

2032 OLYMPIC & PARALYMPIC SUPPLY CHAIN ASSESSMENT

SWQROC | MAY 2023



PROJECT BACKGROUND

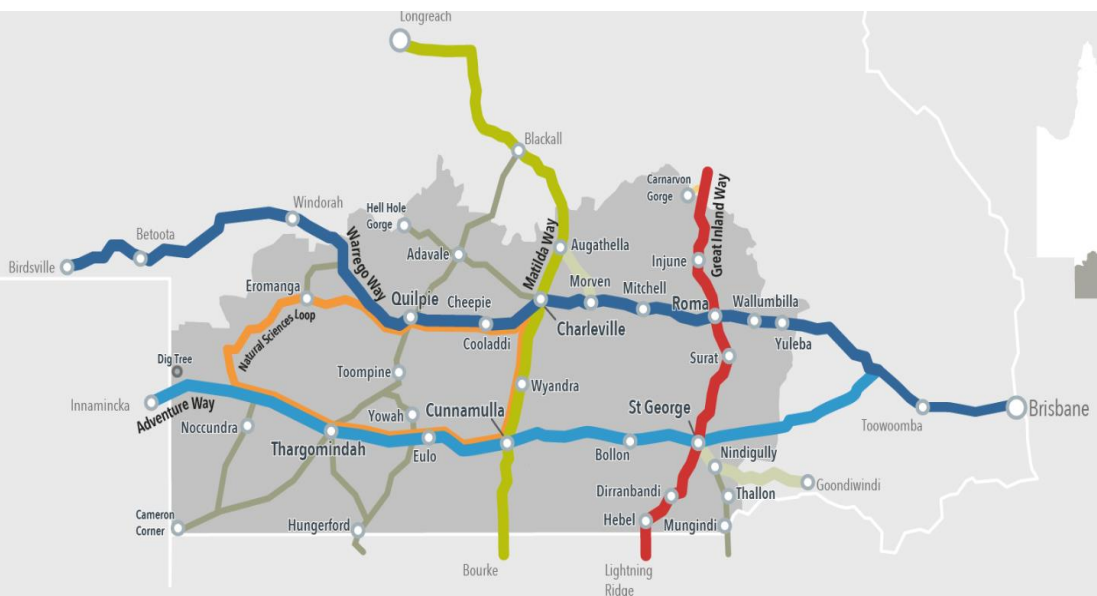
The South West Queensland Regional Organisation of Councils (SWQROC) was established in 2020 and is comprised of the Balonne, Bulloo, Maranoa, Murweh, Paroo, and Quilpie councils. Its aim is to provide a single and united organisation for the region through proactive leadership and improved advocacy, capability and capacity. The SWQROC also supports strategic collaboration, being involved in the Western Queensland Alliance of Councils (WQAC), which brings together a larger group of 22 councils across Western Queensland to advocate for and address common issues and opportunities via three organisations (also inclusive of the Remote Area Planning and Development Board and North West Queensland Regional Organisation of Councils).

Significant opportunity exists across the region with the upcoming 2032 Olympic and Paralympic Games to be held in Brisbane (hereafter referred to as the Olympics). The Olympics will create a 20-year pipeline of opportunities, catalyse new partnerships, and encourage supply chain activity to foster growth precincts and power regional development for Queensland industry and businesses. Now is the opportune time for the region to prepare for the Olympics, through understanding strengths, weaknesses, opportunities, and threats associated with the Olympics.

It is timely that a supply chain assessment is developed for SWQROC and the broader WQAC as an initial step in identifying opportunities to position the region and provide a well-planned and professional approach to attracting trade and investment opportunities. This work is the first step in a longer-term positioning program to align and realise opportunities for Queensland's regions related to the Olympic and Paralympic Games.

APPROACH

Assessment of the Strengths, Weaknesses, Opportunities, and Threats (SWOT) provides a concise and targeted format for the initial identification of opportunities relating to the Olympics. The following approach was carried out:



SOUTH WEST QUEENSLAND ECONOMY

The SWQROC economy is highly specialised towards the agriculture, forestry and fishing and mining sectors. While overall economic growth has been largely flat over the last decade, several key factors promote a prosperous future for the region.

The SWQROC economy is characterised by the following:

24.1k

Population

The population of the region in 2021 was estimated to be approximately 24,100 persons, falling by an average annual rate of 0.9% over the past decade¹.

\$2.7b

Gross Regional Product

The SWQROC region generated an estimated \$2.7 billion in gross regional product in 2020-21. Approximately 27.9% of gross value add in 2020-21 was attributable to the mining sector, followed by agriculture (21.7%)².

13.5k

Employment

Approximately 13,500 persons were employed in the region in 2020-21³. The agriculture, forestry and fishing industry had a location quotient of 11.6 in 2020-21⁴ (indicating a high degree of specialisation), employing over a quarter (26.4%) of all workers within the region in this period.

53.1%

Business Counts

The number of businesses across the region grew by 1.2% on average annually since 2019. Over half (53.1%) of all businesses within the SWQROC region in 2021 were considered agricultural businesses⁵.

-5.1%

Carbon Emissions

The region is estimated to have reduced its carbon emissions by an average annual rate of 5.1% per year between 2011 and 2020, emitting 2.88 kt CO₂-e per million dollars of GRP in 2020⁶. Notably, the carbon farming in the region makes up a large share of these projects across Queensland.

STRATEGIC ECONOMIC INFRASTRUCTURE

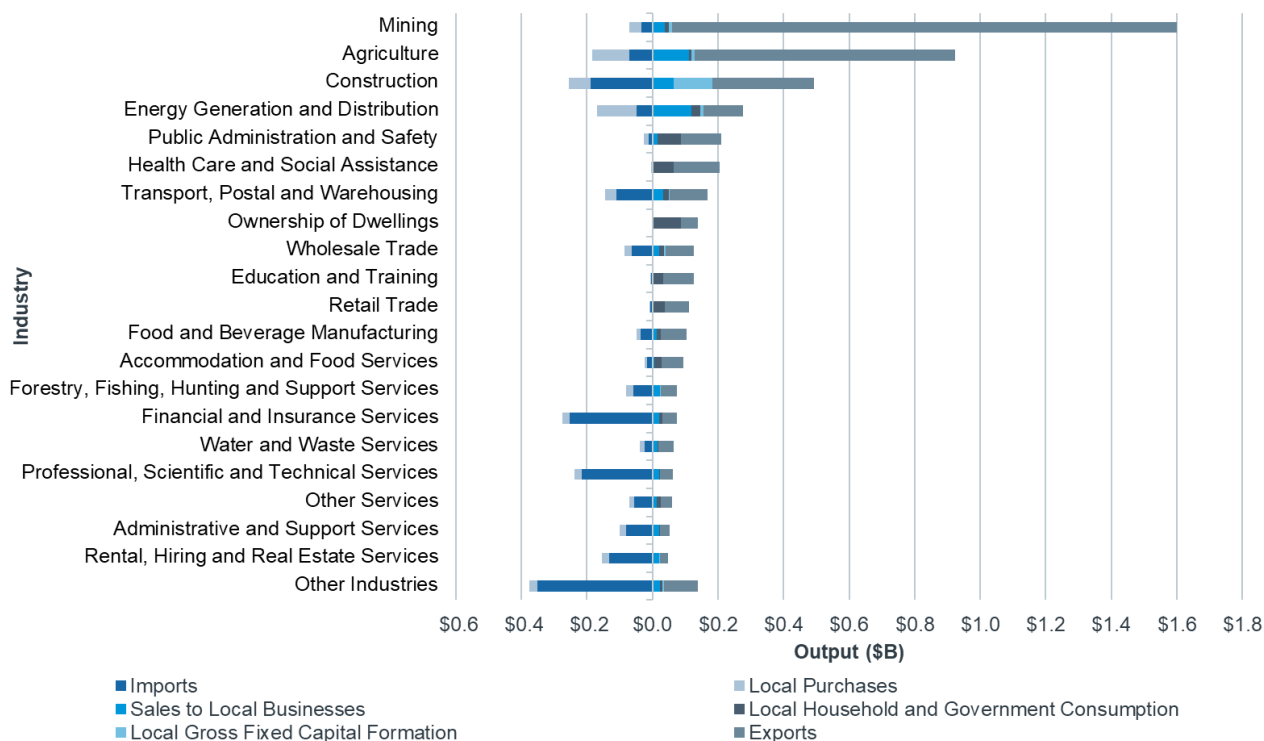
There are a number of strategic infrastructure assets within the SWQROC region, which are of economic significance to its supply chains, including those below.



- Twelve major roads and highways⁷
- Queensland Rail Western System⁸
- Five regional airports⁹
- E.J. Beardmore Dam¹⁰
- Ballera Gas Plant¹¹
- Roma Power Station¹¹
- Five active opal mines¹²
- Two gas pipelines¹²
- One oil pipeline¹²
- Roma Saleyards¹³
- Western Exporters Abattoir¹⁴

SOUTH WEST QUEENSLAND SUPPLY CHAIN

The supply chain in the SWQROC region is primarily geared towards the export of mining outputs, with an estimated \$1.5 billion in mining exports from the region in 2018-19. Export of agricultural produce is also prominent, estimated at a value of \$794.4 million in 2018-19. The two industries comprised a combined 71.5% of total exports from the region within this period. A high proportion of sales to local business are contained within the energy generation and distribution industry via the region's gas fields and power plants¹⁵.



THE OLYMPIC OPPORTUNITY

The Olympics are set to generate \$8.6 billion in increased export opportunities¹⁶. Analysis of case studies has identified the following opportunities for the region:

- **Olympic Procurement:** Past Olympics have demonstrated the sheer scale and variety of goods and services required to successfully host an Olympics. This presents an opportunity for the SWQROC region to showcase its most significant and unique economic products to take advantage of the numerous procurement opportunities on offer. Actions are required to prepare for and participate in this opportunity.
- **Accelerate Key Infrastructure Development:** A key principle shaping the Olympics is that it must be capable of generating benefits for all Queenslanders. Hosting the Olympics is estimated to bring forward \$400 million in road network improvements and a \$23 billion pipeline of transport and road upgrades over the next four years¹⁷. By demonstrating its capability, efficiency and willingness in Olympic procurement, the SWQROC region can capture a greater share of this increased flow of investment and attract critical legacy infrastructure developments.
- **Increased Trade and Investment:** Past Olympics have highlighted how the strengths of the host region can be leveraged to strike new trade and investment deals, such as the Business Club Australia program established following Sydney 2000¹⁸. An opportunity for the region exists to highlight its business credentials, establish new international partnerships and generate additional business activity garnered through the worldwide attention the Olympics harnesses.
- **Carbon Neutrality:** From 2030 onwards, each Olympic Games will be required to minimise and compensate carbon emissions¹⁹. Though there is currently no material detailing the carbon neutrality criterion, this presents an opportunity for innovative solutions to reducing emissions but presents a challenge for the SWQROC region due to the additional carbon emissions required to transport locally-produced goods from the region.

SWOT ASSESSMENT

The SWQROC region has a number of natural and comparative advantages, which generate economic activity, as well as a number of challenges that could be addressed to further promote growth of the economy. The strengths, weaknesses, opportunities and threats of the SWQROC region's supply chain are detailed in the pages that follow.

STRENGTHS

Agricultural Livestock and Meat Product Manufacturing

The SWQROC region retains strong herds of beef cattle, goats, sheep and lambs, with facilities for production. The largest goat meat processing facility in Australia is based in Charleville, as well as organic products such as Paroo Pride Organic Lamb.

Fruit and Vegetables

A plentiful supply of fresh onions, sweet corn, pumpkins and grapes are all grown within the region.

Cotton and Wool

Strong cotton and wool production can be utilised as a fabric input into the supply of clothing and linen for Olympic merchandise and uniforms.

Energy Generation and Distribution

Gas fields located with Bulloo supply energy across Queensland, including gas and oil pipelines to Mount Isa and Brisbane and multiple power stations.

Freight Connections to South East Queensland (SEQ)

The SWQROC region links to SEQ directly via the Warrego, Moonie and Balonne highways. Toowoomba Wellcamp Airport can also assist with efficient transportation of goods to SEQ.

WEAKNESSES

Cost of Transport and Freight

Higher cost associated with transporting goods across the supply chain as a result of the region's long distance away from SEQ.

Digital Connectivity Infrastructure

Lack of telecommunications infrastructure within the region, limiting mobile network accessibility, broadband connectivity and GPS reach.

Lack of Value Add Activity

Whilst the region has some manufacturing activity associated with local primary production, there is room for further activity.

Carbon Reduction Credentials

Current lack of knowledge and preparedness of local suppliers reduces potential competitiveness in sourcing procurement contracts.

Business Involvement

Currently low awareness and belief that local businesses can participate in seizing Olympic procurement opportunities, as well as a lack of understanding of the benefits available.

Operational Scale

Anticipated struggle of local business operations to satisfy large increases in demand within short timeframes. Potential requirement for joint ventures.

SWOT ASSESSMENT

LEGACY OPPORTUNITIES

In addition to the opportunities available to the region directly from the Olympics, the opportunities below can also be pursued to achieve longer term benefits beyond the Olympics themselves.

To capitalise on these legacy opportunities, new markets will need to be explored to continue to supply the following goods and services beyond the Olympics.

Primary Production and Supply of Products

Supply a range of products for the Olympics, including meat (beef, goat, sheep/ lamb and organic products), cotton, wool, horticulture (fresh and processed), bottled water (investigate bio-degradable and/or reusable plastics), Indigenous artworks, timber and honey. Supply of horses (equine) for use in events.

Supply of Gifts, Uniforms, and Merchandise

Manufacturing of memorabilia and uniforms given to workers, volunteers and other stakeholders as part of the Olympics. More specifically, the bilby could be presented as a Games mascot.

Circular Economy Initiatives

Reduce reliance on carbon and limit excess water usage and emissions. Market the region as focused on generating positive environmental outcomes, assisting with carbon reduction credentials in securing procurement contracts.

Healthy Foods

Present “healthy” food options in the supply of fresh fruit and vegetables and protein.

First Nations Businesses

Understand capacity and required supply chain to facilitate procurement for these businesses, including construction firms, traffic management, butchers, entertainment, etc. Utilise IOC Reconciliation Action Plan to provide additional opportunities.

THREATS

Business Capacity Constraints

Potential challenges to ramp-up necessary capacity for increased production may pose a threat to delivery of procurement obligations.

Weather Impacts

Risk of weather conditions negatively impacting fruit and vegetable crop production.

Early Identification of Supply Needs

Late identification of major Olympic supply requirements could derail efforts to secure supply contracts.

Timely Implementation of Production Requirements

Failure to implement necessary infrastructure upgrades and/or ability to source key production inputs could disrupt delivery timelines.

DEVELOPMENT OPPORTUNITIES

The expansion of the supply chain in the SWQROC region will require a number of initiatives to be undertaken in collaboration with the broader region (Western Queensland) and the Queensland Government. Development requirements include:



Infrastructure

Develop multimodal transport logistics hubs and manufacturing hubs in centralised locations.

Upgrade and/or ensure functionality of digital connectivity and telecommunications infrastructure.

Necessary upgrade and maintenance works to critical transport infrastructure (road and rail) connecting SEQ to Western Queensland.



Private Investment

Critical technology and infrastructure specific to individual business needs required to increase operational efficiency.

Advertising and promotion campaigns to raise awareness about what the region has to offer from a procurement perspective.

Develop business cases for key investment opportunities to attract investment.



Collaboration

Collaboration among Local, Queensland and Australian Governments.

Advocate for regional representation on the Olympics Legacy Committee and coordination from the Queensland Government for regional involvement in the Olympics.

Network with prospective procurement officers and trade partners.



Skills Development

Skills development and training for local businesses in understanding the business-specific and region-wide benefits associated with Olympic procurement and the carbon neutrality requirements and methods of achieving greater carbon reduction. This may require the allocation of a dedicated (and funded) resource.



Policy

Incentives for local businesses to contribute to Olympic procurement opportunities and be involved.

Incentives to encourage procurement readiness and preparation by undertaking sufficient investment necessary prior to the Olympics.

Incentives for local businesses to collaborate in production and delivery to ensure supply outcomes can be achieved and opportunities can be fully harnessed for the betterment of the region.

NEXT STEPS

To understand and amplify the specific procurement opportunities afforded by the Olympics, the Councils of South West Queensland are required to collaborate and advocate for the region, and for Western Queensland more broadly. To continue to progress this initiative, the following work should be undertaken:

- **Prioritise** key procurement opportunities to target.
- Perform a **detailed investigation** into procurement requirements, feasibility and new market opportunities beyond the Olympics.
- Develop an **action plan** to progress the identified opportunities.



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