

Ai GROUP SURVEY

Listening to Australian businesses on workforce
and skills 2024

Queensland analysis

AUGUST 2024

Ai Group's Centre for Education and Training surveys a cross section of Australian businesses every two years to learn more about skills and workforce challenges across the economy.

This comprehensive, future-facing survey asks companies about the external and internal factors driving their skills and workforce needs now and into the future. It also asks where the skills challenges or shortages are, and the steps businesses plan to take to develop or acquire the skills and capabilities they consider they need to succeed.

This analysis provides a detailed breakdown of the results for responding businesses located in Queensland.

It benchmarks Queensland's results against the national findings and those from New South Wales and Victoria.

Overall, the Queensland businesses we surveyed were most concerned about supply chain disruptions and rising input costs over the next two years. However, despite these challenges, they expressed strong confidence in their leaders' and managers' abilities to navigate their businesses through complex times. Queensland businesses also mirrored the national trend on skills needs, with demand highest for Technicians and Trade workers.

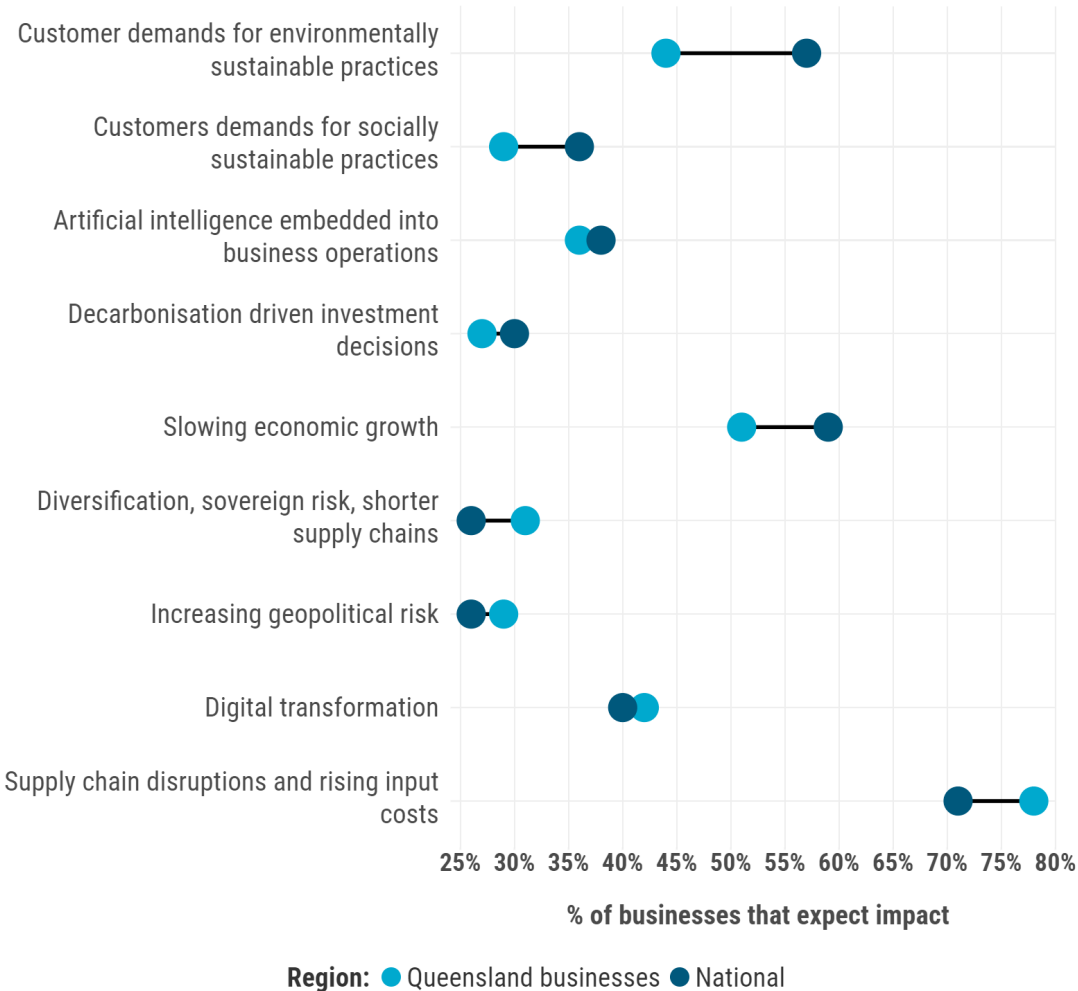


Queensland businesses are wary of supply chains issues and rising input costs

When asked to consider the likely impact of a range of factors over the next two years, the Queensland businesses we spoke to were most concerned with supply chain disruptions and rising costs.

The expected impact of slowing economic growth was less pronounced in Queensland than we saw at the national level.

What factors are likely to impact your business over the next two years?



Supply chain disruptions and rising input costs are anticipated to affect operations for 78% of businesses surveyed in Queensland. This is 7% higher than the national level.

Queensland businesses also indicated a higher potential impact from **diversification, sovereign risk, and shorter supply chains** than we saw at the national level.

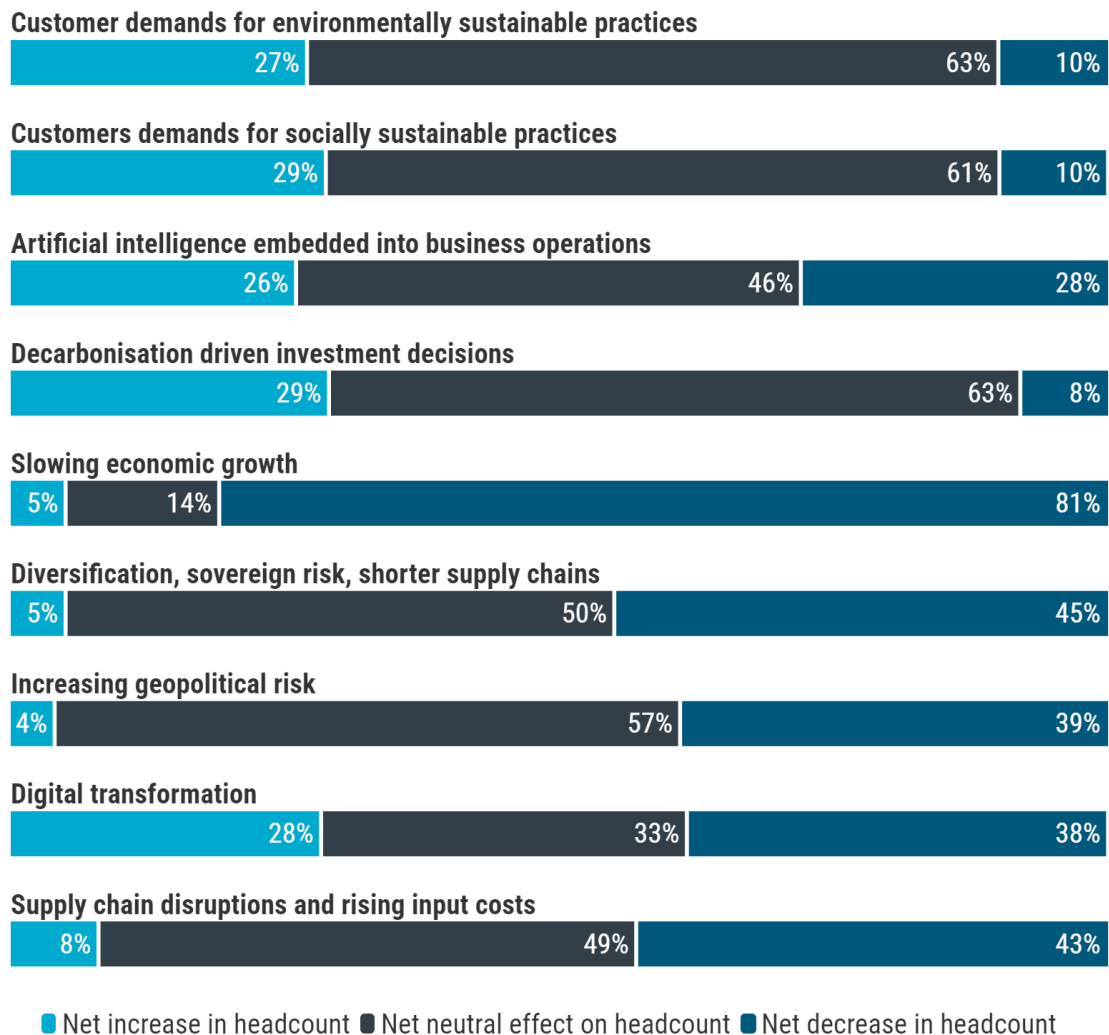
On the other hand, the expectation of **slowing economic growth** impacting business is slightly less prevalent in Queensland, with just over half (51%) of businesses expressing this concern, 8% lower than the national level.

Similarly, **increasing geopolitical risk** was a concern for 29% of Queensland businesses, higher than the national level of 24%.

Green transition seen as driving jobs growth in Queensland

For the Queensland businesses surveyed, **decarbonisation driven investment decisions** and **customer demands for socially sustainable practices** were seen as the biggest expected drivers of jobs growth.

Expected impact of these factors on headcount - Queensland businesses



The jobs optimism in Queensland comes in relation to the green transition, with over a quarter (29%) of businesses surveyed expecting **decarbonisation driven investment decisions** to result in an increase in headcount, higher than the national result of 26%.

Similarly, the Queensland businesses had strong expectations for job growth stemming from

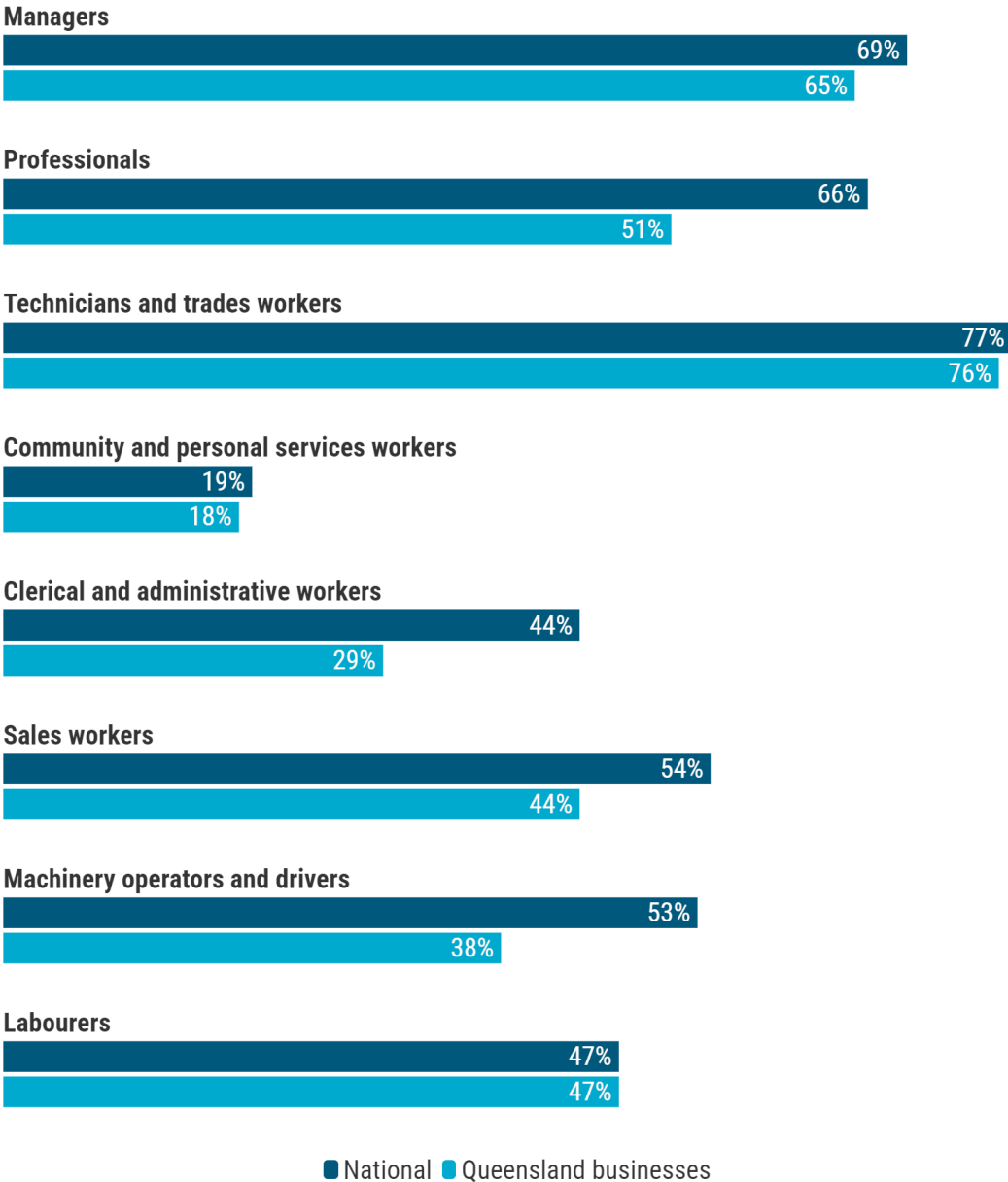
customer demand for socially sustainable practices, with 29% expressing this view, compared to 22% nationally. 27% of Queensland businesses foresee job growth due to **customer demands for environmentally sustainable practices**, aligning closely with what we observed at the national level.

Strong demand for Technicians and Trades workers

Queensland businesses continue to feel the impact of the tight labour market and compete for in demand skills and workers. When we asked Queensland businesses whether their requirements for certain skills had increased, the results largely

mirrored what we saw at the national level. Demand for Technicians and Trades workers was high, with 76% of Queensland businesses reporting an increased need for these workers.

Has your requirement for skills increased?



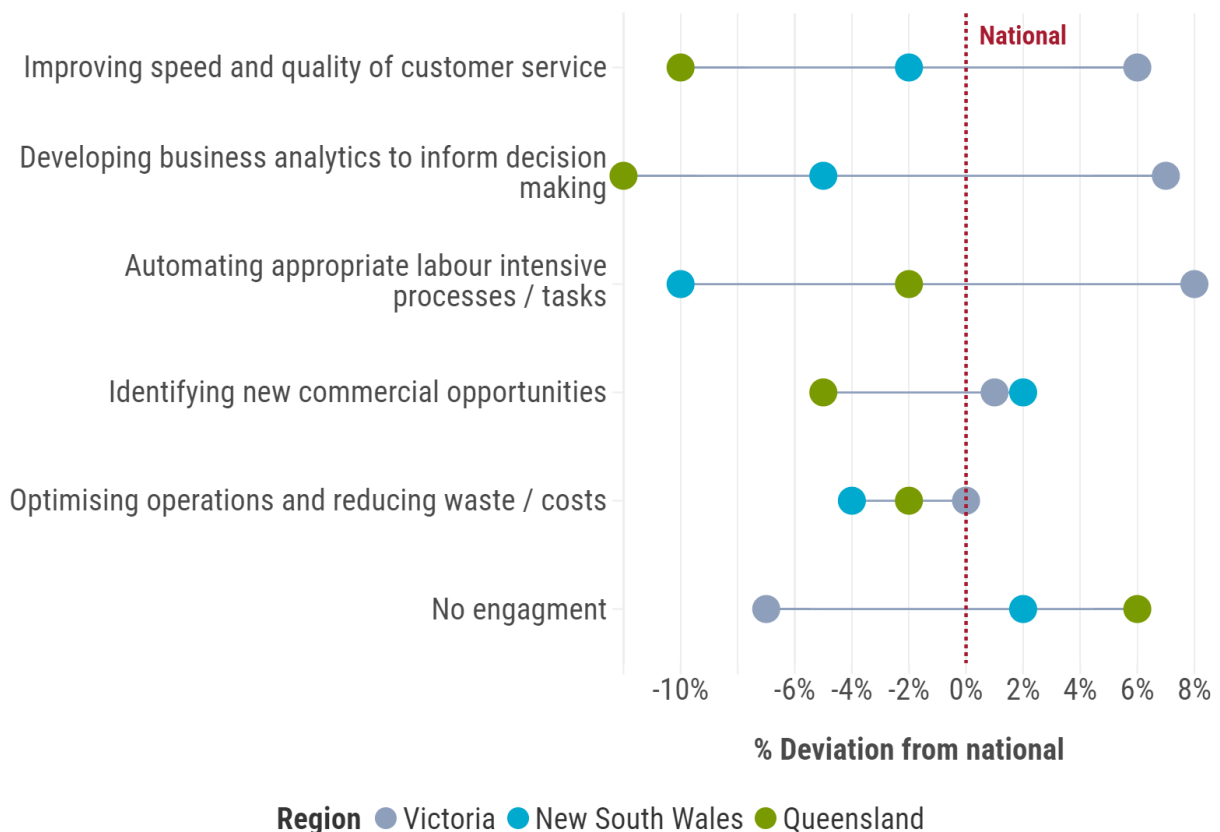
Queensland businesses also had strong demand for Managers, with just under two-thirds (65%) of Queensland businesses experiencing an increased need for these skills.

Businesses in Queensland are cautiously exploring AI

Queensland businesses are playing it safe when it comes to embracing AI technology, with many observing the impacts before fully engaging and investing in these new tools.

When we compare the responses from businesses in Queensland, New South Wales and Victoria in relation to the national level findings we can see the Queensland businesses were less likely to report specific reasons for engaging with AI and more likely to report 'no engagement'.

In what way is your business engaging with Artificial Intelligence?



However, a greater proportion of Queensland businesses than New South Wales businesses reported using AI for **automating labour-intensive tasks and processes**.

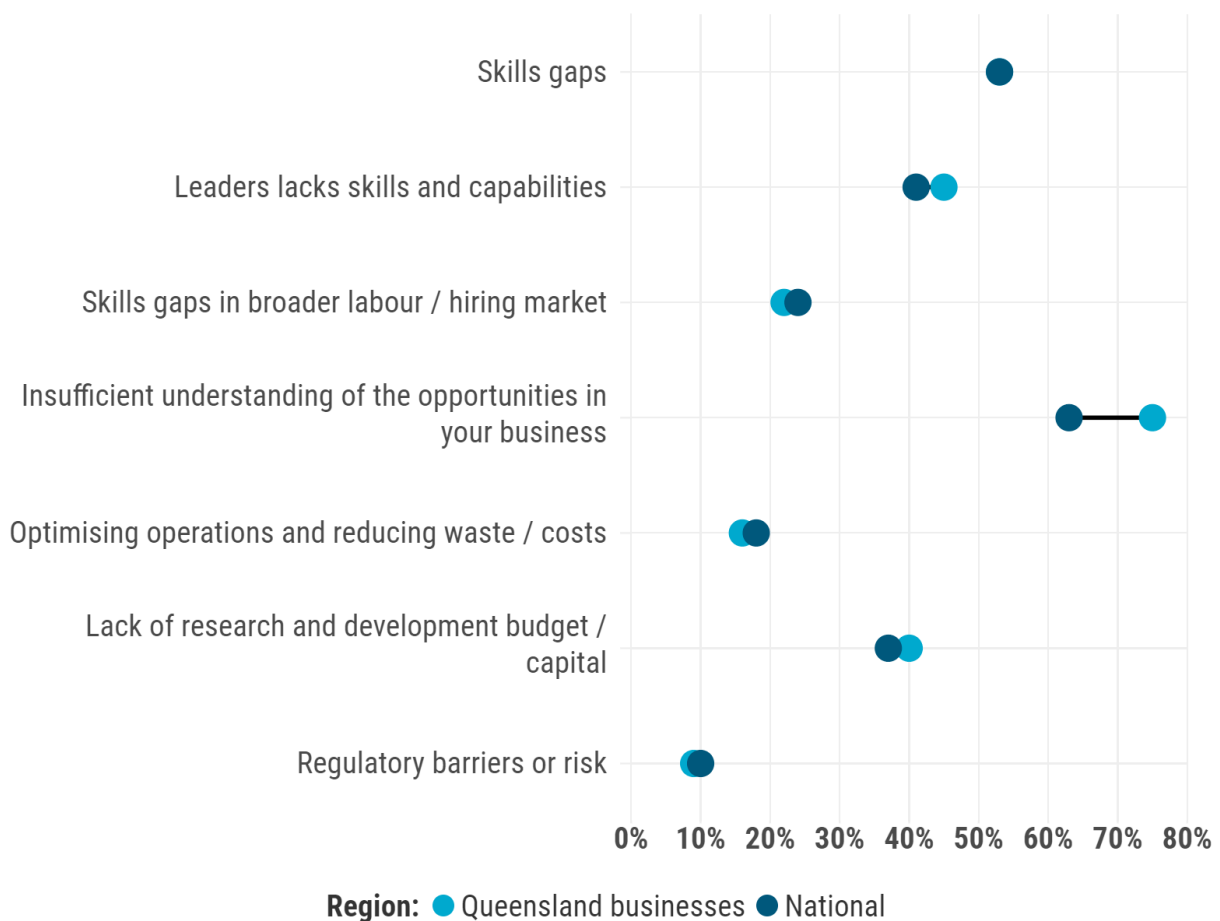
The same trend is observed in the use of AI to **optimise operations and reduce waste or costs**. Queensland businesses were more likely to employ AI for these purposes than their New South Wales counterparts.

Key barriers are holding businesses back from engaging with AI

When looking ahead at further engagement with AI, the barriers identified by businesses in Queensland closely mirror the national picture.

The leading obstacle holding Queensland businesses back from doing more with AI is **insufficient understanding of the opportunities within their own operations**. This barrier was reported by three-quarters (75%) of the Queensland businesses surveyed.

What are the barriers holding your business back from doing more with Artificial Intelligence?



More than half (53%) of Queensland and National businesses identified **skills gaps** as a barrier to doing more with Artificial Intelligence.

The survey also showed that Queensland businesses are slightly more likely to cite barriers related to **leadership skills and capabilities**.

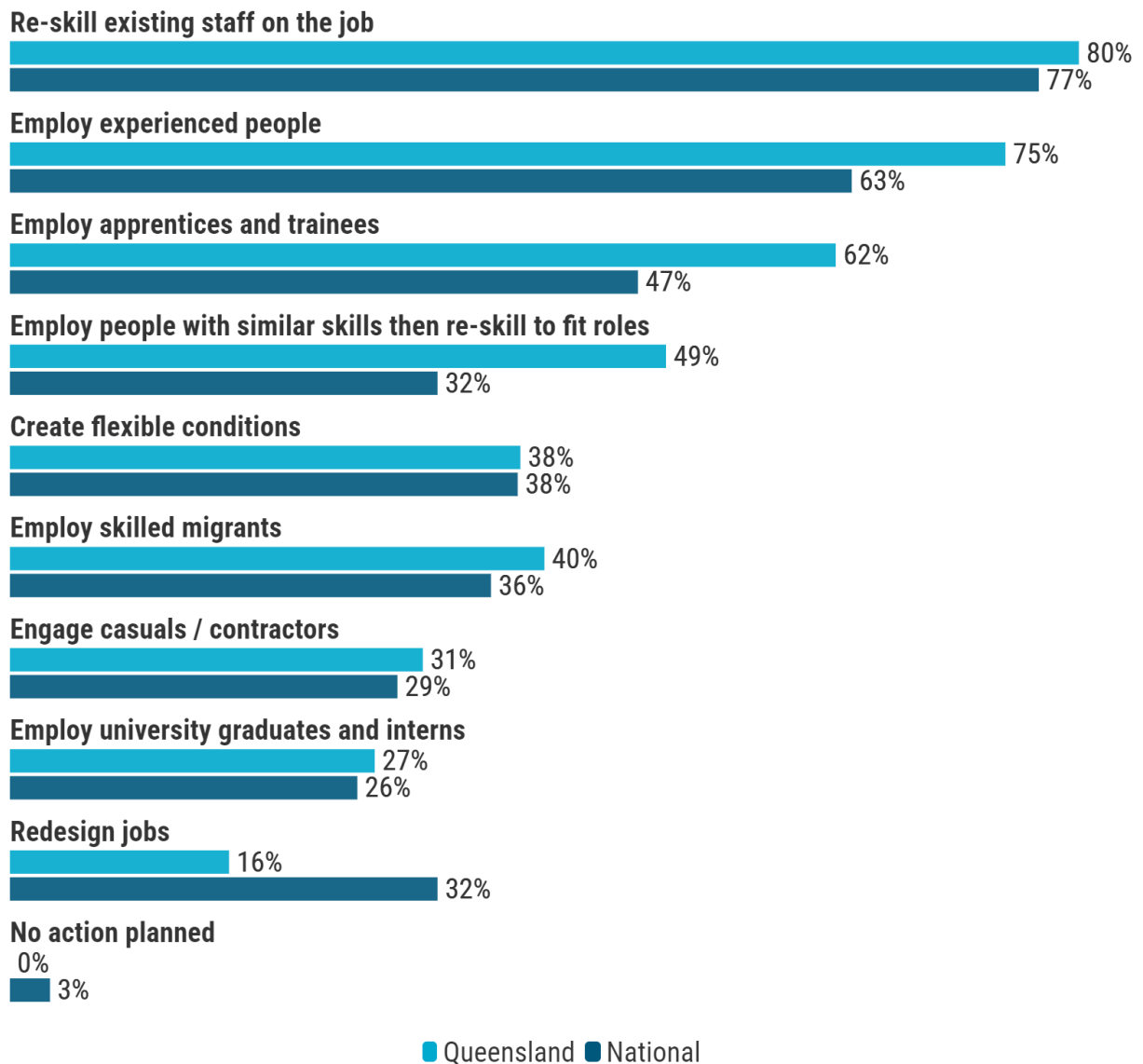
Additionally, 40% of these businesses cited a **lack of research and development budget or capital** as a barrier, slightly higher than the national level of 37%.

Overall, the barriers reported by Queensland businesses largely align with those cited nationwide.

Queensland businesses on the front foot in seeking to meet skill needs

Queensland businesses are actively developing plans and strategies to meet their skill needs over the next year.

What actions do you plan to take to meet all skill needs over the next 12 months?



In nearly every area, a greater proportion of Queensland businesses were intending to take some form of action to meet their skill needs compared to the national results.

Re-skilling existing staff on the job (80%) and **employing experienced people** were the most cited strategies for the Queensland businesses we surveyed.

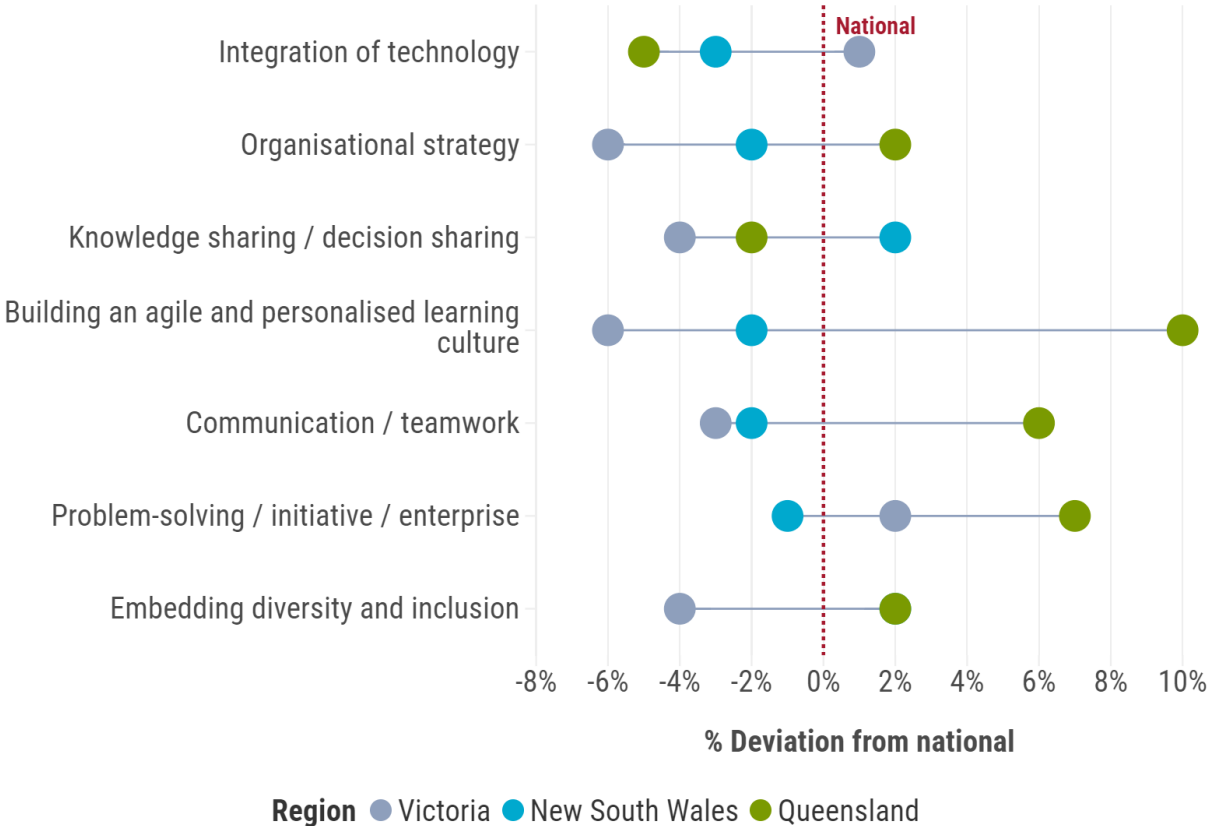
62% of Queensland businesses surveyed also intended to **employ apprentices and trainees** in the next year. 15% higher than the national level.

Queensland businesses were also more likely to **employ people with similar skills** and to **re-skill to fit roles as required**, with just under half (49%) intending to use this strategy over the next year. This is higher than what we saw at the national level (32%).

Queensland businesses have confidence in their leaders' and managers' capabilities

Looking forward, the Queensland businesses we surveyed were more confident in their leaders' and managers' ability to take their businesses forward than their counterparts in other economies.

How well equipped are your leaders and managers to take the business forward?



The proportion of Queensland businesses expressing confidence in their leaders' and managers' ability to **build an agile and personalized learning culture** was 10% higher than the national level and 17% higher than the Victorian businesses surveyed.

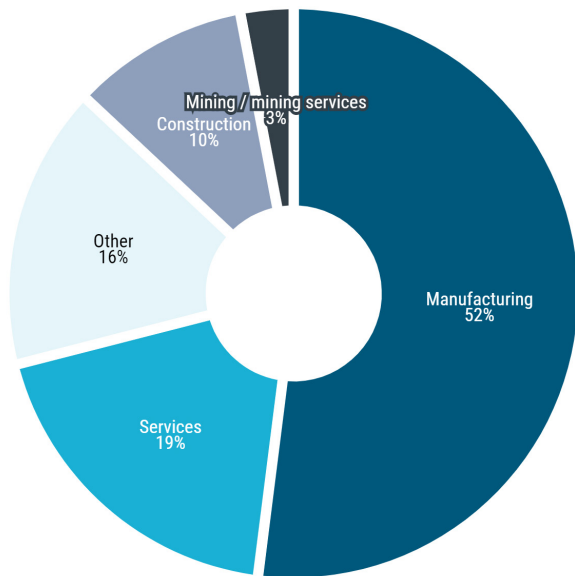
Likewise, Queensland respondents expressed greater faith in their leaders and managers than their counterparts in Victoria and New South

Wales in **problem solving / initiative / enterprise** capabilities, **communication / teamwork, organisational strategy** and **embedding diversity and inclusion**.

Overall, Queensland businesses are feeling confident in their leaders and managers, rating their ability to take the business forward significantly higher than observed elsewhere.

The businesses we surveyed

We heard from businesses across a range of industry sectors



A total of **251**

Australian businesses completed our survey in the first quarter of 2024, employing a total of

291,232

Full Time Equivalent (FTE) employees.

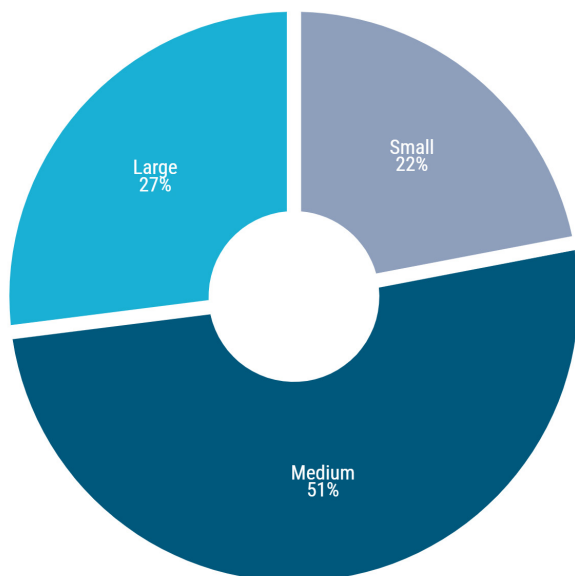
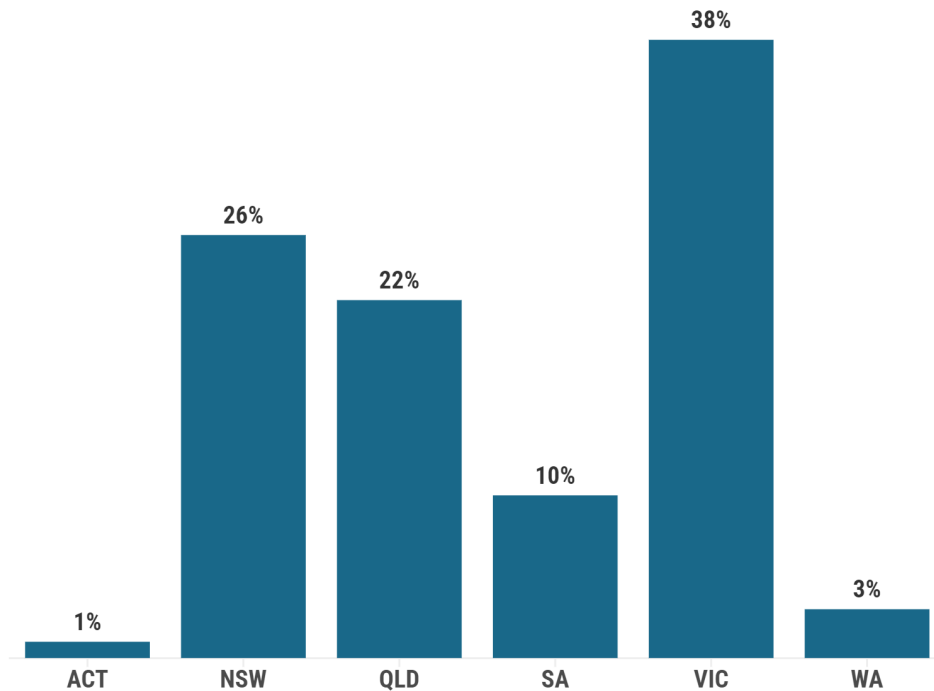
52% of the respondents reported being part of the manufacturing sector. This included a diverse range of manufacturers, including those making food, beverages, chemicals, equipment, building materials, metals, textiles and furniture.

19% came from the services sector, and a further 10% from construction. Respondents selecting 'other' were diverse and included defence/aerospace, aviation, recyclers and not-for-profit community organisations. The remaining 3% reported being from the mining/mining services sector.



We heard from businesses right around the country

38% of the businesses we heard from were based in Victoria, 26% in New South Wales and 22% in Queensland. 10% were from South Australia, with the remaining 4% located in Western Australia and the ACT.



We heard from businesses of all sizes

22% of the businesses we surveyed were small (between 0-19 employees), 51% were medium sized (between 20 and 199 employees) and 27% were large (200 or more employees).

Respondents provided their best estimate of their full-time equivalent headcount active in the business. Using these estimates, the responses have been grouped according to the Australian Bureau of Statistics categories of small, medium and large businesses.

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