TOWNSVILLE NORTH QUEENSLAND
Federal Government Priorities
2019
Foreword

‘A strong North means a strong Nation.’

This is the theme promoted by the Federal Government’s ‘White Paper on Developing Northern Australia’, to transform the nation’s top-end into an economic powerhouse.

As the largest city and region in Northern Australia, 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.

Over the past six years, the people of the Townsville North Queensland region have experienced some of the toughest economic conditions in its 151-year history. The downturn in commodities, the drought and dramatic changes in the makeup of the economy saw unemployment in 2012 at an unprecedented 14%, with youth unemployment over 20%. A looming water security issue and skyrocketing energy prices threatened the closure of our remaining manufacturing and production industries and business confidence hit historic lows.

Adding to this, in February 2019, the region experienced one of the worst natural disasters in North Queensland’s recent memory. This unprecedented flooding event across the North resulted in significant property damage displacing thousands of residents and severely impacting the capacity of businesses to trade in the Townsville North Queensland region.

Townsville Enterprise seeks to not solely focus on the continued recovery, but to deal with the pre-existing structural issues that undermine future resilience and the investment necessary to resolve these issues. This includes further investment into the key infrastructure and industries that are the lifeblood of regional Queensland, such as flood proofing and upgrading the Mount Isa to Townsville Rail Line and securing the necessary support and policy settings for the mining and resources industry to continue to grow in regional Queensland.

Prior to this event, the landscape was looking more optimistic, and all levels of Government and the private sector have played a part in the region’s economic recovery. Projects like the $250M North Queensland Stadium and $225M water pipeline are now becoming reality, the Port of Townsville’s $1.6B expansion project has been approved, the resources sector is ramping up, the private sector is investing again and we have Government policy agreements like the landmark Townsville City Deal and the Australia and Singapore Comprehensive Strategic Partnership providing momentum and funding for future developments.

Whilst the region has been on the move again, unemployment is still sitting uncomfortably at 8% and approximately 11,000 people still out of work. We need to work harder to ensure long term job creation now and into the future.

The targeted priorities included in this document have been defined based on their capacity to stimulate economic growth, encourage industry and private sector investment, influence business confidence and create jobs. This is now more important than ever with the additional economic challenges our region is facing after such a devastating weather event.

The Federal Government plays a key role in the economic recovery of North Queensland following the floods, and the outlined economy building package is about giving communities and people hope for a better future.

We encourage the Federal Government to work in partnership with the North Queensland community to fast-track investment and implement policies that will not only get the region back on its feet but secure its long-term future and economic resilience.
SUMMARY OF RECOMMENDATIONS

To continue enabling the growth of Townsville North Queensland, Townsville Enterprise is calling on the Federal Government to support the following priorities:

GETTING THE BASICS RIGHT
WATER SECURITY FOR TOWNSVILLE
› Federal Government to work with the Queensland Government for a whole-of-catchment management and development plan for the Burdekin Basin, including long-term developmental considerations (ie: Hells Gates Dam development).

INDUSTRY DEVELOPMENT (Continued)
LANSDOWN INDUSTRIAL PRECINCT AND LITHIUM-ION BATTERY PLANT
› Support the development of the Lansdown Industrial Hub on the Lansdown site at Woodstock comprising a Lithium-Battery Plant and synergistic industries to drive job growth;
› Stage 1 is complete with an Imperium 3 Battery Plant Detailed Feasibility Study submitted to the State Government (which committed $3M) and project partners developing commercial terms with Townsville City Council; and
› Stage 2 to receive Commonwealth funding for headworks infrastructure (water mains to site and National Highway intersection costed at $90M).

DEVELOPING TOWNSVILLE NORTH QUEENSLAND AS THE HIGH READINESS NEXUS FOR THE ADF
› Development of a North Queensland Defence Industry Strategy to provide a unifying regional direction and message that aligns with defence strategy and optimises investment across Government and industry;
› Acknowledgement from the Federal Government that the strategy will play a leading role in developing Townsville as a “Defence Hub” under the Townsville City Deal; and
› Request that Defence work with regional North Queensland stakeholders in the preparation of that strategy.

AGRICULTURAL MARKET AND SUPPLY CHAIN ROAD-MAP
› Federal Government to provide grant funding support toward the delivery of a sector driven food and fibre value-added and priority infrastructure study that will produce a developmental road-map supporting targeted product and export market growth (Total Study Cost: $4M/ over five years); and
› The Federal Government to incorporate the ‘Agricultural Market Supply Chain Road-Map’ body of work as a key component of its targeted flood recovery agenda supportive of North West Queensland graziers immediate and future developmental priorities.

TROPICAL AQUACULTURE ACCELERATOR
› Provide $60M to develop the Tropical Aquaculture Accelerator that will support the aquaculture industry and education, tourism, and longevity of the Great Barrier Reef.
**CAPITAL OF NORTHERN AUSTRALIA (Continued)**

**NORTHERN AUSTRALIA SPARC (STEAM PRECINCT AND REGIONAL COLLABORATOR)**

1. Proposed first steps towards the realisation of the ‘Northern Australia SPARC’ (STEAM Precinct and Regional Collaborator) will be initiated by a $30M investment from the Federal Government to support:
   - Delivery of a Business Case defining the pathway to establishing ‘fit for purpose’ STEM education and industry skilling program that will leverage the permanent presence of The National Science and Technology Centre (Questacon) in Townsville North Queensland ($2M).
   - Implementation of a tailored industry skilling program (RDA Hunter – ME Program), across North & North West Queensland ($5.2M Year 1–2, $6M Year 3–7 and $660K ongoing – $13M spend over 10 years).
   - Establishment and ongoing operation of the ‘Northern Australia SPARC’ in Townsville North Queensland, including the establishment and operation of Questacon ($15M upfront plus on goings pending findings of Business Case).

**ECONOMIC STIMULUS**

**A STRONG NORTH WEST MINERALS PROVINCE MEANS A STRONG NORTH QUEENSLAND**

- Proposed first steps towards the realisation of the ‘Northern Australia SPARC’ (STEAM Precinct and Regional Collaborator) will be initiated by a $30M investment from the Federal Government to support:
  - Delivery of a Business Case defining the pathway to establishing ‘fit for purpose’ STEM education and industry skilling program that will leverage the permanent presence of The National Science and Technology Centre (Questacon) in Townsville North Queensland ($2M).
  - Implementation of a tailored industry skilling program (RDA Hunter – ME Program), across North & North West Queensland ($5.2M Year 1–2, $6M Year 3–7 and $660K ongoing – $13M spend over 10 years).
  - Establishment and ongoing operation of the ‘Northern Australia SPARC’ in Townsville North Queensland, including the establishment and operation of Questacon ($15M upfront plus on goings pending findings of Business Case).
DESTINATION DEVELOPMENT

MUSEUM OF UNDERWATER ART (MOUA)
> The Federal Government provide $5M to support the development of Phase 3 of the Museum of Underwater Art.

DRIVEIT NQ
> The project secured a $7M commitment during the 2019 Election from the Federal Government on top of the $5M secured in September 2017. The State Government committed $5M in 2019 towards enabling road infrastructure at Woodstock.
> An $11.5M commitment is still required (currently requested through the State).

REEF HQ AQUARIUM UPGRADE
> Commit $80M to upgrade the Federal Government’s National Education Centre for the Great Barrier Reef, Reef HQ Great Barrier Reef Aquarium.

SUPPORTING THE REGIONS

BURDEKIN SHIRE COUNCIL
> Federal Government to provide $5.6M towards the provision of suitably located and serviced industrial land in Ayr to meet business and industry needs;
> Federal Government to provide $5M towards the construction of a 4 hectare bioremediation facility at the Ayr/Brandon STP to enable a full scale demonstration facility to be developed and operated; and
> Federal Government to provide $7.8M towards water distribution infrastructure to improve water delivery to agricultural properties in the southern part of Burdekin Shire.

PALM ISLAND ABORIGINAL SHIRE COUNCIL
> Federal Government to provide $30M in funding to support construction of Stages 3 and 4 of a retail and commercial precinct on Great Palm Island; and
> Federal Government to support the ‘Palm Island Readiness and Resilience (RnR) Program’ to leverage the opportunities that the Museum of Underwater Art (MOUA) will generate (total cost: $15M (over 5 years)/ Federal contribution $7.5M)

SUPPORTING THE REGIONS (Continued)

HINCHINBROOK SHIRE COUNCIL
> $950K in funding to assist dredging and beach replenishment, including a comprehensive Environmental Impact Statement at Dungeness to facilitate development of tourism in the area;
> $750K in funding to undertake the business case, including comprehensive Environmental Impact Statement for the establishment of ramp and jetty facilities at Forrest Beach;
> $1.5M in funding towards heated silo storage facilities for pulse, rice and comparable grain production;
  i) $20M towards the NQBE Renewable Energy Facility. The project is shovel ready;
  ii) reinstatement of REC ($60 per MW or similar) to restore investor confidence in promotion and establishment of Renewable Energy Products.
  iii) Amendment of ARENA funding guidelines to recognise agricultural based renewable energy products for funding purposes.
> $450K in funding towards a business case, including comprehensive Environmental Impact Statement for the establishment of an in-stream weir facility within the Herbert River; and
> $835.5K for Dungeness Boat Ramp Car Park Extension. The project is shovel ready.

CHARTERS TOWERS REGIONAL COUNCIL
> Federal Government to support the recommendations of the Townsville Enterprise led Hells Gates Dam / Big Rocks Weir Business Case currently in progress;
> State and Federal Governments adopt a bipartisan, coordinated and whole-of-government response to the impacts of ongoing drought in Queensland communities;
> Provide support to undertake measures to reduce the significant impact of flying fox;
> Federal Government support long-term planning for strategic regional freight and tourism routes through the region;
> Federal Government fund state-identified works on the Gregory Development Road; and
> The Federal Government fund a new, replacement hospital to be built in Charters Towers, alongside Eventide Aged Care Facility with increased speciality services in Obstetrics and Gynaecology, Renal Medicine, Radiology and Ultrasonography.
GETTING THE BASICS RIGHT

Water Security for Townsville

Recommendation

› Federal Government to work with the Queensland Government for a whole-of-catchment management and development plan for the Burdekin Basin, including long-term developmental considerations (i.e. Hells Gates Dam development).

› 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.

THE ISSUES

› No access to cost effective power supply to pump water across the pipelines;

› Limited access to cost-effective water for agricultural development in North Queensland.

BACKGROUND

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

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

Townsville Enterprise recognises and commends the Federal Government’s significant funding contributions towards the delivery of Phase 1 and Phase 2 of the Haughton Pipeline Duplication Project. Townsville City Council was recently announced by the Deputy Prime Minister as the proponent to deliver Phase 2 alongside Phase 1 which will result in significant cost savings.

1. Townsville Water Security

The Townsville Water Security Taskforce handed down its final recommendations defining Townsville’s short to medium term priority investment and water security plan in September 2018. This report recommended Phase 1 and Phase 2 to commence immediately which are now being delivered by Townsville City Council.

The report also recommended:

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

2. Regional Water Plan

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’s largest dam (1,860,000ML, or four 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 and industrial demand for water, combined with Townsville’s increasing reliance on the Burdekin as its population increases, will place increasing pressure on dam water allocations. A dam safety upgrade and wall height upgrade of at least 2 metres is also required in order to comply with ANCOLD national safety standards and 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 pumped 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. 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 – in line with ANCOLD guidelines.

THE SOLUTION

Federal Government to work with the Queensland Government for the establishment of a comprehensive whole-of-catchment Burdekin Basin Water Resources Plan. Priorities for the region include:

- Seek Federal Government assistance in lobbying the Queensland Government for a whole-of-catchment management and development plan for the Burdekin Basin, including considerations associated with long-term agricultural development opportunities (ie: Hells Gates Dam development).
ENABLING INFRASTRUCTURE

Lower Energy Prices and Access

Recommendation

› In support of the Australian Competition and Consumer Commission’s (ACCC) recommendations associated with the Retail Electricity Pricing Inquiry—Final Report (July 2018), the Federal Government must ensure that retail price monitoring is streamlined, strengthened and appropriately funded to ensure greater transparency in the market, reducing costs, and allowing Government to more effectively respond to emerging market issues. Consumers require clarity and certainty at all levels on regulation and rules, from the upstream (gas wells) to the end user;

› North Queensland requires a cohesive, effectively formulated national energy policy that will work to realise sustainable/competitive energy (electricity/gas) solutions and promotion of distributed generation close to the fuel source, supportive of the region’s future; and

› Modifying how the Queensland Government distributes its CSO through a GOC is essential to enable retail competition that occurs already in SEQ and the southern states. Victorian and NSW CSO’s are distributed through commercial entities already. Review of the National Energy Market rules on connection to the grid for new loads and generators is essential to return timeframes and costs back to reasonable levels.

THE ISSUES

› Unsustainable and escalating power prices in North Queensland.

› Townsville North Queensland is not connected to the national natural gas network.

BACKGROUND

North Queensland’s electricity prices are having a crippling effect on industry and the local economy. Base electricity prices, exclusive of network and environmental charges, more than doubled between 2015 and 2018 however a slight easing in prices has been seen over the past quarter as additional renewable supplies come online.

The current uncertainties over pricing and secure access to energy markets, including Townsville North Queensland’s lack of connection to the national natural gas network, is negatively impacting 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 nation. In terms of competitive position, Queensland has moved over the past five years from among the world’s 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’s generation assets are more highly concentrated than other mainland NEM regions, located in the south east and central regions of the state. The Queensland 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).

Queensland energy generators are not acting in a manner that is conducive to the connection of new loads and new generation – the NEM processes see connections take as long as two years and this is 18 months longer than what would have been expected in the 1990’s-2000’s, with connection costs enormously inflated simultaneously.
New access to the grid is therefore stifled and hugely expensive, to the point where self-generation using diesel is a better "whole of life" economic option for some manufacturing plants than an Ergon Energy power network connection.

The fact is that large energy users in Northern Australia – industry, mining, manufacturers and large businesses – 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.

The Federal Government recently allocated $4.7M in grant funding to accelerate development activities supportive of the CopperString 2.0 Project. The Project seeks to establish a transmission line to connect the North West Minerals Province to the east coast electricity grid. The Project will vastly improve the economics of energy supply across North Queensland. Construction of the CopperString transmission line would increase gas and renewable energy generation capacity in North Queensland by over 1,200MW. $1.2B of capital is sought to fund the Project with an expected financial close by Q3 2020.

Increases in network prices over 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 distributed also needs to be reconsidered.

The Federal Government faces increased pressure over energy policy as leaders of some of the nation's major companies and most influential lobby groups have publicly lamented the removal of the National Energy Guarantee (NEG). The key message from all parties in the energy industry is that we need clarity and certainty at all levels on regulation and rules, from the upstream (gas wells) to the end consumer.

The ACCC's report commissioned by the former Turnbull Government reaffirms the significance of the impact that energy pricing is having on businesses. The recommendations by the ACCC, including increased policing and competition for generators and retailers and reducing asset and transmission costs, must be prioritised by the Federal Government and this needs to be achieved through collaboration with the Queensland Government. Prime Minister Morrison revised the Coalition's energy plan, diverting from the NEG model in September 2018.

The Federal Government announced in late October 2018 a series of measures that will seek to address energy prices and reliability. The Australian Energy Regulator (AER) will introduce a 'price safety net', which involves power retailers setting their prices against a default market price. This was a measure recommended by the ACCC’s inquiry into retail power prices.

The Federal Government also seeks to support the construction of new sources of energy generation through the Underwriting New Generation Investments program. Energy companies will be required to sign contracts guaranteeing enough energy to meet demand. The Government will also develop legislation for monitoring of electricity prices and this will include receiving recommendations from the ACCC for enforcement remedies and empowering the Treasurer to divest assets if the ACCC recommends.

The Federal and State Governments have an obligation to work together on behalf of the North Queensland community in pursuit of this agenda. Under the National Electricity Market rules, the Federal Government is not in a position to influence or police the behavior of generators or ensure that wholesale prices match costs of production – not prices driven by market distortion. Many of the recommendations identified through the ACCC’s inquiry into Retail Electricity Pricing work to address the imbalance and price gouging practices currently impacting energy costs across the nation. The people of North Queensland seek the support of the Federal Government on the following recommendations:

- North Queensland requires a cohesive, effectively formulated national energy policy that will work to realise sustainable/competitive energy (electricity/gas) solutions and promotion of distributed generation close to the fuel source, supportive of the region's future.

- Modifying how the Queensland Government distributes its CSO through a GOC is essential to enable retail competition that occurs already in SEQ and the southern states. Victorian and NSW CSO’s are distributed through commercial entities already.

- Review of the National Energy Market rules on connection to the grid for new loads and generators is essential to return timeframes and costs back to reasonable levels.
THE ISSUE

The North Queensland community seeks clarification from the Federal Government on the current delays in the issuance of a Grant Deed supporting the delivery of the Hells Gates Dam Business Case.

BACKGROUND

The agricultural sector is critical to the Townsville North Queensland economy, contributing 3,642 jobs (3.5%) and approximately $565M (3.8%) to Gross Regional Product.

The Federally funded $2.2M Hells Gates Dam Feasibility Study, led by Townsville Enterprise and conducted by SMEC Holdings Ltd, was completed in July 2018. This feasibility study was primarily tasked with assessing the agricultural potential of the northern reaches of the Burdekin River catchment and surrounding land approximately 150km northwest of Townsville.

The study identified the Hells Gates development’s potential to support large scale/ broad acre agricultural development, irrigation network including the proposed Hells Gates Dam, water distribution, power generation and supply (pumped hydro).

While the feasibility study primarily addressed the agricultural development potential of the northern reaches of the Burdekin, it also undertook a preliminary investigation assessing environmental and cultural heritage concerns unique to the area. The study’s findings defined that the $5.35B greenfield agriculture development is economically viable with the potential to open up 50,000+ha of highly productive arable land in close proximity the Upper Burdekin river system. The feasibility study defined that the project represented a Benefit-Cost Ratio (BCR) of between 1.4 and 0.68 and the potential to generate up to 4,000 FTE jobs post construction (12,000 during construction) and $1.3B annually to North Queensland’s GRP.

The Federal Government announced on Wednesday 10 April 2019 that Townsville Enterprise Limited would be engaged to carry the feasibility study momentum forward and deliver the Hells Gates Dam ‘Business Case’ process.

The $24M of Federal Government grant funding associated with the delivery of the Hells Gates Dam Business Case will be a direct allocation from the National Water Infrastructure Fund (NWIDF) and will be overseen and administered by the newly established North Queensland Water Infrastructure Authority (NQWIA).

In-line with Australian Constitutional water management arrangements, it is expected that Townsville Enterprise will be directly engaged by the Queensland Government through the Department of Natural Resources Mines and Energy (DNRME) to undertake the business case process and will adhere to the same reporting regime and oversight mechanisms as the feasibility study process. The NQWIA submitted a draft Hells Gates Dam Business Case - Bilateral Schedule to DNRME for consideration and approval on 8 May 2019, defining funding arrangements supportive of the business case process.

Nearly three months have elapsed since the Queensland Government was provided the draft Bilateral Schedule by the NQWIA for review and comment. Townsville Enterprise is waiting to be presented with a Grant Deed from the Queensland Government supporting the Business Case process. The Grant Deed was originally expected to be executed and work commenced by Townsville.
Enterprise upon the Business Case before the end of July 2019. Townsville Enterprise formally wrote to the Queensland Minister for Natural Resources, Mines and Energy Minister (The Hon. Dr Anthony Lynham) on 7 June 2019, seeking the Minister’s support in the facilitation of a timely Queensland Government review of the Hells Gates Dam Business Case - Bilateral Schedule and contracting process (issuance of the Grant Deed). No response has been received to date.

THE SOLUTION

The North Queensland community seeks the Federal Government’s support in progressing efforts toward the issuance of a Grant Deed, permitting commencement of the Hells Gates Dam Business Case.
INDUSTRY DEVELOPMENT

Lansdown Industrial Precinct and Lithium-ion Battery Plant

RECOMMENDATION

› Support the development of the Lansdown Industrial Hub on the Lansdown site at Woodstock comprising a Lithium-ion Battery Plant and synergistic industries to drive job growth.

› Stage 1 is complete with an Imperium 3 Battery Plant Detailed Feasibility Study submitted to the State Government (which committed $3M) and project partners developing commercial terms with Townsville City Council;

› Stage 2 to receive Commonwealth funding for headworks infrastructure (water mains to site and National Highway intersection costed at $90M).

THE ISSUE

The Lansdown Industrial Precinct, located 40km from the Port of Townsville, is development ready with access to major infrastructure including rail, National Highway and is nearby to an approved solar farm at Major Creek.

The Lithium-ion Battery Plant proposal which is backed by a consortium led by Boston Energy and Innovation has just completed its Feasibility Study. The state-of-the-art battery manufacturing plant will create thousands of new jobs and position Townsville as the industrial powerhouse of the North as detailed in the City Deal.

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.

Townsville has a critical shortage of industrial land available for these uses which threatens Townsville’s capacity to respond to the market in relation to attracting key industry sectors.

Townsville City Council has completed a number of detailed background studies that serve to inform the development of the precinct. The studies identify that infrastructure upgrades to service the precinct are beyond the ability of Council to fund. There is a need for significant public investment in order to bring forward this development and drive private sector investment into new projects.

THE SOLUTION

Funding for Stage 2 is essential to realise the City Deal deliverable of making Townville the industrial powerhouse of the north.

The Council has also completed a public competitive process to attract synergistic industries to the area. Council has conditionally committed land to the companies that responded to the tenders and has now invited short-listed tenderers including Pure Minerals Limited and Edify Energy to negotiate conditions for the land.

The Battery Plant has the potential to create enormous economic benefits. The 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 and advanced battery materials 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.

INDUSTRY DEVELOPMENT

Developing Townsville North Queensland as the High Readiness Nexus for the ADF

Recommendation

› Development of a North Queensland Defence Industry Strategy to provide a unifying regional direction and message that aligns with defence strategy and optimises investment across Government and industry;
› Acknowledgement from the Federal Government that the strategy will play a leading role in developing Townsville as a “Defence Hub” under the Townsville City Deal; and
› Request that Defence work with regional North Queensland stakeholders in the preparation of that strategy.

THE OPPORTUNITY

› Townsville North Queensland has proven Defence assets. The region’s unique characteristics favour its use as a force preparation, mounting and sustainment base for Defence and humanitarian deployments.

› Townsville North Queensland is engaging with major Defence consultants to develop a regional Defence Industry Strategy. It will provide a unifying regional direction that aligns with the Defence strategy and optimises investment across Government and industry.

Townsville North Queensland would like to work with Defence, Government and industry to understand how we can meaningfully enhance our capacity to best support the execution of the Federal Government’s strategic plans to secure Australia.

BACKGROUND

Townsville is critical to Australia’s defence. The city’s importance has been evident in its pivotal role as a forward mounting base for the war in the Pacific (1942 – 45) and for most Australian Defence Force (ADF) deployments since including: Vietnam; Fiji; Rwanda; Somalia; East Timor; Iraq; and, Afghanistan.

Current Defence assets and capabilities located within or in proximity to Townsville include:-

› Lavarack Barracks – home to 3 Brigade, 11 Brigade (Reserve) and the Amphibious Taskforces landing forces (2 RAR group);
› Ross Island Barracks – home to 10th Force Support Battalion, 30 Terminal Squadron, 35 Water Transport Squadron and the Army School of Transport – Maritime Wing;
› The Australian Army Combat Training Centre - delivering advanced collective combat training to ready, prepare and certify forces for deployment;
› Defence Training Areas including the Townsville Field Training Area, Greenvale Training Area, Mount Stuart Training Area, Tully Field Training Area and Rattlesnake Island bombing range;
› RAAF Base Townsville – a jointly operated military/civilian airfield capable of accommodating all RAAF aircraft and home to the Australian Army’s 5th Aviation Regiment;
› Port of Townsville – a deep water port capable of accommodating Australian and allied capital ships, including the RAN’s Canberra Class LHD’s; and,
› Established transport and logistics capabilities including heavy equipment transport facilities with direct road, rail and sea port access.

As part of the Australia-Singapore Comprehensive Strategic Partnership, the Australia-Singapore Military Training Initiative (ASMTI) will deliver enhanced military training areas that will benefit the ADF, provide local economic opportunities, and enhance Defence’s bilateral relationship with Singapore. Under the Initiative, Singapore is investing $2.2 billion to acquire, design, develop and construct military training areas by expanding the Shoalwater Bay Training Area and establishing a new training area at Greenvale. When complete, up to 14,000 Singapore Armed Forces personnel will conduct training across Central and North Queensland over 18 weeks a year for 25 years.

Enacted in December 2016, the Townsville City Deal is a 15-year commitment between the Commonwealth Government, Queensland Government and the
Townsville City Council. Developing Townsville as a “Defence Hub” is one of six initiatives being delivered under the Townsville City Deal.

The Queensland Government has enacted the North Queensland Defence Advisory Board and committed $5M over three years to establish the Defence Supply Chain Hub - Townsville. The focus of these is to explore and develop regional Defence industry and supply chain opportunities.

Townsville’s unique characteristics, capabilities and opportunities are suited to its on-going development as the ADF’s Forward Mounting Base with a focus on force preparation, deployment and sustainment and associated activities such as equipment storage and stockholdings for military and humanitarian operations in the region.

The Townsville City Council, in partnership with Townsville Enterprise, and with support from the Queensland Department of State Development, Manufacturing, Infrastructure and Planning, is developing a regional specific defence and defence industry strategy centred on developing Townsville North Queensland as the High Readiness Nexus for the ADF.

**THE SOLUTION**

Development of a North Queensland Defence Industry Strategy to provide a unifying regional direction and message that aligns with defence strategy and optimises investment across Government and industry.

Acknowledgement from the Federal Government that the strategy will play a leading role in developing Townsville as a “Defence Hub” under the Townsville City Deal.

For Defence to work with regional North Queensland stakeholders in the preparation of that strategy.
INDUSTRY DEVELOPMENT

Agricultural Market and Supply Chain Road-Map

RECOMMENDATION

- Federal Government to provide grant funding support toward the delivery of a sector driven food and fibre value-added and priority infrastructure study that will produce a developmental road map supporting targeted product and export market growth (Total Study Cost: $4M over 5 years);
- The Federal Government to incorporate the ‘Agricultural Market Supply Chain Road-Map’ body of work as a key component of its targeted flood recovery agenda supportive of North West Queensland graziers immediate and future developmental priorities.

THE ISSUE

- Targeted industry driven needs must be the primary consideration in determining how Australia’s agriculture stakeholders respond to growing international market demand.
- The need for a ‘demand led’ approach to the formulation of a long-term sector-driven agriculture industry developmental road maps, with particular focus applied to the recovering beef sector.

BACKGROUND

The increase in the volume and value of global food consumption is a major mega-trend that will confront this generation and one that all global, national and regional policy makers should consider as part of their forward planning. International market demand for food security and associated interest in Queensland originating products exists across burgeoning key markets including South-East Asia, China and the Middle East.

In an effort to better place the region’s primary producers, peak bodies, regional stakeholders, investors and government decision makers in an informed position to consider the appropriate allocation of finite resources and supportive policy settings, North Queensland stakeholders partnered with the Cooperative Research Centre for Northern Australia (CRCNA) to undertake the North Queensland Agricultural Market & Supply-Chain Study (NQASCS). The study was publicly released in June 2019.

The NQASCS adopted a ‘demand led’ approach to the qualification of priority products, target markets, existing supply chain impediments and efficiencies, industry capacity to supply, sector collaboration/developmental options and future investment considerations. An examination of unmet demand was undertaken across 10 of Australia’s leading agriculture export destinations, which subsequently led to the qualification of five key target products (including; beef intensification, avocados, macadamias, on-shore aquaculture and soybeans) which suited the climate and weather conditions across the north of the state.

The KPMG Supply Chain work has delivered the region a very clear pathway to develop and drive value into supply chain efficiency with a level of clarity, industry and stakeholder ownership previously unseen in our region. Although the NQASCS produced a valuable body of work that includes important base-line product and market information that supports future North Queensland agriculture industry decision making, the full potential of the study’s recommendations will only be realised if they form part of a broader ‘sector-driven’ development approach that underpins a strategic industry mapping exercise.

North and North West Queensland’s most positive disaster recovery mechanism would be to lead with the front foot towards Federal investment in the implementation of this pathway, but most particularly the urgent need to develop the supply chain collaborations and strategies required to progress all five sectoral opportunities – with particular emphasis placed upon the beef sector’s recovery. The proposed ‘Agricultural Market and Supply Chain Road-Map’ would look to employ an evidence based/ holistic approach to priority agriculture sector development across the nation. This approach would principally be influenced by industry needs and each priority
product’s developmental requirements in order to efficiently grow to meet future export market demand. This approach would ensure that each resultant ‘whole of sector’ developmental plan would not be influenced by political or regional agenda, but importantly reflect the prioritisation of specific enabling investment, sector coordination, innovation and policy alignment that would underpin the long-term relevance, growth and sustainability of Australia’s agriculture sector.

Continuation of a ‘demand’ led approach in undertaking the ‘Queensland Agriculture Development Road-Map’ would prioritise how industry seeks to develop capacity to ensure continuity of supply across priority products. This would include assessment of how the horticulture sector can improve annual yields through the application of innovative technologies, protected cropping options and value-added processes (including; canning, juicing, pulping, pre-prepared meals, health supplements and nutraceuticals). The potential contribution of major water infrastructure projects in the nation’s north to the development of new agricultural capacity must also be considered in determining industry’s long-term capacity to meet market demand (this would include such projects as Rookwood Weir in Central Queensland and the Hells Gates Dam Irrigation Scheme in North Queensland).

Food waste is a global challenge that has environmental, economic and social impacts. It costs the Australian economy about $20 billion a year. 30 percent of the nation’s agriculture output is never eaten and is lost at various stages along the supply chain. The proposed ‘Agricultural Market and Supply Chain Road-Map’ initiative would also look to leverage and incorporate existing food waste mitigation analysis undertaken by the Queensland Department of Agriculture and Fisheries, the CSIRO, AgForce, Growcom and existing investment by the government’s into food transformation and advance manufacturing options.

THE SOLUTION

Given the importance of the agriculture sector to the national and state economies, a comprehensive ‘sector driven’ developmental road-map is required to guide future infrastructure investment and strategic planning. We also note positive longer-term Commonwealth thinking about supply chain development agenda across other parts of northern Australia, enabling us to work with other regions to build the market scale required.

We ask that the following investment be considered as the foundation of the Commonwealth’s flood recovery response, delivering long term resilience to the regional economy and supply chains. Key aspects of the proposed ‘Agriculture Market Supply Chain Road-Map’ include:

- The Federal Government to provide grant funding support toward the delivery of a ‘sector driven’ food and fibre value-added and priority infrastructure study that will produce a developmental road-map supporting targeted product and export market growth (Total Study Cost: $4M/ over 5 years);
- The Federal Government to incorporate the ‘Agricultural Market Supply Chain Road-Map’ body of work as a key component of its targeted flood recovery agenda supportive of North West Queensland graziers immediate and future developmental priorities.
INDUSTRY DEVELOPMENT

Tropical Aquaculture Accelerator

THE ISSUE

- Limited access to enabling infrastructure, reducing research and development that supports the aquaculture industry and sustainability of the Great Barrier Reef.

BACKGROUND

Townsville has a world-leading reputation in the marine sciences and is in the perfect location to leverage tropical marine science, engineering and industry skills to address research priorities. Townsville currently houses three leading international entities in marine and reef research and protection – James Cook University (JCU), the Australian Institute of Marine Science and Great Barrier Reef Marine Park Authority. Northern Australia is the epicentre for some of Australia’s biggest aquaculture industries including farmed prawns, barramundi, pearls and crayfish, which collectively accounts for around $300M of aquaculture product annually. There is significant transformative capacity and economic potential for the aquaculture industry in Queensland, underpinning job creation and skilled workforce development, the ability to transfer knowledge and skills to the Asia pacific region and the opportunity to enhance tourism and edu-tourism prospects.

JCU is actively seeking to partner with industry to establish the Tropical Aquaculture Accelerator – an international marine research precinct that will promote advancements in marine and aquaculture commercialisation, research and innovation. This enabling infrastructure will underpin regional capabilities to ensure our marine industry is able to grow in a competitive and sustainable way. Employment and local capacity will flow from the development of this facility and will ensure the protection of current marine assets, growth of the domestic and export markets and the development of a skilled workforce.

Australian aquaculture production systems must be able to deliver high-quality, consistent volumes of produce, operate with minimal environmental impact, and use sustainable raw feed materials. Industry has stressed that the aquaculture industry needs innovation if it is to deliver its considerable (re) discovered potential. Townsville is the perfect location to leverage tropical marine science, engineering and industry skills to address research priorities. Investment in facilities supporting industry research and development will provide a critical mass and catalyst for links to other regional Australian and international institutions and industry. Key issues, opportunities and competitive advantage for the aquaculture industry in Northern Australia are:

- Maintaining technological competitive advantage including rapid phenotyping, energy efficiency, and sustainability;
- Disease management and genomic-informed breeding to achieve strong growth rates in high quality broodstock;
- Food security and biosecurity;
- Bioremediation, environmental and ecological sustainability innovation;
- Skilled workforce and industry exposed graduates;
- Innovation vs regulation; and
- Achieving scale.

RECOMMENDATION

- Provide $60M to develop the Tropical Aquaculture Accelerator that will support the aquaculture industry and education, tourism, and longevity of the Great Barrier Reef.
THE SOLUTION

The Tropical Aquaculture Accelerator will be a key enabler of the Townsville City Deal designed to develop a plan for economic growth and a commitment to action, investment, reforms and governance needed to implement them. Townsville has industry strengths in Aquaculture and is a global leader in tropical and marine research and innovation.

Innovation has only been achieved in the aquaculture industry through partnerships with world leading research institutions in aquaculture and marine science, through infrastructure and technology, and skills and training.

The development of this Accelerator will reinforce Townsville’s reputation as a world leading city for marine sciences and tropical aquaculture and knowledge transfer and link the research experience explicitly to economic growth opportunities, drawing researchers and industry leaders from around the world and particularly from Asia to Townsville. Additionally, given Townsville’s proximity to the Asian ‘dining boom’, the facility will play a major role in enabling Northern Queensland to develop and export its tropical marine and aquaculture expertise – while protecting our greatest natural asset, the great Barrier Reef, which supports a tourism Industry worth $6B and over 64,000 jobs.

JCU’s acknowledged and acclaimed expertise matched with world-class facilities and industry partners will deliver ground-breaking outcomes in sustainable food production and marine resource management. Appropriate infrastructure will accelerate the capacity to deliver high impact research of economic, environmental, and social benefit to northern Queensland and the region, as well as building the human capital and expertise to: deliver increased research and development solutions, staffing requirements to the Australian and international tropical aquaculture sector, and enable the transfer of knowledge and technology into Australian firms for global export.
CAPITAL OF NORTHERN AUSTRALIA
North and North West Queensland – Economic Recovery, Insurance and Tax Concessional Arrangements

RECOMMENDATION
- In response to the unprecedented impact of the region’s recent flood event, the Federal Government must consider a range of emergency stimulus measures including arguments for a ‘Special Economic Zone (SEZ)’ and tax recovery regime supportive of North and North West Queensland’s economic and social recovery;
- Federal Government to consider key North Queensland evidence and recommendations that will be submitted to the ACCC’s Insurance Inquiry this year;
- Federal Government to support Productivity Commission findings associated with Regional and Remote Area Tax Concessions and Payments, which propose change to the current system incorporating businesses as well as individuals; and
- Federal Government to facilitate regional payroll tax reform through either directly or indirectly influencing state and territory policies.

THE ISSUE
- Sustainable development in Northern Australia is a key growth engine for the Australian economy. That in turn is underpinned by strong North and North West Queensland (NWQ) regions.
- North and North West Queensland share a symbiotic relationship, with their economic sustainability and growth interdependent.
- There is a clear opportunity, certainly in the public interest, to invest in the recovery and sustainability of this region. That investment will pay dividends across the nation now and into the future.

BACKGROUND

Insurance
In the first half of 2019 weather related events cost the global economy US$73 billion. The February monsoon rains and flooding experienced across Townsville and North Queensland resulted in more than 30,000 insurance claims and a bill now topping A$1.3 billion. The un-insured losses and regional economic losses far exceed this amount.

Insurance affordability in North Queensland and Northern Australia (or above the 26th parallel more particularly) is excluding vulnerable members of our communities from accessing risk transfer solutions like that of insurance. Those on welfare, the elderly and some small businesses simply cannot afford to insure. Middle income households are expected to pay up to 10% of their take-home earnings to insure basic homes and motor vehicles.

Access to insurance is an essential tool that helps build resilient communities. The high cost of insurance and the ability to access insurance is seen as prohibitive for those looking to invest in the North Queensland region. This stifles investment in the region and the ability of the region to grow and prosper. Without insurance, investors are unable to access credit through financial institutions. We cannot grow without private sector investment.

There are many moving parts contributing to the insurance affordability crisis in North Queensland and northern Australia. There is no single solution but there may be a combination of initiatives that will help deliver real and measurable outcomes. Without most of these working in unison we are limited in delivering meaningful results.

Insurance is based on a pool or collective of policy holders or members. The population of North Queensland is in the proximity of 800,000 people. This is a small population with only a fraction of this count contributing to the regional insurance pool, and certainly much less than those contributing to the larger national insurance pool. Insurance companies buy catastrophe reinsurance from global reinsurers or capital markets to insure their portfolios against catastrophic events like that of cyclones and floods, and to meet the Prudential
Standards and Capital Adequacy requirements. In North Queensland insurance companies pass this cost directly, or in part, onto policy holders in the region. This cost has a dramatic effect on the cost of insurance. For example, a similar property either commercial or residential in North Queensland will pay three or more times someone living in the southern regions of the country.

Other contributing factors to the cost of premiums include limited competition with many insurance companies selecting not to offer coverage in the region. Also, because of Queensland building codes the cost to rebuild or reinstate properties in the north are upwards of 30% more than those of similar type in the southern areas of Australia.

Options for consideration under the ACCC’s Insurance Inquiry:

- Incentives for insurance companies to insure in the north with a review of the current Prudential Standards and Capital Adequacy regulations – remove costs including rules relating to idle capital reserves;
- Backing the banks with government guarantees, extend this in part to insurance companies that meet set criteria including insuring risk in north Australia;
- Regional and remote taxation incentives that reward insurance coverage. Reward Resilience;
- National Catastrophe Insurance Scheme like that of the Australian Reinsurance Pool Corporation, or the extension of the existing Pool to include natural disasters;
- Resilience rewarded taxation concessions for residences and business that invest in risk mitigation measures. Risk and resilience economy; and
- Fixed state duties that have no rise and fall aligned to premium costs and disallowing a ‘tax on a tax’.

A knee jerk approach to insurance companies is not a solution, neither is increased government regulation. A better approach is to improve the operating environment that incentivises insurance companies for insuring more risks in North Australia. This has the potential to increase the number of entrants to the market and will allow market forces to drive pricing down through competition.

Taxation

A strong north means a strong nation. Even though over one million people live in the north — covering the Northern Territory, parts of Western Queensland and Queensland above the Tropic of Capricorn — it accounts for over half of our sea exports (Ports Australia, 2014). In order to retain and grow regional populations, a key necessity for the retention of sustainable communities in regional Australia, regional economies need:

- Enabling infrastructure and catalytic projects;
- Aligned government (local, state and federal) policies to facilitate the above; and
- Progressive and regionally relevant policy settings to enable the private sector to invest in and grow local economies for job creation.

Taxation policy can play an important role in the recovery, resilience and sustainability of regional Australia. There are two key current and relevant examples of this.

Regional and Remote Area Tax Concessions and Payments

The recently passed legislation to provide $1,080 in tax relief via the low and middle income tax offset for many taxpaying Australians benefits not only those taxpayers, but also their families, the communities in which they live and our economy as a whole. Both the Prime Minister and Treasurer have reflected in recent weeks on the positive economic stimulus provided by letting Australians keep more of what they earn. Appropriate reductions in taxes increases the consumption power of taxpaying Australians and this provides grassroots economic stimulus where they spend their money.

Increasing the level of regional and remote area tax concessions provides an opportunity to double down in regional Australia on the economic stimulus provided thus far by the changes to the low and middle income tax offset. The positively magnified and multiplied effect in our regional economics would facilitate not only recovery efforts (e.g. in the flood impacted areas of North and West Queensland and also drought areas throughout Queensland, NSW and into Victoria), but also help build resilience and sustainability throughout regional Australia.

North Queensland communities would argue that the Productivity Commission’s study of Regional and Remote Area Tax Concessions and Payments provides a real opportunity for changes to the current system to promote:

- The development of regional Australia;
- Grassroots economic stimulus;
- Growth for sustainable communities, thereby easing the pressure on capital cities;
- The public service decentralisation agenda of all sides of politics; and
- A new wave of decentralisation for our larger corporate groups.
With the right reform, the Remote Area Tax Concessions and Payments policy has a strong role to play in economic decision making for individuals and their families. That can include where to live, levels of education, jobs, business and economic investment in a particular region. Enabling our regions to attract, grow and retain population is key to the future economic success of the many communities across regional Australia.

North Queensland is advocating for a change in the current Remote Area Tax Concessions and Payments policy in Australia to incorporate businesses as well as individuals. For regional centres like Mackay, Townsville and Cairns to remain competitive and attractive places to do business, more needs to be done in the form of enabling policies.

We consider the core potential benefits from meaningful reform to the Remote Area Tax Concessions and Payments to be as follows:

- A geographically spread national population would allow for the pressures to be taken off capital cities in areas such as transport, housing, hospitals, schools and other infrastructure. This would allow for the creation of sustainable communities across regional Australia, including North Australia.
- Investment in the regions provides a higher rate of return than further investment in the capital cities which sees diminished returns on investment.
- Supports the Federal Government agenda to decentralise Government departments and move portions of them to rural and remote regions of Australia (with a similar impetus created for Australia's larger corporates to decentralise their activities).
- Tool to encourage migration, thereby creating business, economic and jobs growth across rural and regional Australia.
- Grassroot economic stimulus means more cash in the hands of taxpayers in regional cities to spend in their local economies.

As a base case, it seems equitable that the ZTO at least be indexed in line with inflation (with varying views from past submissions to Treasury as to whether that indexation should start from 1945, 1993 or some other date).

**Regional payroll tax reform**

In addition to the current Coalition Government’s policy objective of lower personal taxes in Australia, the Coalition also has a policy objective of boosting regional employment. We consider that regional payroll tax reform has the potential to play a key role in helping Government boost regional employment – and to of course help regional economies recover, become more resilient and sustainable.

We argue that payroll tax by its very nature is an obtrusive tax which hinders the growth potential of tens of thousands of businesses across regional Australia. It sends a very clear and succinct message to employers that if they hire additional employees, they will quite literally pay the price.

We acknowledge that payroll tax is a State based tax and thus under the jurisdiction of our States and Territories and their Treasurers. We do consider, however, that the Federal Government can facilitate regional payroll tax reform through either directly or indirectly influencing state and territory policies.

When it comes to Queensland specifically, but also recognising that Victoria has taken the lead on regional payroll tax reform, we believe that regionally focussed payroll tax reform provides a real opportunity to promote:

- The development of regional Queensland;
- Growth of sustainable regional communities, thereby easing the pressure on an increasingly urbanised South East Queensland;
- Resilient, sustainable and growth focussed regional businesses;
- Recognition of the challenges of doing business in regional Queensland, including due to the impacts of natural disasters (drought, flood, fire and cyclones) and the resultant increased cost pressures in the wake of those disasters; and
- Awareness and recognition of both a Federal Government and Queensland Government that is truly committed to growing regional Queensland.

With an agenda of Regional Australians Growing Regional Australia, government policy should be about enabling small to medium enterprise to succeed; thereby allowing them to employ more people, put more resourcing back into local communities and ensuring our regional economies are the engine room powering our national economy.

In Victoria, regionally based businesses will only suffer payroll tax at 25% of the rate paid by non-regional businesses from 1 July 2022 (they now only pay payroll tax at 50%). In Queensland, the regional payroll tax journey has commenced with regional businesses seeing a payroll tax bill reduction of between 15% and 20% compared to non-regional businesses in Queensland. More can be done.
There is potential for the Federal Government to facilitate regional payroll tax reform through either directly or indirectly influencing state and territory policies via, for example:

- Incentivising continued regionally relevant payroll tax reform via amendments to the GST distribution formula to reward those states and territories that implement such policies (with the very real potential for additional Federal income tax collections from greater levels of employment and stronger business profitability – each dollar of deductible payroll tax paid comes at a 27.5% income tax cost to the Federal Government); and

- Negotiated outcomes to redirect other federally funded programs in return for meaningful regional payroll tax reform.

THE SOLUTION

- Federal Government to consider key North Queensland evidence and recommendations that will be submitted to the ACCC’s Insurance Inquiry this year;

- Federal Government to support Productivity Commission findings associated with Regional and Remote Area Tax Concessions and Payments, which propose change to the current system incorporating businesses as well as individuals; and

- Federal Government to facilitate regional payroll tax reform through either directly or indirectly influencing state and territory policies.
THE ISSUE

Townsville, the largest city in Northern Australia is unable to attract major entertainment and exhibition events due to the condition and age of the current entertainment infrastructure.

Over recent years the economic landscape and business sentiment across North Queensland has become more optimistic. All levels of Government and the private sector have played a part in this economic recovery, through the support of such catalytic projects like the $250M North Queensland Stadium and the $225M Haughton Water Pipeline (Phase 1 and 2). The Port of Townsville’s $1.6B expansion project has been approved, the resources sector is ramping up and the private sector is investing again.

However, the landmark Townsville City Deal established in 2016 has lost some of its momentum and purpose. Townsville City Council, local businesses, civic leaders and the broader community are committed to this agreement and wish to see this government policy agreement reinvigorated through proactive engagement and definitive efforts to minimise delays. If momentum is to be maintained, defined priorities under the City Deal must be considered for priority funding.

THE SOLUTION

A new Multi-purpose Hall and Conservatorium of Music (called the Townsville Entertainment and Exhibition Centre in the City Deal) is needed. It will be designed as a multipurpose flexible centre to accommodate a range of entertainment and cultural events as well as hosting meetings, exhibitions and tertiary education.

An estimated $60M funding support (reflective of the pre-feasibility report October 2018 and updated AECOM study in July 2019) is required to enable the delivery of a new multipurpose Townsville Entertainment and Exhibition Centre venue by 2020 – 2022.

In 2017, Council established a Master Plan for the Townsville CBD – Vision 2020. This Master Plan identified the need for a significant water-based asset in the CBD.

The establishment of the Townsville Lagoon would greatly improve the city’s tourism product offering and liveability for Townsville residents. However its ability to catalyse and leverage private sector investment into the underperforming CBD is essential to drive job growth and community confidence.

The City Deal goal to establish Townsville as the economic powerhouse of the North is progressing at the Lansdown Industrial Precinct. However $90M of funding is required to deliver a National Highway intersection and water infrastructure to the site to unlock private investment.

CAPITAL OF NORTHERN AUSTRALIA

Townsville City Deal

RECOMMENDATION

› The North Queensland community seeks Federal Government funding support to establish world recognised major social and tourism infrastructure assets as other major social infrastructure projects reflective of the ‘Capital of North Queensland’ pillar of the Townsville City Deal:
› Townsville Multi-purpose Hall and Conservatorium of Music – $60M, 98 jobs
› Townsville Lagoon and Strand Urban Project – $55M, 181 jobs
› Lansdown Industrial Precinct – $90M, 1600 jobs
THE ISSUE

Townsville needs a sustainable population to support its mandate to become the Capital of Northern Australia.

BACKGROUND

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 Federal Government, through the Northern Australia Agenda vehicle, should deliver sustainable public-sector employment opportunities and career paths for locals whilst attracting those that are living in cities to regional communities.

Governments of the day have a fundamental obligation to ensure fair and equitable distribution of wealth and opportunity 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. Not since the influence of Australia’s mining and resources boom (prior to the impact of the Global Financial Crisis) has our country found itself in the midst of a two-speed economy, this time comprising: (i) NSW and Victoria (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 are unable to address cost of living pressures supportive of their growing populations. It would only seem practical that the Federal Government would seek to alleviate this pressure through the decentralisation and relocation of departmental and agency operations to regional centres, seeking to turn the tide of regional migration. If we take current serving Defence personnel out of consideration, there are over 243,300 Federal Government public servants employed nationally, with less than 2,000 residing in Townsville (ABS; June 2016).
Commonwealth Departments whose partial operation or sub-departmental agencies may be considered for rural relocation include:

- Australian Taxation Office (ATO)
- Department of Agriculture and Water Resources
- Department of Communications and the Arts
- Department of Defence
- Department of Veterans Affairs
- Department of Human Services
- Department of Education and Training
- Department of Jobs and Small Business
- Department of Infrastructure, Regional Development and Cities
- Department of the Environment and Energy

The Federal Government should be supportive of the economic and social benefits of relocating relevant Government agencies and jobs to regional communities. 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.

ZONE TAX OFFSETS

The Australian Productivity Commission announced in late November 2018 that it will conduct a study into Zone Tax Offsets and related remote area tax concessions and payments. This study is scheduled to commence in February 2019 and to report to government by February 2020. Regional communities and business require support and consideration immediately.

What is now the Zone Tax Offset was originally introduced in 1945 as the “Zone Tax Allowance”. Currently Ayr, Charters Towers, Ingham and Townsville (and adjoining areas) all fall within “Zone B” for Zone Tax Offset purposes – an individual living in Zone B has a Zone Tax Offset entitlement starting at $57 per annum (the individual receives this benefit by way of reduction of their income tax otherwise payable – it is not refundable in the event the individual does not pay tax).

The above offset amounts have not changed since 1993 – arguably it is long past the time at which they should be reviewed to ensure they continue to deliver on their original purpose. As a base case, it seems equitable that the Zone Tax Offset at least be indexed in line with inflation (with varying views from past submissiones to Treasury as to whether that indexation should start from 1945, 1993 or some other date). The Zone Tax Offset provides direct relief to individuals who pay tax and increasing this offset will thus, all other things being equal, increase the after-tax cash position of individuals in the region which will in turn increase their consumption power and provide flow on benefits to the businesses in the region.

The Federal Government must fast track the Productivity Commission’s study or otherwise make pre-emptive changes to the Zone Tax Offset as part of the 2019/2020 Federal Budget, to ensure the offset once again is relevant in addressing the higher living costs that this regional community suffers relative to the residents of southern centres (especially in terms of energy and insurances).

THE SOLUTION

1. The Federal Government must put in place a dedicated Population Policy for Northern Australia and commit to population targets for each of its component regions. In Townsville North Queensland, 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 if supported by the right policy mix.

2. The Population Policy should focus not only on attracting new residents, but also on retaining existing residents, immigrant targets, 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 Federal Government department and agency functions to Townsville North Queensland;
   - Federal Government tax incentivisation and concessionary arrangements supportive of regional business development in the North Australian footprint; supporting new investment/development and the decentralisation of private sector operations;
   - A whole-of-government requirement for laws and policies that affect Northern Australia to explicitly consider how they will positively impact population growth targets; and
   - Support relocation research and marketing campaign for Townsville North Queensland.
**CAPITAL OF NORTHERN AUSTRALIA**

**Townsville Smart Link: Electric Rapid Transit**

**RECOMMENDATION**

- Provide $500K funding towards Stage 1- Pre-feasibility, planning and design of the Townsville Smart Link project.
- Provide Federal Government leadership and coordination of the phased introduction of this new low cost technology across several sites throughout the nation.

**THE ISSUE**

- The Douglas Health and Knowledge precinct and the Townsville CBD are lacking in connectivity and amenity, which are impeding opportunities for growth and accessibility for the population.
- The transformation of Townsville from a regional centre to an important and progressive tropical city on the world stage is at an impasse.

**BACKGROUND**

Townsville, as the capital of Northern Australia and gateway to the tropics, is a growing metropolis with increasing growth management pressures including a need to maintain productive, sustainable and liveable planning responses. As the city grows, there is a need to ensure alignment between Federal, State and Local Government policy frameworks and private sector investment decisions to ensure that activity centres within the city provide the economic opportunities, services, residential and lifestyle opportunities that are reflective of a major urban centre of regional and national importance.

The Townsville City Deal includes a tri-lateral commitment to develop the Health and Knowledge Precinct and renew and revitalise the city’s urban centre. The Smart Link concept, has emerged from City Deal dialogues as a key enabler for the development of these key productive precincts in the city of Townsville. But it needs to be seen as more than just a PT solution, it is a city-making initiative, a key enabler in transforming Townsville from a regional centre to an important tropical city on the world stage.

Townsville Smart Link is a proposed electric rapid transit service and active transport corridor linking Townsville’s two most significant employment nodes and knowledge intense precincts, the CBD and the Douglas Health and Knowledge Precinct. The Smart Link carriageway would connect civic and commercial infrastructure, retail nodes, education and medical establishments and an abundance of established and burgeoning businesses and give Townsville the necessary preconditions for medium density, transport oriented development.

This proposition builds on research into contemporary Public Transport Technology (PTT) platforms for Australian cities undertaken by the Sustainable Built Environment National Research Centre (SBEnrc) led by Prof Peter Newman, Curtin University. This work has identified the ‘Trackless Tram’ as an innovative PTT that provides the benefits of light rail at around 1/10th the cost.

Townsville already has an existing broad road corridor of around 37m for a dedicated public transport lane for a Townsville Smart Link which, with the relatively simple addition of lane prioritisation, some intersection works and construction of dedicated ‘tram-like superstops’ could facilitate the commencement of the Townsville Smart Link.

By establishing a public transport solution, these two urban hubs will be linked, improving accessibility for students (domestic and international), employees within JCU and the hospital, and CBD workers residing in outer suburbs.

The Townsville Smart Link concept is strongly supported by James Cook University and Townsville Hospital and Health Service.

**THE SOLUTION**

In recognition of the City Deal, commitment to revitalise the Townsville CBD and establish a Health and Knowledge Precinct, a Smart Link should be established between these two hubs. The proposed trackless tram is an affordable and sustainable public transport option to efficiently connect the precincts. The total cost of development will be determined through the pre-feasibility process.

Provide $500K funding towards Stage 1- Pre-feasibility, planning and design of the Townsville Smart Link project.

Provide Federal Government leadership and coordination of the phased introduction of this new low cost technology across several sites throughout the nation.
CAPITAL OF NORTHERN AUSTRALIA

Cowboys Community and Sports Excellence Centre

THE ISSUE

Townsville North Queensland currently lacks a contemporary elite sports training and performance facility and innovation centre to support the North’s premier sporting club, the North Queensland Toyota Cowboys, and the associated development of the region’s sporting teams and athletes through access to world-class sports science, medical and allied health services.

Establishment of a Community and Sports Excellence Centre in Townsville, located within the new North Queensland Stadium precinct, will provide significant economic and social benefits to the Townsville region, including the growth of Townsville as a new destination market for touring sporting teams.

Expansion of the Cowboys’ headquarters is also crucial to enable the community-owned club to build and expand on an impressive 20 years of community leadership, corporate social responsibility and successful community project delivery, as the Cowboys Community Foundation increases its important work in making real change in employment, health and social outcomes for young North Queenslanders.

BACKGROUND

The Cowboys are strongly committed to the realisation of the Cowboys Community and Sports Excellence Centre, having secured a long-term land lease for a 17,000m² site adjacent to the new North Queensland Stadium through the Townsville City Council. This site incorporates 12,000m² for a full-sized training field and a 5,000m² footprint for the facility’s building.

The Cowboys are one of only a few professional sporting organisations with a successful community-based ownership structure. The Cowboys consider the Centre to be critical to securing the club’s success on the field and delivering positive outcomes off the field.

The club is proud to be a cornerstone of the regional economy, with its home games, brand, corporate activities and community engagement generating a significant, ongoing economic contribution.

The total economic output added to the region’s economy annually is $94.6M which contributes $45.78M to the region’s gross domestic product, including 459 jobs totalling $27M in wages*. (*Source: Empower Economics, 2016).

In addition to managing an NRL squad of 36 members, the club continues its commitment to homegrown talent through its close affiliation and support of three Queensland Cup feeder teams (Townsville Blackhawks, Cairns Pride, Mackay Cutters) and an Academy program focusing on high-school aged players that is spread throughout regional Queensland locations.

The Cowboys have the largest footprint in the NRL and maintain a strong presence in grassroots rugby league, visiting over 40 locations and reaching almost 30,000 students in 2018, as well as hosting competitions and carnivals for over 2,500 participants.

As the most-loved sporting brand in Northern Australia, the not-for-profit club has a strong commitment to, and history of, social responsibility and contributing to the growth of the communities of North Queensland.

Important community programs are delivered by the club through both the Cowboys’ in-house community team and the Cowboys Community Foundation, the club’s charity arm established in 2015 and operating as a community-owned charity (DGR endorsed) to actively improve employment, health and social outcomes for young North Queenslanders through education-based programs.

RECOMMENDATION

› Federal Government to provide further support of $20M for the establishment of the Cowboys Community and Sports Excellence Centre in Townsville North Queensland ($15M committed during 2019 Election).
Club community programs include:

- NRL Cowboys House (established 2017; for Indigenous secondary students from remote communities without access to complete secondary school) – 50 House Brothers in 2018; an additional 25 House Sisters in 2019
- The Resilience Project (established 2018; building a more resilient North Queensland community with parent, teacher and student information sessions) – 4000+ people attending sessions in 2018
- Adopt-a-School (established 2005; in-school program using ‘adopted’ Cowboys as role models for healthy choices) – 46 schools, 194 visits in 2018
- Dream, Believe, Achieve (established 2015; training and employment program delivering accredited courses to unemployed and disadvantaged North Queenslanders) – 105 participants in 2018; total of over 300 participants over three years
- Try for 5! (established 2013; in-school program focused on improving school attendance and engagement) – an improvement of 8.86% in primary school attendance in 2018
- Learn Earn Legend! (established 2012; in-school program focused on closing the education outcomes gap for Indigenous students, employing and training Indigenous mentors) – 30 Indigenous students mentored in 2018; total of over 800 Indigenous senior secondary students in 22 schools since the program began

With the ability to expand within a larger professional space, the community team will have the opportunity to extend their programs and their relative outcomes along with opportunity for inclusion of an identified need for focus on North Queenslanders with Pacific Island heritage.

The Solution

The Cowboys are seeking further Federal Government support for the Cowboys Community and Sports Excellence Centre and are currently raising the funding balance from club resources, as well as corporate, community and philanthropic sources.

The Cowboys Community and Sports Excellence Centre will generate significant economic and community benefits for the region, including:

- Sustainability of the North’s premier sporting club: The sporting excellence facility will be a state-of-the-art, high-performance training environment, inclusive of athletic training facilities, and will be reflective of the highly competitive environment of Australia’s elite National Rugby League. With more NRL clubs investing in bespoke training centres to help improve their athletic performance and to assist in the retention and attraction of players, partners, members and fans, the Cowboys have a once-in-a-generation opportunity but also a need to purpose-design a space to support their long-term visions of competitiveness and sustainability.
- Precinct revitalisation: The intention is for the centre to include a co-located sports science and research facility in collaboration with James Cook University. Similarly, Mater Health Services North Queensland are committed to delivering an on-site sports medical consulting and rehabilitation centre to add impact to the capabilities of the precinct.
- Destination for sporting teams: The Centre will create a new destination for visiting teams and athletic group training camps. Complemented by sports rehabilitation, science, research and medical services on-location, this facility will be a springboard for Townsville to attract interstate and Asia-Pacific based teams (professional and development squads) and athletes for various types of competitions and training camps. Services would include ‘heat training’, which is rapidly gaining popularity as a scientifically-verified alternative to altitude training (made famous by Arizona, USA). The economic uplift would be represented in international destination brand value and through specialist and ancillary employment and visitation revenue.
- Community spaces: The community centre will be a hub for the club’s community team and the headquarters of the Cowboys Community Foundation, as they deliver the established community programs and initiatives that support our community and region. The Centre will create a centrally-located meeting space for program stakeholders, clients and community members where face-to-face communication with mentors and program staff is crucial for successful participation and engagement in education, employment and training-based programs. The ability of the club and the Foundation to expand the reach and impact of their community services will be significantly increased through relocation to this facility. The club is also incorporating accessible community spaces into the overall building and training amenity to ensure its grassroots and community connection continues. There would also be opportunity for the Centre to host an Indigenous history museum, open to the community and
showcasing Indigenous sporting contribution and significant cultural memorabilia and history.

Nurturing North Queensland’s elite female talent: The centre will create a new focal point for the Cowboys’ partnership with three-time WNBL champions the JCU Townsville Fire, the only professional women’s sporting club in Northern Australia. The clubs’ two-year Memorandum of Understanding was announced in September 2018 and will enable them to join forces to create opportunities and expand their social and economic contribution through a strategic alliance. The centre will also be a platform for the Cowboys’ expansion into the NRL Women’s Premiership, Australia’s national rugby league competition for female players established in 2018. The club is investing in developing female grassroots talent throughout North Queensland with a five-year plan of entering a Cowboys team in the NRLW filled with Northern Australian talent.

Creating opportunities, inspiring futures: NRL Cowboys House has been in operation for two years and has already made a significant impact on the lives of over 50 young Indigenous students from remote North Queensland communities. The Cowboys Community Foundation’s flagship initiative provides access to a secondary education and wrap-around health, wellbeing, remedial education and personal development support for Aboriginal and Torres Strait Islander young people from remote Indigenous communities who board at the House while they attend a Townsville school appropriate to their skills and aspirations. As the facility expands in 2019 with a Girls Campus, the club has identified key opportunities for the House to link with the Cowboys Community and Sports Excellence Centre. It is anticipated that the creation of the centre closer to home will also enhance the potential and promise of young Indigenous people.

Employment boost: Economic impact studies on this project are still being completed but initial indications are that the uplift from this facility will be in the order of an additional 15 FTE direct jobs.

Townsville Enterprise acknowledges the Federal Government’s $15M commitment and is calling on further investment of $20M to this important new facility for the community.
CAPITAL OF NORTHERN AUSTRALIA
Northern Australia SPARC
(STEAM Precinct And Regional Collaborator)

THE ISSUE

› In order to remain relevant in the future global economy and adjust to a shifting labour market, communities must equip the next generation with the necessary skills to leverage technology and apply lateral thinking to problem solving; and

› Students must be inspired and empowered to pursue careers in STEAM and not be impeded by their inability to access quality STEAM experiences and contemporary curriculum.

BACKGROUND

Future growth of the international economy will be driven by innovation, technology development and the ‘disruptor’ phenomenon. Without prioritisation of STEM skills, Northern Australia runs the very real risk of establishing an unskilled and ill-equipped workforce. Therefore, equitable access for regional communities to technology-based learning must become a targeted objective under the Federal Government’s National Innovation and Science Agenda.

Innovation and research are critical in accessing the full potential of Northern Australia, as identified in the White Paper on Developing Northern Australia. A PWC 2015 study on Australia’s future work skills found that shifting only one percent of the workforce into STEM roles would add $57.4B to GDP over the next 20 years.

The North Queensland community is eager to partner with Questacon (the National Science and Technology Centre) and establish an education precinct in Townsville unlike any other in the nation, and potentially the world. The proposed ‘Northern Australia SPARC’ would exist to promote STEAM disciplines and their influence upon our day-to-day lives, while also defining the spectrum of career opportunities and pathways associated with these occupations.

The Northern Australia SPARC proposal comprises two key education resource components:

1. The establishment of Questacon in Townsville North Queensland; and

2. Implementation of an ‘integrated STEAM education and industry skilling program’, targeting primary and secondary curriculum - RDA Hunter’s ME Program.

RECOMMENDATION

› Proposed first steps towards the realisation of the ‘Northern Australia SPARC’ (STEAM Precinct and Regional Collaborator) will be initiated by a $30M investment from the Federal Government to support:

1. Delivery of a Business Case defining the pathway to establishing a ‘fit for purpose’ STEM education and industry skilling program that will leverage the permanent presence of The National Science and Technology Centre (Questacon) in Townsville North Queensland ($2M).

2. Implementation of a tailored industry skilling program (RDA Hunter – ME Program), across North & North West Queensland ($5.2M Year 1–2, $6M Year 3–7 and $660K ongoing – $13M spend over 10 years).

3. Establishment and ongoing operation of the ‘Northern Australia SPARC’ in Townsville North Queensland, including the establishment and operation of Questacon ($15M upfront plus on goings pending findings of Business Case).
the story of how STEAM skills and their application to real world problems are advanced. No other location in Northern Australia can claim being home to the nation’s leading marine science and research institutions, nor have the capacity to fast-track solutions to some of the nation’s most pressing environmental and economic challenges. Harnessing the capabilities of these institutions and placing an emphasis upon STEAM skill development in regional Australia will cultivate Northern Australia’s future leaders and strategic thinkers.

A key contributor to the success of many students is the influence and the emphasis placed upon education by families and guardians – ‘education starts in the home’. A priority component of the SPARC proposal is the establishment of a facility that speaks to everyday Australians, defining how STEM and its application through innovative thinking has changed our lives and how our children will carry that legacy forward. There is no better equipped institution than Questacon to deliver this key message to Northern Australia.

Establishment and ongoing operation of the NA SPARC, inclusive of Questacon, in Townsville North Queensland:

- Delivery of a Business Case defining the pathway to establishing a ‘fit for purpose’ STEM education and industry skilling program that will leverage the permanent presence of The National Science and Technology Centre (Questacon) in Townsville North Queensland ($2M); and
- Establishment and ongoing operation of the ‘Northern Australia SPARC’ in Townsville North Queensland, including the establishment and operation of Questacon ($15M upfront plus on goings pending findings of Business Case).

2. Integrated STEM Education and Industry Skilling Program – ME Program

The critical component of the Northern Australia SPARC proposal is not the physical infrastructure that will support STEM promotion, but the proposed ‘integrated STEM and industry skilling program’ that will interconnect industry and future jobs with the north’s education system. The federally funded ME Program has been successful in raising students’ awareness of career opportunities that will underpin future regional economies in the Hunter Valley (NSW). The program aims to make curriculum more interesting and workplace-relevant leading to a pool of job-ready, qualified and motivated workers. What sets this program apart from other STEM programs delivered nationally is its success in bridging classroom activity with real world practical knowledge, providing students with industry experience and the opportunity to secure on the job training and employment opportunities well before graduation day.

Similar to the Hunter Valley’s challenges in transitioning from the influence of a dominant mining and resource sector, North Queensland faces its own challenges in generating economic diversity and the technical skills and expertise required to secure its future. The successful adoption and integration of one of the nation’s most successful integrated STEM curriculum programs across the north is critical in realising this objective. Proposed implementation of integrated industry skilling program (RDA Hunter – ‘ME Program’) across Northern Australia:

- $5.2M Year 1-2
- $6M Year 3-7 and
- $660,000 ongoing
  = $13M spend over 10 years

North Queensland and neighbouring regions must foster a culture of innovation to build upon existing strengths in traditional agriculture, Defence, mining, manufacturing and construction. Strong, vibrant, innovative and sustainable rural industries and communities are in Australia’s national interest. Ensuring that a pipeline of skilled professionals is available to meet prospective economic demands, regional communities and importantly, Northern Australia, will create resilience.

The SPARC will also specifically address several social and education development priority agenda, namely the promotion of women in STEAM, as well as targeting First Nations (Aboriginal and/or Torres Strait Islander Peoples) and remote community advancement and Defence veteran’s reskilling and transitional programs. In-principle support has been secured from all major STEAM agencies and stakeholders across the region, including the aforementioned organisations, towards the Northern Australia SPARC vision. This proposal represents a truly collaborative and comprehensive regional development agenda.

THE SOLUTION

In support of the Northern Australia Agenda, we seek Federal Government support of North Queensland’s efforts to promote the engagement of STEAM literacy through:

- Allocation of funding to support the Business Case, short-term establishment and ongoing operation of a Questacon in Townsville North Queensland; and
- Investment into an integrated STEM education and industry skilling program (RDA Hunter’s ME Program) across North & North West Queensland.
ECONOMIC STIMULUS
A Strong North West Minerals Province Means a Strong North Queensland

RECOMMENDATION
› The Mount Isa to Townsville Rail Line, TEARC and Port of Townsville upgrade should be seen as critical components of an integrated Mount Isa to Townsville ‘Supply Chain’. This critical enabling infrastructure should be assessed by all levels of government as interdependent and non-segmented. The Federal Government must proactively engage with the Queensland Government to define a sustainable and cost-effective operating model that supports long-term contribution of the Mount Isa to Townsville Rail Line to the national economy;
› Federal Government to support the connection of the North West Queensland to the National Electricity Market (NEM), via delivery of CopperString 2.0;
› Federal Government to provide continued support to major water infrastructure projects across the North and North West via the NWIDF, including the HIPCO development in Flinders Shire, the Cave Hill Dam proposal at Cloncurry, large scale off-stream water storage in the Richmond Shire, and the Hells Gates Dam and Big Rocks Weir near Charters Towers;
› Federal Government to provide grant funding support toward the delivery of the ‘Agricultural Market and Supply Chain Road-Map’ – a ‘sector driven’ food and fibre value-added and priority infrastructure study that will produce a developmental road-map supporting targeted product and export market growth; commencing with the recovering North West Beef Sector (Total Study Cost: $4M/ over five years); and
› Federal Government to work with North Queensland communities to identify an appropriate regulation model that will deliver sustainable air services and pricing to communities and industry of the North West.

THE ISSUE
› Sustainable development in Northern Australia is a key growth engine for the Australian economy. That in turn is underpinned by strong North and North West Queensland (NWQ) regions.
› North and North West Queensland share a symbiotic relationship, with their economic sustainability and growth interdependent.
› There is a clear opportunity, certainly in the public interest, to invest in the recovery and sustainability of this region. That investment will pay dividends across the nation now and into the future.

BACKGROUND
The North and North West Queensland economies are critically linked through supply chains and labour flows to North Queensland, particularly for the resources and agricultural sectors. Priority agenda supportive of the growth and ongoing contribution of the region includes:
1. Commitment to ongoing support and investment to enhance the competitiveness of the Mount Isa to Townsville rail line.
2. Commitment to competitive and reliable energy supply via connection to the National Electricity Market (NEM).
3. Direct support for large scale water storage projects to facilitate agricultural development – including targeting beef sector recovery.
4. Re-Regulate the Mount Isa to Townsville Air Route
   Each of these key areas are considered in further detail in the following sections.

1. Commitment to Ongoing Support and Investment to Enhance the Competitiveness of the Mount Isa to Townsville Rail Line
The recent widespread flooding event in February 2019 caused significant damage to the track, leading to its closure and the short-term cease of operations for a number of major mining organisations that had to seek alternative supply chain routes to transport minerals to the Port of Townsville.
The improvement in efficiency and capacity is crucial to creating a stronger economy with cost-competitive supply chains, providing the opportunity to grow resource exports. Over the next five years, the Queensland Government will contribute $380M to maintaining and improving the line, with an additional $30M for the development of a new container terminal at the Port of Townsville and $80M to reduce rail access charges (Queensland Government, 2019).

A commitment to long-term investment into key supply chains such as the Mount Isa to Townsville rail line is critical to ensure the North West’s and more broadly Queensland’s position in the Asia and Indo-Pacific region and support the generation of regional jobs and income.

Sun Metals Corporation’s recent commitment to a $300M expansion and upgrade of its Townsville zinc refinery is a key example of the resurgent opportunities in the sector. There are currently major regional manufacturing investments totalling $4.0B under consideration, including lithium-ion batteries, fertiliser production, nickel processing and cobalt processing. The Townsville City Council’s initiative to develop an Industrial Hub on the Lansdown site at Woodstock comprising a Lithium-ion Battery Plant should remain high on the Federal Government’s agenda for continued support.

By adding value to resources within the North West (where viable) and across the broader region, the North West resource industry can remain competitive in the global market while providing a greater economic return to Queensland from the current and future resources produced in the North West Queensland.

2. Commitment to Competitive and Reliable Energy Supply Via Connection to the NEM

Townsville Enterprise supports the Draft Strategy’s commitment to developing the North West region as a major renewable energy provider in order to reduce operating costs for energy-intensive operations and foster resilience to rising energy costs.

However, the Draft Strategy would greatly benefit from a commitment to supporting the connection of the North West Minerals Province to the NEM.

While the energy generation capacity of the North (in particular gas, wind and solar) has grown rapidly and has potential to expand exponentially with the emergence of pumped hydro and potential for coal and gas fired market entrants, limited transmission capacity on the 275kV network north of Rockhampton precludes the region from realising it’s potential as a major producer of electricity.

A prime example is the $160M Kennedy Energy Park located at Hughenden which has been constructed for over seven months but remains idle due to difficulty in connection and energisation to the national grid.

Given the challenges of high contestable electricity prices due to the lack of connection to the NEM, Townsville Enterprise suggests that the strategy would benefit from a commitment to fostering investments to connect the North West to the NEM.

CopperString 2.0 is a $1B project aiming to begin construction in 2020. The project will connect the North West Minerals Province to the National Electricity Grid, providing competitively priced electricity to the community and opening the opportunity for large scale resource projects and renewable generation development. The enhanced transmission strength will provide an attractive location for renewable energy projects and with continued financial support and development, play a crucial role to drive change by providing access to a fair market with minimal barriers to entry.

3. Direct Support for Large Scale Water Storage Projects to Facilitate Agricultural Development

North Queensland supports the Federal Government’s strategic focus on agricultural development as a key means to drive diversification and economic development in North West Queensland. The region also supports the identified opportunities for increasing and diversifying agricultural production through high-value cropping options and the potential for irrigated agriculture.

With an increasing global population, reaching almost 10 billion by 2050, comes an increasing demand for global food consumption from reliable, safe producers (FAO, 2017).

North West Queensland agricultural production remains dominated by extensive cattle grazing operations, focussed heavily on low-value breeder properties, with limited regional value-adding or intensive employment opportunities. The industry endures significant variability due to drought as well as the recent flooding which left an estimated loss of approximately 664,000 head of stock.

Given the challenges of extreme distances and limited water storage infrastructure for irrigation, the Draft Strategy would benefit from a greater commitment to large scale water storage and associated infrastructure. The study region hosts several promising irrigated agricultural projects that would support the development of a sustainable agricultural supply chain.
from across the North West and the broader region. Key developments worthy of specific support include the HIPCO development in Flinders Shire, the Cave Hill Dam proposal at Cloncurry, large scale off-stream water storage in the Richmond Shire, and the Hells Gates Dam project located on the outside fringe of the study catchment, which aims to develop up to 50,00 hectares of irrigated agricultural land.

These developments are crucial to the diversification of agricultural production and development of a sustainable and co-ordinated supply chain throughout the North West region. Specific support for the fostering of these and other potential developments is critical to drive step-change for the North West Queensland agricultural industry to fulfil its significant economic development potential.

4. Re-regulate the Mount Isa to Townsville Air Route

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. Townsville Enterprise’s submission to 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. This has been detailed in previous Townsville Enterprise Federal Budget and Election submissions.

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 SOLUTION

If the Federal Government is committed to fast-tracking North and North West Queensland community and industry recovery from the 2019 February flood event and establishing the regions long-term future, then government incentives and stimulus investment in different forms must be considered in the interest of affected individuals, business and industry. The following range of policies and government investment must be considered in order to secure North and North West Queensland’s future and build a robust and resilient regional economy:

› The Mount Isa to Townsville Rail Line, TEARC and Port of Townsville upgrade should be seen as critical components of an integrated Mount Isa to Townsville ‘Supply Chain’. This critical enabling infrastructure should be assessed by all levels of government as interdependent and non-segmented. The Federal Government must proactively engage with the Queensland Government to define a sustainable and cost effective operating model that supports long-term contribution of the Mount Isa to Townsville Rail Line to the national economy;

› Federal Government to support the connection of the North West Queensland to the National Electricity Market (NEM), via delivery of CopperString 2.0;

› Federal Government to provide continued support to major water infrastructure projects across the North and North West via the NWIDF, including the HIPCO development in Flinders Shire, the Cave Hill Dam proposal at Cloncurry, large scale off-stream water storage in the Richmond Shire, and the Hells Gates Dam and Big Rocks Weir near Charters Towers;

› Federal Government to provide grant funding support toward the delivery of the ‘Agricultural Market and Supply Chain Road-Map’ - a ‘sector driven’ food and fibre value-added and priority infrastructure study that will produce a developmental road-map supporting targeted product and export market growth; commencing with the recovering North West Beef Sector (Total Study Cost: $4M/ over five years); and

› Federal Government to work with North Queensland communities to identify an appropriate regulation model that will deliver sustainable air services and pricing to communities and industry of the North West.
DESTINATION DEVELOPMENT

Museum of Underwater Art (MOUA)

THE ISSUE

Townsville North Queensland requires a point of difference to establish itself as a primary destination for domestic and international visitors.

BACKGROUND

Townsville North Queensland has a growing reputation for providing unique and enriching experiences for residents and visitors alike. These are founded on an inspiring combination of assets, including the natural environment (reef, rainforest, and weather, etc), international-quality cultural activities (Strand Ephemera, Australian Festival of Chamber Music, etc) and world leading scientific and educational institutions (James Cook University, Australian Institute of Marine Science and Great Barrier Reef Marine Park Authority). The Townsville North Queensland tourism and events industry contributes just under $1B in output to the local economy annually and supports more than 5,500 local jobs.

Through the facilitation of the Museum of Underwater Art (MOUA), Townsville North Queensland can provide a unique visitor experience which blends science and art.

Underwater art museums are artistic installations, usually involving sculptured works placed on the seafloor or riverbeds to provide fascinating visual, emotional and physical experiences for visitors.

Among the most famous and effective examples of this art form are works by Jason deCaires Taylor, who has installed major works in several Northern Hemisphere locations, including the Bahamas and Grenada (Caribbean), Cancun (Mexico) and London (Thames River).

High-quality, large-scale installations such as those done by deCaires Taylor attract very large numbers of visitors and high-profile media coverage. The Museum of Underwater Art will be a powerful way to strengthen the city’s connection to the marine environment, enhance its international profile, and attract increased visitation. It could be a dramatic and enduring way to further differentiate Townsville North Queensland as an attractive and progressive region with unique connections between the reef, art and research.

In 2016, Mr deCaires Taylor’s works achieved a global press reach of 700 million viewers. The world’s first underwater sculpture park, created by Taylor off the coast of Grenada in 2006, is now listed by National Geographic as one of the Top 25 Wonders of the World. The Museo Subacuático de Arte off the coast of Cancun, Mexico, created by Taylor in 2009, resulted in an increase of annual visitor numbers of almost 400,000. (Geo-Mexico, 2017)

Townsville North Queensland is well positioned as the centre of excellence globally for marine science, education and research. The Museum of Underwater Art (MOUA) provides an opportunity to further extend the region’s existing educational reef and tourism offerings to create a seamless learning journey between the land and ocean. MOUA extends beyond art, with the inclusion of science and reef monitoring planned to be implemented as part of the installations. The artworks will tell the stories of reef management and conservation and will also link to the indigenous heritage of the area.

RECOMMENDATION

› The Federal Government provide $5M to support the development of Phase 3 of the Museum of Underwater Art.
THE SOLUTION

The overarching vision for MOUA is to create a global art attraction for Townsville North Queensland that provides a point of differentiation, tells the stories of the land, people and environment, provides ongoing economic benefits to the local economy and builds the capacity of operators and businesses within the local tourism industry.

The economic impact assessment developed for MOUA indicates that the project will provide long-term and sustainable economic benefit to the Townsville North Queensland region. The MOUA is an $8M project which will be developed over four locations predominantly within the Great Barrier Reef. During the construction phase, the project will create 72 jobs, deliver more than $20M in economic output and will boost the Gross Regional Product (GRP) by $9.1M. However, it is the flow-on tourism impacts of this project that are the most remarkable. MOUA proponents have estimated that the development would increase tourism to the region by 50,000 visitors suggesting an economic output of $42M, creation of 182 jobs and an addition to gross regional product of $20M.

Phase 1 and 2 of the project has received funding commitments, but in order for the project to reach its full potential a funding commitment of $5M for phase 3 is required, which includes installations at Magnetic Island and a second installation on the Great Barrier Reef.
DESTINATION DEVELOPMENT

**DrivelIt NQ**

**RECOMMENDATION**

- The project secured a $7M commitment during the 2019 Election from the Federal Government on top of the $5M secured in September 2017. The State Government committed $5M in 2019 towards enabling road infrastructure at Woodstock; and
- An $11.5M commitment is still required (currently requested through the State).

**THE ISSUE**

- No driver education or hard stand motorsport facility exists in North Queensland, the most populated region in Northern Australia.

**BACKGROUND**

DrivelIt 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.

DrivelIt 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, Regional Development and Cities 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 DrivelIt 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

DriveIt 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 interconnected 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 1-5 km;
- International standard drag strip and speedway with grandstand seating; and
- 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; and
- Kart racing.

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

Townsville Enterprise acknowledges the Federal Government's existing $12M commitment. A further $11.5M is required to complete the project (currently requested through the State).
DESTINATION DEVELOPMENT

Reef HQ Aquarium Upgrade

THE ISSUE

The National Education Centre for the Great Barrier Reef, Reef HQ Aquarium, is ageing and infrastructure is well beyond its effective life.

BACKGROUND

As the National Education Centre for the Great Barrier Reef, Reef HQ Aquarium is the Federal Government’s (through the Great Barrier Reef Marine Park Authority) public face of reef education and engagement activities. Opened in 1987 as a Bicentennial initiative it is home to the world’s largest living coral reef exhibit, a natural resource that provides in excess of 140,000 guests annually the opportunity to view and learn about the Great Barrier Reef. Reef HQ delivers both in-house and outreach education as well as EduTourism programs, including video-conferencing across the world with an underwater diver.

Located in Townsville’s Waterfront Priority Development Area, Reef HQ Aquarium is ideally placed to be the epicentre of a world leading marine science precinct that showcases Townsville’s reputation as a world leader in marine science, research and education. However, after 31 years, rather than being a vibrant and contemporary facility, it is aging and tired with significant infrastructure degradation.

As development occurs around and beside Reef HQ Aquarium, advances in technology have made it possible to have bigger and better viewing spaces and exhibits using energy efficient and sustainable materials.

Reef HQ Aquarium has not been able to keep pace with these changes and as an example, the acrylic throughout the facility is for the most part, well beyond end-of-life. As development occurs around and beside Reef HQ Aquarium, its appearance becomes more and more noticeable and off-putting for locals and tourists alike. Reef HQ Aquarium provides a real-life reef experience that is accessible for both tourists and locals alike, is an iconic Townsville attraction and provides unique employment opportunities. Supported by a Volunteers Association who provide almost 13,000 work hours per year, Reef HQ Aquarium talks, tours and activities are an integral part of a tourist’s visitation experience when visiting the region.

As part of the Great Barrier Reef Marine Park Authority, Reef HQ Aquarium is a fledgling flagship for sustainability and energy efficiency – a physical demonstration of the choices that can be made to reduce carbon footprint and other impacts on the reef. Reef HQ Aquarium is a registered solar power station however lacks thermal storage capacity and the ability to fully offset operations; a feat estimated to be successful by relevant experts. Reef HQ Aquarium showcases energy efficient materials including Fibreglass Reinforced Plastic (structural uses) and carpet made from 100% recycled ghost nets and other plastics.

Providing an economic benefit to Townsville through tourism and EduTourism, Reef HQ Aquarium adds significantly to what attracts tourists to the region. Requiring an external face-lift, improved and contemporary technology and extensive infrastructure and asset maintenance, Reef HQ Aquarium has the potential to support extensions of research partnerships such as those that currently exist with James Cook University and the Australian Institute of Marine Science and showcase the best available reef related science and information. A key risk is future disruption from development directly beside Reef HQ Aquarium – demolition and construction of the adjoining facility will directly influence visitor numbers due to difficulty in access.

THE SOLUTION

In support of the immediate requirements of Reef HQ Aquarium requiring improved and contemporary technology and extensive infrastructure and asset maintenance, we seek the Federal Government’s support in ensuring Reef HQ Aquarium remains the National Education Centre for the Great Barrier Reef by committing $80M to upgrade the facility.
SUPPORTING THE REGIONS

Burdekin Shire Council

THE ISSUES

New Industrial Land Development
The Council needs to develop new land for industrial purposes in Ayr as the existing industrial estate is close to capacity. The land owned by Council and set aside for future expansion of the estate is now severely constrained by a State Government ‘wetland’ overlay that restricts its development. The Council has therefore had to identify other suitable land to be purchased and developed with appropriate infrastructure to provide for the expansion of the existing industrial estate, allowing for business growth and development in the Shire.

Use of Macro-Algae to Remediate Sewerage Effluent
The use of fresh water macro-algae to remediate nitrogen and phosphorus from the discharge effluent of the Ayr/Brandon Sewerage Treatment Plant (STP). These two nutrients represent a significant threat to the ongoing health of the Great Barrier Reef and research trials undertaken with JCU indicate the ability of the algae to significantly reduce the levels of nitrogen and phosphorus from the wastewater produced by the plant. Council is working in partnership with PacificBio, which holds the intellectual property for the macro algae treatment process, to secure funding to build a demonstration facility at the STP. Subject to its success, the facility could be duplicated at a number of other STP sites discharging to the Great Barrier Reef lagoon at significantly reduced capital and operating cost to current conventional options for sewerage treatment plant upgrades.

Lower Burdekin Water Warren’s Gully System Upgrade
The Lower Burdekin Water Board requires funding to upgrade its water distribution infrastructure to improve water delivery to agricultural properties in the southern part of Burdekin Shire. The project is designed to increase the peak flow capacity of the Warren’s Gully Aquifer Recharge and water distribution system from 140ML to 250ML per day. The project will enable an increase in irrigated agricultural production and an increase in reliability of the aquifer recharge in peak flow periods. This is to meet demand from properties currently serviced by the irrigation scheme and allow for future agricultural land development in adjoining areas, with 1,000 hectares of land ready to go into production, providing additional employment and economic benefits.

THE SOLUTION

Burdekin Shire Council is calling on the Federal Government to provide:

- $5.6M towards the provision of suitably located and serviced industrial land in Ayr to meet business and industry needs;
- $5M towards the construction of a 4 hectare bioremediation facility at the Ayr/Brandon STP to enable a full scale demonstration facility to be developed and operated; and
- $7.8M towards water distribution infrastructure to improve water delivery to agricultural properties in the southern part of Burdekin Shire.

RECOMMENDATION

- Federal Government to provide $5.6M towards the provision of suitably located and serviced industrial land in Ayr to meet business and industry needs;
- Federal Government to provide $5M towards the construction of a 4 hectare bioremediation facility at the Ayr/Brandon STP to enable a full scale demonstration facility to be developed and operated; and
- Federal Government to provide $7.8M towards water distribution infrastructure to improve water delivery to agricultural properties in the southern part of Burdekin Shire.
**THE ISSUES**

**RETAIL & COMMERCIAL PRECINCT**

The project involves construction of Stages 3 and 4 of a retail and commercial precinct on the underutilised waterfront land on Great Palm Island. The precinct will provide a vibrant mix of retail and specialty shops and is designed to bring mainland shopping and service opportunities to the Island, increase employment, community capacity and pride and stem the leakage of vital expenditure from the Island. It will provide a safe and inviting environment to support Palm Island Aboriginal Shire Council’s Tourism and Event Strategy.

**READINESS AND RESILIENCE PROGRAM**

This targeted program of action will seek to realise the untapped potential of Palm Island through the development of tourism and recreation infrastructure, physical upgrades, and community tourism products and experiences that will leverage the soon to be built Museum of Underwater Art (MOUA) as a catalyst for sustainable long-term development.

In its current state, the Palm Island community is at risk of missing out on the anticipated benefits generated from the MOUA attraction. Unless the appropriate settings exist at the time of its launch, the potential opportunities will remain unrealised.

The initial two years of the strategy will aim to position the Palm Island community to be ‘visitor ready’ by building upon the findings of the already State-funded ‘Maturing the Infrastructure Pipeline Program’ and fast-tracking the construction of the identified key enabling infrastructures critical to Palm Island’s capacity to host modern visitors. It will address the gaps required to meet tourist needs, utilising and leveraging current initiatives in place such as the new retail and commercial precinct, Small Business Incubator and Indigenous Ranger Program.

Funding for the Program would seek to fast-track needs outlined in Palm Island Aboriginal Shire Council’s Tourism and Event Strategy such as:

- **Multi-purpose Trail Network**: Design and construction of a network of graded tracks for walkers, runners, cyclists and horse riders including breakout platforms, signage and interpretation.
- **Splash Park**: Installation of a splash park as a safe place for families, children and visitors to socialise and play together.
- **Transport Development**: Including upgrades to the aerodrome terminal, establishment of a scheduled bus service and a ticketing solution for ferry services.
- **Feasibility Studies and Investment Attraction** of various forms of new accommodation, a new recreational jetty and boat moorings.
- **Infrastructure Upgrades** to existing accommodation and installation of interpretation and way finding signage.
- **Skills Development**: Training of local community members in tourism management, hospitality and small business.
- **Cultural Precinct Development**: Upgrades to the Indigenous Knowledge Centre and history exhibition and establishment of a centrally located arts studio and gallery.
- **Marketing and Promotion**: Development of a tourism focused web page and booking system and conduct of familiarisation trips with influencers and media.
- **Governance**: Establishment of a local governing body responsible for continued economic growth and development with an organisational structure tailored to the local tourism and economic needs of Palm Island.

**THE SOLUTION**

The Palm Island community is seeking:

- **Federal Government to provide $30M in funding to support construction of Stages 3 and 4 of a retail and commercial precinct on Great Palm Island; and**
- **Federal Government to support the ‘Palm Island Readiness and Resilience (RnR) Program’ to leverage the opportunities that the Museum of Underwater Art (MOUA) will generate (total cost: $15M (over 5 years)/ Federal contribution $7.5M)**
SUPPORTING THE REGIONS
Hinchinbrook Shire Council

THE ISSUES

Dungeness Marine Access Improvement Project
Hinchinbrook Shire Council is proposing to increase the accessibility of the Enterprise Channel at Dungeness in order to attain all-tide access and safe passage for boating vessels.

Development Applications are in process for the following:

1. Rock Wall Construction approximately 400m long $8M ex GST; and
2. Channel Dredging and Beach Replenishment works to create a 50m wide channel estimate 15,000m$^3$ dredge spoil $950K ex GST per dredging cycle.

New Boat Ramp/Jetty Facilities at Forrest Beach
There are limitations to accessing marine waters in the region, including access restrictions at low tide, with limited to no access for small shallow draft vessels and a lack of all-tidal marine access facilities within reasonable proximity to the Hinchinbrook region. There is also an inadequate ability to provide safe and efficient marine access for people and goods within the region, including access to Palm and Orpheus Islands and access for Maritime Safety Queensland vessels, a major concern in emergency situations.

Heated Silo Storage Facilities
Due to the cyclical nature of world sugar pricing, alternate cropping industries must be established with a view to breaking sugar cane monoculture and introducing complimentary cropping to counter yield decline through soil improvement. This project will encourage and promote diversification in agriculture, complimentary to sugar cane production, by value-adding during crop rotational/ fallow cycles, utilising dryland rice cropping and legumes. A lack of suitable storage facilities is impacting transport costs as smaller truck loads need to travel between Hinchinbrook and Burdekin. Efficiencies and improved profitability can be achieved through increased storage capacity, enabling individual farmers the ability to drop loads at a local depot for collection by bigger units when appropriate quantities have accumulated.

Hinchinbrook Shire Council and community are committed to diversifying to grow their economy and population. NQBE was incorporated by growers to diversify the way they conduct their business for future sustainability. It is envisaged this will be the start of a bio precinct in Hinchinbrook Shire. The NQBE Project has existing State and Federal Development Approvals in place and will deliver a net increase of:

RECOMMENDATION
Federal Government to provide:

- $950K in funding to assist dredging and beach replenishment, including a comprehensive Environmental Impact Statement at Dungeness to facilitate development of tourism in the area;
- $750K in funding to undertake the business case, including comprehensive Environmental Impact Statement for the establishment of ramp and jetty facilities at Forrest Beach;
- $1.5M in funding towards heated silo storage facilities for pulse, rice and comparable grain production;
  - i) $20M towards the NQBE Renewable Energy Facility. The project is shovel ready;
  - ii) reinstatement of REC ($60 per MW or similar) to restore investor confidence in promotion and establishment of Renewable Energy Products.
  - iii) Amendment of ARENA funding guidelines to recognise agricultural based renewable energy products for funding purposes.
- $450K in funding towards a business case, including comprehensive Environmental Impact Statement for the establishment of an in-stream weir facility within the Herbert River; and
- $835.5K for Dungeness Boat Ramp Car Park Extension. The project is shovel ready.
253 ‘new’ jobs to the region (not including an additional 114 truck drivers required to transport the cane to the facility);  
400 to 450 jobs during construction over a 2.5 year period  
$96M per annum in regional output;  
$68M per annum in regional value added; and  
$19M per annum in regional income.

**Herbert River Weir Project**
Tidal rises will compromise town water supply operations, given potential for salt water intrusion at Fairford Road water intakes. Advancement of salt water to that extent can be stopped by construction of a weir. An in-stream weir facility within the Herbert River will seek to protect salt water intrusion of fresh water supplies, whilst increasing the opportunity for irrigated horticulture, complementary to sugar cane production, by availability of supplementary irrigation. In addition, it will also increase recreational opportunities for fishing, water sports and tourism adjacent to the township of Ingham.

**Dungeness Boat Ramp Car Park Extension**
This project value adds to recently completed pontoon upgrades at the Dungeness Boat Ramp which is no longer regarded as a local ramp, but rather, a ramp of regional significance given the utilisation by boaties from the adjoining areas of Townsville and Cassowary Coast. This project has the capacity to triple current capacity by approximately 190 bays. The much-needed car park expansion hopes to reduce current vehicle congestion, as well as allowing for an increasing demand on boating facilities and future growth in the area.

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**THE SOLUTION**

Hinchinbrook Shire Council is seeking Federal Government support towards the following priorities:

**Dungeness Marine Access Improvement Project**
Federal Government to provide $1.5M in funding to assist dredging and beach replenishment, including a comprehensive Environmental Impact Statement at Dungeness to facilitate development of tourism in the area.

**New Boat Ramp/Jetty Facilities at Forrest Beach**
Federal Government to provide $750K in funding to undertake the business case, including comprehensive Environmental Impact Statement for the establishment of ramp and jetty facilities at Forrest Beach.

**Heated Silo Storage Facilities**
Federal Government to provide $750K in funding towards heated silo storage facilities for pulse, rice and comparable grain production.

**Bio Precincts – North Queensland Bio-Energy (NQBE) Project – Ingham**
Federal Government to provide $20M towards the NQBE Renewable Energy Facility. The project is shovel ready.

**Herbert River Weir Project**
Federal Government to provide $450K in funding towards a business case, including comprehensive Environmental Impact Statement for the establishment of an in-stream weir facility within the Herbert River.

**Dungeness Boat Ramp Car Park Extension**
Federal Government to provide $835.5K. The project is shovel ready.
**SUPPORTING THE REGIONS**

**Charters Towers Regional Council**

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**RECOMMENDATION**

- Federal Government to support the recommendations of the Townsville Enterprise led Hells Gates Dam / Big Rocks Weir Business Case currently in progress;
- State and Federal Governments adopt a bipartisan, coordinated and whole-of-government response to the impacts of ongoing drought in Queensland communities;
- Provide support to undertake measures to reduce the significant impact of flying fox;
- Federal Government support long-term planning for strategic regional freight and tourism routes through the region;
- Federal Government fund state-identified works on the Gregory Development Road; and
- The Federal Government fund a new, replacement hospital to be built in Charters Towers, alongside Eventide Aged Care Facility with increased speciality services in Obstetrics and Gynaecology, Renal Medicine, Radiology and Ultrasonography.

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**THE ISSUES**

**Big Rocks Weir**

The Charters Towers region requires water security to develop prime agricultural land and adequately support residential growth and commercial and industrial development as a direct result of the agricultural opportunities and future tourism opportunities.

**Drought Assistance**

With agriculture currently a key economic pillar for the Charters Towers region, ensuring the industry remains viable is a central challenge of serving the wider community. The Charters Towers region has been partly or wholly drought declared since 2013. In 2018, part of the region’s drought declaration was revoked however 45.7% of the region remains drought declared.

**Flying Fox Management**

Increasing numbers of flying foxes are significantly impacting our community economically and environmentally as well as reducing the quality of life for residents.

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**Transport Infrastructure**

Given the Charters Towers region's strategic location at the centre of a designated triple-road-train network, the Flinders Highway and Gregory Development Road requires essential upgrades to serve as an alternative North-South route to the Bruce Highway to service ongoing beef and agricultural trade and unlock pending economic development opportunities such as Defence training and further emerging projects.

**Improved health services, including a new hospital**

Charters Towers region residents are currently travelling frequently to Townsville to receive life-saving dialysis treatment; for birthing and to obtain x-rays and ultrasounds due to eroded service offerings and ongoing gaps in service provision. Furthermore, the Charters Towers Hospital facility is grossly outdated, with many issues ranging from piping and plumbing, to design and layout as well as there being various areas that do not meet health, safety and fire standards.
THE SOLUTION

Charters Towers Regional Council is seeking Federal Government support towards the following priorities:

**Big Rocks Weir:** Federal Government to support the recommendations of the Townsville Enterprise led Hells Gates Dam / Big Rocks Weir Business Case currently in progress.

**Drought Assistance:** Adopt a strong policy platform with a more insightful and responsive approach to drought policy which considers the impact on regional economies, the level of assistance required by primary producers and landholders and the role local government plays in securing communities against ongoing threats such as drought.

**Flying Fox Management:** Commit to continued and ongoing support of Charters Towers Regional Council to develop sustainable solutions.

**Transport Infrastructure:**

- Federal Government support long-term planning for strategic regional freight and tourism routes through the region;
- Federal Government fund state-identified works on the Gregory Development Road.

**Improved health services, including a new hospital:**
The Federal Government fund a new, replacement hospital to be built in Charters Towers, alongside Eventide Aged Care Facility with increased speciality services in Obstetrics and Gynaecology, Renal Medicine, Radiology and Ultrasonography.
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