

Dr Bill Pender
Committee Secretary
Joint Select Committee on Northern Australia
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Parliament House
CANBERRA ACT 2600



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Via email: jscna@aph.gov.au

Friday 7th March 2014

Dear Dr Pender,

**RE: SUBMISSION TO THE JOINT SELECT PARLIAMENTARY COMMITTEE INQUIRY ON
NORTHERN AUSTRALIA**

Regional Development Australia Mackay-Isaac-Whitsunday (RDA MIW) welcomes the opportunity to make a contribution to the Parliamentary Committee Inquiry into the development of Northern Australia. RDA MIW works across all levels of government, community and private sector to promote the needs of the region with a balanced consideration of social, environmental and economic priorities and outcomes. Through a partnership approach, our objective is to enable greater sustainability for the region and realise the vision of Lifestyle, Opportunity and Prosperity. Our work is directed by the Regional Road Map underpinned by four strategic focus areas and delivered through ten regional priorities.

RDA MIW also worked closely with the RDAs for Far North Queensland and Torres Strait, Townsville and North West Queensland, and Fitzroy and Central West to formulate a consolidated and visionary approach, referred to as the Northern Queensland Strategy (NQS). The objective is to develop strategic initiatives that strengthen the future of the Northern Queensland economy, build upon recognised Australian and State Government priorities and funded by the Federal Government Department of Infrastructure and Regional Development as a dedicated project, of which the results will be submitted for consideration in the Northern Australia white paper by end of June 2014 as requested.

MACKAY ISAAC WHITSUNDAY SNAPSHOT

- The region generates over \$22B worth of economic value (2011-12) to the Queensland and Australian economy (Queensland Treasury and Trade, 2013).



An Australian Government Initiative



Queensland Government

- The region covers an area of 90,000 km² with significant port infrastructure for export.
- The region delivers minerals, diverse agricultural products and tourism to the world through its world class natural resources, impressive built and natural environments and enviable location, with a direct gateway to Asia.
- Population of 171,000 residents predicted to grow by 62% to 279,000 by 2031 (ABS, 2011).

The Region's **Gross Regional Product (GRP) per capita is \$133,143, the highest in Queensland:**

- Brisbane GRP \$129B (population 2,000,000) GRP per capita \$64,500.
- Gold Coast GRP \$25B (population 572,000) GRP per capita \$43,706.
- Sunshine Coast Region GRP \$12.6B (population 317,000) GRP per capita \$39,747.
- Townsville and North West Region GRP \$18.4B (population 260,048) GRP per capita \$70,756 (Queensland Treasury and Trade, 2013).

Gross Value Added of key industries in 2010-11 in Mackay Isaac Whitsunday region (\$ billion):

- | | |
|-------------------------------------|----------|
| • Mining | \$11.90B |
| • Construction | \$ 2.30B |
| • Tourism | \$ 1.00B |
| • Transport, postal and warehousing | \$ 1.00B |
| • Manufacturing | \$ 0.97B |
| • Ownership of dwellings | \$ 0.73B |
| • Wholesale trade | \$ 0.72B |
| • Agriculture, forestry and fishing | \$ 0.60B |
| • Retail trade | \$ 0.51B |

(Queensland Treasury and Trade, 2013).

KEY REGIONAL DRIVERS

- Bowen and Galilee Basins house the largest coal mining deposits in Australia, the majority of Queensland's prime coking coal reserves including the highest grade metallurgical coal in the world.
- A strong agribusiness sector, including one of the nation's largest sugar and bio commodity producers, one of the largest winter produce growing regions in Australia, and significant production of grain and beef.
- An expanding construction and development industry underpinned by accessible port facilities, rail and air infrastructure.
- World renowned tourism destinations including the 74 Whitsunday Islands and the Great Barrier Reef with over 1.3 million visitors to the region, expending some \$967M (Tourism Research Australia, 2011).
- The region produces approximately 104 million tonnes of saleable coal per year, and in 2011/12 exported 96.5 million tonnes via our ports (Dept Natural Resources and Mines, and NQBP).

- In 2012, the region crushed 8.4 million tonnes of sugar cane and produced 1.2 million tonnes of sugar. Some 382,000 tonnes of raw sugar and 299,000 tonnes of refined sugar were exported via Mackay City Port (Mackay Canegrowers and NQBP).
- The region produced 368,000 tonnes of grain and \$332M of beef (ABS 7503.0, Nov 2012)
- Approximately 1.2 billion litres of fuel is transported by road from the City of Mackay Port to the mining areas of the Bowen and Galilee Basins.
- The Queensland Treasury and Trade (2013) population study estimates that there were 18,000 non-resident persons residing in the region in 2012 primarily due to FIFO activity.

FOUR STRATEGIC FOCUS AREAS FOR LONG TERM STRATEGY

RDA MIW has conducted extensive research to understand the Local, State and National context for regional development. Along with this research, RDA MIW consulted with its community and key stakeholders through various engagement projects to develop a long term strategy focusing on four key areas:

- Developing the region's **infrastructure** to enable prosperity;
- Sustainable **economic growth** to provide opportunities for all our communities;
- Protecting and valuing our region's **natural assets**; and
- Creating a **lifestyle** region.



From these strategic focus areas, the top 10 critical regional priorities that have the most profound effect on the region's social, economic and environmental future have been identified.

TOP 10 REGIONAL PRIORITIES FOR MACKAY ISAAC WHITSUNDAY

The four strategic focus areas (listed above) provide long term aspirations towards achieving the vision. From these strategies, 10 regional priorities have been identified:

1. **Progress national road infrastructure:** Bruce Highway upgrades to the region including Sandy Gully, Goorganga Plains, Sarina to Mackay sections, Proserpine to Ayr, and Mackay Ring road. These upgrades will avoid transport congestion, address flooding and safety issues and increase the productivity of the region.
2. **Invest in regional roads** such as the Peak Downs Highway; the Galilee and Bowen Basin connecting roads; and the Belyando Estate Bridge to enable the development of the mining industry and agricultural industries.
3. **Create a long term infrastructure plan** to ensure the prioritisation and sequencing of infrastructure across the region, including alignment to the Northern Queensland Strategy.
4. **Develop the region's social infrastructure** through better planning and investment to attract and retain families in the region, and ensure greater community wellbeing and health outcomes for our diverse communities.
5. **Enhance the accessibility and affordability of energy and water supplies** through the development of Northern Queensland Energy Plan and regional water strategy, and undertaking planning and development for appropriate regional sewerage supply.
6. **Develop the port infrastructure** and ensure alignment with the road infrastructure planning, rail capacity and enable greater export to national and international markets.
7. **Increase telecommunications services** across the region to address safety concerns in rural communities; and work to ensure that the NBN recognises the need to provide services to the rural communities especially communities with high non-resident or transient populations.
8. **Progress regional education and training opportunities**, particularly through the dual-sector merger of Central Queensland University and the Central Queensland TAFE, as well as preparing a Central Queensland Workforce Development Strategy.
9. **Develop a regional aviation master plan**, and strategies to address the region's aviation needs and connect the region with international tourism opportunities and agricultural export opportunities, through the expansion of the Whitsunday Coast Airport;
10. **Enhance the safety and efficiency of the regional rail network**, including fostering the development of one rail system for movement of coal product, enabling greater agriculture and livestock transport, moving fuel transport from road to rail, and connecting with the national freight strategy.

NORTHERN QUEENSLAND STRATEGY

Four large Regional Development Australia (RDA) economic areas in Northern Queensland (*RDA Far North Queensland and Torres Strait, RDA Townsville and North West Queensland, RDA Mackay-Isaac-Whitsunday and RDA Fitzroy and Central West*) have taken a [consolidated and visionary approach](#) to the development of strategic initiatives that strengthen up the future of our economy, as well as build upon recognised Australian and State Government priorities.

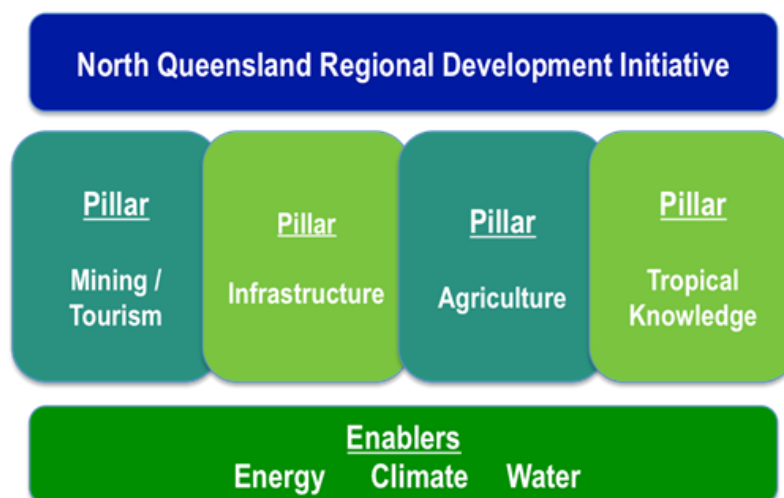
This Northern Queensland 'Super-Zone', as a greater region of economic cooperation, aims to partner with Australian, State and Local Governments, to work more closely and to jointly investigate alternative governance approaches and investment models for strategy development, policy change and investment.

The Northern Queensland Strategy benefits are:

- Four significant regions operating collaboratively rather than competitively
- A longer-term approach to improved strategic coordination and planning
- Coordination and alignment of strategic investment in the regions of Northern Queensland
- Delivery of a net economic, social and environment benefit to the local community and the national economy
- Meeting local needs through stronger community engagement mechanisms
- Realising the full potential of efficiency and productivity improvements across all levels of Government activities

Four Pillars of Northern Queensland Strategy

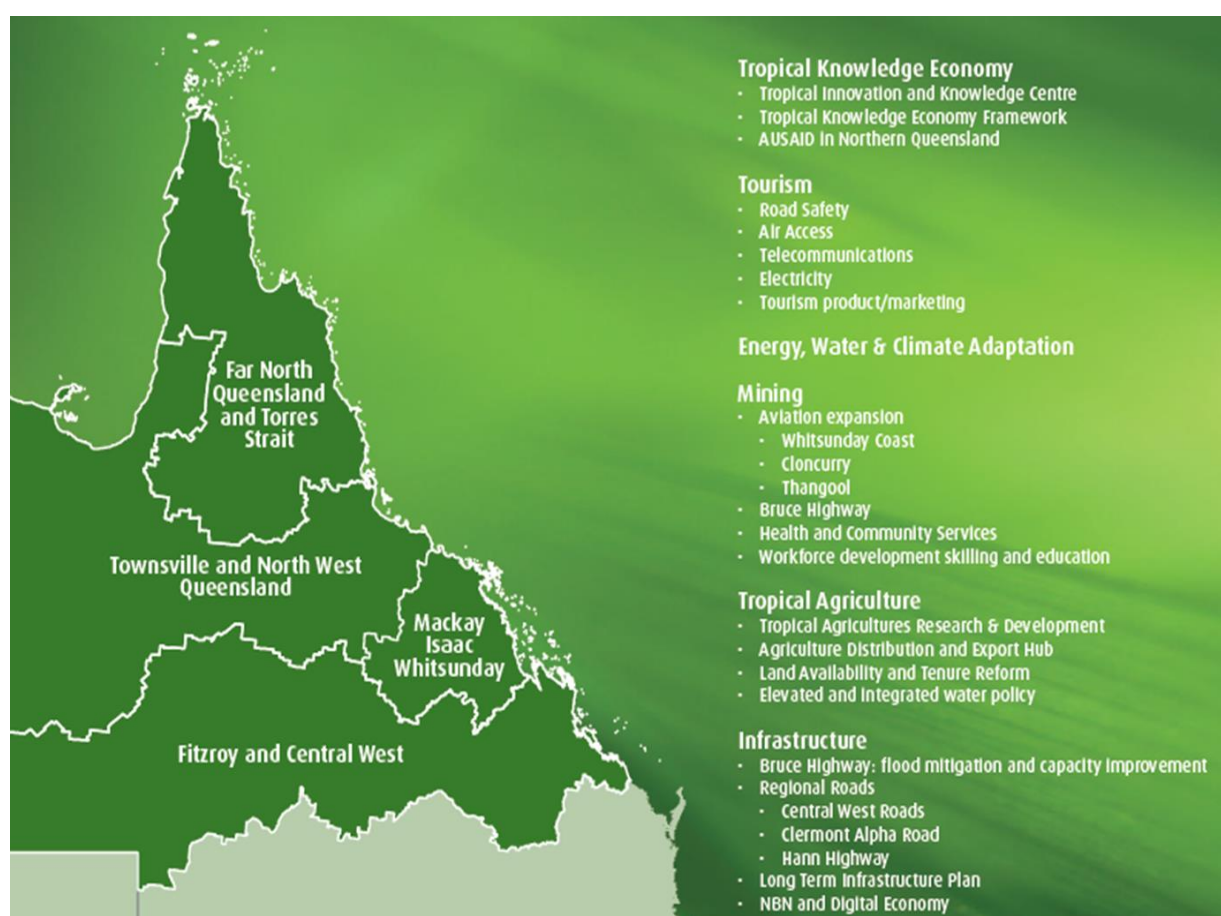
The Northern Qld Strategy (NQS) identified four pillars to explore the critical element of economic, growth in the economy: mining and tourism; infrastructure; agriculture and tropical knowledge. There are also 3 key enablers underpinning economic growth: Energy, Climate and Water:



Northern Queensland Strategy - Agreed Project Priorities

From the four pillars, priority projects that will have a profound effect on our economy have been identified:

- Bruce Hwy – flood mitigation, safety and capacity improvement.
- Regional Roads – development for expanding industries such including mining, agriculture and tourism.
- Long Term infrastructure plan – intermodal connectivity of major infrastructure such as rail, road, port, airports.
- Aviation Strategy and development of regional airports.
- Agriculture Distribution Hub for increased exports to domestic and international markets.
- Development of tropical knowledge expertise to diversify and strengthen the economy.



Business Cases for Key Strategic Projects – Federal Government Approval

The Northern Queensland “Super-Zone” has agreed and subsequently proposed business cases to be developed for the following strategic priorities across the 4 RDA areas across Northern Queensland:

- **Regional Roads** – to identify the return on investment for funding strategic regional roads across Northern Queensland (excluding Bruce Highway). The business case will examine the

costs associated with down time or closure of regional roads and the effect on the regional economy. The overall principles guiding this work will be enabling infrastructure to grow economic prosperity and community connectivity.

- **Agricultural Distribution Hub Business Case** – to examine the cost and benefits of establishing an agricultural distribution hub(s) in Northern Queensland. The business case will consider the impact of the key strategic enablers in the region such as: power security and affordability; water supply; and the effect of disaster events on the agricultural supply chain. The agriculture distribution hub business case will examine the return on investment to the Northern Queensland economy and will quantify any likely impact on gross regional product through expanded export opportunities.
- **Regional Aviation Priorities and Export Enhancement** – As part of export enhancement and key infrastructure development in Northern Queensland, this business case will examine the critical elements of a Northern Queensland aviation strategy, and provide a business case for priority airport expansion in the north. The business case will focus both on freight and passage haulage, including a focus on liveability through connectivity in the regions.

An executive summary will be drafted to detail how the three business cases will ***contribute to the overall economic development of Northern Queensland***. The paper will demonstrate how investment in enabling infrastructure will provide strong returns to the national and state economies. This paper will also identify leveraging packages and partnerships to enable investment and will demonstrate the social, economic and environmental outcomes of the entire investment package.

The Federal Government Department of Infrastructure and Regional Development has:

- ***Approved and funded the above project to develop these business cases; and***
- ***Requested for the results to be communicated before end of June 2014 for consideration during the Northern Australia whitepaper development.***

Please refer to Attachment A for the letter of approval received.

Progress to date is that consultant proposals have been received. The successful tendered will be announced before end of March 2014 for an immediate project start.

CONCLUSION

RDA MIW appreciates the opportunity to highlight key strategic priorities to the Parliamentary Committee, for both the Mackay-Isaac-Whitsunday and Northern Queensland regions in the context of Australia's national interests.

We look forward to being involved in the ongoing process of exploring ways to unlock the vast potential of Northern Australia and welcome the opportunity to engage actively throughout this process.

Please feel free to contact me with any queries regarding our submission or to discuss ways in which we can further contribute to this important initiative.

Yours sincerely,

Andre Wessels
INTERIM Chief Executive Office
Regional Development Australia Mackay-Isaac-Whitsunday Inc.

APPENDIX A: NORTH QUEENSLAND STRATEGY APPROVAL BY DEPARTMENT OF INFRASTRUCTURE AND REGIONAL DEVELOPMENT



Australian Government

Department of Infrastructure and Regional Development

File Reference: RD13/1431

Mr Graham Smith
Chair
RDA Mackay-Isaac-Whitsunday
PO Box 1877
MACKAY QLD 4740

Dear Mr Smith

Northern Queensland Strategy

Thank you for providing the draft Northern Queensland Strategy (NQS) project proposal and budget.

I am pleased to advise that the Department has accepted the proposal.

The NQS is timely given the Australian Government's commitment to delivering a White Paper on the development of Northern Australia in 2014.

In addition, you will be aware that a Joint Select Committee on Northern Australia has been established and is inquiring into the development of Northern Australia. I note that submissions to the Committee can be made by Monday 17 February 2014. Further details about the Committee are available at www.aph.gov.au/jscna

The NQS has an opportunity to contribute to the Northern Australia agenda. It will be important to ensure that the deliverables are completed by 30 June 2014 to contribute to the White Paper process, while the longer-term benefits of the NQS outcomes will include assisting the decision making and investments of governments, industries, businesses, communities and other stakeholders.

Thank you once again for your proposal, and the Department looks forward to the outcomes of the NQS activities.

Yours sincerely

Philippa Power
Executive Director
Policy and Research Division

10 January 2013