TOWNSVILLE NORTH QUEENSLAND
State Government Budget Submission
2018
Townsville North Queensland encompasses five major regional centres: Townsville, Charters Towers, Burdekin, Palm Island and Hinchinbrook. The region contributes over $15.94B annually to the Queensland economy and is home to nearly 240,000 people. Townsville itself is now Australia’s 13th largest city and is acknowledged by State and National Governments as the ‘Capital of Northern Australia’. The region has one of the most diverse economic bases in Australia and enjoys a stunning natural environment that provides tourism growth opportunities and an attractive lifestyle for its residents.

Key state and national policy documents highlight the critical importance of Townsville and North Queensland as a driver of national economic growth and job creation. The signing of Australia’s first ever City Deal for Townsville is testament to the commitment of three levels of Government to drive economic growth, unlock potential for the broader region and encourage business and industry development to help Townsville and North Queensland become:

- the economic gateway to Asia and Northern Australia
- a global leader in tropical and marine research and innovation
- a prosperous and highly-liveable city for residents and visitors.

But Townsville and its immediate region has been doing it tough in recent years and needs targeted government investment and policy support to reverse economic decline.

As a community we have all worked hard to secure major investments into projects and to their credit, Local, State and Federal Governments have played major roles in the economic recovery of the North Queensland region. As a result the region is proud to boast a multimillion dollar pipeline of projects that is driving renewed confidence and investment and more than 10,000 jobs have been created in the past 12 months.

It is important however to continue driving this momentum and projects and policies that promote economic diversification and growth are key and leading those priorities is a major focus on the issues of Water and Energy. For a region abundant with natural resources, it is no longer acceptable for our businesses and our community to live with the unsustainable costs of accessing these basic necessities and this budget submission strongly focuses on addressing these two economic development inhibitors.

Supporting the Water and Energy priorities are a package of projects and policies that will drive new job generation, create economic opportunity and encourage business and industry to invest.

Townsville Enterprise is calling on the State Government to commit to the following:

**Enabling Infrastructure**
- Sustainable North Queensland Energy Pricing and Infrastructure
- Water Security for Townsville

**Port City**
- Townsville Eastern Access Rail Corridor (TEARC) and the Mount Isa to Townsville Rail Connection
- Townsville State Development Area

**Destination Development**
- Entertainment and Exhibition Centre
- Drive IT NQ
- State of Origin Bid
- Townsville Concert Hall
- Wallaman Falls Ecotourism

**Defence**
- Townsville – Australia’s Northern Defence Deep Maintenance, Sustainment and Logistics Hub

**Capital of Northern Australia**
- High Growth Population Target & Relocation of Government Bodies

**Innovative & Connected City**
- Lithium-ion Battery Plant
- Australian Tropical Biosecurity Network
- Re-regulate the Mount Isa – Townsville Air Route

**Supporting the Regions**
- Palm Island Retail and Business Precinct
- Burdekin Shire Industrial Land Development
- Upgrade of the Mt Inkerman Road/Bruce Highway Intersection
TOWNSVILLE NORTH QUEENSLAND
LOCAL CONTEXT

SHORT TERM ECONOMIC SNAPSHOT

UNEMPLOYMENT
JANUARY 2018
QUEENSLAND
6.5%
TOWNSVILLE NORTH QUEENSLAND
9.6%
AUSTRALIA – 6.0%
Australian Bureau of Statistics

VERY HIGH UNEMPLOYMENT
3 MONTH AVERAGE
NOV 17, DEC 17, JAN 18
AUSTRALIA
5.5%
QUEENSLAND
5.8%
TOWNSVILLE NORTH QUEENSLAND
8.4%

YOUTH
UNEMPLOYMENT AMONG HIGHEST
IN THE NATION
3,000
AUSTRALIA
12.5%
QUEENSLAND
13.0%
TOWNSVILLE NORTH QUEENSLAND
13.6%

BUSINESS CONFIDENCE
Confidence for the March Quarter 2018 is -1.5 which is the largest ever drop in Business Confidence over two quarters. PVW Partners Quarterly Business Confidence index

LONG TERM GROWTH FUNDAMENTALS

229,031
Townsville North Queensland has maintained a population growth rate of 1.0% over the last 5 years
Australian Bureau of Statistics

PORT
Northern Australia’s most direct trade gateway to the Asia Pacific and the country’s largest sugar, copper, lead and zinc export port.

$10 BILLION TOTAL TRADE VALUE

AIRPORT
The centre of aviation in North Queensland

1.63 MILLION PASSENGERS PER YEAR
Townsville Airport Dec 2016 – Nov 2017

TOWNSVILLE IS HOME TO
3 WORLD CLASS EDUCATIONAL INSTITUTIONS
James Cook University (JCU)*
Central Queensland University (CQU)
TAFE Queensland North
*TJCU is ranked in the top 2% of world tertiary institutions

$15.946 BILLION
Size of the economy
REMPIPLAN Dec 2017

LEADING INTERNATIONAL ENTITIES OF MARINE AND REEF RESEARCH:
James Cook University, Australian Institute of Marine Science, Great Barrier Reef Marine Park Authority
SUMMARY OF RECOMMENDATIONS

ENABLING INFRASTRUCTURE

SUSTAINABLE NORTH QUEENSLAND ENERGY PRICING AND INFRASTRUCTURE

- Fast-track the establishment of cost effective ‘clean technology’ base load generation in North Queensland (seek diversification of ownership);

- The next 2,000MW of electricity generation to be licensed in Queensland must be based in North Queensland and connected to the grid north of Collinsville;

- The State Government must use its influence to police the behaviour of the generators so that wholesale prices match the costs of production – not prices driven by market distortion;

- A review of the existing regulatory framework must be expedited in order to address North Queensland’s particular issues (this may require the establishment of a different regulatory framework to that of South East Queensland);

- Ensure North Queensland has future access to competitively priced natural gas; and

- Support industry diversification in the north by assisting the NQ Bio Energy Project in Hinchinbrook.

WATER SECURITY FOR TOWNSVILLE

- Support the Water Security Taskforce findings to deliver a duplicate pipeline and fast track the $225M project to two years not four years as proposed in the 2016/17 State Budget;

- Commission and complete business case studies for connecting the Haughton Pump station to the adjoining high-voltage transmission network and developing an integrated solar energy array to offset energy costs;

- Progress the final investment decision for the development of Stage 2 of the Burdekin Falls Dam within the next term of the Queensland Parliament, dependent on the Burdekin Falls Dam Raising Feasibility Study;

- Commit to a whole-of-government approach to the development of the Big Rocks Weir and the increased allocation of water under the Burdekin Basin Water Plan.

PORT CITY

TEARC AND THE MOUNT ISA TO TOWNSVILLE RAIL CONNECTION

- Federal Government and State Government to work in partnership to identify public and private financing models that will ensure construction of TEARC can commence as soon as possible;

- Determine, adopt and financially support a long-term operating, funding and investment model for the Mount Isa to Townsville Rail Line that ensures it is a nationally competitive and efficient freight corridor.

- The Government conduct an independent review of the pricing framework for the Mount Isa Rail Line to determine if the current framework is resulting in modal shift (and cost shift) to road transport, and inhibiting the opening up further resource opportunities in Northern Queensland.

TOWNSVILLE STATE DEVELOPMENT AREA

- Acquire appropriately located lands in the Townsville State Development Area (TSDA) required to support future industrial and logistics activities for the region and invest into trunk infrastructure;

- Provide funding for a business case for development and servicing infrastructure required to make the land suitable for securing strategic projects for the region.

DESTINATION DEVELOPMENT

ENTERTAINMENT AND EXHIBITION CENTRE

- Complete the preliminary evaluation study and provide funding for the detailed design;

- Provide funding support to enable the realisation of a new multipurpose ‘Townsville Entertainment and Exhibition Centre’ venue by 2020–2022 ($150M).

DRIVE IT NQ

- Commit $18.5M to complete the Drive IT NQ Driver Education and Motorsport Precinct.

STATE OF ORIGIN BID

- Support local stakeholders in the State of Origin Bid.

TOWNSVILLE CONCERT HALL

- Fund the master plan, feasibility and design of the Townsville Concert Hall ($1M);

- Fund the delivery of an 800–1,000 seat Concert Hall located at Central Park ($35M).

WALLAMAN FALLS ECOTOURISM

- Fund the Wallaman Falls master plan
INNOVATIVE AND CONNECTED CITY

LITHIUM-ION BATTERY PLANT

Support the development of an Energy Industrial Hub on the Lansdown site at Woodstock comprising a Lithium-ion Battery Plant.

Stage 1: Development of a detailed Feasibility Study, detailed design and studies (State Government has committed the required $3M);

Stage 2: Delivery of key infrastructure (Roads, Power, Water, Sewerage, Telecommunications, Gas etc) - $100M;

Stage 3: Establishment of the proposed Lithium-ion Battery Plant.

AUSTRALIAN TROPICAL BIOSECURITY NETWORK

The State Government support the development of the Australian Tropical Biosecurity Network:

Stage 1: A dedicated diagnostic laboratory facility that would undertake arbovirus monitoring, diagnostic services in aquatic health and routine diagnostic work for any domesticated species in the region up to PC2 and PC3 level at James Cook University (JCU) in Townsville and expansion of plant pathogen and insect quarantine and applied research capacity at JCU in Cairns ($30M);

Stage 2: Facilities to deliver education, training, workforce development and research and commercial innovation capacity ($25M).

RE-REGULATE THE MOUNT ISA – TOWNSVILLE AIR ROUTE

Re-regulate the Mount Isa – Townsville Air Route.

SUPPORTING THE REGIONS

PALM ISLAND ABORIGINAL COUNCIL

Palm Island Retail and Business Precinct

State Government provide financial support for the proposed Retail and Business Precinct on Palm Island.

BURDEKIN SHIRE COUNCIL

Burdekin Shire Industrial Land Development

State Government to review constraints impacting on the Burdekin Shire Council’s ability to expand its industrial estate to meet increasing demand;

Upgrade of the Mt Inkerman Road/Bruce Highway Intersection

State Government to expedite the upgrade of the Mt Inkerman/Bruce Highway intersection to ensure the safety of tourists and locals visiting the area following the Mt Inkerman $1.48M upgrade.

CAPITAL OF NORTHERN AUSTRALIA

HIGH GROWTH POPULATION TARGET & RELOCATION OF GOVERNMENT BODIES

High growth population target commitment;

Implement whole-of-government North Australia Population Policy; and

Legitimate consideration of the relocation of relevant Queensland Government department and agency functions to Townsville North Queensland, supportive of long-term growth and regional sustainability.
The Issue

North Queensland electricity prices are having a crippling effect upon industry and the local economy. Base electricity prices, exclusive of network and environmental charges, have more than doubled in the past three years (between 2015 and 2017) and continue to increase at a rate of 30% year on year.

The current uncertainties over pricing and secure access to energy markets, including Townsville’s lack of connection to the national natural gas network, is negatively impacting upon the national and international competitiveness of North Queensland industry, the region’s capacity to attract investment and the economy’s ability to generate sustainable employment.

Australia’s real electricity prices have increased far more than any other OECD (Organisation for Economic Co-operation and Development) nation. In terms of competitive position, Queensland has moved over the past five years from among the most cost-effective electricity producers to among the most expensive. This has occurred in an environment of the Queensland market being oversupplied with generation capacity by around 30% (Queensland Productivity Commission, 2016).

Wholesale electricity prices have increased significantly across the National Electricity Market (NEM) since 2012, with Queensland (168% increase to 2017) and South Australia (178% increase) experiencing particularly rapid price rises. Queensland prices have thus far risen by 30% in 2017.

Queensland’s generation assets are more highly concentrated than other mainland NEM regions, located in the south east and central regions of the State. The State Government owns or controls the dispatch of nearly two-thirds of the generation capacity through Stanwell and CS Energy and nearly all of the State’s network infrastructure/companies. Queensland’s network (and distribution) costs have primarily been responsible for the increase in electricity costs over recent decades, contributing 82% of the growth in the real cost of electricity (Queensland Productivity Commission, 2016).

For North Queensland business and industry to be competitive, there is a vital need to generate more power in North Queensland. GHD’s 2013 North and North-West Queensland Sustainable Resource Feasibility Study affirms that the establishment of additional largescale base load generation in the north would apply significant downward pressure to power pricing across the region – simply because of the way prices are defined by the existing flow of energy within the system. The fact is that large energy users in Northern Australia – industry, manufacturers and big business – have their energy costs made of ‘energy prices’, ‘losses’ (through transmission) and ‘energy charges’. These are all government regulated charges that in many cases are determined by the flows (and losses) of energy from south to north. By generating 2,000MW of energy in North Queensland, this established power flow from north to south would thereby reverse the cycle and the impact of transmission losses and reduce regulated energy charges.

Continued >>
Simply put, by allowing the north to generate more energy we would be able to drive down energy costs to levels similar to major industrial centres such as Gladstone which currently enjoy a significant power price advantage. 2,000MW could be made up of a variety of energy sources, including renewables. Townsville Enterprise believes the State should use its regulatory powers to ensure that licences for the next 2,000MW of energy should be allocated to North Queensland and connected to the grid north of Collinsville.

The increases in network prices in the past decade have been largely due to significant investment by the State in network infrastructure over this period to support increased reliability and service standards and strong projected demand growth. The combination of rapid price increases and soft economic conditions have caused average consumption to fall across parts of the NEM, meaning that the projected increases in average consumption have not occurred. However, under the existing revenue cap regulatory framework lower electricity use has resulted in higher electricity prices, as fixed network costs (which are the basis for cost recovery) are spread across smaller volumes of electricity. The allocation of how network charges are allocated also needs to be reconsidered.

The Solution

North Queensland requires a cohesive, properly formulated national energy policy that will work to realise sustainable/ competitive energy (electricity/gas) solutions supportive of the region’s future.

The Federal and State Governments have an obligation to work together on behalf of the North Queensland community in pursuit of this agenda. The State Government should use its significant influence and establish policy that:

› Fast-tracks the establishment of cost effective ‘clean technology’ base load generation in North Queensland (seek diversification of ownership);

› The next 2,000MW of electricity generation to be licensed in Queensland must be based in North Queensland and connected to the grid north of Collinsville;

› Through COAG mechanisms secure State Government commitment to use its influence to police the behaviour of generators so that wholesale prices match costs of production – not prices driven by market distortion;

› A review of the existing regulatory framework must be expedited in order to address North Queensland’s issues (this may require the establishment of a different regulatory framework to that of South East Queensland);

› Ensure North Queensland has future access to competitively priced natural gas; and

› Industry diversification in the north by assisting the NQ Bio Energy Project in Hinchinbrook.
ENABLING INFRASTRUCTURE
WATER SECURITY FOR TOWNSVILLE

Recommendation

- Support the Water Security Taskforce findings to deliver a duplicate pipeline and fast track the $225M project to two years not four years as proposed in the 2016/17 State Budget;
- Commission and complete business case studies for connecting the Haughton Pump station to the adjoining high-voltage transmission network and developing an integrated solar energy array to offset energy costs;
- Progress the final investment decision for the development of Stage 2 of the Burdekin Falls Dam within the next term of the Queensland Parliament, dependent on the Burdekin Falls Dam Raising Feasibility Study;
- Commit to a whole-of-government approach to the development of the Big Rocks Weir and the increased allocation of water under the Burdekin Basin Water Plan.

The Issue

South East Queensland normally has around 10 years’ water supply in storage, whereas the Townsville North Queensland region only has around two years’ supply.

Townsville North Queensland’s lack of water infrastructure is constraining development across the region. While the Burdekin is the third largest river system in Australia, only 2% of its water is currently captured.

The Townsville City Council Local Government Area is on Level 3 Water Restrictions and commenced pumping from the Burdekin Dam on 13 November 2017.

1. Townsville Water Security

The Townsville Water Security Taskforce handed down its Interim Report to Local, State and Federal Governments in June 2017. This report recommended that the following works commence immediately:

a) Build an additional 1,800mm diameter steel pipeline and install additional pumps (of 234 ML/day capacity) from Haughton Pump Station to Ross River Dam;

b) Increase the capacity by 234ML/day of the existing SunWater pump station and gravity channel from Clare to Haughton Pump Station; and

c) All levels of Government to work towards more appropriate energy solutions including:

- Sourcing cheaper energy by connecting new and existing pumps at the Haughton Pump Station to nearby high voltage lines; and
- Embracing green energy via the installation of battery-ready 5MW solar energy array to offset energy costs and sell excess into the National Energy Market.

Townsville Enterprise recognises and commends the bipartisan political commitment of $225M to deliver the duplication of the Haughton Pipeline. Given the significant constraints and risks inherent in the existing pipeline, the ongoing nature of water shortages for Townsville, and Townsville North Queensland’s unacceptably high level of unemployment, Townsville Enterprise is seeking State Government support for the acceleration of funding for this project over two years and not the four years currently forecast.

As yet there has been no commitment to investigate and/or implement recommendation c). The prohibitive cost of pumping ensures that Townsville remains on level 3 water restrictions. If Townsville is to viably achieve the required level of water security, it must significantly increase the efficiency and reduce the cost of pumping from the Burdekin system.

Townsville Enterprise is seeking support for the timely completion of feasibility studies and business cases for the connection of the Haughton Pump Station to the adjoining Powerlink high-voltage network and the potential development of an integrated solar energy array to reduce and offset energy costs.

Continued >>
2. Regional Water Security

The Burdekin River Basin covers an area of 136,000km², equating to almost 3/5ths of the size of the state of Victoria. The Burdekin River is Australia’s largest river by (peak) discharge volume. Located approximately 200km south of Townsville, the Burdekin Falls Dam is Queensland largest dam (1,860,000ML or 4 times the capacity of Sydney Harbour). The Dam supplies irrigation in the Lower Burdekin as well as mining in the Bowen Basin. It is currently an alternative source of urban water supply for Townsville (pumping commenced on 13 November 2017).

Future agricultural (Water for Bowen) and industrial (Mining Galilee Basin) demand for water, combined with Townsville’s increasing reliance on the Burdekin as population increases, will place increasing pressure on Dam water allocations. Dam safety upgrade is also required to meet State guidelines.

The Burdekin Falls Dam was designed and developed to go to Stage 2 (Dam wall raised 2 metres, to deliver 150,000ML). In addition to increased water supply, the raising of the wall will improve the viability of the proposed pump hydro and increase the long-term efficiency of directly supplying Townsville’s water. There are benefits in incorporating Stage 2 into the Dam safety upgrades required by 2035.

The Department of State Development is undertaking a feasibility study into raising the Burdekin Falls Dam. The study is due for completion in the first quarter of 2018. Dependent on the recommendations of the Burdekin Falls Dam Raising Feasibility Study, Townsville Enterprise is seeking a commitment to progress the final investment decision for the raising of the Burdekin Falls Dam.

3. Developing the Upper Burdekin – The Dalrymple Scheme

Townsville Enterprise is currently undertaking the Hells Gates Dam Feasibility Study. This Study is looking at the opportunity for large-scale irrigated agriculture within the Upper Burdekin (The Dalrymple Scheme).

Initial findings indicate the availability of approximately 60,000 hectares of soils suitable for irrigated agriculture in proximity to the Burdekin River. The likely water delivery and storage mechanisms will be a series of weirs supported by a drought and flood mitigation Dam at Hells Gates. The Charters Towers Regional Council has strongly advocated for the building of the Big Rocks Weir over many years. The Weir would augment urban and industrial supply of Charters Towers and ultimately facilitate and support the development of up to 20,000 hectares of irrigated agriculture. The project has the support of local landholders, who are prepared to make significant on-farm investments to make the project viable. Big Rocks Weir is critical to the development of the Dalrymple Scheme and would be required at an early stage in the Scheme’s development.

Townsville Enterprise is seeking a commitment to a whole-of-government approach, led by the Coordinator General, to the design, approval and development of the Big Rocks Weir supporting economic development within the Upper Burdekin. Townsville Enterprise is also calling on the State Government to increase the water allocation for the Upper Burdekin (currently restricted to 20,000ML) as part of the review of the Burdekin Basin Water Plan.

The Solution

Townsville Enterprise is seeking Government support for the whole-of-catchment management and development of the Burdekin Basin water resources. Priorities for the region are:

› Delivery of the $225M duplicate pipeline over a two year period instead of four as proposed in the 2016/17 State Budget
› Accelerated delivery of secure and affordable water for Townsville
› Finalisation of the business case for Burdekin Falls Dam Stage 2 with a final investment decision
› Whole-of-government approach to the assessment, approval and development of Big Rocks Weir and the establishment of large-scale irrigated agriculture in the Upper Burdekin.
PORT CITY
TOWNSVILLE EASTERN ACCESS RAIL CORRIDOR (TEARC) AND THE MOUNT ISA TO TOWNSVILLE RAIL CONNECTION

The Issue

The Mount Isa to Townsville Rail Line is a critical piece of freight infrastructure supporting mining, agricultural and manufacturing industries in North and North-West Queensland, and servicing the freight needs of communities across the region.

Townsville North Queensland services the North-West Minerals Province (NWMP) as well as the broader Mount Isa to Townsville Economic Development Zone (MITEZ). The NWMP is one of the world’s richest mineral producing areas containing copper, lead and zinc as well as major silver and phosphate deposits and strong rare earth potential. Over 2015/16 the NWMP produced 3.4 million tons of throughputs valued at $4B. The region holds approximately 75% of Queensland’s base metals supply.

Product from the NWMP is railed and trucked to Townsville Port for export to global markets. Railing of product on the Mount Isa to Townsville Rail Line has decreased in recent years with increased trucking of product. A lack of reinvestment in the rail line has resulted in inefficiencies of rail line speed/ restrictions, lack of passing loops, and lack of multi-user terminals for loading and unloading of product which has led to a modal shift of product to road transport. This modal shift places greater pressure and cost onto the road network and has resulted in inefficiencies in the logistical supply chain.

The Northern Territory and Queensland Governments are currently undertaking a feasibility study of establishing a new rail line linking the NWMP to the Port of Darwin. The proposed Mount Isa to Tennant Creek Railway is a $2–$3B project aimed at expanding the Mount Isa to Townsville Railway to Tennant Creek and joining it to the existing Tarcoola to Darwin Railway in the Northern Territory.

There is a significant risk to the Queensland economy, and in particular the ongoing contribution made by the North and North West Queensland region to the State's prosperity, that a Mount Isa to Tennant Creek Rail Line will result in products from the NWMP being diverted to the Port of Darwin.

In the State Infrastructure Plan (March 2016), Infrastructure Australia has earmarked upgrading the Mount Isa to Townsville Rail Corridor (which includes TEARC) as a priority project. However, the State Infrastructure Plan did not allocate funding to the project over the forward estimates. It is therefore critical to investigate a 50 year investment and operating model for the Mount Isa to Townsville Rail Line that will restore it as a competitive and efficient freight corridor and become a foremost priority of the Queensland Government rather than consideration of a new rail link to the Port of Darwin.

Continued >>

Recommendation

- Federal Government and State Government to work in partnership to identify public and private financing models that will ensure construction of TEARC can commence as soon as possible;
- Determine, adopt and financially support a long-term operating, funding and investment model for the Mount Isa to Townsville Rail Line that ensures it is a nationally competitive and efficient freight corridor.
- The Government conduct an independent review of the pricing framework for the Mount Isa Rail Line to determine if the current framework is resulting in modal shift (and cost shift) to road transport, and inhibiting the opening up further resource opportunities in Northern Queensland.
The construction of TEARC is vital to the future growth of the Port of Townsville and the economic growth of the broader Townsville North Queensland region. TEARC would take rail traffic out of Townsville’s growing urban areas, allow for longer trains (1.4 km), reduce bottlenecks in the Port and provide vital capacity for the growing tonnage demand on the Mount Isa Rail Line. The construction of TEARC would also support the Queensland Ports and National Ports Strategies.

In May 2016, the Federal Government announced that it would provide $150M in grant funding to the TEARC project. Building Queensland has completed the detailed business case in partnership with the Department of Transport and Main Roads. The detailed business case investigated options for a new freight rail link with greater capacity connecting the Mount Isa line and North Coast line, through the Townsville State Development Area to the Port of Townsville. The analysis considered the planned expansion of the Port of Townsville, including associated investment and land use planning activities.

**The Solution**

Federal Government and State Government to work in partnership to identify public and private financing models that will ensure construction of TEARC can commence as soon as possible.

Determine, adopt and financially support a long-term operating, funding and investment model for the Mount Isa to Townsville Rail Line that ensures it is a nationally competitive and efficient freight corridor.
The Issue

The Townsville State Development Area (TSDA) is a 4,900 hectare area of land located immediately adjacent to the Port of Townsville that was declared by the State Government in 2003. It is situated about 6km south-east of the Townsville CBD and 2km south of the Port of Townsville. The land is strategically located in terms of road and rail connections to the south, west and north of Townsville, the largest city in Northern Australia.

Positioned at the junction of the national road network (Bruce and Flinders Highways), with direct connections to major rail networks and the Port of Townsville, the TSDA is positioned to be the preferred location in North Queensland for the establishment of industrial development of regional, state and national significance.

Managed by the Coordinator-General, the TSDA supports economic development in a way that considers environmental, cultural and social issues as well as existing industry and surrounding infrastructure within the region.

The land presents significant opportunities for the establishment of major warehousing and distribution centres to service the region, as well as supporting agriculture export opportunities, manufacturing sectors and Defence logistics operations.

Land within the TSDA is primarily owned by private sector parties and is not in a condition that is currently commercially attractive for industries to readily establish due to lack of enabling infrastructure, mixed land ownership and no coordinated investment attraction for the area.

The Solution

State Government to acquire appropriately located lands in the TSDA required to support future industrial and logistics activities for the region and invest into trunk infrastructure;

A business case to be prepared for the development and servicing infrastructure required to make the land suitable to secure strategic projects for the region.

Recommendation

- Acquire appropriately located lands in the Townsville State Development Area (TSDA) required to support future industrial and logistics activities for the region and invest into trunk infrastructure;

- Provide funding for a business case for development and servicing infrastructure required to make the land suitable for securing strategic projects for the region.
DESTINATION DEVELOPMENT
ENTERTAINMENT AND EXHIBITION CENTRE

The Issue

The current Townsville Entertainment and Convention Centre is no longer considered fit for purpose and is beyond the end of its economic useful life with ongoing operational and maintenance issues. The venue lacks the flexibility, facilities and size required of a modern multi-purpose venue capable of attracting and hosting large exhibitions, conventions and entertainment and sporting events.

In 2017, Townsville City Council released the Pure Projects master plan for the Townsville CBD which identified that all performing centres throughout Townsville are at capacity, with a need for more facilities and variety identified. A new ‘Townsville Entertainment and Exhibition Centre’ has also been included as a commitment in the Townsville City Deal with a targeted delivery of 2020–2022.

A master plan for the site where the new North Queensland Stadium is being constructed is in development and will include provision for a future entertainment centre as part of an integrated precinct. The Pure Projects work identified that an entertainment and exhibition precinct adjacent the new stadium would complement the new stadium and provide stimulus to the area of frequent and continuous patronage which would help in contributing to the activation of the CBD. This would also have the flow on effect of being a good activator for CBD hotels and accommodation options.

The Solution

A new Townsville Entertainment and Exhibition Centre is needed. It would need to be designed as a multipurpose flexible centre to accommodate a range of entertainment and sporting events as well as hosting meetings, conferences and conventions. This would maximize its use for a range of markets.

The delivery of the project will reinforce the Townsville CBD and Priority Development Area, as well as leveraging the new North Queensland Stadium, to create an attractive destination, leverage additional short-term accommodation, entertainment, retail and leisure-based investment, promote tourism and events attraction and create additional jobs and skills in the service industry.

Recommendation

- Complete the preliminary evaluation study and provide funding for the detailed design;
- Provide funding support to enable the realisation of a new multipurpose ‘Townsville Entertainment and Exhibition Centre’ venue by 2020–2022 ($150M).
The Issue

Drive IT NQ Limited is a not for profit (NFP) Company Limited by Guarantee, made up of organisations, clubs and individuals dedicated to the primary purpose of establishing a permanent driver education and motorsport precinct in the Townsville Local Government Area (LGA).

The proposed upgraded motorsports facility at Charters Towers, together with a new Driver Education and Motorsport Precinct for Townsville, will enable North Queensland to cement its positioning as an events and adventure destination, and in particular to become a leading motorsports destination.

Drive IT NQ has a lease agreement in place with Townsville City Council to establish a new community owned and managed facility based at Calcium. It has received a $5M grant from the Federal Department of Infrastructure and Regional Planning (DOIRP), which is being committed to a large highway grade concrete hard stand to be used for driver education including multi-combination and other heavy vehicle rollover training.

Townsville North Queensland has been largely without a dedicated motorsport facility since the closure of the Townsville Dragway in 2012 (for the land to be used for residential housing development) and the closure of the Townsville Speedway in 2007. The Drive It NQ precinct will address this need to support driver education and motorsport in Townsville, generating significant economic and community benefits, including:

- Reduced incentive for illegal and dangerous street racing and dragging;
- Expanded driver education activities in the areas of L-P Programs, Defence and Emergency Services, Heavy Vehicle and other industry specific training, with the potential for significant positive road safety impacts for the greater North Queensland community;
- Enhancing Townsville’s profile as a motorsport events destination, building on the success of the annual Townsville Supercars (which draws crowds of around 150,000 over three days) and contributes a significant amount to the local economy;
- Improving the tourism and events profile of the Townsville region generally, particularly in conjunction with an upgraded motorsports facility at Charters Towers;
- Increased sporting, recreation and entertainment options and amenities for residents.

The Solution

Drive IT NQ proposes to establish a permanent driver education and motorsport precinct, which would also be utilised for other recreational purposes (such as concerts, field days, auctions, etc).

The precinct facility is proposed to include:

- A skid pan for all levels of driver education including heavy vehicles (covered by the DOIRP grant);
- A network of interconnect roads that can be utilised for driver education;
- A 3.0–3.5km bitumen circuit track;
- A range of off-road rally tracks ranging from 1-5km;
- International standard drag strip and speedway with grandstand seating;
- Common use and large event area facilities.

The precinct is designed to host weekly club level motorsport in addition to being able to attract and service state and national level rallies and events across:

- Circuit racing (cars and bikes);
- Speedway racing;
- Drag racing;
- Off road racing;
- Kart racing.

The precinct will also support ongoing driver education and advanced training programs throughout the week.

Townsville Enterprise is calling on the State Government to commit $18.5M for the project to support the Federal Government allocation of $5M.

Recommendation

- Commit $18.5M to complete the Drive IT NQ Driver Education and Motorsport Precinct.
DESTINATION DEVELOPMENT
STATE OF ORIGIN BID

Recommendation
- Support local stakeholders in the State of Origin Bid.

The Issue
The North Queensland Stadium will be operational for the 2020 NRL season and local stakeholders are currently bidding for a State of Origin Game to be held in Townsville in the first year of the Stadium's operation.

Hosting a State of Origin game in the largest city in Northern Australia would benefit the NRL code, the region and the investment into the new facility. Townsville has been host to a number of large spectator sports including the 2011 Australia vs New Zealand NRL match, the International Cricket Council World Cup, the annual Townsville 400 Supercars and the regular North Queensland Toyota Cowboys home games during the NRL season.

The city also welcomed fixtures for the 2017 Rugby League World Cup and is proud to be one of the host cities for the 2018 Commonwealth Games.

The City has a proven track record in delivering major events and has the capacity and ability to be a host city for the State of Origin. The State of Origin Bid is about more than hosting a football game. It is about showcasing the capabilities of Townsville as an event city, promoting the regional brand on a national and international stage and paving the path to hosting further marquee events across all sectors.

Whilst the State of Origin Bid is the priority, a package of marquee events for North Queensland should be driven by Stadiums Queensland.

The Solution
Townsville Enterprise requests the State Government to support local stakeholders in the State of Origin Bid and provide financial support to deliver the event in Townsville.
The Issue

Townsville has a significant population of nearly 200,000 people, with a regional population of close to 400,000. It is diverse in terms of its people and industry sectors.

Townsville has a significant gap in its capacity for cultural facilities (ie physical infrastructure) and the supply of these facilities. There is a significant lack of suitable venues for the full spectrum of arts activities from touring concerts to productions to community cultural events. It has a very active arts community, particularly in music.

It also hosts the Australian Festival of Chamber Music, the largest chamber music festival in the Southern Hemisphere, which attracts well over half its audience annually from interstate. Townsville is also the home of the nationally and internationally acclaimed contemporary dance company, Dancenorth. It hosts a huge range of music/performance bodies including the Barrier Reef Orchestra and the NQ Eisteddfod.

The Townsville Civic Theatre (TCT) is booked out at least two years in advance. Community groups whose activities are planned well in advance with a predictable calendar can secure bookings long before touring companies are in a position to book tours. The lack of space in the TCT's forward calendar also affects the possibilities of building audiences and nurturing local talent through collaborations, festivals, local productions and other entrepreneurial opportunities. The dominance of community bookings (70%) also negatively impacts on the economic model for Townsville Civic Theatre operations. This is negatively affecting the local community in its music-making and audience engagement and also significantly impedes the growth and vitality of the city’s entertainment and cultural life because it limits the presentation of exciting and attractive national and international presentations. This in turn has an effect on the tourist experience of Townsville – exacerbated by the absence of a vibrant, diverse CBD.

Not only is there a need for another cultural facility – but this is also an opportunity to fill the gap in the nature of the venue – ie a concert hall which would meet the demand locally and externally for music presentations. There is also significant shortage of corporate and commercial spaces for functions, conferences and events in the CBD. In addition, the viability of such a venue would be significantly enhanced by its ability to generate commercial hires – not only in the hall but in associated venues and foyers.

The Solution

Investment in cultural infrastructure in Townsville and specifically a fit for purpose concert hall will help achieve priority areas outlined within the Townsville Community Development Strategy. There is not only a high level of skilled engagement in music and the arts in Townsville, but there is great potential for more attractive offerings and for growing audiences and participants.

Jennifer Bott AO was engaged by Townsville City Council to undertake a feasibility study for a Concert Hall in Townsville. The study recommendations included the following:

- Build a concert hall with 800–1,000 seats – raked floor, shoe-box design with a stage (no proscenium arch or carpets);
- In the surrounding cultural complex ensure there is:
  - A flat-floored small gallery/room (ceiling height of four to eight metres) for social functions, events, trade exhibitions, rehearsals, workshops and music;
  - A small black box studio space for theatre, workshops, rehearsals, a recording studio, etc;
  - Storage for instruments, props and equipment.

Continued >>
The new concert hall/cultural facility should have well positioned, large foyers which can be used for functions and can be easily serviced by attractive bars and a café/restaurant on site;

Improved facilities at existing outdoor venues – storage for instruments and audio equipment, shade for performers and audience, etc;

With enhanced space from new facilities will come scope for developing new programs at all venues including:

- Producing local shows;
- Present Dancenorth in larger local venues;
- Expanding arts education options on weekends;
- Cross-over activities with cinema presentations;
- Greater scope for business functions and community events such as trade fairs, speech days and graduations, memorials, tributes and annual general meetings;
- Seek to exhibit more of the city’s 3,000 strong art collection in other spaces such as the new cultural complex as well as other foreshadowed developments.
The Issue

Australia’s largest single-drop waterfall, Wallaman Falls, is one of the major tourist attractions for the Hinchinbrook Shire and the Townsville North Queensland region more generally.

The Wet Tropics Eco-tourism Recreation Master Plan identifies opportunities for sustainable development of the Wallaman Falls area to attract private investment into commercial activities such as adventure tourism, walking trail development and enhanced facilities for day visitors. The Master Plan also sets out a blueprint for developing enhanced tourism facilities at the Falls.

Hinchinbrook Shire Council has been liaising with the State Government on the opportunity to fund the Master Plan, which will act as the foundation for this catalyst project.

The Solution

Townsville Enterprise is calling on the State Government to fund the Wallaman Falls Master Plan.
DEFENCE
TOWNSVILLE – AUSTRALIA’S NORTHERN DEFENCE DEEP MAINTENANCE, SUSTAINMENT AND LOGISTICS HUB

The Issue
Defence has long been one of the key contributors to Townsville’s growth and economic diversity. Within this context, the consideration of Townsville’s Defence role is also deeply inter-related with the development of the Townsville region itself. There has been considerable long-term Defence investment in North Queensland that, combined, delivers a premier force generation environment and a proven mounting base for major operations to the north of Australia.

Presently, it is estimated that approximately 7,500 service men and women are based in Townsville. In all, Defence personnel and their dependents constitute about 15,000 people or 8% of Townsville’s population. There are a high number of ex-Defence personnel who remain in Townsville and make up a significant and influential component of the community.

Townsville is a valuable asset for Australia’s Defence Force capability that must continue to be recognised and strengthened. Moreover, there is tangible mutual benefit to be attained through Defence investments within the Townsville region. Among these are community support and lifestyle satisfaction, which are increasingly vital factors in the attraction and retention of Defence Force personnel.

In this sense, the relationship of Defence and regional economic development is not merely a choice between competing policy priorities, but rather the challenge of maximising capability and economic outcomes whenever a complementarity between Defence and developmental interests occurs. The continued consolidation of force capabilities within multi-user bases helps support more rationalised logistics arrangements, while also promoting innovation, local economies and skills sharing between Defence and industry.

Continued >>

Recommendation
- Establish and provide ongoing funding/operational support to the ‘North Queensland (NQ) Defence Advisory Board’;
- Relocation/decentralisation of relevant ‘Defence Industries Queensland’ resources to Townsville (NQ) to support ‘NQ Defence Advisory Board’ activities;
- Support allocation of appropriate elements of the Defence CRC for ‘Trusted Autonomous Systems’ to Townsville North Queensland;
- Allocate $5M to support the establishment of a ‘Defence Industries Hub’ in Townsville North Queensland – to fall under the influence and consideration of the ‘North Queensland (NQ) Defence Advisory Board’;
- Fund and fast track the Department of State Development’s proposed North Queensland Defence Industries Supply Chain and Capacity Study;
- Undertake a study evaluating the economic and operational considerations supportive of centralising the Army’s Rotary-Wing Fleet and maintenance in Townsville NQ;
- Conduct a study, in conjunction with the ADF, to determine infrastructure enhancements, road, rail, warehousing, required to support the increased presence of the Singapore military in the area;
- In support of 2nd Battalion’s role as the Australian Army’s principal amphibious force, establish a permanent Navy presence (through rotation) of one of the RAN’s three amphibious ships berthed at Townsville Port from 2019; and
- Support for the co-location/relocation of Defence trade training schools and maintenance units with corresponding force elements presently stationed in Townsville.
In acknowledgement of the region’s ongoing strategic importance and potential, the State Government must look to capitalise upon Townsville North Queensland’s geographic, operational and strategic advantages and work in partnership with the Department of Defence to redefine the State’s strategic priorities and alignment of relevant government resources (including Defence Industries Queensland). This agenda should seek to establish Townsville North Queensland as the ADF’s North Australian – ‘Deep Maintenance, Sustainment, Logistics and ADF Preparation Hub’ - servicing 1st Brigade operations in the Northern Territory, tracking east/ south east to support operations in the Far North and North Queensland (Cairns and Townsville) and all the way south to Central Queensland and Shoal Water Bay.

The further development of a local economic or ‘Townsville Defence Procurement’ Strategy would maximise the service and support opportunities made available via Townsville’s projected growth over the next twenty years. The ADF’s Integrated Investment Program (IIP) and procurement policies should be adjusted to allow for better and direct engagement with local Townsville firms. In particular, these would include extended scope for specialised services in medical development and research, vehicle and aeronautical maintenance/ repair, family support and mental health. Local ‘content’ contracts should be replaced by local contracts. Defence, in Townsville, should have the capacity to deal directly with local suppliers and businesses. There are opportunities for greater public/ private partnerships.

Furthermore, there are a number of initiatives available to facilitate force concentration within the Townsville region. These would involve, firstly, the continued relocation to Townsville of elements of the Defence Materiel Organisation, Defence Science and Technology Organisation (DSTO), intelligence agencies, service, health and logistics headquarters, that support operations in the Asia Pacific. Organisations, like the DSTO, would be better able to leverage and share information with key regional agencies currently developing tropical solutions in energy and health.

The growth of a strong Defence industry in North Queensland would prove a significant regional job creator for generations to come, benefiting not only transitioning and ex-military personnel but also providing opportunity for the broader community, local business and neighbouring regions. The State Government should use its significant influence to pursue the following objectives on behalf of North Queenslander’s and the State’s economy:

### The Solution

In support of the ‘Defence Hub’ agenda defined under Townsville’s City Deal, we seek the State Government’s support in ensuring that Townsville continues to play a significant role in the Australian Defence landscape through:

1. Establish and provide ongoing funding/ operational support to the ‘North Queensland (NQ) Defence Advisory Board’;

2. Relocation/ decentralisation of relevant ‘Defence Industries Queensland’ resources to Townsville (NQ) to support ‘NQ Defence Advisory Board’ activities;


4. Allocate $5M to support the establishment of a ‘Defence Industries Hub’ in Townsville North Queensland – to fall under the influence and consideration of the ‘North Queensland (NQ) Defence Advisory Board’;

5. Fund and fast track the Department of State Development’s proposed North Queensland Defence Industries Supply Chain and Capacity Study;

6. Undertake a study evaluating the economic and operational considerations supportive of centralising the Army’s Rotary-Wing Fleet and maintenance in Townsville North Queensland;

7. Conduct a study, in conjunction with the ADF, to determine infrastructure enhancements, road, rail, warehousing, required to support the increased presence of the Singapore military in the area;

8. In support of 2nd Battalion’s role as the Australian Army’s principal amphibious force, establish a permanent Navy presence (through rotation) of one of the RAN’s three amphibious ships berthed at Townsville Port from 2019; and

9. Support for the co-location/ relocation of Defence trade training schools and maintenance units with corresponding force elements presently stationed in Townsville.
**The Issue**

Townsville North Queensland needs the right policy settings in place to retain and attract the population needed to underwrite its future economic growth. The Developing Northern Australia White Paper 2015 recognised that rapid population growth is fundamental to unlocking Northern Australia’s economic potential and capitalising on its proximity to the burgeoning economies of Asia and the Tropics.

The broad objective of macroeconomic policy is to contribute to economic and social wellbeing in an equitable and sustainable manner.

Unless as a nation we are prepared to make a strong commitment to address factors that support the sustainability of regional communities, we will continue to see the exodus of educated and skilled labour to capital cities in pursuit of opportunity and employment. The State Government, through the ‘City Deal’ agenda, should seek to build sustainable public-sector employment opportunities and career paths for Townsville locals. This commitment would see Townsville North Queensland establish itself as a viable lifestyle alternative to communities in the south east of the state.

Governments of the day have a fundamental obligation to ensure fair and equitable distribution of wealth across the nation, supporting and contributing to the regeneration and sustainability of regional cities and communities. If governments fail to support proactive regional development, they run the risk of economic instability or the establishment of a ‘two-speed’ economy. In the Australian post mining boom era our country finds itself yet again in the midst of a two-speed economy, this time comprising: (i) Major Cities (driven largely by Sydney and Melbourne); and (ii) the rest of Australia (ROA). The size and relative strength of the NSW and Victorian economies means that economic data presented at the national level is masking weaknesses throughout the ROA, particularly that of regional centres. Without an interventionist approach by Government to regional development stimulus, the economic divide between southern capitals and regional communities will continue to widen. Australia’s southern capital cities are burdened by a lack of affordable housing options and unable to address cost of living pressures supportive of their growing populations. It would only seem practical that the Queensland Government would seek to alleviate this pressure through the decentralisation and relocation of appropriate departmental and agency operations to regional centres, seeking to turn the tide of regional migration.

There are over 232,250 Queensland Government public servants employed across the state, with less than 13,500 residing in Townsville (Census: Dec 2016). Relevant State Government Departments whose partial operation or sub-departmental agencies may be considered for rural relocation include:

- Queensland Department of Agriculture and Fisheries
- Queensland Department of Natural Resources, Mines and Energy
- Queensland Department of Aboriginal and Torres Strait Islander Partnerships
- Queensland Department of Child Safety, Youth and Women
- Queensland Department of Innovation, Tourism Industry Development and the Commonwealth Games
- Queensland Department of Environment and Science
- Queensland Department of Employment, Small Business and Training
- Queensland Department of Local Government, Racing and Multicultural Affairs
- Queensland Department of Communities, Disability Services and Seniors

**Recommendation**

- High growth population target commitment;
- Implement whole-of-government North Australia Population Policy; and
- Legitimate consideration of the relocation of relevant Queensland Government department and agency functions to Townsville North Queensland, supportive of long-term growth and regional sustainability.
The Queensland Government should not be influenced by the bureaucracy in its evaluation of the economic and social benefits of relocating relevant government agencies and jobs to regional communities, supportive of long-term growth and sustainability. Consideration must also be given to the indirect outcomes associated with this agenda, with the potential to alleviate major city congestion and cost of living pressures. The Townsville Enterprise Senate Enquiry Response to Department Relocation explores this in detail.

**The Solution**

1. The Queensland Government must put in place a dedicated Population Policy targeting Townsville North Queensland. In Townsville, a population increase target of 140,000 more people by 2030 is appropriate. This is consistent with high-growth scenarios considered by Infrastructure Australia, but will only be achieved with the right policy mix.

2. The Population Policy should focus not only on attracting new residents, but also on retaining existing residents, and should include:

   - a commitment to invest in the economic infrastructure, social infrastructure and Government services needed to support the population target;

   - legitimate consideration of the relocation of relevant Queensland Government department and agency functions to Townsville North Queensland;

   - a whole-of-government requirement for laws and policies that affect Northern Australia to explicitly consider how they will positively impact population growth targets.
INNOVATIVE & CONNECTED CITY
LITHIUM-ION BATTERY PLANT

Recommendation

- Support the development of an Energy Industrial Hub on the Lansdown site at Woodstock comprising a Lithium-ion Battery Plant.
- Stage 1: Development of a detailed Feasibility Study, detailed design and studies (State Government has committed the required $3M);
- Stage 2: Delivery of key infrastructure (Roads, Power, Water, Sewerage, Telecommunications, Gas etc) - $100M;
- Stage 3: Establishment of the proposed Lithium-ion Battery Plant.

The Issue

In June 2017 Council approved a planning report recommending Townsville City Council offer a portion of land at Woodstock supportive of the Lithium-ion Battery Plant proposal which is backed by a consortium led by Boston Energy and Innovation. By doing this, Council increased the stakes to secure a state-of-the-art battery manufacturing plant and thousands of new jobs with a land offer that will deliver a major return for ratepayers.

The land in question at Lansdown, identified as being the whole of Lot 34 on E124243, part of Lot 19 on RP901592 and part of Lot 87 on RP911426. The site is approximately 400 hectares, located about 40km from the Port of Townsville and on flat terrain, is high lying with access to major infrastructure.

The consortium led by Boston Energy and Innovation consists of Magnis, New York-based Eastman Kodak Group (NYSE:KODK), Charge CCCV (C4V) and C&D Assembly. The consortium is committed to transforming Australia's energy security by pledging the new batteries will be cost competitive, better performing, a sustainable supply chain, environmentally friendly and an alternative to current major energy suppliers.

The Department of State Development, in collaboration with Townsville City Council, engaged consultants Ranbury to undertake investigations with respect to the opportunities to develop a number of land parcels at Woodstock for high impact industry uses. The report, entitled Lansdown Opportunities Assessment Master Plan and Infrastructure Strategy, concluded that the site at Woodstock was suitable for industrial purposes and that there was a critical shortage of high impact industrial land which threatens Townsville’s capacity to respond to the market in relation to attracting key industry sectors.

The Ranbury report identified that the site was suitable for future industrial purposes and indicates a number of detailed background studies that will need to be undertaken to better inform the development of these sites for industrial purposes. The additional background studies include:

- Infrastructure studies (water, sewerage, roads, power, telecommunications, rail, gas);
- Environmental studies (water cycle management, soil / geotechnical studies);
- Flood study;
- Noise and amenity impact study;
- Scenic amenity study;
- Transport and traffic network.

The background studies will help inform a detailed structure plan that will encompass the entire industrial site. The detailed structure plan will take the form of a precinct plan providing clear guidance as to how the future industrial area will develop in a sequential and efficient manner. Any future infrastructure upgrades to enable the servicing of the proposed industrial site at Woodstock are presently not included within the next 15 year planning horizon of the Local Government Infrastructure Plan (LGIP). As such, there will be a need for significant investment in order to bring forward this development in relation to the upfront costs of infrastructure to service the site.

Continued >>
The Solution

The 15GWH Lithium-ion Battery Plant proposed by the Boston Energy consortium (incl. Eastman Kodak, Magnis Resources, C4V and C&D assembly) could produce 250,000 car batteries per annum, one million home battery units, or support 300 micro grids to power small towns.

The Battery Plant has the potential to create enormous economic benefits for the city. This new industry will support up to 1,000 new jobs within the city. Furthermore, the supply chain and logistics for the necessary materials and utilities will create over 1,000 new jobs in supporting businesses. When downstream and indirect jobs are included the facility may contribute to the creation of approximately 5,000 jobs across the State.

Lithium-ion Batteries (LIB) are increasingly associated with the industries of the future due to their ability to store large amounts of energy at minimum weight and volume. LIBs are experiencing significant growth in a diverse range of applications that include: Consumer Electronics; Electric Vehicles; Energy Storage Systems; and Military.

Manufacturing of LIBs in Townsville would enable a revival of manufacturing into the future. LIBs are a key enabler in the development of upcoming clean and sustainable industries enhancing economic diversification from reliance on resource based industry.

The consortium anticipates delivering maximum benefit to the local community. The proponents are seeking to partner with Government to enable the delivery of project.

Critical to the development of the Lithium-ion Battery Plant are the following stages:

**Stage 1:** Development of a detailed Feasibility Study, detailed design and studies;

**Stage 2:** Delivery of key infrastructure (roads, power, water, sewerage, telecommunications etc.);

**Stage 3:** Establishment of the proposed Lithium-ion Battery Plant.
The Issue

Future opportunities and challenges in biosecurity in northern Australia are shaped by the two great axes of global growth: the Asian axis and the tropical axis. Variables driving these threats include population growth, mobility and urbanisation; land use changes and degradation; development and infrastructure projects; habitat and biodiversity changes; and global trade. Australia urgently requires biosecurity preparedness and response capacity located in the north, in Queensland, to protect and support our animal, aquaculture and plant industries and to safeguard human health and our natural environment. Strengthening Australia’s biosecurity capacity is about future proofing our nation, and strategic investment is required to increase our capacity to respond to national biosecurity and human health security threats in the tropics.

Although risks to Queensland and Australia’s biosecurity are increasing, our preparedness and response capacity have declined. Current biosecurity diagnostic and response defenses are distant, inadequate and lack capacity as well as focus and often timeliness to meet industry and/or animal/human health clinical needs.

Northern Australia is the epicentre for some of Australia’s biggest agriculture and aquaculture industries: Townsville is the northern hub for beef grazing industries in Queensland; aquaculture is fast becoming an important animal and algal production enterprise in the region; and expertise in developing and sustaining cattle and aquaculture industries is exported into the Asia Pacific region.

The Wet Tropics are a hot spot for insect invasions and vector-borne risks to agriculture, plants and people and JCU Cairns has significant capacity and expertise in vector and pathogen surveillance and control. Our globally important natural assets such as the rainforest, outback and reef are suffering cumulative impacts which include climate change, invasive species and disease.

Queensland’s long coastline includes seven rapidly expanding Ports and two International Airports with Queensland’s export strategies driving significant increases in shipping flows with potential to impact biosecurity.

Recommendation

The State Government support the development of the Australian Tropical Biosecurity Network:

- **Stage 1:** A dedicated diagnostic laboratory facility that would undertake arbovirus monitoring, diagnostic services in aquatic health and routine diagnostic work for any domesticated species in the region up to PC2 and PC3 level at James Cook University (JCU) in Townsville and expansion of plant pathogen and insect quarantine and applied research capacity at JCU in Cairns ($30M);
- **Stage 2:** Facilities to deliver education, training, workforce development and research and commercial innovation capacity ($25M).

ATBio aims to integrate surveillance and detection support capacity and diagnostic capability in a coordinated system to underpin biosecurity preparedness, surveillance, detection, diagnostics and response across animal, aquaculture and plant industries to benefit Queensland, Australia and the Asia Pacific region. It also provides a platform for industry initiated research and development activities to be undertaken that assist in developing and refining tools to support prediction, early detection and rapid and cost effective responses at local levels.
The Solution

Biosecurity surveillance and laboratory capacity in the north of Australia is, therefore, essential to prevent disease outbreaks in plants, animals and people and prevent establishment and spread of pests and weeds that will pose a threat to the economy and environment. ATBio will increase surveillance capacity (labs and expertise) and increase response capacity (through education and training).

Biosecurity research and innovation is essential. ATBio will develop innovative and targeted training and education programs to provide a frontline biosecurity workforce and grow surveillance capacity. It will also deliver diagnostic and vector and pathogen control activities and programs and deliver a multidisciplinary research program to develop novel approaches to surveillance, detection, diagnostics, preparedness and rapid response across a wide range of targets. Research and Innovation in biosecurity will inform, and be informed by, Aboriginal and Torres Strait Islander land carers and communities.

Based on this strong platform, expertise and infrastructure, as well as close working linkages with CSIRO, the Department of Agriculture and Fisheries, aquaculture and agricultural industries, indigenous communities and land and sea rangers, community wildlife support groups and the human and animal health services of northern Queensland; ATBio will develop innovative and targeted education and training programs to provide a frontline biosecurity and human health security and biosecurity workforce. ATBio will support increased industry and community engagement in and capacity for identification of biosecurity ‘risks’ and shared responsibility for prevention and response, and grow surveillance and response capacity within tropical Queensland.

ATBio will meet growing biosecurity challenges and leverage new growth opportunities such as the expansion of export markets for high quality, high value agricultural products and in off-shore and on-shore biosecurity training and research, particularly to the Asia-Pacific, supporting the growth of Queensland’s knowledge economy.

JCU proposes progressive development of ATBio:

Stage 1: A dedicated diagnostic laboratory facility that would undertake arbovirus monitoring, diagnostic services in aquatic health and routine diagnostic work for any domesticated species in the region up to PC2 and PC3 level at JCU in Townsville and expansion of plant pathogen and insect quarantine and applied research capacity at JCU Cairns ($30M);

Stage 2: Facilities to deliver education, training, workforce development and research and commercial innovation capacity ($25M).

A third stage includes the exploration of the needs and feasibility/capacity to develop/increase access to PC4 laboratory capability and industry/government partnership to operate the facility.
Townsville acts as the major regional service centre for both North and North-West Queensland, a region which stretches over 900km to Mount Isa in the West. Air services are considered essential for the rural and remote areas of these regions, given the extensive distances, and associated time constraints and safety risks associated with road transport. Without effective regional air services, the viability and sustainability of these regional communities is substantially impacted. Likewise, the costs and availability of airfares from North Queensland to service these areas on a competitive basis represents a substantial constraint. In addition to being the regional hub for critical services such as health and education, skilled labour from Townsville is also a critical service component for core North-West industries. The Townsville Enterprise submission into the Inquiry into the operation, regulation and funding of air route service delivery to rural, regional and remote communities outlined these issues in detail, supported by economic modelling on the impacts to our communities.

In support of the submission, Townsville Enterprise commissioned an Economic Impact Assessment into regional airfare affordability has found that if Townsville’s airfares were reduced by as little as 10%, 289 more full-time jobs would be created in the region. The EIA found that high airfare pricing is a handbrake on North Queensland’s economic growth and that as little as a 10% improvement in flight affordability would provide a significant impact on local jobs creation and annual economic activity through additional inbound visitation. This would be achieved through:

- 289 FTE jobs (including 173 directly employed)
- $57.5M in output (including $26.0M in direct activity)
- $30.8M contribution to Gross Regional Product (GRP) (including $14.0M in direct activity)
- $16.8M in incomes and salaries paid to households (including $8.6M directly)

Of the 558 people that AEC Group surveyed from Brisbane, Sydney and Melbourne, 95% said they are more likely to travel to Townsville if the airfares decreased by 10%.

The Issue

As occurs in other markets such as accommodation provision, airlines increase airfares during times of peak demand and as availability reduces. Dedicated revenue managers exist to change airfares pricing on a regular basis to maximise overall revenue. The revenue optimisation strategies adopted by airlines can often result in a high level of volatility in airfare pricing, particularly when different segments exist on the routes in question (FIFO vs business vs Government vs tourism vs local residents). The WA Inquiry (2017) found that airfares on regulated routes were lower and less volatile than unregulated routes.

As part of the WA Inquiry, Qantas (2017a) and Virgin (2017) indicated that roster based FIFO passenger flows can influence the pricing of different sectors with heavy demands in one direction and weak demands on the return sector. To ensure route sustainability, high airfares need to be levied on the heavy demand sector to offset low airfares on the return sector.

Further, Qantas (2017a) and Virgin (2017) indicated that the proportion of passengers that are price elastic on rural, regional and remote routes is deemed to be quite low and as such attempting to attract additional demand through price discounting would only result in reduced revenues overall with the foregone revenue generated from price inelastic passengers being greater than the additional revenue generated from price elastic passengers.

The Federal Government must reinstate itself as a central player in influencing policy reforms to reduce the costs of operating airlines in regional and remote Australia. The State Government must look at how its transport budget and subsidies heavily favour south-east Queensland and coastal settlements rather than important regional economic centres and contributors like the North-West Minerals Province/ Mount Isa.

The Solution

The State Government must review its position associated with the regulation of regional connectivity and specifically the Mount Isa – Townsville air route.
Palm Island, situated 65km north-east off the coast of Townsville, has a well-documented history of economic and social challenges. Its current unemployment rate is 61% and nearly 50% of families have no parent in employment. More than 90% of Palm Island’s residents are Indigenous.

The Issue

A major obstacle to growth and opportunity on Palm Island is its underdeveloped business base. Residents routinely travel to nearby Townsville for basic retail shopping, resulting in expenditure leakage of up to $6.44M each year.

Palm Island needs investment in urban infrastructure to provide local employment opportunities, catalyse private sector investment, stimulate its nascent tourism industry and provide locals with the ability to access fresh food and produce, without needing to travel to the mainland.

The Solution

Government support for the Palm Island Retail and Business Precinct will catalyse economic development, provide enhanced employment opportunities for locals and internalise spending to support economic growth.

The Precinct will support a vibrant mix of retail and specialty shop facilities and will provide a safe and inviting environment to support the Palm Island Aboriginal Shire Council’s Tourism and Events Strategy. It will also open opportunities to repurpose existing buildings into cultural, heritage and community facilities, an area currently lacking on the Island. A Primary Health Care Centre located within the Precinct is also being progressed by Townsville Aboriginal and Islander Health Services and Townsville Hospital and Health Services, further supporting the Precinct’s viability.

The project is supported by prior feasibility studies and economic modelling and is being championed by the Palm Island Aboriginal Shire Council.

Townsville Enterprise acknowledges the support of the State Government to date, and is calling on them to continue working with the Palm Island Aboriginal Shire Council to deliver this project.

Recommendation

- State Government provide financial support for the proposed Retail and Business Precinct on Palm Island.
The Issues

Industrial Land Development

There has been increasing interest from businesses wanting additional land in the Burdekin Shire and as Ayr’s existing Industrial Estate is close to capacity, the need for additional lots to be created has become urgent. Council owns sufficient ‘industrial zoned’ freehold land able to be serviced by appropriate infrastructure. However, several constraints are present including a State imposed ‘wetland’ overlay. This particular constraint severely restricts further expansion of the Estate. Council is currently investigating strategies that will allow the Estate to expand to ensure current and future demand is catered for. Until this issue is resolved, additional land for future industrial land uses is scarce throughout the Burdekin Shire.

Upgrade of the Mt Inkerman Road/Bruce Highway Intersection

Mt Inkerman is used extensively by locals and tourists as a fitness/recreational area and a tourist location. Numerous community members have identified the issue of safety at the turn off from the Bruce Highway to Mt Inkerman Road. Burdekin Shire Council is close to completing a $1.48M upgrade of Mount Inkerman. The major revamp of the iconic natural landmark included an upgrade of the lookout area, road and car parks and the construction of a walking path. Council was fortunate to have received two State Government grants – $200,000 from the Scenic Lookout Program and $541,341 from the Significant Regional Infrastructure Projects Program (SRIPP) – to support these works.

Department of Transport and Main Roads has identified this location to upgrade in the future, however with increased numbers expected to visit Mt Inkerman, the highway upgrade is required urgently to mitigate the risk of a potentially severe accident.

The Solution

Townsville Enterprise is calling on the State Government to:

› Review constraints impacting on the Burdekin Shire Council’s ability to expand its industrial estate to meet increasing demand.

› Expedite the upgrade of the Mt Inkerman/Bruce Highway intersection to ensure the safety of tourists and locals visiting the area following the Mt Inkerman $1.48M upgrade.

Recommendation

› State Government to review constraints impacting on the Burdekin Shire Council’s ability to expand its industrial estate to meet increasing demand;

› State Government to expedite the upgrade of the Mt Inkerman/Bruce Highway intersection to ensure the safety of tourists and locals visiting the area following the Mt Inkerman $1.48M upgrade.
For over 25 years Townsville Enterprise has been a key driver in attracting major investment to the region.

It ensures that Townsville, Magnetic Island, Palm Island, the Burdekin, Hinchinbrook and Charters Towers benefit from investment and economic prosperity, tourism opportunities and the business events market.

Townsville Enterprise

Purpose: Connect, grow and promote Townsville North Queensland.

Townsville North Queensland

- Townsville
- Burdekin
- Charters Towers
- Hinchinbrook
- Palm Island

Townsville Enterprise PRIORITIES

- ADVOCACY
  Prompting North Queensland to achieve sustainable economic and lifestyle benefits for the region and Australia
- POLICY
  Developing key policy positions that affect the growth and development of the region
- INVESTMENT ATTRACTION
  Working with key stakeholders to attract investment for major regional projects of significance
- INFRASTRUCTURE
  Attracting public and private sector funding for economic infrastructure
- EVENTS
  Events development and acquisition
- AVIATION
  Working with the Townsville Airport on the attraction of domestic and international flights
- INDUSTRY DEVELOPMENT
  Developing the tourism and events industry with a specific focus on edutourism and cruise
- MARKETING & COMMUNICATIONS
  Marketing and promoting the region to attract new residents, new investment and visitors
- MEMBERSHIP
  Supporting, promoting and advocating for our members

JOBS FOR THE TOWNSVILLE NORTH QUEENSLAND COMMUNITY
Building the region is everyone’s business.

As a member of Townsville Enterprise, your business will be supported by the strategic activities that attract investment, create jobs and improve liveability in Townsville North Queensland.

Townsville Enterprise may be leading the charge, but it cannot operate alone. It is only with the support of its partners and members that it can continue to drive growth for the Townsville North Queensland region.

Join with us.

Visit our website or call us on +61 7 4726 4728 to find out more about how a membership with Townsville Enterprise will help connect, grow and promote your business.

townsvilleenterprise.com.au