



26 November 2018

Committee Secretariat
Joint Standing Committee on Trade and Investment Growth
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Committee Secretariat

INQUIRY INTO AUSTRADE'S ROLE IN ATTRACTING INVESTMENT IN AUSTRALIA

Mackay Regional Council appreciates the opportunity to participate and comment on the national inquiry into Austrade's role in attracting investment in Australia.

Local governments are significant influencers of regional economic development, and Mackay Regional Council has actively taken a more proactive and strategic approach towards this role over recent years. This inquiry presents an ideal opportunity for all levels of government to evaluate our roles in regional investment attraction and identify areas for improved service delivery to support enhanced investment in regional Australia.

The Mackay Region

Mackay has established itself as a modern, regional city and a major economic hub of Central Queensland. It is the regional capital for the wider Mackay Isaac Whitsunday region which encompasses the Mackay, Isaac and Whitsunday (MIW) Regional Council areas and is the principle service centre for essential services such as medical facilities, education and professional services.

The Mackay region was forged on the back of the sugar industry and is one of the nation's largest sugar and bio commodity producers, with over one third of Australia's sugar coming from the region. In recent years it has matured and diversified into the resource service hub of Australia. The mining, engineering and technical support services industries based in the Mackay region are some of the most efficient and innovative in the world. Mackay is also home to one of the largest coal terminals in the world that accounts for over 7% of the total global seaborne coal exports.

During Australia's most recent resources boom, the Mackay Region experienced its most prolonged period of growth in recent history, growing in population from 89,000 in 2002 to 119,000 in 2013 (2.3% average annual growth). Projected figures predict the region will grow from 114,969 in 2016 up to 171,000 in 2036.

The region has a Gross Regional Product (GRP) of \$7.54 billion, equating to a \$65,581 GRP per capita and \$157,162 GRP per worker.

Future growth and investment opportunities

For Mackay to maintain sustainable economic growth, it is essential that the regional economy continues to grow our traditional sectors and diversify through our emerging industries such as engineering and robotics, bio futures, agribusiness and tourism. Employment opportunities within these industries will drive population growth, international and domestic investment and a sustainable positive economic outlook.

Mackay region offers diverse investment opportunities in these sectors, along with opportunities in social infrastructure necessary to support a growing economy. Mackay Regional Council is currently progressing several development initiatives that will have catalytic transformation outcomes that will stimulate the local economy and provide private investment opportunities. These include:

Mining Engineering, Technology, Services (METS) and Robotics

Mackay is the key resource service hub for the resource rich Bowen and Galilee Basins. The region features a diverse industrial base that is a world leader in the mining equipment, technology and service (METS) sector, providing the region with a competitive edge in the resource management, safety, training, engineering and heavy industrial fields. Mackay's innovative and adaptive business community, established infrastructure, and highly skilled workforce deliver cost effective solutions for the global marketplace, presenting numerous opportunities for private investment and expansion into related industries and international resource markets.

Resource Centre of Excellence

Council is progressing delivery of the Resource Centre of Excellence which will be the only one of its kind in Australia and will act as a catalyst for future private investment in the region. The Resource Centre of Excellence will align and augment existing resource related training and research facilities and services across the private and public sectors and will act as a specialised skill, testing and training facility. It is proposed the centre will incorporate a simulated underground mining environment, research and testing laboratories. The Queensland Government committed \$3.6 million towards the construction of the project.

Mackay Waterfront Priority Development Area

The Mackay Waterfront Priority Development Area (PDA) became effective on May 25, 2018. The area covers 172 hectares and includes revitalisation of land and infrastructure within the Mackay City Centre, along the Pioneer River waterfront, through Queens Park and along the Binnington Esplanade beachside waterfront. It sets the framework for significant urban transformation, improved liveability, job

creation, investment attraction, and the diversification of the regional economy. The project will require significant public and private investment and is expected to generate over \$2.5 billion in economic output, supporting 7,000 jobs and attracting over 45,000 additional tourists to the region.

Mackay Regional Sports Precinct

Construction of Stage 1 of the Mackay Aquatic and Recreation Complex will provide a vibrant space with state-of-the-art sport and recreational facilities for the greater Mackay region. Due for completion in February 2019, the precinct will assist in attracting international, national, state and local sporting competitions and will boost tourism, development and livability in the region. Located adjacent the Central Queensland University, the precinct will be used in conjunction with the university's popular Allied Health and Medical Science programs including Exercise and Sport Science, Physiotherapy, Podiatry, Health Promotion, Occupational Therapy, Chiropractic Science and Medical Imaging and Sonography. The \$24 million project was jointly funded by Mackay Regional Council and the Federal Government. Further investment is required to realise the ultimate development potential of the sports precinct which will include additional sporting facilities and services.

Agribusiness

Mackay was built on the back of the sugar cane industry, however as domestic and international demand for food production continues, Mackay is well positioned to diversify our existing agricultural base and capitalize on growing food markets. The region has natural advantages of favorable climate, productive soils, industry knowledge and proximity to the growing Asian markets. Opportunities to expand the traditional sugar cane industry base, commercialise industry knowledge, value-add to sugar by-products, and explore new and / or growing industries such as aquaculture, exist in our region and require incoming investment attraction strategies for development to occur.

Biofutures

Biofutures has been identified as a growing global market and one that the Queensland Government have identified as a key industry of the future as part of its Advance Queensland Program. The Mackay region is positioned to capitalise on this growing market given its access to bio-mass, notably sugar, access to market and established involvement in the industry.

The region is at the forefront of Australia's bio-industry and is home to the Queensland University of Technology Renewable Biocommodities Pilot Plant co-located at the Mackay Sugar owned Racecourse Sugar Mill. As the owner of three (3) of the region's sugar cane mills, Mackay Sugar currently provide over a third of Mackay's electricity through their co-generation electricity plant fueled by bagasse, a waste product from sugar cane. They also have a 20-year diversification plan that seeks to build on their current operations and further utilise milling product and by-products.

The Mackay region is also home to the Sucrogren BioEthanol Bio-refinery which is one of three commercial bio refineries in Queensland. The Sarina based bio-refinery is Australia's largest producer of sugar-based ethanol with capacity to produce 60 million litres of ethanol per year.

Tourism

Tourism in Queensland is experiencing record growth which has directly translated to increased visitor numbers in the Mackay region. The Mackay region welcomed 54,000 international tourists for the year ending March 2018 (12.2% increase from 16/17) delivering %15.9 million into the region's economy.

Chinese visitor numbers having tripled over the last seven years and are expected to continue to grow in the future. As this market continues to expand, Central and North Queensland is positioned to cater to the nature and adventure-based market that other areas cannot offer.

Council is investing significant resources in exploring tourism opportunities, such as mountain bike riding, recreational fishing, and other drive-market business opportunities, and anticipate these initiatives will provide a catalyst for future private investment in the region.

Council's current international trade and investment activities

Mackay Regional Council has become increasingly proactive in engaging in trade and investment activities. The Mackay Region Economic Development Strategy 2015-20 identifies specific actions to enhance business skills and support industry expansion and investment attraction. Council maintains a strong working relationship with the local office of the Queensland Trade and Investment Office / Tradestart Advisor and seeks to collaborate when undertaking international trade and investment activities. Since 2016, Council has supported:

- Trade delegations
 - Outbound – Trade missions to India in 2016, 2017
 - Inbound – International Bioenergy Tour, International Energy Agency Task 42 Tour, JMS Mining, Coal India, Simplex Constructions, Skills Council for Mining, Inbound Chinese Tourism delegation.
- Promotion of regional capabilities at international forums
 - International Biotechnology Innovation Organisation (BIO) Convention in Boston, United States, in 2018
 - Queensland Mining and Engineering (QME) Exhibition 2016 and 2018 in Mackay
 - Asia Pacific's International Mining Exhibition (AIMEX) in Sydney in 2017

- International Mining and Machinery Exhibition (IME) in India 2016 and 2017
- International Mining, Equipment, Minerals and Metals, Exhibition (IME) in India in 2016.
- Investment Attraction
 - Participated in the Queensland delegation to India to meet with Mr Adani, along with Premier, the Hon. Anastacia Palaszczuk and other Central Queensland mayors.
 - Hosted numerous international investor delegations in region.
- Event Attraction
 - Oceania Masters Athletics Championships in August 2019
 - Australia India Business Council and Australia India Institute's Third National Energy and Resource Services Forum 2017 attracting significant representation from India
 - Australia India Business Network Luncheon in conjunction with international cricket match between India A and Australia A
 - International Rugby Sevens
 - Australia Wagyu Association National Conference 2018 attracting delegates from Japan, United States, New Zealand, South Africa and the United Kingdom
 - International Pro Darts
 - Australian National Budgerigar Championships
 - Orchards in Paradise Conference and Show attracting delegates from Singapore.
- Coordination and delivery of Export Ready Program training to twelve local businesses through the Export Council of Australia.
- Support for organisations such as Resource Industry Network, Bowen Basin Mining Club, Mackay Tourism Limited and Chamber of Commerce.

In addition to the above, Mackay Regional Council publicizes a Regional Investment Prospectus and prepares customized proposals for incoming investment opportunities as they arise. In January 2015, Council introduced the Facilitating Development in the Mackay Region Policy which provides a suite of flexible concessions to support investment and development that generates employment, diversifies our economy and value-adds to existing industry.

Role of Austrade

Austrade plays a key role in supporting regional areas to realise significant catalytic development opportunities by attracting international investment funds for regional projects and infrastructure.

As a Local Government, we see significant value in bringing experienced officers with specialized skills, experience, and networks in investment attraction to regional areas to assist in the delivery of projects. The investment opportunities that exist in our region would benefit from additional on-the-ground resources.

Council supports decentralization of Austrade staff, particularly officers with expertise in areas consistent with our regional competitive advantages, to better resource regional offices. Not only will this bring much needed resources to regions, market intelligence and international networks, it will lift the region's capabilities to carry out globally competitive attraction strategies. Moreover, having an improved understanding of regional economies and investment opportunities, will provide strategic direction for Austrade's international investment attraction programs to assist in delivering catalytic industry and infrastructure projects for regions.

Mackay Regional Council's recommendations on Austrade's role in attracting investment in regional centres are summarised below:

- Recognise Local Government as a partner in international investment attraction and a source of regional economic intelligence and investment facilitation support.
- Work collaboratively with State and Local Government to establish a coordinated and cooperative approach to investment attraction and the development of a long-term strategic vision for investment attraction within regional areas.
- Support investment attraction programs that support development of emerging industries and key industry sectors. Initiatives should build on regional strengths, such as Mackay region's competitive advantages in METS, agribusiness, biofutures, engineering and robotics, and nature-based tourism.
- Provide an improved funding delivery model which adequately resources long-term planning and staffing in regional areas.
- Continue to support international offices as a source for market intelligence, investor relations and export development programs
- Support the delivery of improved access for international markets through better road, rail and air infrastructure in regional areas.

Mackay Regional Council thanks the Australian Government for the opportunity to provide comment and would appreciate the opportunity to be involved in any further stages of this inquiry. To discuss further please don't hesitate to contact me directly on (07) 4961 9461 or via email at craig.doyle@mackay.qld.gov.au.

Yours faithfully,



Craig Doyle

Chief Executive Officer

Attachments

1. *Mackay Region Investment Prospectus*

