

About the department

Vision

A thriving and inclusive Queensland, where the economy, industry and communities prosper.

Mission

To improve productivity and quality of life in Queensland by leading economic strategy, industry development, infrastructure and planning, for the benefit of all.

Strategic objectives

This report includes Program Highlights against strategic objectives. The Program Highlights are presented in two parts. Part A incorporates the strategic objectives of the former Department of State Development, and Part B incorporates the strategic objectives of the former Department of Infrastructure, Local Government and Planning, as listed.

Department of State Development

1. Create an attractive investment environment
2. Facilitate a pipeline of strategic projects
3. Advance regional communities
4. Lead strategic development of priority industries

Department of Infrastructure, Local Government and Planning

1. Economic, social and environmental benefits for Queenslanders
2. Resilient, strong and sustainable rural communities
3. Greater liveability and connectiveness in coastal and hinterland communities
4. Prosperous and vibrant cities and urban places

The department

The department combines the functions of the Office of the Coordinator-General, Manufacturing and Industry Development, Industry Partnerships, Major Projects and Property, Regional Economic Development, Infrastructure Policy and Planning, Planning, Economic Development Queensland, and Market-Led Proposals. It also incorporates the Office of the Queensland Government Architect.

Our people are committed to furthering the economic potential of Queensland by working with the private sector, local government and regional communities to attract and stimulate investment; diversify the economy, both broadly and within the regions; and to plan and develop thriving, resilient and liveable communities.

Our objective is to provide a workplace culture that champions and is committed to high performance, employee development and empowerment, business improvement, collaboration, and workforce flexibility; and to have leaders who are open and transparent, who model the public service values, and manage change to get the best out of people to deliver on our strategic objectives.

Headquartered at 1 William Street, Brisbane, the department includes a network of 11 regional offices that work directly with local industry, stakeholders and governments. Our regional office locations are listed in Appendix 3.

Machinery of Government changes

As a result of Machinery of Government (MoG) changes that came into effect on 12 December 2017, the former Department of State Development was renamed the Department of State Development, Manufacturing, Infrastructure and Planning.

Incoming and outgoing divisions or functions

The following table outlines those divisions or functions that joined the department and those that left.

Joined the department	Left the department
Infrastructure Policy and Planning, from the former Department of Infrastructure, Local Government and Planning – 12 December 2017	Special Projects Unit to the Department of Innovation, Tourism Industry Development and the Commonwealth Games – 12 December 2017
Planning from the former Department of Infrastructure, Local Government and Planning – 12 December 2017	Priority Ports to the Department of Transport and Main Roads – 21 December 2017
Office of the Queensland Government Architect from the former Department of Infrastructure, Local Government and Planning – 12 December 2017	
Liaison point for South Bank Corporation – from the former Department of Infrastructure, Local Government and Planning – 12 December 2017	
Economic Development Queensland, from the former Department of Infrastructure, Local Government and Planning – 12 December 2017	
Market-Led Proposals, from Queensland Treasury – 12 December 2017	



Image: Queensland Government graduates Matthew Parsons, Nicole Scharf, Alex Marinovic, Hannah Surridge, and department graduate supervisor Shane Steele

Operating environment

Queensland economy

The Queensland economy is continuing to transition from a period of growth—driven largely by a historical resources investment boom led primarily by the liquefied natural gas (LNG) industry—towards more broad-based growth.

While traditional sectors of economic activity such as mining hold a positive outlook and will remain significant components of the state's economy going forward, continued diversification is vital to support and achieve sustainable economic growth, drive job creation and boost the living standards and quality of life for all Queenslanders.

There are positive signs for the Queensland economy and its regions in terms of employment, exports, business confidence, major project investment pipeline, and the overall macroeconomic outlook.

The Queensland economy grew by 2.5 per cent in 2016–17, a result somewhat tempered by the impact of Severe Tropical Cyclone Debbie. However, overall growth in the state economy is expected to strengthen to 2.75 per cent in 2017–18, before accelerating further to 3 per cent in 2018–19. This forecast growth in Gross State Product primarily reflects a rebound in business investment and a recovery in coal exports.

Queensland's economy has recorded 21 consecutive months of employment growth through to June 2018, with growth over the year to the June quarter 2018 estimated to be 2.75 per cent, the strongest jobs growth in a decade. The state's unemployment rate currently sits at 6.1 per cent, with additional jobseekers encouraged by strong employment growth entering the labour market resulting in a sharp rise in the participation rate.

These favourable labour market conditions have seen the state's unemployment rate stabilise in the short-term, with the unemployment rate forecast by Queensland Treasury, to remain relatively unchanged over the next year. However, stronger domestic activity is expected to see the unemployment rate decline to 6 per cent in subsequent years.

Data from the National Australia Bank's Monthly Business Survey shows Queensland businesses have been among the most confident in the nation over the past two years, with the state consistently trending above corresponding business confidence levels for Australia overall.

This positive economic outlook for the state provides a highly conducive environment for the investment attraction and economic development activities in which the department plays a key role.

Investment

In terms of the total major project investment pipeline, Queensland continues to lead the nation, according to the most recent Deloitte Access Economics *Investment Monitor*. It identified a total of approximately \$166 billion in definite and planned projects in Queensland, as at the June quarter 2018. This total investment figure is more than \$16 billion higher than the next largest state or territory total (New South Wales).

Business investment has rebounded strongly in 2017–18, to be a key driver of economic growth. The recovery was initially driven by spending on machinery and equipment, but has since become broader-based, with improved business conditions and ongoing growth in tourism and education exports supporting a recovery in non-dwelling construction.

Industry

Over the year to the June quarter 2018, Queensland experienced strong employment growth in several industries, most noticeably health care and social assistance, with an increase of 39,000 jobs, as well as education and training (14,000 jobs), agriculture, forestry and fishing (10,500 jobs) and construction (9600 jobs). This employment growth reflects the Queensland economy's ongoing gradual shift towards more diversified and services-focused activity and growth, while the state's traditional industry drivers will continue to provide important employment opportunities, particularly at the regional level.

Employment in traditional industries, such as manufacturing (the state's sixth-largest employer at around 170,000 persons), remains strong. Future growth opportunities in Queensland will increasingly be driven by niche markets in advanced manufacturing, including exports.

This is why the department is supporting and enabling advanced manufacturing as a priority industry sector.

The value of Queensland's exports has grown strongly. For the year ending June 2018, Queensland's overseas goods exports increased by 11.5 per cent (\$7.6 billion) to a total of \$74.1 billion in nominal terms, compared with an increase of 8.0 per cent nationally over the same period. Coal, meat, crops, minerals and LNG exports, the bulk of which are produced in regional Queensland, were significant drivers of this result.

Regional Queensland

Regional Queensland is vital to the state's economy, generating economic activity and growth across a variety of industries, most notably agriculture, forestry and fishing, mining and tourism.

The latest regional labour force data shows several regional economies throughout the state performing strongly. For June 2018, regions such as Mackay (3.4 per cent), Darling Downs – Maranoa (4.9 per cent) and Toowoomba (5.1 per cent) had unemployment rates noticeably below the overall state unemployment rate.

Additionally, several regions experienced large decreases in their unemployment rate over the year to June 2018, including Queensland – Outback (down 2.4 percentage points), Mackay (down 2.0 percentage points), Townsville (down 0.6 percentage points), and Toowoomba (down 0.6 percentage points).

Several regional economies also experienced strong employment growth over this same period, with the most notable being Townsville (employment increase of 9300), Mackay (5700), Cairns (1300), Wide Bay (600) and Toowoomba (400).

Acknowledging risk

The department acknowledges and manages risk in the development and implementation of strategies as it leads economic strategy, industry development, infrastructure and planning for the benefit of all communities. Areas of strategic risk focus include:

- proactively identifying factors that could impact the department's ability to deliver projects and programs
- acknowledging, as part of risk management, the potential impact from the global and national economic environment on strategic objectives
- ensuring the department's relevance and impact through strong engagement with industry sector stakeholders in the delivery of economic development outcomes
- supporting medium-to-long term economic strategies and strong engagement with diverse industries
- maintaining a strong workforce with capacity and capability aligned to strategic objectives
- ensuring a robust governance framework.

^ 11.5%
overseas
exports

