



# Regional Inequality In Australia

Townsville City Council Submission to the Senate Economics References Committee – inquiry into the indicators of, and impact of, regional inequality in Australia – Townsville, 7 November 2018

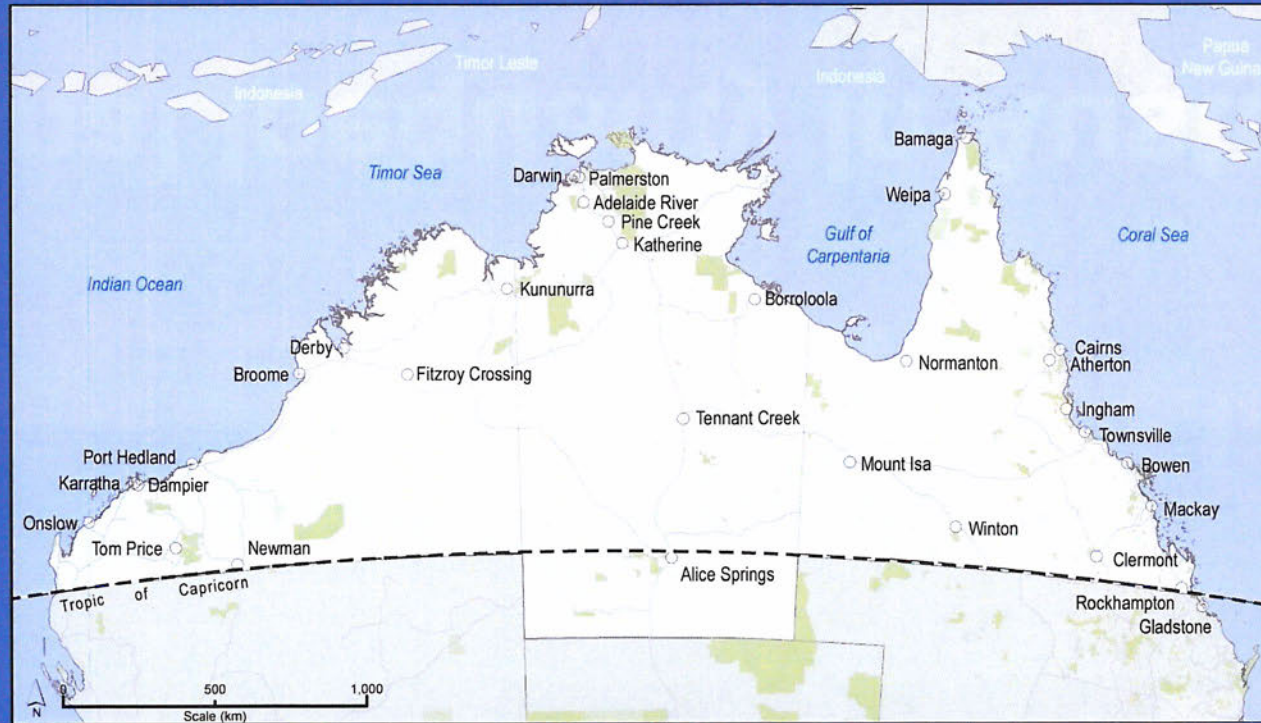
## By The Numbers

### ***Our Contribution***

52% of the Land Mass  
55% of Australia's Exports  
12% of GDP  
5% of the Population

### ***Your Contribution***

8 Federal Electorates  
4 Federal Senators  
3.9% of APS Employees  
Share of Budget ????



## Budgeted Major Projects – 10 Year Transport Infrastructure Program

**\$75 Billion over 10 Years**

### Equality

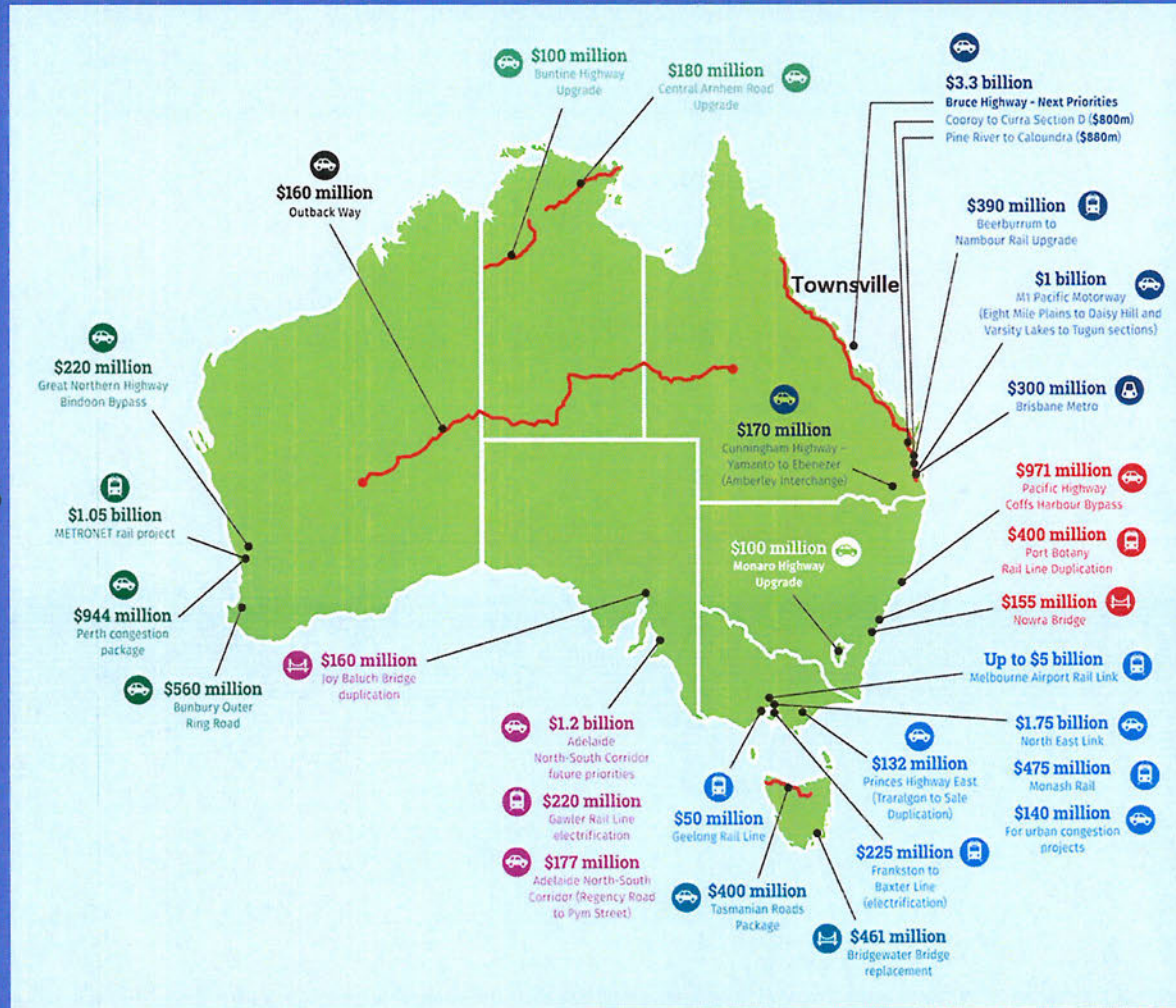
52% = \$39 billion

55% = \$41.25 billion

12% = \$9 billion

5% = \$3.75 billion

Actual<sup>1</sup> = \$700 million < 1%



1. Northern Australia Whitepaper

## Townsville - Strategic Overview

Population – 192,988

- Largest City/Urban area in Northern Australia
- 13 Largest City in Australia

GRP – 11.23 billion

National Strategic linkages:

- Defence
- Mining
- Agriculture
- Manufacturing
- Education, Research & Development

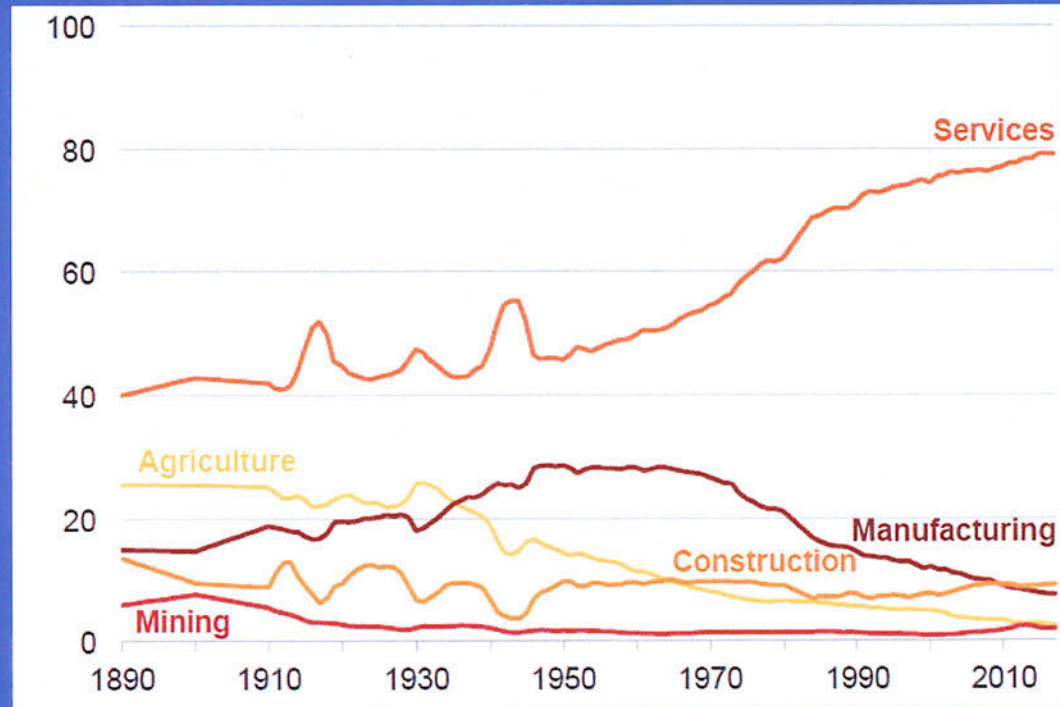


## Sectorial Share of Employment

Spending growing share on services (80%)  
Manufacturing and Agriculture declining

Townsville has traditional economic  
links (exposure) to Ag & Manufacturing

Services cluster within CBD's of  
Capital Cities – particularly Sydney  
and Melbourne



Gratton Institute 2017

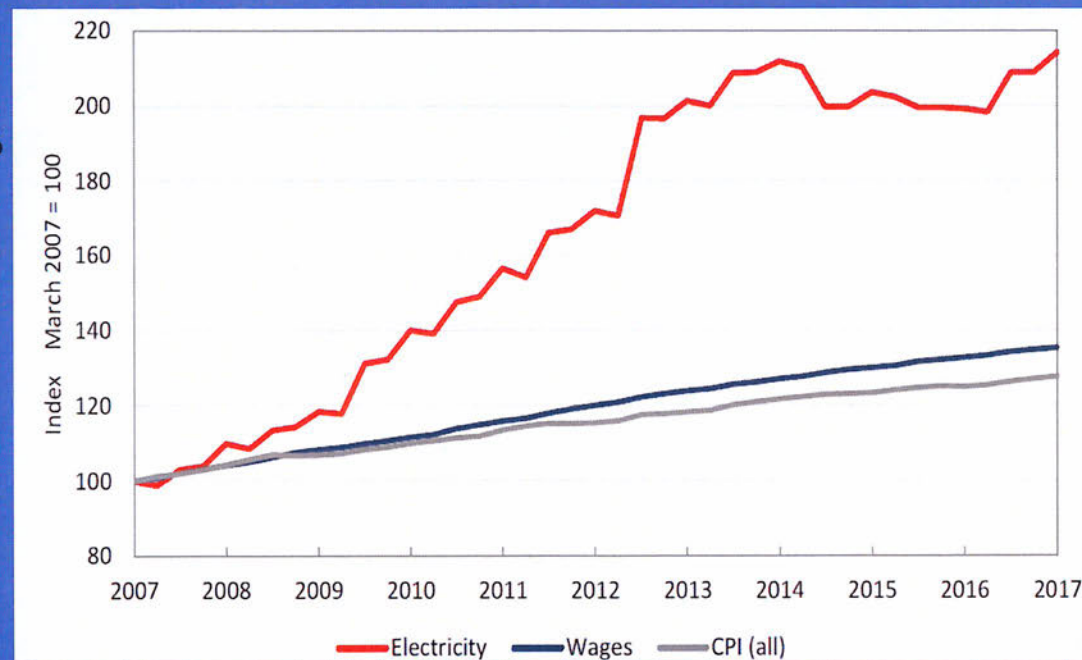


## Impact of Energy

Since 2008, Energy cost increased by 120%

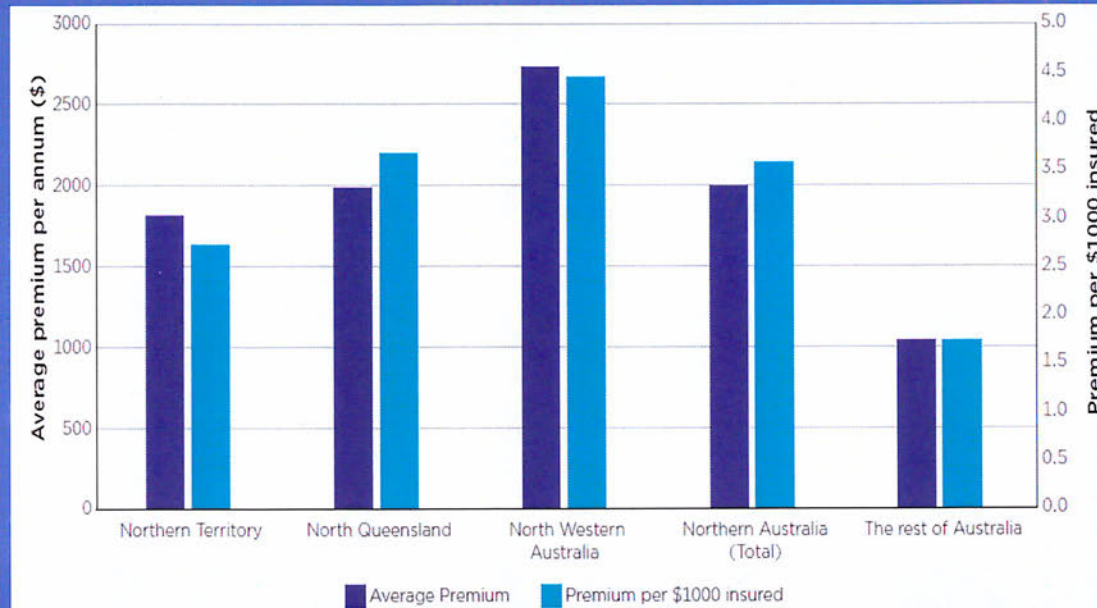
Townsville further impact by transmission costs + lack of retail competition

Significant impact on large consumers & employers such as Sun Metals & Council



## Impact of Insurance

Cost of Insurance more than double that for the rest of Australia. Major impost on Cost of Living & business costs. Significantly Impacts most disadvantaged.



ACCC Northern Australia Insurance Inquiry Update Report – June 2018



## Gross Regional Product - Townsville



### Economic Shocks

GFC: - 1.2%

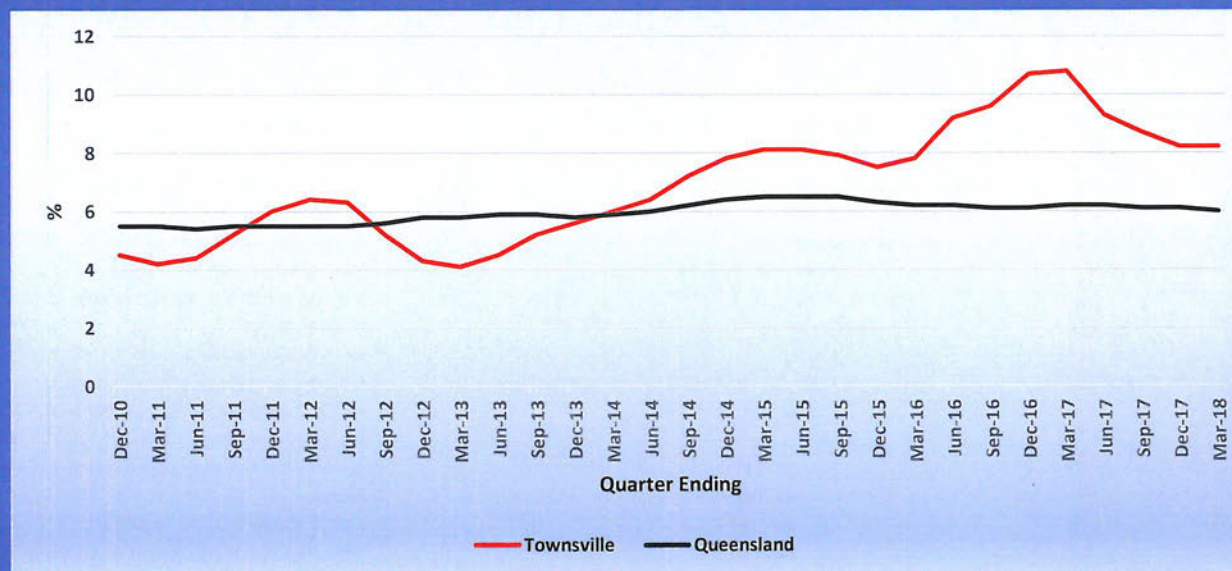
Mining Boom & QN - 4.6%



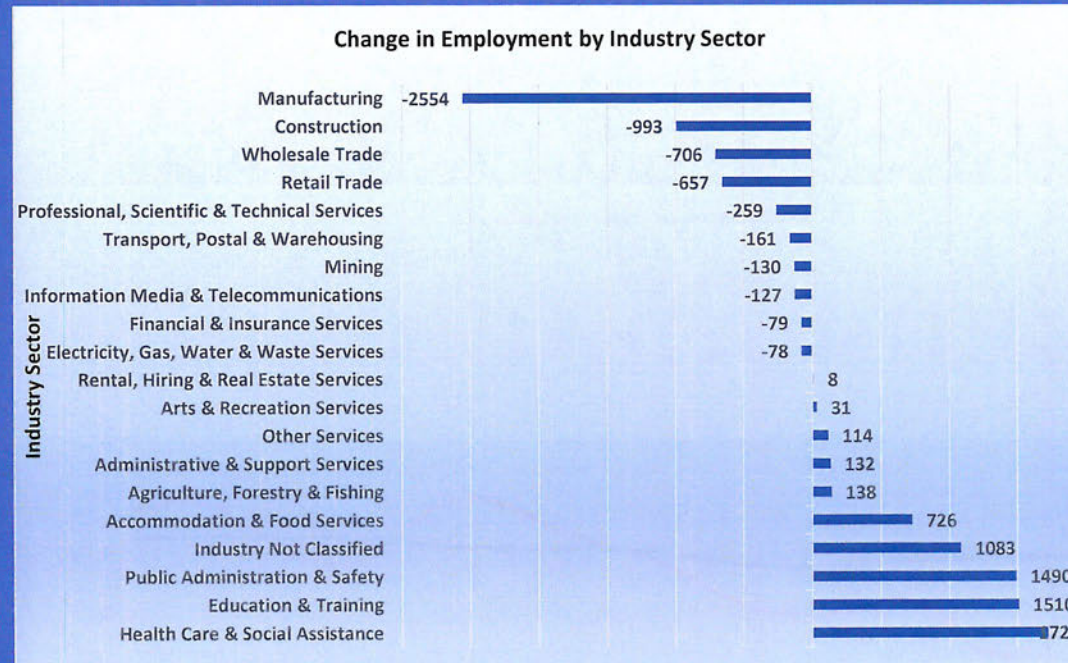
## Unemployment - Townsville



Peak unemployment: 10.8%  
(March 2017)



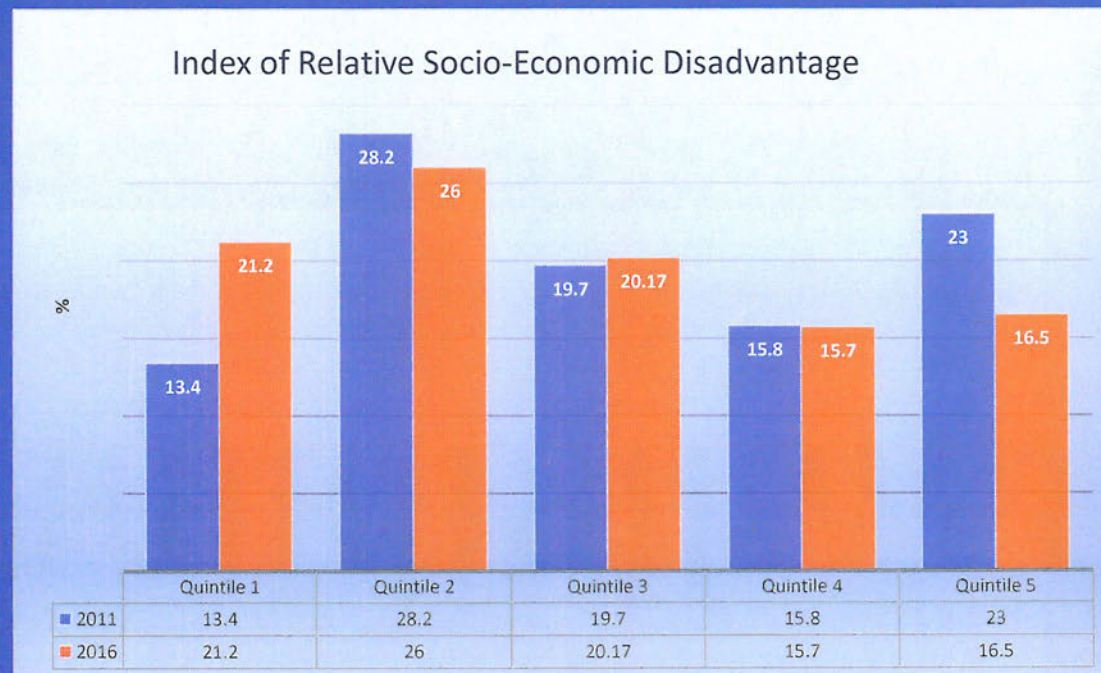
## Employment Change (Census) - Townsville



## SEIFA Impact - Townsville



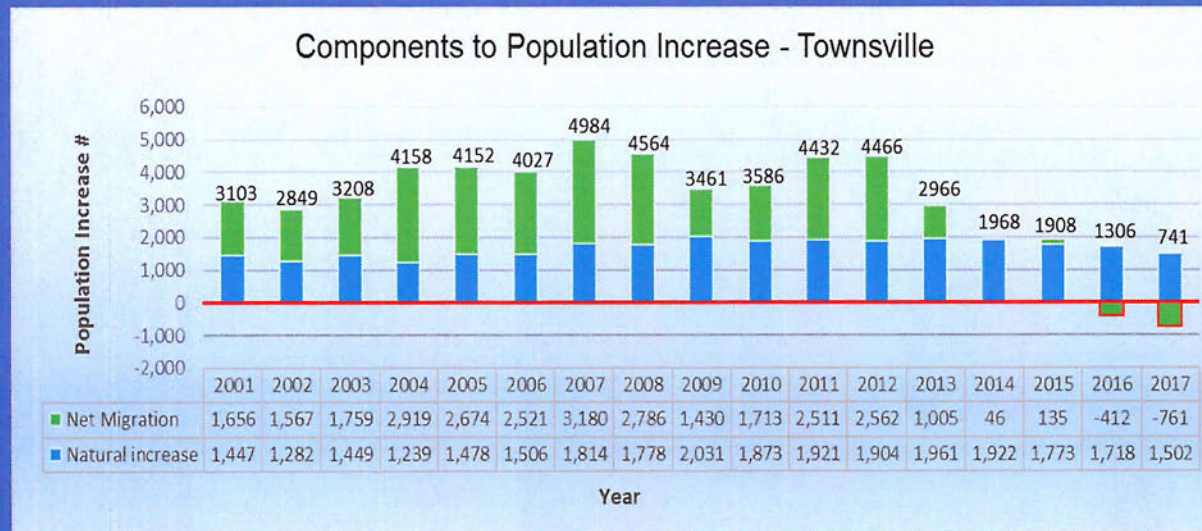
Quintile 1 (highest disadvantage)  
+ 7.8%  
Quintile 5 (least disadvantaged)  
- 6.5%



## Components to Population Increase - Townsville



Net migration 2017  
-761



## Townsville's Response



### TOWNSVILLE CITY DEAL

15 year agreement – all levels of  
government

Transform Townsville

Revitalise development – City and  
Priority Development areas

Drive economic growth

Future  
City  
Activation

Townsville  
2020  
Masterplan

## Townsville City Deal



# Townsville City Deal

## 6 City Deal Initiatives



Capital of North Queensland



Industry Powerhouse for the North



Port City



Innovative and Connected City



Defence Hub



Enabling Infrastructure

Vision	Grow the economy of Townsville by supporting the city to be, by 2030: <ul style="list-style-type: none"><li>• the economic gateway to Asia and Northern Australia;</li><li>• a prosperous and lifestyle rich city for its community and visitors</li><li>• a global leader in tropical and marine research and innovation</li></ul>					
Objectives	1. Revitalise Townsville, particularly the CBD and Waterfront PDA areas 2. Activate industry and export growth 3. Support long term growth of local businesses 4. Enhance liveability 5. Improve planning, coordination and governance					
Initiatives	Capital of North Queensland	Innovative and Connected City	Port City	Industry Powerhouse for the North	Defence Hub	Enabling Infrastructure
Commitments	North Queensland Stadium	Development Corporation for Townsville	Channel capacity upgrade	Townsville eastern access rail corridor (TEARC)	Defence industry consultation	Townsville water security, supply and use strategy
	Townsville entertainment and convention centre	Health and knowledge development strategy		Townsville Industrial Development Board		Managing energy cost and boost energy productivity
	International education and training destination	Public transport solutions		Acceleration of the State Development Area (SDA)		
	CRC for Developing Northern Australia	Smart City Strategy		Woodstock Intersection upgrade		
Future Opportunities	Townsville workforce development plan	Smart solutions for Townsville city and suburbs	Port expansion	Maximise export opportunities	Defence investment pipeline	Review and deliver preferred water supply solutions
		Urban renewal and revitalisation		Supply chain prioritisation		Renewable energy innovation
Governance	Local partnerships for better Governance					



T 2020



# Townsville 2020

## Projects

### FUTURE CITIES

**Mount Louisa  
Open Space  
Masterplan**  
RPS

**Central Park &  
Dean Street Car  
Park**  
AECOM

**NQ Stadium  
Precinct**  
HUNT DESIGNS

**Castle Hill**  
COUNTERPOINT & MILFORD  
PLANNING

**Flinders Lane**

**Riverway  
Waterpark**  
RPS

**Strand Lagoon**  
PURE PROJECTS

**Townsville  
Entrance  
Statements**  
PLACE DESIGN GROUP

## Federal Reforms

### **Taxation Reform**

- Zone Tax Offset Review, recognising disadvantage and incentivising regional living

### **Fiscal reform**

- Horizontal Fiscal Equalisation – A guaranteed share of Federal Revenue (1%) with increased recognition of regional disadvantage
- Decentralised and divulged decision making (APS reform)
- Increased investment into regional communities & economies (Budget Fair Share)
- Supported Regional immigration and migration schemes
- Improved data availability
- Increased trade capacity and promotion

### **Regulatory reform**

- Sustainable Energy Policies that balance sustainability, reliability and price
- Energy Retail Competition in Regional Areas
- Regulatory reform of insurance markets to promote competition (availability) & equitable pricing



# Townsville City Deal Initiatives



## Capital of North Queensland

- Strand Lagoon (~\$80 million)
- International Education Investment and Promotion
- APS relocation
- TECC Support (~\$75 million)



## Innovative and Connected City

- NQ Innovation Precinct Capital and Operational Funding
- Smart Link Investment
- Employment and Upskilling Initiatives
- Smart City Partnership Implementation
- Smart Water Support (TCC Recycled Water Initiative)



## Industry Powerhouse for the North

- Industry Attraction Support (Lithium Ion Battery Plant etc.)
- Supply Chain Infrastructure Investment (Ports & Rail)
- Energy Strategy Support (Sun Metals)



## Defence Hub

- Amphibious Capacity Investment (2 RAR & Port LHD)
- ASMTI
- Military Training Centre of Excellence (Defence Industry)



## Townsville Water Pipeline Stage 2

Water security – Townsville # 1  
**Priority**

Need for immediate approvals  
of funding to avoid \$55 million  
in deferred costs

