



TOWNSVILLE NORTH QUEENSLAND

State Government Budget Submission

2020



TOWNSVILLE



CHARTERS TOWERS



HINCHINBROOK



PALM ISLAND



BURDEKIN

Foreword

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 \$16.6B annually to the Queensland economy and is home to nearly 240,000 people.

Over the past eight years, the people of the Townsville North Queensland region have experienced some of the toughest economic conditions in its 153-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 recovery and the drag caused by the disaster, 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 \$293M North Queensland Stadium the Port and Channel 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 7.9% 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.

Projects earmarked for North Queensland and declared as 'Coordinated Projects' by Queensland's Coordinator-General, the CopperString 2.0 Project and the North Queensland Country Club and Equestrian Centre (Toolakea) are a part of a pipeline of future investment the region will look to pursue over the coming years.

The targeted priorities included in Townsville Enterprise's 2020 State Government Budget Submission 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 State 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 State 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 State Government to support the following priorities:

Enabling Infrastructure

- › Hells Gates Dam Business Case and Big Rocks Weir
- › Lower Energy Prices and Access

Port City

- › Townsville Eastern Access Rail Corridor (TEARC) and the Mount Isa to Townsville Rail Line

Industry Development

- › Resources and Mining
- › Tropical Aquaculture Accelerator

Destination Development

- › Magnetic Island 2030 Tourism Vision
- › Museum of Underwater Art
- › Drivelt NQ
- › Wongaloo Conservation Park
- › 2032 Olympic Games Bid
- › Event Attraction – North Queensland Stadium

Capital of Northern Australia

- › Townsville North Queensland Population Target and Defined Regional Development Agenda
- › Regional and Remote Area Tax Concessions and Payments
- › Cowboys Community, Training and High-Performance Centre
- › Royal Flying Doctor Service Townsville Support Hub

Innovation and Connected City

- › Re-regulate the Mount Isa to Townsville Air Route

Supporting the Regions

- › Townsville City Council
- › Burdekin Shire Council
- › Palm Island Aboriginal Shire Council
- › Hinchinbrook Shire Council
- › Charters Towers Regional Council



ENABLING INFRASTRUCTURE

Hells Gates Dam Business Case and Big Rocks Weir

Recommendation

- › Continued support from the Queensland Government for the Hells Gates Dam Business Case and construction of Big Rocks Weir.

THE ISSUE

The Hells Gates Dam Business Case and the Big Rocks Weir construction have the potential to provide significant employment opportunities and new agricultural investment to the region. The North Queensland community calls on State Government to continue their support for these transformational, long-term projects.

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 found 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 10 April 2019 that Townsville Enterprise would be engaged to carry the Feasibility Study forward and deliver the Hells Gates Dam Business Case.

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, Townsville Enterprise has been directly engaged by the Queensland Government through the Department of Natural Resources Mines and Energy (DNRME) to undertake the Business Case process.

THE SOLUTION

The State Government's continued support for the Hells Gates Dam Business Case and the construction of Big Rocks Weir.

ENABLING INFRASTRUCTURE

Lower Energy Prices and Access

Recommendation

- › Fast-track the establishment of cost effective 'clean technology' base load generation in North Queensland (seek diversification of ownership);
- › The next 2,000MW of electricity generation to be licensed in Queensland must be based in North Queensland and connected to the grid north of Collinsville;
- › The State Government must use its influence to police the behaviour of the generators so that wholesale prices match the costs of production – not prices driven by market distortion;
- › A review of the existing regulatory framework must be expedited in order to address North Queensland's particular issues (this may require the establishment of a different regulatory framework to that of South East Queensland);
- › Ensure North Queensland has future access to competitively priced natural gas;
- › Support industry diversification in the north by assisting the NQ Bio Energy Project in Hinchinbrook; and
- › Modify 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.

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 an adverse effect on industry and the local economy. Base electricity prices, exclusive of network and environmental charges, more than doubled between 2015 and 2018.

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 asset ownership is more highly concentrated than other mainland NEM regions. The Queensland State Government has made changes to the wholesale market supply framework with the establishment of CleanCo and it needs to ensure that its three generators (CleanCo, CS Energy and Stanwell) that dominate the supply side of the wholesale market compete for dispatch in that market. This will force down prices. Queensland's network (and distribution) costs which reflect the State's ownership of the transmission and distribution assets across the State, 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).

Large energy users in Northern Australia – industry, mining, manufacturers and large businesses – have their energy costs made of ‘energy prices’, ‘losses’ (through transmission) and ‘network charges’. The energy prices are established through the wholesale and retail market mechanisms which should become more competitive with CleanCo. The other charges are all regulated charges that, in many cases, are determined by the flows (and losses) of energy in the network. North Queensland has historically been disadvantaged through this process, but the trend has changed in the last couple of years with new generation in North Queensland. The State Government needs to continue to support that trend through the delivery of the CleanCo policy delivery. This will be enhanced through the integration of the North West Minerals Province load into the North Queensland portion of the National Grid.

The Federal Government has allocated \$4.7M in grant funding to accelerate development activities supportive of the CopperString 2.0 Project. The State Government has announced \$1.68M energy supply and transmission projects as part of its North West Queensland Economic Diversification Strategy; \$1.18M of this will support CopperString 2.0. 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 2.0 transmission line would increase gas and renewable energy generation capacity in North Queensland by over 1,200MW. CopperString will deliver significant State policy in terms of development of the NQ Renewable Energy Hub. This needs to be encouraged because the area between Townsville and Mount Isa is recognised by the Australian Energy Market Operator in its Integrated System Plan 2018 as the only region that has A class wind and A class solar resources. The State need to facilitate the connection of those world gas generation resources into the North Queensland network to put downward pressure on electricity costs in North Queensland and the Queensland wholesale electricity price. CopperString will facilitate the development of these resources and is expected to cost \$1.5B which can be funded from the private sector. The State needs to facilitate the involvement of NAIF to ensure maximum economic efficiency is achieved in delivering this common user infrastructure. Financial close should be achieved by the end of calendar 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

subsidies for renewables at the household and small business level, 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 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 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. Queensland has started this process with the establishment of CleanCo and it must be prioritised by the Queensland Government and this needs to be achieved through collaboration with the Federal Government.

THE SOLUTION

The State and Federal 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 behaviour of generators or ensure that wholesale prices match costs of production. 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 State 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.
- Modify 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.

- › Facilitate the development of the CopperString 2.0 project to bring the significant electricity loads in the North West Minerals Province into the Queensland NEM and hence stimulate further generation in North Queensland.
- › Encourage the Queensland network service providers to use the permissive nature of the National Energy Market rules to expedite connection to the grid for new loads and generators – it is essential to return timeframes and costs back to reasonable levels.
- › Ensure that there is competition among of the Queensland generators so that wholesale prices match costs of production.
- › Fast-track the establishment of cost effective 'clean technology' generation in North Queensland (seek diversification of ownership) especially through the connection of the North Queensland renewable energy zone to the NEM via the CopperString network.
- › Ensure that North Queensland has future access to competitively priced natural gas.

PORT CITY

Townsville Eastern Access Rail Corridor (TEARC) and the Mount Isa to Townsville Rail Line

Recommendation

- › A 30-year master plan should be published for the Mount Isa to Townsville Rail Line detailing the planned investments to meet forecast demand and the key indicators to be monitored to ensure the supply chain is competitive and efficient in supporting growth in mining and agriculture sectors in North and North West Queensland.
- › TEARC should be incorporated as critical enabling infrastructure with a clear timeframe for delivery of the project within the State Infrastructure Plan.

THE ISSUE

- › Critical supply chain infrastructure that is utilised by operating businesses in North and North-West Queensland is failing to meet customer requirements in terms of cost, availability and long-term certainty.
- › A competitive and efficient supply chain with a clear program of investments is essential to provide certainty for future mining and agricultural developments in North and North-West Queensland.

BACKGROUND

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

Townsville North Queensland services the North-West Minerals Province (NWMP) as well as the broader Mount Isa to Townsville Economic Development Zone (MITEZ). The NWMP is one of the world's richest mineral producing areas containing copper, lead and zinc as well as major silver and phosphate deposits and strong rare earth potential.

Product from the NWMP is railed and trucked to Townsville Port for export to global markets. Railing of product on the Mount Isa to Townsville Rail Line has decreased in recent years with increased trucking of product. A lack of reinvestment in the rail line has

resulted in inefficiencies of rail line speed/ restrictions, lack of passing loops, and lack of multi-user terminals for loading and unloading of product which has led to a modal shift of product to road transport. This modal shift places greater pressure and cost onto the road network and has resulted in inefficiencies in the logistical supply chain.

In 2018 the Federal Government together with the Northern Territory and Queensland Governments undertook a feasibility study of establishing a new rail line linking the NWMP to the Port of Darwin. The proposed Mount Isa to Tennant Creek Railway is a \$2-\$3B project aimed at expanding the Mount Isa to Townsville Railway to Tennant Creek and joining it to the existing Tarcoola to Darwin Railway in the Northern Territory.

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

In the State Infrastructure Plan (March 2016), the Queensland Government has earmarked upgrading the Mount Isa to Townsville Rail Corridor (which includes TEARC) as a priority project. A Detailed Business Case for TEARC was finalised by Building Queensland in November 2017 which noted that the TEARC was not economically viable at this time and on this basis recommended that the implementation of the TEARC project be placed on hold pending demand for the project or other requirements determined by the Australian and Queensland Governments.

A number of actions to progress corridor acquisitions, environmental approvals and design were adopted to facilitate future development of TEARC.

In 2019, the Queensland Government announced \$80M funding over four years to reduce rail access costs on the Mount Isa Rail Line and \$30M towards a \$48M Port Rail Intermodal Terminal to encourage modal shift from road to rail. TEARC presents the next stage of investment in the supply chain to efficiently connect the Mount Isa Rail Line (and the North West Minerals Province) with the Port of Townsville and resolve existing rail bottlenecks within the Port.

The construction of TEARC is vital to the future growth of the Port of Townsville and the economic growth of the broader Townsville North Queensland region. TEARC would take rail traffic out of Townsville's growing urban areas, allow for longer trains (1.4km), reduce bottlenecks in the Port and provide vital capacity for the growing tonnage demand on the Mount Isa Rail Line. The construction of TEARC would also support the Queensland Ports and National Ports Strategies.

It is critical that there is transparency of long-term investments required to meet capacity over time and measures to ensure that the Mount Isa to Townsville Rail Line is competitive and efficient enabling infrastructure to support growth in mining, manufacturing and agricultural industries in North and North West Queensland.

THE SOLUTION

- › A 30-year master plan should be published for the Mount Isa to Townsville Rail Line detailing the planned investments to meet forecast demand and the key indicators to be monitored to ensure the supply chain is competitive and efficient in supporting growth in mining and agriculture sectors in North and North West Queensland.
- › TEARC should be incorporated as critical enabling infrastructure with a clear timeframe for delivery of the project within the State Infrastructure Plan.

INDUSTRY DEVELOPMENT

Resources and Mining Sector

Recommendation

- › The North Queensland community seeks clarity from our State Government representatives (and all political parties), to define their position regarding their support for the mining and resources sector and how they will support the delivery of thousands of desperately needed jobs across regional Australia.

THE ISSUE

With concerns raised by international investors in relation to Australia's sovereign risk and the impact of perceived political interference in the development of the mining and resources sector, Queensland's political leaders must clearly state their position in relation to support of the mining and resource sector and the future of new mines, in particular. Our political leaders have been given a clear sign that regional Queensland is committed to the growth of the mining and resources sector. The people of regional Queensland must have a clear understanding of the policy position of our potential political representatives and avoid ambiguity.

BACKGROUND

The importance of the mining and resource sector to the Australian and Queensland economies cannot be overstated, with one in eight jobs across the state and 14,200 businesses linked with the industry. The resource sector is also responsible for contributing one in every five dollars generated by the Queensland economy. The resources sector is a strong and steady employer of Queenslanders, despite Queensland's unemployment rate being among the highest in Australia. The sector delivered \$6.1B in wages and salaries to approximately 52,595 fulltime jobs in 2018-19, representing an average salary level across the industry of approximately \$115,980 per annum.

The North West Queensland region and the Galilee have huge potential to turbo charge the regional economy, but this can only be achieved through further support from the State Government, to ensure rail and energy needs for industry and the region are addressed and invested into.

Reviewing the resources sector regulations and the steps to establish world's best practice for regulations, removing the unnecessary costs for businesses is critical to ensuring investment and growth in the mining and resources sector. Long approval processes significantly dissuade investment, meaning it has become harder than ever to get new resource projects off the ground, restricting the sector's future expansion to the detriment of regional jobs.

THE SOLUTION

A sustainable future in mining is critical to the future of North Queensland and the Galilee. Well paid mining jobs and investment realised with the development of the Galilee Basin and the North West Minerals Province experienced bipartisan support in the past and have underpinned regional development and significantly contributed to the wealth of the State and Nation. Governments should provide investment security and consistency of decision making.

It is essential that any major project and investment is offered a clear and consistent pathway to approvals and does not experience policy ambiguity and questions over sovereign risk to current and future investment.

INDUSTRY DEVELOPMENT

Tropical Aquaculture Accelerator

Recommendation

The State Government support and accelerate North Queensland's aquaculture industry through facilities that provide commercialisation opportunities and translate the research into sector-leading education, training and support for business requiring:

- › Investment of \$67M to provide fit-for-purpose and state-of-the art life support systems for aquaculture production, supported by wet and dry laboratories and aqua-sheds, a pilot-scale hatchery and specialist technologies.

THE ISSUE

A very real opportunity now exists to build the epicentre of aquaculture in Northern Australia and globally, given our unique position, our track record and our focus on clean, safe and high-quality product. Positioning Northern Australia for the future involves matching what we have to offer with what the world needs.

Food security and the rapidly growing demand for high quality seafood protein (growing at current rate, aquaculture is set to be Australia's second largest agri-food export by 2050 and worth \$12.8B) are two of the biggest challenges we face. Much of the future growth in demand for high quality, clean product will come from Asia's developing economies which are forecast to contain more than half the world's middle class by 2020. This is a very real growth opportunity for Northern Australia and our aquaculture sector.

Northern Australia already boasts some of Australia's most successful aquaculture industries, supported and amplified by James Cook University's (JCU) world leading research and industry collaborations to further enhance quality, productivity, sustainability and environmental outcomes. There is growing demand for product and, increasingly, for knowledge export (including most recently with UAE).

But, in order to cement and amplify our advantage and protect aquaculture investment to date, we need a new industrial focus – at scale – for the north. Standing still is not an option in this rapidly changing world. Failing to act will cost us dearly.

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 – 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 reach its full 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.

THE SOLUTION

The Tropical Aquaculture Accelerator will bring together JCU's world-leading expertise in research and commercialisation along with the commitment and engagement of pioneering industry partners in fit-for-purpose facilities.

Once operational, the Accelerator will enable:

- › Additional aquaculture production of around 125,000t of product than would otherwise be produced (approximately 7% of the total Northern Australian aquaculture production estimated over this period.)
- › A reduction in the overall costs of production per tonne of aquaculture product in Northern Australia of approximately \$137 per tonne by 2034–35
- › \$2.3B in additional aquaculture industry output, supporting \$2.4B in Gross Regional Product (GRP) and 9,766 FTE jobs
- › \$38.9M in additional student expenditure, producing \$53.8M in GRP and 439 FTE jobs
- › \$104.4M in research and facility operations output, supporting \$137.7M in GRP and 1022 FTE jobs (including direct and flow-on activity).

DESTINATION DEVELOPMENT

Magnetic Island 2030 Tourism Vision & Infrastructure Upgrades

Recommendation

- › Funding support to commence a Magnetic Island 2030 Tourism Vision
- › Funding commitment to the Magnetic Island Walking Trails
- › Funding commitment to improve the main road network

THE ISSUES

- › Magnetic Island is the jewel in the crown for tourism in Townsville North Queensland, however it is nearing capacity for visitation due to the lack of public infrastructure and holistic planning
- › Magnetic Island's infrastructure is looking tired and a lack of investment and new product on the island is negatively impacting on the visitor experience

BACKGROUND

An economic analysis recently prepared by AEC found that Magnetic Island's tourism industry contributes more than \$200M annually to gross regional product (GRP) and supports more than 1,700 regional jobs. Attracting more than 290,000 visitors in the 18/19 financial year, Magnetic Island is regarded as the jewel in the crown of tourism in Townsville North Queensland. Magnetic Island operators have reported one of the busiest tourism seasons on record.

In recent years, the island has neared its capacity for visitation due to public infrastructure restraints and a lack of holistic planning. The island's public infrastructure looks tired and limited investment in new product is impacting on the visitor experience. This has potential to be detrimental to the brand and reputation of not only Magnetic Island, but also the broader Townsville North Queensland region. Infrastructure challenges have increased in recent months post the monsoon flooding event in February.

It has been encouraging to see some progress regarding the walking trails on Magnetic Island with Townsville City Council and Queensland Parks and Wildlife Service recently releasing a vision plan to address safety, way finding and linkage issues. The recent funding announcement on the upgrade to the Forts Walk entrance is also a positive step in the right direction.

2030 Magnetic Island Tourism Vision

To capitalise on the true tourism potential of Magnetic Island there is need for a 2030 Magnetic Island Tourism Vision to be undertaken. The scope of this plan should:

- › Provide a strategic blueprint of capital works programs that improves tourism infrastructure across the island and identifies key investment/development opportunities.
- › Enable the island to deliver the 'best of Australia' tourism experiences by matching the island's natural beauty with a built environment that improves the appeal of the destination.
- › Increases the economic return from tourism in our region through increased visitation, length of stay and expenditure.
- › Provide a focal point for council, industry, national parks and community to work together.

Urgent Infrastructure Needs

Whilst the 2030 Magnetic Island Tourism Vision is a key piece of work which is well overdue for the island, there are two urgent infrastructures needs to be addressed: The Magnetic Island Walking Trails – improving safety, linking the trails, safe entry to the sea for snorkelers using Geoffrey Bay Snorkel Trail, enhancing the signage (including land and marine) and improving the road network.

Magnetic Island Product Development: The Museum of Underwater Art (MOUA)

The Museum of Underwater Art (MOUA) is a tourism investment into building the 'visitor experience' in the North Queensland region. The MOUA investment builds on one of the region's great strengths, 'educational tourism' and will see a series of sculptures that are tied together through the theme of Great Barrier Reef management.

The works planned for The Strand (beach front), Magnetic Island, Palm Island and John Brewer Reef will be created under the stewardship of the world's leading underwater sculptor – Jason deCaires Taylor – with the support and engagement from local community artists.

The final stage of the Museum of Underwater Art includes an installation at Magnetic Island (possibly at Picnic Bay) is currently unfunded.

THE SOLUTION

Provide \$130,000 to support the funding for a 2030 Tourism Vision on Magnetic Island. Investment into priority infrastructure requirements on Magnetic Island including the walking trails, Picnic Bay Foreshore and the Museum of Underwater Art (Stage 3).

DESTINATION DEVELOPMENT

Museum of Underwater Art (MOUA)

Recommendation

- › Fund the \$5M for Stage 3 of the Museum of Underwater Art, which includes installations at Magnetic Island and a second installation on the Great Barrier Reef.

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 MOUA, Townsville North Queensland can provide a unique visitor experience which blends science and art.

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. 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.

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 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. 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.

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.

Stage 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 Stage 3 is required, which includes installations at Magnetic Island and a second installation on the Great Barrier Reef.

DESTINATION DEVELOPMENT

Drivelt NQ

Recommendation

- › \$12M commitment is required to complete the Driver Education and Motorsport Precinct

THE ISSUE

Construction of a driver education and motor sport precinct has commenced, but in order for the facility to be viable and contribute to the regional economy, funding is required to complete the project.

BACKGROUND

Drivelt 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 completed 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.

Drivelt NQ has a lease agreement in place with Townsville City Council to establish a new community owned and managed facility based at Calcium with full DA approval. It has received \$12M in grant funding 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 as well as a basic motor racing circuit and drag strip.

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 Drivelt 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; and
- › Once fully operational it will inject \$32.2M into the region annually and provide 142 full time jobs.

DESTINATION DEVELOPMENT

Wongaloo Conservation Park

Recommendation

- › Provide \$40K to support the funding of an updated feasibility study and business case for the further development of Wongaloo Conservation Park visitor access and tourism.

THE ISSUES

- › The Wetlands and Grasslands Foundation is seeking to engage a suitably qualified and experienced consultant to undertake a feasibility study into the continued development of the Wongaloo Conservation Park as a significant tourism destination for North Queensland.
- › Significant studies into the destination have been undertaken previously. However, the project requires review and updating to meet the criteria for significant State and Federal funding applications.

BACKGROUND

The Cromarty Wetlands – situated across the Burdekin/Townsville local authority boundaries – is famous for its diversity of wildlife, including some 255 species of birds, 51 species of reptiles, 44 species of mammals as well as countless species of invertebrate. The diversity of wildlife across the location is apparently greater to that in Kakadu National Park.

This unique habitat is managed by the Foundation (made up entirely of volunteers) as Trustee and is located just 35 minutes from an international airport, Cruise Ship Terminal and the Townsville CBD and 45 minutes north of Ayr–Home Hill to the south. The Park is dissected by the Bruce Highway and Great Northern Rail line.

Along with containing the two rarest lowland rainforests in Northern Australia, this landscape provides the perfect base for interpretation and education experiences for people of all ages, including local, national and international visitors, in a dynamic setting.

While the Wetlands present a valuable economic opportunity for the region, access to the Wetlands is currently limited because of the need to construct a safe crossing point of the railway line from an already developed car park. We understand discussions with Queensland Rail on this are continuing.

THE SOLUTION

Provide \$40K to support the funding of an updated feasibility study and business case for the development of Wongaloo Conservation Park visitor access and tourism.

DESTINATION DEVELOPMENT

2032 Olympic Games Bid

Recommendation

- › Drive economic benefit to North Queensland by securing pool matches, training camps and additional infrastructure in Townsville North Queensland as part of the 2032 Olympic Games Bid.

THE OPPORTUNITY

Utilise Townsville North Queensland's current world class sporting and event facilities to extend the economic benefits of a 2032 Olympic Games into the North.

BACKGROUND

Townsville North Queensland is proud to be the home of some of regional Australia's most successful events. Historically, the region has been host to international level sporting events including the Rugby League World Cup, Oceania Athletics Championships and the 2018 Commonwealth Games. Townsville is also gearing up to host the 2021 ITU Multisport World Championships which will see more than 8,000 people descend on the region from more than 30 countries.

New and upgraded sporting facilities including the North Queensland Stadium, the proposed North Queensland Country Club Resort and Equestrian Centre, Tobruk Pool, The Townsville Sports Reserve and Murray Sporting Complex are all potential venues capable of hosting Olympic sports, pool matches and training camps. Establishing additional infrastructure will also support the region's capability of hosting Olympics related events. Boasting incredible weather, spectacular natural assets, ample accommodation options, centrally located sporting facilities and local event supply services, Townsville is well placed to be the North Queensland host city for the 2032 Olympic Games.

THE SOLUTION

An initial audit of existing and proposed facilities for the region suggests that the following sports could be hosted in Townsville as part of the Olympic Games Bid:

- › Sailing
- › Rugby 7's at the new North Queensland Stadium
- › Football at the new North Queensland Stadium
- › Triathlon
- › Athletics training camps at the Townsville Sports Reserve
- › Hockey at the Murray Sporting Complex
- › Equestrian at the proposed North Queensland Country Club Resort and Equestrian Centre
- › Swimming
- › Water Polo
- › Beach Volleyball
- › Cyclist track training at the Murray Sporting Complex
- › Gymnastic Training
- › Tennis Training

DESTINATION DEVELOPMENT

Event Attraction – North Queensland Stadium

Recommendation

- › Stadiums Queensland appoint a content acquisition specialist dedicated to the North Queensland Stadium to work with stakeholders (Townsville City Council, Townsville Enterprise, Townsville Events Board, Tourism Events Queensland and local industry) to ensure quality utilisation of the North Queensland Stadium.
- › It is also recommended that a Stadium Attraction Fund be established to assist in the attraction of world-class events for the new stadium.

THE ISSUE

The North Queensland Stadium is world-class and should be effectively utilised to attract world-class events. For the North Queensland Stadium to be given the best chance of becoming a major multi-entertainment venue and a generator of critical economic activity, an individual, working under the Stadiums Queensland banner, needs to be given control of the stadium's short, medium and long-term content pipeline.

The appointment of a dedicated content acquisition specialist for the new stadium will ensure a strong pipeline of content can be secured for the stadium which would provide significant economic uplift for the region, contribute to community pride, and strengthen the reputation of North Queensland as an events capital.

With Stadiums Queensland based in Brisbane and without an individual charged with courting major acts and events there is the risk this would be an afterthought. The Townsville-based appointment would work with Townsville City Council, Townsville Enterprise and Stadiums Queensland to ensure North Queensland gets the best return of investment from the venue for years to come.

This venue will provide the North Queensland region with greater capacity for attracting major national and international events, delivering significant contributions to the regional economy, and strengthen the liveability of North Queensland.

Furthermore, Townsville promoters are often faced with increased costs to host major events which increases the risk of the event succeeding. With that

in mind, a dedicated fund needs to be established to initially reduce the risk and utilised by the content acquisition specialist to attract and host exclusive events. This will assist in improving perception that the stadium has the capacity and capability to successfully attract and host world-class events.

BACKGROUND

The stadium was always about more than just the infrastructure; it was about creating a world-class entertainment precinct and a step towards providing North Queensland with a global lifestyle. It is about festivals, concerts, culture, music and sport that would position North Queensland as part of a vibrant lifestyle and community. The North Queensland Stadium is a joint project of the Queensland Government, Federal Government and Townsville City Council and is supported by the National Rugby League (NRL) and North Queensland Toyota Cowboys. The stadium forms part of the Townsville City Deal that was signed in December 2016. Once complete, the North Queensland Stadium will become another major sporting and entertainment facility owned and operated by Stadiums Queensland.

The major user of the facility will be the North Queensland Toyota Cowboys, who are locked in for 12 home games every season. The stadium will also host other events, such as the Grand Opening performance by Elton John in February 2020, the North Queensland Games Opening Ceremony in April, and the North Queensland Football Cup over the Easter 2020 long-weekend.

Whilst this is a good start, there needs to be a concerted effort to ensure the venue continues to attract high-quality content which traditionally may have overlooked North Queensland due to a lack of suitable venue options.

THE SOLUTION

Through funding support by the State Government, Stadiums Queensland must employ and resource an appropriate individual dedicated to the North Queensland Stadium to lead the identification and attraction of events and performers to the North Queensland Stadium, guaranteeing the venue is fully utilised.

It is also recommended that a Stadium Attraction Fund be established to assist in the attraction of world-class events to the new stadium.

CAPITAL OF NORTHERN AUSTRALIA

Townsville North Queensland

Population Target and Defined Regional Development Agenda

Recommendation

- › The Queensland Government must put in place a dedicated Population Policy for Townsville North Queensland.
- › A commitment to invest in the economic infrastructure, social infrastructure and government services needed to support the population target.
- › The relocation of relevant Queensland Government department and agency functions to Townsville North Queensland.
- › A whole-of-government requirement for laws and policies that affect Northern Australia to explicitly consider how they will positively impact population growth targets.

THE ISSUE

Townsville needs a sustainable population growth to support its economic development.

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 State Government, through the 'City Deal' agenda, should seek to build sustainable public sector employment opportunities and career paths for Townsville locals. This commitment would see Townsville North Queensland establish itself as a viable lifestyle alternative to communities in the south east of the state.

Governments of the day have a fundamental obligation to ensure fair and equitable distribution of wealth 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, 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. It would only seem practical that the Queensland 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 emigration.

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

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

The Queensland 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.

THE SOLUTION

1. The Queensland Government must put in place a dedicated Population Policy targeting Townsville North Queensland. In Townsville, a population increase target of 140,000 more people by 2030 is appropriate. This is consistent with high-growth scenarios considered by Infrastructure Australia but will only be achieved with the right policy mix.
2. The Population Policy should focus not only on attracting new residents, but also on retaining existing residents, and should include:
 - › a commitment to invest in the economic infrastructure, social infrastructure and government services needed to support the population target;
 - › legitimate consideration of the relocation of relevant Queensland Government department and agency functions to Townsville North Queensland;
 - › a whole-of-government requirement for laws and policies that affect Northern Australia to explicitly consider how they will positively impact population growth targets.

CAPITAL OF NORTHERN AUSTRALIA

Regional and Remote Area Tax Concessions and Payments (Encouraging local investment and private sector decentralisation)

Recommendation

- › Increase the payroll tax discount for regional businesses so that the effective rate is 50% of the prevailing payroll tax rate.

THE ISSUE

A review of the payroll tax system is long overdue. Payroll tax plays a strong role in the recruitment decisions for business owners; most importantly those businesses paying gross wages just under the thresholds. The tax increases the cost of hiring an additional employee. The increased employment cost adversely affects the wider decision making of the firm including, but not limited to, the decision to invest in a business activity, where the firm locates operations, the size they aspire to grow their operations and how the firm resource those business activities (with the option to offshore certain functions real for many businesses).

Regionally focussed payroll tax reform recognises the challenges of doing business in Regional Queensland. Much of regional Queensland has been impacted by natural disasters (drought, flood, fire and cyclones) and faces increased costs in the wake of these disasters.

The Productivity Commission's draft study of Remote Area Tax Concessions and Payments provides a real opportunity for changes to the current system to promote:

- › The development of Regional Australia;
- › Grass roots 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.

BACKGROUND

The high unemployment rate in regional centres such as Townsville and Outback Queensland presents a strong case for reform within the payroll tax system.

As at March 2019, Townsville's unemployment rate sat at 7.8 per cent, while youth unemployment was recorded at 17.3 per cent. The statistics are even worse in areas of Outback Queensland, with a youth jobless rate of 25.7 per cent in Cape York, Weipa, Mount Isa and Longreach as at March 2019. The Wide Bay and Moreton Bay youth unemployment rates are also of serious concern, at 19.8 per cent and 18.8 per cent respectively.

Queensland Government data suggests there are more than 438,000 small businesses across Queensland, with small businesses making up more than 97 per cent of all businesses in Queensland. It is recognised that many of these small businesses don't pay payroll tax due to the \$1.3M wages threshold, however, we consider that government policy should be focussed on facilitating the growth of these small businesses. Many of those small businesses operate in Regional Queensland, with more than 13,000 small businesses operating across the Townsville region alone.

The Queensland Government has implemented a 1% discount for regional employers. However, this marginal reduction in the effective tax rate is not as significant as the Victorian Government's; who have halved the payroll tax for regional businesses.

Based on a full-time wage including superannuation of \$68,000 (a level equivalent to the current national median full-time wage), payroll tax in Queensland captures businesses with around 19 employees (or fewer for those businesses employing more highly paid personnel).

A reduced payroll tax burden would give operators scope to employ more people and help regional economies grow. It is expected that the initial cost to state revenues would be offset over time by a broader business base in Regional Queensland from which payroll taxes would ultimately be collected. Enabling regional businesses to attract, grow and retain staff is key to the future economic success of the many communities across Regional Queensland.

A regional economic stimulus could be provided by way of further discounting to the Queensland Payroll Tax similar to Victoria's rates.

THE SOLUTION

Regional businesses and regional economies would be significantly stronger with meaningful tax incentives designed for businesses operating in regional and remote areas of our State.

We consider that this could be effectively implemented by following the successful Victorian model and setting the payroll tax rate for a Regional Queensland business at 50% of the prevailing payroll tax rate (i.e., from 1 July 2020 make the payroll tax rate 2.375% and 2.475%, for their respective brackets, in Regional Queensland businesses).

Regionally focussed payroll tax reform will undoubtedly create better employment and business opportunities in regional Queensland.

CAPITAL OF NORTHERN AUSTRALIA

Cowboys Community, Training and High-Performance Centre

Recommendation

- › State Government to provide \$5M in initial capital investment to support the establishment of the Cowboys Community, Training and High-Performance Centre in Townsville North Queensland.

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 Cowboys Community, Training and High Performance 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, Training and High Performance 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 gross regional 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.

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) – 4,000+ 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; and
- › 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 respective outcomes along with opportunity for inclusion of an identified need for focus on North Queenslanders with Pacific Island heritage.

THE SOLUTION

With a total project estimate of \$40M, the Cowboys are seeking a \$5M State Government investment for the Centre. In addition to the \$15M already secured from the Federal Government, we are at the due diligence stage of an application to the Northern Australia Infrastructure Facility (NAIF) for the balance of the funds required to complete this essential piece of infrastructure.

The intention would be to allocate the requested funds towards specific cutting-edge technology, including:

- › Altitude and heat control capability training room
- › Sports science research facility
- › State of the art athlete rehabilitation and preparation centre – including hot/cold treatment and “endless river” style resistance pools
- › Reconfigurable indoor training field or basketball / netball court
- › Virtual reality kicking and goal kicking training facility
- › Lighting of the Community Training Field

Completion of the facility is expected to take approximately six months in construction documentation and planning approvals and 12 months for construction. Our aspiration is to be able to relocate to the facility at the end of 2020.

CAPITAL OF NORTHERN AUSTRALIA

Royal Flying Doctor Service Townsville Support Hub

Recommendation

- › State Government to provide funding towards the initial capital investment of \$45M to establish the Royal Flying Doctor Service (Queensland) Townsville Support Hub.

THE ISSUE

RFDS (QLD) has identified, through a new state-wide infrastructure plan, the need to significantly augment the Townsville base, which provides support across the North Queensland region. More than 2,000 patient transfers are facilitated through the current Townsville base. Patient transfer demand is expected to grow at around 3 per cent per year.

The current Townsville base facility has been in operation since 1996, and combines aircraft storage, aircraft maintenance, and patient transfer – all under one roof. The constraint on size and layout of the current facility now poses an increased risk to the safety of patients and staff. Challenges are presented around the efficient operation and maintenance of aircraft, as well as sub-optimal patient transfer and hand-over experience.

RFDS Board have endorsed the development of a significantly larger facility, which supports the RFDS 'Towards 100' strategy – a strategy designed to support RFDS towards 100 years of continuous operation across Queensland.

The new facility will include separate but adjacent facilities to cater for aircraft maintenance, aircraft storage, patient holding facilities and undercover patient transfer. This facility will require a significantly larger footprint than the current base and include opportunity for like-minded organisations to co-locate with RFDS to enable better coordination of retrieval services, including disaster retrieval coordination.

The Townsville Hub will be a boost for regional employment, with more than 100 full-time equivalent jobs created during construction and the creation of an additional 35 high-skilled, ongoing jobs for RFDS. The current Townsville facility already employs 32 staff, including nurses, pilots, engineers, dental clinicians and support staff. This number of employees will expand in line with the significant boost to services that would be provided with the investment into a Townsville Support Hub.

The establishment of this hub will also support collaboration with other health, logistics and aviation services in the region, including local academics, ensuring the investment is the catalyst to improved services and capacity across the region.

BACKGROUND

The RFDS employs over 400 people in Queensland with positions ranging from pilots, doctors, nurses, engineers, allied health professionals, and a variety of administration and support services roles including finance, marketing and human resources. With its Queensland head office located at the Brisbane Airport, the RFDS operates 20 aircraft from nine operational bases located in Brisbane, Cairns, Townsville, Rockhampton, Bundaberg, Charleville, Mount Isa, Longreach and Roma.

The RFDS's emergency retrieval service operates 24 hours a day, seven days a week, delivering the finest care to more than 290,000 Australians each year, that's one person every two minutes. This iconic service has expanded to provide regular transfers of patients for life-saving surgery such as organ transplants and heart surgery, delivering critical support to those who need it most.

The RFDS also delivers a broad range of essential health care services to rural and remote communities, including general practice, Aboriginal and Torres Strait Islander health, child and family health, social and emotional wellbeing, women's health and health promotion.

THE SOLUTION

With a total project estimate of \$45M, the Royal Flying Doctor Service is seeking State Government investment for the Townsville Support Hub. The Royal Flying Doctor Service is contributing \$15M towards the project, with the remaining \$30M being sought from Government.

INNOVATIVE AND CONNECTED CITY

Re-regulate the Mount Isa to Townsville Air Route

Recommendation

- › Re-regulate the Mount Isa – Townsville Air Route.

BACKGROUND

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.

In support of the submission, the Townsville Enterprise commissioned Economic Impact Assessment into regional airfare affordability has found that if Townsville's airfares were reduced by as little as 10%, 289 more full-time jobs would be created in the region.

The EIA found that high airfare pricing is a handbrake on North Queensland's economic growth and that as little as a 10% improvement in flight affordability would provide a significant impact on local jobs creation and annual economic activity through additional inbound visitation. This would be achieved through:

- › 289 FTE jobs (including 173 directly employed);
- › \$57.5M in output (including \$26.0M in direct activity);
- › \$30.8M contribution to Gross Regional Product

(GRP) (including \$14.0M in direct activity); and

- › \$16.8M in incomes and salaries paid to households (including \$8.6M directly).
- › Of the 558 people that AEC Group surveyed from Brisbane, Sydney and Melbourne, 95% said they are more likely to travel to Townsville if the airfares decreased by 10%.

THE ISSUE

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

As part of the WA Inquiry, Qantas (2017a) and Virgin (2017) indicated that roster based FIFO passenger flows can influence the pricing of different sectors with heavy demands in one direction and weak demands.

SUPPORTING THE REGIONS

Townsville City Council

Lansdown Industrial Precinct

Recommendation

- › Provide \$36.5M in matching funding for essential transport and water infrastructure to enable full activation of the Lansdown Industrial Precinct.

THE ISSUE

The Lansdown Industrial Precinct is under development, with over half of the land committed or conditionally committed to proponents. Two cornerstone projects have publicly committed to the site, being Imperium3's proposed \$3B 18 GWh lithium-ion battery cell manufacturing factory and Pure Minerals Limited battery materials refinery.

These two projects alone will provide an economic catalyst of 1,500 direct ongoing jobs, with over 5,000 ongoing indirect jobs. It is estimated that the initial construction phase will support over 1,500 jobs.

Lansdown Industrial Precinct will be fuelled by low-cost renewable energy, creating products that contribute to the battery supply chain. There are also opportunities for hydrogen manufacturers to base themselves at this strategic site, creating the opportunity to build renewable energy demand.

The Lansdown Industrial Precinct is strategically located 40km from Townsville. To unlock the full potential of the Precinct, direct road access to the Flinders Highway over the Queensland Rail line and water connection infrastructure is required.

Concept studies to connect the Lansdown Industrial Precinct to the Flinders Highway have costed the critical infrastructure required at \$50M. It is estimated that \$23M is required to provide a water pump station and to connect Lansdown to the Haughton pipeline, providing future industry the capacity to directly access affordable raw water for industrial use.

Without these investments, the proposed developments will not proceed.

BACKGROUND

Developing Townsville as the 'Industry Powerhouse of the North' is a key outcome of the Townsville City Deal. Central to the achieving this commitment will be the accelerated development of the Lansdown Industrial Precinct.

Over half of the precinct's 1,500 hectares of developable land has already been committed or conditionally committed, with 660 hectares currently remaining for new users.

The precinct will be vital for Townsville's continued economic growth as it transitions from its dependence upon traditional industry sectors, such as mining and resource processing, and takes up opportunities within the hi-tecs battery technology and hydrogen manufacturing sectors.

A core feature of the Lansdown Industrial Precinct is access to clean energy solutions. This will be generated by Edify Energy's proposed 200 megawatt (expandable to 800 megawatts) Majors Creek integrated clean energy hub, adjoining the Lansdown Industrial Precinct. This clean energy hub will provide Lansdown tenants with a behind the meter renewable energy supply at a significantly lower and more predictable cost than conventional retail options.

The Lansdown Industrial Precinct will transform Townsville's advancing manufacturing and renewable energy sector. It will activate industry and export growth for Queensland and create the demand required to achieve the Queensland Government's 50 percent renewable energy target by 2030.

Lansdown Industrial Precinct will set the new benchmark in Australia for development of industrial areas.

THE SOLUTION

Under the Townsville City Deal, tripartite concept studies into the optimum access point and infrastructure required have revealed that the Lansdown Precinct would best be activated by a connection to the Flinders Highway over the Queensland Rail Line. This is costed at \$50M. Additionally, access is required to raw water sourced from the Haughton pipeline. This is costed at \$23M.

It is requested that the Queensland Government partner with the Federal Government by contributing \$36.5M to the total \$73M cost of the new road and water connection infrastructure. A matching contribution of \$36.5M is also being sought from the Federal Government. The Townsville City Council's contribution will centre on internal road and other service infrastructure estimated at \$5M.

Queensland Government support will be a catalytic investment, not only for Townsville's economy, but also for Queensland's advanced manufacturing, technology and processing industry supply chains.

SUPPORTING THE REGIONS

Townsville City Council

Townsville North Queensland Defence Hub

Recommendation

- › Commit \$3.5M, from Financial Year 22/23, to extend the life of the North Queensland Defence Hub by two years.
- › Invest \$4M over four years to establish the North Queensland Defence Development Fund with a focus on developing Townsville North Queensland as Defence's Joint Forward Mounting Base in the North.

THE ISSUE

North Queensland has a strong Defence presence hosting five major Defence establishments including Lavarack Barracks, RAAF Base Townsville, two major field training areas and specialised port facilities. This significant presence should present broad opportunities for employment and local industry investment, but participation has been limited due to lack of experience in Defence contracting and business capability deficiencies.

The Queensland Government established the Defence Hub to improve visibility and encourage regional involvement in Defence industries. The Hub has been effective in identifying business opportunities and preparing business to tender. With significant future Defence investment planned for the region, an extension of the current three-year tenure and resourcing to assist local businesses is required to realistically support a diversified and sustainable local Defence industry in North Queensland.

For Townsville to fully realise its potential as Northern Australia's premier Defence hub, it must incentivise, attract and grow the Defence industry capability and research required to increase and promote North Queensland's Defence industry capabilities.

BACKGROUND

The North Queensland Defence Hub is a 2017 State Government election commitment in support of the Townsville City Deal. In particular, the City Deal commits the Defence Hub to foster job skilling and early local business engagement in the pipeline of future Defence proposals. The Hub will work closely with the newly appointed Townsville City Council Defence Engagement Officer to promote Defence industry opportunities to local industry.

Although newly established, the Hub has conducted several successful engagements to educate local business on upcoming opportunities and more broadly on the practical requirements of Defence procurement. These engagements have demonstrated a limited industry understanding of Defence process. In response, the Hub and Council's Defence Engagement Officer are consulting with individual companies to prepare them for Defence tenders. This practical assistance is a vital service for local business attempting to access the Defence supply chain for the first time.

THE SOLUTION

The Defence Hub is pivotal in delivering jobs growth in the local business community. Identifying, preparing and tendering for Defence contracts is a lengthy process and ongoing education and practical support from the Hub is vital for the success of local business. Consistent support can be realised through a further investment of \$3.5M to extend the life of the Hub from June 2023 until the end of Financial year 24/25.

Building a diversified and sustainable local Defence industry also requires capacity for skills enhancement and business capability development. A \$4M investment over four years towards a North Queensland Defence Development Fund will provide the Hub the ability to assist local business to attain skills and develop, or relocate industry capability to North Queensland to meet the requirements for a local Defence contract.

SUPPORTING THE REGIONS

Townsville City Council

Townsville 100 (A high-speed, high-performance fibre optic data network)

Recommendation

› Provide \$10M funding to deliver a 100-gigabyte fibre optic data network across Townsville.

THE ISSUE

Townsville currently has an inability to attract high growth and service businesses to the region. This will be further exacerbated if poor infrastructure exists relative to other regions nationally and globally.

BACKGROUND

The growth potential of key industry sectors in Townsville, including education, healthcare, defence and advanced manufacturing is being inhibited by low performance digital infrastructure.

The ability to attract and retain an entrepreneurial workforce in Townsville is small and investment opportunities are being lost to competitors.

The widespread deployment of high-speed wireless and optical fibre broadband networks is currently driving the development of new IT architectures, services and products. A new IT ecosystem is enabling pioneering applications and innovative business models. Townsville must invest in the next generation of 100GB services.

Townsville City Council is working with the Gravelroad consultancy to finalise planning for the next-phase digital network to support key productive precincts and innovation hubs in the region.

THE SOLUTION

Townsville 100 is a high-speed, high-performance fibre optic data network to be rolled out to key economic and commercial sites across Townsville. The network will enable businesses and organisations to share and receive high volumes of data at phenomenal speeds.

Townsville 100 will be vital to realising the objectives of the Townsville City Deal, including Townsville's development as an Industry powerhouse for the North, an Innovative and Connected City, a Defence Hub and Port City.

SUPPORTING THE REGIONS

Townsville City Council

North Australian Concert Hall and Arts Precinct

Recommendation

› Provide \$40M to deliver a world-class Concert Hall and Arts Precinct for the North.

THE ISSUE

The lack of suitably scaled venues and limited calendar availability at existing venues is restricting the growth of audiences and nurturing of local talent.

Townsville is overlooked by major national and international performances due to the lack of facilities. At present, the cultural and arts offering for the region is limited compared to other equivalent regional cities. This creates a cultural vacuum and favours those who can afford to travel to access broader cultural and arts experiences in capital cities.

While Townsville is the home to the North Australian Festival of Arts and Australian Festival of Chamber Music, we are unable to grow and expand due to a lack of suitable facilities. An investment of \$80M will ensure the delivery of a world-class Concert Hall and Arts Precinct for the North.

During construction of the North Australian Concert Hall and Arts Precinct (NACHAP) economic output of \$87M will be achieved, complemented by 272 jobs and \$39M in GRP contribution. During operation, 55 ongoing jobs will be created with an annual economic output of \$11M.

The socio-economic benefits include increased visitor numbers generating economic activity, increased resident economic activity, improved social connectivity, recreation, volunteering opportunities and improving the viability of local community groups and events.

BACKGROUND

Under the Townsville City Deal, Commitment 2 focusses on a Townsville Entertainment and Convention Centre. Several studies have been completed showing that there is clear need for a dedicated concert hall located within the city centre. Facilities that do exist in Townsville are outdated, not fit for purpose and do not contain the modern technical equipment expected by professional artists.

Stakeholder consultation has confirmed that existing arts organisations and festivals are struggling to grow their audience due to this gap. Strong support for a NACHAP is felt across the region's professional and amateur arts organisations.

The economic benefits derived from such a facility will create employment, increased visitation nights and general economic multiplier effects in the local community.

Furthermore, 97% of workers from the North Queensland Stadium are trained and ready for their next construction project, which the NACHAP can provide.

THE SOLUTION

Construction of NACHAP will address the critical lack of high-class performance venues currently impeding Townsville's access to cultural events and the related tourism expenditure.

It is requested that the Queensland Government partner with Townsville City Council and the Federal Government by contributing \$40M to the total \$80M cost of the North Australian Concert Hall and Arts Precinct. A matching contribution of \$40M is also being sought from the Federal Government.

SUPPORTING THE REGIONS

Townsville City Council

Strand Urban Precinct

Recommendation

- › Provide \$400K funding to support the completion of detailed concept design, business case, prospectus and commercial promotion program for the Strand Urban project, which will revitalise dormant civic spaces along Townsville's iconic Strand Foreshore.

THE ISSUE

Although the Strand Foreshore is one of Townsville's key public destinations, its commercial and tourism potential remains vastly under-realised. Multiple properties along the waterfront are unused and dilapidated. The lack of retail and dining options (compared to locations such as Cairns), gives little incentive for industry and property owners to refresh existing private infrastructure.

A catalytic project is needed to kick-start investment in this significant tourism and community asset. The proposed Strand Urban project targets the redevelopment of a shorefront precinct with prime linkages to the city's CBD and North Queensland Stadium. Strand Urban will be located on the sites of Enterprise House and the bowling green at the east end of The Strand.

BACKGROUND

The Strand Foreshore has long been identified as a leading community space for residents and a key destination for visitors to North Queensland.

Tourism contributes an estimated \$968M to Townsville's economy. Despite this, the industry has suffered with Tourism and Events Queensland data showing that visitor expenditure for the city is down 10.7% across the last three years.

Townsville suffered a devastating natural disaster during the February 2019 monsoon floods. The event damaged local infrastructure and the quality of existing heritage and private infrastructure in the Strand and CBD precincts. The ongoing impacts to tourism will be felt for some time.

In response, the Strand Urban precinct is uniquely situated to deliver not only economic uplift, but also a facility that will actively drive visitation and community uptake and usage of a significant public space.

The proposed revitalisation of the Strand Urban precinct is the first step to facilitate several nearby developments, including:

- › The Hive project;
- › The Marine Tourism Precinct (SeaLink);
- › The redevelopment of Reef HQ Aquarium;
- › The Maidment Residences;
- › The development of surplus casino land and the Breakwater Future Development Area; and,
- › The North Queensland Stadium Precinct.

THE SOLUTION

The Strand Urban project affords the opportunity to create key linkages throughout the Townsville CBD. The proposed transformation is based on:

- › A central water-play and lagoon facility; building on the strengths of The Strand;
- › Integration and cohesion to create a compelling new destination by day and night;
- › Creation of a space for people – a comfortable and attractive environment with a mix of uses and cultural activities to draw activity out of the buildings and into a dynamic cultural landscape rich in the local tropical character; and
- › New commercial, retail and residential development opportunities to add value and support delivery of Strand Urban.

The central lagoon will act as a key integrator to connect adjacent development and create a significant gravitational pull for residents and visitors.

It is estimated that the Strand Urban project will cost \$66M. Concept design, Business Case planning and promotion will cost \$700,000 and will be managed by Townsville City Council. A Queensland Government contribution of \$400,000 to completing the Strand Urban business case is requested.

SUPPORTING THE REGIONS

Burdekin Shire Council

Recommendation

- › State Government to provide \$5.6M in funding to support the Burdekin Shire Council's ability to expand its industrial estate to meet increasing demand;
- › State Government to provide \$1.5M in funding to expedite the Mount Inkerman/Bruce Highway intersection to ensure the safety of tourists and locals visiting the area following the Mount Inkerman \$1.48M upgrade; and
- › State Government to provide \$5M in funding to support the use of macro-algae to remediate sewerage effluent harmful to the Great Barrier Reef.

THE ISSUE

Development of New Industrial Land, Ayr

The Burdekin Shire Council needs to develop new land for industrial purposes in Ayr as the existing industrial estate is close to capacity, with only one vacant lot available for sale. Land owned by Burdekin Shire Council which had been set aside for future expansion of the estate is now severely constrained by a State Government 'wetland' overlay that restricts future development.

The Burdekin Shire Council has therefore identified other suitable land to purchase and develop with appropriate infrastructure to provide for the expansion of the existing industrial estate, ensuring business growth and development in the Burdekin Shire. The Burdekin Shire Council has entered into contracts for the purchase of the land and requires State funding assistance to undertake the development of the land with appropriate infrastructure.

The requested funding will act as a catalyst to develop further stages of the industrial estate as the land sales from stage one will enable infrastructure provision in future stages, thereby multiplying the initial investment and job creation opportunities.

Upgrade of the Mount Inkerman Road/Bruce Highway Intersection

Mount Inkerman is used extensively by locals and tourists as a fitness/recreational area and a tourist location. Numerous community members have identified the issue of safety at the turn off from the Bruce Highway to Mount Inkerman Road.

The upgrade of the Mount Inkerman Road/Bruce Highway Intersection involves the construction of a protected turning lane and deceleration lane on the Bruce Highway adjacent to Mount Inkerman Road. This is to improve safety for locals and visitors at this intersection which provides access to the Mount Inkerman Lookout. This project has been identified by the Queensland Department of Transport and Main Roads for upgrading as part of future improvements to the Bruce Highway in the region. It is requested that the project be given priority for construction to commence within the next 12 months.

The upgrade of the Mount Inkerman Road/Bruce Highway Intersection will improve safety for local residents and tourists accessing the Mount Inkerman lookout and nature trail, which is a popular tourism and fitness/recreational site just off the Bruce Highway.

Use of Macro-Algae to Remediate Sewerage Effluent by removal of Nitrogen and Phosphorous

The project involves the use of fresh water macro-algae to remediate nitrogen and phosphorous 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 as reflected in recent laws introduced by the State Government to control runoff to the Reef. Research trials undertaken with James Cook University indicate the algae can significantly reduce the levels of nitrogen and phosphorous from the wastewater produced by the STP. The Burdekin Shire Council is working in partnership with the company PacificBio, which holds the intellectual property for the macro algae treatment process, to secure funding to build a demonstration facility at the Ayr/Brandon STP.

The construction of a four hectare bioremediation facility at the Ayr/Brandon STP will enable a full scale demonstration facility to be developed and operated. Subject to its success, the facility could be duplicated at a number of other STP sites throughout Queensland that are discharging to the Great Barrier Reef lagoon. The technology has a much lower capital and operating cost than other current conventional STP upgrade options designed to remove nitrogen and phosphorous.

Continuation of the Works for Queensland Program

The State Government's Works for Queensland program has provided grant funding to local councils to undertake maintenance and minor infrastructure projects that create or support jobs. The funding allows a great deal of flexibility in the types of projects that can be undertaken and will have provided a total of \$600M to eligible councils over three funding rounds when the current round concludes on 30 June 2021.

The funding is based on an allocative model and councils are not required to match the funding, but they may contribute towards the project costs if they wish to. The funding enables councils to create or support jobs through the renewal, upgrading or construction of new council infrastructure. The Burdekin community has derived substantial benefit from the funding as have other eligible councils across Queensland.

THE SOLUTION

Burdekin Shire Council is calling on the State Government to:

- › Provide \$5.2M in funding to support the Burdekin Shire Council's ability to expand its industrial estate to meet increasing demand;
- › Provide \$2M in funding to expedite the Mount Inkerman/Bruce Highway intersection to ensure the safety of tourists and
- › Provide \$5M in funding to support the use of macro-algae to remediate sewerage effluent harmful to the Great Barrier Reef.

SUPPORTING THE REGIONS

Palm Island Aboriginal Shire Council

Recommendation

- › A State Government funding commitment of \$7.5M (over five years) is sought to support the establishment and implementation of the 'Palm Island Readiness and Resilience (RnR) Program'.
- › State Government to provide \$30M in funding to support construction of Stages 2 and 3 of a retail and commercial precinct on Great Palm Island;

BACKGROUND

Palm Island is situated 65km north-east off the coast of Townsville and has a well-documented history of economic and social challenges. Its current unemployment rate is 45.6% and nearly 50% of families have no parent in employment. More than 90% of Palm Island's residents are Indigenous.

THE ISSUES

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 MOUA. 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 visitor needs, utilising and leveraging current initiatives in places 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 focussed website 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.

Retail & Commercial Precinct

The project involves construction of Stages 2 and 3 of a retail and commercial precinct on the underutilised waterfront land on 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.

THE SOLUTION

The Palm Island community is seeking State and Federal Government matched-funding for the realisation of the preceding priorities:

- › \$15M (over five years); State contribution of \$7.5M to support the establishment of the 'Palm Island Readiness and Resilience Program' and;
- › \$30M to support construction of Stages 2 and 3 of a retail and commercial precinct on Palm Island.

The core of these objectives is to establish local capacity, ensuring economic benefit from MOUA, improve local liveability and ultimately leverage broad economic development outcomes for the community.

SUPPORTING THE REGIONS

Hinchinbrook Shire Council

Recommendation

State 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;
- › \$750K in funding towards heated silo storage facilities for pulse, rice and comparable grain production;
- › \$20M towards the NQBE Renewable Energy Facility (the project is shovel ready);
- › \$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).

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:

- › Rock wall construction approximately 400m long – \$8M; and
- › Channel dredging and beach replenishment works to create a 50m wide channel estimate 15,000m³ dredge spoil – \$950K 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.

Bio Precincts – North Queensland Bio-Energy (NQBE) Project – Ingham

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:

- › 253 new jobs to the region (not including an additional 114 truck drivers required to transport the cane to the facility);
- › \$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, complimentary 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.

THE SOLUTION

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

Dungeness Marine Access Improvement Project

State 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.

New Boat Ramp/Jetty Facilities at Forrest Beach

State 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

State 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

State Government to provide \$20M towards the NQBE Renewable Energy Facility. The project is shovel ready.

Herbert River Weir Project

State 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

State Government to provide \$835.5K. The project is shovel ready.

SUPPORTING THE REGIONS

Charters Towers Regional Council

Recommendation

- › State Government to support the recommendations of the Townsville Enterprise led Hells Gates Dam Business Case and construction of Big Rocks Weir;
- › 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, including change in legislation for the State Government to take complete responsibility for flying fox management;
- › State Government support long-term planning for strategic regional freight and tourism routes through the region;
- › State Government fund state-identified works on the Gregory Development Road; and
- › The State 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.

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.

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 State Government support towards the following priorities:

Big Rocks Weir

State Government to support the recommendations of the Townsville Enterprise led Hells Gates Dam Business case and construction of Big Rocks Weir.

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

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

Improved health services, including a new hospital

The State 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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