

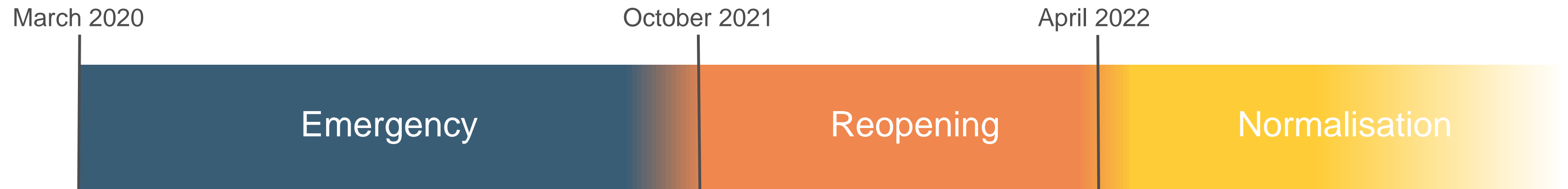
Major Projects Outlook – Central Queensland

Three Big Themes

1. The economic context
2. The construction outlook for Central Queensland
3. Bottlenecks

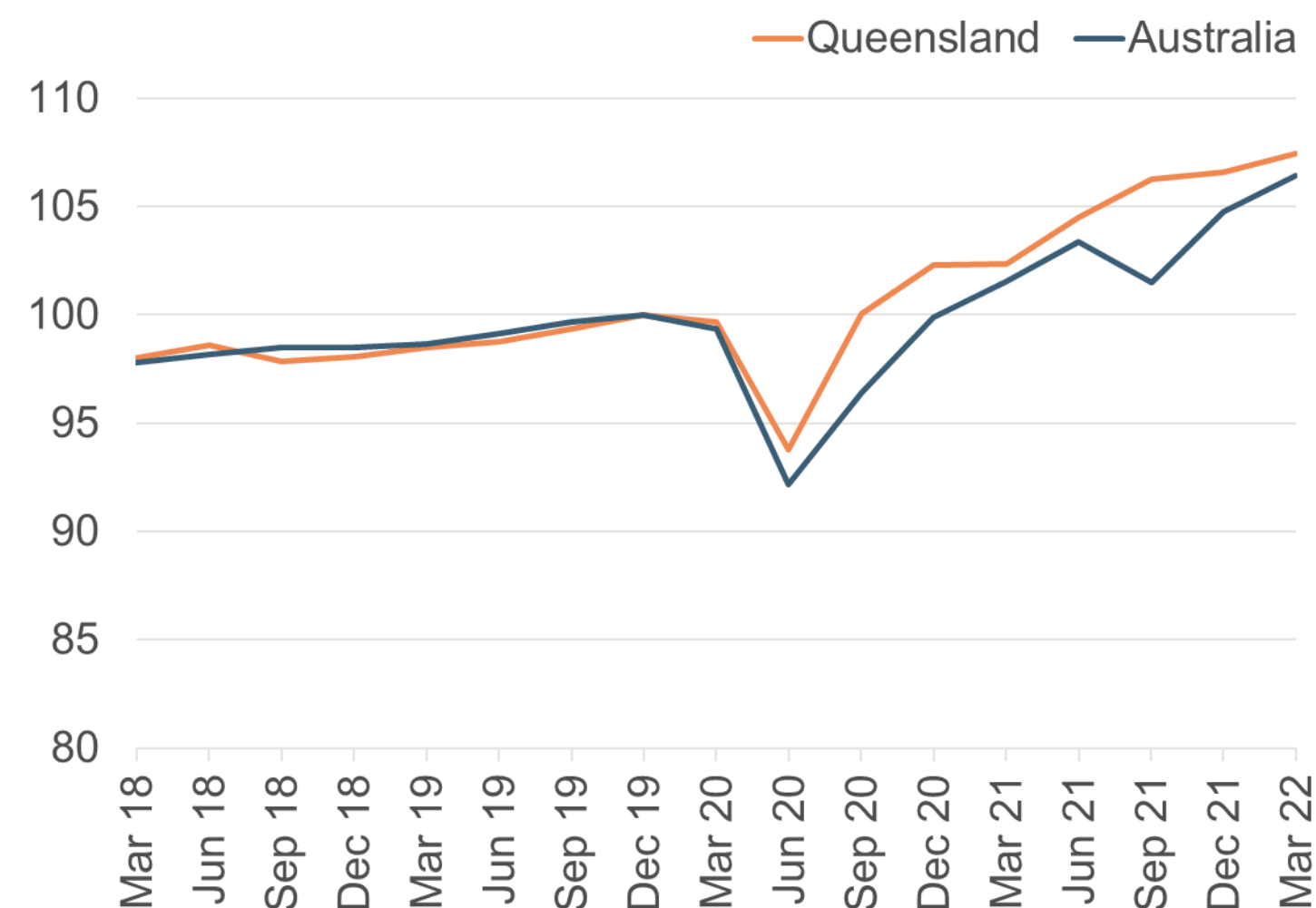
The Economic Context

The Pandemic Business Cycle



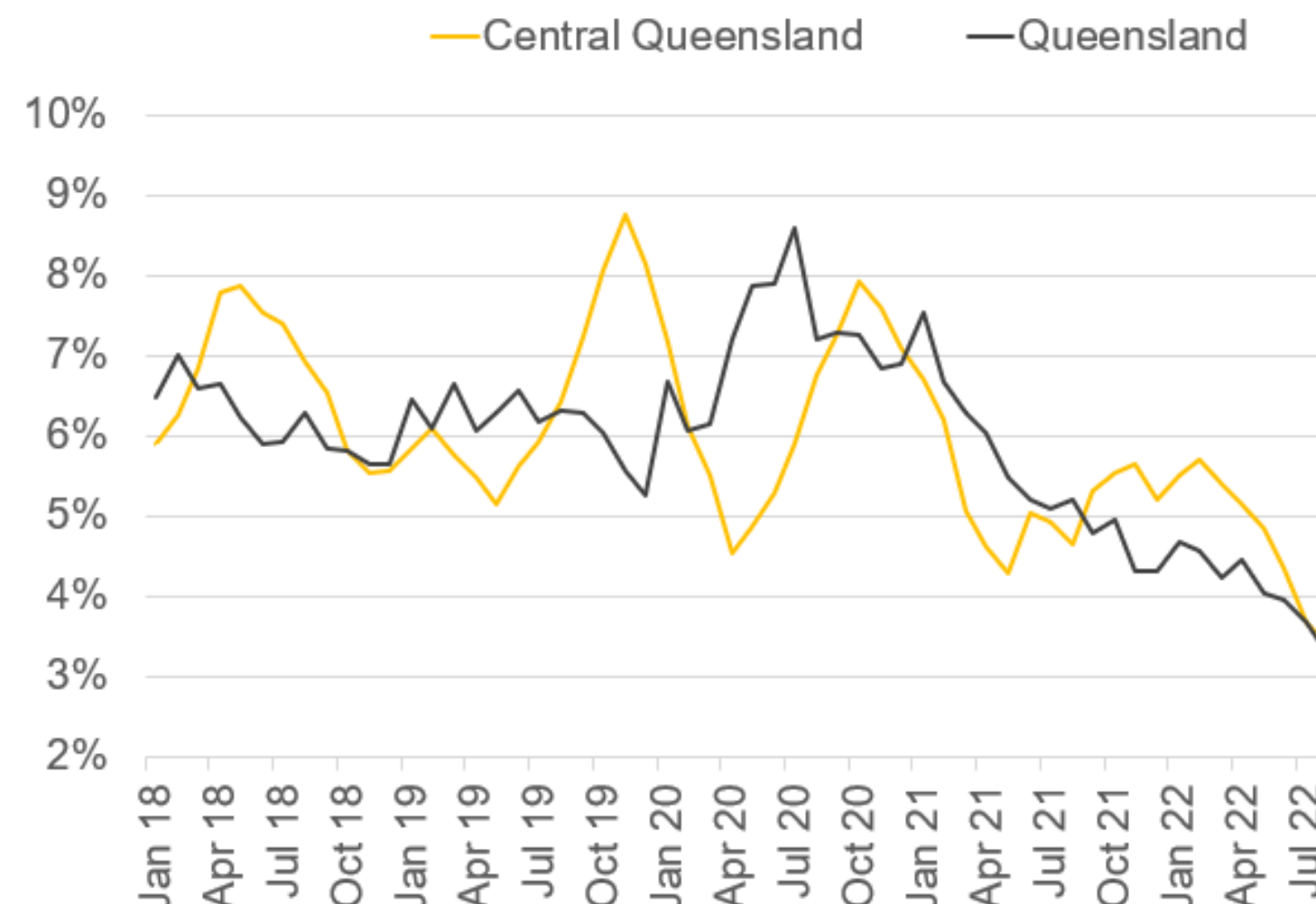
Economy In Pole Position

Economic Activity Index



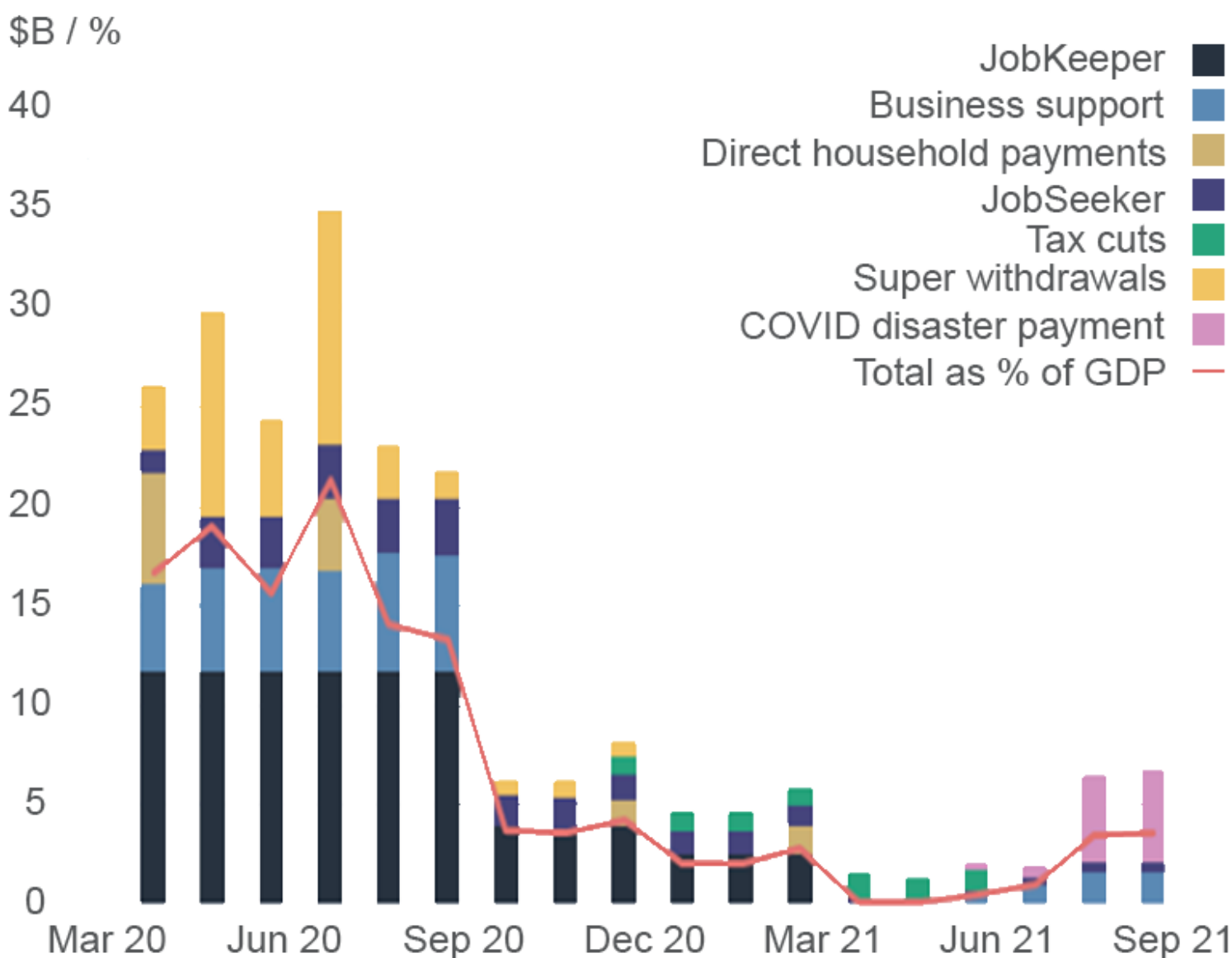
Note: Domestic Demand; Index: 100=Dec 2019

Unemployment rate



An Artificial High

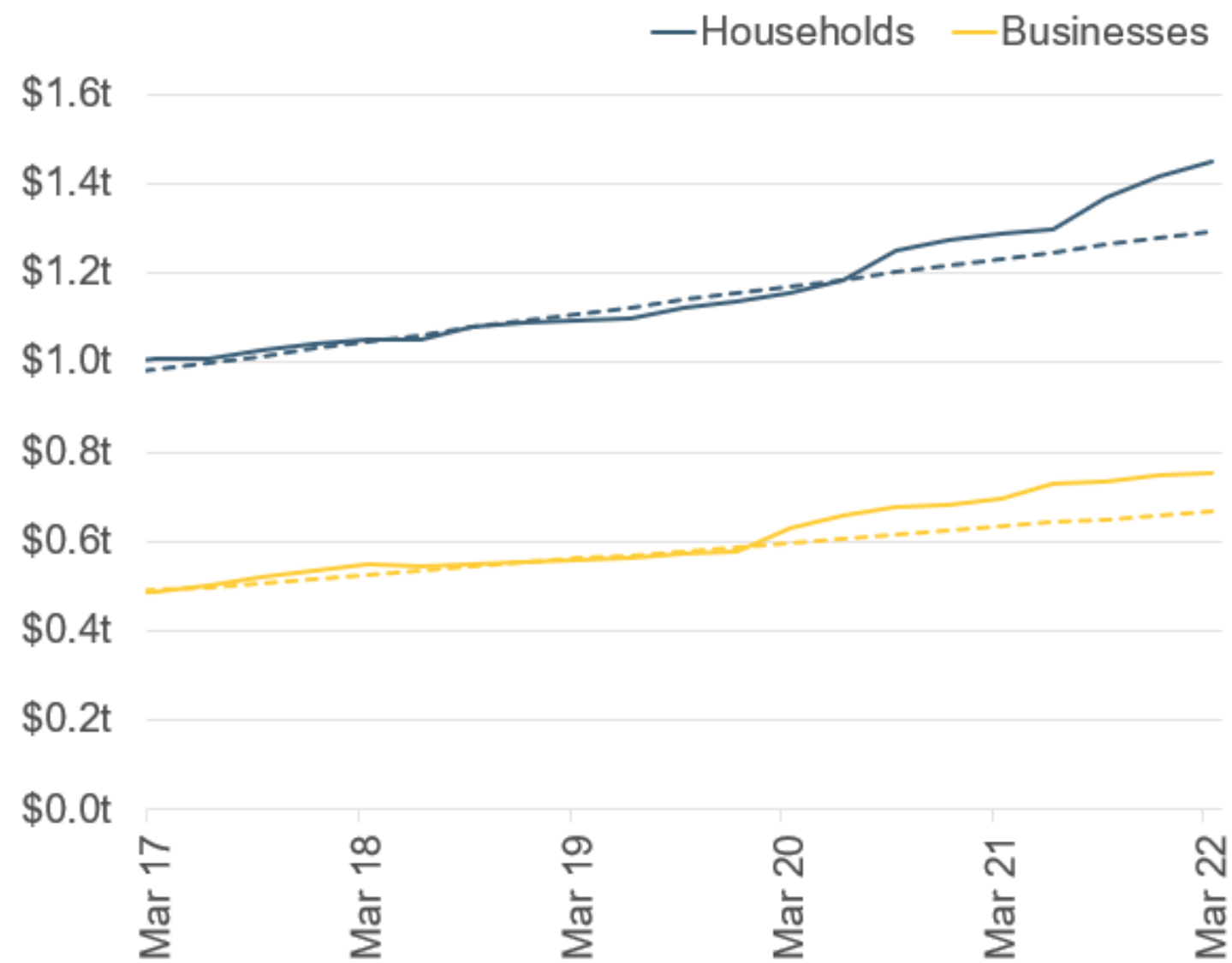
Monthly Government Stimulus Payments, Australia



Source: Jarden

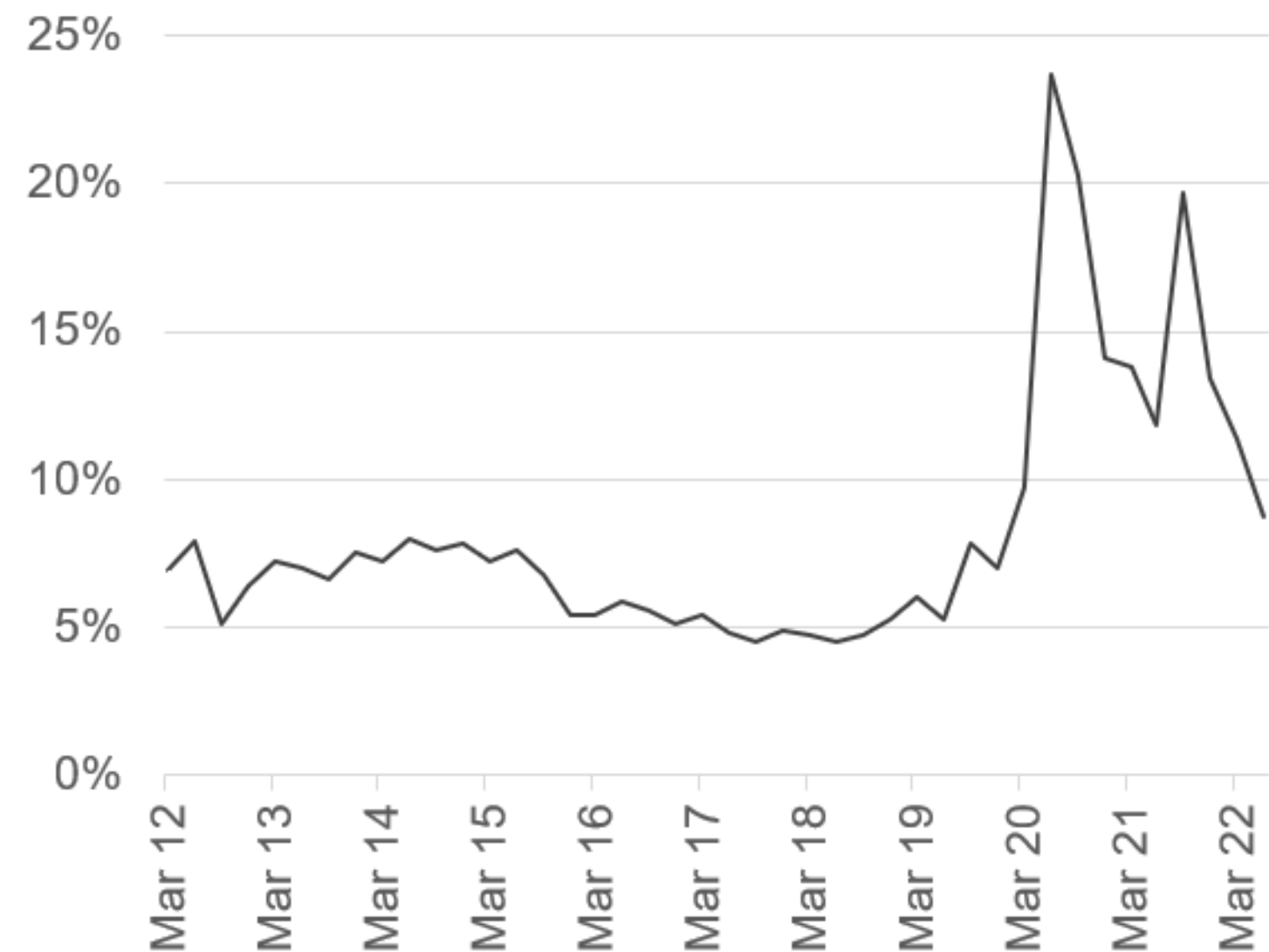
Flush With Cash

Bank deposits, Australia



Source: RBA, CSQ

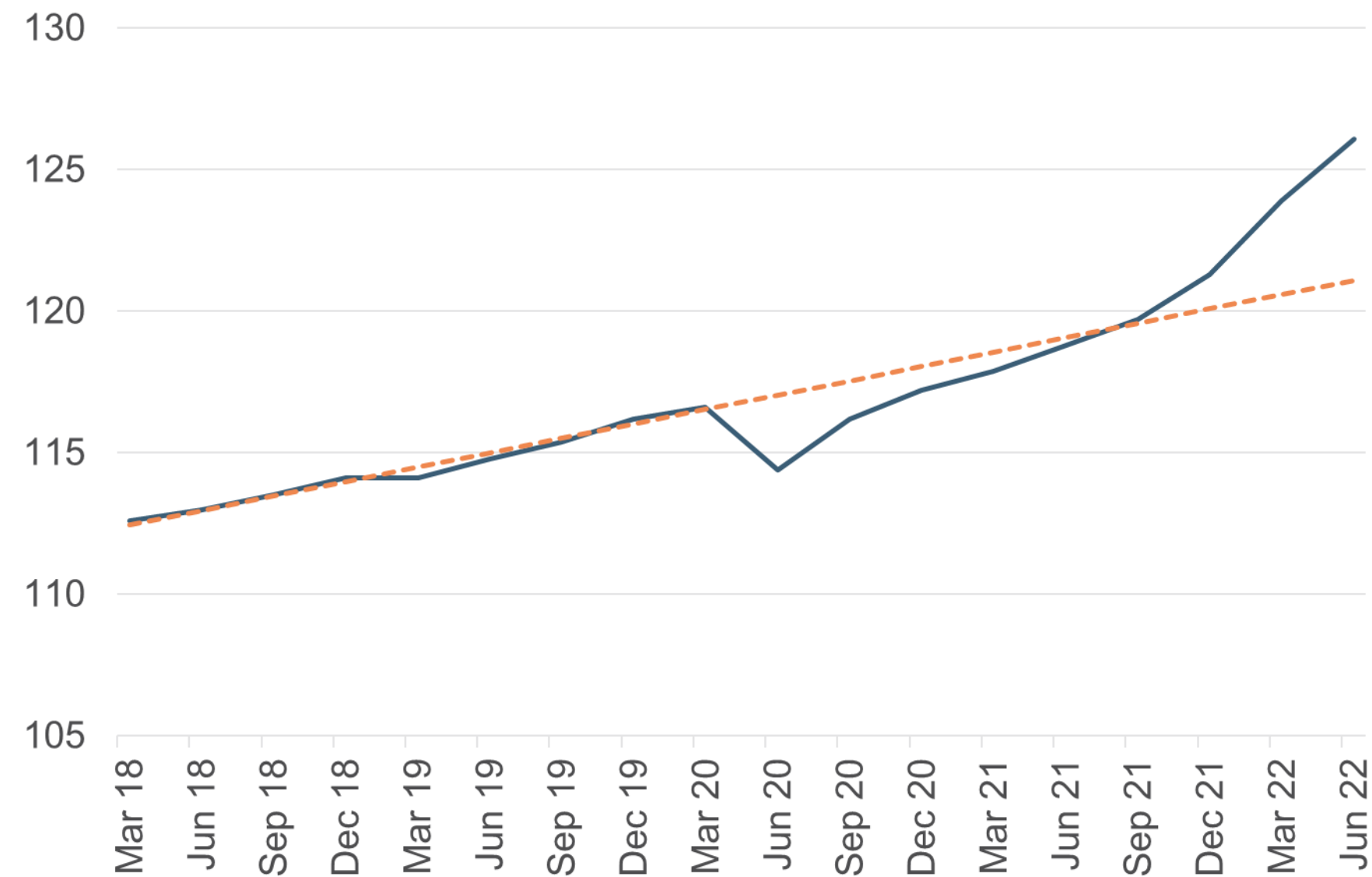
Household saving ratio, Australia



Source: ABS

All Stimulants Have Side Effects

Consumer Price Index, Australia



The chart displays the historical paths of two major policy rates. The RBA Cash Rate (blue line) begins at 3.5% in Sep 12, follows a step-wise decline to 1.5% by Sep 16, remains flat until Mar 19, then drops to 0.5% by Mar 20, stays at 0.5% until Sep 20, drops to 0.1% by Mar 21, and remains at 0.1% until Mar 22, before rising to 2.6% by Sep 22. The US Federal Funds Rate (orange line) starts at 0.1% in Sep 12, remains flat until Sep 15, then rises in steps to a peak of 2.4% in Mar 19. It then falls to 1.6% by Sep 19, drops to 0.1% by Mar 20, remains at 0.1% until Mar 22, and finally rises to 3.1% by Sep 22.

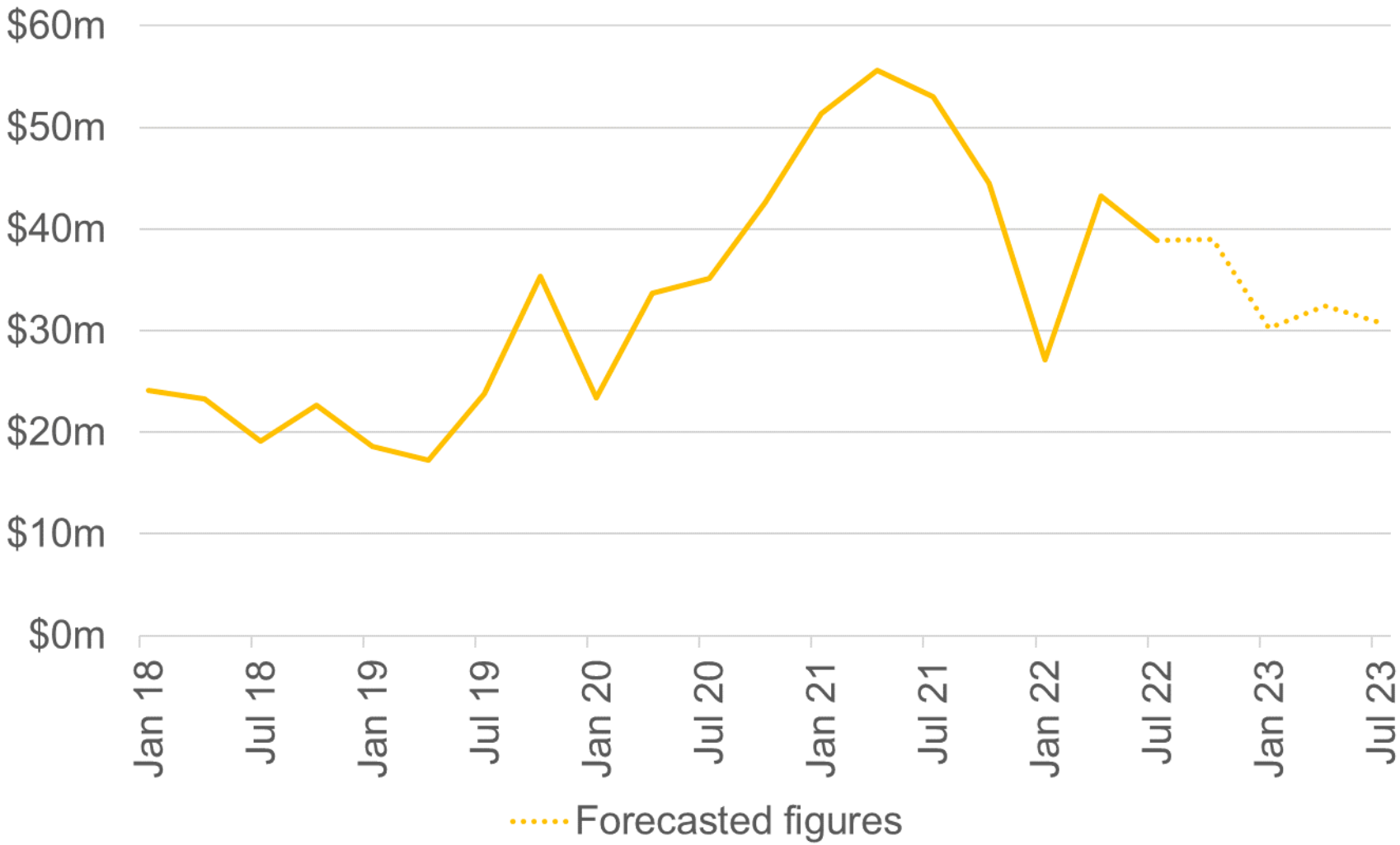
Date	RBA Cash Rate (%)	US Federal Funds Rate (%)
Sep 12	3.5	0.1
Mar 13	3.0	0.1
Sep 13	2.5	0.1
Mar 14	2.5	0.1
Sep 14	2.5	0.1
Mar 15	2.25	0.1
Sep 15	2.0	0.1
Mar 16	2.0	0.375
Sep 16	1.5	0.375
Mar 17	1.5	0.875
Sep 17	1.5	1.125
Mar 18	1.5	1.625
Sep 18	1.5	2.125
Mar 19	1.5	2.4
Sep 19	1.0	1.6
Mar 20	0.5	0.1
Sep 20	0.5	0.1
Mar 21	0.1	0.1
Sep 21	0.1	0.1
Mar 22	0.1	0.375
Sep 22	2.6	3.1

CSQ

Construction Outlook – Central Queensland

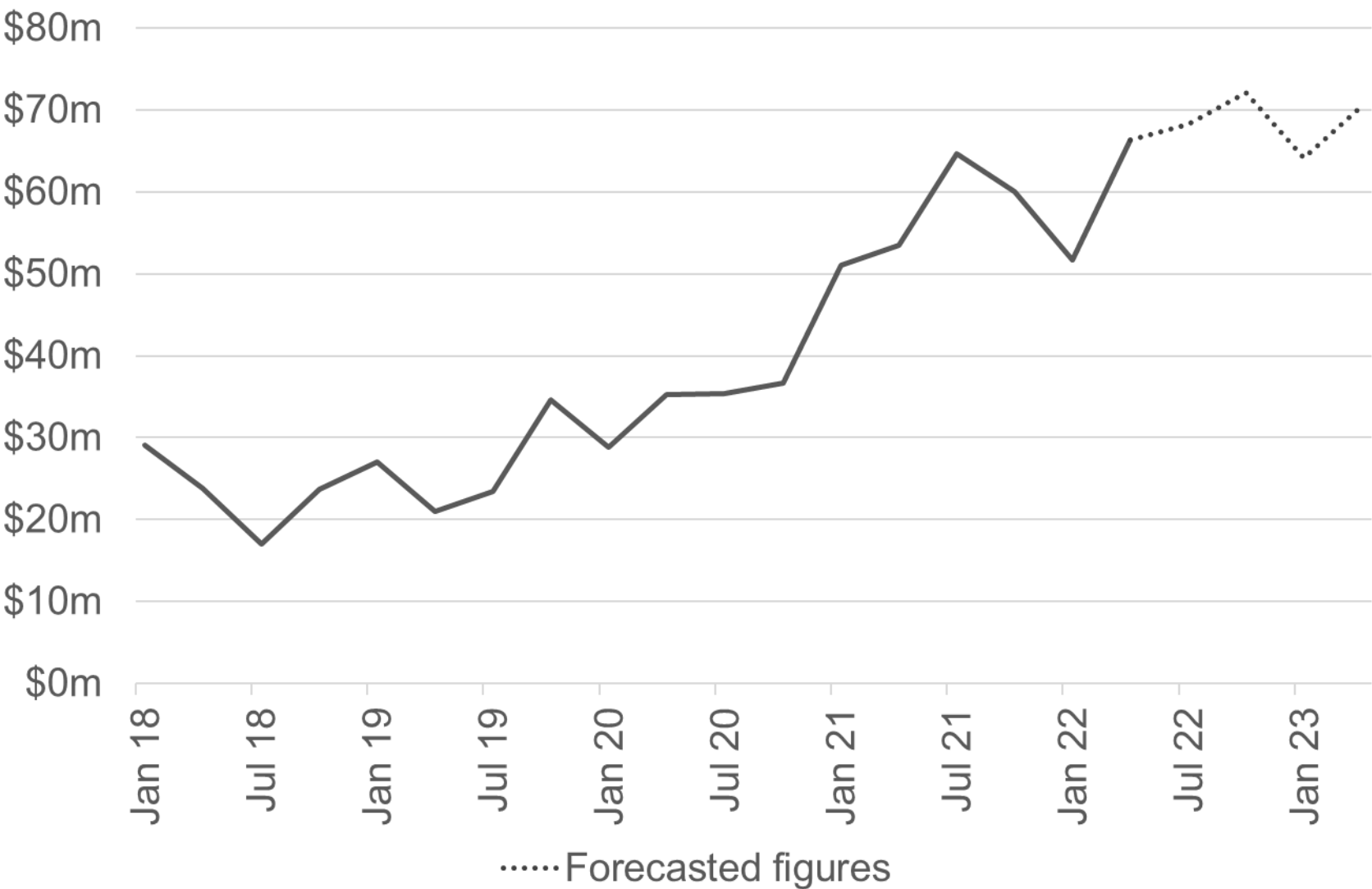
The Boom That Was

Housing Approvals, Qtly, Central Queensland



Activity Will Stay Elevated

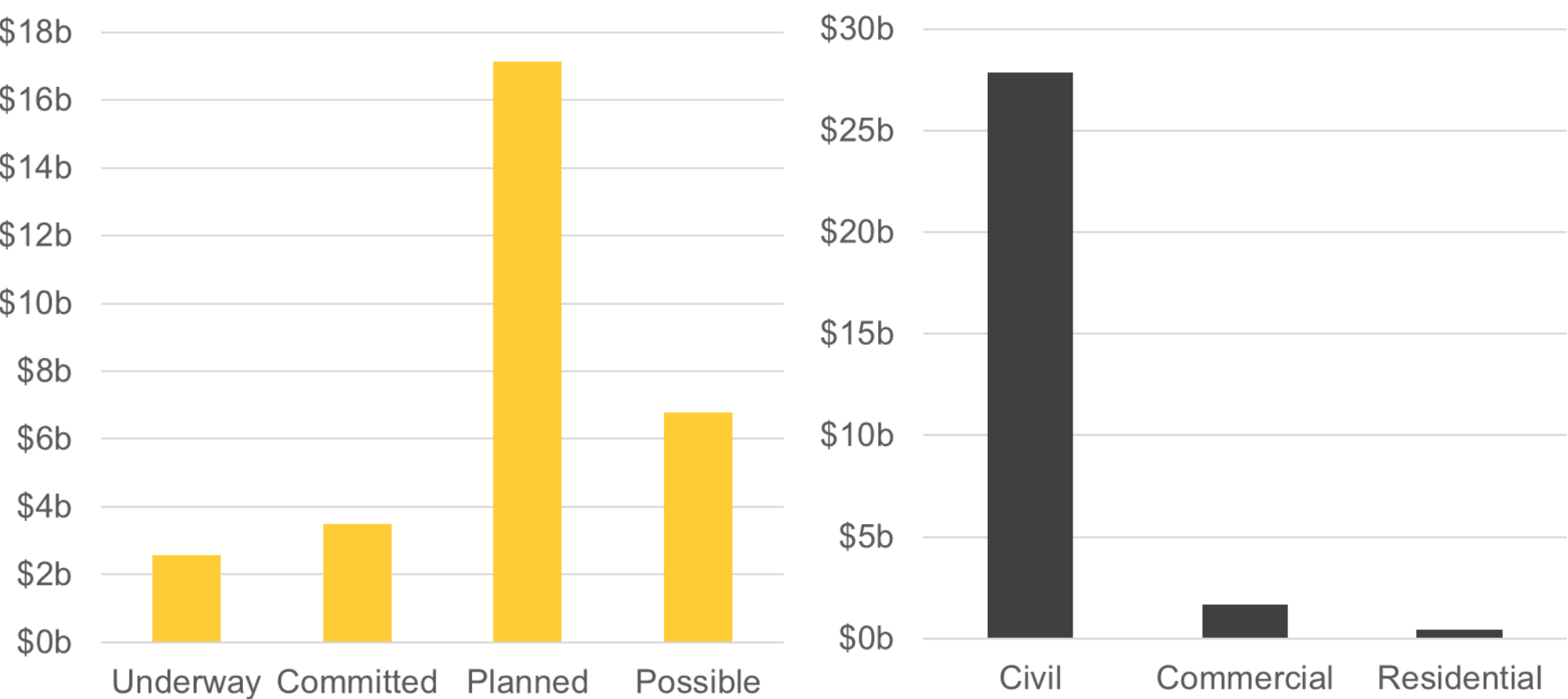
Housing Pipeline, Qtly, Central Queensland



Central Qld Major Projects Outlook



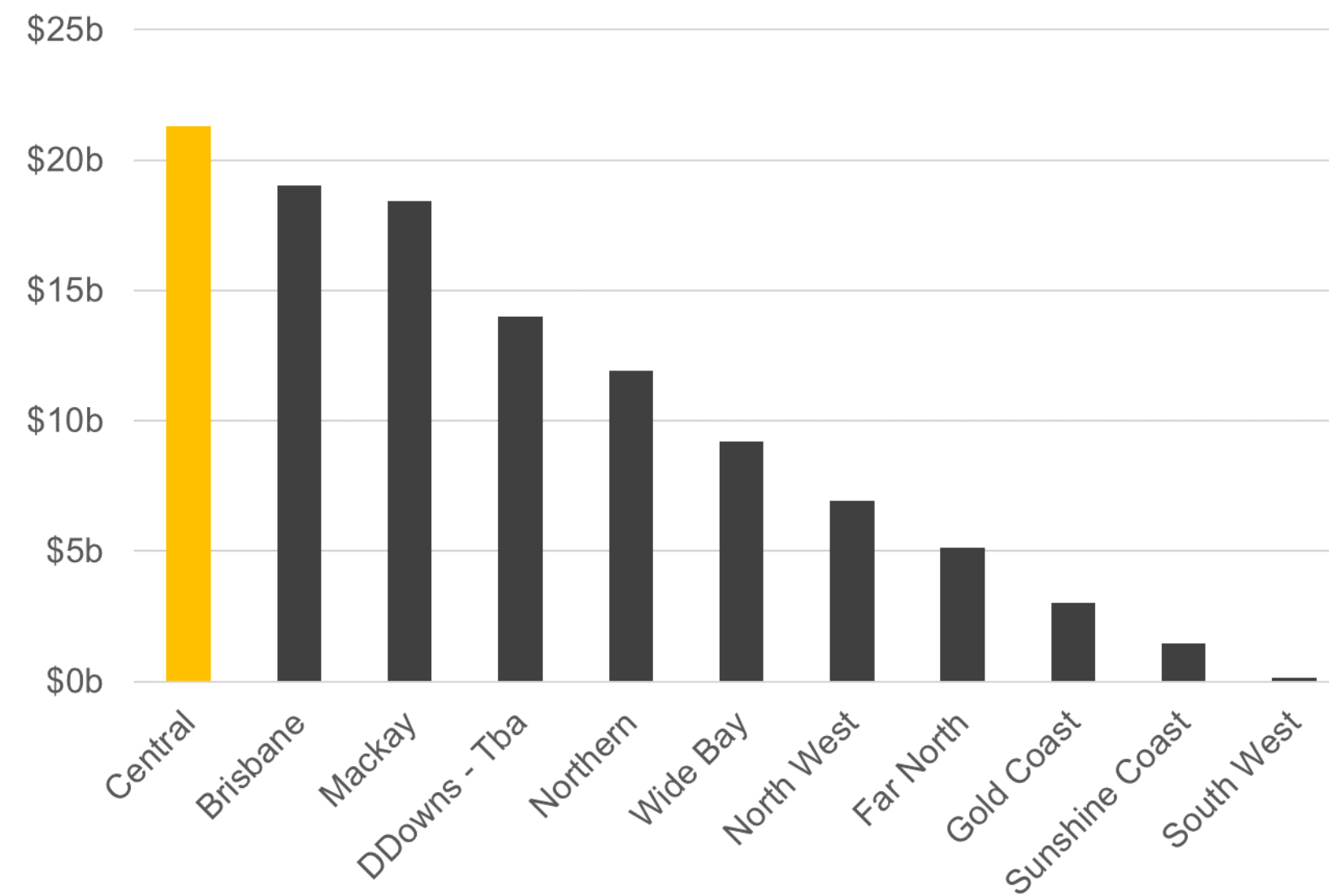
Major Project Activity, 2022-2024



Source: CSQ. Map pins are all underway or committed projects in the region.

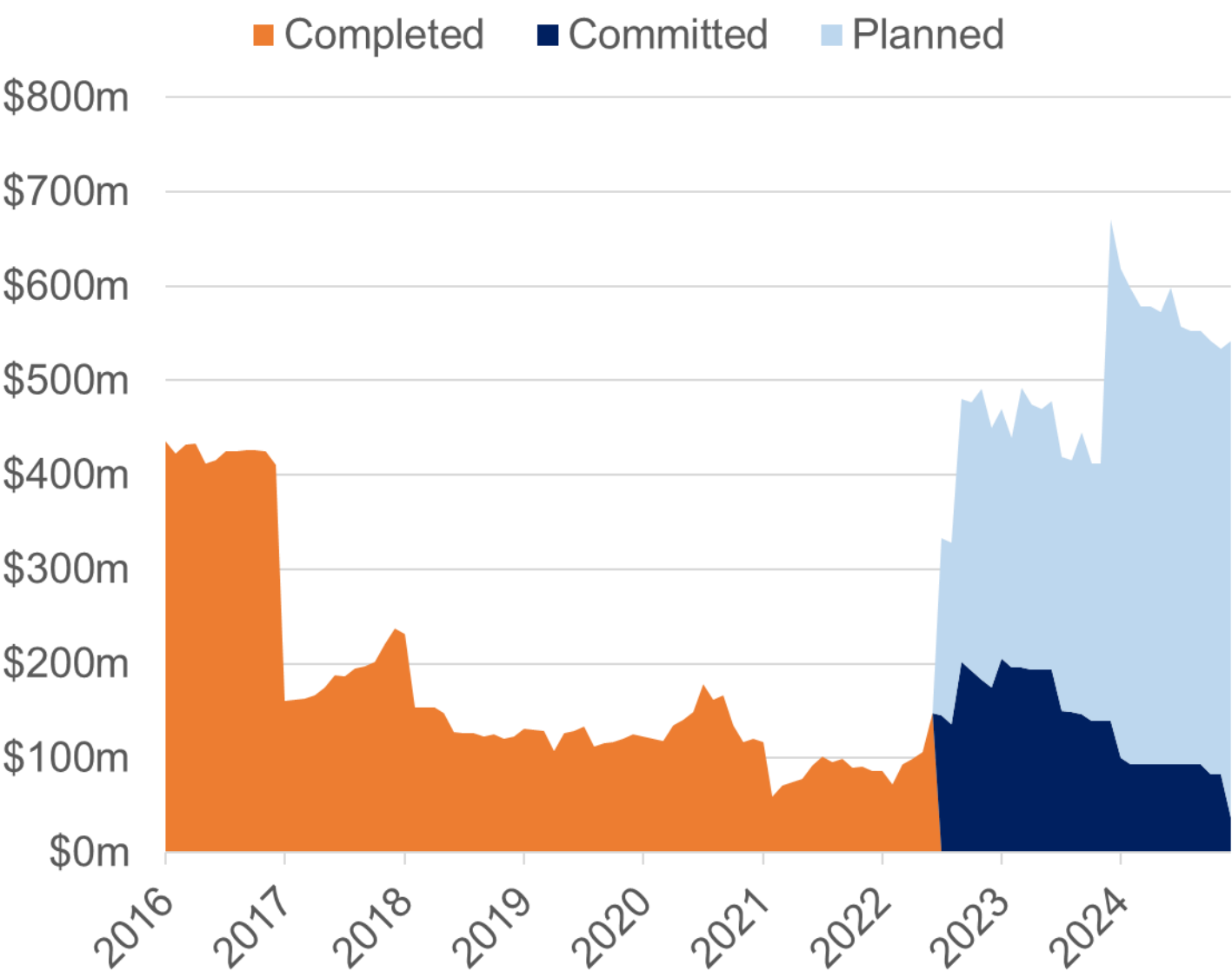
Central Qld Major Projects Outlook

Civil Projects Outlook, Qld regions, 2022-24

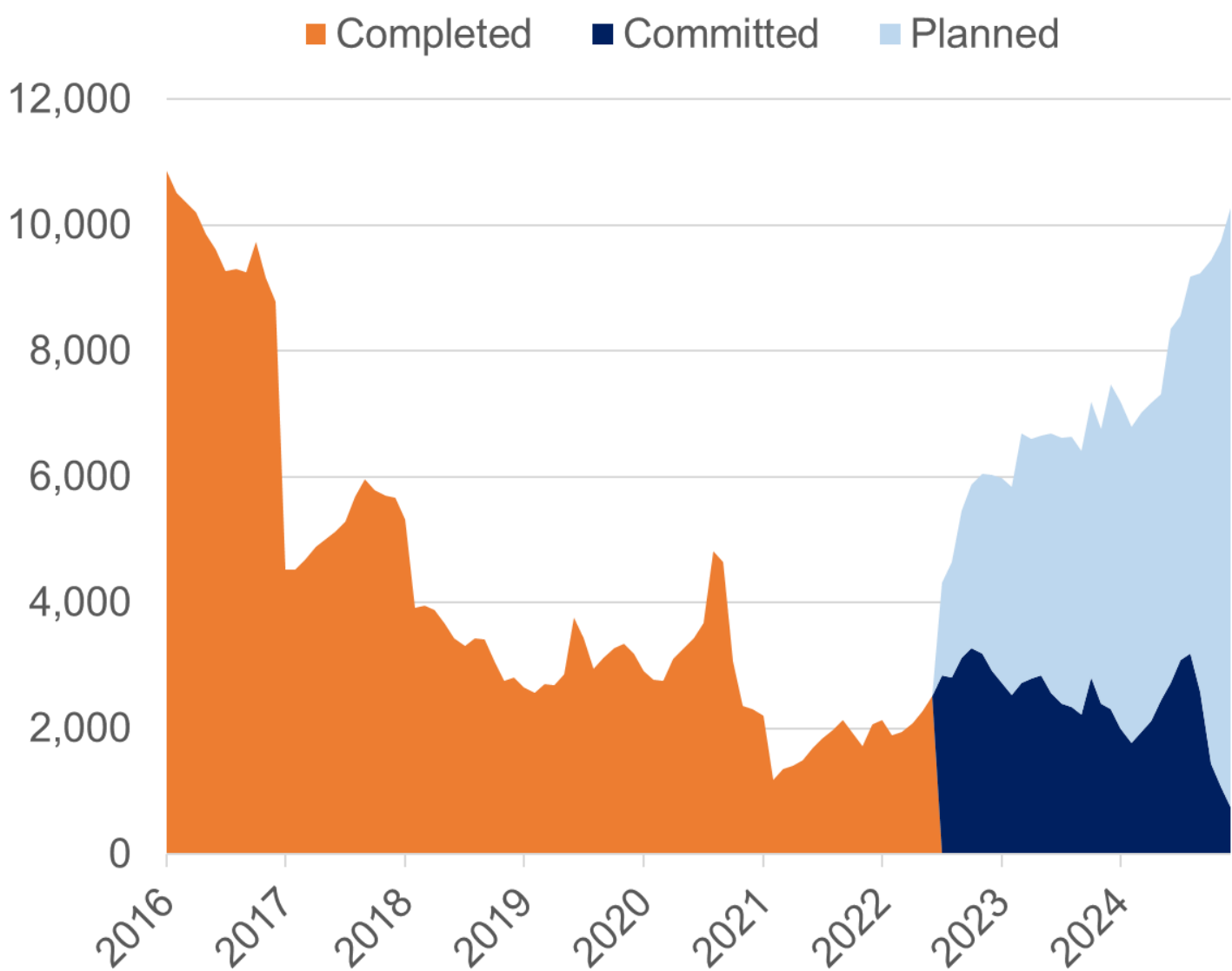


Central Qld Major Projects Outlook

Major Project Outlook (Investment), CQ

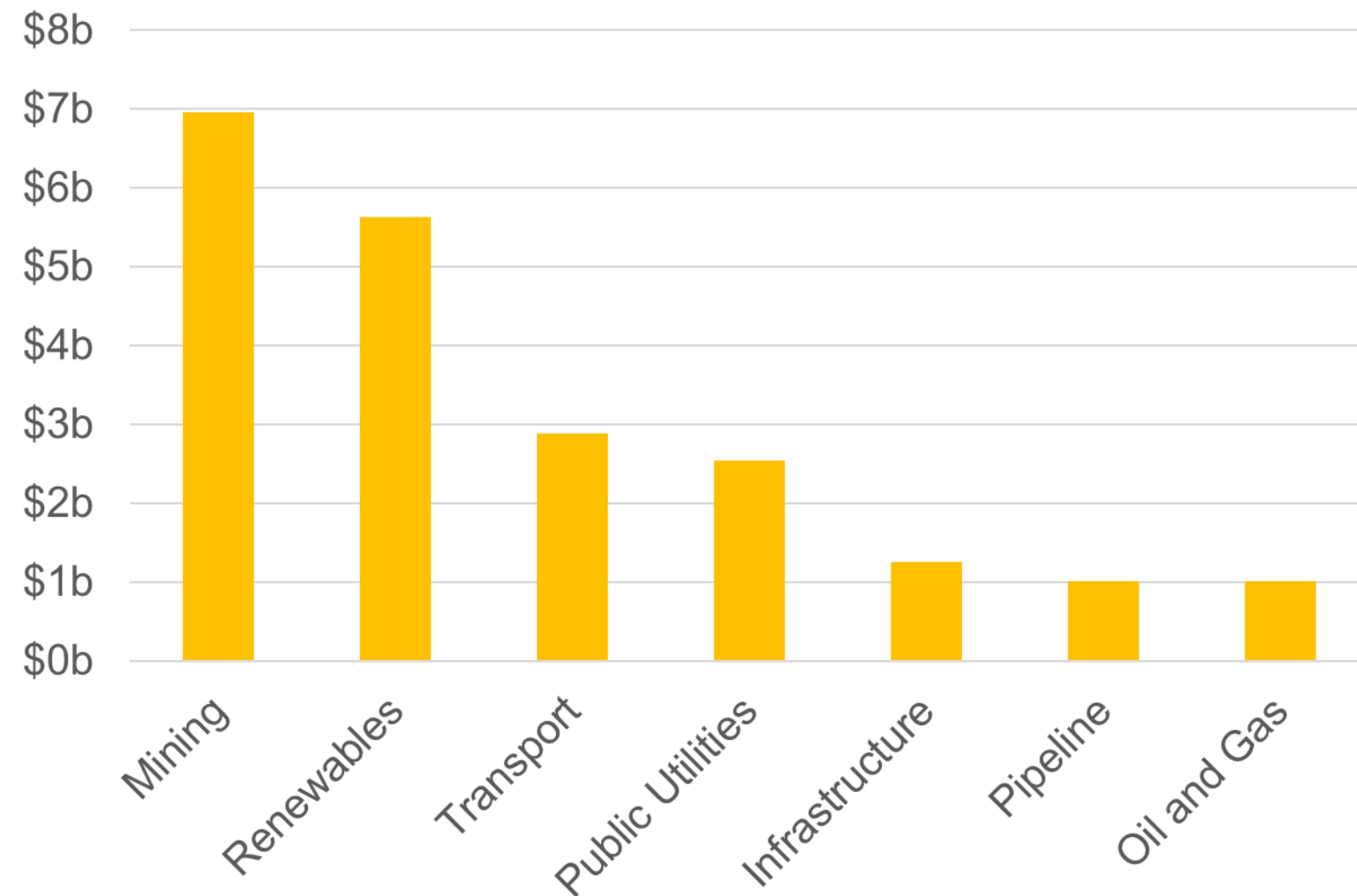


Major Project Outlook (Workforce), CQ



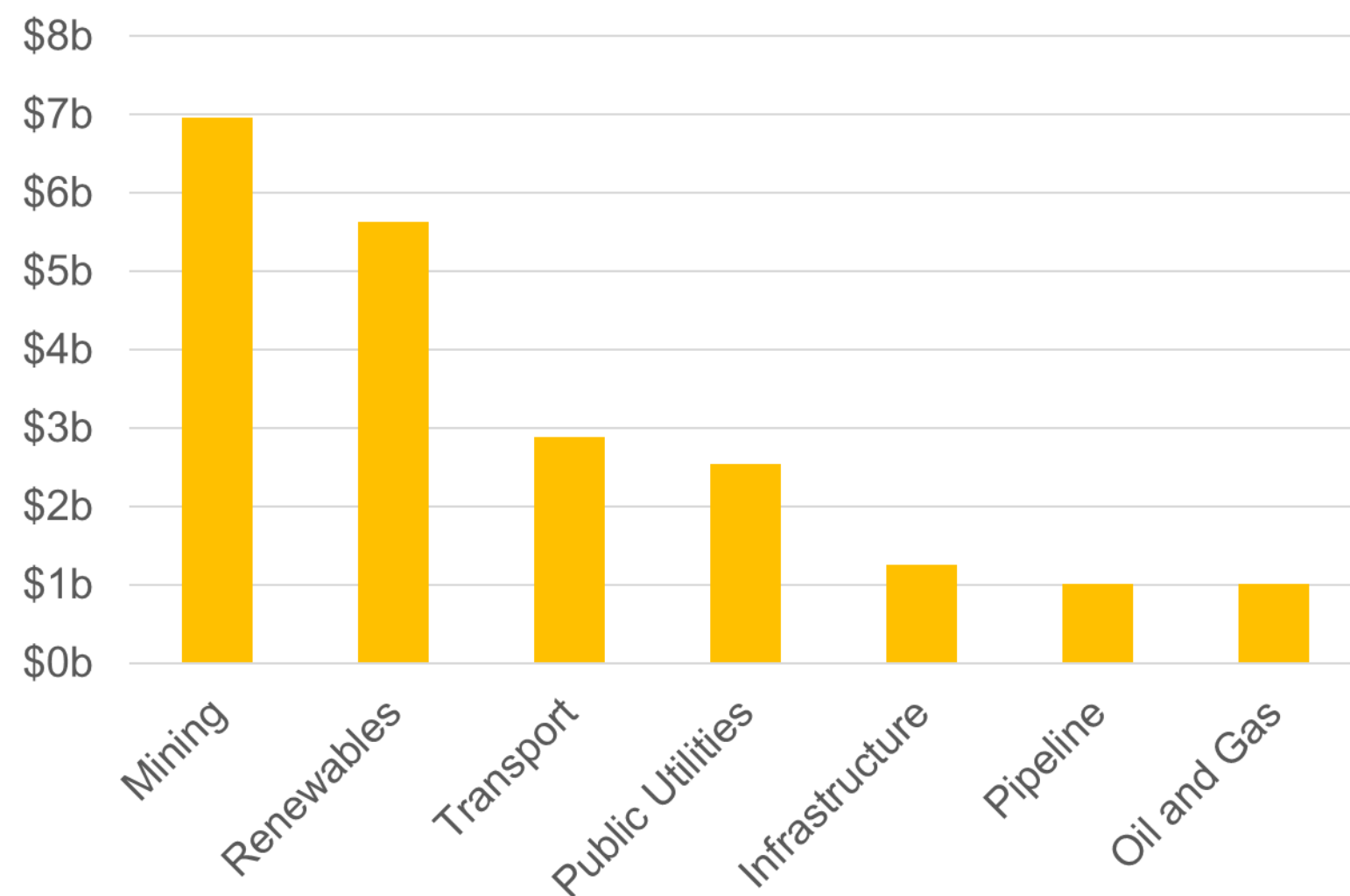
Central Qld Major Projects Outlook

Civil Projects Outlook, 2022-24

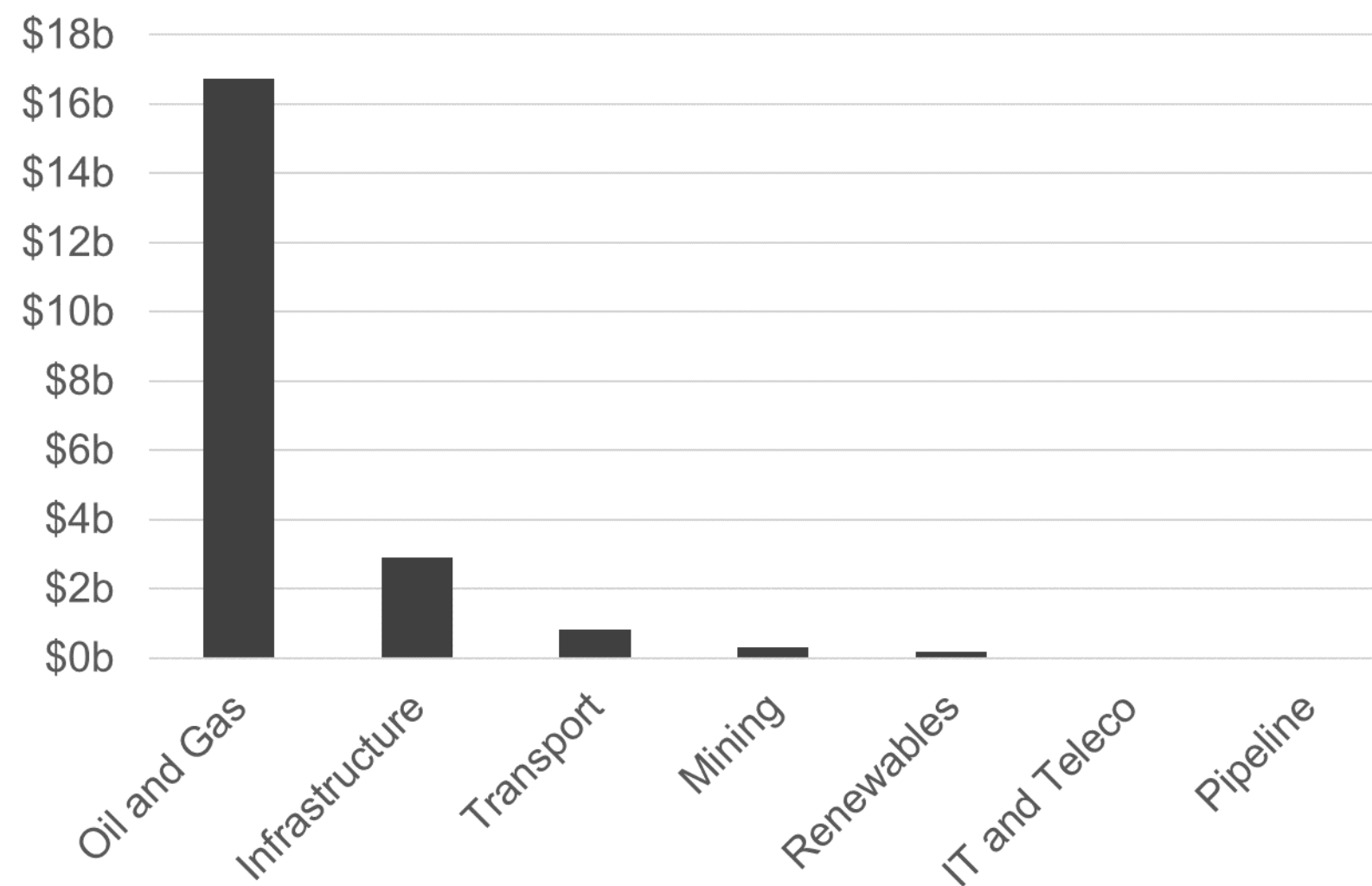


This Time Its Different

Civil Projects Outlook, 2022-24

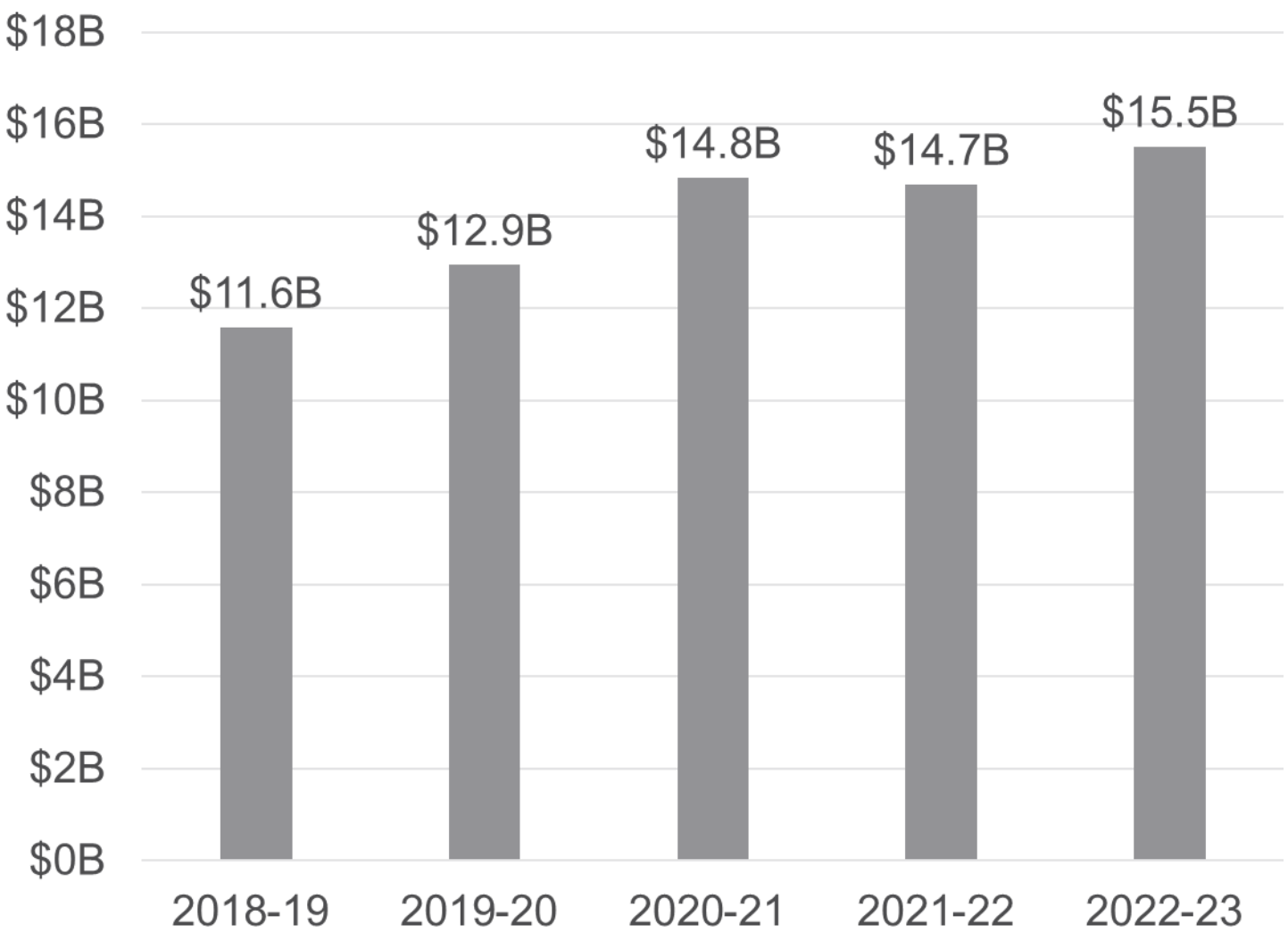


Civil Projects Completed, Central Qld, 2015-19

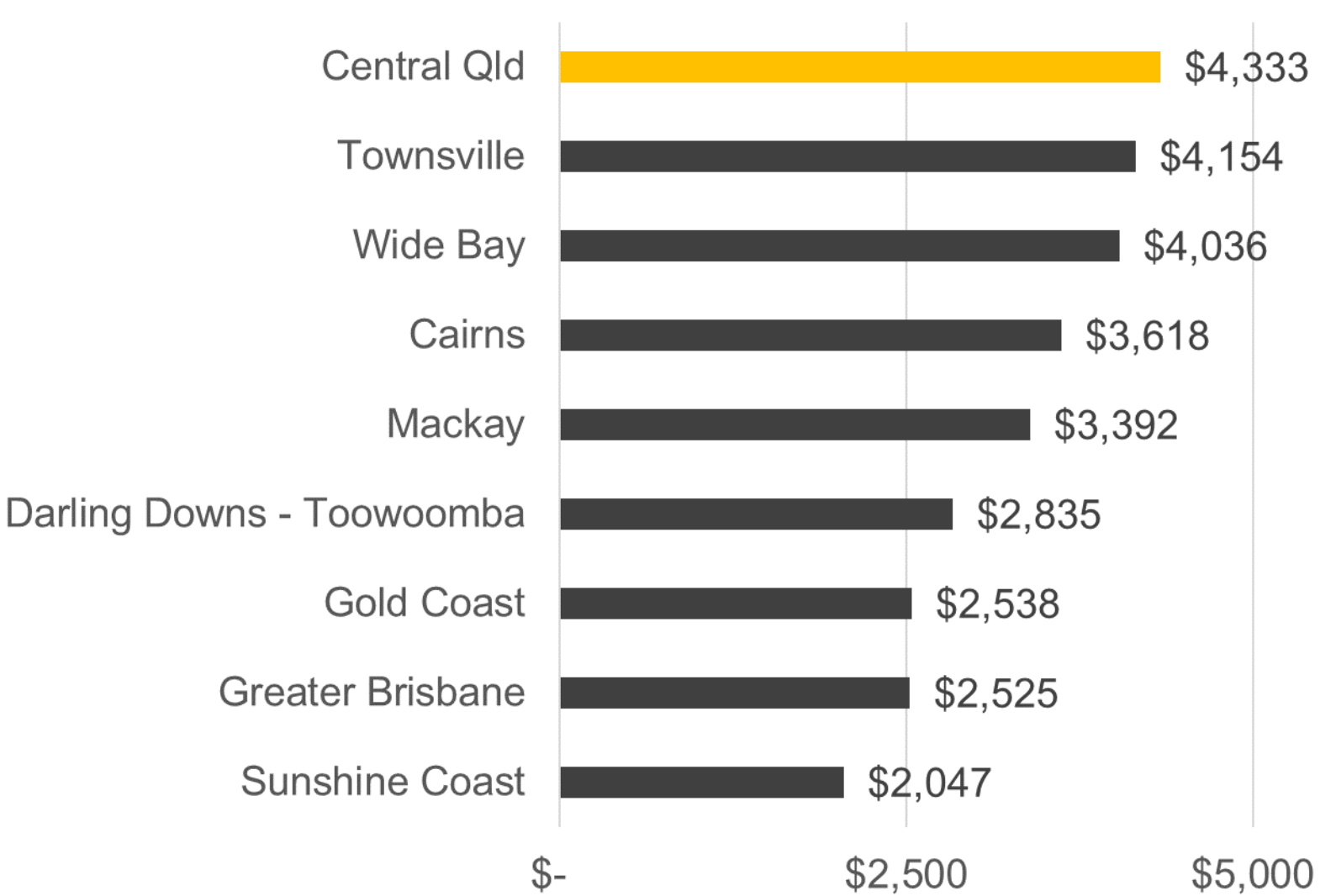


Public Spend A Big Driver

Queensland Government CAPEX



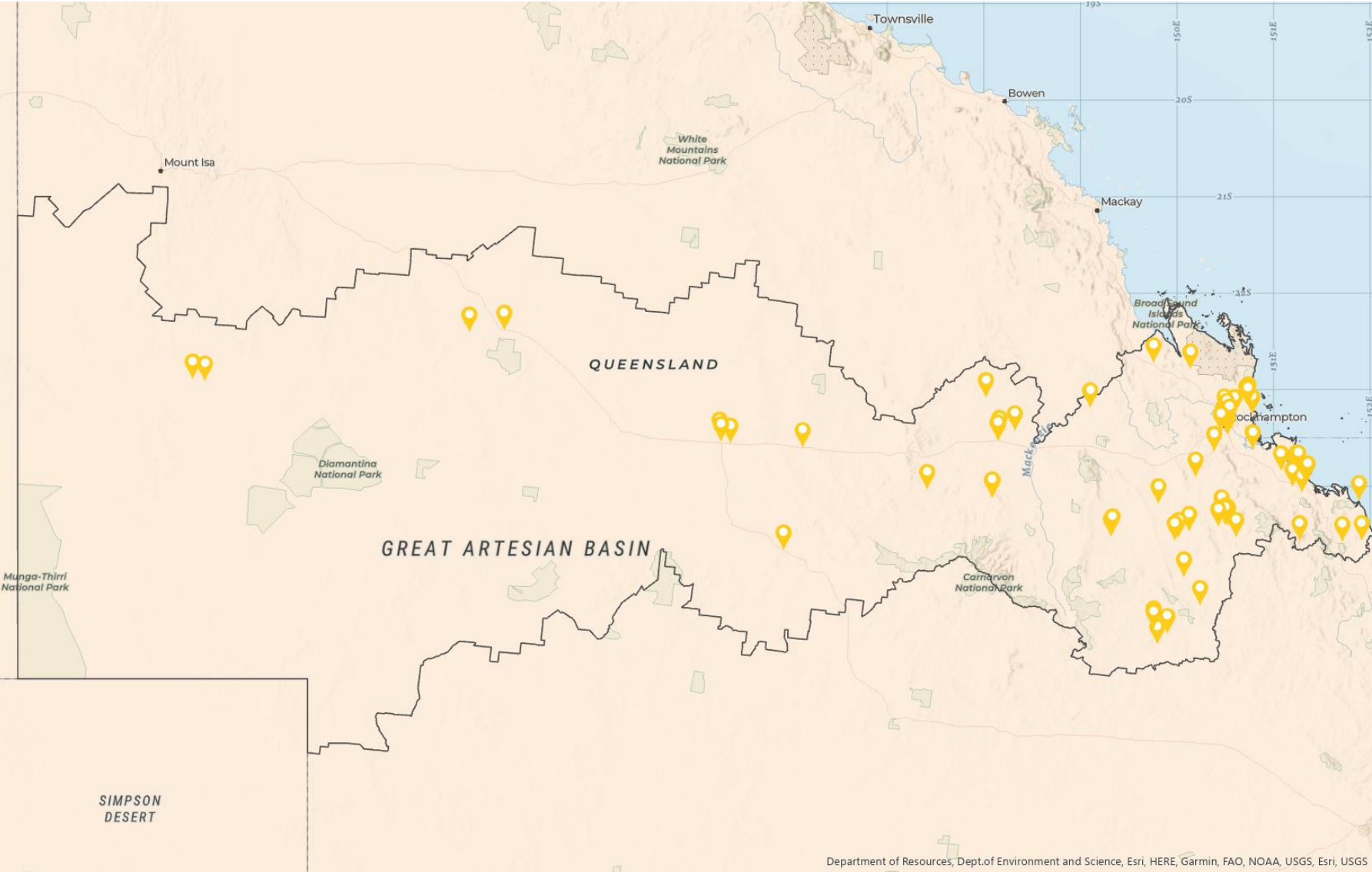
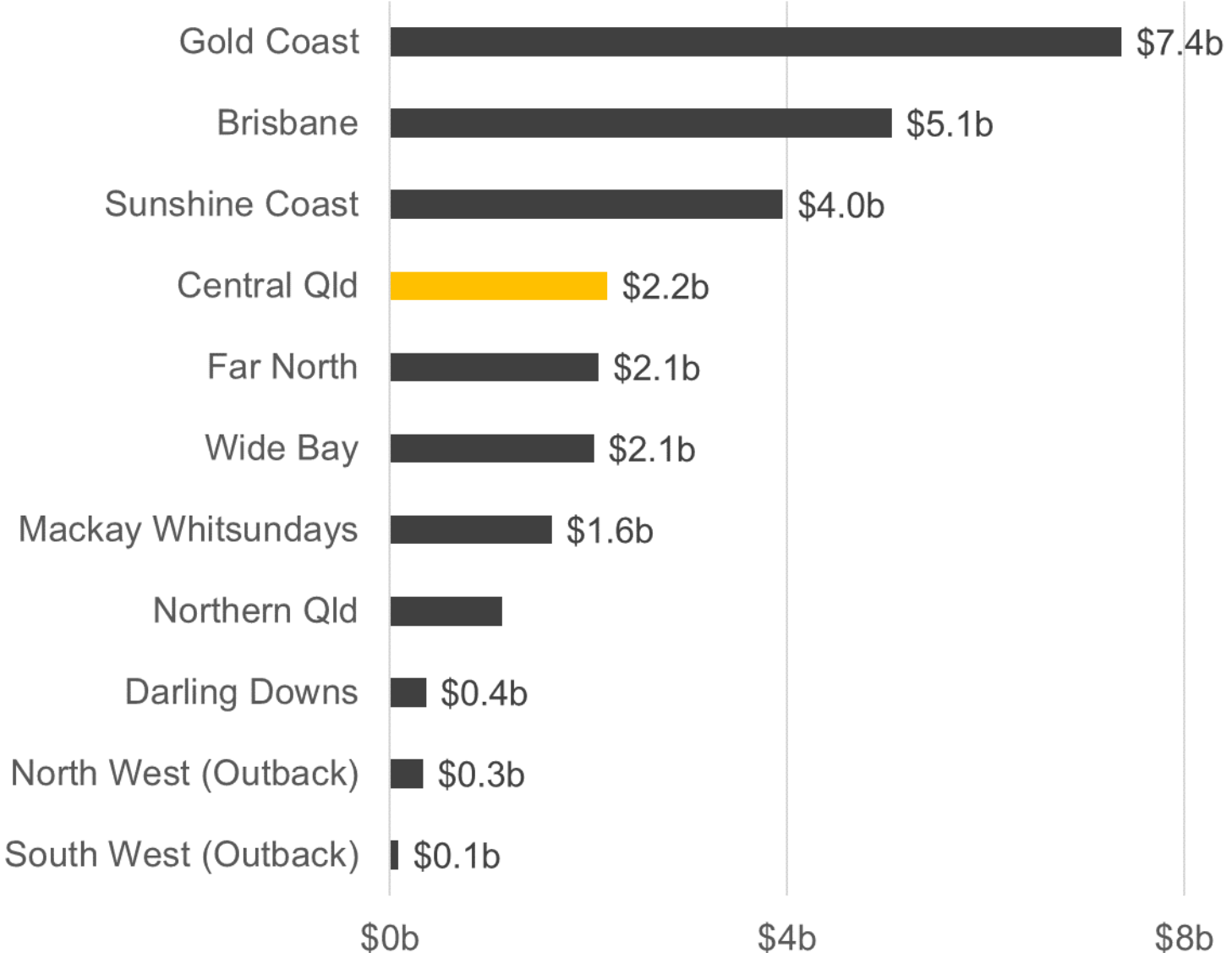
Queensland Government CAPEX per capita, 2022-23



Source: Queensland Treasury, ABS, CSQ

Transport Infrastructure

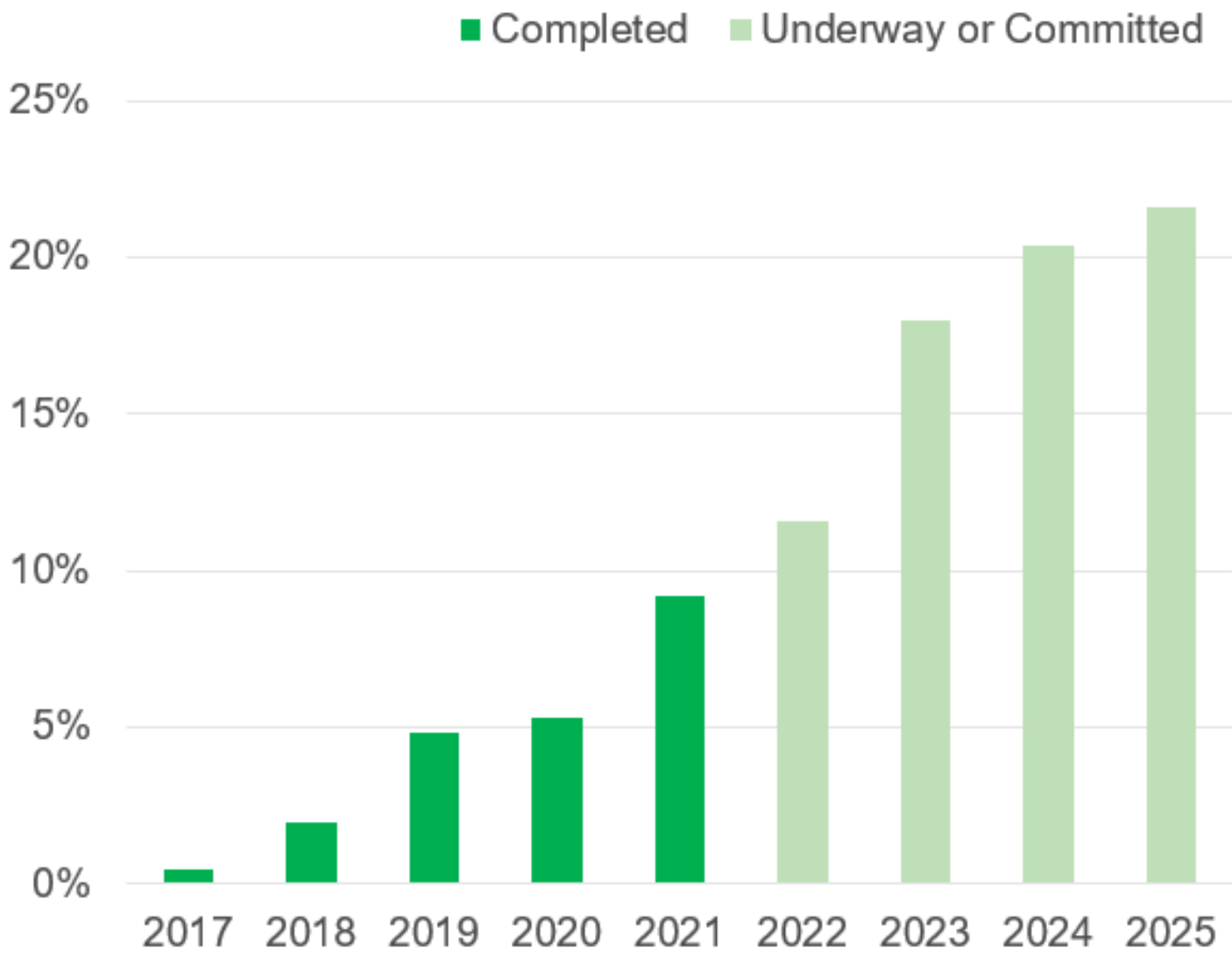
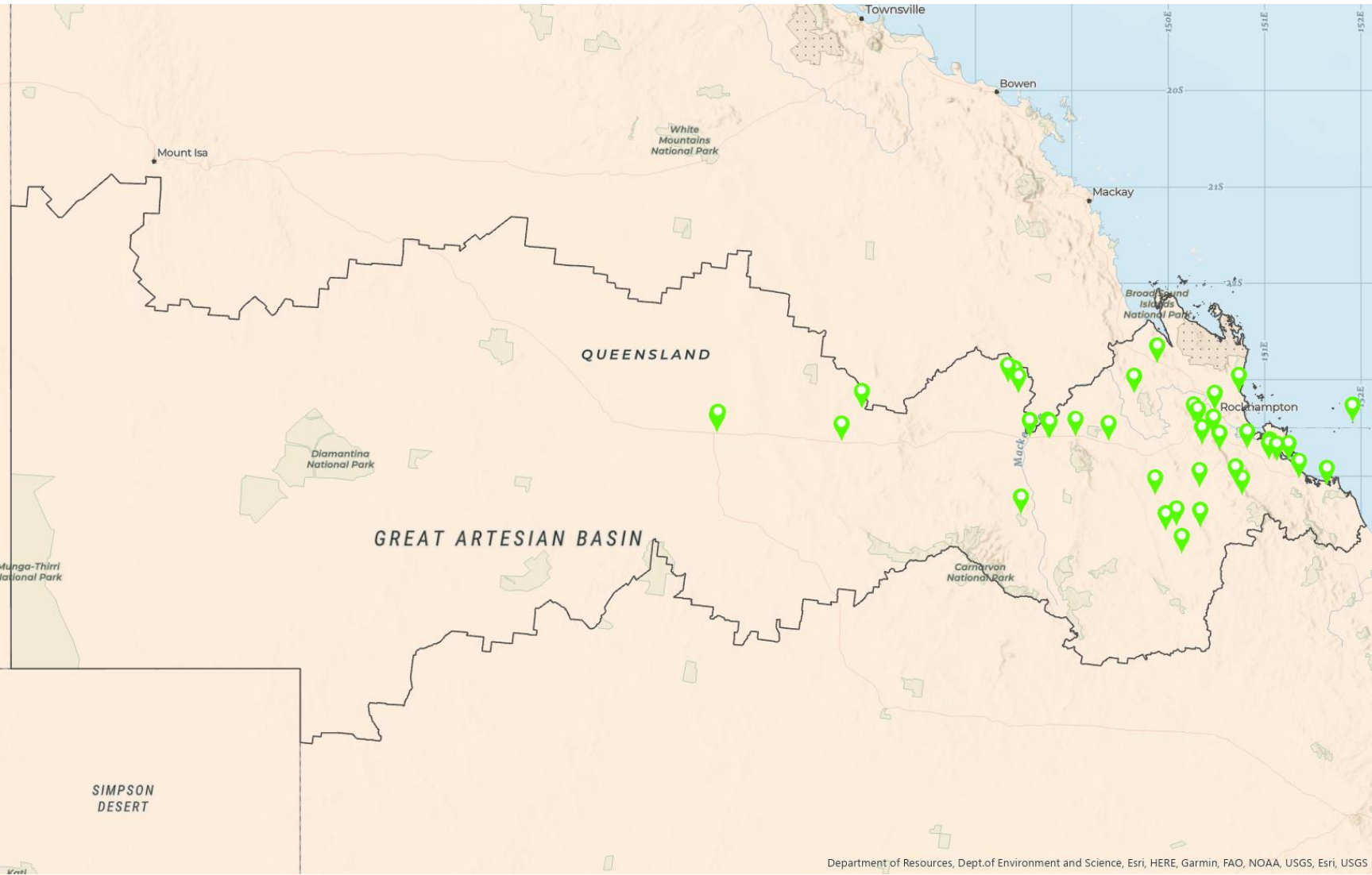
Queensland Transport and Roads Investment Program (QTRIP), 2022-23 to 2025-26



Source: TMR. Map pins are all underway or committed roads and highway projects in the region.

Renewables Infrastructure

Renewables share of major projects, Queensland

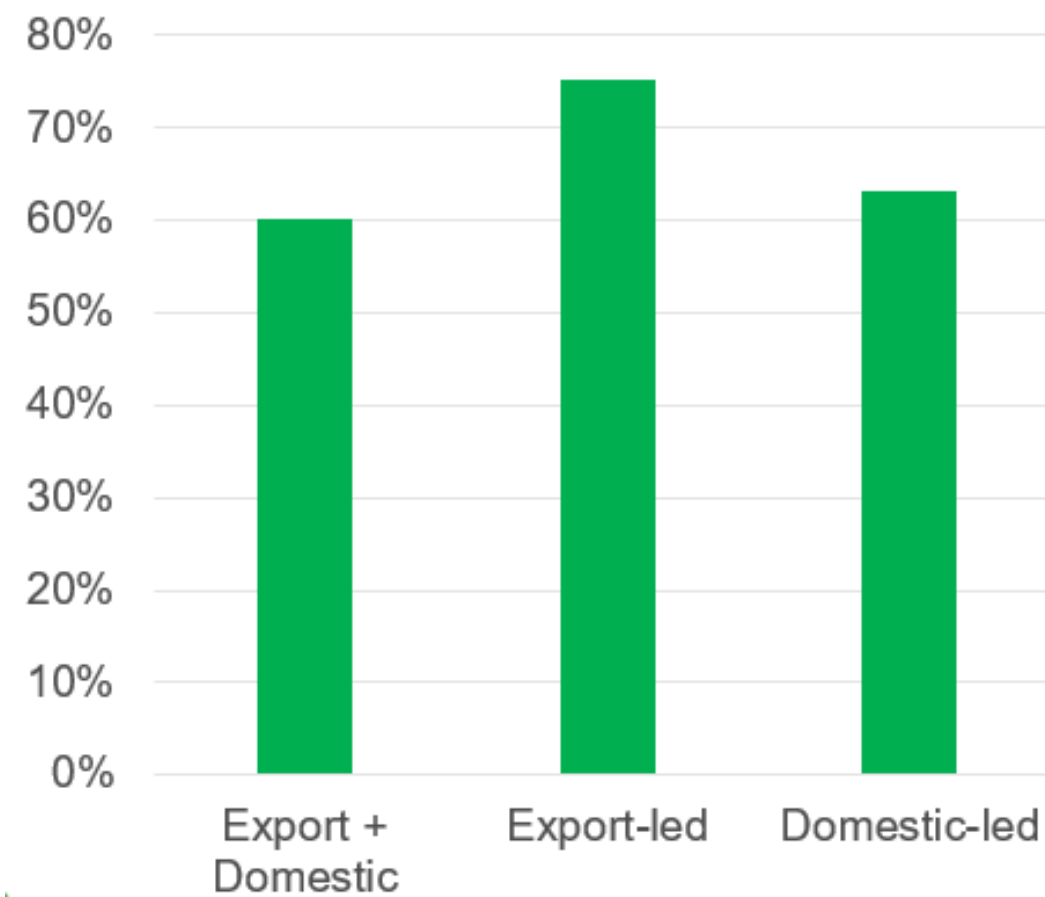


Source: CSQ. Map pins are all renewable energy projects in the region

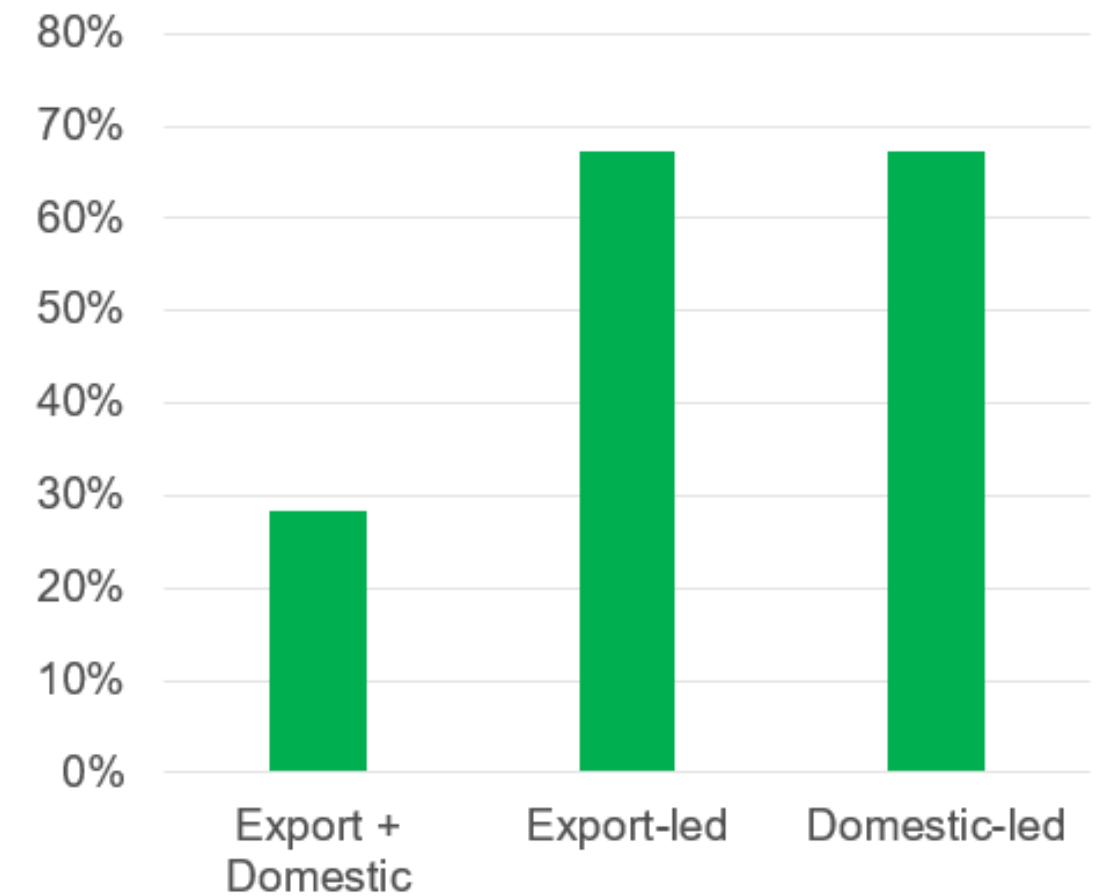
Renewables: the long view



Impacts on CQ construction activity, 2021-50



Impacts on CQ construction labour, 2021-50

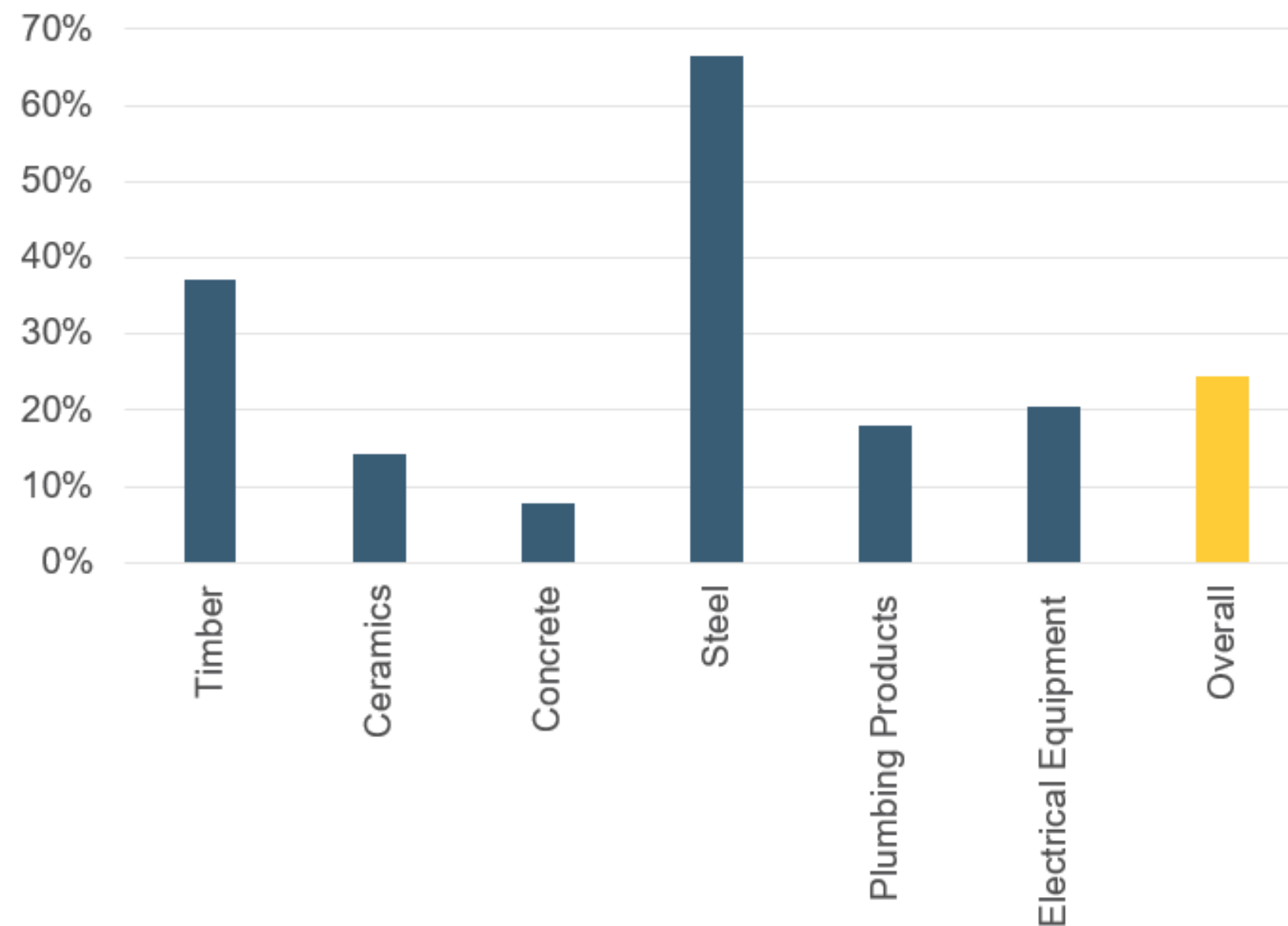


csq.org.au/renewables

Supply-Side Bottlenecks

Material Supply and Price Inflation

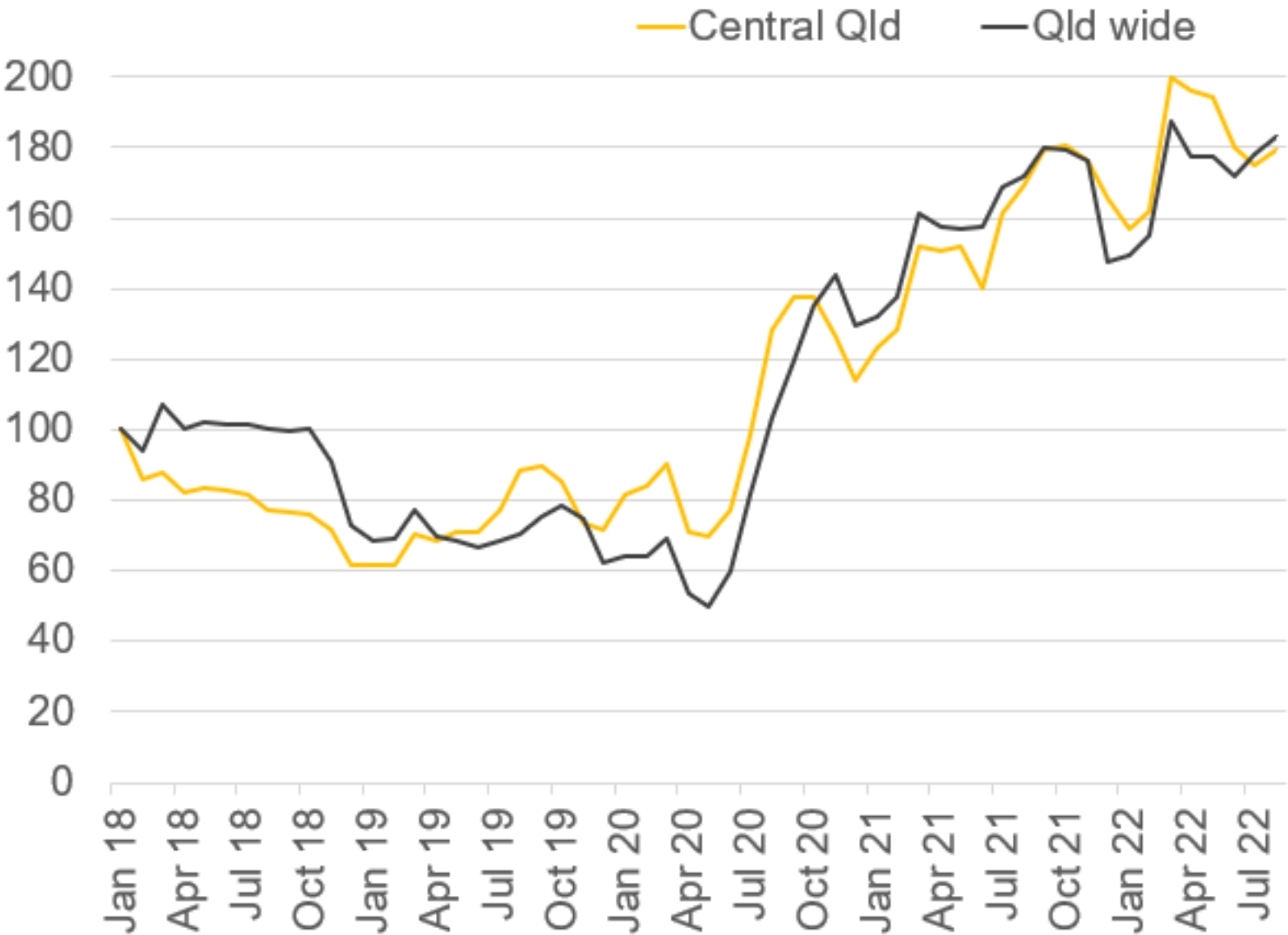
Construction Material Price Rises, Brisbane, Mar '20 – Jun '22



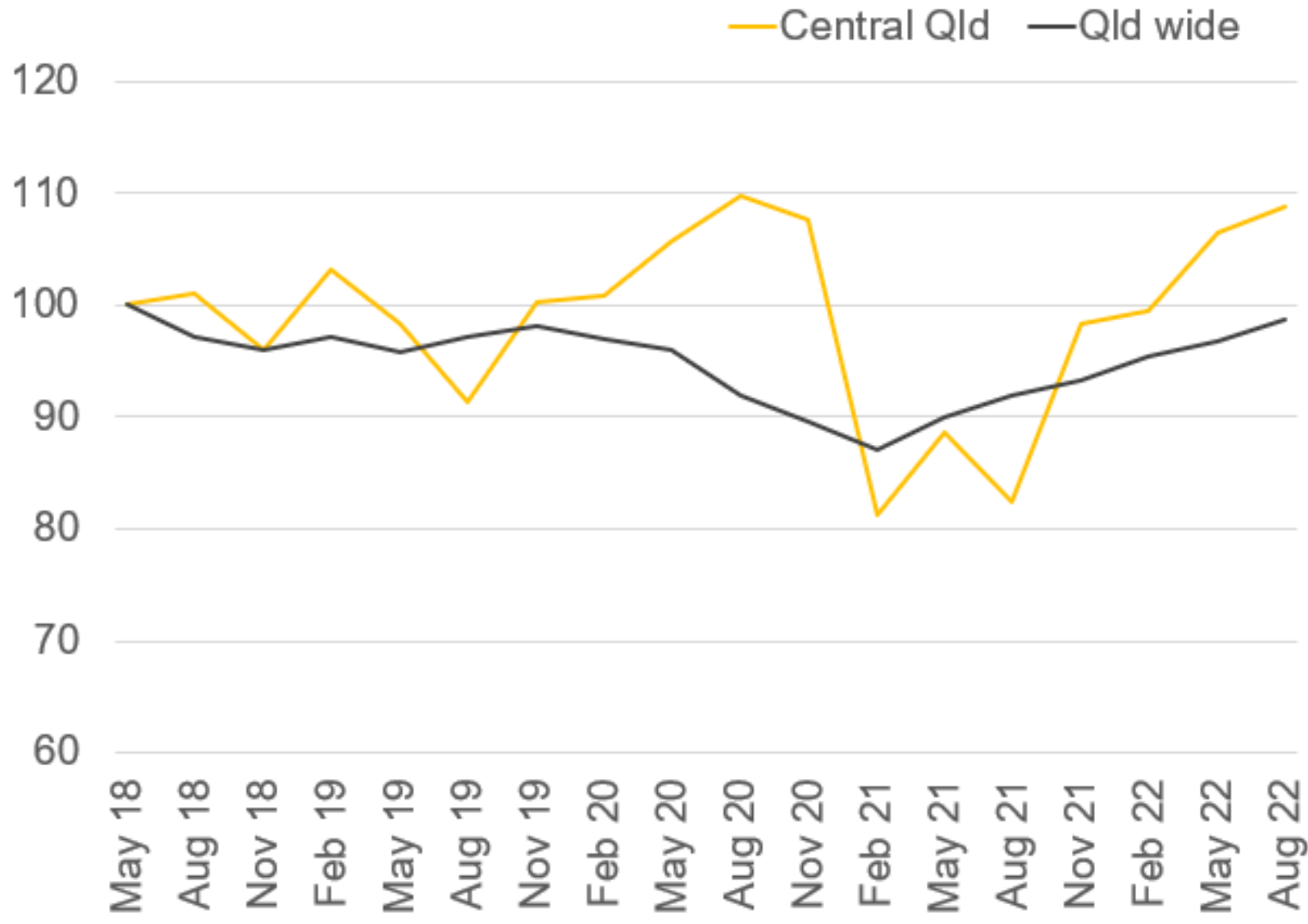
Source: ABS

Labour Market Still Tight

Job advertisements index, construction trades



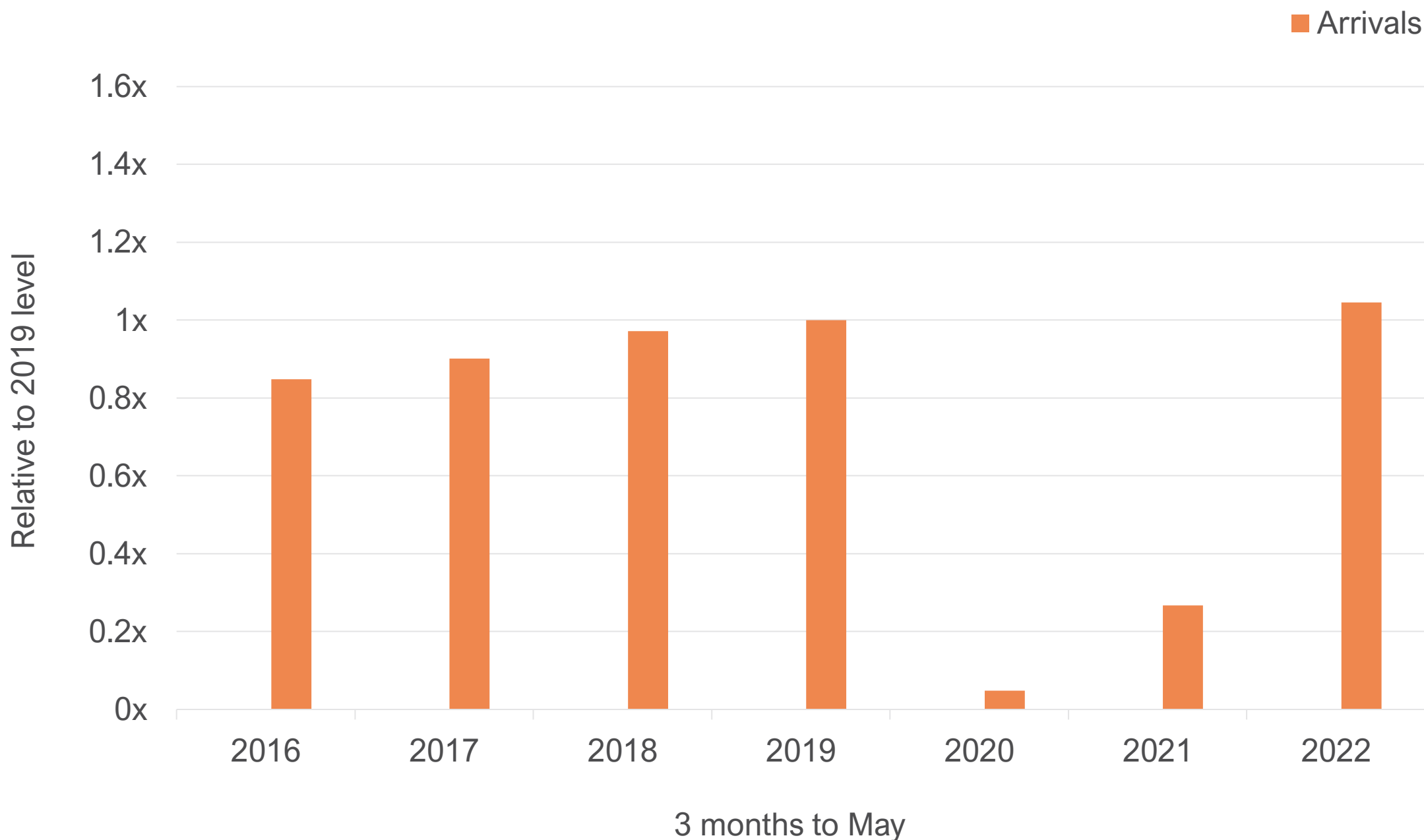
Employment index, construction trades



Source: NSC, ABS

The Problem Is Immigration

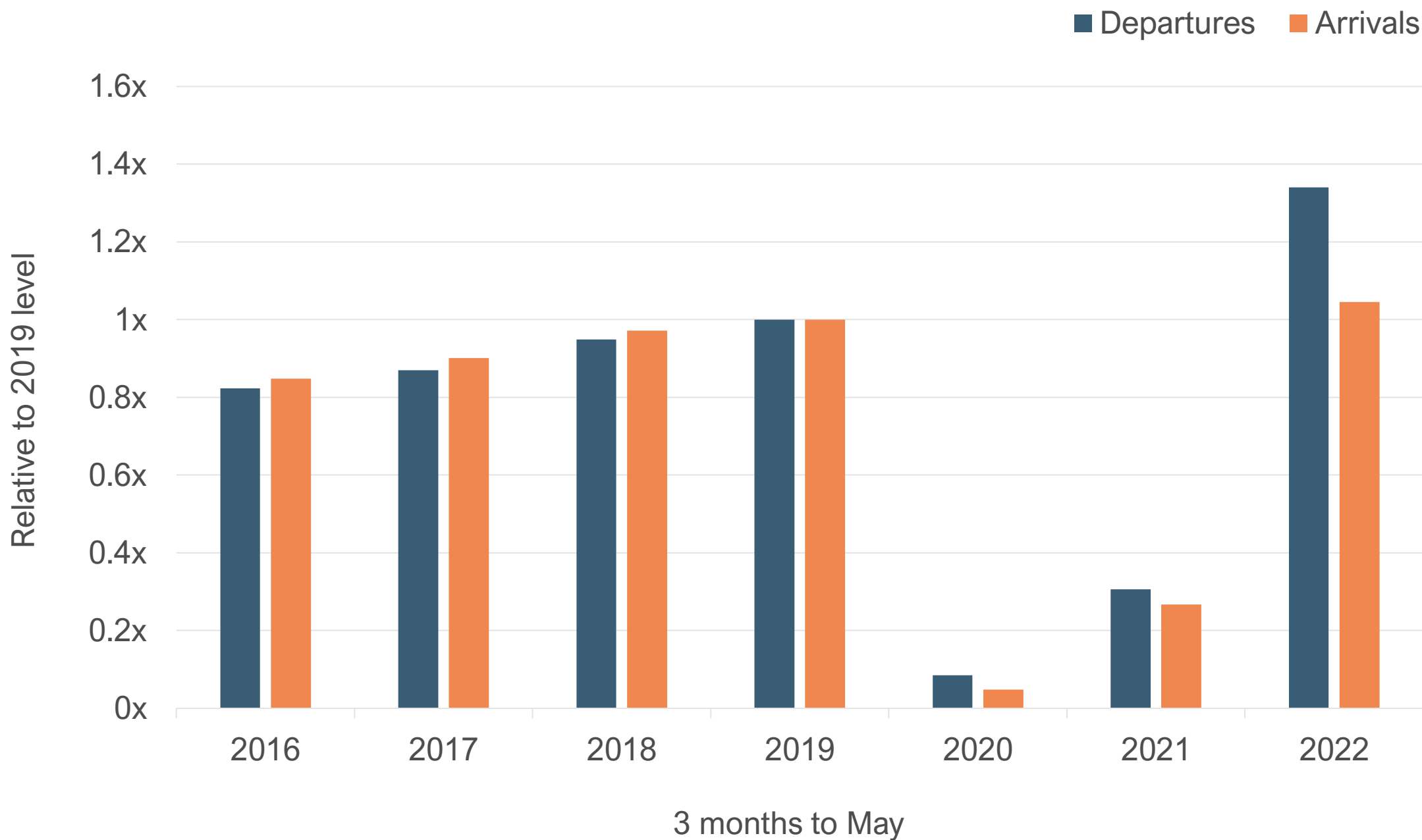
Overseas migration, permanent and long-term, Australia



Source: ABS

The Problem Is Immigration *and* Emigration

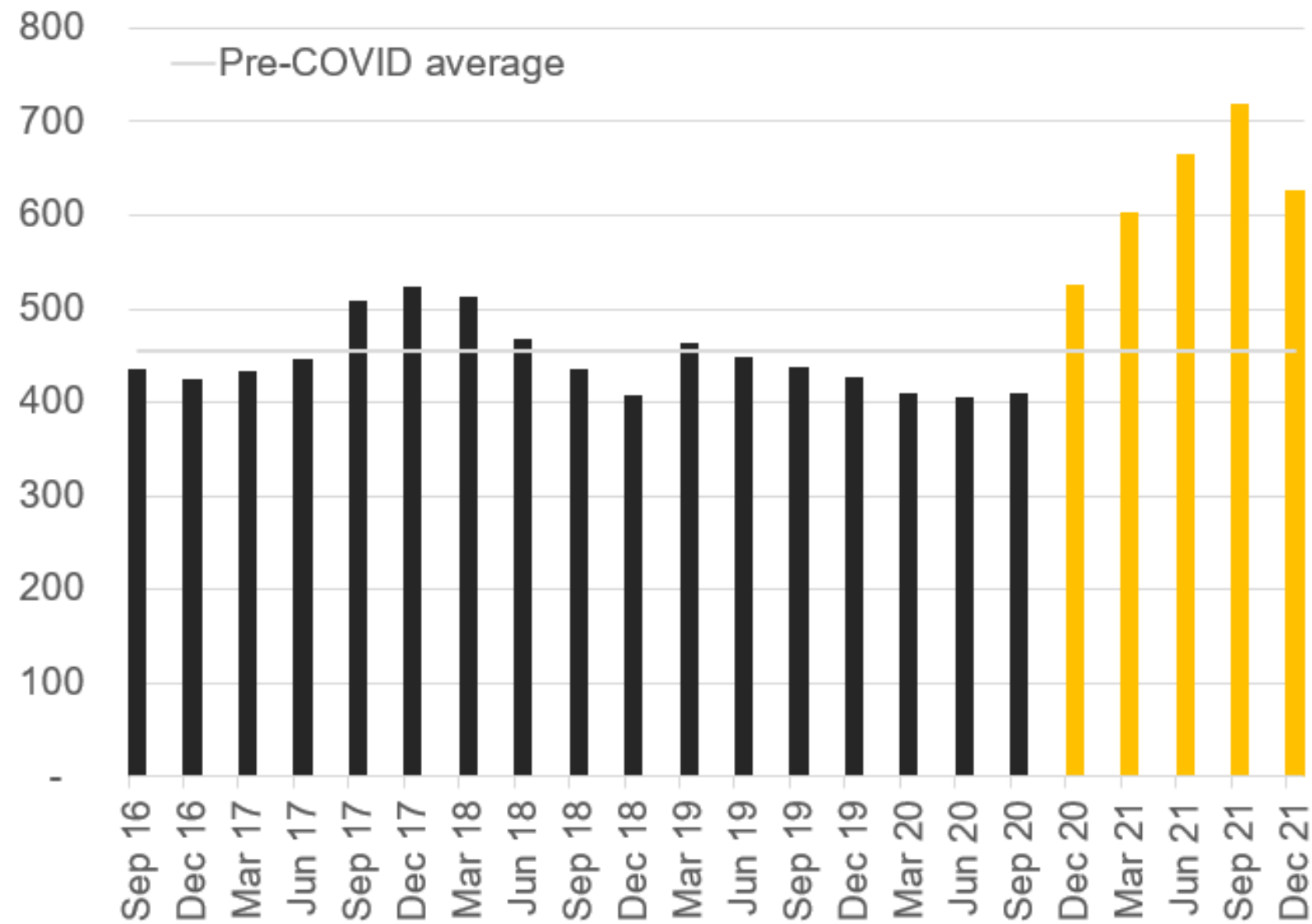
Overseas migration, permanent and long-term, Australia



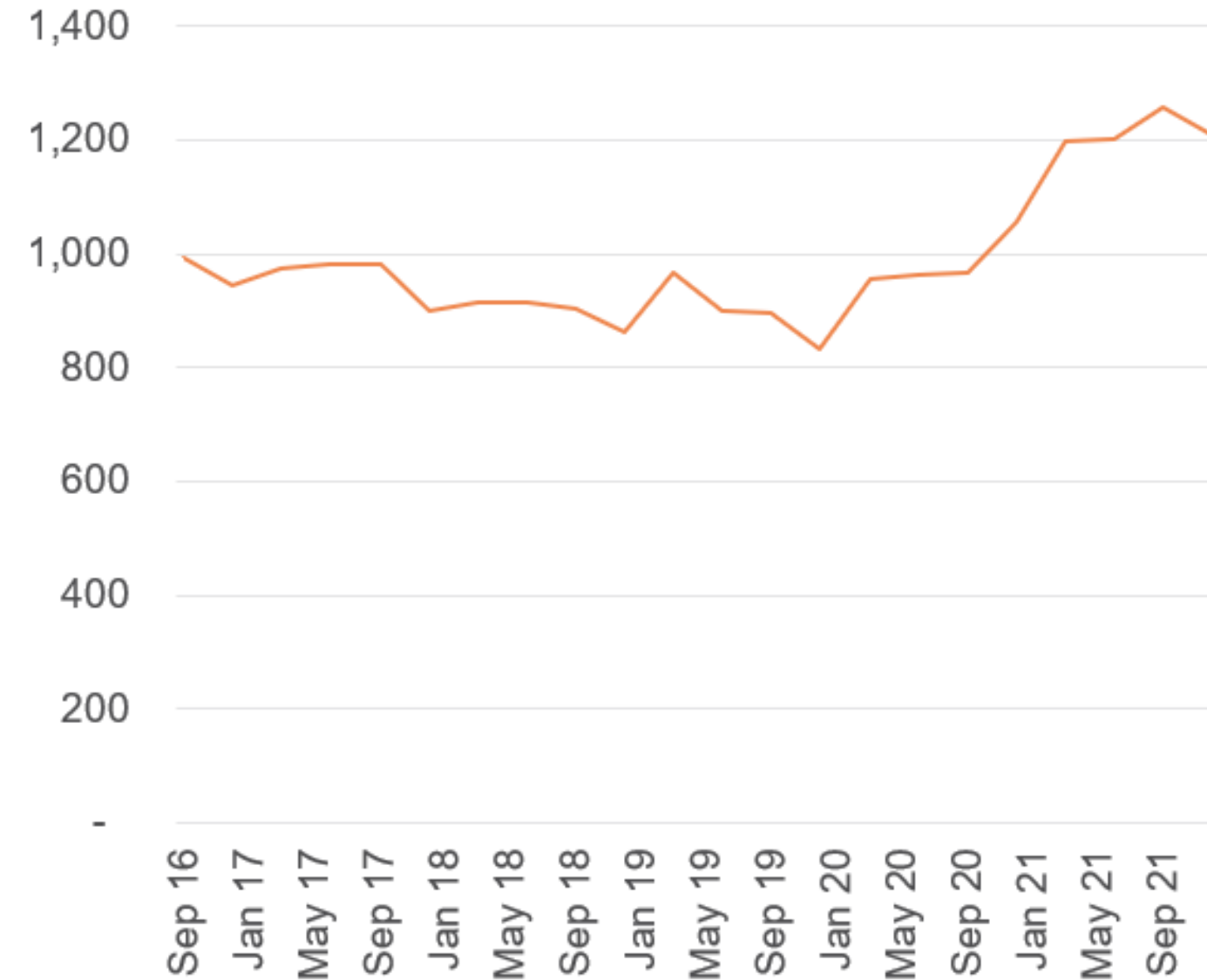
Source: ABS

The Silver Lining

Construction apprentice commencements, CQ



Construction apprentices in-training, CQ



Source: NCVER, CSQ. Graph 1 is rolling annual total. Pre-COVID 2016 to 2019.

Thank You