

**QUEENSLAND PREMIER
ANNASTACIA PALASZCZUK MP
**** CHECK AGAINST DELIVERY ******

**AUSTRALIA CHINA BUSINESS COUNCIL BUSINESS
BRIEFING LUNCHEON**

**SOFITEL HOTEL, BRISBANE
WEDNESDAY 23 MARCH 2016**

ACKNOWLEDGMENTS

**Dr Yong Chen Zhao – Consulate-General of PRC. Thank
you for your assistance with my upcoming trade
mission.**

Kathy Zhang – General Manager, China Eastern Airlines

Stephen Abbott – President, ACBC

Nussara Smith – CEO, ACBC

Dr Neil Carrington CEO of Act for Kids

**And a warm thanks to an old friend of mine Michael
Choi, for his warm introduction. There is no greater
champion of the Queensland-China relationship than
Michael.**

Introduction

Thanks for the opportunity to speak to you today.

I would like to start by congratulating the Australia China Business Council as you enter your 45th year of promoting prosperity and friendship between our two nations.

That prosperity and friendship has always had its basis in mutually beneficial business opportunities.

It was a business decision that brought the first Chinese people to Queensland when six men emigrated here in 1847 to become shepherds for Darling Downs farmers battling a labour shortage.

For the almost 170 years since, people from China have continued to travel to Australia seeking new opportunities – chasing prosperity and ultimately deepening our friendship.

I believe the forces of fortune are smiling on us.

With a fresh, innovative outlook on how we do business, backed by liberalised trading conditions under the China-Australia Free Trade Agreement, we are on the verge of a new era of long-term mutual opportunity.

This agreement makes 95 per cent of Australian exports tariff free to a market of 1.3 billion people. It is important that the Queensland Government and businesses move quickly to maximise the potential of this historic agreement.

That is why I am travelling to Hong Kong next month as the first Queensland Premier to visit as a guest of government, before travelling on to Beijing, Chengdu and Shanghai to promote Queensland at Australia Week in China at the invitation of the Prime Minister Malcolm Turnbull.

I am looking forward to delivering on new investment opportunities from China and new partnerships in tourism, agriculture, mining, education, science and technology and healthcare.

Last financial year two way trade between Queensland and China exceeded \$18 billion – with China becoming Queensland's single largest trading partner.

I would like to acknowledge at the outset the success of the Australia China Business Council. It is clear that your organisation is delivering results with trade between China and Queensland increasing by a staggering 60% over the last five years.

I have been invited to speak to you today about some of my government's achievements since our election last year and – importantly – the actions we will take to ensure Queensland businesses can look forward to sustained economic growth.

BACKGROUND

All of us here today share a common goal of creating the wealth that will make Queensland a better place for everyone fortunate enough to live and work here.

My Government's role is to make sure you can get on with business with the least impediments and the most encouragement.

We're cutting red tape and spending record amounts to upskill the workforce.

We are in the business of creating jobs and the best way we can do this is to listen to groups like your council.

We want to make it easier to do business in Queensland to help create jobs in the best interests of Queensland.

In the past year we have shown we can do just that.

Our legislative program has been measured and methodical.

Since we were elected, we have debated 44 Bills in the Parliament and all have successfully progressed into law.

The unemployment rate has fallen from 6.6% to 5.9%.

We have overseen an economy that has created over 70,000 jobs.

That's more than double what was created during the previous three years.

Despite the worst drought in Queensland history and resource markets dropping to savage lows, we have delivered a Budget surplus and released our \$35 billion State Infrastructure Plan.

On top of that, we've announced a \$500 million priority projects fund, aimed at tackling immediate road and rail challenges across the state.

70% of that fund will be invested in regional Queensland.

Our economic growth is forecast at 4 per cent this year, faster than any other state, and export revenue is up \$5.3 billion on the previous year.

Queensland's LNG industry has shown the nation what can happen when business and government get together to get ahead of the game.

Since 2011, more than \$60 billion has been invested in the LNG industry.

That investment will propel Queensland to be among the world's top four exporters by 2018.

A massive share of that investment – \$10 billion – came from our Chinese partners with the vision to understand that despite low prices right now, this is an industry that's here for the long haul.

Queensland is well and truly open for business and business knows it.

The latest National Australia Bank index shows Queensland recording the highest business confidence of the mainland States for eight months in a row – a surge of optimism that started following our first State Budget.

INNOVATION

Queensland and China are both economies in transition, both adapting to rapid change and challenging frontiers.

As China moves towards an economic model based on consumption-driven growth, Queensland is diversifying from our traditional reliance on the primary and resources sectors.

We are innovating in how we do business. Initiatives such as our Market-Led Proposals have been embraced by industry as a way to harness private sector ideas and investment for new infrastructure.

We have now progressed three major projects to the detailed assessment stage – the \$450 million Logan Motorway Enhancement project, the proposed \$100 million Brisbane Cruise Ship Terminal, and a proposed \$100 million aquarium near Southbank.

Even more encouraging is the take-up rate – there are more than 30 Market-Led Proposals in the pipeline.

But how we do business in Queensland can always be improved.

We need to build on our comparative strengths in agriculture, resources and tourism to make our economy even more resilient to shifts in the global economy and unprecedented technological change.

We must work together to ensure economic strength through diversity.

We must capitalise on our emerging strengths such as education and science, where we have already forged strong ties.

INVESTMENT

Attracting investment in Queensland is central to my Government's economic agenda and the top priority of my trade mission.

I have sent the Treasurer to China this week to meet with financial institutions on investment opportunities in Queensland ahead of my trade mission.

I make no apologies for sending my Cabinet Ministers to China to encourage new investment in our State.

TOURISM

During my trade mission in September last year I met with the Chair of China Eastern Mr Liu and Chief Marketing Officer Mr Bo in Shanghai where I encouraged more year round direct flights from China to Brisbane.

Following this meeting Queensland became the first State to sign a Memorandum of Understanding with China Eastern in November with 36,500 additional travellers and \$22 million a year in economic activity.

The MOU secured a new, year-round Shanghai to Brisbane direct flight commencing from November 2016 with three flights each week.

The flights are in addition to a seasonal China Eastern service between Shanghai and Cairns providing access for up to 13,000 visitors each year to Tropical North Queensland and the Great Barrier Reef.

During this years' trade mission I will be launching a new tourism campaign in Shanghai to attract further visitors and support further business for airlines including China Eastern.

INTERNATIONAL EDUCATION

China is the largest source of international students for our highly regarded education sector with more than 22,000 students in Queensland. On my mission I will be focusing on new TAFE and education agreements to further our education partnerships.

SCIENCE INNOVATION AND BIOTECHNOLOGY

In Hong Kong and Beijing I will be having high level meetings with the aim of building new science and technology partnerships with a focus on commercialisation opportunities.

Our scientists are already sharing knowledge and resources through a host of high level collaborations between Queensland researchers and organisations such as China's Ministry of Science and Technology.

AGRICULTURE

To build on our strengthening agricultural partnerships I will be speaking to business delegates as part of Australia Week in China in Chengdu.

The Minister for Agriculture will also be visiting China in September to focus on developing our beef and horticulture export markets.

The Deputy Premier will be visiting China again in November to work on developing new markets and investment opportunities in the provinces.

My Government has released further information on upcoming trade missions so that Queensland businesses have the time to plan ahead and make the most of these opportunities.

ADVANCE QUEENSLAND

Advance Queensland is a centrepiece of our innovation agenda.

It is a \$180 million investment in a landmark program purpose-built by my Government for this new era of change.

Collaboration is the key to innovation.

We have designed the Advance Queensland programs with input from our business, start-ups and research communities and used international evidence of best practice to guide our approach.

We are making money available for programs that will create jobs, encourage entrepreneurship, spark commercialisation and inspire investment.

Since last July, Advance Queensland has opened 10 funding programs and approved 153 grants worth more than \$12 million. But there is so much more to come.

Advance Queensland drives business to partner with universities and research institutes in the pursuit of innovations that can be commercialised locally.

For example, we're providing grants up to \$300 000 so leading researchers can collaborate with business to develop products and services with the greatest potential to transform our economy.

Businesses can also apply for up to \$50 000 to hire a university graduate on an innovative project for six to 12 months.

So far, 22 partnerships have been formed. A new round of grants is open for another month, so I urge you to visit the Advance Queensland website for more details.

Of special interest to council members with small to medium-sized businesses is the Global Partnerships Awards, which aims to attract entrepreneurial talent to Queensland.

Migrant-led entrepreneurship is a key driver of economic success. Research by the OECD has found that Chinese and Indian migrants increase the number of research patents by both migrants and the existing population.

Further partnerships will be forged through the \$40 million Business Development Fund that allows government to co-invest with business in seed funding.

Advance Queensland is working to harness the energy previously being spent in isolation. The momentum being generated is truly exciting.

INNOVATION AND INVESTMENT SUMMIT

I have to take this opportunity to shamelessly plug my Advance Queensland Innovation and Investment Summit being held in Brisbane next month – on the 27th and 28th of April.

This will be a really exciting event for Queensland.

It presents a dynamic platform for attendees to showcase their talents, learn from the world's best speakers, be inspired by the latest thinking, build new networks and identify business opportunities.

We must innovate in every single sector or we will be left behind.

I don't want to see that happen. I'm confident we can not only keep pace with the rest of the world, but outpace them well into the future.

TOURISM

No discussion of business opportunities in Queensland would be complete without covering the emergence of China as the most exciting prospect our tourism industry has seen for decades, possibly in its history.

August 20 1999 is not a date that generally stands out in Queensland history but I believe in years to come we will look back on that day as the advent of a new era in our economic history.

On that Friday, the first official group of Chinese tourists to Australia, a group of 27 travellers from Shanghai, arrived in Brisbane.

Growth has been steady since to the point Chinese tourists now represent our largest international visitor market by expenditure.

Chinese visitors spent \$854 million in the year to September 2015. That's a staggering increase of 45 per cent over the year.

Now that market is about to really take off.

With Chinese outbound tourism expected to double from 100 million in 2014 to 200 million in 2020 and new flights opening up routes for two-way travel between Queensland and China, I believe even these figures will be dwarfed.

Coupled with the multi-billion dollar integrated resorts planned and being built in Brisbane and on the Gold Coast, Queensland is becoming the place for Chinese people to relax and reward themselves.

My Government believes there are golden opportunities for both sides by these emerging routes for passengers and cargo.

We have seen Jetstar's twice-weekly service between Wuhan and the Gold Coast open up a new region of China to Queensland. Next month, Hong Kong Airlines will start year-round flights to the Gold Coast and Cairns.

And later this year we'll welcome China Eastern's new services between Brisbane and Shanghai to complement the airline's seasonal services to Cairns.

TOURISM INVESTMENT

And the next tourism boom won't just mean more visitors to Queensland, but it will mean more investment in tourism infrastructure.

Already, up and down our coastline there are many projects underway and proposals on the drawing board for new resorts and redevelopments.

The Queen's Wharf project is underway here in Brisbane, and along with that, other proposals like the Aquarium I mentioned earlier are flooding in.

That means there won't just be jobs in hotels, bars and holiday attractions – there'll be construction jobs too.

And that's music to my ears.

CONCLUSION

These flights are not just about bringing Chinese travellers to Australia but they will also make it cheaper and easier for Queenslanders to explore China.

I made a very fruitful visit to China last year, with many constructive meetings such as the one with China Eastern that was followed by the announcement of new services.

I am looking forward to hearing more today from the airline's general manager for the Oceania region, Kathy Zhang.

China is Queensland's largest trading partner, a major investor in the State and, more than that, a great friend of Queensland over many years.

I look forward to building on our happy and healthy relationship and making new friends when I again visit China next month.

We already have a very strong relationship with China but I want to make it even stronger.

Queensland is an export-led economy.

We are at our best when we look outwards. When we seek new markets. When we embrace opportunities. A strong friendship with China paves the way for even more opportunities for Chinese and Queensland businesses to invest.

And that's good news for all of us.

Thank you.