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# Director-General's foreword

As Director-General for the Department of State Development, it is with great pleasure that I present the department's 2016–17 annual report.

This year we report on the department's performance against its strategic objectives, and reflect on a year marked with both complex challenges and significant achievements.

In the face of the potentially crippling economic impact of Tropical Cyclone Debbie and during an ongoing period of economic transition and diversification, Queensland's economy is trending positively. Recent data demonstrates that the department's purpose—to lead the delivery of economic development outcomes for Queensland—has made a real and positive difference to our economy and the lives of Queenslanders.

June's ABS Labour Force Report showed the state's economy grew by 2.75 per cent in 2016–17, well above the nation's 1.75 per cent growth figure in the same period. Total trend employment in Queensland increased by 43,300 during 2016–17. This growth of 1.8 per cent was in line with the national rate for the same period.

Queensland businesses consistently recorded the highest or second-highest confidence rating for any state economy, based on the NAB's Monthly Business Survey (June 2017).

Supporting this position, Deloitte Access Economics *Business Outlook* for June forecasts Queensland as having the nation's strongest economic growth in 2017–18, at 3.1 per cent.

This is great news for Queensland because a growing economy not only provides business opportunities but also jobs and financial security for families across the state.

The department's work in creating jobs and economic growth was supported through the launch and delivery of funding programs, the development and delivery of a major projects pipeline and by attracting lucrative industries and successful companies to Queensland.

Diversifying the state's economy has been a key driver for new jobs and economic growth. The department has focused on advancing the state's six priority sectors—aerospace, advanced manufacturing, biofutures, biomedical, defence industries, and mining, equipment, technology and services—to create the knowledge-based and highly-paid jobs of the future.

Highlights this year included allocation of \$12.8 million to support the development and launch of 10-Year roadmap and action plans and accompanying initiatives for these priority sectors.

Our department's focus and expertise has ensured the spread of these benefits across the state—helping strong and vibrant regional economies and communities. According to recent ABS Labour Force report findings, over half of the regional economies outside of South East Queensland (i.e. Cairns, Darling Downs – Maranoa, Fitzroy, Mackay, Queensland – Outback, Toowoomba, Townsville, Wide Bay) experienced employment growth, while half these regions also experienced a decline in their regional unemployment rates.

This is good news, however there are some communities in regional Queensland still suffering adverse economic effects of Tropical Cyclone Debbie. This may continue for some time. Our department will continue to provide ongoing and appropriate support in these areas.

As Chair of the Economic Recovery Group, activated in response to the cyclone in March, I worked with members of this team to provide a coordinated, whole-of-government approach to help businesses and communities get back on their feet. This support will continue during 2017–18.

Similarly, our department led a whole-of-government response that assisted Swickers Kingaroy Bacon Factory, the primary employer in the South Burnett Region, to quickly resume operations after fire significantly damaged the facility during November. Thanks to a swift and cooperative approach, 120 staff were able to resume work within a week at a temporary location.

Further highlights achieved by the department on behalf of the state are outlined in this report. Some stand-outs included:

### Funding programs

- Launching the
  - \$130 million Jobs and Regional Growth Fund
  - \$20 million Made in Queensland (MIQ) grants program
- Allocating \$85 million for 67 projects in Round 2 and the supplementary round, and approving a further \$70 million for 65 projects in Round 3, under the Building our Regions program. This brings total investment to \$225 million for 174 projects with a total project cost of \$580.5 million. Funding critical infrastructure from the Torres Strait to the border, this program is also generating 1762 jobs.

### Major projects

- Completion of all Gold Coast 2018 Commonwealth Games competition venues well ahead of the Games, and under budget - creating 1000 jobs. Most importantly, the facilities for this \$320 million program are already in use by local sporting and community groups for national and international events, leaving a genuine and significant legacy for the local community
- Handover and commencement of construction for the \$3 billion Queen's Wharf Brisbane Integrated Resort Development. The state's biggest development project will create 2000 jobs during peak construction and 8000 ongoing roles when operational in 2022
- Appointment of the managing contractor for the \$250 million North Queensland Stadium with a target for at least 80 per cent of the project's value to be spent on local contractors. Over 750 jobs will be created during design and construction
- Granting the final, secondary approval for the \$21.7 billion Adani Group Carmichael Coal Mine and Rail Project in the Galilee Basin—the biggest coal mine in the southern hemisphere. Adani has estimated creation of over 5000 direct jobs at the peak of construction and over 4500 direct jobs at the peak of operations.

### Priority sectors

- Launch of 10-Year roadmaps and action plans for the biofutures, advanced manufacturing and our biomedical sectors—helping to create thousands of high-value and knowledge-based jobs

- Launch of the international Biofutures Acceleration Program to attract the development of commercial scale biorefineries to Queensland. The program already has six projects in train and is supporting investment that could generate over 330 jobs.

### Industry attraction and facilitation

- Leveraged \$413.37 million in private sector capital investment through industry facilitation.

The department collaborated with all levels of government, industry and enterprise to lead the delivery of these economic outcomes.

We look forward to continuing this good work with our partners across Queensland to create an attractive investment environment, facilitate a pipeline of strategic projects, advance regional communities and lead strategic development of priority industries.

I invite you to read more about our important work in this annual report, and to see how we are delivering the government's agenda and advancing our vision for the Queensland economy and its people during 2017–18.

Michael Schaumburg  
Director-General  
Department of State Development