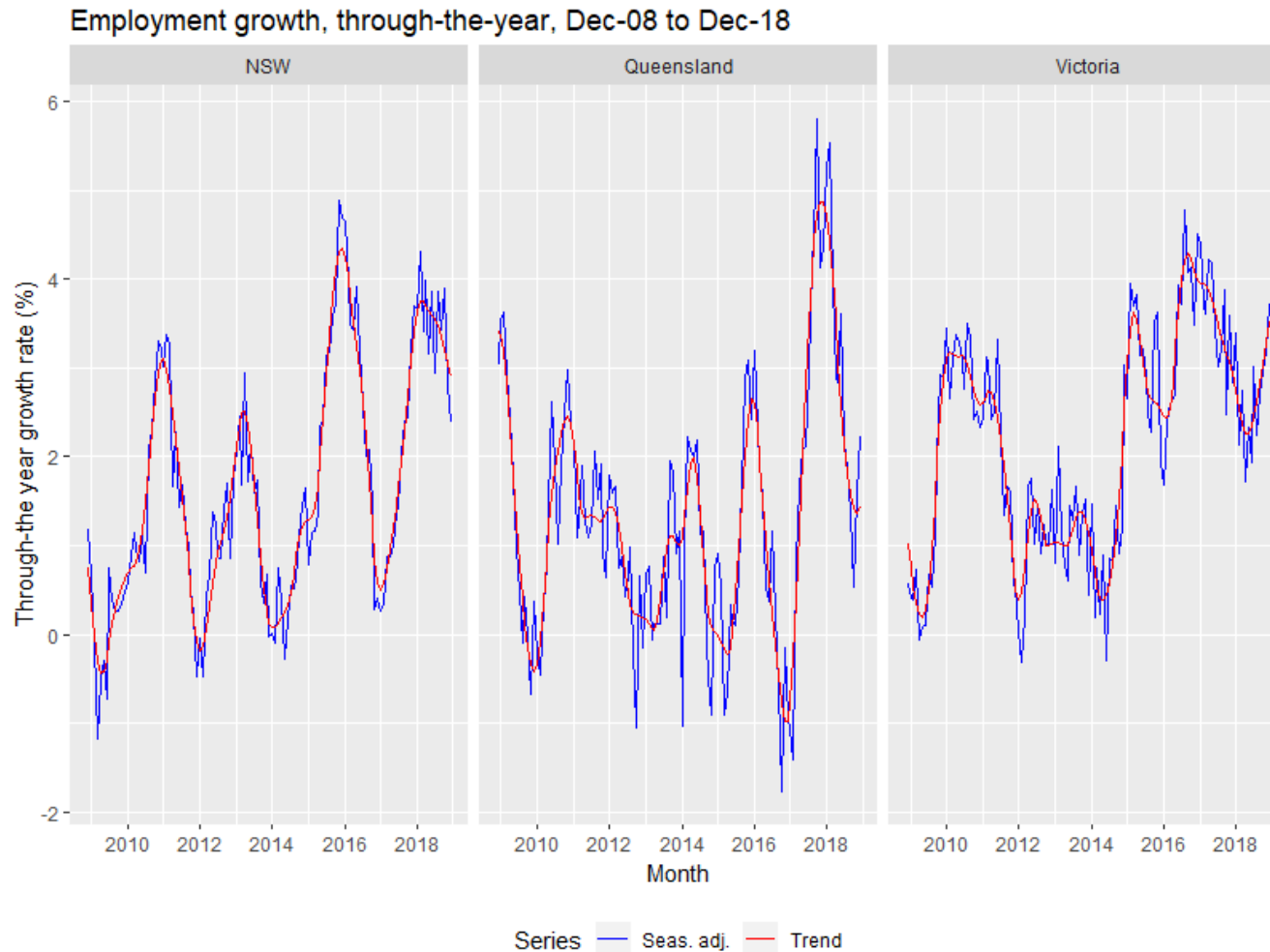


Qld's economic outlook in a time of high state debt, Trump & Brexit

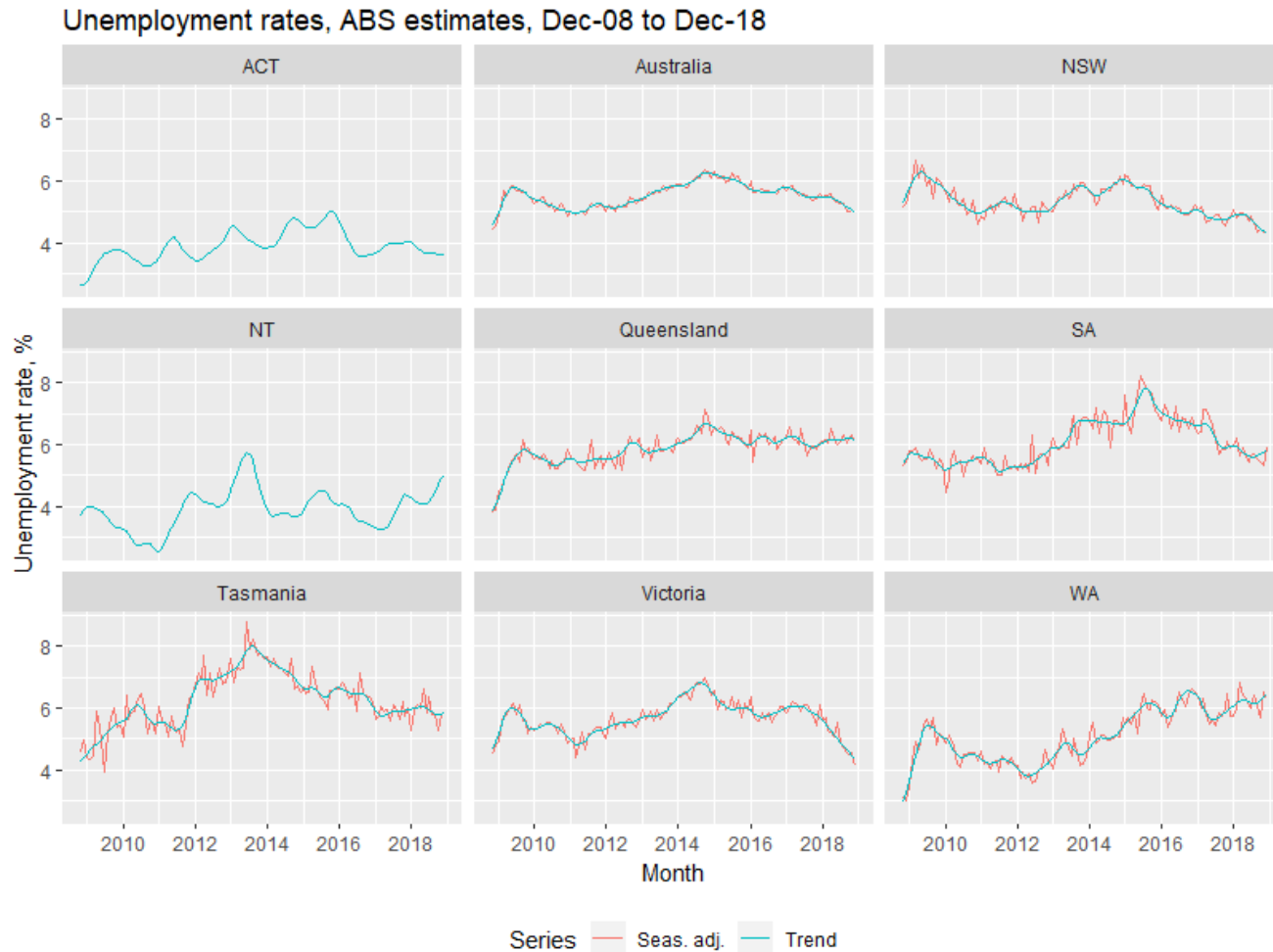
Gene Tunny, Director,
Adept Economics



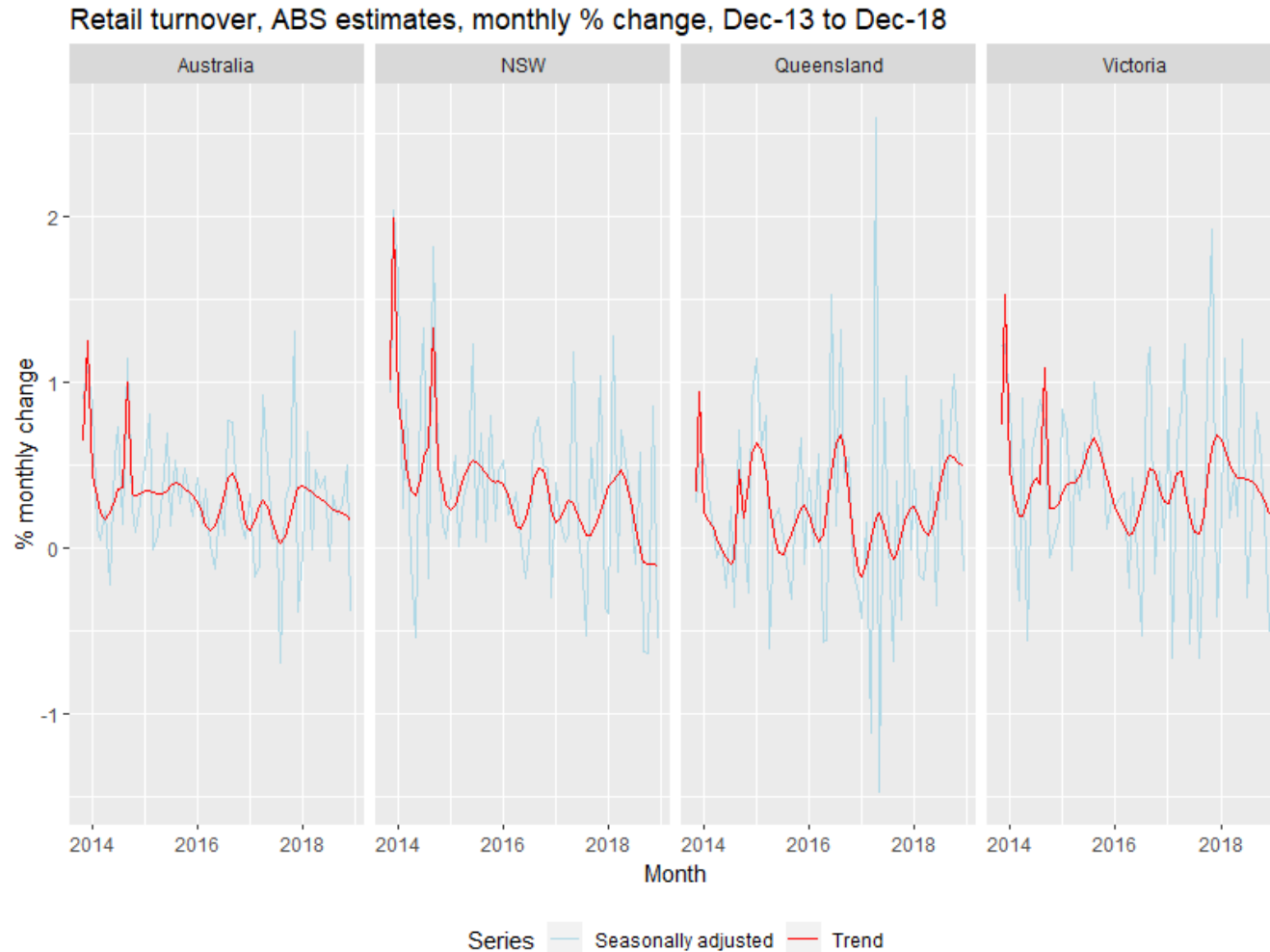
Employment growth fell back in 2018 after strong 2017



Qld unemployment rate 2nd highest in Australia

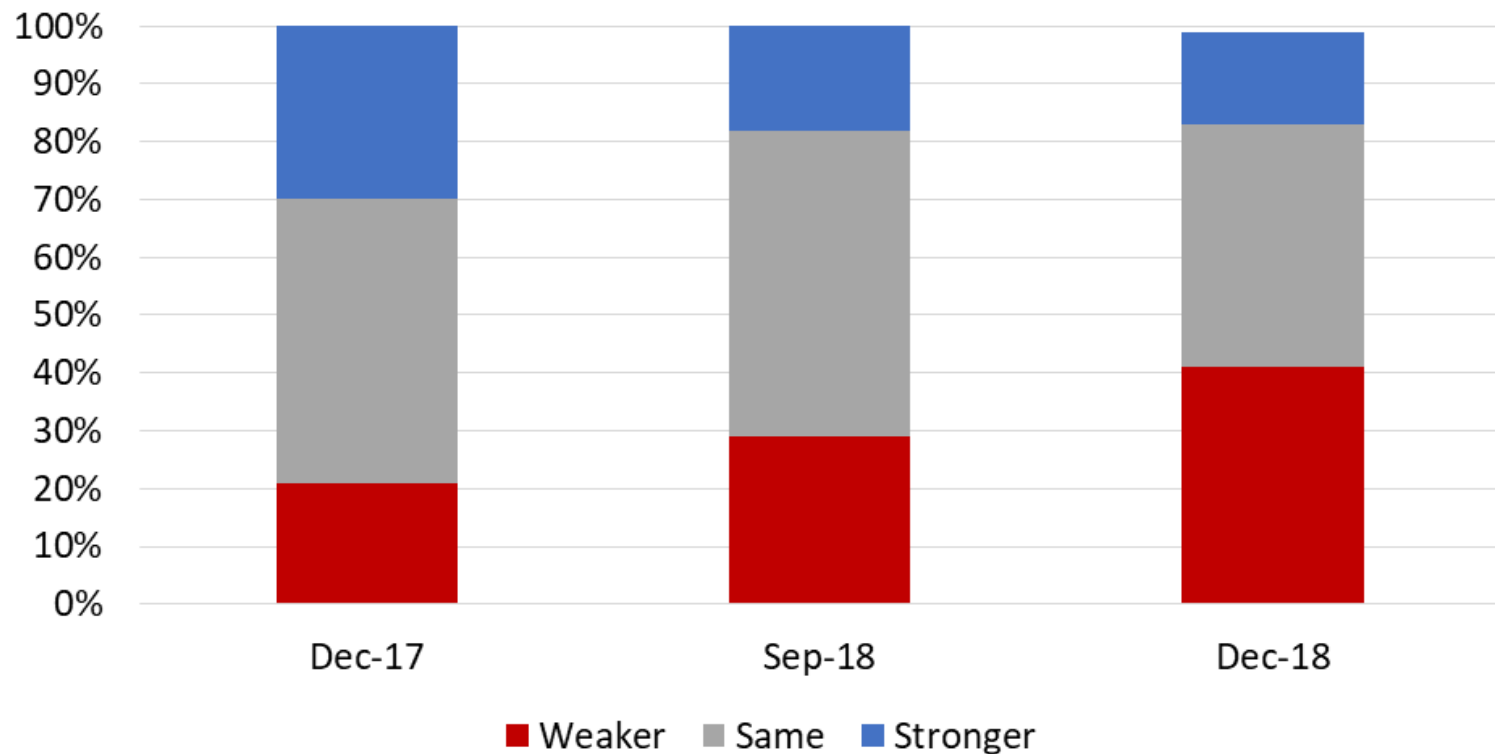


Retail trade was disappointing in December

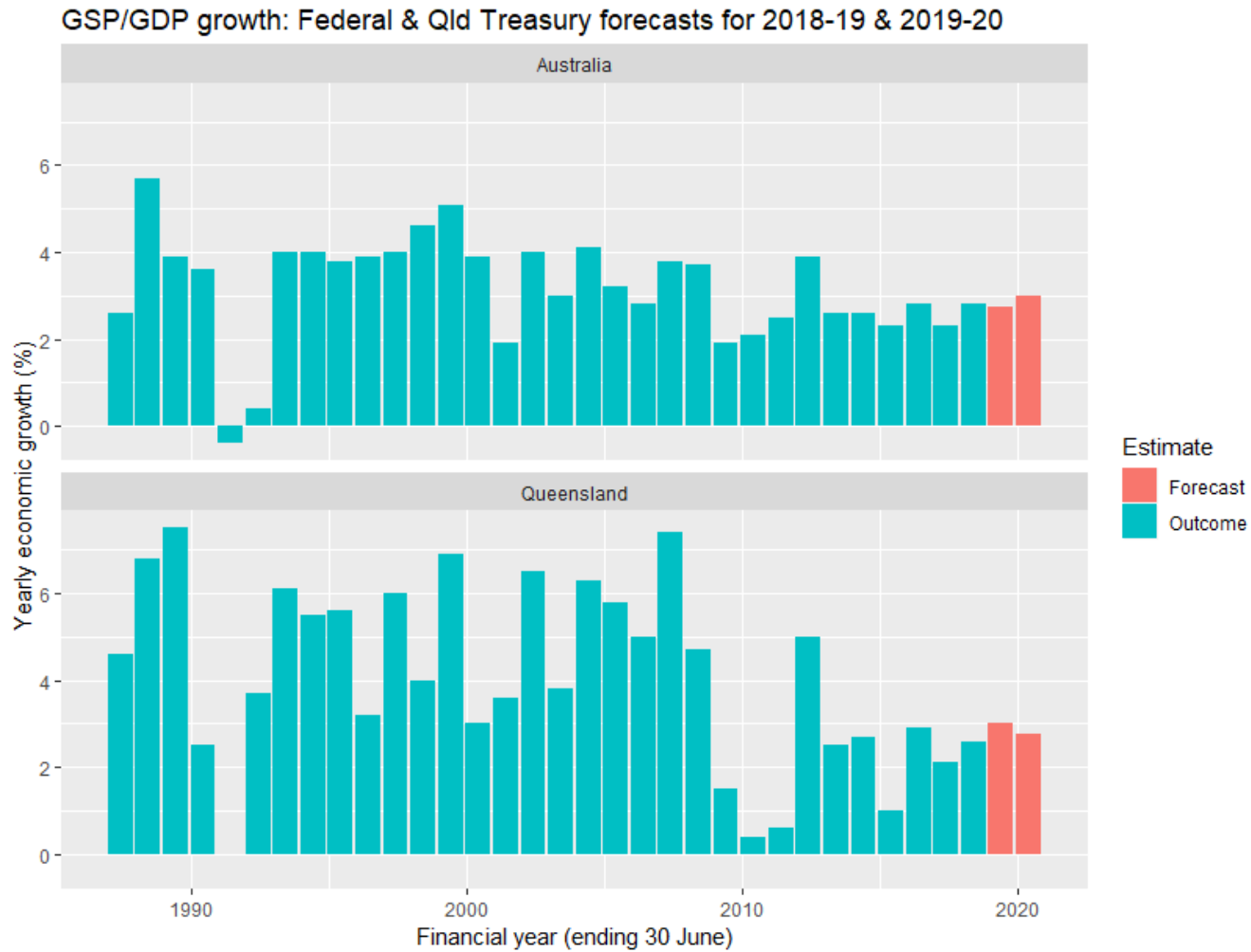


Business confidence has declined

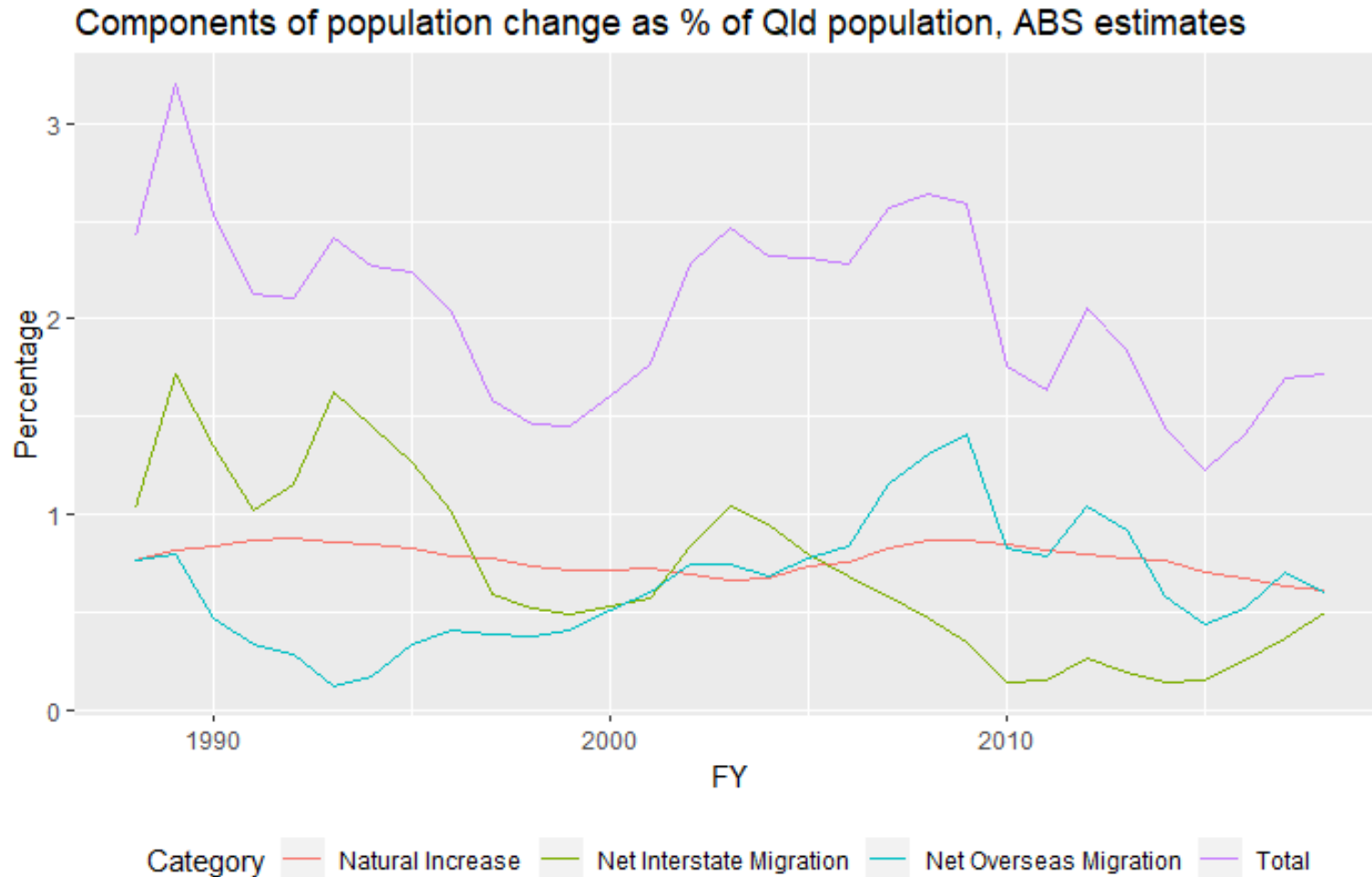
Suncorp CCIQ Pulse survey: How do you expect the Qld economy to perform over the next 12 months?



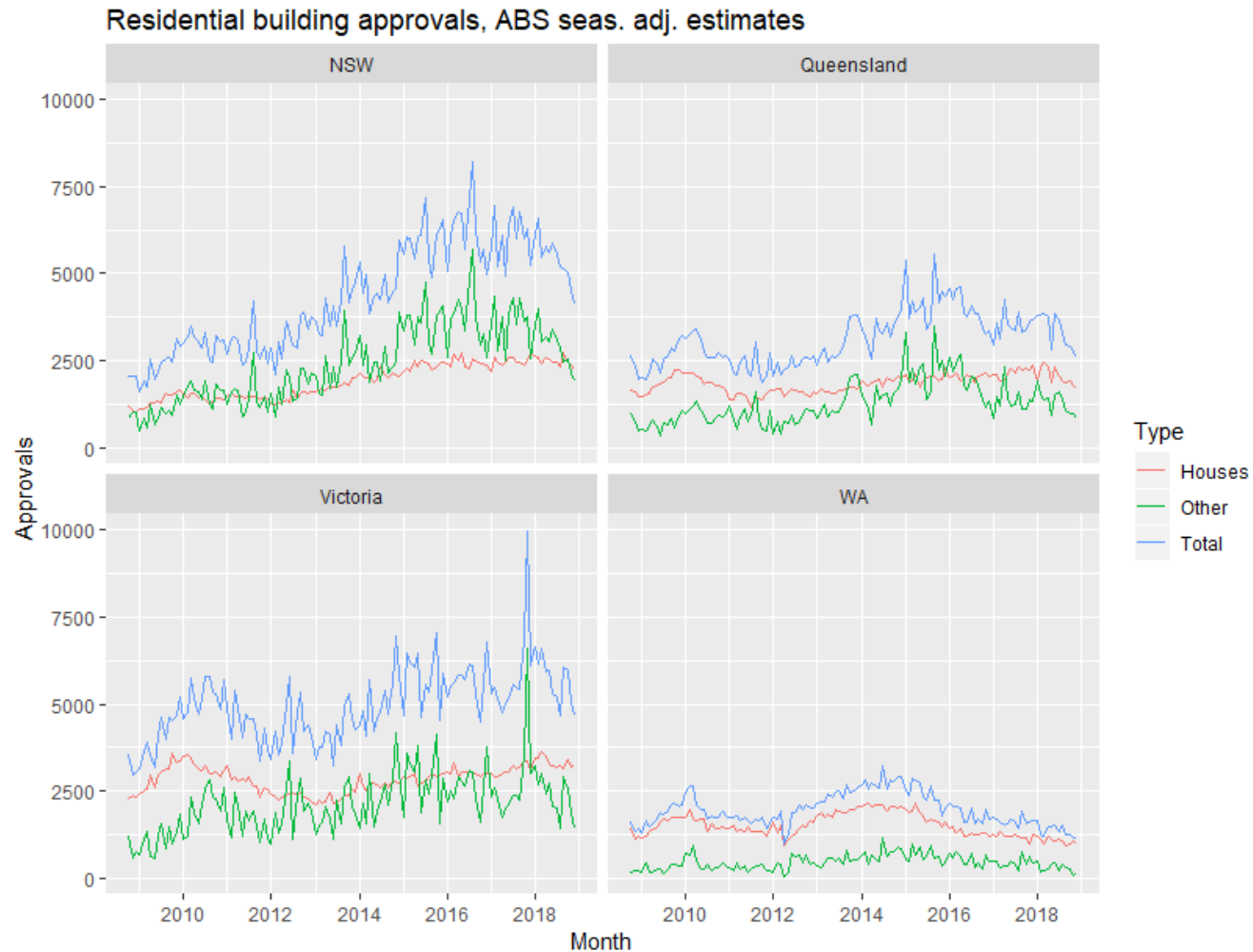
Qld economic growth projected to be modest



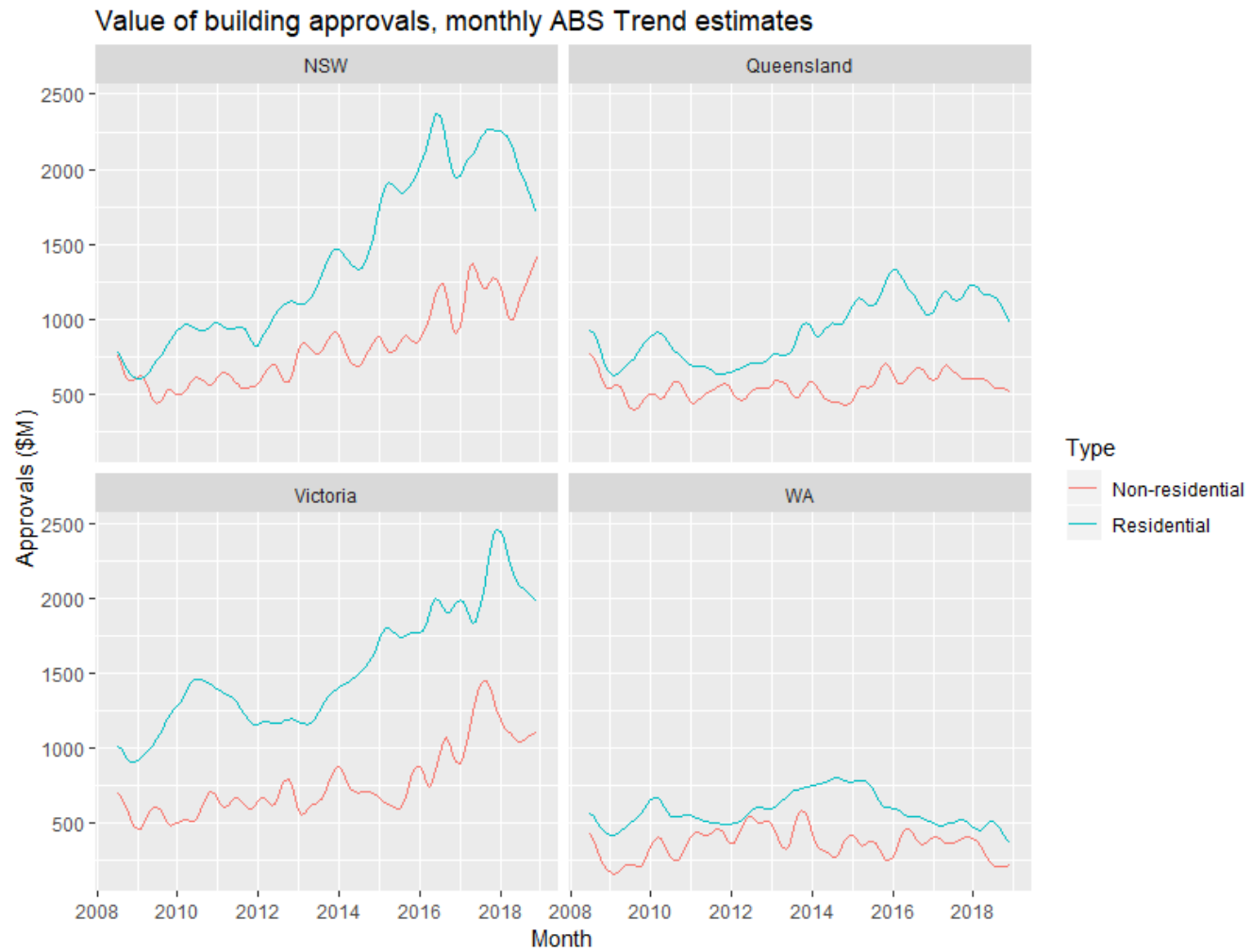
Don't get too excited about net interstate migration yet



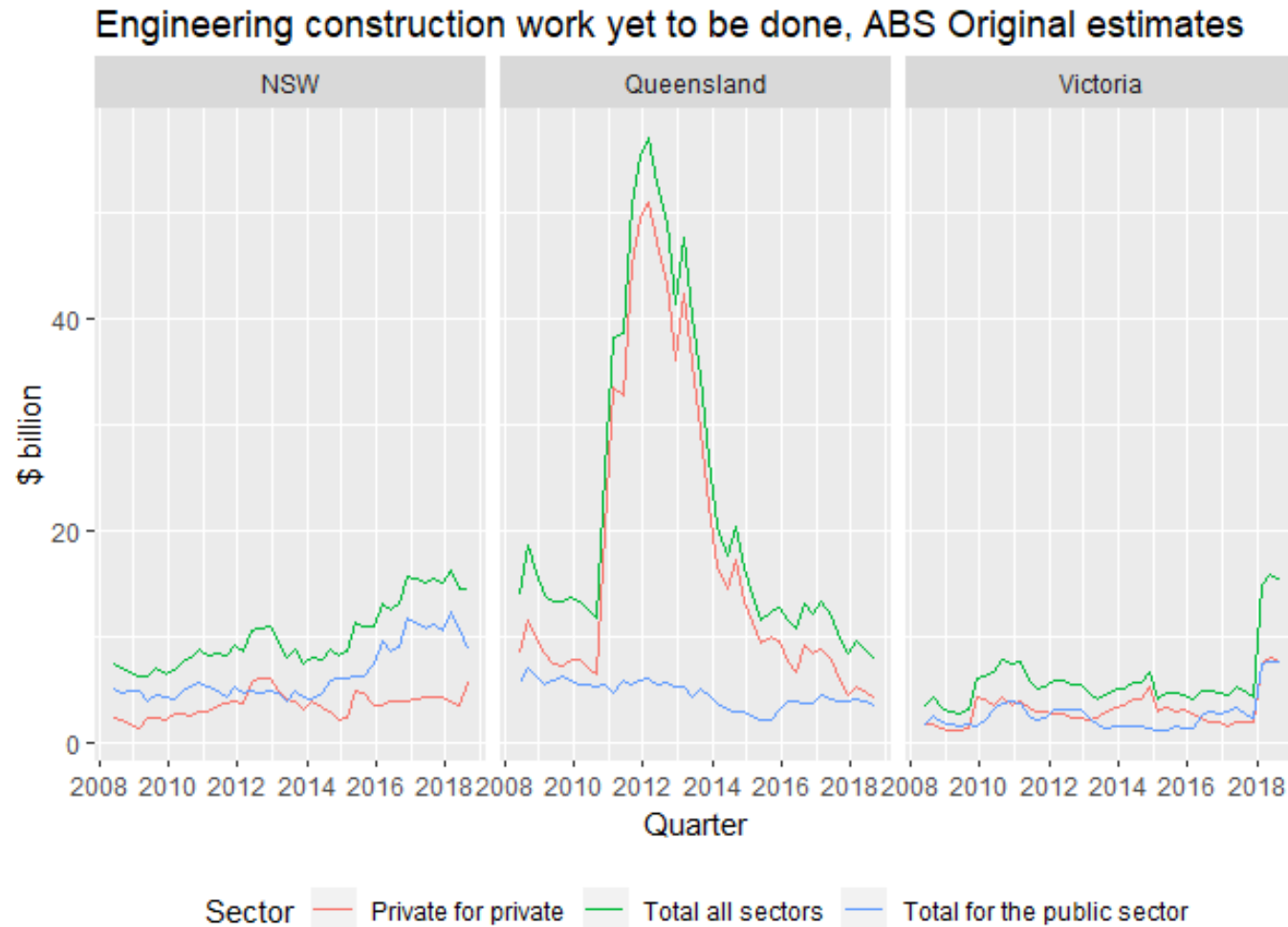
Residential building approvals have been trending down



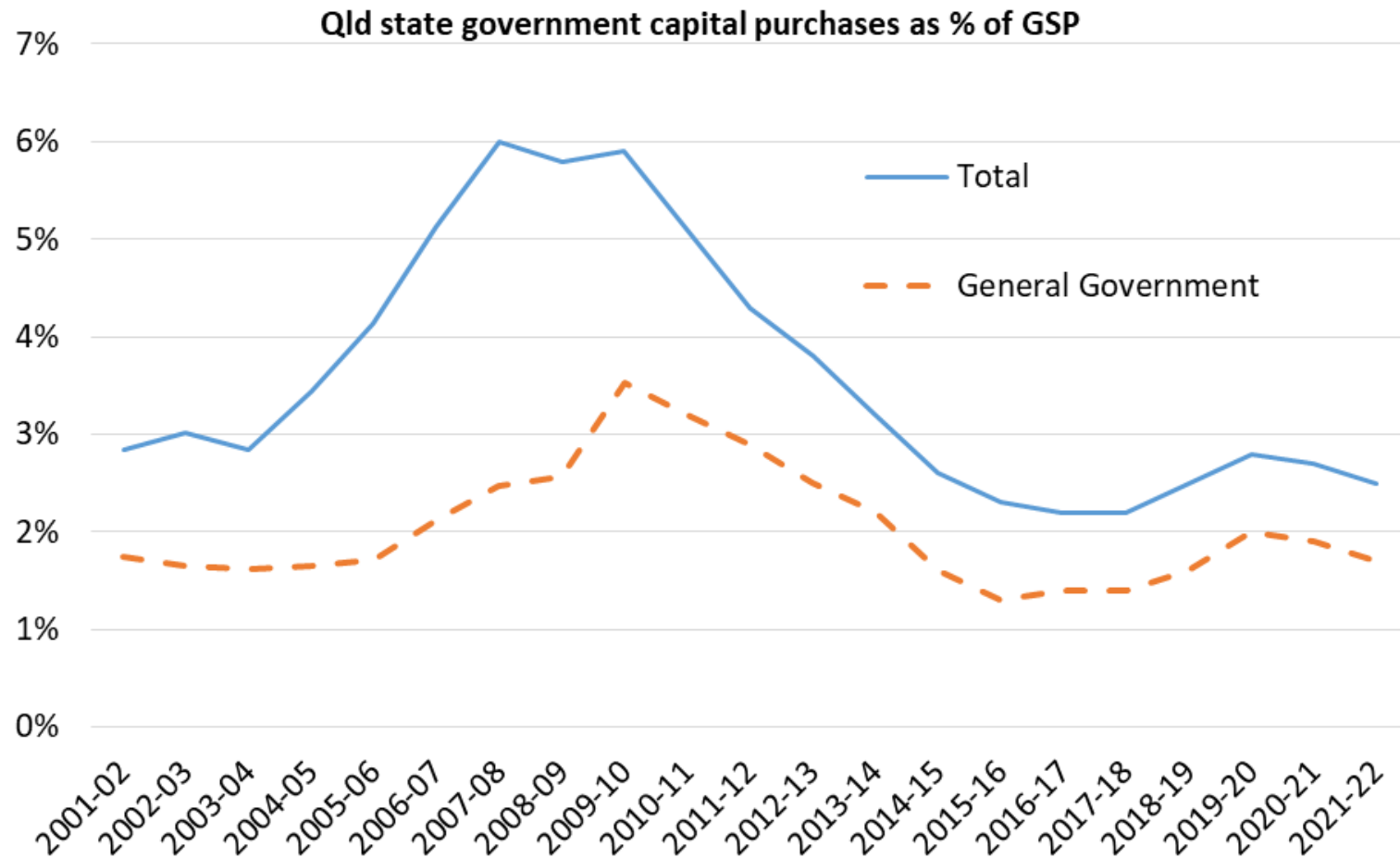
Non-residential approvals down too in Qld



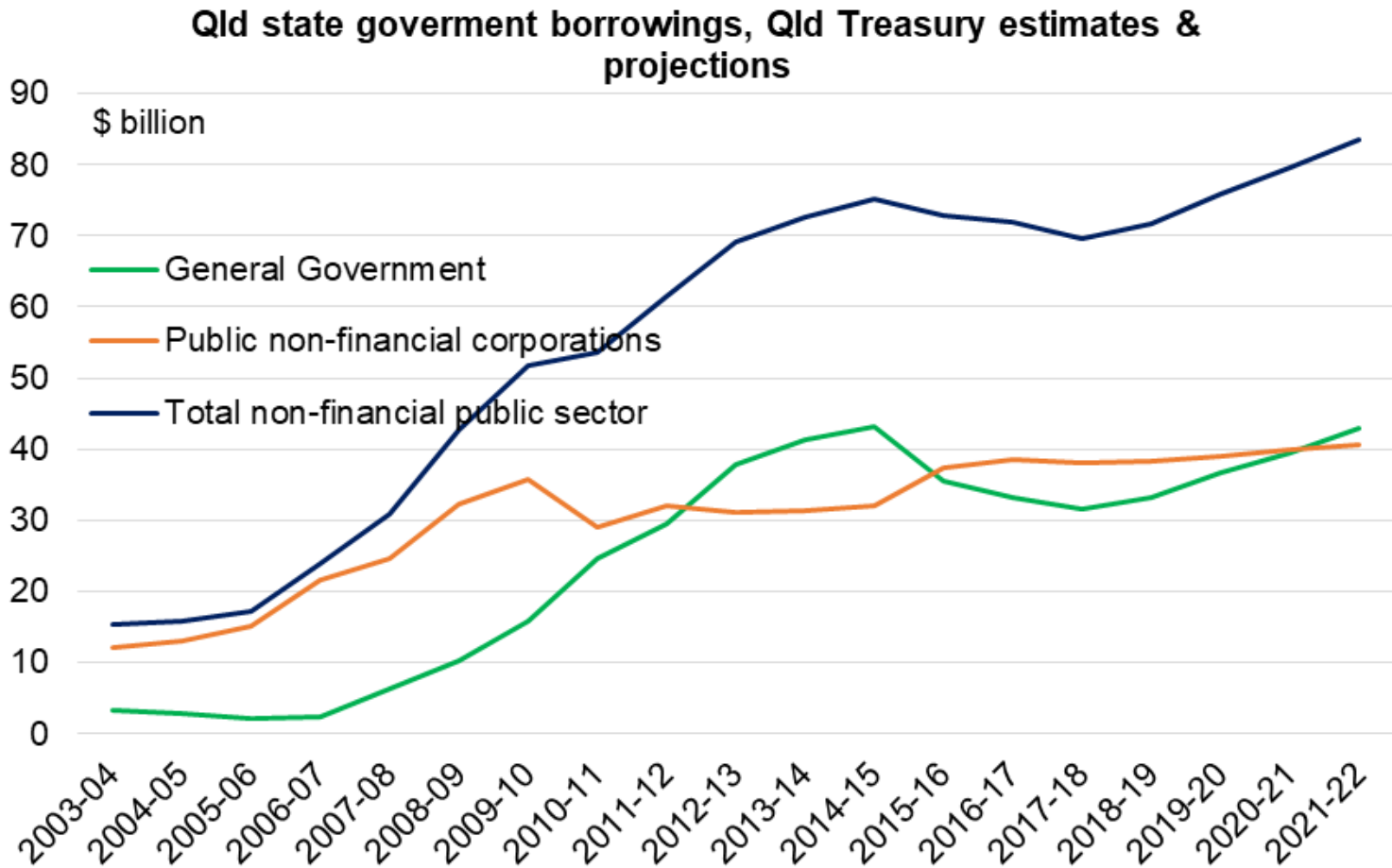
Infrastructure pipeline not gushing



“That don’t impress me much” - Qld \$46bn capital works program over four years



Qld gov't is constrained by high state debt...Jackie Trad is waiting for the Shorten gov't to provide \$\$\$

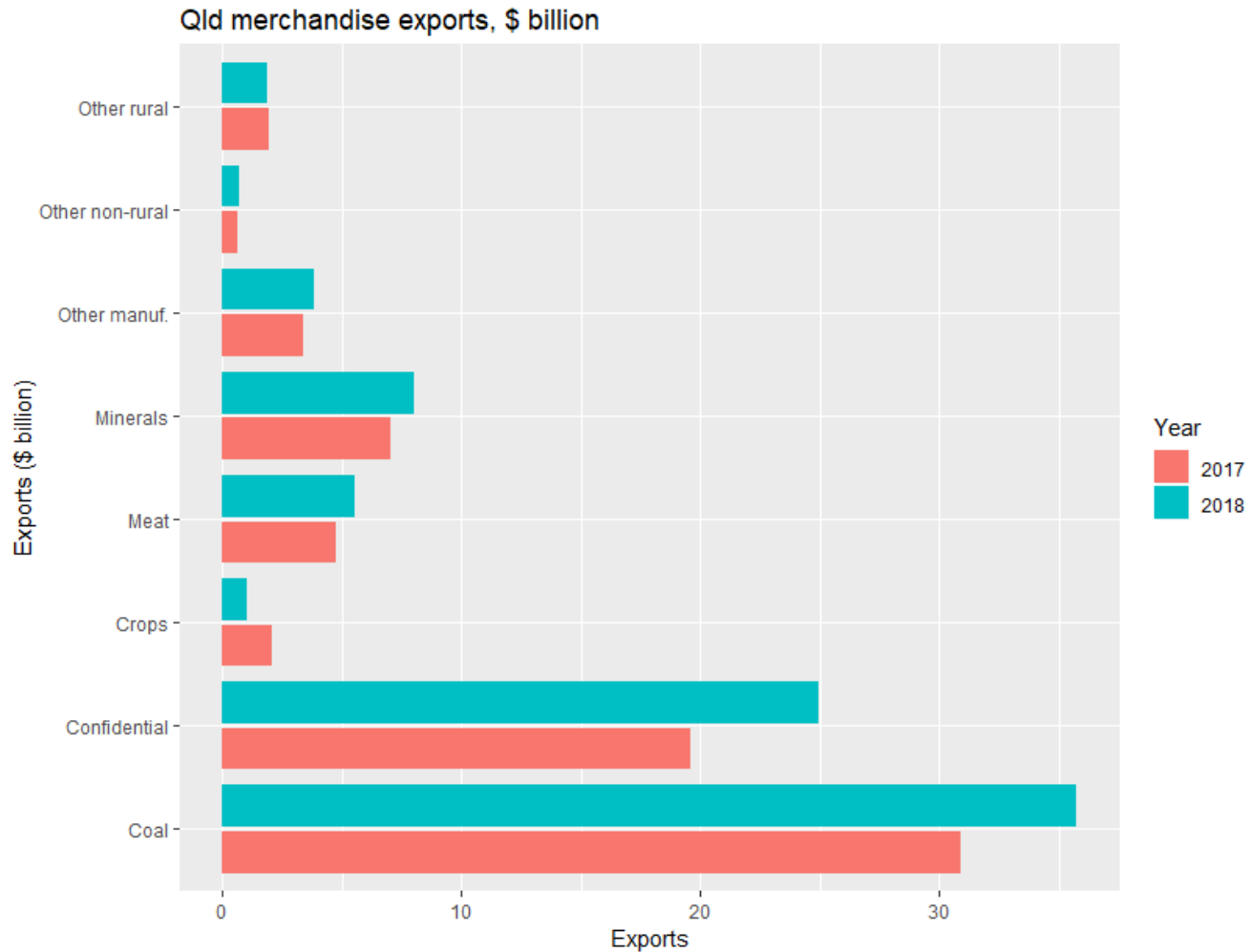


Any good news?

Yes. Tourism and mining are hot.

- Last week coking coal price was up 3% to be back over US \$200 at nearly US \$203/tonne
- Total Qld merchandise exports at \$82bn p.a. compared with \$50bn two years ago!
- International visitors' spending nearly \$6bn p.a. in Qld, growing at 11-12% p.a.

Coal & LNG (in confidential category) making huge contributions to exports

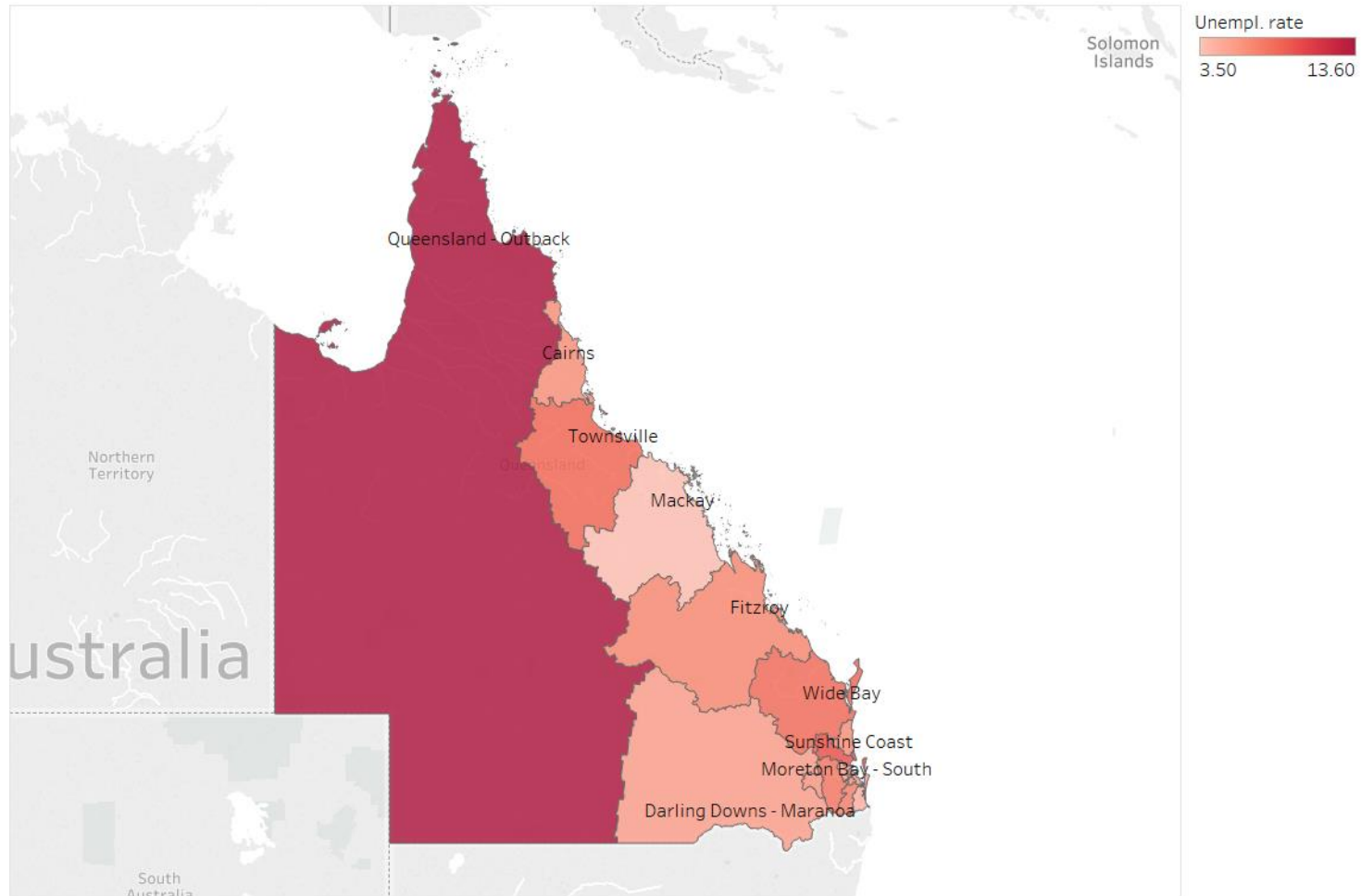


Health care/social assistance and education are major job creators...and manufacturing has continued recovery



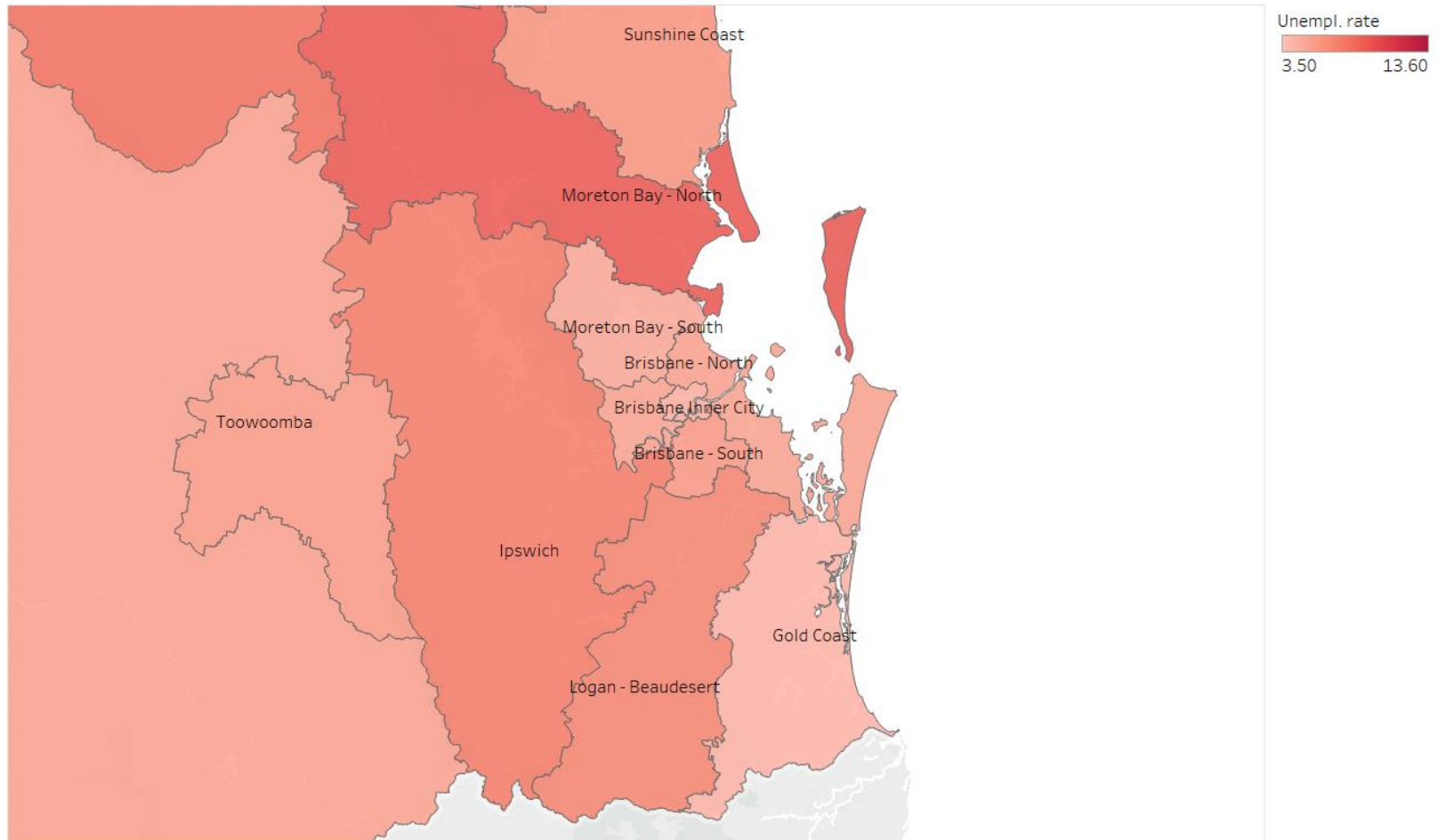
Some regional areas have been struggling for several years...but some e.g. Mackay have bounced back nicely

Qld regional unemployment rates, Dec-18

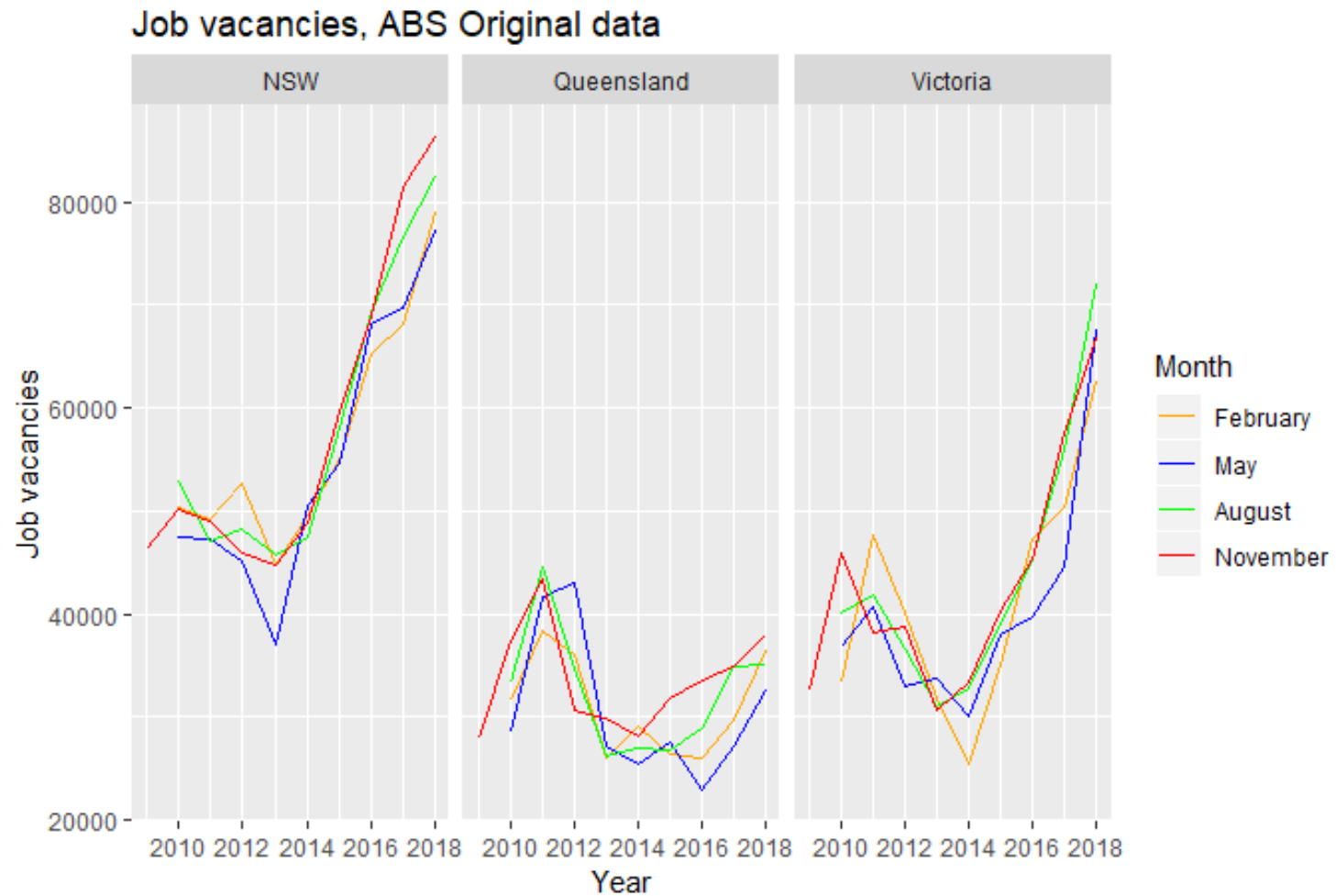


Brisbane has been doing fine, GC very well

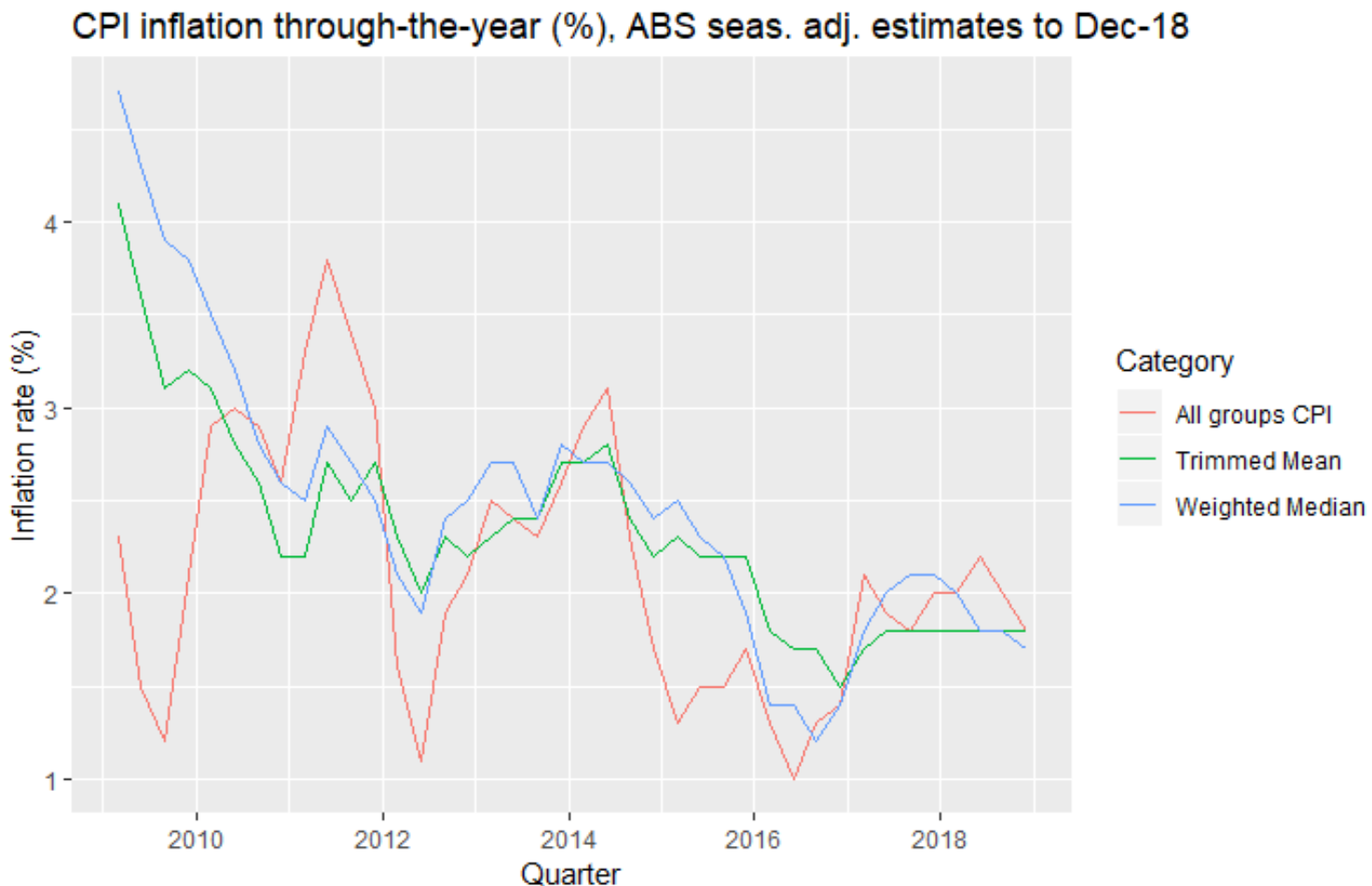
SEQ regional unemployment rates, Dec-18



Job vacancy data suggest we shouldn't be too pessimistic

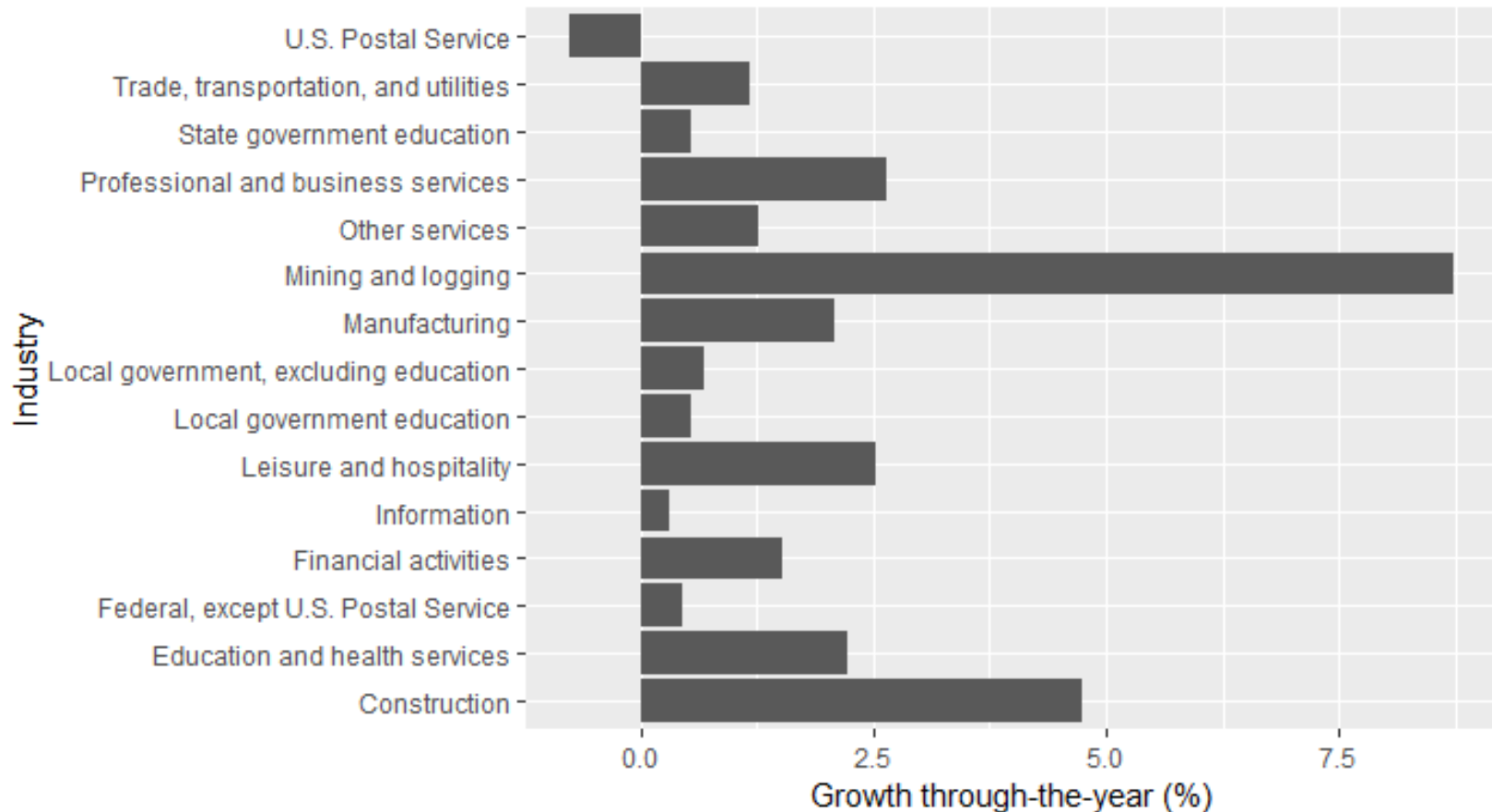


Inflation remains below RBA's 2-3% target band...so interest rates could very well come down later this year



US economy remains resilient...thanks for the fiscal stimulus President Trump

US Employment growth through the year to Jan. 2019,
BLS seas. adj. estimates



Policies of the
inevitable Shorten
gov't that will
significantly impact
economy

- Abolishing negative gearing for existing properties purchased after implementation date
- Cutting capital gains discount from 50% to 25%
- Abolishing refundable nature of franking credits

Conclusions

- Qld economy definitely not hot
- At best lukewarm
- Infrastructure pipeline not gushing
- Tourism, mining & health/social assistance (i.e. NDIS) are hot though
- Significant risk of global downturn in next two years (although US keeps defying expectations)

Thank you. Any questions?

M +61 (0)409 727 635

W adepteconomics.com.au

E gene.tunny@adepteconomics.com.au

Suite T27, The Johnson
477 Boundary St, Spring Hill 4000

