expand. Queensland's diverse Aboriginal and Torres Strait Islander businesses make up almost 20 per cent of Australia's Top 500 Aboriginal and Torres Strait Islander corporations.⁵³ Also the growing tourism sector is seeing 14 per cent of visitors to Australia participating in cultural tourism.⁵⁴

Queensland's Aboriginal and Torres Strait Islander SMEs are also active through the Queensland Government supported Black Business Finder online directory. The directory provides opportunities for Indigenous businesses to participate in the supply chains for major projects and link with businesses looking to source goods and services from Aboriginal and Torres Strait Islanders.

Current action: The Queensland Government is overcoming barriers to investment by coordinating capital works, resolving land tenure issues, improving planning administration and addressing native title in discrete Aboriginal and Torres Strait Islander communities.

FOCUS:

North Queensland

A thriving North Queensland economy is vital to position Queensland as Australia's strongest and most dynamic trading economy.

North Queensland has immense potential for sustained economic growth with diverse landscapes and strong regional infrastructure that supports a range of industries and growth opportunities.

The Queensland Government promotes North Queensland's existing and emerging advantages in tropical expertise, world-class tourist attractions, arable cropping and grazing land and mineral resources to create more local jobs and quality investment opportunities.



Eungella National Park, Queensland
Courtesy of Tourism and Events Queensland

Infrastructure to grow North Queensland

The SiP includes 86 projects in North Queensland including priority roads and water projects, a world-class innovation and research hub, a new stadium, and new tourism infrastructure.

Current action: The Queensland Government is preparing a *North Queensland Regional Plan* to set the vision for five local government areas.

Current action: The Queensland Government's *Queensland Transport and Roads Investment Program* represents \$3.9 billion over four years for North Queensland transport and road infrastructure.

The Queensland Government is working with the Australian Government to secure opportunities arising from the White Papers on Agricultural Competitiveness and Developing Northern Australia including:

- the headquarters for the Northern Australian infrastructure Facility (NAIF) and the Cooperative Research Centre for Northern Australia;
- North Queensland's share of the \$600 million Northern Australia Roads Programme and the \$100 million Beef Roads Programme; and
- a water feasibility study and subsequent water infrastructure funding.

In July 2016 the Australian Government commenced the \$5 billion NAIF which offers concessional loans to encourage and complement private sector investment in economic infrastructure.

Case Study: Mt Emerald Wind Farm

The Queensland Government-owned corporation Ergon Energy has offered a Power Purchase Agreement (PPA) to the Mount Emerald Wind Farm project, to be located near Cairns in North Queensland. PPAs provide a long-term financial commitment to purchase energy and are a core consideration as to whether renewable energy developments proceed and secure investment in the sector. The \$360 million Mount Emerald Wind Farm will deliver significant benefits for local economies over its two-year construction period and the 25 year life of the project.

Case study: Townsville, Australia's first City Deal

The Townsville City Waterfront PDA project is one of the largest urban renewal projects underway in northern Australia. It is facilitated by Australia's first 'City Deal' – an agreement between the Queensland and Australian governments that sets out how all levels of government will support local business and encourage international investment in Townsville.

In partnership with the Townsville City Council and Port of Townsville Limited, the Queensland Government will over the next 15 to 20 years renew mixed-use developments in the CBD. This will deliver greater prosperity, an active city heart, and enhanced liveability for residents and visitors.

Queensland's diverse regions make a unique contribution to the state's economy. However, a one-size-fits-all approach to trade and investment would mean that economic opportunities might be missed, particularly in terms of supporting the key growth sectors in each region. Queensland's regions require tailored solutions to ensure future trade and investment opportunities are realised.

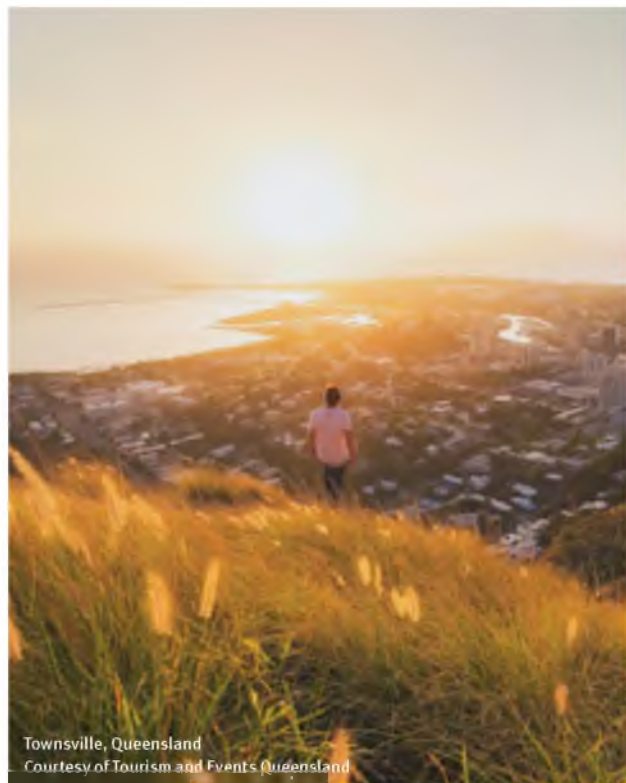
New initiative: Develop *Regional Trade and Investment Action Plans*.

North Queensland's advantages

Education and training opportunities

North Queensland offers unique international education and training opportunities that are delivered in world-class facilities. These opportunities are a decisive point of difference for many students.

Highlighting Queensland's geographical diversity, North Queensland's quality study options include tropical science and tropical health, marine science based on the Great Barrier Reef, and tropical agriculture.



Townsville, Queensland
Courtesy of Tourism and Events Queensland

Tourism

North Queensland is among Australia's premier tourist destinations. North Queensland features myriad natural wonders, including tropical islands, rainforests, beaches and the World Heritage Wet Tropics and the Great Barrier Reef.

Key areas of focus to build Queensland's tourism industry include positioning North Queensland as a destination of choice for Asian travellers, fostering ongoing investment in infrastructure and access, increasing the quality of products and experiences, and strengthening our workforce and skills for tomorrow.

Current action: The Queensland Government's *Advance Queensland: Connecting with Asia Strategy* and *Attracting Aviation Investment Fund* is actively increasing North Queensland's tourism opportunities.



Heron Island, Queensland
Courtesy of Tourism and Events Queensland

Case study: Townsville North Queensland Edutourism Consortium

In 2013, international education providers and tourism operators in Townsville came together to create an edutourism strategy for the region. The strategy capitalises on North Queensland's spectacular natural assets and world-class education institutions by creating unique products for international students. Short-term study abroad students from the USA were targeted, with students gaining credits towards their degrees while taking educational tours through North Queensland led by local academics.

The strategy has generated more than 3,500 room nights and injected more than \$700,000 into the local economy. Clients have included Virginia Tech, Ohio State University and Texas A&M University.

Based on current forecasts, edutourism is set to create more than \$1 million in export revenue for the region in 2016-17.

The growth potential of edutourism was recognised in the *International Education and Training Strategy to Advance Queensland, 2016-2026*, which listed the sector as a key initiative to strengthen Queensland's regions.

FOCUS:

North Queensland (continued)

Agriculture

North Queensland has a strong global reputation as a reliable food supplier. With forecast global food demand expected to rise by 75 per cent by 2050,⁵⁵ North Queensland can further capitalise on its agricultural strengths (see global megatrends 2 and 4).

Current agricultural export products include raw sugar, live cattle, horticulture (including mangoes, avocados, lychees and coffee) and tropical pasture seed. Peanuts and macadamias are also sent to South East Queensland for processing and export.

A large fishing industry supplies Asian and domestic markets with fresh and frozen product, while the aquaculture industry produces prawns, barramundi and red claw for local and international markets.

North Queensland has the necessary land and water resources to expand Queensland's agricultural production, and importantly, it has the skilled workforce needed to lead the development of new technologies and approaches for increased output.

Current action: The Queensland Government is investigating the viability of an aquaculture industry in the Western Cape and Gulf areas.

Case study: North Queensland Cobia

In 2006 the Queensland Government established a research and development partnership with the university sector and private industry to develop a sustainable way to farm the wild caught Cobia, a subtropical fish.

The partnership developed an innovative land-based seawater pond system fed by a constant flow of water from the Coral Sea. The facility produces award winning Cobia sold in Australia and overseas markets.

Mineral resources and world-class expertise

North Queensland is one of the most richly mineralised regions in Australia. Mining these resources has brought massive benefits to North Queensland's regional centres, as well as being a key contributor to Queensland's economy as a whole.

Queensland is a world leader in mining research and development, workforce training, mine rehabilitation, contract service provision and various other fields of innovation.

To help ensure that the Queensland resources sector continues to grow and develop as a global resources leader, North Queensland has the opportunity to lead sectorial change in building its knowledge-intensive workforce and creating a global hub for mining innovation. Information technology is key to this sector as it forms the basis for innovation in data acquisition, modelling of ore bodies, selection of mine sites and production operations.

Current action: The Queensland Government is actively promoting North Queensland as a major hub for mining and innovation.



Defence

Australia's defence presence in North Queensland is strategically and economically important. Defence locations in North Queensland include:

- Weipa (RAAF Scherger);
- Cairns (HMAS Cairns);
- Townsville (RAAF Townsville, Lavarack Barracks and Ross Island Barracks); and
- Rockhampton (servicing the logistical and operational needs of Shoalwater Bay).

In addition, the Port of Cairns and Port of Townsville can accommodate naval vessels.

The defence sector also makes a significant contribution to the development of North Queensland through the construction and maintenance of facilities and by fostering linkages with the communities.

Current action: The Queensland Government is investigating potential infrastructure and logistic improvements in North Queensland to increase domestic and foreign defence activity.



Tropical expertise

Tropical economies are growing at a much faster rate than the rest of the world,⁵⁶ accounting for 20 per cent of global economic output. Increasing wealth and population growth in the tropical zone is driving demand for commercial expertise with a tropical focus.

North Queensland is one of only a few areas in the tropics globally that has world-class research facilities and institutions, including:

- leading tertiary facilities such as James Cook University and Central Queensland University;
- the Australian Institute for Tropical Health and Medicine;
- the Australian Tropical Sciences and Innovation Precinct;
- the Australian Institute of Marine Science;
- the CSIRO – including tropical forestry and marine science;
- the Great Barrier Reef Marine Park Authority; and
- the Cooperative Research Centre for Northern Australia.

Capitalising on this knowledge advantage has the potential for enormous economic benefit for North Queensland and Queensland as a whole.

 The economic growth of regional Queensland is essential to Queensland's future prosperity. A strengthening of TIQ's existing regional network, including a physical office location in the North, will provide direct and tailored support for local exporters and investors interested in North Queensland.

New initiative: Establish a dedicated TIQ North Queensland office.

Case study: Tropical Landscapes Joint Venture

Operating from the Queensland Government funded Australian Tropical Science and Innovation Precinct in Townsville, the James Cook University and the CSIRO are investigating solutions to science and management challenges facing the wet and dry tropical landscapes in North Queensland.

The Tropical Landscapes Joint Venture partnership incorporates ecological, economic, social and policy aspects specific to tropical landscapes and positions Queensland as the pre-eminent provider of tropical science knowledge to industries and communities in the world's tropics.

Current action: The Queensland Government is working with James Cook University to identify Health and Knowledge Precinct opportunities in Townsville.

Current action: The Queensland Government is actively promoting North Queensland's tropical knowledge capability to global markets.



Green Island, Queensland
Courtesy of Tourism and Events Queensland / Vince Valitutti

Proximity to Asian markets

North Queensland is one of Australia's closest geographic connections with key Asian markets, making it a strategic gateway to Asia.

This enables Queensland to continue contributing to Asia's accelerating demand for minerals, energy, agricultural products and tourism experiences.



Townsville, Queensland
Courtesy of Port of Townsville

Footnotes

- 1 The Queensland Government is endeavouring to lift Queensland's national share of exports from a 2014–15 base of 18 per cent (<http://dfat.gov.au/trade/resources/Documents/qld.pdf>) to 22 per cent or over by 2022.
- 2 This aspirational target aims to grow the number of Queensland Government assisted business investment outcomes by 4 per cent each year (non-compounding) to 2022.
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