

Far North Queensland Outlook

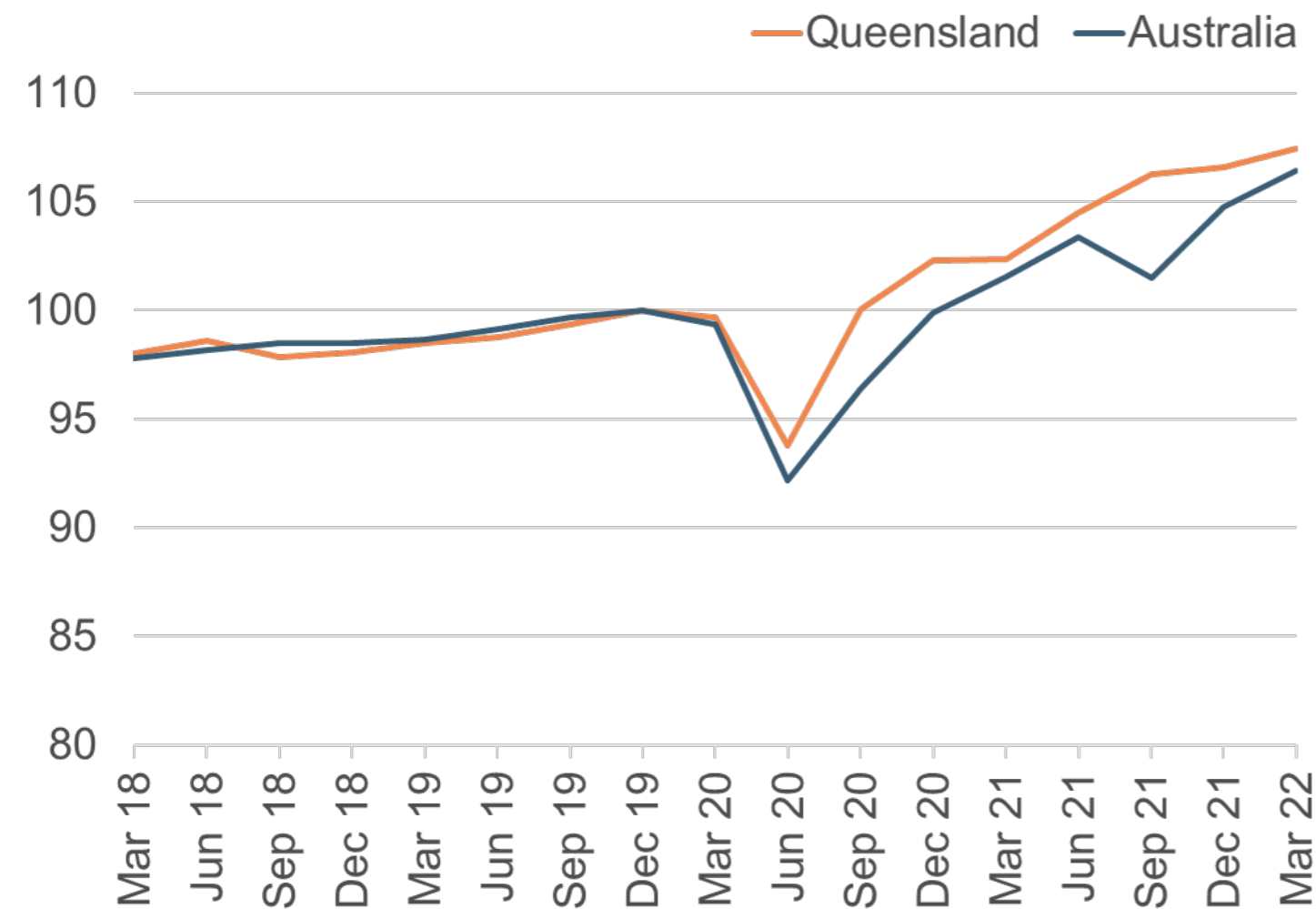
Three Big Themes

1. The economic adjustment
2. The major projects outlook
3. Bottlenecks

The Economic Adjustment

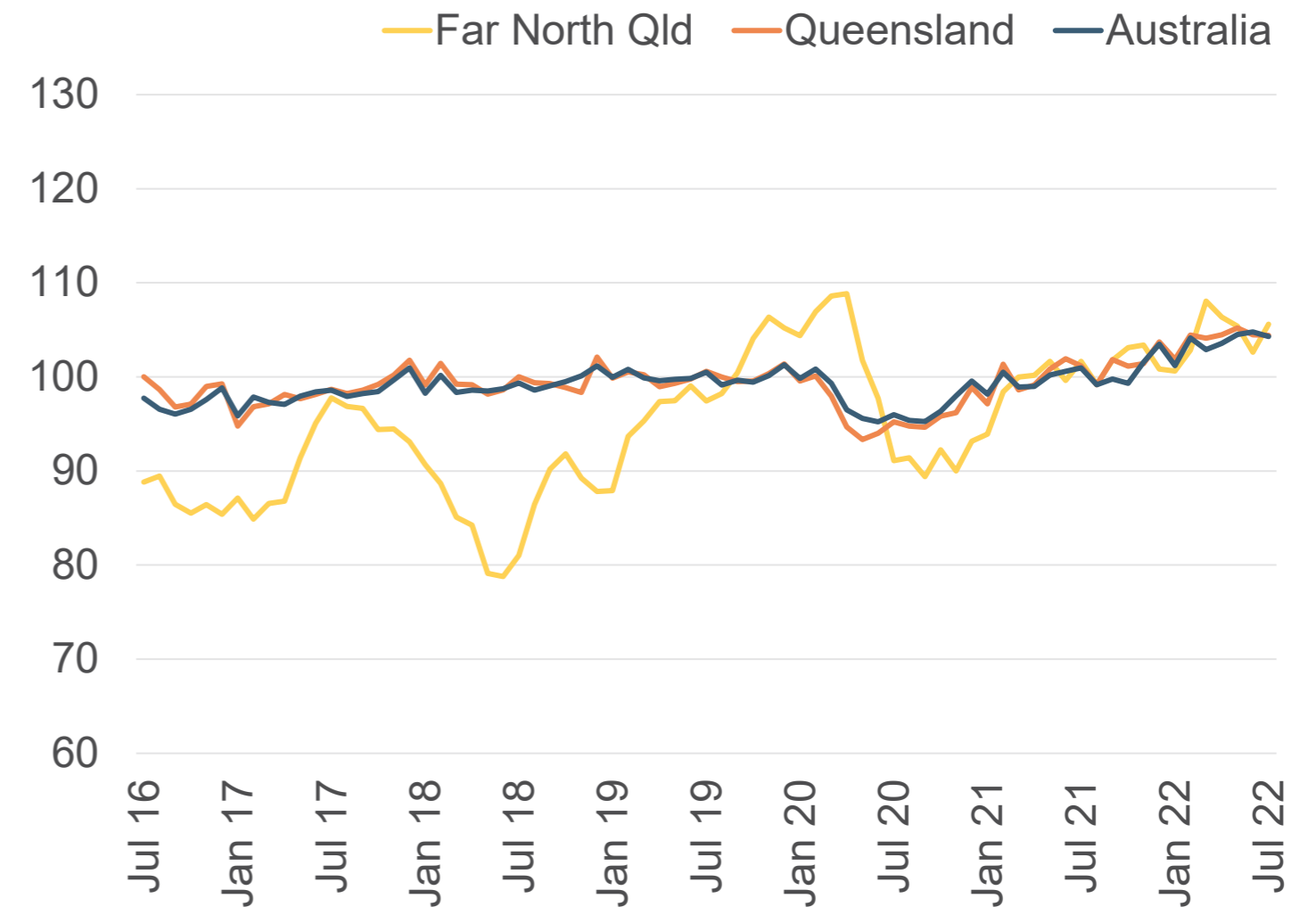
Economy In Pole Position

Economic Activity Index



Note: Domestic Demand; Index: 100=Dec 2019

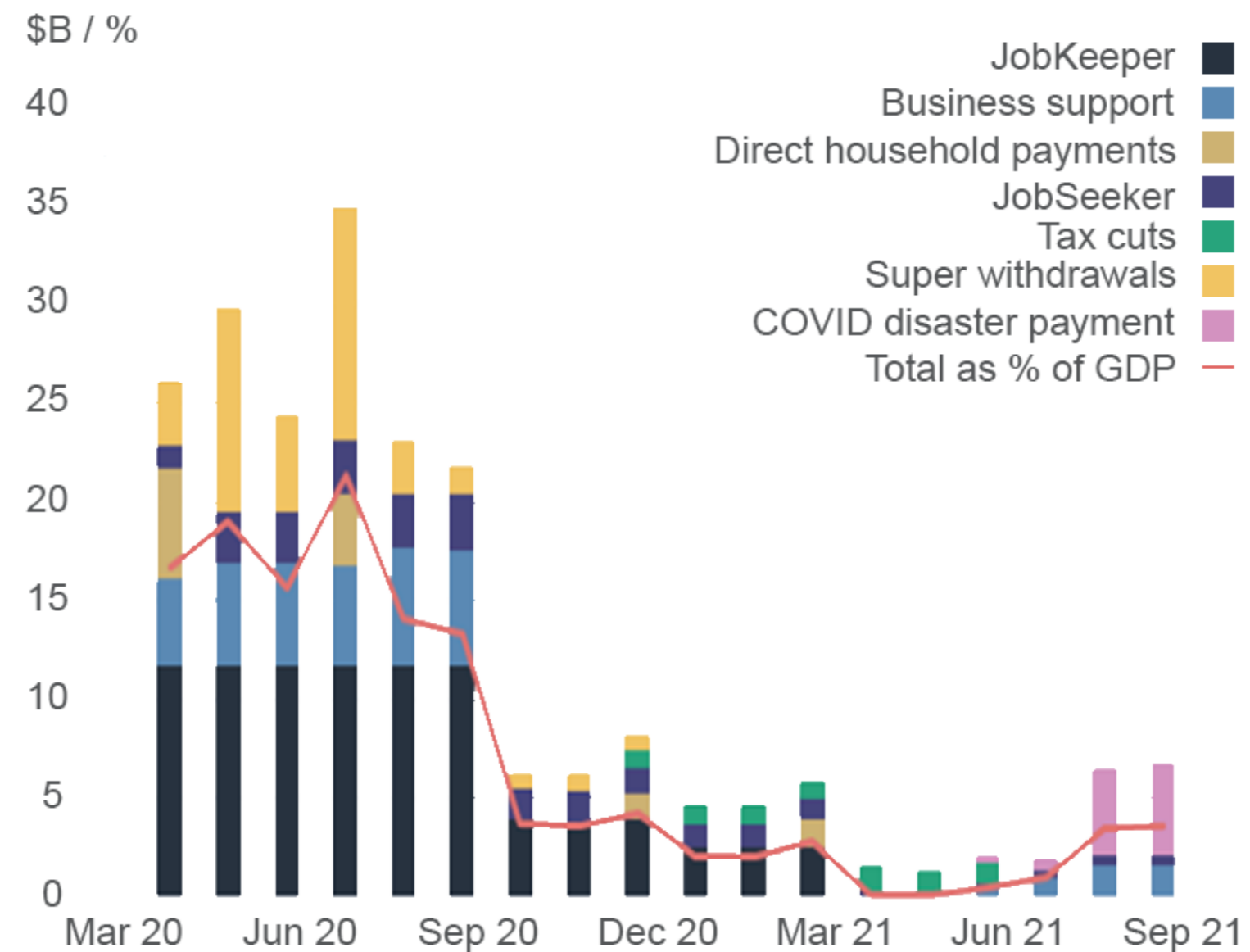
Employment Index



Note: FT Employment-Population Ratio; Index: 100=2019 Avg

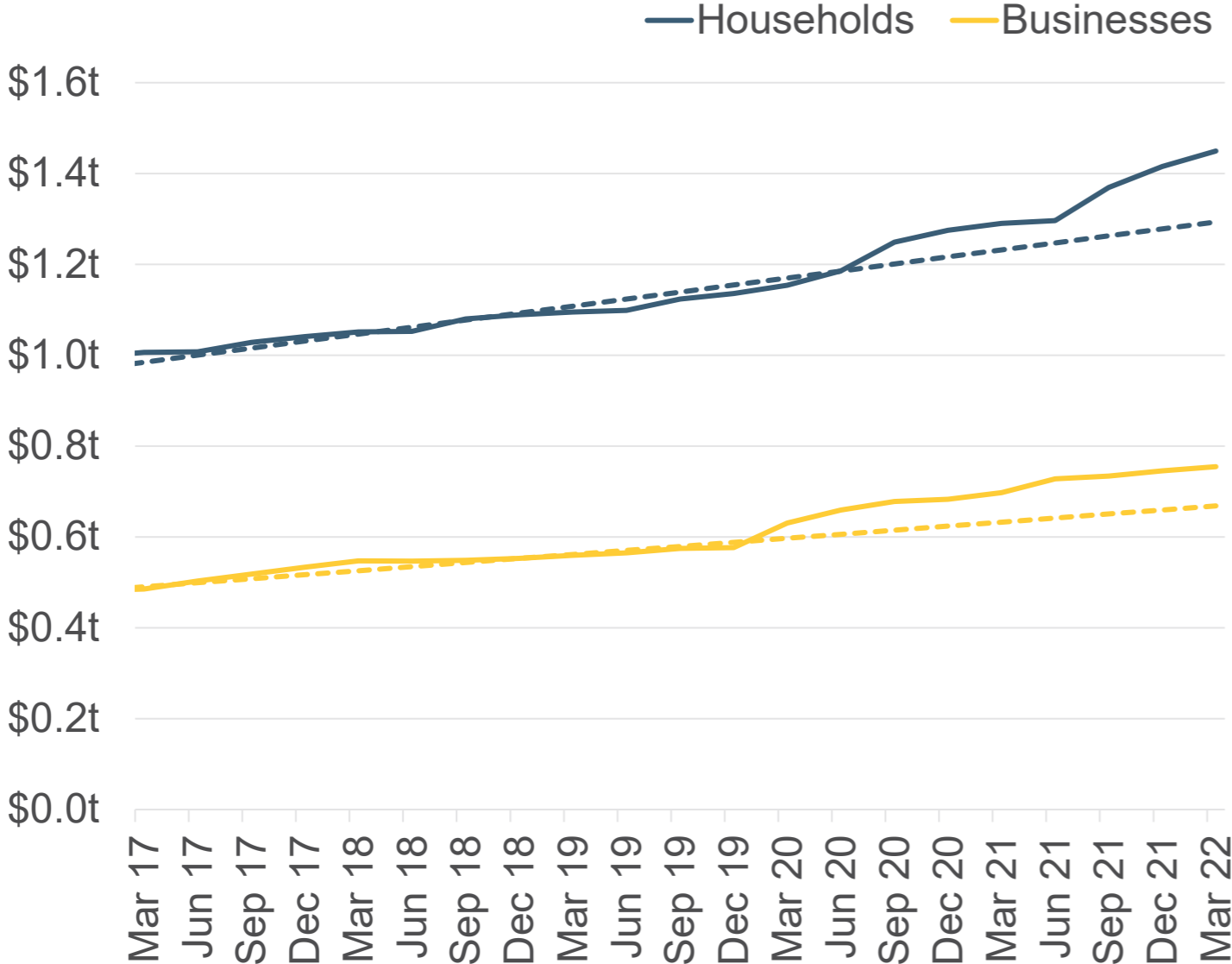
An Artificial High

Monthly Government Stimulus Payments, Australia



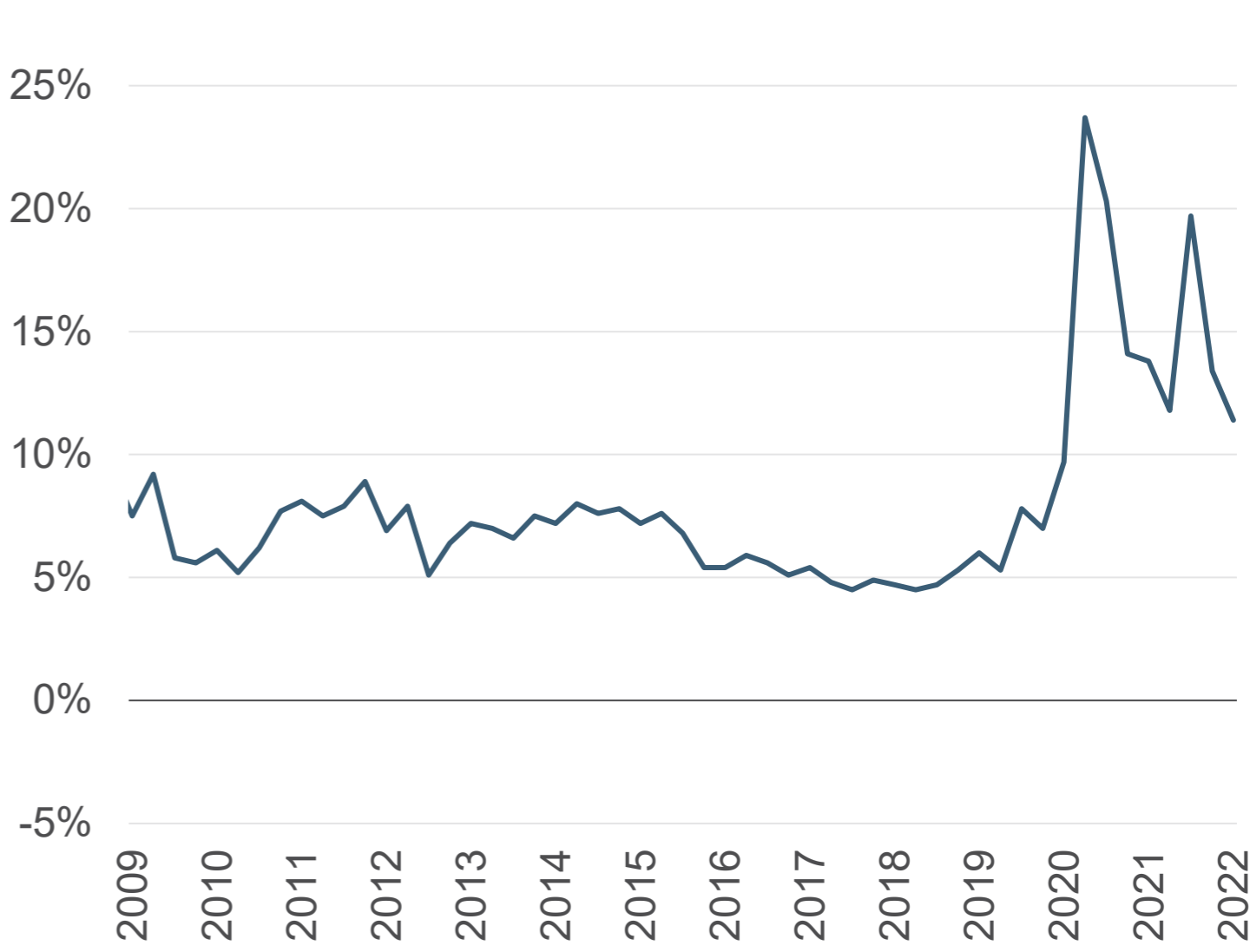
Flush With Cash

Bank deposits, Australia



Source: RBA, CSQ

Household saving ratio, Australia

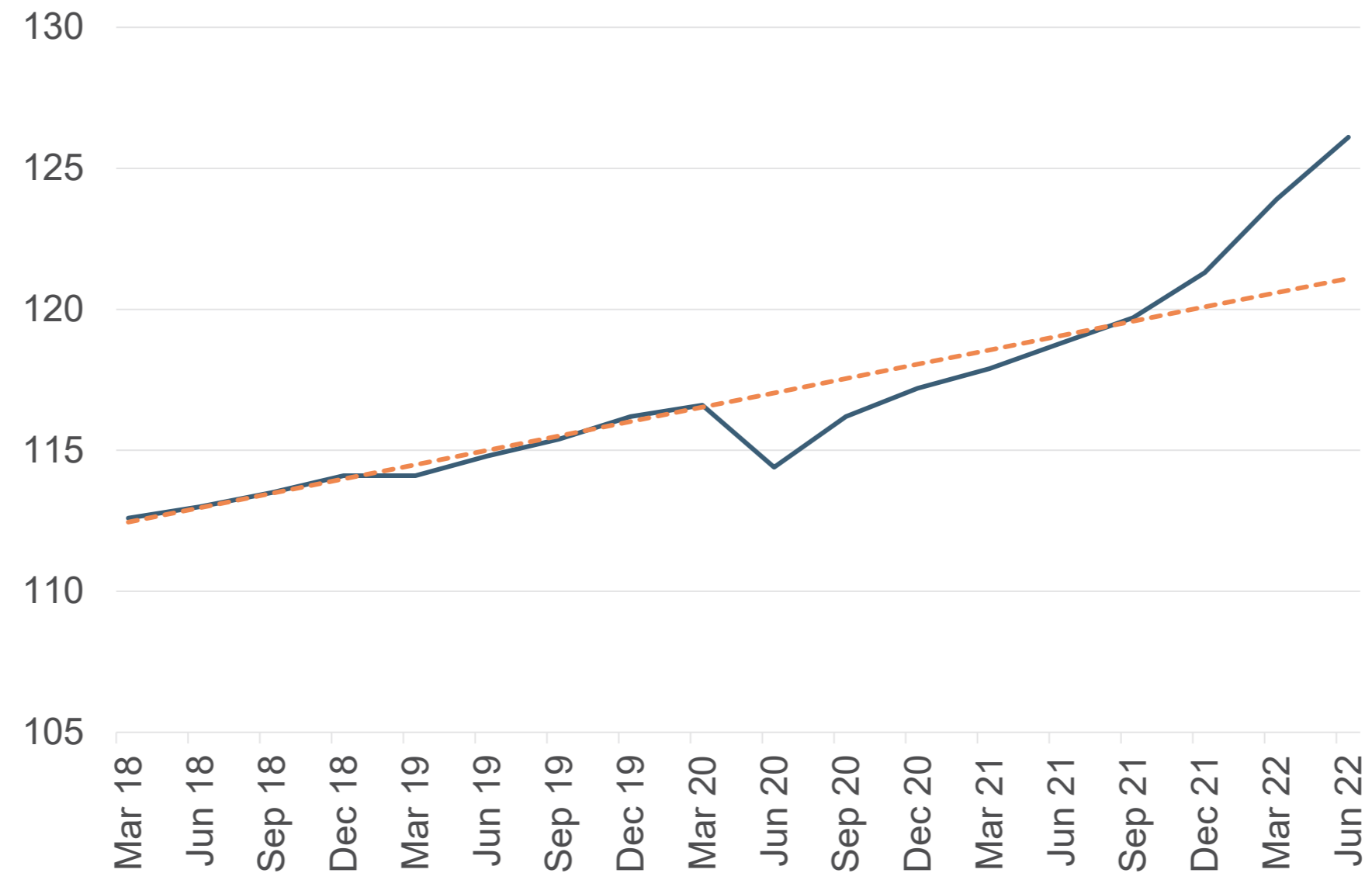


Source: ABS



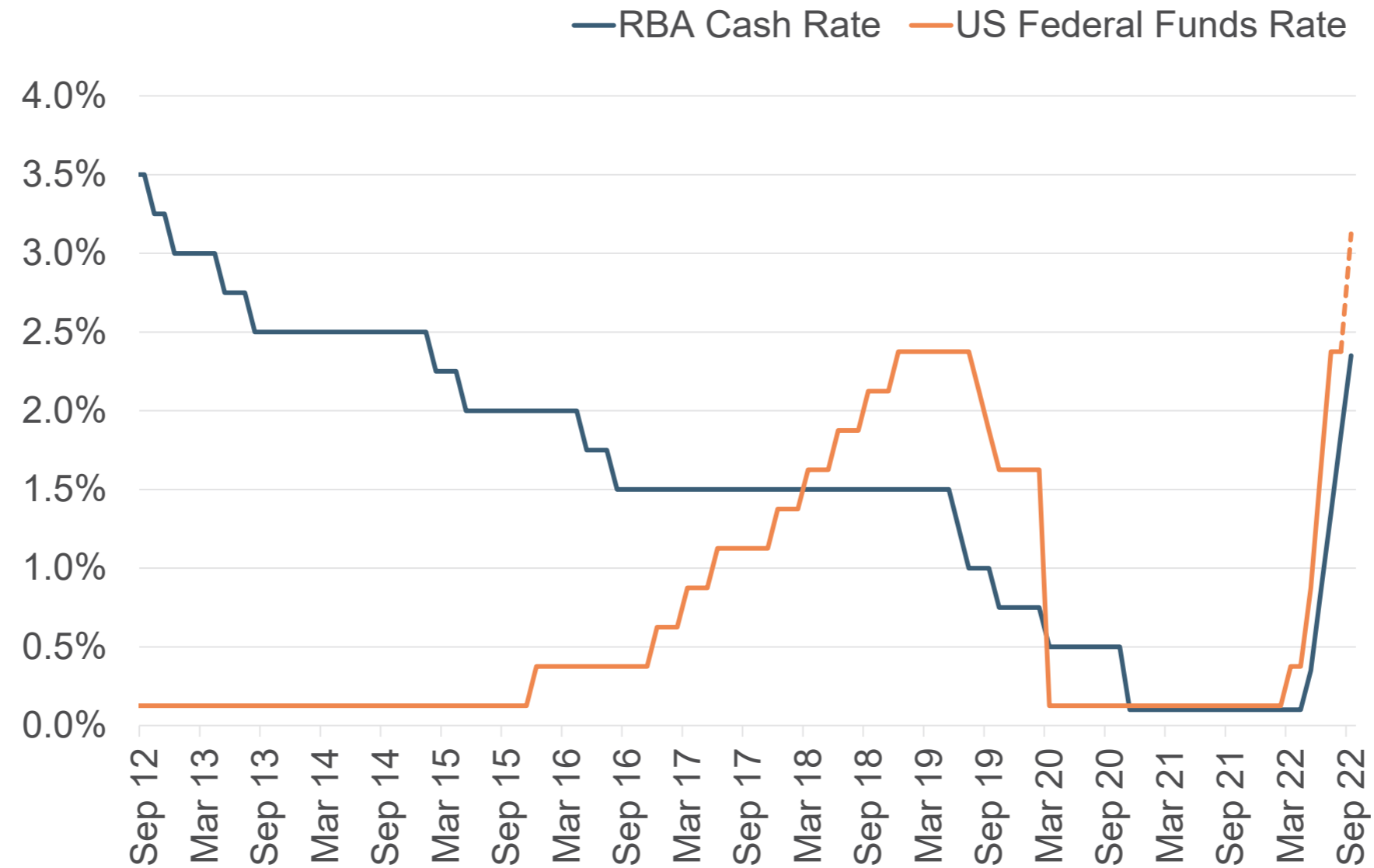
All Stimulants Have Side Effects

Consumer Price Index, Australia



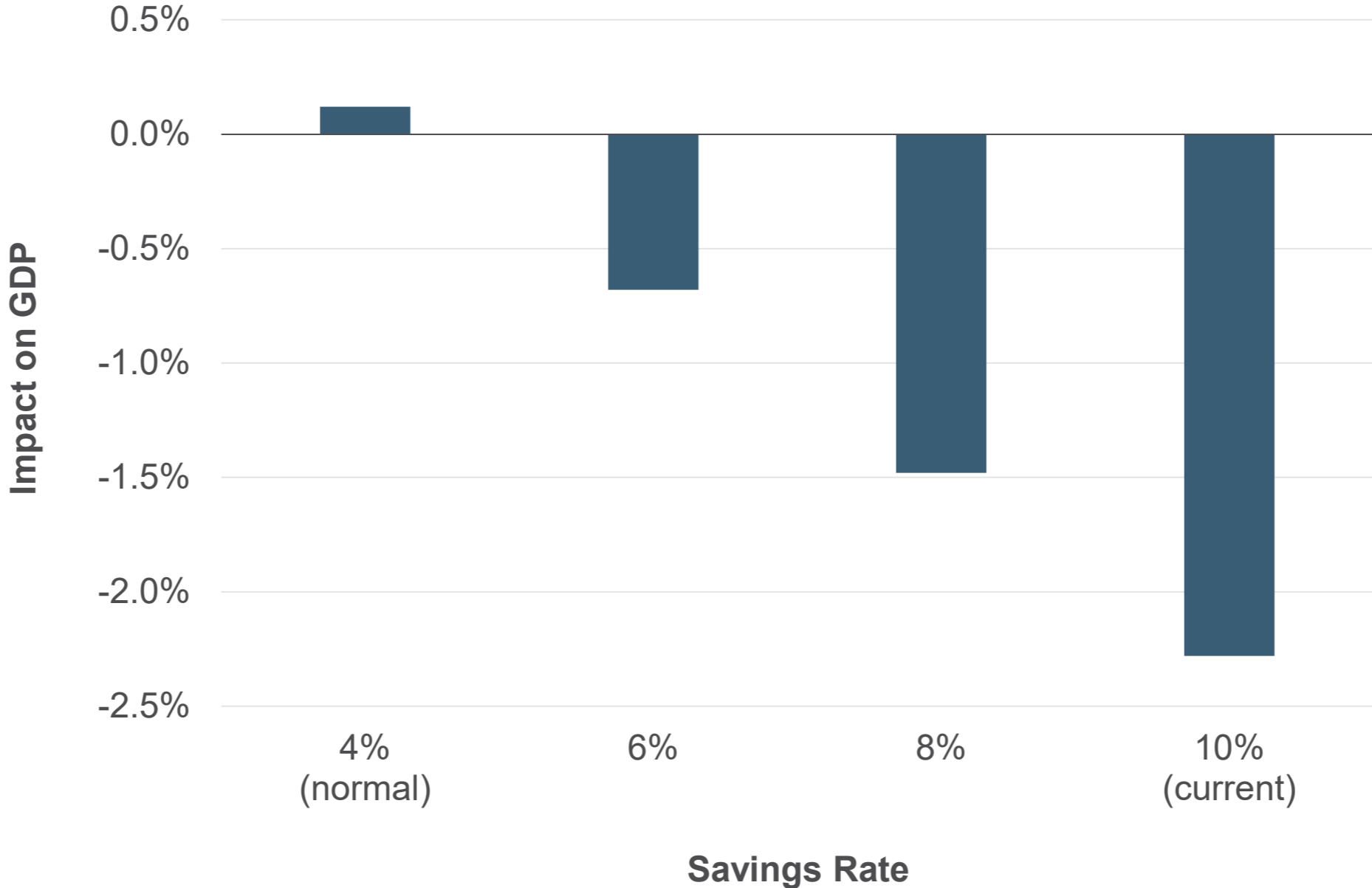
The Comedown

Central Bank Interest Rates



How Hard Could We Land?

GDP impact of expected interest rate rises

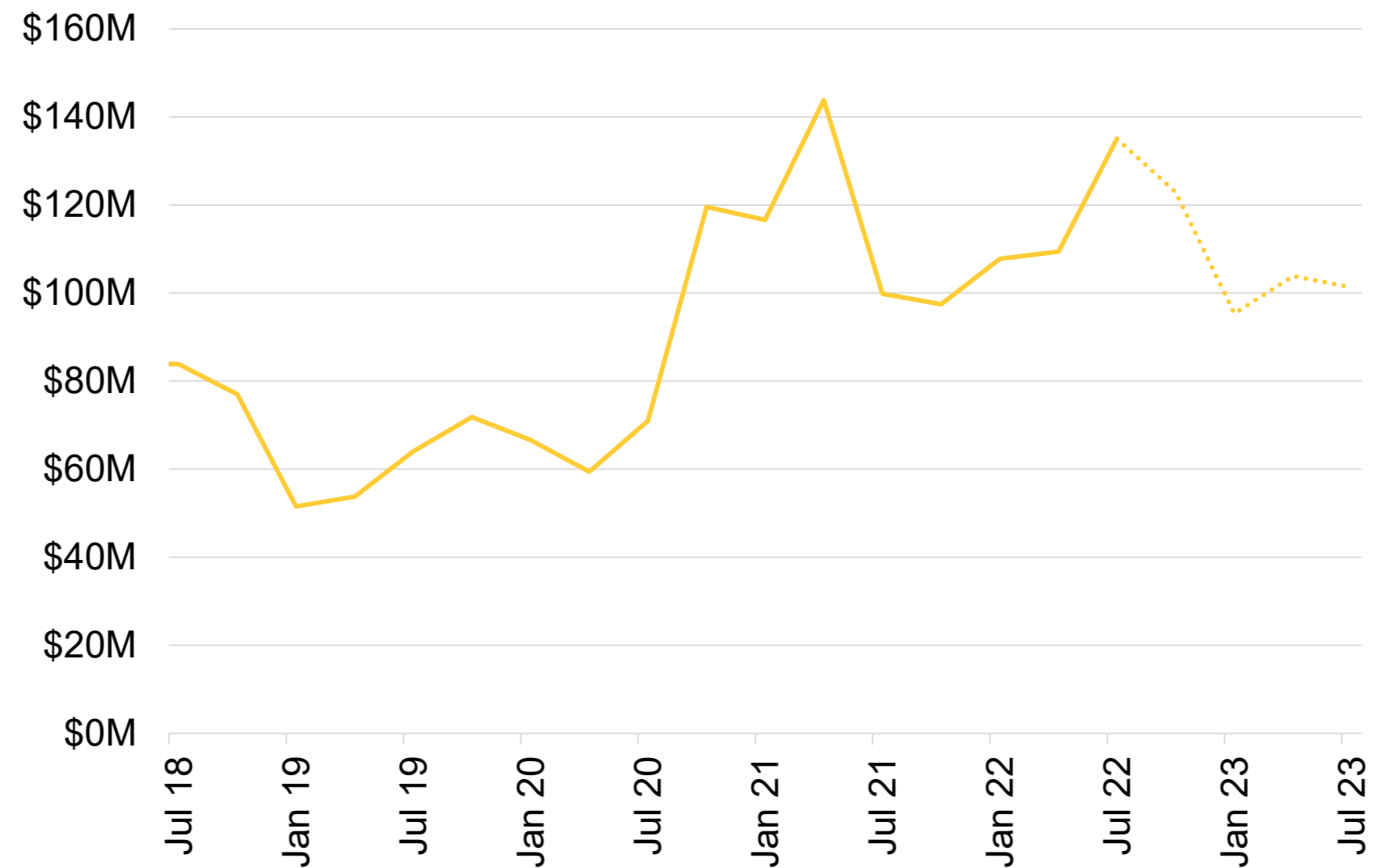


Source: Sobyra

The Construction Outlook

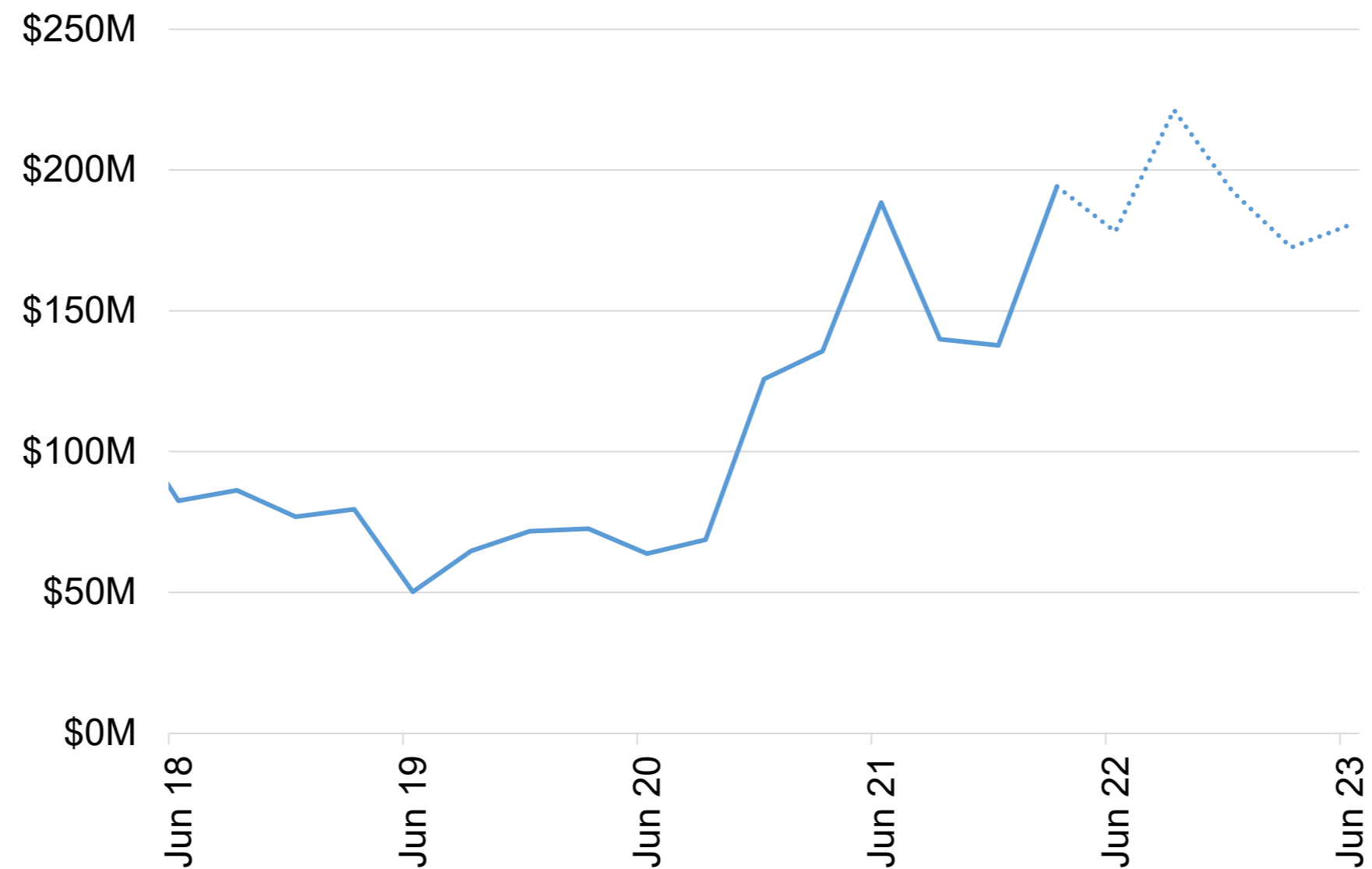
The Boom That Was

Housing Approvals, Qtly, Far North Queensland

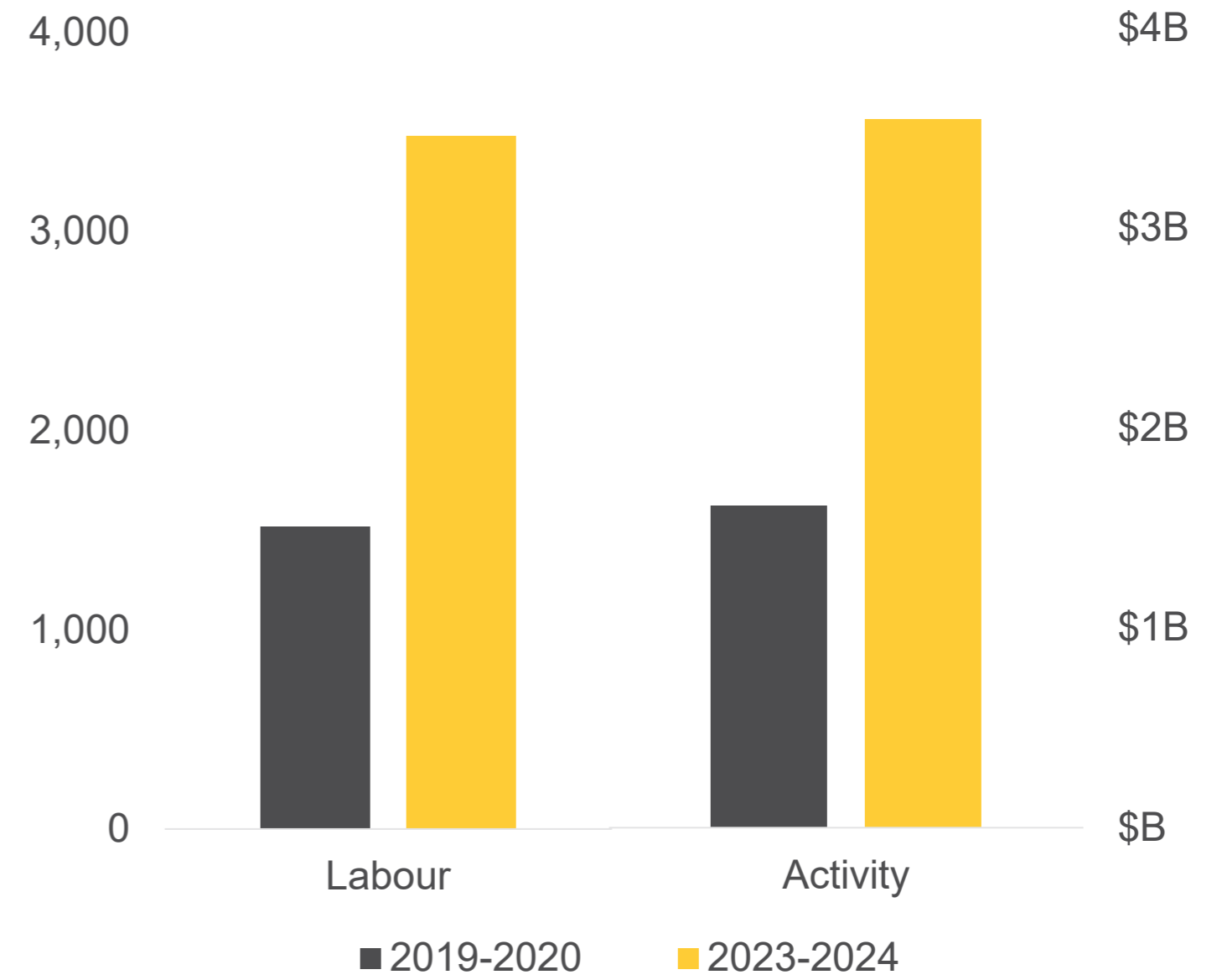
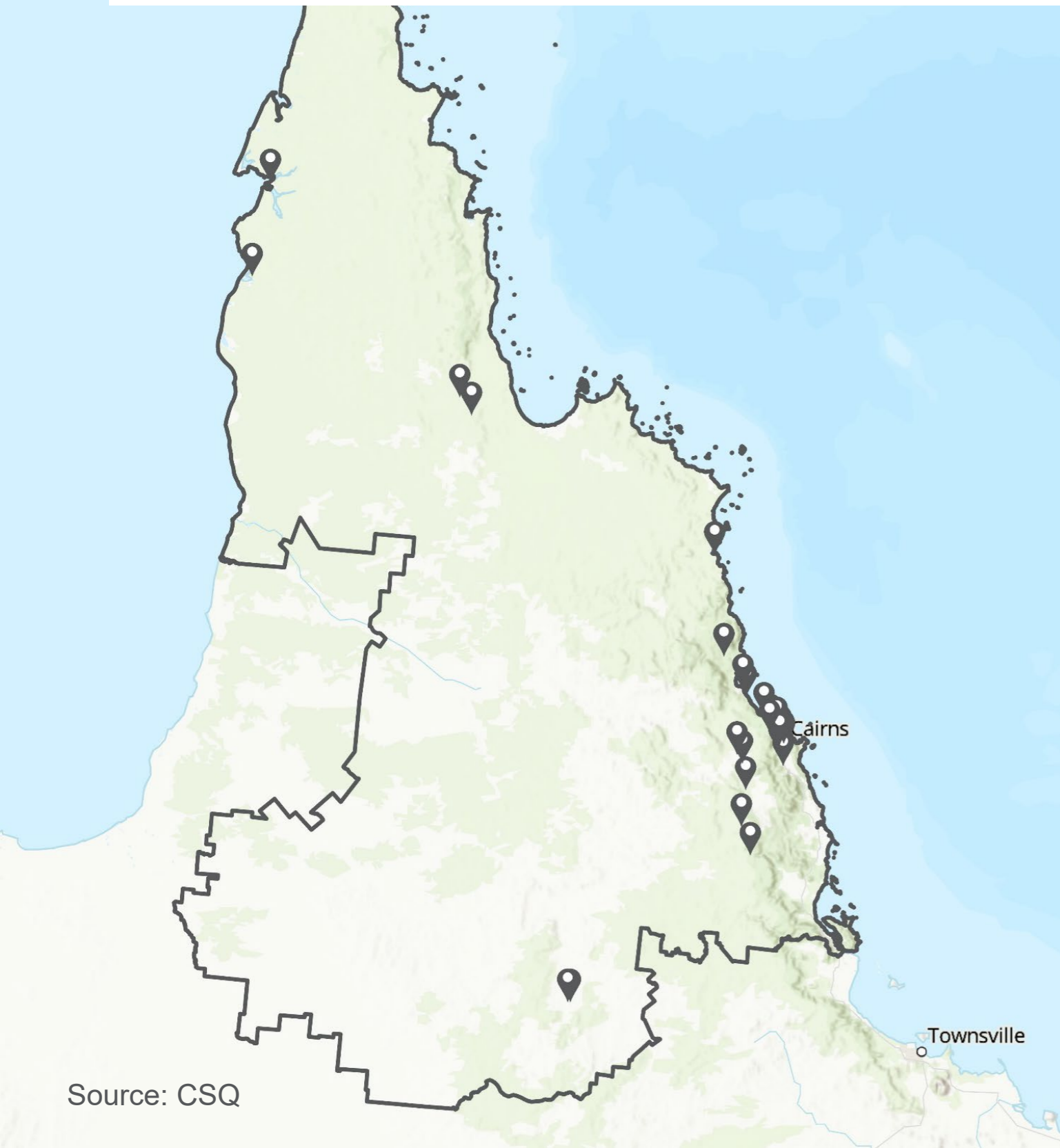


Activity Will Stay Elevated

Housing Pipeline, Qtly, Far North Queensland

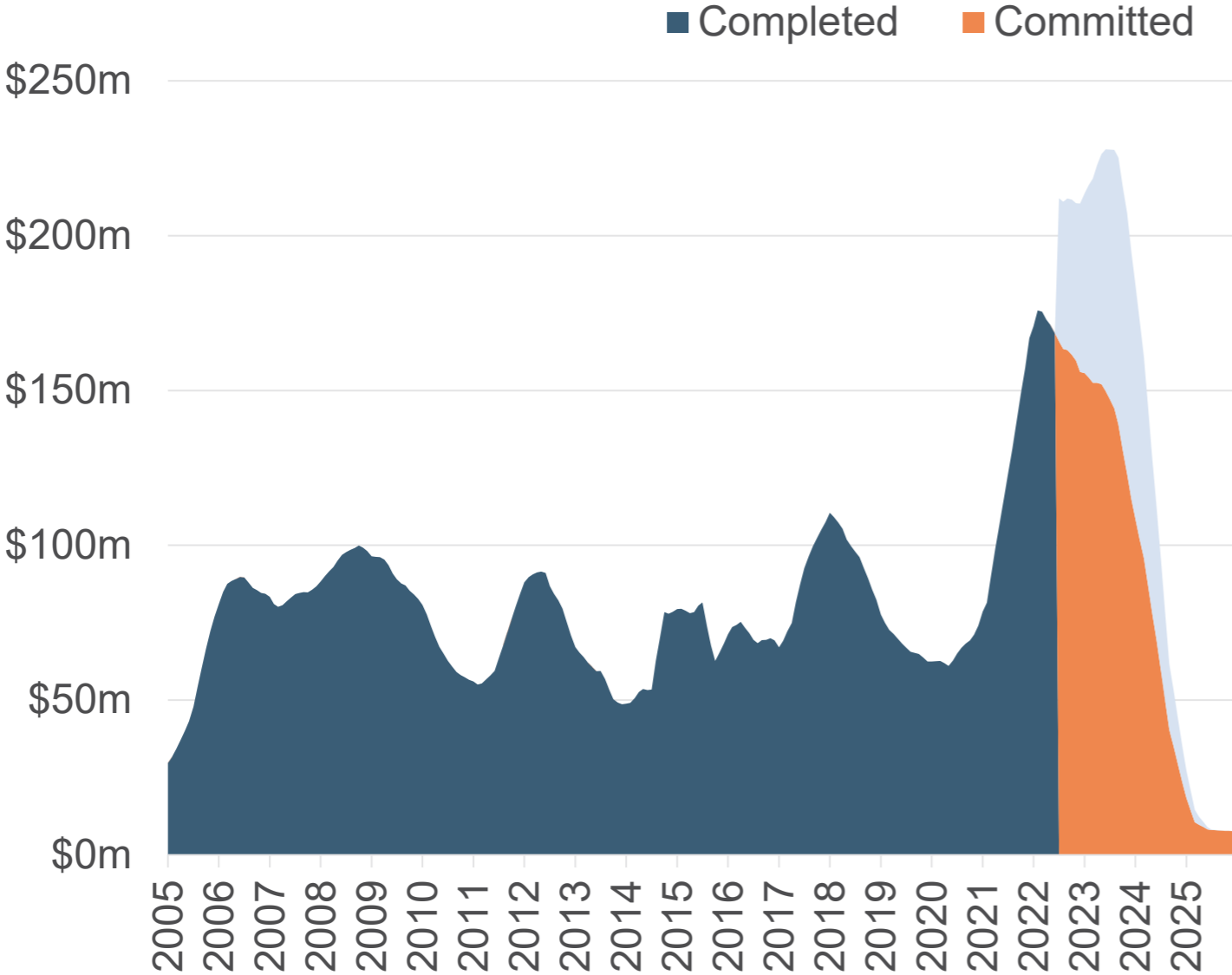


FNQ Major Projects Pipeline

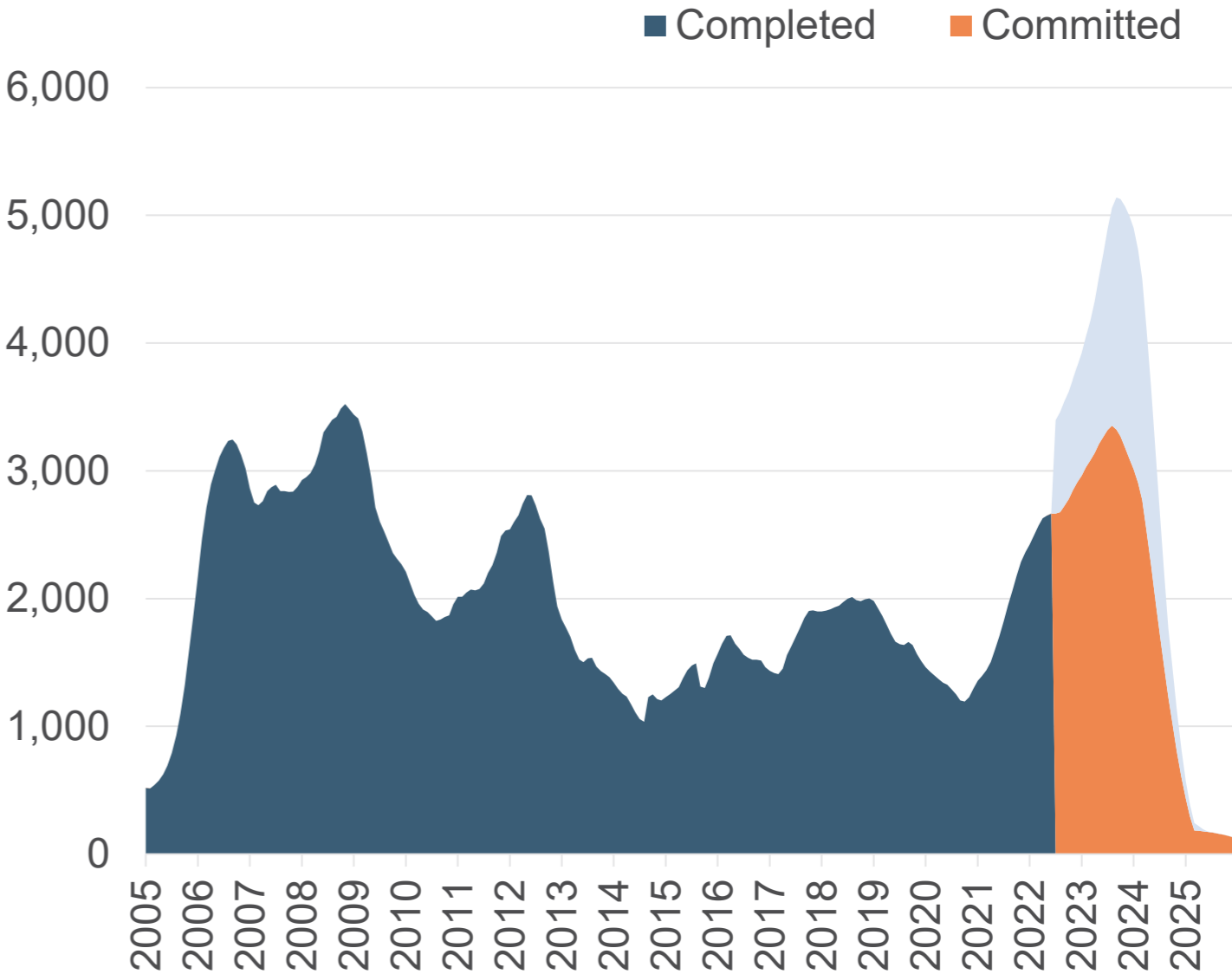


Major Projects Pipeline

Major Project Investment, FNQ



Major Project Labour Demand, FNQ

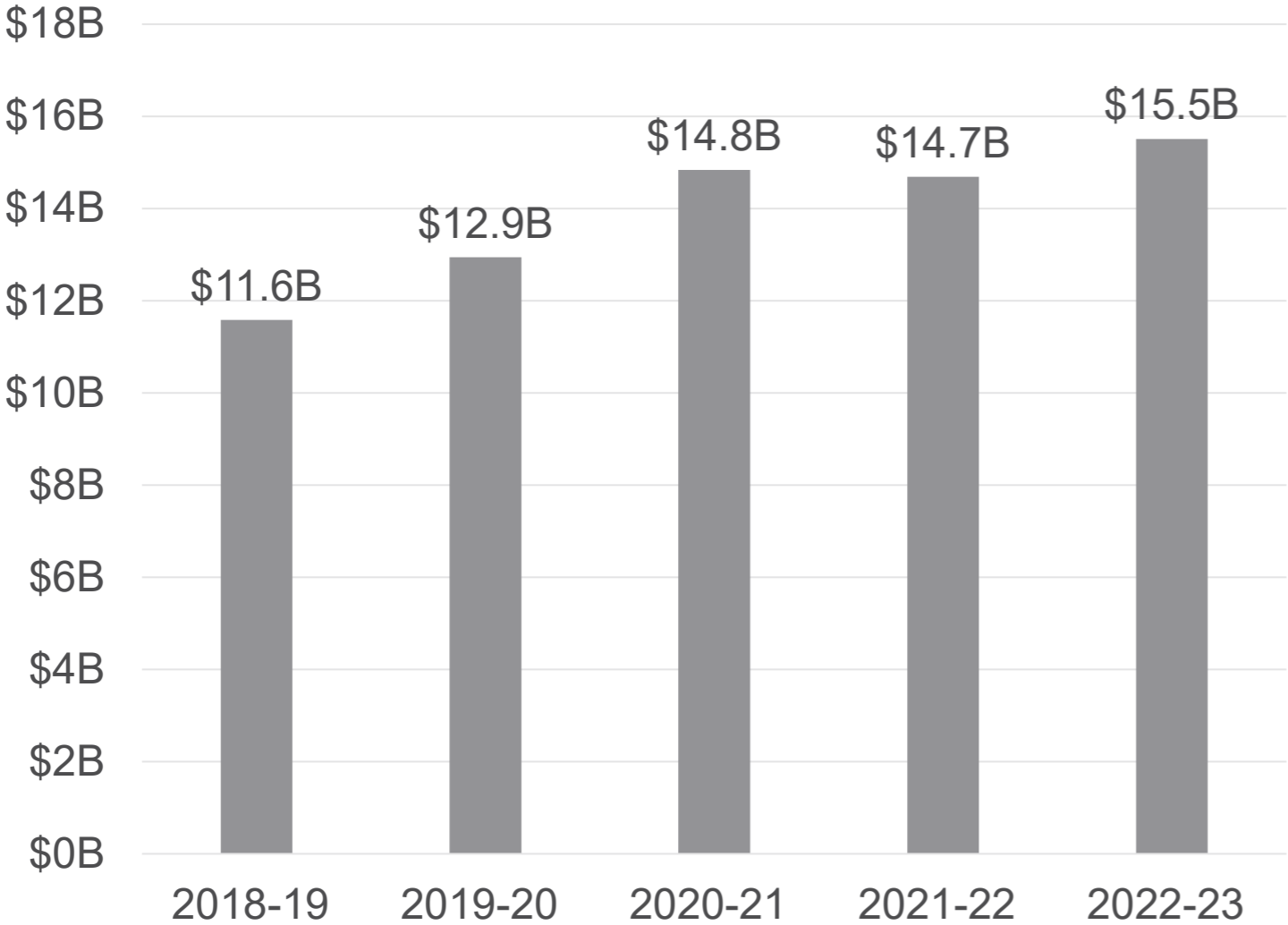


Source: CSQ

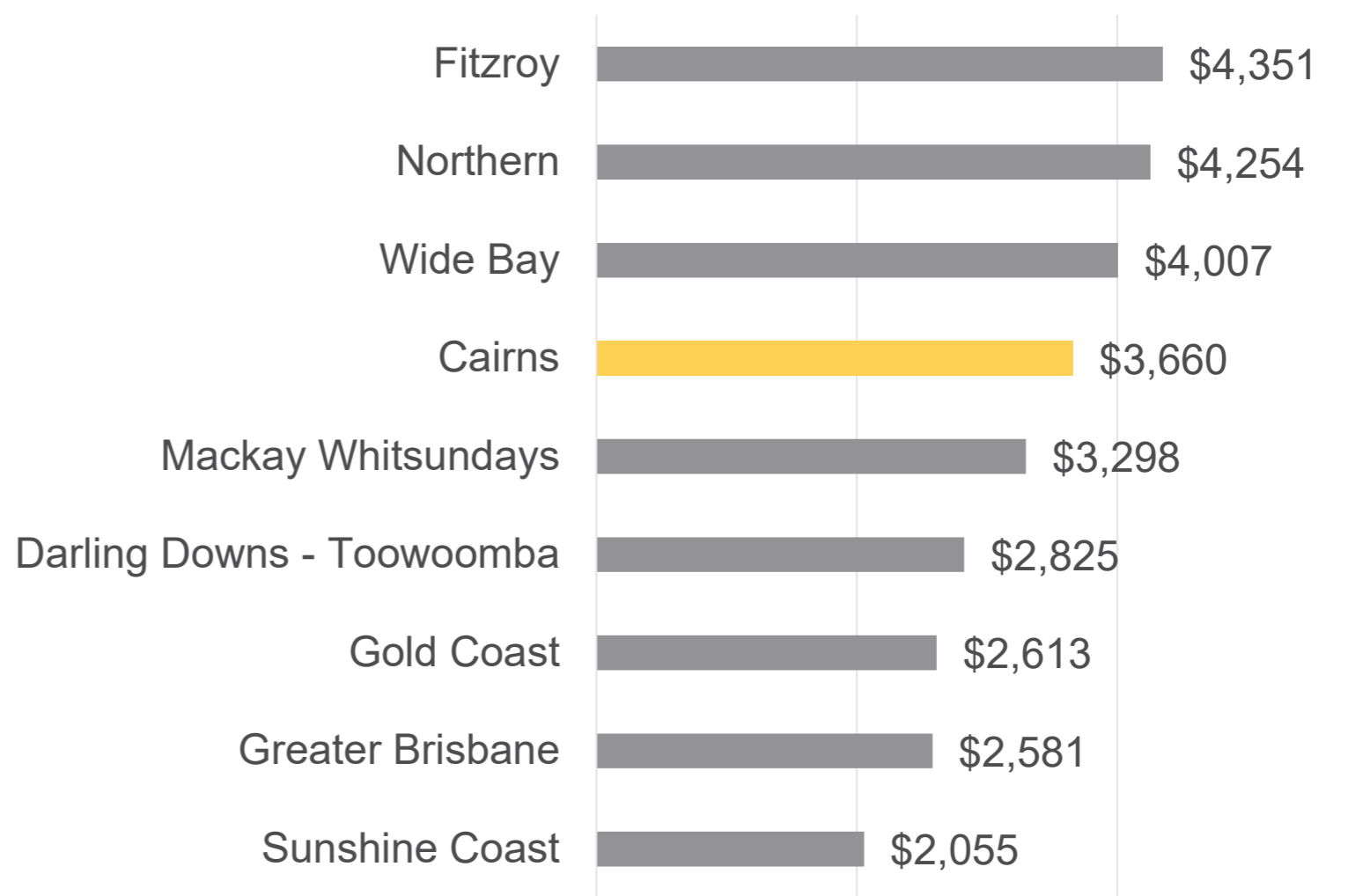


Public Spend A Big Driver

Queensland Government CAPEX



Queensland Government CAPEX per capita, 2022-23



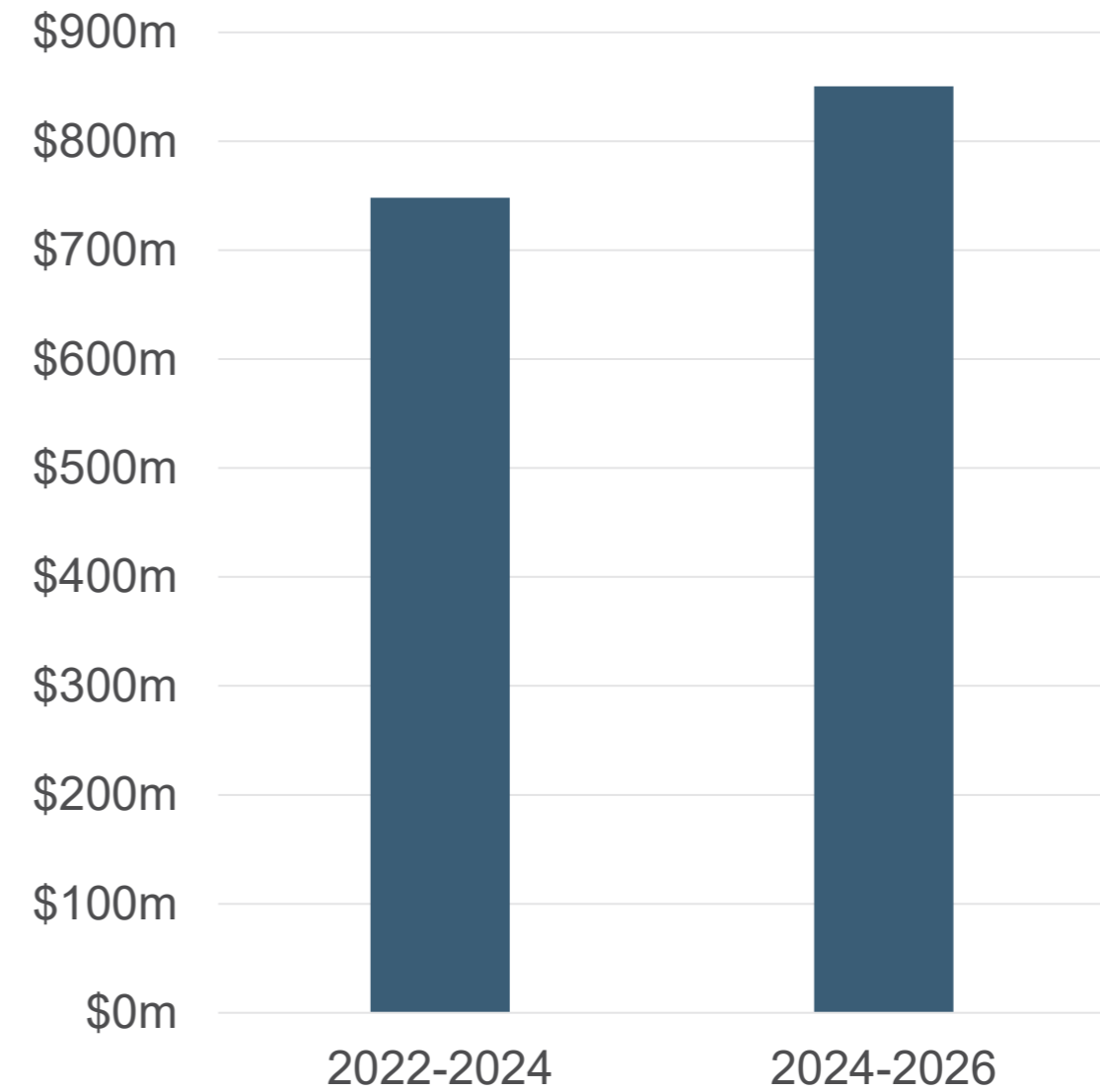
Source: Queensland Treasury, ABS, CSQ

Transport Infrastructure

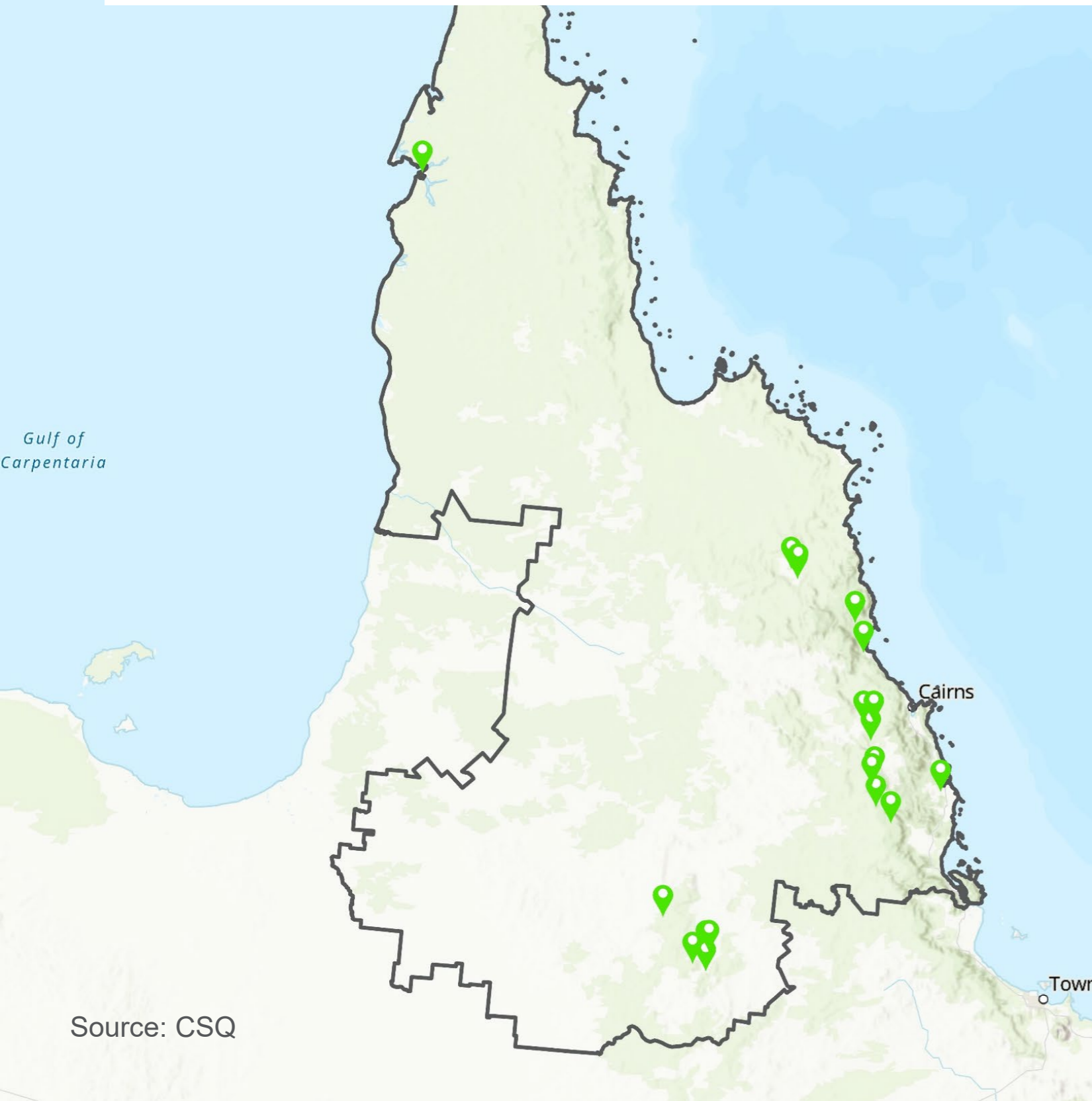


Source: TMR

Queensland Transport and Roads Investment Program

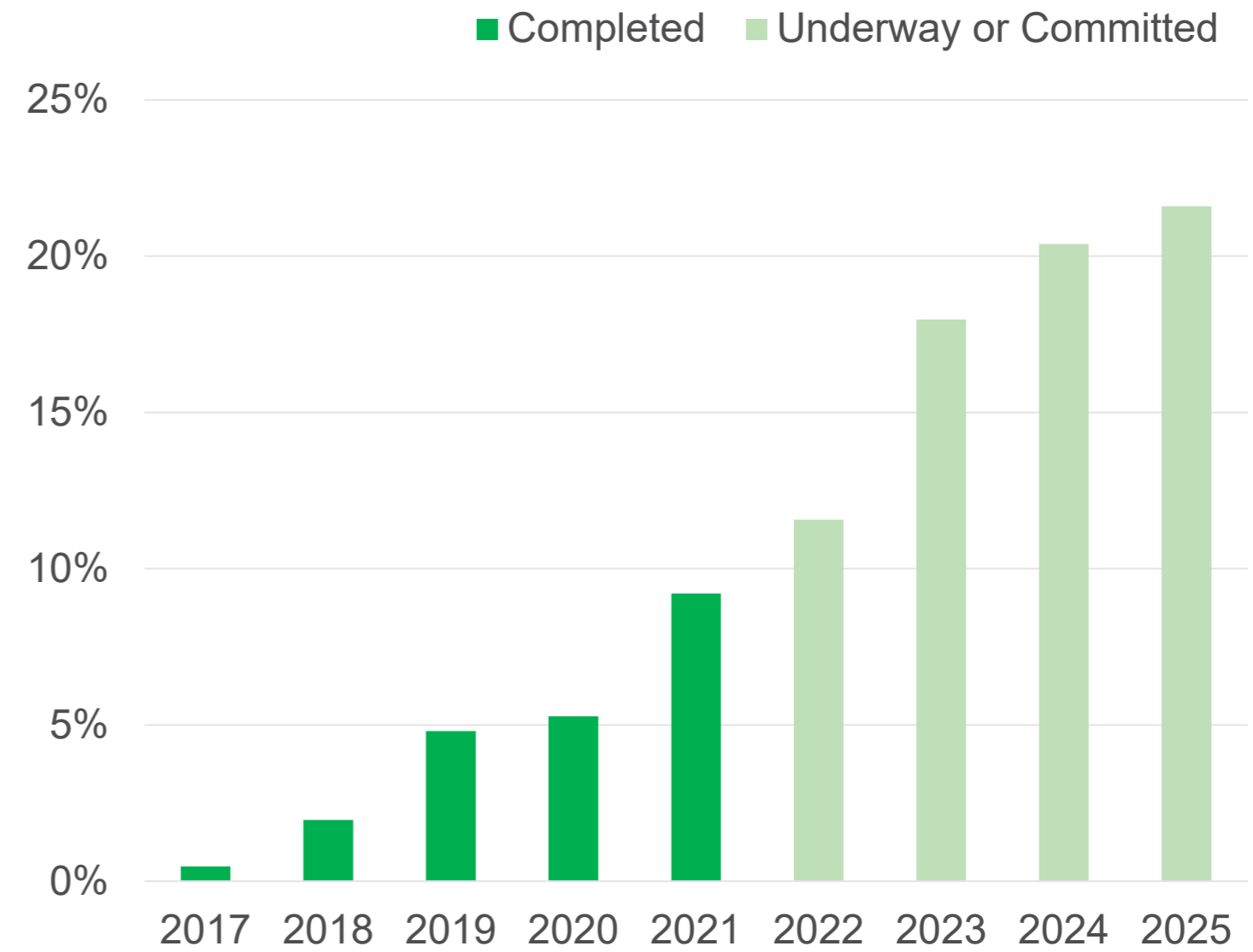


Renewables Another Big Driver



Source: CSQ

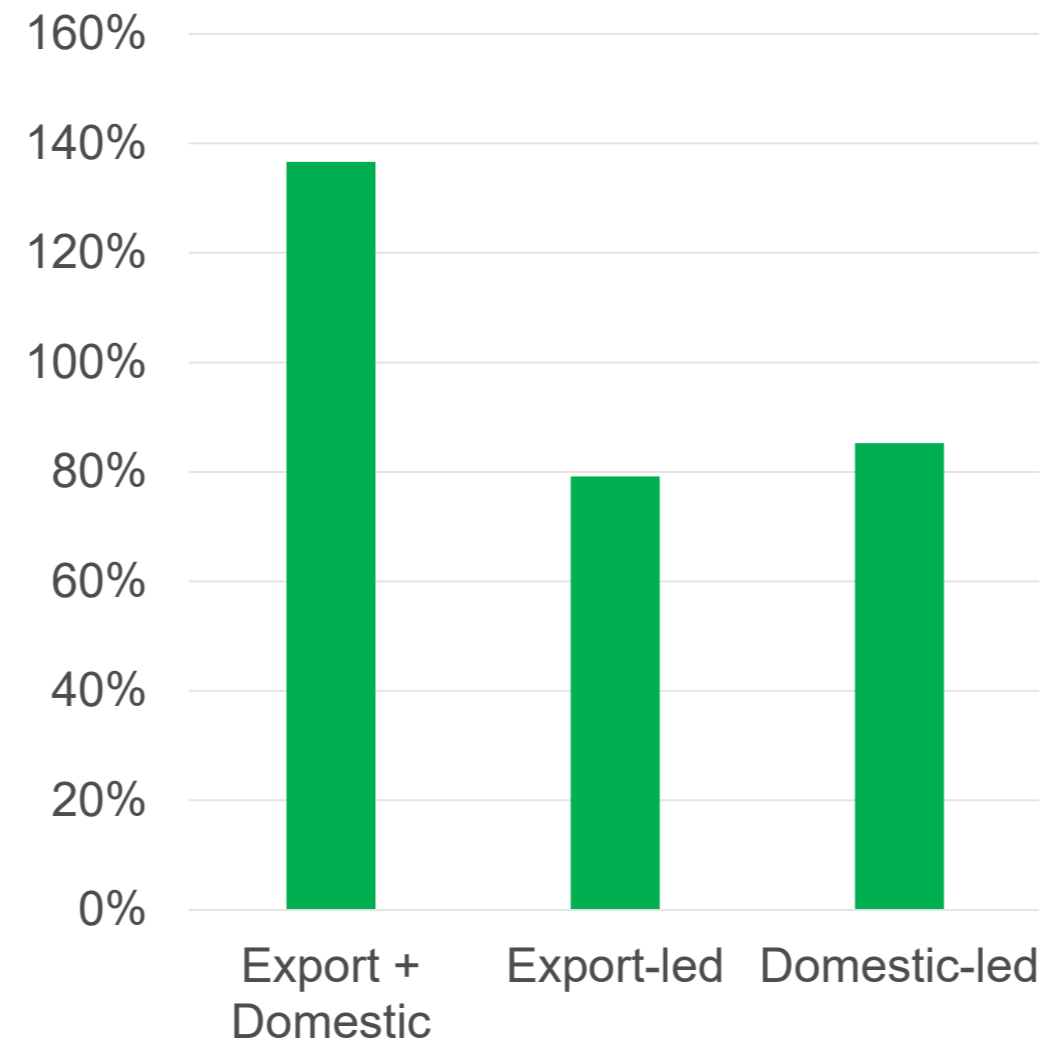
Renewables share of major projects, Queensland



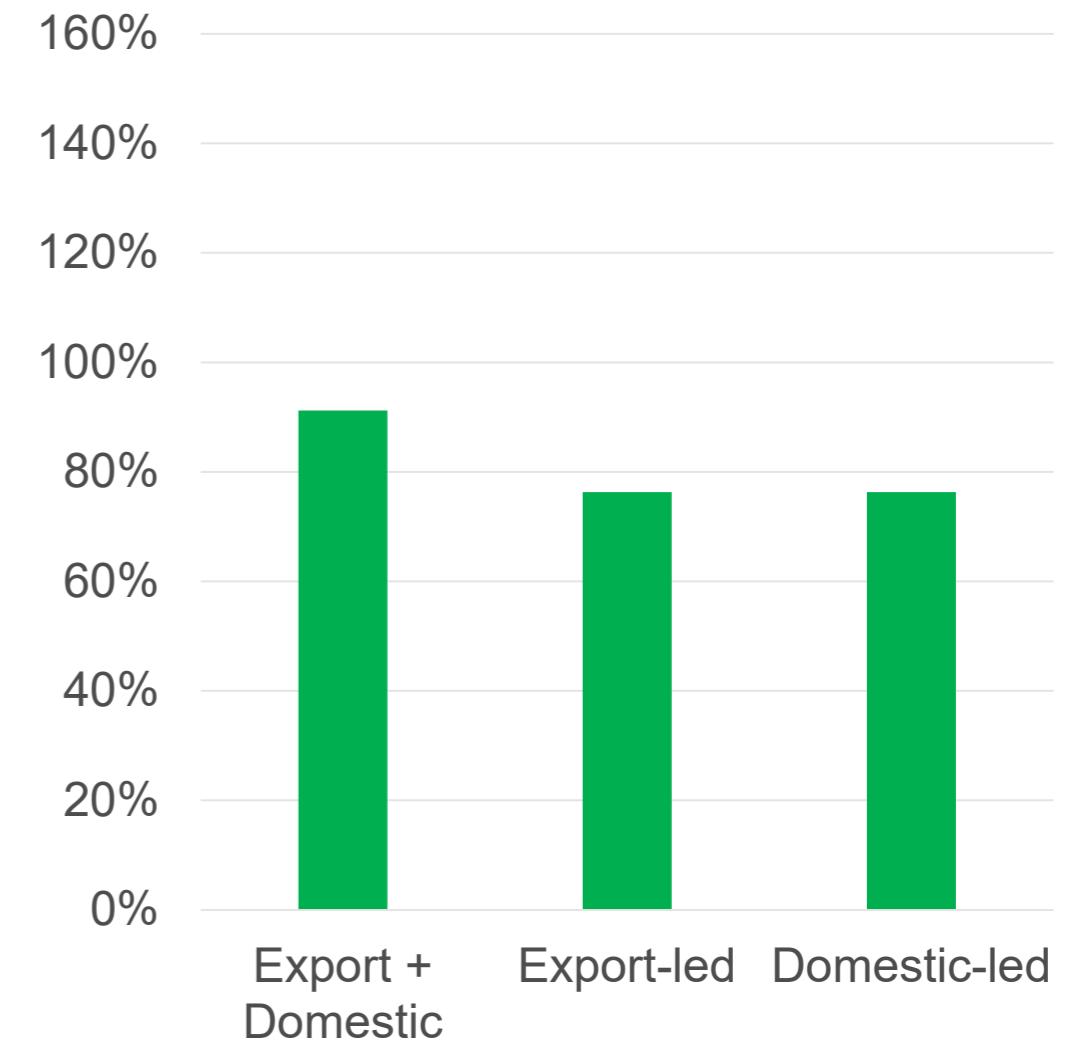
Renewables: the long view



Impacts on construction activity



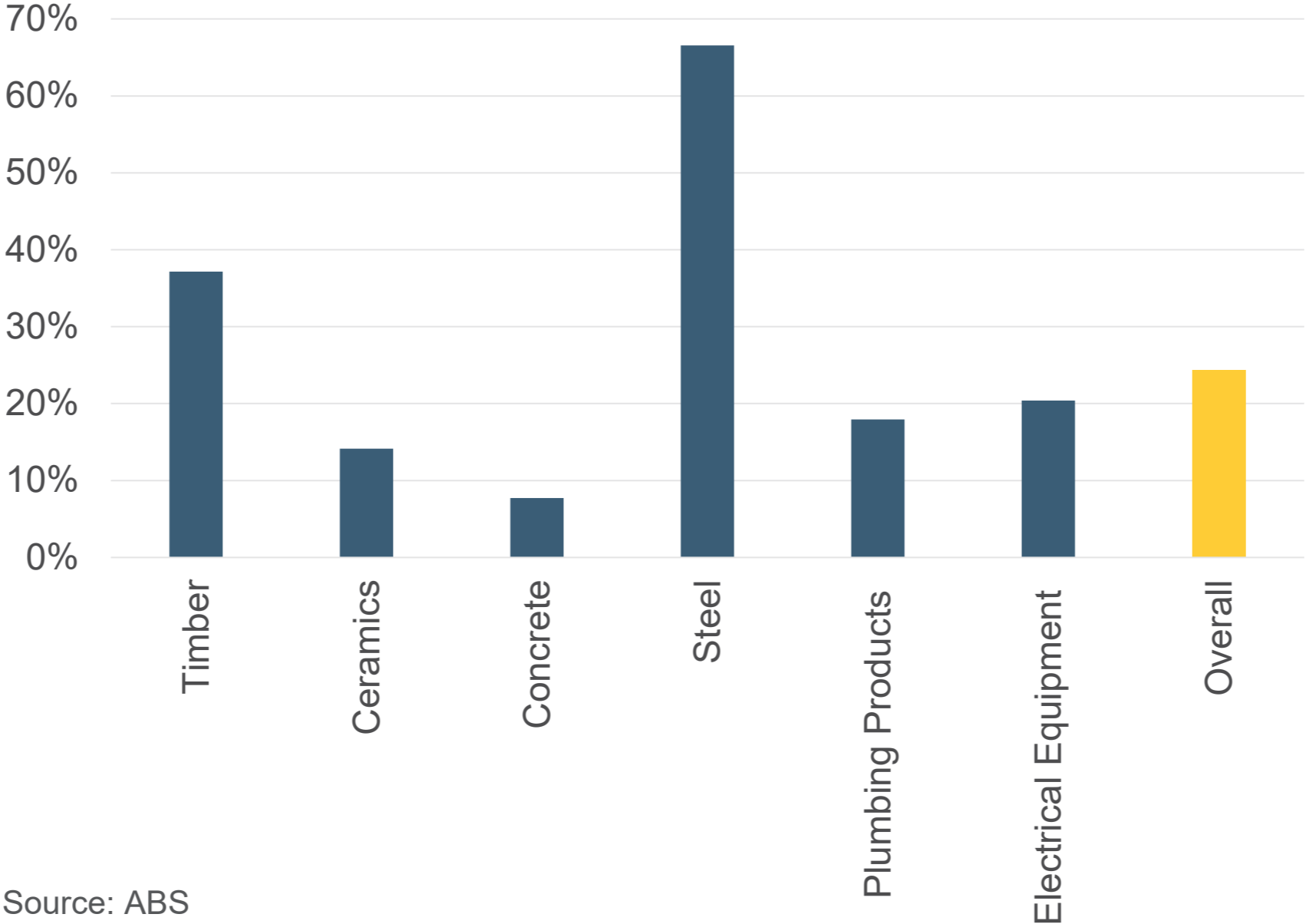
Impacts on construction labour



Supply-Side Bottlenecks

Material Inflation Has Peaked*

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

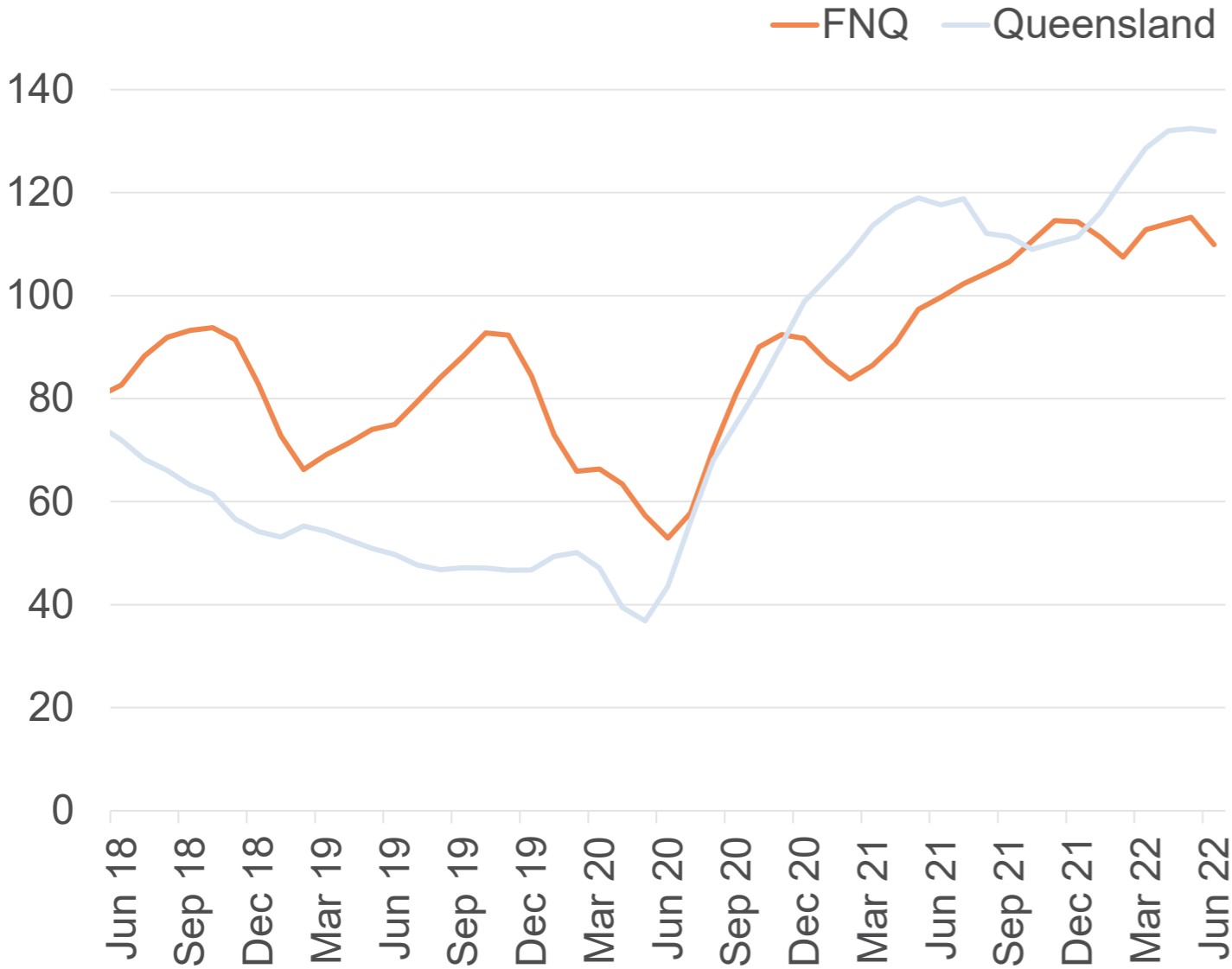


Source: ABS

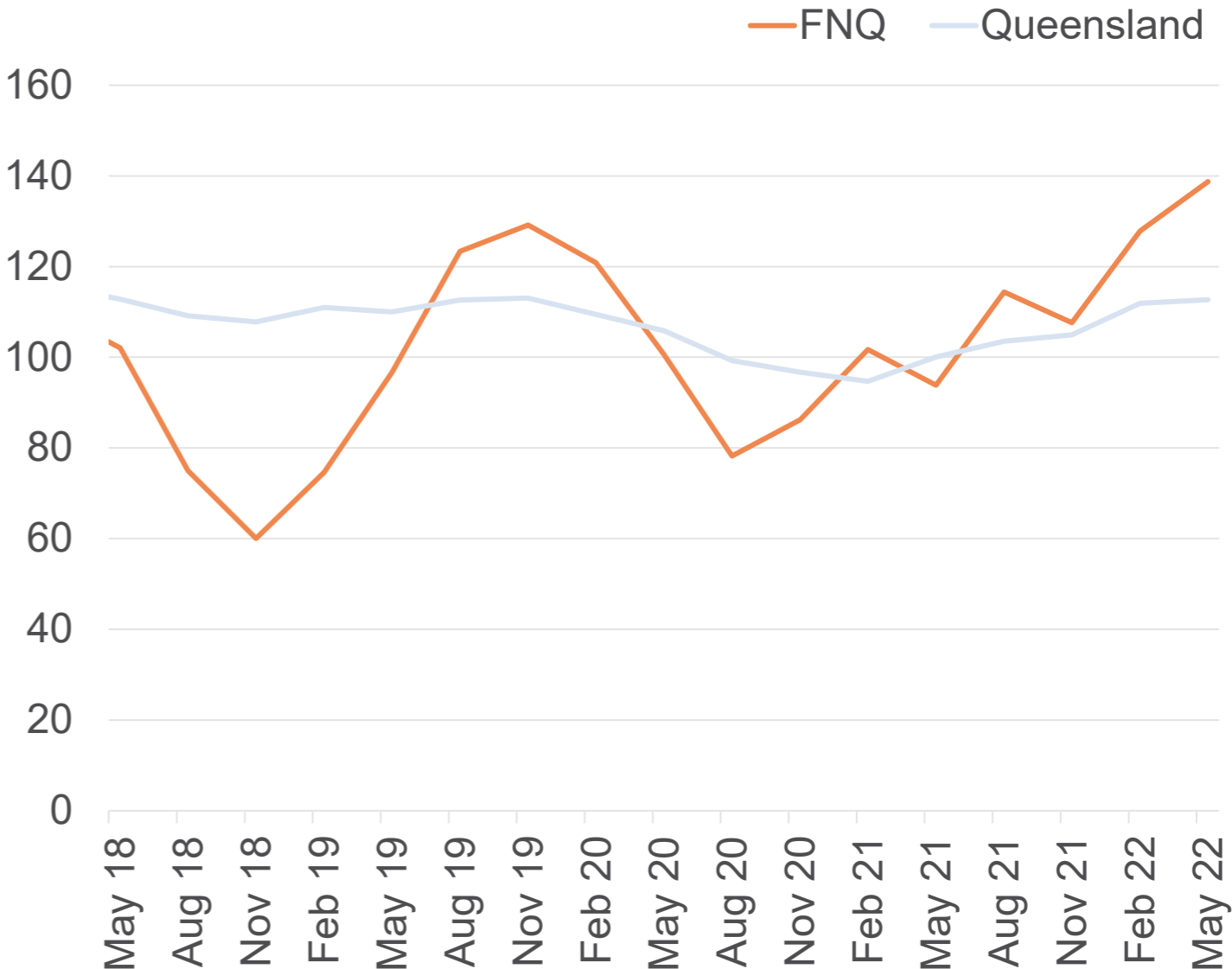
* Probably

Labour Market Still Tight

Job advertisements index, construction trades



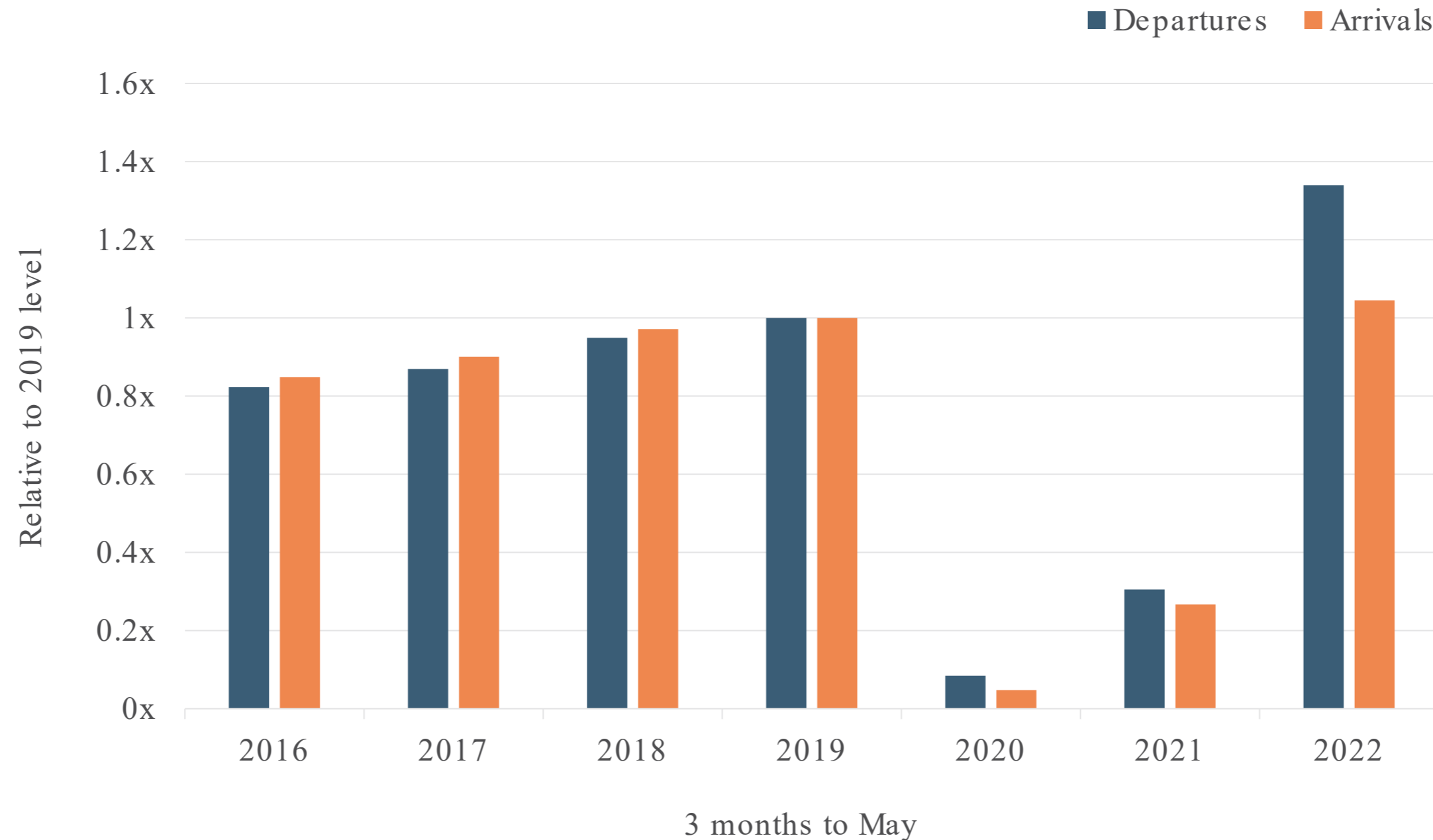
Employment index, construction trades



Source: NSC, ABS

The Problem Is *Emigration*

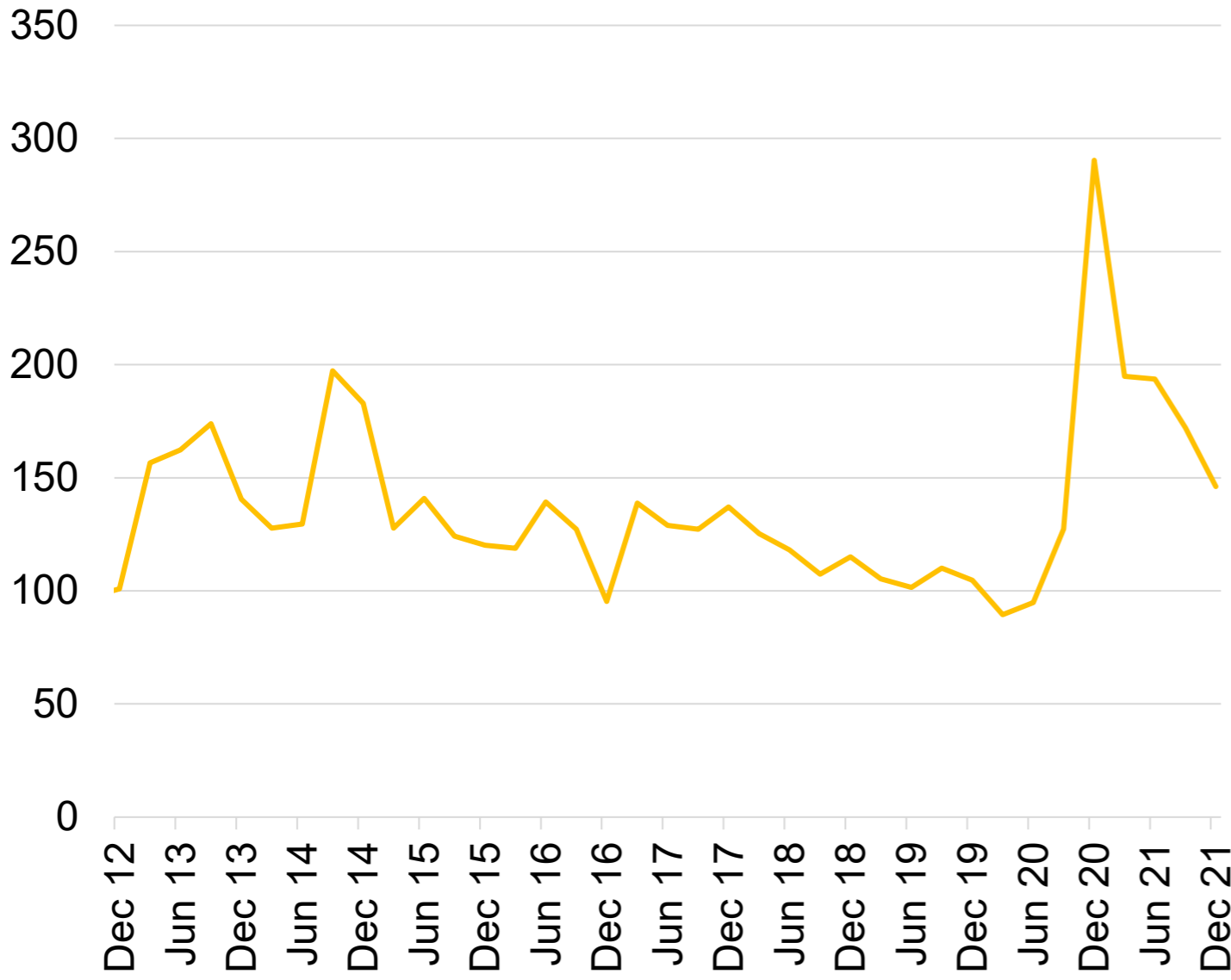
Overseas migration, permanent and long-term, Australia



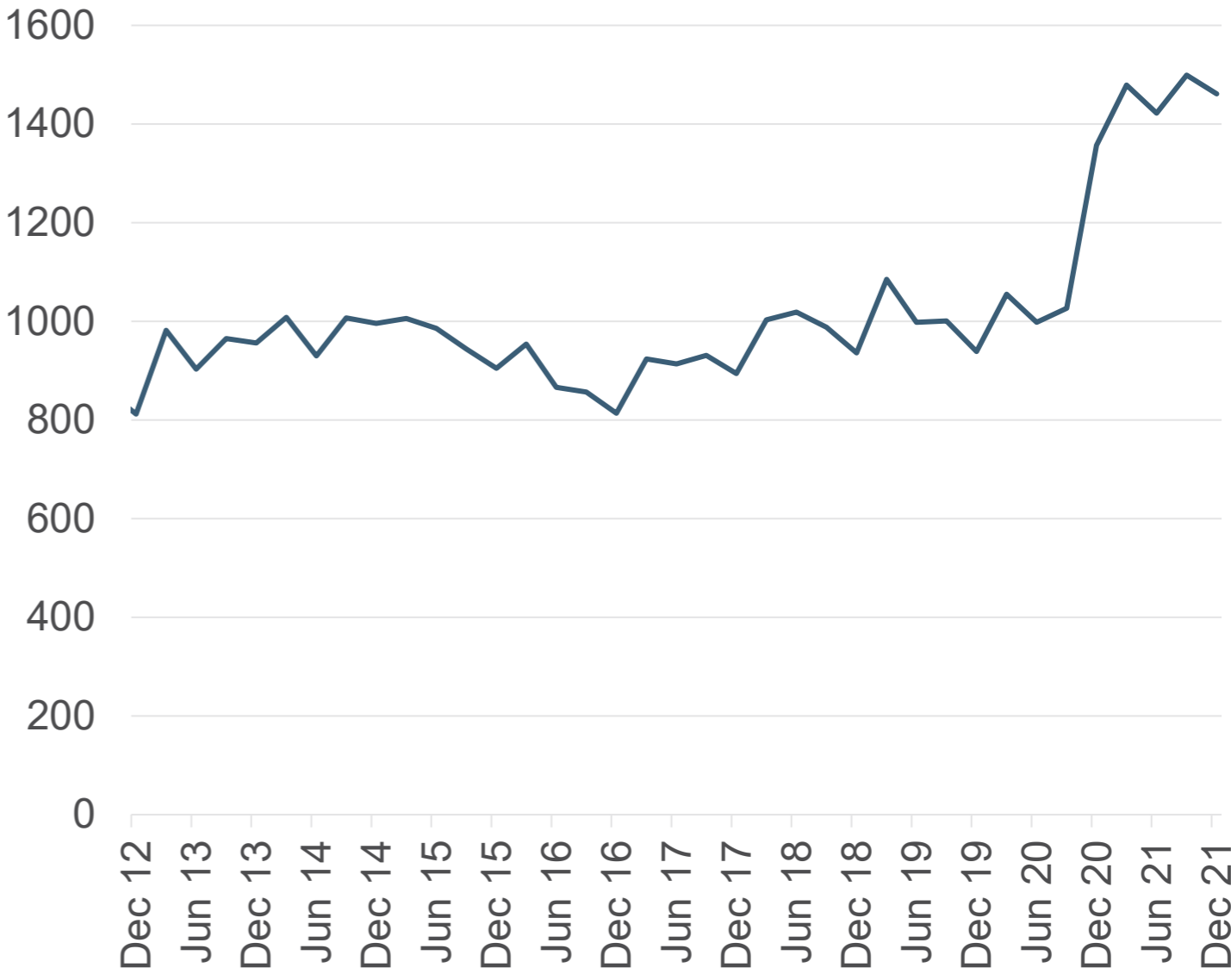
Source: ABS

The Silver Lining

Construction apprentice commencements, FNQ



Construction apprentices in-training, FNQ



Source: NCVET, CSQ



Profits and Insolvencies

Construction gross profit margins, Australia

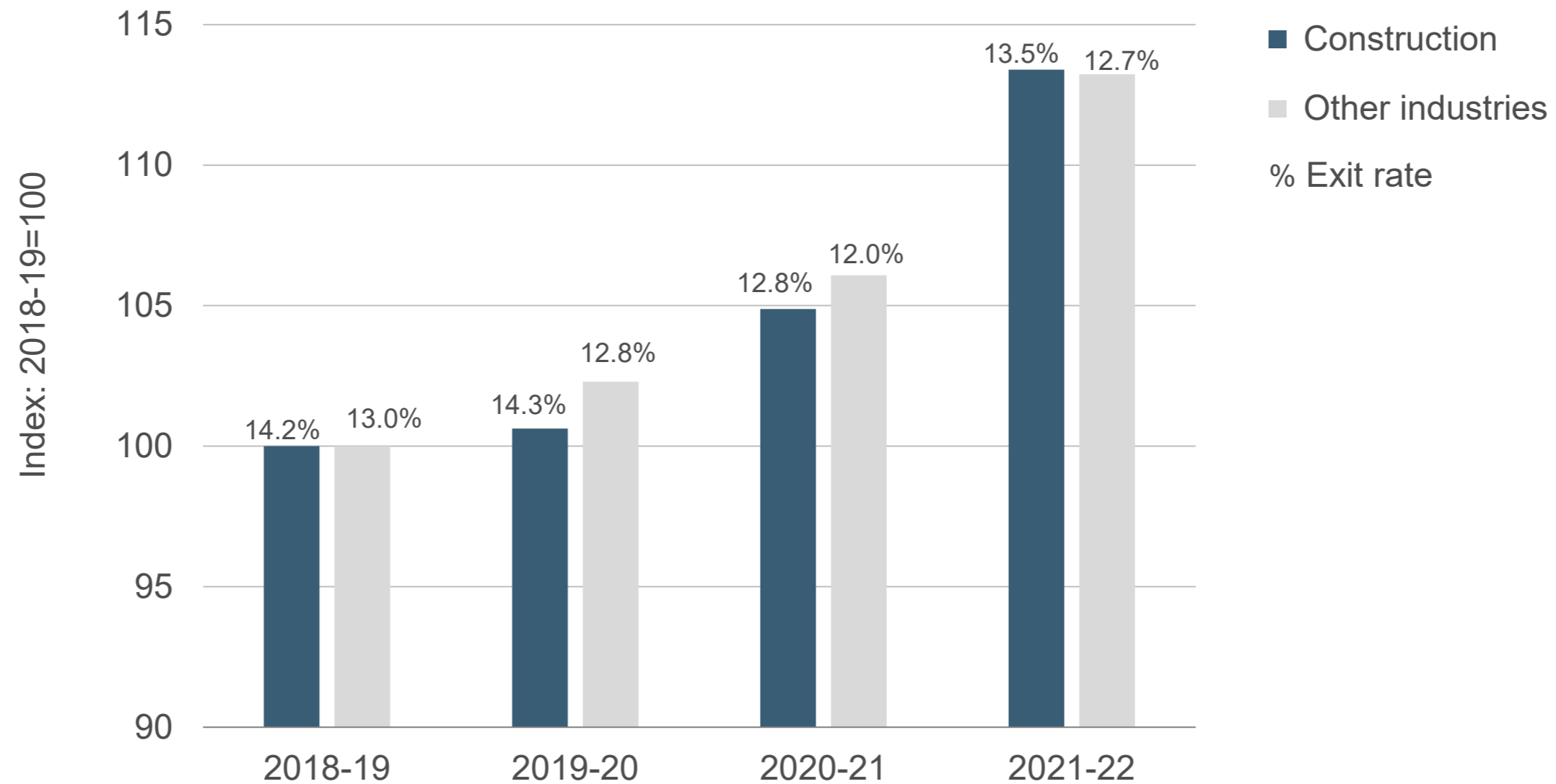


Construction industry insolvencies, Queensland



Business Is Booming

Number of businesses operating at end of financial year, Australia



Thank You