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Submission to the Joint Select Parliamentary Committee Inquiry on Northern Australia

Terms of Reference

The Committee to consider policies for developing the parts of Australia which lie north of the Tropic of Capricorn, spanning Western Australia, Northern Territory and Queensland and in doing so:

- Examine the potential for development of the region's minerals, energy, agricultural, tourism, defence and other industries;

- Provide recommendations to:
  - Enhance trade and other investment links with the Asia-Pacific;
  - Establish a conducive regulatory, taxation and economic environment
  - Address impediments to growth;
  - Set conditions for private investment and innovation;

- Identify the critical economic and social infrastructure needed to support the long term growth of the region and ways to support planning and investment in that infrastructure.

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1. PREAMBLE

Regional Development Australia is a partnership between the Australian, State, Territory and Local governments to develop and strengthen the regional communities of Australia. It has a pivotal role in ensuring the long-term sustainability of Australia's regions.

A key focus of Regional Development Australia is on the economic, social and environmental issues affecting communities. Regional Development Australia is an important contributor to and driver of:-

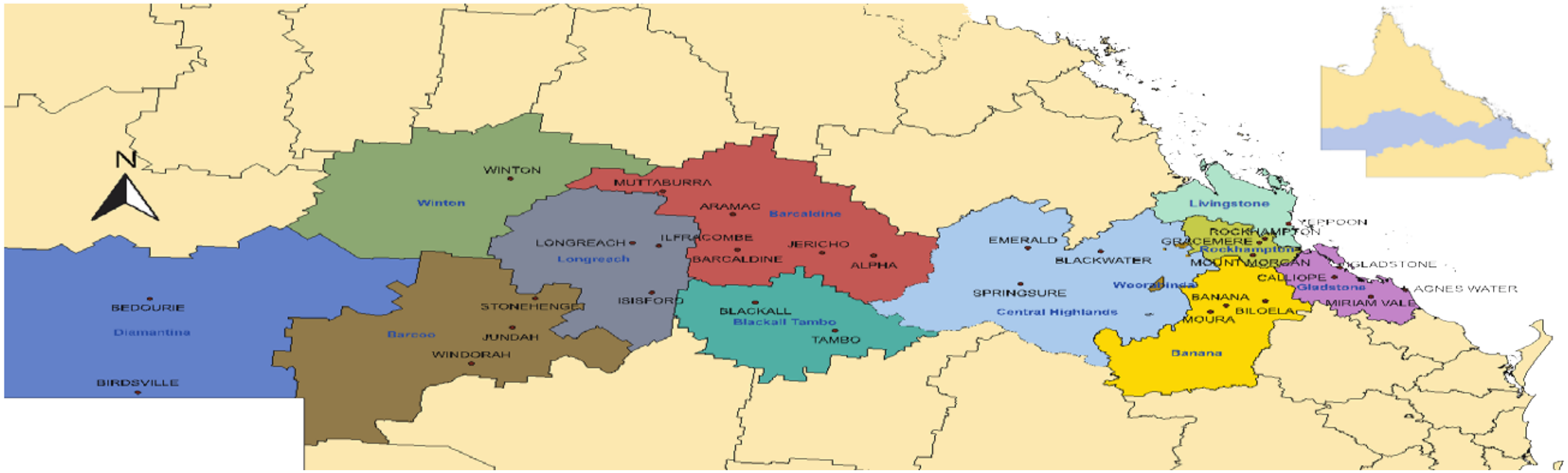
- Regional business growth plans and strategies, which will help support economic development, the creation of new jobs, skills development and business investment
- Environmental solutions, which will support on-going sustainability and the management of climate change (including the impact of drought, flood or bushfires)
- Social inclusion strategies, which will bring together and support all members of the local and broader community.

Regional Development Australia, in consultation with the community, businesses, not-for profit organisations and all levels of government, articulates local priorities, identifies and aligns resources, engages stakeholders and promotes solutions. In doing this, Regional Development Australia supports the growth and development of regional communities across the country.

The Regional Development Australia - Fitzroy and Central West Inc (RDAFCW) focus is on creating a 'liveable and sustainable' Central Queensland. This focus was identified after collecting and analysing regional information and feedback received through engagement with local government, community organisations and industries.

The Central Queensland region is distinctive, varied and resource-rich, covering approximately 26% of Queensland – some 453,000 km2. Central Queensland has a population of 235,000 and contributes $21.6 billion to the National Gross Regional Product [1].

Map 1 – The area of responsibility for Regional Development Australia Fitzroy and Central West – Central Queensland



2. CENTRAL QUEENSLAND REGION

Many of the regions communities are experiencing unpredictable levels of economic and social growth due to the Australian dollar, skilled employment, weather events and numerous outside influences.

Global opportunities for Central Queensland are already emerging in the areas of food, Liquefied Natural Gas (LNG), tourism and mining services/technologies supply chains. Also, opportunities exist in the emerging industries of bio-based industrial products and clean energy, and in the enabling sectors of transport and logistics and the digital economy.

Although the region has a history deeply entrenched in the agricultural sector, the resource sector is now the major driver of change in Central Queensland. An extensive range of large-scale industry projects are currently being developed for the region, ranging from the opening of new coal mines, or expansion of existing ones; to upgraded rail, ports, schools and hospital facilities, and major gas pipeline works.

Central Queensland is a key agricultural, resources and industrial hub of Queensland's economy.

2010-2011 Nominal Gross Regional Product (GRP)

- **Central Queensland** **$21,661 million**
    - **Fitzroy division** **$20,974 million**
    - **Central West division** **$ 687 million**

The Central West region experienced an average annual decline of 1.9% in real GRP in the 10 years to 2010-11. The Fitzroy region recorded an average annual growth in real, GRP of 3.5% in the same period [2]. In 2010/2011 the gross value of agricultural commodities produced in the Central Queensland region was $1.3billion [3].

In 2012 the Bowen Basin had 50 operating coal mines which produced 180 million tonnes of saleable coal. The development projects planned for Central Queensland over the coming 5 years include:

- 58 coal projects ($72 billion estimated capital expenditure)
- 12 mineral projects ($4 billion estimated capital expenditure)
- 22 energy projects ($90 billion estimated capital expenditure) [4].

Proximity to the Bowen Basin makes Central Queensland an essential and key service and logistics hub for the state's coal industry, providing access to road, rail, port and air services.

Direct air and freight routes make Rockhampton the key logistics and freight hub connecting the Capricorn and Bruce Highways. The City of Rockhampton is one of two key regional logistical centres outside of the south east corner in Queensland that provides support for mining, manufacturing, retail, transport and other major industries. Rockhampton also serves as the primary service centre for the region — home to the full range of government and social services including retail, recreation, health, education and cultural facilities.

Gladstone is the primary industrial hub on the east coast, with a major, multi-commodity port facility. The nearby cluster of resource processing industries makes Gladstone the key location for this sector in Queensland. The emergence of an internationally significant coal seam gas to liquefied natural gas (CSG-LNG) industry, including production and export facilities located within the Gladstone State Development Area, are expected to provide a major boost to the region's economy over the coming decades. Gladstone has two of the world's largest alumina refineries, Queensland's largest multi commodity port and a number of other major industrial (i.e. CSG-LNG) giants (e.g. BG Group, Santos, Arrow, Origin Energy, Conoco-Phillips) sited locally.

Central Highlands is rich in agriculture. Much of its grazing land has been extensively developed and improved, and now produces top quality beef for domestic and export markets. It is located in the heart of the Bowen Basin, home to the largest coal reserve in Australia. A wide range of major global mining companies are active in the region.

Millions of tonnes of coal are extracted by the coal industry annually and transported by electric rail to ports in Gladstone and Mackay. The growing town of Emerald provides a key inland service hub for the Bowen Basin and surrounding agricultural production areas.

The Central West region (335,542 square kilometres), despite its small population and remoteness, hosts a number of sustainable communities. The sustainability of these communities is closely tied to the responsible stewardship of the natural environment, the residents' spirit, pride and sense of community, and the innovation of small businesses to provide required services. The region forms part of the Lake Eyre catchment and is classified as semi-arid to arid.

In the west of the region, Longreach acts as a major activity centre and transport hub for western Queensland, supporting a growing outback tourism industry, and business services supporting the agriculture industry.

Whilst growth can strengthen and reinforce the regional economy, too often, it also comes at the cost of degraded liveability and poor environmental outcomes. Furthermore, the pace of resource-based growth can also leave other sectors struggling to keep up, and many communities in the region are suffering economic and social decline.

Not only are many communities suffering with social infrastructure that is unable to meet current needs, but these same infrastructure inadequacies also represents a major blockage for these communities in attracting and retaining further regional development initiatives that are so desperately needed to ensure their diversification and ultimately, their longevity.

The work of RDA and CQUniversity has emphasised that attention to liveability, family and social wellbeing; transport and development infrastructure; and workforce planning, skills and education is critical in responding to the growth of the resource sector. A mix of options is needed in regional communities to help manage these cumulative and cross-regional effects.

3. CENTRAL QUEENSLAND'S AGRICULTURAL INDUSTRY

Census material and statistics from the Australian Bureau of Statistics (ABS) signify Central Queensland as a prominent and important area of Australia for the production of food and fibre.

Rockhampton is called the 'Beef Capital of Australia' and the city is situated in Central Queensland, which in 2010-2011 was home to 3.5 million head of cattle and calves or 28% of the state's total number.

There are three abattoirs located in Central Queensland. JBS Australia in Rockhampton which has a daily processing capacity of 676 head of beef [5] and Teys Australia which has a daily slaughtering capacity of 1,731 head of beef. Located in Biloela is also Teys Australia which has a daily capacity of 703 head of beef [6].

The Central Queensland region had a total of 3,642 agricultural businesses as at the 30th June 2011, of which beef cattle farming accounted for 2,634 businesses or 72% of the total number of agricultural businesses in the region.

The total area of agricultural farms in Central Queensland in 2010-2011 was 43,592,608 hectares, which is 31% of the Queensland's total agricultural farm area. In Central Queensland 509,395 hectares (14.7%) were used for crops and 41,831,475 hectares (31.6%) were used for livestock grazing in the 2010-11 financial year.

For Central Queensland in 2011 an estimated 6,234 or 5.8% employed persons worked in the Agriculture, Forestry and Fishing Industry which was higher than the Queensland average of 2.7% .[14] Furthermore in the Central West region 26.7% of employed persons worked in the Agriculture, Forestry and Fishing industry.

In the Central West region 1.4 million head of sheep or 39% of Queensland's total sheep numbers were located.

Also in the Fitzroy region 46% of the state's field peas were produced; 43% of the state's lupins; 41% of the state's rice; 47% of the state's table grapes; and 42% of the state's Carambolas (star fruit).

In 2010-11 the gross value of Queensland's agricultural production was $9.6 billion, which represented 21% of Australia's total gross value of agricultural commodities produced. Central Queensland produced in gross value $1.2 billion in agricultural production, representing 13% of Queensland's total gross value.

The gross value of Queensland's livestock slaughtered was worth $4.1 billion or 30% of the national total. Livestock slaughtered includes sheep, lambs, cattle, calves, pigs, goats and poultry. The total gross value of livestock slaughtered in the Central Queensland region was $931 million (23% of Queensland total) [7].

Table 1 – Value of agricultural commodities – Central Queensland – year ended 30 June 2011

	Fitzroy	Central West	Central Queensland	
	Gross Value	Gross Value	Gross Value	
	$M	$M	$M	*% Qld*
Agriculture (a)	**766.3**	**486.5**	**1,252.8**	***13.1***
Crops (b)	**263.1**	**3.6**	**266.7**	***5.4***
Broadacre crops - Hay - pasture and cereal and other crops cut for hay	17.6	3.3	20.9	*18.8*
Broadacre crops (excluding hay) (c)	192.0	0.3	192.3	*7.6*
Horticulture - Nurseries and cut flowers and cultivated turf	9.6	-	9.6	*3.3*
Horticulture - Vegetables (d)	15.3	-	15.3	*1.4*
Horticulture - Fruit (e)	28.7	-	28.7	*3.3*
Livestock - Livestock slaughtered and other disposals (f)	490.7	440.7	931.4	*22.6*
Livestock - Livestock products (g)	12.5	42.2	54.7	*10.4*

(a) Includes crops, livestock slaughtered and livestock products.
(b) Includes broadacre crops (including hay), nurseries, cut flowers and cultivated turf, vegetables and fruit.
(c) Includes cereal crops, legumes for grain, oilseeds, other crops (excludes hay).
(d) Includes vegetables for human consumption - potatoes, asparagus, beans, broccoli, carrots, cauliflowers, herbs, mushrooms, peas (green), pumpkins, sweet corn, tomatoes, onions, capsicums, melons, lettuce and other vegetables. Also includes vegetables for seed (potatoes and other).
(e) Includes citrus fruit, pome fruit, stone fruit, other orchard fruit, berry fruit, plantation fruit, grapes and nuts.
(f) Includes sheep, lamb, cattle, calves, pigs, goats, poultry and nec.
(g) Includes eggs, wool and milk.
Source: Australian Bureau of Statistics: Agricultural Census 2010-11.

In 2012-2013 Gladstone port exported 389,442.4 tonnes of 'food and live animals' valued at $162.8 million predominately to Indonesia, India, Japan, Malaysia, Mozambique, New Zealand, Pakistan, Philippines, Papua New Guinea, South Africa, Taiwan, Thailand and Vietnam [8].

By comparison Cairns port exported 50,425.2 tonnes; Townsville port 235,748.2 tonnes; and Mackay 524,038.9 tonnes of 'food and live animals' in 2012-2013.

Across all commodities Gladstone port exported overseas 62 million tonnes to the value of $8.7 billion in 2012-2013 [9].

Table 2 – Overseas exports by agricultural commodities – Gladstone port – 2012-13

	Gladstone Port		Total Queensland Ports	
	Tonnes	**$M**	**Tonnes**	**$M**
Live animals (other than fish, crustaceans, molluscs, aquatic invertebrates)	1,072.1	8.9	10,704.3	38.8
Meat and meat preparations	-	-	833,264.2	3,799.7
Dairy products and birds eggs	-	-	12,700.8	48.3
Fish (not marine mammals), crustaceans, molluscs, aquatic invertebrates	-	-	10,663.3	145.7
Cereals and cereal preparation	199,356.0	66.4	1,876,388.0	661.0
Vegetables and fruit	96,566.6	58.5	746,538.9	638.0
Sugars, sugar preparations and honey	-	-	559,877.9	162.5
Coffee, tea, cocoa, spices	-	-	4,228.5	40.5
Feeding stuff for animals (excl. unmilled cereals)	92,447.6	29.1	976,608.5	353.2
Miscellaneous edible products	-	-	45,752.2	155.1
Total food and live animals (agricultural commodities)	**389,442.4**	**162.8**	**5,076,726.6**	**6,042.8**
Total mineral fuels, lubricants and related materials	**38,394,328.8**	**4,471.4**	**139,879,187.0**	**18,712.1**
TOTAL ALL COMMODITIES	***62,060,590.0***	***8,729.7***	***213,742,557.7***	***46,313.7***

Note: Based on the Standard International Trade Classification (Revision 4).
Note: Based on port of loading.
Source: Queensland Office of Economic and Statistical Research, Queensland Ports (ABS, Foreign Trade, unpublished data).

4. FORECAST FOR THE AGRICULTURAL INDUSTRY IN CENTRAL QUEENSLAND

The Queensland Government has outlined an Agricultural Strategy, which aims to double the value of Queensland's food production by 2040. However, meeting this target will only occur if the level of productivity within the sector increases across the supply chain.

Examples of how the Queensland Government will drive productivity growth across the supply chain include:

- Increase the uptake of best practice for – conservation cropping techniques, irrigation efficiency, machinery adaption and sustainable grazing land use;
- Improve mechanisms to enhance resilience to natural disasters and biosecurity threats;
- Focus on research projects through the Northern Beef Research Alliance that aims to improve the productivity and profitability of Queensland's beef industry;
- Enhance science and technology capabilities;
- Continue the Queensland Alliance for Agriculture and Food Innovation;
- Invest in industries that have the potential for growth, such as tropical pulses, through investment with the Queensland University of Technology into research that will help increase the production and export of chickpeas, mungbeans and other pulses;
- Deliver an updated Queensland climate adaptation strategy;
- Collaborate with producer groups, industry and scientists from around the world to develop solutions and opportunities for Queensland's field crops and pasture industries, including winter cereals such as wheat, barley, oats, canary and triticale;
- Work with producers, local governments and communities to continue the fight against weeds;
- Hold a feral animal summit with key government departments, local governments, producers and other organisations to develop future approaches to feral animal management, including wild dogs [10].

The Queensland's Agricultural Strategy highlights the importance of improved freight access and options to support the agricultural industry's growth. Opportunities exist to develop more reliable, efficient and cost-effective freight solutions to satisfy future food consumption demands. This can be realised through enhancing supply chain relationships, challenging existing roles and responsibilities and better managing commercial risks [11].

Queensland Government Transport and Main Roads in conjunction with a consultancy agency are developing two projects; Resources Rail Lines (Link Planning) and Sea Freight Action Plan (Coastal Shipping) that are due for completion by 30 June 2014.

Recommendations

- *THE ESTABLISHMENT OF A NORTHERN QUEENSLAND AGRICULTURAL DISTRIBUTION HUB*

5. FUTURE REGIONAL GROWTH INDUSTRIES

RDAFCW has identified 4 main areas of projected growth. With this growth comes, strengths, challenges, needs and opportunities. With projected growth in human capital in sustainable communities, business competitiveness and access to international markets, Central Queensland needs to ensure that safe guards are in place to enable the economic and community growth of this region. The four growth industries include: resources, agriculture, transport supply and tourism. These industries are inter-woven through transport needs, employment and skills, land tenure and export opportunities.

Mining

With the increasing use of a fly-in/fly-out and drive-in/drive-out work force, it is now common for resource areas to have a large population of non-resident workers who live in the area only while on-shift. The non-resident population of the Bowen Basin region is set to decrease slightly from 25,040 in 2012, stabilising at approximately 21,200 after 2016. Development of large greenfield mining projects in the Galilee Basin would see the non-resident population of Barcaldine increase substantially between 2013 and 2019.

This apparent decline will be influenced by the completion of mine expansions, mine closures and the small number of new projects in advanced stages of development. Construction of rail and pipeline projects originating from neighbouring Galilee and Surat Basins are likely to influence temporary peaks in the non-resident population of some Bowen Basin LGA's. The sizeable FIFO/DIDO workforces of these linear projects will shift location according to construction schedules. The Galilee Basin coal deposit spans a number of LGA's, including Barcaldine and Isaac. While there are no current coal mines operating or under construction in this Basin, several large mines and associated rail projects are planned, with a peak forecasted on-shift population of 4,760 [12].

Agricultural

Sufficient opportunity exists to expand agricultural production, subject to water availability and transport services. A snap shot of some of the key potential agricultural growth areas in the region are:

- **Broadacre cropping**

There is potential for expansion of irrigated cropping, where water is available, this is constrained by factors such as suitable soils interspersed with unsuitable soils; competition with mining for transport, land and water resources and current agricultural land use. The area and range of crops will fluctuate with changes to the market.

- **Horticulture**

Potential for expansion of horticulture, where water is available, is constrained by factors such as, transport costs, urban expansion and current agricultural land use. As horticulture from Central Queensland is largely based on the domestic fresh market, it is not in the interest of horticultural producers to produce large volumes of the same commodity as this reduces the return per unit. However, there is potential for expansion of existing and new horticultural operations to increase export volumes.

- **Intensive Livestock**

The potential area in which intensive livestock operations could occur is over 3.6million hectares, which is much greater than the current land use. The current land uses on the potential land for intensive livestock grazing is 81% and cropping is 19%. There are opportunities for expansion of this industry in Central Queensland, although the extent of this is driven largely by the relative prices of grain and livestock. The current wide distribution of piggeries, and large feedlots, suggests that access to labour is not a constraint. Aquaculture could occur on nearly 106,000 hectares of coastal areas in the Central Queensland region. There are already several aquaculture sites around the coast at Yeppoon.

- **Grazing**

Access to labour is increasingly becoming an issue for grazing properties due to the relatively high wages offered by the mining industry. Although there are much greater economies of scale for producers if they transport livestock by rail than road, rail transport is no longer a viable option for the transport of livestock as most of the tonnage is taken up by coal movements. Grazing will continue to be an important agricultural land use in Central Queensland. Although the area under grazing is unlikely to significantly expand, there are opportunities to improve the productivity of pastures by improving land condition. There are also opportunities to improve beef production systems and target niche markets to access premium prices.

- **Forestry**

There may be potential for the establishment of a new exotic softwood timber processing facility in the Yeppoon – Rockhampton area to process the local resource in consideration of a recent increase in the exotic softwood plantation forestry estate around the Byfield area. This increase in the size of the exotic softwood plantation forestry estate will potentially result in an increased resource supply. Overall, the region is an important forestry production and timber processing region for Queensland. There is considerable opportunity for production growth in both native forestry and plantation forestry, which in turn will support growth in the downstream timber processing sector [13].

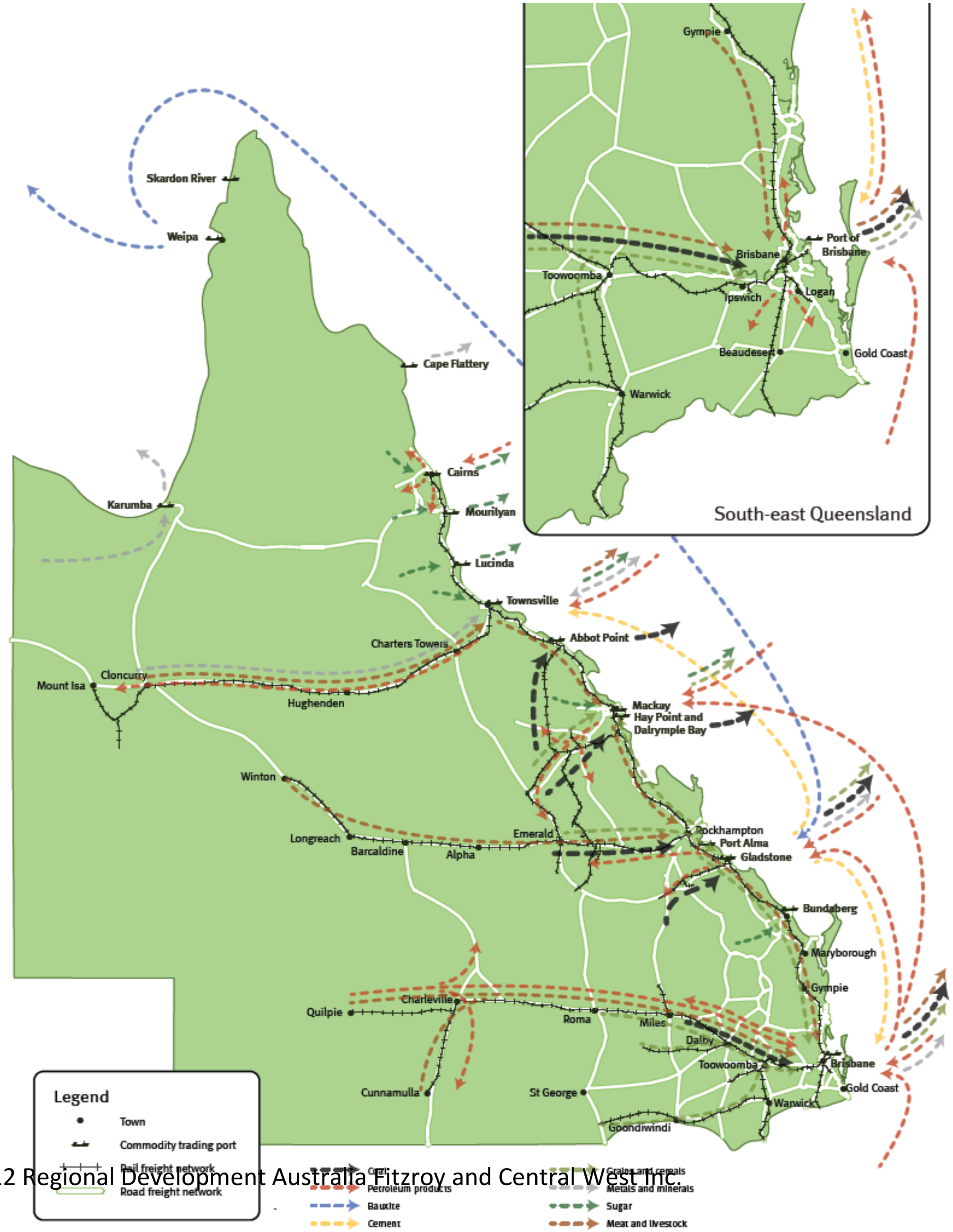
Central Queensland's agricultural industries support and underpin an array of secondary industries across the food supply chain. Central Queensland businesses of all sizes process and value add to our base commodities across the food supply chain. Through a combination of technology, skills and knowledge, they produce products that meet market expectations and uphold our high food safety and quality standards.

Transport

The Queensland economy comprises a higher proportion of agricultural, mining, manufacturing, construction, trade and transport industry sectors than any state other than Western Australia. These sectors comprise more than half of Queensland's $280 billion economy and are serviced supply chains which generate freight movement [14]. The main highways utilised in Central Queensland for the transport and distribution of produce are Bruce Highway, Leichhart Highway, Burnett Highway, Capricorn Highway, Landsbrough Highway, Overland Way and Beef Development Road.

In 2012 Queensland had the third highest total freight tonnage carried (502.9 million tonnes) on its roads in Australia as reported to the Australian Bureau of Statistics (Survey of Motor Vehicle Use). The total weight in tonnage of 'food and live animals' freighted on Queensland roads in 2012 was 69.0 million tonnes. Queensland had the second highest freight tonnage of 'food and live animals' in Australia. Furthermore, 21% of all 'food and live animals' transported in freight vehicles within Australia occurred on Queensland roads [15].

Map 2 – Major Queensland commodities moved in bulk



Source: Department of Transport and Main Roads

Transport is a key element for interlinking Fitzroy and Central West projected growth areas. Without transport, resources derived from mining and agriculture would not be able to be transported from the areas to regional, national or international markets. Transport and the accessibility to transport also affects the number of expected visitors and tourists to the region. Whilst most visitors and tourists have their own modes of transportation (vehicles), some do rely on rail, bus and air transportation in order to access various parts of the region, particularly those of high tourism traffic.

An outcome of an improved transport supply chain in Central Queensland will be to identify transport demands associated with resource sector activities in the Bowen and Galilee Basins. This will result in a proactive multi modal network strategy that primarily supports the needs of the resource sector and considers the other key industries and community. This outcome will have a strong focus on the improved transport supply chain for the resource sector and agricultural industry that relies on the road network for increased domestic, regional and international chain supply.

The potential impacts on the transport network from mining developments in Central Queensland are a major issue to residents of the Bowen and Galilee Basins and affected Regional Councils. Without a clear transport strategy which looks at the supply chain, network issues and time delays, this could lead to reactive decision making and poor investment choices.

The Bruce Highway is Queensland's primary North-South corridor. It is also a significant part of Australia's national land transport network, providing a strategic corridor for passenger and freight movements serving Australia's developing east coast and ports to international markets. A growing significant number of deficiencies have been found over the full length of the highway. These include safety, flooding and capacity. Improvement to the Bruce Highway will ensure road safety, reduce flooding delays and damage and enhance traffic capacity allowing for better road transportation [16].

Resources Rail Lines (Link Planning) project

The Resources Rail Lines Link Planning project has a Queensland wide focus on the rail system connecting the ports of Gladstone and Mackay to the resource areas of the Bowen and Galilee basins. The project will review existing rail freight operations and provide recommendations on how to optimise the supply chain.

The project will examine the benefits of transporting mining inputs and agricultural exports by rail, using sea freight containers (twenty foot equivalent unit -TEU) as the standard logistics platform. Achieving a modal shift of certain commodities from road to rail will support new trade and marketing opportunities.

The project will also report on how freight movements in Central Queensland could be improved by developing an inland port to back-load agricultural commodities in TEU's to Gladstone, Mackay or Brisbane ports. Establishing an inland port is central to achieving a modal shift of mining inputs (fuel, cement, chemicals) and agricultural exports (grain, cotton, citrus) from bulk freight movements (on road), to containerised freight movements by rail utilising rail freight services. Consultation with industry has identified two inland port options for consideration – Emerald and Alpha [17].

Sea Freight Action Plan (Coastal Shipping) project

The Sea Freight Action Plan (Coastal Shipping) project will examine the freight network benefits that could be achieved with the introduction of an intra-state coastal shipping service by:

- Provide the Resource sector with a cost effective alternative to trucking Over Size Over Mass (OSOM) mining equipment on the Bruce Highway;
- Improve supply chain performance and export opportunities for the Agricultural industry in Central and Far North Queensland and improve the opportunities for the Construction industry to move large scale project materials in a cost effective and timely manner;

- Increase port throughput with a multi-modal freight network focus;
- Examine potential benefits that could be achieved by facilitating a coastal shipping service calling at a range of ports between Brisbane and Cairns.

The introduction of an intra-state coastal shipping service would support the movement of OSOM cargo (other than by road) and connect regional ports to the Port of Brisbane, providing an opportunity to back load containerized exports of grain, cotton, fruit, vegetables and beef on these ships from regional areas of primary production. Coastal shipping could address road and rail infrastructure failures associated with annual and extreme weather events in Central Queensland and Far North Queensland given their impacts on supply chain security and productivity in these regions. A coastal shipping service would also provide opportunities for Queensland's agricultural exporters, providing an equipment pool of sea freight containers (TEU) at regional ports to back load coastal ships with agricultural commodities such as grain, cotton, citrus and beef for transhipment via the port of Brisbane to international and domestic markets [18].

Recommendations

- *DEVELOPMENT OF A MAJOR COASTAL PORT (KARUMBA) - TO ASSIST IN EXPORTING FROM CENTRAL AND NORTH QUEENSLAND DIRECTLY TO ASIA*
- *PRIORISATION OF REGIONAL AND RURAL QUEENSLAND ROADS INFRASTRUCTURE*
- *DEVELOPMENT OF REGIONAL AVIATION PRIORITIES AND EXPORT ENHANCEMENT*

Tourism

In the year ended June 2012, almost 3.7 million people visited Central Queensland and Central West Queensland spending more than $1 billion in expenditure [19].

Table 3 – Visitors to Central Queensland (Fitzroy region) – 2011/12

	Expenditure	Visitors	Nights	Average stay (nights)	Average trip expenditure	Average nightly expenditure
	$m	no.	no.	no.	$	$
Domestic visitors - day	267	1,929,000	n.p.	n.p.	138	n.p.
Domestic visitors - overnight	704	1,294,000	5,253,000	4	544	134
International visitors(b)	81	109,000	1,198,000	11	741	67
Total	**1,052**	**3,332,000**	**6,451,000**	..	..	..

(b) US and Indonesian military personnel are included in the International Visitor survey.
Note: Central Queensland includes all the local government areas for Fitzroy statistical area – Rockhampton, Gladstone, Central Highlands, Banana and Woorabinda.
Note: Based on Australian Bureau of Statistics, Australian Statistical Geography Standard (ASGS), July 2011.
Source: 2011-12 Regional Tourism Profiles: Tourism Research Australia, Canberra, Australian Government.

Table 4 – Visitors to Central West Queensland – 2011/12

Statistical area(b)	International(a) visitors	Domestic visitors	Total
	no.	no.	no.
Longreach	1,682	115,000	116,682
Far Central West	1,918	97,000	98,918
Barcaldine - Blackall	2,736	81,000	83,736
Total	**6,336**	**293,000**	**299,336**

(a) US and Indonesian military personnel are included in the International Visitor survey.
(b) Longreach statistical area includes the local government area for Longreach. Far Central West statistical area includes the local government area for Diamantina, Winton and Barcoo. Barcaldine – Blackall includes the local government area for Barcaldine and Blackall-Tambo.
Note: Based on Australian Bureau of Statistics, Australian Statistical Geography Standard (ASGS), July 2011.
Source: 2011-12 Regional Tourism Profiles: Tourism Research Australia, Canberra, Australian Government.

The aim of the Tourism 2020 Strategy is for government and industry to work together to achieve Australia's tourism potential. Tourism 2020 is Australia's national strategy to enhance growth and competitiveness in the tourism industry by focusing on six strategic areas to:

- grow demand from Asia
- build competitive digital capability
- encourage investment and implement regulatory reform agenda
- ensure tourism transport environment supports growth
- increase supply of labour, skills and Indigenous participation
- build industry resilience, productivity and quality

Tourism 2020 integrates the National Long-Term Tourism Strategy with the growth aspirations of the 2020 Tourism Industry Potential. Endorsed by all state and territory tourism ministers, it brings the existing work, research and collaboration between industry and governments into a single plan, one that links tourism supply with demand [20].

For Queensland tourism businesses, the Tourism 2020 Strategies mean:

- increasing international visitor nights by 24% above the forecast growth
- increasing domestic visitor nights by 29% above the forecast growth
- increasing international aircraft movements by 21,190 to 57,130
- increasing hotel rooms by 25,466 in order to meet demand at existing occupancy rates
- increasing the workforce by 56,500 (18,470 of which would be skilled workers), which is twice the anticipated growth rate [21].

6. RDA FITZROY AND CENTRAL WEST - REGIONAL PRIORITIES

To implement a tangible response to the Australian and Queensland's Government strategy of 'place-based' approaches to regional economic and social development the RDAFCW committee's strategy for Central Queensland is to identify three 'places'- Western, Central and Coastal, within the region.

In acknowledging this, RDAFCW has determined that the process of identifying and prioritising development strategies across the region should be based on, and guided by, analysis leading to understanding of each of the sub-regional areas (Western, Central and Coastal).

In collecting, accumulating and dissecting regional information, and considering it alongside the feedback received through engagement with local government, RDAFCW have arrived at a one vision for the region **'to create a liveable and sustainable Central Queensland'.** Three major emerging issues identified for 2013-2014 include:

- Employment Impacts
    - Fluctuation of FIFO/DIDO and local employment
- Agricultural, Mining and Construction Impacts
    - Downsizing of existing mines
    - Planned new mining and resource industry developments
    - Encroachment on agricultural land
- Transport Infrastructure Impacts
    - Food supply chain
    - Resource industry supply chain
    - Tourism development

RDAFCW firmly believe that regional development in Central Queensland will be accelerated if regional (and sub-regional) activities can be aligned with the corporate and strategic plans of the three tiers of government. RDAFCW committee members will respond to the three major emerging issues relating to Central Queensland. The committee will also investigate and deliver findings on these issues through participation on local, state and national trends and needs.

Within this, the activities of RDAFCW are directed by the philosophy that regional development must be appropriate in practice. That is, regions must recognise the overlapping – sometimes complementary; but sometimes conflicting – nature of social, economic and environmental outcomes.

A strong focus will be placed on regional policy and innovation, for it is only creating and adopting new schemes and technologies, and then embedding these in regional planning that Central Queensland will be able to realise its extensive potential.

RDAFCW will work with the communities of Central Queensland to achieve our vision by supporting projects and activities that fall under one or more of the following **four priority themes.**

Four priority themes

CREATE SOCIAL VALUE **Aim:** To support and advocate for programs and projects that will create enhanced liveability and wellbeing for all residents **Objectives**: • to increase the social capital of communities across Central Queensland • to enhance community participation and collaboration in social development programs and projects across Central Queensland • to target disadvantage based on culture, gender, age and/or disability **Strategies**: • to initiate and/or coordinate potential short, medium and long term project(s) or program(s) than can increase social capital within the region • to identify, review and adjust best practice engagement processes to enhance community well-being, and to ensure communities are aware of, and prepared to take advantage of future opportunities	**STRENGHTEN THE REGION'S ECONOMIC CONTRIBUTION** **Aim**: To support and advocate for projects and programs that maximise local, state and national productivity through targeted job creation, skills development, industry diversification and business growth **Objectives**: • to build economic capacity and capability through collaboration, cooperation and innovation • to increase the economic capital and prosperity of communities across Central Queensland **Strategies**: • to initiate and/or take an active role in encouraging and supporting economic diversification, innovation and capacity building across all industrial and agricultural sectors • to contribute to identifying and implementing sustainable economic development solutions
OPTIMISE ENVIRONMENTAL OUTCOMES **Aim**: To support and advocate for programs and projects that will ensure Central Queensland protects, conserves and promotes its natural assets; and which result in environmental benefits both within Central Queensland, as well as outside of the region **Objectives**: • to support collaborative sustainable regional development practices • to enhance the community awareness, participation and collaboration in environmental stewardship across Central Queensland **Strategies**: • to encourage and support sustainable development practices • to maximise awareness and encourage sustainable planning imperatives • to consult widely inside and outside Central Queensland to ensure a deep understanding of natural resource management matters relevant to the region	**DEVELOPMENT REGIONAL POLICY AND INNOVATION** **Aim**: To support and advocate for programs and projects that encourage regional communities and organisations to be more flexible, and to act cooperatively and strategically to realise benefits at the whole-of-region level, through the use of innovative practices, relationships, technologies and policies **Objectives**: • to encourage and support the innovative advancement of collaborative organisational culture within Central Queensland • to enhance the community awareness of, and participation in, collaborative regional development and innovation programmes and activities **Strategies**: • to encourage and support regional organisations and businesses through transparent and accountable organisational practice at international standard • to identify and support the development of innovative strategies and initiatives which proactively contribute to regional development

Major projects

CREAT SOCIAL VALUE • Gladstone Phillip Street Community Precinct • Regional childcare centres • Regional health services • Regional aged care centres	**STRENGTHEN THE REGION'S ECONOMIC CONTRIBUTION** • Bruce Highway priority projects • Rockhampton Bypass • Alpha-Clermont Road • Outback regional roads • Kin Kora roundabout • Thangool Airport expansion project
OPTIMISE ENVIRONMENTAL OUTCOMES • Emerald flood mitigation • South Rockhampton flood levee • Gracemere Industrial Area water supply • Woorabinda water infrastructure	**DEVELOPMENT REGIONAL POLICY AND INNOVATION** • Central and Northern Queensland long term infrastructure plan • Central and Northern Queensland aviation strategy • Development of agriculture distribution and export hub • Connecting remote communities in Central West Queensland via optic fibre

7. NORTHERN QUEENSLAND STRATEGY

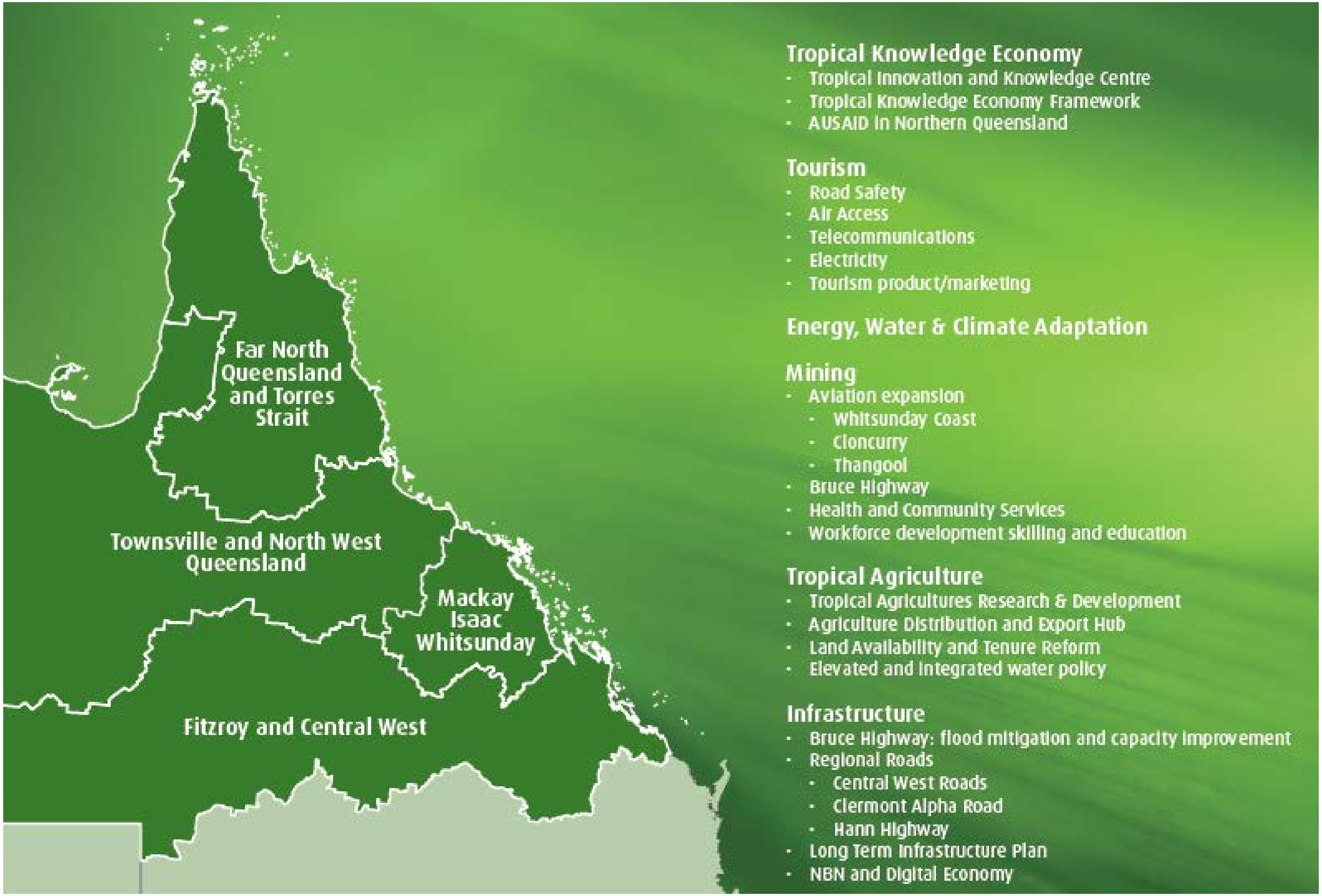
Four large Regional Development Australia (RDA) economic areas in Northern Queensland (RDA Far North Queensland and Torres Strait, RDA Townsville and North West Queensland, RDA Mackay Isaac Whitsunday and RDA Fitzroy and Central West) have taken a consolidated and visionary approach to the development 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'; 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.

Northern Queensland Strategy projects for Central Queensland

Bruce Highway Priority Projects	**Yeppen Floodplain South Upgrade** Southern approach to Rockhampton between the Burnett Highway junction and the Capricorn Highway roundabout.
Bruce Highway Capacity Improvements	**Rockhampton Bypass** Rockhampton Bypass (Ring Road); design and purchase corridor for future planning
Highest Priority Regional Roads	**Clermont – Alpha Road** Initial investment to enable safety initiatives such as low cost sealing, signage, delineation and curve widening
Infrastructure	➢ **Northern Queensland 30 year long-term infrastructure plan** Development of long-term infrastructure plan for Northern Queensland to include water and sewerage, energy, roads, rail, port connectivity, social infrastructure and telecommunications ➢ **Emerald Flood Mitigation** Building flood resilience and mitigation through building and raising critical infrastructure to reduce the impact of floodwater to commercial and residential assets ➢ **Outback Regional Road Group** For the seven Central West Councils to complete capital and maintenance road projects in their respective local government area
Mining and Tourism	➢ **Northern Queensland Aviation Strategy** Australian and Queensland Governments to jointly progress a long-term Northern Queensland aviation strategy in partnership with RDA and local governments ➢ **Thangool Airport Expansion Project** The expansion and upgrade of Thangool Airport to comply with Federal Aviation regulations, alleviate existing capacity constraints and to accommodate future growth
Agriculture	➢ **Development of Agriculture Distribution and Export Hub** To support and facilitate the development of the business case for a Northern Queensland Agriculture Distribution and Export Hub ➢ **Connecting remote communities in Central West Queensland** To provide 700km of optic fibre, connecting Bedourie, Birdsville, Jundah, Stonehenge and Windorah
Energy, water and climate adaptation	➢ **Gracemere Industrial Area Water Supply** Duplication of the water supply pipeline from Rockhampton to Gracemere to support population growth and industrial development ➢ **Implementing Missing Links in Water Infrastructure** To utilise previous investment to reinstate a sustainable water and waste water management system to Woorabinda to support population growth and economic sustainability

Map 3 – Northern Queensland Strategy



8. THE IMPACTS OF RESOURCE SECTOR GROWTH IN REGIONAL COMMUNITIES

The Regional Development Australia presence in Central Queensland includes RDA Mackay, Isaac and Whitsunday; RDA Fitzroy and Central West; and RDA Wide Bay Burnett, and this group of 'resource-region' RDAs has agreed to collaborate with each other, in order to respond appropriately to the challenges and opportunities faced by their regions.

The purpose of the study 'The Impacts of Resource Sector Growth in Regional Communities' was to use a partnership approach between three Regional Development Australia entities and CQUniversity to better identify, understand and plan appropriate responses to issues relating to resource sector development in the Central Queensland region.

The study has emphasised that attention to liveability, family and social wellbeing; transport and development infrastructure; and workforce planning, skills and education, is critical in responding to the growth of the resource sector. A mix of options is needed in regional communities to help these cumulative and cross-regional effects.

Action 1: To review the cross regional study area Roadmaps and identify deliverables in their business plans that will progress the recommendations of this report.	In the first instance, the RDAs involved in this study intend for the recommendations to be actioned through the 2012-13 annual revision of their Regional Roadmap and business planning documents.
Action 2: To meet with Australian and State governments specifically to discuss the strategic role of RDAs, and the public's perception of the work of RDA.	However, the recommendations arising from the report are expansive, and their implementation is likely to require a review of the RDAs roles and responsibilities, including how the committees are resourced.
Action 3: To meet with Australian and State governments to communicate the project results and determine what responses will be necessary in each of the key portfolio areas.	Furthermore, the participant RDAs are also determined that the study be used to establish spirited dialogue with the three tiers of government and industry, regarding how each group plans to work with RDA in order to pursue more sustainable outcomes for the regional communities that service the resource sector in Queensland.
Action 4: To prepare Terms of Reference for an RDA resource-sector cluster and identify who will be invited to join.	An invitation will be extended through the national RDA network to join a 'resource-sector cluster' that will focus on reducing the impacts and maximising the benefits of the resource sector in regional Australia.
Action 5: To establish a 'place-based' strategy for the three RDA regions of MIW, FCW and WBB.	Future development of the 'place-based' strategy of 'strengthening the social fabric of resource communities through liveability'.

Recommendations

- *TO SUPPORT AND IMPLEMENT THE FIFO PARLIAMENTARY INQUIRY*

9. SUMMARY

The Central Queensland region has a unique suite of assets and advantages, including a diverse economy built on the success of the industrial and agricultural sectors. However, the region is also under increasing social, economic and environmental pressures.

To achieve the RDAFCW vision of a liveable and sustainable Central Queensland, projects will be needed in the priority areas of:

- creating social value
- strengthening the region's economic contribution
- optimising environmental outcomes
- developing a culture of regional policy and innovation

Through these action areas, Central Queensland is well placed to take a leading role in delivering on national and state agendas, whilst ensuring maximum benefit and value for our local communities. It is RDAFCW's belief that this Regional Roadmap will be the starting point to encourage and support those unique regional communities to work together creatively and cooperatively in an effort to identify local leadership and work towards self‐reliance.

It will also require collection of similar information from the corporate and/ or strategic plans of regional economic organisations, community groups, and industries and businesses across Fitzroy-Central West.

We look forward to working with you to ensure Central Queensland takes its place as a region offering outstanding value for its own residents, as well as for the state and nation.

10. ENDNOTES

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