



**COMMITTEE  
FOR BRISBANE**

## **COVID-19**

**Cross-industry discussion on recovery strategies**

**Monday 23 March 2020**

**Report**

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The Committee for Brisbane hosted a cross-industry meeting on Monday 23 March 2020 to discuss multiple industry impacts of the COVID-19 pandemic, propose immediate (response) and longer term (recovery) strategies, and consider next steps.

The meeting was held in the Boulevard Room at the Brisbane Convention and Exhibition Centre, with the majority of participants dialling in. Our thanks to BCEC for donating the room, all equipment and all staff for the meeting. Our thanks also to Committee for Brisbane Member, Ipsos, for compiling a snapshot from some of its research (*slides attached*).

## **1. Participants**

### **1.1 In attendance**

1. Scott Smith, Chief Executive Officer, Council of Mayors (SEQ)
2. Dominique Lamb, CEO, National Retail Association
3. Priscilla Radice, CEO, Infrastructure Association of Queensland
4. Angela Samut, CEO, QMusic
5. Leanne Kemp, Queensland Chief Entrepreneur
6. Craig O’Kane MBE, Director, Office of the Queensland Chief Entrepreneur
7. Damian Long, CEO, Civil Contractors Federation Queensland
8. Barton Green, CEO, Committee for Brisbane (facilitator)
9. Annie Macnaughton, Director – Members and Partnerships, Committee for Brisbane

### **1.2 By phone**

10. Annette Schoone, Senior Manager, Corporate Services, Queensland Council of Social Service
11. Nathan Percy, Acting Queensland Deputy Executive Director, Property Council of Australia
12. Kyl Murphy, State Director – Queensland, the Committee for Economic Development of Australia
13. Delvene Cockatoo-Collins, Director, South East Queensland Indigenous Chamber of Commerce
14. Brett Kapernick, General Manager Business Strategy and Deputy CEO, Queensland Tourism Industry Council
15. Rebecca Andrews, Head – Queensland, AI Group
16. Rob Nelson, Chief Commercial Officer, Brisbane Marketing
17. Stacey Rawlings, General Manager – Queensland, Engineers Australia
18. Matthew Mackey, Founder, Property Leaders Brisbane
19. Malcolm Richards, CEO, Master Electricians Australia

### **1.3 Apologies**

- Russell Zimmerman, Executive Director, Australian Retailers Association\*
- Antonia Mercorella, Chief Executive Officer, The Real Estate Institute of Queensland\*
- Jon Davies, CEO, Queensland Major Contractors Association
- Kirsty Chessher-Brown, CEO, Urban Development Institute of Australia, Queensland
- John Kotzas, CEO, QPAC; Vice President of Live Performance Australia
- Bernie Hogan, Chief Executive, Queensland Hotels Association

*[\*Technical difficulties precluded some participants from being able to dial in].*

## **2. Industry Impacts**

Participants were invited to provide a status report on experiences/impacts from COVID-19 on their sector.

For most industries, the impacts are immediate and severe, with the medium-term outlook being dire and potentially catastrophic, particularly in the retail, hospitality and tourism sectors. The construction sector reported no immediate impact, and identified the opportunity to do some of the heavy lifting for job creation.

### **2.1 Queensland Tourism Industry Council**

- A gamechanger for tourism, travel and hospitality.
- Significant job losses.
- Travel restrictions are having massive impacts: >\$1 billion per month.
- If the ban extends to all travel, then the tourism industry will shut down for some time.

### **2.2 Master Electricians Australia**

- Situation not as dire for tradies, construction sites are still all open.
- Electrical contractors are part of essential services.
- Focus must be to keep businesses going.
- Working with members on adapting their business models to survive.

### **2.3 National Retail Association**

- Closures of cafes and restaurants is having a big impact on retail - 1.2 million employees across Australia and youngest labour force.
- Labour and leasing two largest costs.
- How do we deal with the casual and part-time employees with respect to leave and loss of income? We need a package from government to help with leave.
- Need to be changes to legislation regarding leases – some landlords are helping, but not universal.
- Queensland has no package to assist retailers.
- Duration of crisis is key to this industry.

### **2.4 Property Leaders Brisbane**

- All building sites are operational – we need that to continue.
- Construction industry can be a key GDP contributor – what happens if it is shut down?
- Once the industry starts to return to normal the rebound will be swift and aggressive – unlike 2008, cash is abundantly available and the cost of borrowing low.
- If the industry is shut down during the crisis then the impact will be far reaching – not only will smaller businesses and trade contractors become financially strained, but so will the larger Tier 1 and Tier 2 players. We will likely see some of these businesses fail. Should this occur, then this will impact the construction industry's ability to respond to and support a recovery in the short term.
- Private sector has already started pulling back and postponing projects – even those that were early in the due diligence/planning stages. Therefore, responsibility for underpinning the economy will fall to government.
- Keeping cash moving across the industry is key.
- Future pipeline – will governments keep putting projects up, or will it stop?

## **2.5 South East Queensland Indigenous Chamber of Commerce**

- Our main areas are food and tourism.
- Need to keep the Meanjin Markets going (twice per year, next one due May 8 and 9).
- Looking to build an on-line capacity for impacted businesses.

## **2.6 Queensland Council of Social Service**

- Protecting jobs - workforce retention is vital.
- Collation, coordination and dissemination of key information to the community services sector and to government.
- Looking to government for leadership and forming strong partnerships with QCOSS to meet the diverse and evolving needs of the community services sector.
- Key priority and area of concern is ensuring continuation of services to meet the needs of vulnerable clients and community across a range of areas including mental health, health and housing.
- Bulk buying and hoarding has a negative impact on those members of our community who do not have the resources to bulk buy or hoard – good to see the retailers stepping in here and providing a response.
- A focus on business continuity planning, understanding the risk, providing appropriate responses and considering recovery strategies.
- Ensuring the sustainability of community service organisations and their ability and capacity to adapt in response to the changing environment.

## **2.7 Civil Contractors Federation Queensland**

- Industry is still ticking over, but misinformation is having an impact.
- Need support to ensure the whole industry continues to operate.
- We rely on a long-term supply chain, including international, so need confidence.
- A big fear is a loss of private sector investment – the industry needs support for capital works.
- Our industry could be one of the best to support jobs. Infrastructure is a way to keep people working; government needs to do the heavy lifting (need the public and private sectors to come together in special circumstances).
- Increased investment in training to reskill people from shutdown industries to transition to essential services such as civil construction.
- Accelerate civil construction projects and invest for additional programs like flood recovery works.
- FIFO workforces – how do we manage them? *[Note: Recent communications from the State Government is that FIFO contractors are considered essential workers and will be allowed to continue in accordance with government guidelines].*

## **2.8 Infrastructure Association of Queensland**

- Similar to construction essentially.
- Misinformation, eg national and Asian based industry/FIFO movement banned.
- State Government has a strong understanding that infrastructure can do the heavy lifting on employment across other sectors, but government will have to do its part because private investment is already low.
- Exports – need to focus on levies, charges, etc to keep industry going.
- Smooth out export and taking advantage of low \$AUD will be critical.
- The infrastructure boom has been a profitless boom – so the role banks will play is vital.

- Had a great session with TMR: What does “force majeure” mean? – clarity needed on contracts.
- Avoid foreclosures – so assist cashflow.
- Form a Special Recovery Authority like you see after a natural disaster – rapid decision making for recovery.

### **2.9 QMusic**

- We are a gig economy that has been decimated by events and venues closing.
- Most of our sector has gone from an income to no income without warning.
- Touring is the lifeblood of an artist and that has stopped. We have to be careful about the mental health of artists (supportact.com.au).
- Industry has set up an “I lost my gig” website to record data about events and incomes lost.
- The only way out is via government support, streaming services (musicians/organisations going digital) and radio airplay (local content quotas and providing royalties to artists).
- How do we help indigenous musicians?

### **2.10 AI Group**

- Need to maintain essential services and their supply chains (and the definition of essential services is “everyone is essential if you are working”).
- We are monitoring the different sectors – and key issues such as freight, logistics and workforces.
- Manufacturing sector: we are working with governments to identify key products and services to look at how they could pivot to address shortages, particularly with regards to medical products, PPE, disinfectant, cleaning products and hand sanitiser.

### **2.11 Brisbane Marketing**

- Very sobering statistics and present – we were building up towards our 2031 strategy, now putting things on hold and adjusting forecasts.
- Working with Tourism and Events Queensland and Brisbane Airport Corporation on managing the tourism impacts.
- 10,000 international students can’t start Semester One: >\$500 million impact. Semester two is in danger of greater impact if students can’t take up their places.
- Business events and major conventions impacted – more postponements than cancellations, at this stage.
- Timing and scheduling of postponements will be critical.
- All branding campaigns are on hold – but a plan is being put in place for when we can get back to marketing.
- Maintaining baseline positive marketing presence as first stage of response. Will continue to develop messaging as situation develops.

### **2.12 Engineers Australia**

- Experiencing an impact lag, like the construction sector, so ticking along but adapting.
- Biggest concern is the pipeline moving forward and supporting industries that have been massively impacted, eg aviation.

### **2.13 Queensland Chief Entrepreneur**

- There are 35,000 start-ups across Queensland: scale ups, and early stage start-ups.
- Very sobering conversations with start-ups regarding the fact that the timing of investments may now not be right.

- Concerns about corraling venture capital investments to support cashflow-challenged businesses – 8 months of cashflow required.
- Opportunities to use entrepreneurs to assist businesses - looking at “skills currency” piece and using it elsewhere/redeploying.
- Because entrepreneurs tend to work solo, mental health issues are ok at the moment.
- Entrepreneurial sector might be able to assist/advise with home care services.
- Potential to use skills currency leaders to help businesses adapt, eg digitisation.

#### ***2.14 Property Council of Australia***

- Tenants are being impacted across all property assets and members are engaging with tenants compassionately.
- Construction going ok at present.
- Concerns to ensure a good outcome from the definition of “essential workers”.
- Retirement living (as opposed to aged care sector that falls under the Federal Government) – our members are desperate for decisions from the State Government and there are none.

#### ***2.15 Committee for Economic Development of Australia***

- There is a rapid desire to bring forward evidence-based recommendations: we’re focused on activity that resulted from past experiences and determining what might work and not work now – how can we avoid unintended consequences?
- Areas of greatest concern – entrenched disadvantaged and regional economies (flow on effects).
- Have to ensure strong State and Federal Government relations – for legislative reform.

#### ***2.16 Council of Mayors (South East Queensland)***

- Local government elections mean we have to work at officer level at the moment.
- For us, it must turn more to recovery – what stimulus can be put in place? Need to focus on the medium- to long-term planning, as well as short term.
- Negotiating the SEQ City Deal remains important.
- Olympics – staying low at the moment, but keeping an eye on the future.
- Infrastructure and construction focus - we could get up projects that are shovel-ready, but there are several vital ones that are almost shovel ready too and should be considered.

### 3. Response and Recovery

A roundtable discussion was held to identify current initiatives, actions and suggestions for immediate industry and/or government responses as well as longer-term recovery strategies from the pandemic.

A wrap-up media release (***attached***) was later distributed to all Brisbane media.

*(Note: a technical issue with the internet caused the phone lines to drop out and many dial-in participants were cut off prior to the end of the meeting. They were subsequently asked to email proposals and ideas through for inclusion in this report).*

The responses from participants have been grouped under key headings.

#### 3.1 Coordinated voice for industry

- A number of participants suggested the establishment of a coordinated voice to enable Queensland industries to present governments with their shared views and ideas: The Queensland Response and Recovery Coalition. *[Note: this group will be established ASAP from those industry groups and organisations who wish/are able to participate].*
- The QRRC will not limit the work that individual organisations are already doing, but will rely on shared interests to present governments with a collective view.
- The QRRC will focus on preparing Queensland for its recovery from the COVID-19 pandemic, including immediate response strategies to ensure that workforce capability and business and NFP resilience is retained to the greatest possible extent.

#### 3.2 Investment in and support for infrastructure and construction

- The Queensland Response and Recovery Coalition urges governments at all levels to invest in industries and sectors where new jobs can be created and sustained during the COVID-19 pandemic.
- Infrastructure and construction were identified as key employment sectors, with strong beneficial multiplier impacts that would support a broad section of the community, continue economic development and build community confidence.
- Construction work should be deemed an “essential service” and those sites that are adhering to health guidelines should remain open. If required, construction sites could be quarantined to ensure project and job security (while the health advice says it is safe and reasonable to do so).
- The QRRC calls on governments at all levels to commit to invest in infrastructure and construction projects, including both large-scale projects that support big workforces over longer time frames as well as smaller, labour-intensive projects, such as maintenance.
- The QRRC calls on governments to fast track decision-making to get as many people back into the workforce as quickly as possible. Projects that are not quite shovel-ready need to be brought forward as quickly as possible, and the definition broadened to include projects that are at the procurement/planning/design stage and could be shovel-ready in six to 12 months, including business cases.
- The QRRC calls on governments to consider bringing forward projects that are still in the early stages of design and strategic planning – while it is important that construction workforces and businesses are supported, we should not overlook the design supply chain that underpins these projects. Bringing forward projects that have longer gestation periods will increase the potential for these projects to be shovel-ready, or ready for procurement, as the crisis subsides.



- Procurement processes should be fast tracked by removing barriers and simplifying processes, including recalibrating risk-sharing on projects. Equitable risk sharing is paramount to project success and governments need to be partial risk holders.
- The QRRC calls on the Queensland Government to establish a Task Force of industry experts (contractors and consultants) to identify and progress fast-tracking opportunities.
- Governments should urgently review current project contracts and delivery requirements in light of the COVID-19 pandemic, such as the limitations of force majeure clauses, to avoid/minimise unforeseen impacts on workforces and project delivery timeframes.
- The QRRC calls on the State Government (and the State Opposition) to develop a plan for investment in infrastructure - in proper consultation with industry groups – including alternate funding models for infrastructure projects and how to attract more private sector investment in infrastructure. This assessment should consider all options, including borrowing and asset recycling.

### ***3.3 Mental health and welfare and support services***

- The Queensland Response and Recovery Coalition calls on all governments to ensure that the mental health care of workers, managers and business owners is kept paramount and that funding and support is directed to this critical issue.
- Governments must ensure that safe and reliable access to mental health support services is maintained while the restrictions on social interaction are in place, including financial and technical support for online counselling to ensure appointments are not missed due to a reluctance to share waiting rooms.
- The QRRC calls on governments to guarantee certainty of funding and assistance for service delivery agencies in the welfare sector, including their operational costs.
- The QRRC calls on governments to work with industry and NFPs to provide funding for support mechanisms for businesses including advice on financials, industrial relations, human relations and insurance.

### ***3.4 Skills and training and entrepreneurship***

- The Queensland Response and Recovery Coalition calls on all governments to provide funding for the retraining and upskilling of workers, managers and employers, including:
  - Digitisation strategies for the delivery of services and managing supply chains, and
  - Upskilling artists, eg Facebook live events.
- The QRRC acknowledges the work of the Office of the Queensland Chief Entrepreneur to undertake skills mapping and identify sectors that will benefit from entrepreneurship advice.
- The QRRC calls on governments to consider additional funding for scale-up companies that can generate significant jobs.

### ***3.5 Digitisation and digital economy***

- The Queensland Response and Recovery Coalition calls on governments to support and fund training and services to assist businesses and organisations to improve their digital capability, including goods and services delivery.
- The QRRC calls on all governments to maintain a watching brief on the fees charged by on-line service delivery companies to ensure there is no price gouging.

### **3.6 Harmonising government decision-making**

- While acknowledging the enormous challenges presented by the COVID-19 pandemic and the speed of change confronting governments and the community, the Queensland Response and Recovery Coalition calls for maximum coordination and consistency across all levels of government, to ensure government support is equitable, including:
  - Stimulus packages
  - Wage subsidies and tax relief (including payroll and land taxes)
  - Reduction in red tape, compliance costs and system complexity to support job creation
- The QRRC calls on governments to define essential services/jobs to ensure a balance between pandemic containment and economic continuity, including protecting the supply chains that support essential services/jobs.
- The QRRC calls on all levels of government to streamline procurement processes and guarantee contracts that support all businesses and their supply chains.

### **3.7 Equity**

- The Queensland Response and Recovery Coalition acknowledges the financial support for individuals that has been announced by the Federal and State Governments, but calls on the Federal Government to ensure an equitable distribution of funds by including those in the community who are not (currently) eligible for Federal Government support, eg foreigners on work visas who are unable to work but cannot return home due to travel restrictions.
- The QRRC calls on the State Government to consider the establishment of a universal “benevolent fund” (such as the trade union model) to respond to requests for rent or living expenses assistance from people who have lost jobs – either interest-free loans or gifts (with qualifying criteria).

### **3.8 Flexible employment and leave and Payroll Tax**

- The Queensland Response and Recovery Coalition calls on governments to work with industry to resolve the uncertainty around “special leave” and the treatment of leave/stand downs for casual and temporary employees.
- The QRRC acknowledges the State Government’s improved Payroll Tax relief and calls for the same relief to be extended to Workers Compensation premiums.
- The QRRC calls on the State Government to waive Payroll Tax for the next six months or for the duration of the shutdown, whichever is longer.
- The QRRC suggests the establishment of a “redeployment service” to match job vacancies in active economic sectors with stood down/sacked workers, eg an “I need workers” website/Facebook page for employers looking for employees.

### **3.9 Commercial and residential leasing and Land Tax**

- The Queensland Response and Recovery Coalition acknowledges the support offered by banks for mortgage relief/holidays, but calls on governments to support and protect tenants and property owners who have a mutual interest in ensuring businesses survive.
- The QRRC calls on the State Government to relieve rental pressure on businesses by removing/suspending Land Tax, including for the 2020-21 financial year, and legislating to require landlords to pass on the Land Tax relief proportionality to tenants.
- The QRRC calls on governments to provide financial support for entertainment venues that are unable to meet their rent, to ensure the venues survive long-term and are available to open as soon as social distancing rules are relaxed.

- The QRRC calls on the State Government to underwrite the deferral of local government rates on commercial premises.
- The QRRC calls on governments to engage with hotel owners and managers to explore opportunities to provide free, emergency accommodation to renters who have been evicted or forced to vacate their tenancies.
- The QRRC calls on governments to legislate/regulate to stop evictions for renters whose incomes have stopped, through no fault of their own.

### ***3.10 Live music***

- The QRRC supports the call from Live Performance Australia (LPA) for the Federal Government to provide a \$650 million emergency support package for the sector, including wage subsidy/income support, SME loan guarantees, financial support for commercial operators and for regional and suburban venues.

### ***3.11 Managing the debt***

- The Queensland Response and Recovery Coalition calls on governments to consider all appropriate avenues for managing their growing debt, necessitated by the responses to the COVID-19 pandemic, and to engage closely with industry and NFPs to ensure the repayment burden is equitable and reasonable.

### ***3.12 Looking forward***

- The Queensland Response and Recovery Coalition calls on governments to work in partnership with industry and NFPs to start preparing now for the global recovery to ensure Queensland is ready for the inevitable recovery, including via strategic planning by Trade and Investment Queensland and its international offices.
- The QRRC acknowledges that positive messaging is critical to maintain local optimism now, and to generate international visitor and investment interest in the near future.