

LIBERAL NATIONAL PARTY NORTHERN DEVELOPMENT POLICY COMMITTEE

## **The Australian Parliament's Inquiry into the Development of Northern Australia**

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LNP Northern Development Policy Committee submission

2/17/2014



The submission responds to the Australian Parliament's Northern Australian Committee's Inquiry into the development of northern Australia (the Inquiry). It addresses the terms of reference as it applies to the northern region of Queensland that is above the Tropic of Capricorn (the region).

17 February 2014

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Dear Sir/Madam

The Liberal National Party's (LNP) Northern Development Policy Committee (the NDPC) responds to the Australian Parliament's Northern Australia Committee's (the Committee) call for submissions to its inquiry into the development of Northern Australia. The NDPC is a Committee of the LNP's Policy Standing Committee.

Our responses reflect considerations of the LNP inasmuch they pertain to the Queensland region above the Tropic of Capricorn and confined to issues that have direct relevance.

The submission addresses the inquiry's term of reference stated in the Committee's 16<sup>th</sup> December 2013 media statement:

"The Committee will 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 mineral, 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; and
  - 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.

The foundation of the LNP's submission is the Party's democratic principles which include:

*(viii) looking primarily to the encouragement of individual initiative and private enterprise as the dynamic force of progress.*<sup>1</sup>

Thank you for your consideration of the attached submission. We would be pleased to provide further comment on any matters in our submission that may require clarification.

Yours sincerely

**Bruce McIver**  
President  
Liberal National Party

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<sup>1</sup> Liberal National Party, Constitution, Democratic Principles, p.9, at [www.lnp.org.au](http://www.lnp.org.au).

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## Part 1 Overview

The submission responds to the Australian Parliament's Northern Australian Committee's Inquiry into the development of northern Australia (the Inquiry). It addresses the terms of reference (T o R) as it applies to the northern region of Queensland that is above the Tropic of Capricorn (the region). These are:

- examine the potential for development of the region's mineral, 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; and
  - 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.

The Coalition's *2030 Vision for Developing Northern Australia* states "that by 2030 Northern Australia should drive growth by:

- developing a food bowl, including premium produce which could help to double Australia's agricultural output;
- growing the tourist economy in the North to two million international tourists annually; and
- building an energy export industry worth \$150 billion to the economy with a major focus on clean and efficient energy, providing major increases to resource exports.

There are also opportunities to leverage some of Australia's broader strengths within the region, including:

- establishing world class tropical medical centres of excellence in the North;
- creating an education hub with world class vocational and higher education campuses in selected areas; and
- growing exports of technical skills related to resources and agriculture into a \$7 billion a year industry."<sup>1</sup>

Supporting the Coalition's *2030 Vision for Developing Northern Australia (the Vision)* is the Queensland Government's *Queensland Plan*<sup>2</sup> (*the Plan*) setting a 30-year vision for the state with high level directions for its future delivered through a series of supporting strategies and action plans.

The submission is based on key principles which are identified in Part 2.

The region has in place some of the social and economic architecture and the emerging regional plans<sup>3</sup> to achieve the goals of *the Vision* and *the Plan* to maximise its growth and development potential. The urgent need is the provision of the essential infrastructure, social amenities, utilities, services, financial products, red tape reduction, reliable communications, research and development and incentives to make - over the long term - *the Vision* and *the Plan* a reality.

The Queensland Commission of Audit Report found that long-term economic projections indicate that Queensland's per capita economic growth rate over the next 40 years is likely to be significantly lower

than that of the last 25 years. This means that further development of the northern region becomes a paramount necessity. It has the potential to contribute significantly to increasing the per capital economic growth rate both in the state and the national interests and add to the quality of life and standard of living for all Australians.

The Inquiry coincides with the potential loss of up to 30,000 automotive and component parts manufacturing jobs over the next three years in what are now the old industries. Change and transition is underway. There is the potential for new and innovative business and job opportunities in the region, and indeed all of Northern Australia, where there is vast agricultural and value adding potential. Relocation policies and program must be a cornerstone of the Inquiry's deliberations.

Looking beyond completion of the Inquiry to the assumed implementation of the strategy, it is important that residents and existing and potential investors in the region are able to identify with, have access to the leadership and to be able to communicate with them on the major decisions or policies or legislation relating to their quality of life, jobs, growth, and development.

The Coalition's 2030 Vision for Developing Northern Australia states: "*No longer will Australia be seen as the last frontier, it is in fact, the next frontier*". The time has come for the Government to "listen to the locals" and introduce the policies and work in partnership with private enterprise to progress the region's long term economic and social development. In this way Northern Australia can reach its potential providing the quality of life and standard of living to which all Australians aspire.

Robyn Quick  
Policy Chair  
LNP North Queensland Development Policy

## Part 2 Principles

The submission rests on the following principles:

- (i) The LNP's democratic principles which include:
  - (viii) *looking primarily to the encouragement of individual initiative and private enterprise as the dynamic force of progress.*<sup>2</sup>
- (ii) *The potential for major economic value recognised and acted upon*
- (iii) *The fundamental requirements of security of energy, water, transport and infrastructure; population growth with services to support such growth provided over the medium to longer terms*
- (iv) *Clear policy guidelines to provide security and certainty for investment decisions*
- (v) *Productivity parameters including flexible work place relations, research and development provided to build a strong northern economy*
- (vi) *Joint cooperation between all levels of Governments*
- (vii) *Recognition that indigenous communities are critical to achieving the potential economic and social development of the region*
- (viii) *Recognition that development of the North will benefit all of Australia, not just the region, providing the quality of life and standard of living to which all Australians aspire*
- (ix) *The need for human capital on which communities, a skilled labour force, economic enterprise and society can be structured*
- (x) *Secure land tenure to expand and diversify land use activities such as agriculture<sup>3</sup>, grazing, horticulture, forestry to increase economic development and social and economic well being*
- (xi) *Reliable communications technology and internet connectivity for social cohesion; to facilitate productivity and domestic export businesses; mobile coverage; and increased safety*
- (xii) *Capital investment to fund productivity and growth and support turnover*
- (xiii) *New financial structures for owning and operating businesses to attract investment from domestic and foreign investors and capital markets. Business structures may*

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<sup>2</sup> Liberal National Party, Constitution, Democratic Principles, p.9 at [www.lnp.org.au](http://www.lnp.org.au).

<sup>3</sup> Broadacre and irrigated cropping, sugarcane, horticulture, grazing, intensive livestock, pastures, sown grass and forestry, tourism

*include evolving equity partnerships, variants of share farming and off-take agreements*

- (xiv) Access to supporting efficient economic transport infrastructure to facilitate in the medium term and sustain in the long term industry development*
- (xv) Sustainable social services and social physical infrastructure for remote and rural areas to underpin economic development, social and economic well being*
- (xvi) Legislative and regulatory measures that facilitate and not impede*

### Part 3 Location and Population

3.1 The northern region of Queensland (the region) may be depicted as the area above the Tropic of Capricorn - the latitudinal line of 23° south. Towns located just north of the latitude 23° south include, Winton, Dysart, Murrumbidgee, Clermont and Boulia. Towns located just south of the proposed border include Rockhampton, Longreach, Emerald, and Barcaldine. The common Queensland/Northern Territory boundary line forms the western border. About half of Queensland's land mass lies above the Tropic of Capricorn.

3.2 The region has six cities - Cairns, Townsville, Mackay, Rockhampton, Mount Isa, Charters Towers and diverse medium to small size towns. There are some 50 local government associations.

3.3 At 30<sup>th</sup> June 2012 an estimated 824,116 persons lived across the four Australian Bureau Statistical Regions<sup>4</sup> and the Capricorn Coast<sup>5</sup> - some 18% of the total Queensland population.

Far North Queensland	268,261
Northern Region	229 210
Mackay Region	176,083
North West Region	35,143
Capricorn Region	115,419
Total	824,116

3.4 The wealth generated in the region annually is estimated at \$60 billion drawn from all sectors from minerals to service.<sup>6</sup> Other economic and statistical research data indicated that the collective output is some \$74.5 billion.<sup>7</sup> The estimated value of projects currently underway, approved or proposed in the region is \$78.23 billion.<sup>8</sup>

3.5 Increased population and human capital is necessary for the region to further grow and prosper. *The Plan* envisages that the state will face a rapidly changing future with significant population growth heading toward eight million people. The aspiration is that in 30 years, to have half of the state's population living outside south east Queensland.<sup>9</sup>

3.6 Over the last three years people have been relocating to regional areas in Queensland for "quality of life, jobs in the gas and mining industry and cheaper homes."<sup>10</sup> Relocation policies and programs are necessary to assist industry and employees to move out of the south-east corner. A case, for example, could be made for southern urban based meat processing plants to move to major regional centres closer to beef cattle production areas.

3.7 This relocation would help with the City/south east infrastructure requirements by reducing transport in and out plus employee travel in and out congestion. Moving the processor, whether it is meat or other, would reduce the transport and productivity costs of the raw product for both the supplier and the processor and therefore the end user. Australian businesses would benefit by increased profitability.



3.8 Relocation policies and programs must be a cornerstone of the Inquiry's deliberations. The automotive and some component part industries over the next three years are transitioning towards closure. There is the potential for new and innovative business and job opportunities in the region, and indeed all of Northern Australia, including for export markets, where there is vast agricultural and value adding opportunities.

3.9 The potential to populate the north means it must be underpinned by strong and functioning commercial and administrative centres and a decentralised bureaucracy that reflects the region's landscape, culture and industries and delivers the services.

## **Part 4**

### **Land Tenure**

4.1 The region has an established land tenure system incorporating the full suite of Queensland land tenures of which the majority is state owned land. Leasehold land in several forms is the main tenure.<sup>11</sup>

4.2 Land ownership systems underpins much of government policy making and program delivery, including functions such as taxation, land administration, administrative boundaries, regulation and land use management.

4.3 Land tenure is fundamental to provide investor and community confidence. To deliver the region's potential, it must provide for the financial security in development/property markets; development planning and economic growth strategies; social stability through housing and employment; and natural resource, environmental and cultural management.<sup>12</sup> Lands that are potential good quality agricultural land should not be included in any Strategic Environmental Areas (SEAs).<sup>13</sup>

4.4 The Queensland Government in 2012 instigated an inquiry into the 'Future and Continued Relevance of Government Land Tenure across Queensland'. As a consequence, reforms have commenced to promote greater certainty for rural leasehold land. This includes red tape reduction in lease renewal and setting clear pathways to upgrade from leasehold to freehold. Additionally it is the government's intention to reform the *Land Act 1994* and other land legislation to modernise the principles and purposes of land administration, management and disposal. The focus will be on:

- investment certainty and sustainable land management focusing on leases for tourism and other commercial purposes
- management of reserves and roads including stock routes.

In parallel, there will be the development of a smoother approach to native title negotiation and incentives for all parties to seek resolution.<sup>14</sup>

4.5 These recent and proposed changes have the potential to enable more diverse uses within tenures and clarify access and use rights where there are various entitlement holders.

4.6 Evolving agriculture and industrial developments will require attention to additional tenures such as water and biodiversity and to clarify indigenous interest in land and water.

## **Part 5**

### **“examine the potential for development of the region’s mineral, energy, agricultural, tourism, defence and other industries”**

5.1 The region has enormous potential for future growth and development derived from value adding to its suite of natural resources and its location as the gateway to Asia Pacific. With further sustainable development it has the capacity to contribute significantly to the State and Nation’s prosperity.

#### **5.2 Potential for Mineral Development**

5.2.1 The region is recognised internationally as an important source for a broad range of base metals, coal production and mineral development opportunities. It contains an estimated 75% of Queensland’s total metalliferous resources (e.g. copper, silver, lead and zinc) and is recognised as a world-class exploration destination.<sup>15</sup> After coal, base metals are the most important resource of the Queensland’s mining industry.

5.2.2 There are three major mineral processing plants that operate in the region; these are Sun Metals Zinc Refinery (Townsville), Queensland Nickel Limited (Townsville) and Xstrata Copper (Mount Isa).

5.2.3 The region includes the highly productive Bowen Basin with its significant mining support businesses; the vast coal deposits of the developing Galilee Basin; the Carpentaria Mount Isa North West Minerals Province; the North East Minerals province west of Cairns and the alumina rich deposits of Cape York.

5.2.4 The region’s coal industry has both an established sector and the potential for substantial expansion capacity particularly in the Galilee Basin. Freight corridors either are well developed or are being planned to service pending new mines. World best practice bulk export ports provide strategic access to markets with the capacity to meet potential export demand that derive from new contracts in the Asia Pacific.

5.2.5 A critical issue to be addressed in the short to medium terms is water supply for developing mines in the Galilee Basin to avoid their accessing and utilisation of artesian groundwater. It is essential that alternative water supplies are sourced. Two potential water storages, the Connors River Dam and the Urannah Dam on the Broken River, would alleviate the necessity of extracting the artesian groundwater. Such water storages would eliminate concerns of the beef cattle industry, communities and small townships reliant on the artesian groundwater.

5.2.6 Mineral mining is undergoing a transformation in the north-west. Current copper mining operations across five mines, it appears, will cease as from 2019 putting in jeopardy some 5000 jobs. Xstrata Mount Isa Mines is investigating the viability of a large, multi-commodity open pit mine. If proven viable, the Mount Isa Open Pit has the potential to extend the life of the existing Mount Isa operations 20-30 years.<sup>16</sup>

5.2.7 The potential for future mineral development lies with the rich largely untapped deposits. The Queensland Government has introduced a Mount Isa Geophysics Initiative which includes major seismic

and crustal conductivity (magnetotelluric) surveys in the Cloncurry, Julia Creek and Dajarra-Boulia areas. These surveys will run from 2014-15 to 2015-16, and will help to reduce exploration risk by improving understanding of both regional sub-surface geology and cover thickness and character. This investment in new data and knowledge has the potential to stimulate further Greenfield exploration in one of the most prospective regions of the world.<sup>17</sup>

5.2.8 The Queensland Government has begun to investigate ways to unlock \$4 billion worth of mineral resources which includes the potential for developing commercially viable deposits of rare earth elements in the North West Minerals Province. The former Mary Kathleen uranium mine is one of the potential locations for rare earth resource development.<sup>18</sup>

5.2.9 Bauxite has been mined at Weipa in Queensland's Cape York for 45 years, and operations are likely to continue for at least another 40 years. That region's communities and economy rely heavily on it for infrastructure, jobs, business opportunities and services. New and/or expanded operations could significantly increase bauxite production from the region.<sup>19</sup> There are potential bauxite projects either under consideration or planned for Cape York. These include the Aurukun Bauxite Project, Cape Alumina and the Wongai Projects. Weipa is the production and export hub for bauxite, which is refined and smelted to produce aluminum at the Yarwun refineries, both located in Gladstone.

5.2.10 Essential to the development of the bauxite mining industry on Cape York, is the need for clear regional planning guidelines. This enables confident investment decisions by mining companies which have the support of the Traditional Land Owners,<sup>20</sup> local government authorities and the general community.

5.2.11 In October 2012, the Queensland Government announced for the recommencement of uranium mining in Queensland, governed by strict environmental, safety and approval processes. An action plan has been released to implement best practice regulatory framework for uranium mining.<sup>21</sup> This aims to ensure maintenance of strict environmental, safety and approval standards complementing a detailed report by the Uranium Mining Implementation Committee.<sup>22</sup> The action plan proposes to enable applications for uranium tenements to be processed as early as July 2014<sup>23</sup>

5.2.12 Potential mineral developments in the region are considerable, but to proceed these must be underpinned by efficient transport and energy networks. The current freight and energy networks are barely meeting existing demand with little capacity for anticipated growth particularly in the resources sector.

5.2.13 Mining should be considered as part of an integrated development approach, along with other industries.

5.2.14 Stable local employment opportunities must be considered carefully in any potential or new mining projects. Fly-in-fly-out (FIFO) and Drive-in-drive-out (DIDO) workforces may weaken some local towns and communities' economies and amenity. Rockhampton and the Capricorn Coast have the potential and opportunity to become a localised FIFO airport centre with Cairns and Townsville providing a balance for more regional projects. Provision of infrastructure development as an element of approval would make some projects unviable therefore a balance needs to be considered.

5.2.14 Recommendations:

- *Recognise and support the potential for the expansion of coal production particularly in the Galilee basin contributing to exports*
- *Recognition and support for the ongoing development of the Carpentaria Mount Isa North West Minerals Province and its potential to contribute to national wealth through e.g. employment*
- *Recognition and support for the ongoing development of the North East Minerals province west of Cairns and its potential to contribute to national wealth through e.g. employment, new small and medium businesses*
- *Recognition and support for the ongoing development of the alumina rich deposits of Cape York and its potential to contribute to national wealth through e.g. employment, new small and medium businesses*
- *Recognition and support for the development of uranium mining and its potential to contribute to national wealth through e.g. employment, new small and medium businesses*
- *Resolution to the short to medium term water supply for developing mines in the Galilee Basin to avoid their accessing and utilisation of artesian groundwater*
- *Action on the supply networks including energy and transport which are barely meeting existing demand with little capacity for anticipated growth*
- *Recognition and action that local communities may be economically and socially weakened due to FIFO and DIDO workforces but a balance needs to be maintained to provide a reliable workforce.*

### **5.3 Potential for Energy Development**

5.3.1 The potential for energy development across the region is enormous. Future mineral, agricultural, community and social development is dependent on a competent and secure power supply. In a modern economy, availability of power supplies for economic and social development at a competitive price is essential.

5.3.2 Over the past fifteen years there has been a push from environmental groups to replace coal fired power with so-called “environmentally friendly” sources such as wind and solar. Recent studies have disclosed that the capital cost and unreliability of these two sources, particularly wind, do not result in a lowering of overall carbon emissions and the public goal of renewable energy has done little other than raise the overall cost of power.

5.3.3 Access to adequate reliable and cost effective base load electric power is a constraint on the economic development of the region. The time has come to evaluate the opportunity to develop a base load power station to supply the future demands of the region.<sup>24</sup> At the same time the transmission infrastructure should be examined to ensure that there is an efficient interconnector to the grid and redundancy to satisfy major industry development projects.

5.3.4 The construction of a coal fired, base load power station in the region is an urgent need for the following reasons:

- Availability of power at cost competitive prices is essential for industry to develop and to prosper
- Since the closure of Collinsville most of North Queensland’s base-load power is generated outside of the region and is transported via high voltage power lines
- Power losses are experienced during transportation and these losses are exacerbated by distance and high temperatures

- Modern power stations have minimal emissions of dust, soot, and harmful gases, such as sulphur dioxide and nitrous oxide, because these pollutants are removed by scrubbers before they get to the smokestack
- Transmission infrastructure (i.e. high voltage power lines) already exists at Collinsville.

5.3.5 Both federal and state governments could facilitate such a project by providing appropriate incentives to the private sector and by fast-tracking environmental approvals, etc.

5.3.6 Reliable sources of cost competitive power are essential if the planned agricultural development such as the Flinders and Gilbert Rivers projects<sup>25</sup> is to proceed and the North West mineral province expanded.

5.3.7 In remote areas not serviced by the electricity grid, Federal and State governments should revisit the *'Remote Area Power Supply Scheme'* that operated under the Howard government and consider a similar scheme using a combination of renewables, diesel power and battery storage. The Federal government could employ such schemes on remote aboriginal communities such as Doomadgee and Mornington Islands as demonstration sites under its renewed efforts to break the poverty/welfare cycle. It should be noted that diesel fuel often needs to be flown into Doomadgee in drums during the wet season – a very expensive exercise.

5.3.8 The Tully-Millstream proposal (rebranded to "Kareeya B" to dispose of any previous negative connotations - there is already an existing small PowerStation "Kareeya") should be revisited. This should be a 600MW PowerStation (as opposed to Barron Gorge's 60MW). It is clean green energy and more efficient than wind or solar. Overall, the whole scheme would involve the clearing/flooding of less than 150 hectares. This would partly address the growing massive deficit of power generation in the north and the need to unnecessarily import large amounts of electricity from the south. It would avoid major greenhouse gas emissions and have negligible environmental impact.

5.3.9 Power supply for new agricultural precincts like the Gilbert River Area is a necessity. Three-phase power is required to provide for sugar mills, cotton gins, meat works and farming enterprises etc. The potential for energy development involves:

1. Review the management of existing energy distribution and supply in the region.
2. Review the available options for the provision of a safe, reliable source of power to supply existing and future needs, including an assessment of hydro-electricity as a source of power.
3. Provide security for investments in industry developments by the provision of low cost base load power.
4. Encourage the development of renewable energy systems at the individual and community level in remote areas unable to access grid power. Wind and solar power sources, including remote area power systems should also be considered in the mix of sources of power in such cases.
5. Support the future development of the Carpentaria minerals province and development of a cost effective energy and resources corridor with economic benefits for the region.
6. Support major users to implement the option of the transmission line traversing the ~~clean~~ north west energy corridor so that the region could become a net exporter of cost effective energy.

7. Implement as a priority, a major and detailed Maintenance Program for existing northern power infrastructure. The northern system is not gold plated and requires urgent and ongoing maintenance.
8. Electricity price parity needs to be continued in Queensland for businesses in the region to be competitive.

#### 5.3.10 Recommendations

- *Recognition of the potential and need for energy development and provision of secure power supply across the region for mineral, agricultural, community and social development*
- *Evaluate the opportunity to develop a base load power station to supply the future demands of the region. Federal and state governments could facilitate such a project by providing appropriate incentives to the private sector and by fast-tracking environmental approvals, etc.*
- *Examine the transmission infrastructure to ensure that there is an efficient interconnector to the grid and redundancy to satisfy major industry development projects*
- *Revisit the 'Remote Area Power Supply Scheme' that operated under the Howard government and consider a similar scheme using a combination of renewables, diesel power and battery storage for remote areas not serviced by the electricity grid, for remote and indigenous communities*
- *Re examine the Tully-Millstream proposal (rebranded to "Kareeya B") to address the large deficit of power in the north of the region*
- *Recognition that power supply for new agricultural precincts such as the Gilbert River Area is a necessity and action instituted*
- *Support the future development of the Carpentaria minerals province and development of a cost effective energy and resources corridor with economic benefits for the region*
- *Implement a major and detailed Maintenance Program for existing northern power infrastructure.*

### 5.4 Potential for Agricultural Development

5.4.1 The region's agricultural potential is founded on the Queensland Government's Agriculture Strategy<sup>26</sup> which is to double Queensland's agricultural production by 2040. Four key pathways are proposed:

- securing and increasing resource availability
- driving productivity growth across the supply chain
- securing and increasing market access
- minimising the costs of production

5.4.2 Much agricultural development would occur with private investment and productive supporting social and economic infrastructure as a natural and ordinary consequence if Government relaxed red and green tape around vegetation, water, land and environmental regulations.

5.4.3 The Queensland Government has made reforms to land tenure and laws on vegetation clearing, allowing for a level of sustainable development around high value agriculture. More needs to be done to remove uncertainty such as pertaining to tenure and water security; Federal and State Government restrictions on controlling native predators and the locking up of productive agriculture in SEAs<sup>27</sup> to foster confidence and development.

5.4.4 Areas for potential agricultural development include:

- Gilbert River and Flinders Precincts<sup>28</sup>
- Upper Herbert River alluviums (i.e. Tirrabella, Euramo stations etc.)
- Further expansion of Mareeba Dimbulah Irrigation Area via the proposed Nullinga Dam<sup>29</sup>
- Areas within Cape York (i.e. Endeavour Valley, Lakeland, Springvale, Kings Plains, Olive Vale, the Hopevale-Mclvor-Starcke areas, Billy's Lagoon, Merluna, Watson River, Bertiehaugh, Bramwell and Koolburra and areas of red soils (Red Kandosols and Alluvial frontage to Palmer River, Red soils around Aurukun etc.)
- Etheridge Integrated Agricultural Project<sup>30</sup>
- Fitzroy Agricultural Corridor<sup>31</sup>
- The Urannah Water Storage Scheme<sup>32</sup>
- The Connors River project<sup>33</sup>

5.4.5 These areas developed and functioning have the capacity to be both the food bowl for Australia and the Asia Pacific. The areas within Cape York identified in 5.4.4 should not be included in any proposed SEAS for reasons of long term, food security and to meet aspirations of many traditional land owners and Indigenous people of Cape York.<sup>34</sup>

5.4.6 The CYPLUS Soil Survey and Agricultural Suitability of Cape York Peninsula<sup>35</sup> - the agricultural land suitability assessment - indicated the following areas on Cape York were suitable for:

- peanuts and sorghum, maize (243 300 ha)
- sorghum, maize (1 8 12 000 ha)
- high input pastures (3 445 300 ha)
- low/medium input pastures (4 448 400 ha)

5.4.7 The potential for agricultural development is apparent. It must be complemented by understanding of the available ground and surface water resource and its best commercial use.<sup>36</sup> In the short to medium term, water trading restrictions should be reassessed to provide for small quantities of sub artesian water (e.g. 50 megalitres) to be temporary transferable within a catchment. Surface Water Trading Zones are too restrictive and over the medium term, management and administration of water use must be improved.

5.4.8 Value-adding the regions' agriculture is a natural corollary of development. This requires facilitation and support for private investment in regional food processing and other value adding opportunities whether this is in horticulture (cannery) or beef (meat processing) capability.

#### *Beef Cattle Industry*

5.4.9 The beef cattle industry co-exists with other sectors and has been a long term contributor to the region's economy, culture and land management. The region includes the area recognised as the Beef Capital of Australia based on Rockhampton. It is the centre of an important industry providing employment and supports a major meat processing plant and associated small businesses.

5.4.10 The beef cattle industry has three components - beef for domestic and export markets, the live cattle export trade and breeding. Setting aside the beef cattle industries current difficulties, there is vast potential for the intensification of and value adding to the beef cattle industry in the region. Its expansion and sustainability rests on enhanced access to and use of water, improved infrastructure



(especially the road network)<sup>37</sup>, reform of leasehold conditions, improved pasture<sup>38</sup> and meat processing capability.

5.4.11 Value adding underpinned by capital investment is critical for the beef cattle industry's future growth. Offstream water storages such as the Flinders and Gilbert River's catchments provides for irrigation of fodder/grain crops for feedlotting, turning off a constant supply of fat cattle enabling the establishment of an economically sustainable meat works.<sup>39</sup> Such developments have the potential to build wealth across the whole supply chain and through strong trade relationships and market access initiate innovative marketing and unique branding. There are potential trade opportunities with the Asia Pacific through live cattle and boxed beef.

5.4.12 To facilitate value adding, road networks must be enhanced to allow all weather access to the meat works or other markets and the skilled labour force assisted through training regimes and continued support for 457 visas.

5.4.13 In developing ways to open and manage trade opportunities in existing and potential markets, biosecurity policies, practices and services must be best practice to minimise risk to each agricultural sector including the beef cattle industry. Ongoing vigilance coupled with cost effective measures is required to prevent exotic diseases entering through the North - preferably without burdensome costs on industry. Animal husbandry veterinary services must be improved to align with production growth. In the medium term consideration should be given to the establishment of an animal husbandry veterinary school of learning e.g. in the Croydon / Etheridge Shires.

5.4.14 The beef industry has the potential to provide for significant and sustainable wealth creation for Indigenous communities through direct employment and business ventures. Indigenous and non-Indigenous industry joint venture partnerships must be encouraged for capacity development and industry growth.

5.4.15 Growing the capacity of the region's beef cattle industry requires a focus on skills and training and targeted research, development and extension programs by both government and the private sector. There is a need to substantially increase the tertiary, technical (including practical hands-on training) and educational support base that is focused on northern Australia's agricultural needs for it to reach its potential as a food bowl. These are different skills sets e.g. ecological and climatic challenges, natural resource management, animal husbandry.

#### *Macropod Harvesting Feral Animal Farming*

5.4.16 The commercial macropod harvesting industries has potential in the region - in the central west. This would be enhanced with new approaches to sustainable water storage in the area.

5.4.17 Ecologically sustainable farming of macropods has huge potential as a natural environmentally friendly alternative to sheep, goat and cattle grazing. It must be recognised that macropods have become a significant problem with unsustainable numbers and overgrazing. In the current 2013-2014 drought some properties have destocked only to be overrun by up to 5000 kangaroos which have denuded any grass that was available.

5.4.18 International markets for macropod lean protein are imperative to the economical, sustainable farming of this natural resource.

5.4.19 The harvesting of other feral animals e.g. wild pigs must be considered. These animals are an ecological and biological problem for the region and indeed all of northern Australia. Any introduction of disease would be carried by these animals and either harm or destroy agricultural production. As a priority, an eradication or harvesting program should be introduced. Wild pig should be considered as a resource, promoted and international markets secured.

#### *Cane growing*

5.4.20 Cane growing is synonymous with the east coast of the region from south of Plane Creek through to Mossman. Future potential rests on productivity increases, reduction of business costs and diversification of industry income into ethanol and other fermentation products.

5.4.21 Market access will be enhanced with the conclusion of free trade agreements with the Asia Pacific where sugar is able to compete more equably with other nations.

5.4.22 Value adding prospects are considerable with an ethanol and power generation facility planned for Ingham. It will be the first of its kind in Australia and operational by June 2016.<sup>40</sup>

#### *Dairying*

5.4.23 Dairying produce rests with liquid milk on current pricing (butter, cheese & other dairy products). Future growth relies on the development of niche markets which has the potential to increase production e.g. Mungalli dairy, Gallo's Dairyland and a Tablelands Regional Brand. To ensure the long term sustainability of the dairy industry, a secure non-domestic supply contract that pays above domestic sales price must be the goal. Some interest from non-domestic customers is being pursued.

5.4.24 Scope exists for another small processor or a 'niche' to source for example an extra 15-16 megalitres of milk. Recently there has been the creation of a local milk brand "Misty Mountains Milk" by Mungalli. Free-trade with China and Vietnam has the potential to grow another large milk market therefore removing the reliance on the supermarket oligopolists. There are significant opportunities as indicated by New Zealand's milk export experience to China which is worth \$10 billion; a 45 per cent increase from the 2012 level.

#### *Goat farming*

5.4.25 Goatmeat is widely consumed meat in the world. China, India and Nigeria are the largest producers and consumers of goatmeat. There is potential to grow North Queensland goat meat industry from breeds like Boer and Kalahari Reds. There is substantial demand from Middle East and South-East Asia. Australia is a relatively small producer of goatmeat but is the world leader in goatmeat exports. Australian goatmeat exports were worth A\$145.8 million FOB in 2012-13. Malaysia, Singapore and Brunei are the largest live export markets for Australia.

5.4.26 Currently, Australia cannot satisfy the demand for goatmeat and indicators are that the need will continue to grow. The industry has room for growth as it currently remains constrained by several aspects including inconsistent supply and quality. Goat farming has the potential to level out these peaks and troughs and ensure product consistency. Supply chains need to be developed to better meet the needs of potential markets and add value to the industry. Western Australia, which has an established industry, cannot keep up to the demand. Goats, as browsers, can co-exist with cattle and

don't compete for food. This would provide an extra income stream for beef producers. The climate and landscape of parts of Gulf Plains, Einasleigh Uplands and parts of Cape York lend itself to goat farming. The potential exists to grow goat export from the Port of Karumba.

### *Fishing and Aquaculture*

5.4.27 Recreational boating and fishing are popular lifestyle activities for people living in and visiting the region and contributes significantly to local economies. These activities should be maintained and encouraged and not unduly restricted by unnecessary regulatory controls.

5.4.28 In the region, aquaculture -primarily prawns and barramundi - is an industry which "has huge potential for growth". To maximise productivity in the near to medium term, "regulatory burdens" must be eased and a regulatory framework developed that assists it to prosper.<sup>41</sup>

5.4.29 Commercial fishing in the region must be underpinned by regulatory certainty allowing confident businesses to decision making. Fishing zones should not be further restricted.

### *Horticulture*

5.4.30 The horticulture industry is a significant economic and social contributor in the region. It has enormous growth capacity particularly in Far North Queensland which has been identified as having the biophysical potential for perennial horticulture.<sup>42</sup>

5.4.31 Horticulture is labour intensive with a strong dependence on both skilled and unskilled permanent and casual workers. It had linkages with the tourism industry, with itinerant travelers many from overseas seeking income from seasonal picking. Visa restrictions that impede tourist and transitions and movements should be streamlined to allow seasonal be meant particularly in peak periods.

5.4.32 The potential of the horticulture industry must be underpinned by biosecurity policies and practices that protect the sector's capacity to produce profitably for all markets.

5.4.33 Fundamental to the productivity of the horticulture must be research, development and extension (RD&E). There must be ongoing investment from both government and the private sector in RD&E so that the sector is at world's best practice in all of its phases so that it is competitive.

### *Marketing and Market Development*

5.4.34 Marketing and market development are essential to assure the potential of agricultural expansion in the region. Profitable marketing of the region's produce has been a significant limiting expansion factor for existing industries and the development of new agricultural areas. Contributing factors include the handicap of high transport costs to distant southern markets.

5.4.35 Any assessment of potential for expansion of the region's agricultural capacity must include a thorough investigation of potential markets and the efficient and profitable transportation of the product to such markets. This should include the better availability of marketing intelligence and crop forecasting services to assist with the making of informed production choices.

5.4.36 The potential for agricultural production resides with crops and the products in which the region has natural marketing advantages over other parts of the country. Products that compete in southern markets with other Australian production, the focus should be on trade opportunities and new markets in the Asia Pacific rim to capitalise on transport and marketing advantages.

5.4.37 The expansion of agricultural production into new areas will bring new challenges in terms of pest and disease control, irrigation and nutrient management, varietal suitability and selection etc. Targeted research and development programs will be necessary to ensure that the quality of each commodity is of the highest standard to enable it to have a competitive edge in the market place.

#### 5.4.38 Recommendations

- *Recognition and support for the potential of the region's agricultural developments e.g. identified in 5.4.4 and the urgent necessity for supporting productive social and economic infrastructure and private investment capital*
- *Further and timely reductions in red and green tape around vegetation, water and land to facilitate the agricultural and value adding developments throughout the region*
- *Modeling of the groundwater and surface water demand to ensure long term security of the resource*
- *Value adding potential aided by facilitation and support for private investment in regional food processing and other value adding opportunities such as a cannery and meat processing capability*
- *Recognition and support for the vast potential for the intensification of and value adding to the beef cattle industry in the region*
- *Recognition and supported by action that the beef cattle industry's expansion and sustainability rests on enhanced access to and use of water, improved infrastructure (especially the road works), reform of leasehold conditions, improved pasture and increased global market access*
- *To facilitate value adding capability, road networks must be improved to allow all weather access to proposed meat works and other markets*
- *Recognition and support for additional skilled labour assisted through training regimes and continued support for 457 visas*
- *Biosecurity policies, practices and services must be best practice*
- *Recognition and support for Indigenous communities to engage in the beef cattle industry either as business ventures or direct employment*
- *Continued research and development that relates to the agricultural sector*
- *Recognition and support for macropod harvesting in the central west and north west*
- *International markets for macropod lean protein are imperative to the economical, sustainable farming of this natural resource*
- *An eradication or harvesting program of feral animals such as wild pig should be introduced. Wild pig should be considered as a resource, promoted and international markets secured*
- *Recognition and support for the potential of cane growing from productivity increases, the reduction of business costs (which includes red and green tape), and the diversification of industry income into ethanol and other fermentation products*
- *Recognition and on-going support for free trade agreements with the Asia Pacific to enhance market access for all agricultural products*
- *Recognition and support for cane growing's value adding opportunities from ethanol production and power generation*
- *Recognition and support that the dairying industry has the potential to increase production through the development of niche markets in both domestic and export markets*

- *Recognition and support that goat farming has the potential to expand to service export demand in the Middle East and South-East Asia*
- *Assessment and thorough investigation of potential markets and the efficient and profitable transportation of the product to markets*
- *Marketing strategies should utilise the regions location to the Asia Pacific rim*
- *Targeted research and development programs to assist existing and potential developments meet challenges such as pest and disease control, irrigation and nutrient management, varietal suitability and selection etc.*
- *Over the medium term consideration should be given to the establishment of an animal husbandry veterinary school of learning in e.g. the Croydon/Etheridge Shires.*
- *Recreational boating and fishing should be maintained and encouraged and not unduly restricted by unnecessary regulatory controls*
- *Aquaculture regulations eased and a new regulatory framework developed*
- *The commercial fishing industry should be provided with regulatory certainty*

## **5.5 Potential for tourism development**

5.5.1 The region's natural environment, climate, diverse culture and unique natural heritage provide enormous potential for the expansion of tourism. The fortunate geographic location and benign climate make the region a globally recognised destination of choice. These attributes enable it to compete successfully in international, national and the interstate tourism and hospitality markets to generate significant business and employment.

5.5.2 The region is known to have six recognised tourism areas. These are Mackay, Whitsunday, Northern (includes Townsville, Charters Towers, Hinchinbrook, Burdekin and Palm Island), Tropical North Queensland (includes Cairns, Cape York and the Gulf), Capricorn Coast<sup>43</sup> (includes the coastal region from below Sarina to Yeppoon along the Tropic of Capricorn) and the Outback (includes Mount Isa, Hughenden, Boulia, Winton and Longreach (part)).

5.5.3 Deloitte Access Economics (Deloitte Study) examined Queensland's tourism outlook and the potential to 2020 for the Queensland Government.<sup>44</sup> It found that Tropical North Queensland is one of the largest tourism destinations for domestic overnight visits.<sup>45</sup> In addition a recent report<sup>46</sup> indicates that the Cairns and Port Douglas hotel sectors showed the best profit growth in Australia due to strong international visitor growth.<sup>47</sup>

5.5.4 The Deloitte Study indicated that "the future growth outlook in the tourism industry will require the expansion of basic infrastructure, such as airports, transport routes and hotels, as well as a larger industry labour force."<sup>48</sup> Labour force issues for the future, whilst not as acute as the Brisbane region, must be kept in mind.

5.5.5 The coastal areas of the region where there are tourism and horticulture employment opportunities that are favoured by Backpackers seeking income from seasonal work. Visa restrictions that impede tourist and transitions and movements should be streamlined particularly in peak periods<sup>49</sup>

5.5.6 The Queensland Government is in the process of preparing a '20 year plan for Queensland tourism."<sup>50</sup> In addition, a process to award two new casino licenses to be integrated into resort developments in regional Queensland is underway.<sup>51</sup>

5.5.7 A potential major project is the proposed \$4.2 billion Aquis resort development north of Cairns. It has received from the Queensland Government the final terms of reference for the development of the environmental impact statement.<sup>52</sup> South of Cairns is the \$1.2 billion Ella Bay Integrated Resort proposed development.<sup>53</sup> On the Capricorn Coast, significant development from Japanese and Australian syndications are expected in this area in the next 2-4 years - worth hundreds of millions of dollars.

5.5.8 Integral to tourism is the transport network. Currently, the forecast is for the region's airports to have the capacity to manage future aircraft movements and to maximise potential tourism growth ongoing aviation route development for direct international flights to and from the region's airports. Road networks require ongoing maintenance and upgrading to enable the expansion of vehicular tourism.

5.5.9 The potential exists for increased ecotourism and outback experiences with upgraded road networks.

5.5.10 Each of the five tourism areas that comprise the region's tourism industry have major projects under consideration or planned that require capital investment such as the Townsville Cruise and Military Ship Terminal, the Cairns Shipping Development Project and the port of Cairns. To facilitate potential projects red and green tape should be mitigated and approval time delays lessened.

#### 5.5.11 Recommendations

- *Recognition and support for the region's tourism industry's enormous potential for expansion due to climate, diverse culture and unique natural heritage and location enabling it to compete with international, national and the interstate tourism and hospitality markets*
- *Recognition and timely support for the region's tourism industry's infrastructure requirements such as upgrading of regional airports, ports, transport routes and hotels*
- *Recognition and planning for an increased labour force to serve the industry as it expands*
- *Ongoing maintenance and upgrading of road networks to enable the expansion of vehicular tourism across the region*
- *Support for tourism project developments by the removal of red and green tape and unnecessary approval delays*
- *Ongoing aviation route development for direct international flights to and from the region's airports*
- *Visa restrictions that impede tourist and transitions and movements should be streamlined*

## 5.6 Potential for defence development

5.6.1 There are several potential defence opportunities for the region. The Queensland Government has established a Defence Industries Queensland (DIQ) entity. It is the state's new focal point for defence industry supports. Its purpose is to create an environment that supports the sustained growth of Queensland's defence industries. The Queensland Government's policy is to win new defence business for Queensland.<sup>54</sup>

5.6.2 DIQ has proposed The HMAS Cairns base has the potential to be upgraded or expanded to accommodate the Offshore Combatant Vessel and replacement of heavy landing craft.<sup>55</sup> It also

proposed that the Townsville RAAF base has the potential to be upgraded to enable unrestricted operations by KC-30 and P-8 aircraft.<sup>56</sup>

5.6.3 In addition, consideration could be given to relocation of the C27J aircraft squadron from RAAF Richmond to RAAF Garbutt in Townsville. The C27J is more a tactical load aircraft that essentially replaces the Caribou and therefore should be located closer to its primary clientele which are the operational forces of the 1<sup>st</sup> Brigade in Darwin and the 3<sup>rd</sup> Brigade in Townsville. The potential benefits of basing the C27J in Townsville include:

- Relocation of some 300 persons many with families
- The building of new infrastructure to house the aircraft will result in consequent business and employment opportunities
- The provision of maintenance support for aircraft may involve contracts with potential for business and employment opportunities
- Townsville is closer than Richmond to a likely operational zone

5.6.4 A Defence aviation precinct could be established at the international Rockhampton Airport. The potential benefits of this proposal include:

- A secure facility dedicated for use by Defence aircraft assets and to service Defence training exercises. Currently Defence operates out of the Rockhampton Airport general aviation area
- A dedicated aviation precinct would Avoid Interruption of general aviation business
- New infrastructure in which to house aircraft which would result in consequent business and employment opportunities
- A facility to host military personnel from Singapore and the United State for defence training and warship operations

5.6.5 The establishment of a warehouse in Rockhampton where Defence can permanently store equipment used in the conduct of training exercises conducted in Shoalwater Bay Training Area. The potential benefits of this proposal include:

- Defence would accrue considerable savings by not having to move large amounts of equipment from bases located long distances from Shoalwater Bay Training Area
- New infrastructure would be required resulting in consequent business and employment opportunities

5.6.6 The Army unit of the 51<sup>st</sup> Battalion of the Far North Queensland Regiment (51 FNQR) and the Navy patrol boat base should remain in Cairns. The potential benefits of this proposal include:

- Both of these organisations provide border surveillance of the sea and approaches to the Torres Strait, Cape York and the Gulf of Carpentaria contributing to national security, the potential to detect illegal activities etc.
- 51FNQR is an important organisation employing and providing valuable skills to Aboriginal persons and Torres Strait Islanders in surveillance duties. This is facilitated by Regular Defence personnel who operate from depots in proximity to Aboriginal and Torres Strait Islander communities in the Far North

5.6.7 Consideration should be given to supporting the sustainment of existing commercial ship maintenance facilities in Cairns. This may lead to opportunities to upgrade the existing ship maintenance facilities or to develop new facilities necessary to support the recently acquired recently acquired amphibious assault ships which will train regularly with Army units located in Townsville.

#### 5.6.9 Recommendations

- *Consideration should be given to relocation of the C27J aircraft squadron from RAAF Richmond to RAAF Garbutt in Townsville*
- *Recognition and support that the HMAS Cairns base has the potential to be upgraded or expanded to accommodate the Offshore Combatant Vessel and replacement of heavy landing craft*
- *Recognition and support that the Townsville RAAF base has the potential to be upgrade to enable unrestricted operations by KC-30 and P-8 aircraft*
- *The establishment of a Defence aviation precinct at the Rockhampton Airport*
- *The establishment of warehouse in Rockhampton where Defence can permanently store equipment used in the conduct of training exercises conducted in Shoalwater Bay Training Area*
- *The Army unit of the 51<sup>st</sup> Battalion of the Far North Queensland Regiment (51 FNQR) and the Navy patrol boat base remain in Cairns*
- *Consideration should be given to support the sustainment of existing commercial ship maintenance facilities in Cairns*

### **5.7 Potential for Indigenous Communities' and Torres Strait Islander growth and development (additional)<sup>57</sup>**

5.7.1 To reach the region's full economic and social potential there must be sustainable growth and development in Indigenous Communities and where possible the Torres Strait Islands.

5.7.2 Industry, business and employment opportunities have the potential to go a long way in improving the quality of live and standard of living of Indigenous Communities and the Torres Strait Island people.

5.7.2 Individual self-reliance and independence through economic and social development will erode the reliance on welfare and enhance the capacity of communities, families and individuals to manage their own affairs.

5.7.4 Where possible, there must be a concerted effort to assist with investment opportunities to provide economic and productive use and outcomes of Native Title lands. For example the Yarrabah Community has a detailed development plan and is seeking private investment to advance it; Hopevale is a shining example of a community where home ownership is now possible and a banana farm and production centre has been established.

5.7.5 The potential for Indigenous Communities' and Torres Strait Islander growth and development rests on an all level-whole-of-government approach that works in cooperation with the Communities and Islanders. Coordination of policies and programs between governments has the potential to deliver better outcomes.

#### 5.7.6 Recommendations

- *Recognition that the full potential of the region includes the sustainable growth and development in Indigenous Communities and where possible the Torres Strait Islands*
- *A concerted effort to assist with investment opportunities to provide economic and productive use and outcomes of Native Title lands*



- *See also text in other Parts of this submission*

## Part 6

### Recommendations that drive or impede economic and social development

#### 6.1 “Enhance trade and other investment links with the Asia Pacific”

6.1.1 The region is geographically situated within the Asia Pacific economies, an important region for trade and long-term economic growth. These economies have the potential to provide the markets for the region’s increasing agricultural and mining export capacity. In terms of the domestic projected capacities of the economies of the Asia Pacific (other than Australia and New Zealand) the demand for resources, housing, food and health care is projected to exceed the ability to supply these fundamental requirements of life.

6.1.2 In developing new or existing industries, the region’s businesses will have to respond to an increasingly competitive market place from trade liberalisation. Additional economic reforms and infrastructure efficiencies at both state and federal must occur to allow it to compete. In this scenario it will be important to develop an international oriented economy in the region that is responsive to the demands generated across the Asia Pacific. This capacity will have to be accompanied by the development of both maritime and air aviation logistics infrastructure to service projected trade expansion.

6.1.3 Export enterprises and industries must be protected from anti-competitive conduct such as dumping and subsidies should be a priority for government.

6.1.4 Free Trade Agreements have the potential to enhance the region’s trade and investment links with new and enlarged markets Asia Pacific. The Trans Pacific Partnership Agreement (TPPA) has the scope and competence to provide a liberalised trade framework on which to build trade relations between Australia and the Asia Pacific. This should be reinforced by the Asia Pacific Economic Cooperation, however if these multi lateral forums are delayed or become ineffectual, Australia should proceed to strengthen trade relations with Asia Pacific on a bi-lateral basis.

6.1.5 The region’s export and investment opportunities should be actively marketed and promoted in Asia Pacific by government in partnership with the private sector, through trade offices, fairs, missions, special events and other activities.

6.1.6 Business/industry investment and employment opportunities in the region should be promoted in the Asia Pacific with accurate and timely information.

6.1.7 In establishing the relationships between Australia and the Asia Pacific, it is important that the cultural relationships between these two regions be developed. In this regard, the initiatives being developed by the Australian Government to support the education of the youth of Australia in tertiary institutions in the Asia Pacific would be applicable for future cultural relations which would support the economic and trade relations of the future.

6.1.8 Recommendations

- *Additional economic reforms and infrastructure efficiencies at both state and federal must occur to compete*

- *Export enterprises and industries must be protected from anti-competitive conduct such as dumping and should be a priority for government*
- *The region's export and investment opportunities should be actively marketed and promoted in Asia Pacific by government in partnership with private sector, through trade offices, fairs, missions, special events and other activities*
- *Business/industry investment and employment opportunities in the region should be promoted in the Asia Pacific with accurate, timely and information*
- *Cultural relationships between these Australia and Asia Pacific should be developed particularly through the initiatives being developed by the Australian Government to support the education of the youth of Australia in tertiary institutions in the Asia Pacific*

## **6.2 “Establish a conducive regulatory, taxation and economic environment”**

6.2.1 The successful implementation of the Coalition's *2030 Vision for Developing Northern Australia* commitment to the development of northern Australia requires a bold and visionary policy framework which will necessarily incorporate a comprehensive program of fiscal incentives large enough to initiate and sustain economic growth and achieve a significant shift in the present population distribution.

6.2.2 To encourage the structural changes to population, attract investment flows and to secure the participation of the private sector, a concessional taxation regime for northern Australia has to be developed. These taxation arrangements would confer significant benefits on northern Australian residents in respect of: Capital Gains, Fringe Benefits and Company taxation and personal rate of taxation. State and Territory Governments should make too, a contribution to the incentive program by a concessional taxation regime which should include Land and Payroll taxes, motor vehicle registration, stamp duty etc.

6.2.3 Government action is required to ensure the regulatory, taxation and economic policies and programs to achieve the outcomes of *the Vision* and *the Plan*. Ideally inbound capital investment will substantially be sourced in Asia and the extent to which Australia's taxation and regulatory settings are not competitive with alternative investment destinations needs to be recognised and addressed.

6.2.4 A low tax, low regulation Special Economic Zone should be established to drive economic development and enable the region to emerge as the nation's and Asia Pacific's food bowl. The experience of similar zones within the region should be drawn upon to establish best practice models.

6.2.5 Given the shortage of capital investment, taxation measures should focus on encouraging capital formation rather than providing direct subsidies for ongoing operations, since the latter will ultimately prove unsustainable.

6.2.6 Economic incentives such as taxation concessions must also enhance Indigenous capacity and capability development for locally based enterprises in their respective communities.

6.2.7 Foreign and domestic Investment should be encouraged where necessary to take advantage of the export agricultural, mining and value adding opportunities. Government must provide the policy and the framework conducive for foreign investment to occur.

6.2.8 Foreign investment controls should be relaxed for major investment in northern Australia. The Foreign Investment Review Board (FIRB) threshold for reviewing foreign investment should be increased and a more liberal attitude to foreign ownership adopted in respect of these assessments.

6.2.9 To counter the noted shortage of fixed capital and the extreme climatic conditions experienced in northern Australia, the government should allow for the depreciation of capital in defined export investment zones over a maximum period of two years.

6.2.10 To enable population growth and economic and social opportunities in the remote areas, taxation concessions that substantially offset the cost of living disadvantages compared with provincial and city living should be introduced. The Zone Tax Offset (rebate) system should be reviewed in this context.

6.2.11 The fuel tax credit rates for taxable liquid fuels should be increased for transport and industry development purposes for areas that are designated regional remote. Ideally such transport taxes should be recognised for input tax credits within the Goods and Services Tax framework.

6.2.12 It is essential that in the short term the Carbon Tax is abolished to relieve a financial and productivity impediment to industry and a living cost distortion for residents. The Mineral Resource Rent Tax should be abolished to enable increased investment in the mining sector.

6.2.14 To raise the necessary guaranteed capital for investment and development purposes in the region, government Northern Australia Infrastructure Development Bonds should be a financial product utilised.

6.2.15 The government should be willing to commit to a portion of the risk based finance on new infrastructure projects, e.g. investing equity in rail and port infrastructure, or providing partial finance guarantees on PPPs where the project is ultimately transferred to the government during the course of its productive life.

6.2.16 Public/private partnerships should be utilised where appropriate.

6.2.17 Recommendations

- *The Government introduce a comprehensive program of fiscal incentives large enough to initiate and sustain economic growth and achieve a significant shift in the present population distribution*
- *Introduction of a comprehensive program of fiscal incentives large enough to initiate and sustain economic growth and achieve a significant shift in the present population distribution. These should include Capital Gains, Fringe Benefits and Company taxation and personal rate of taxation*
- *Government action is required to provide the regulatory, taxation and economic policies and programs to achieve the outcomes envisaged in the Vision and the Plan and the productive infrastructure for the region*
- *A low tax, low regulation Special Economic Zone should be established to drive economic development and enable the region to emerge as the nation's and Asia Pacific's food bowl*
- *Provision of taxation measures should focus on encouraging capital formation rather than providing direct subsidies for ongoing operations*

- *Taxation concessions must also enhance Indigenous capacity and capability development for locally based enterprises in their respective communities*
- *Foreign and domestic investment should be encouraged where necessary to take advantage of the export agricultural, mining and value adding opportunities*
- *The FIRB threshold for reviewing foreign investment should be increased and a more liberal attitude to foreign ownership adopted in respect of these assessments*
- *Provision of an administrative and economic environment conducive for foreign investment in accordance with government policy*
- *To counter the noted shortage of fixed capital and the extreme climatic conditions experienced in Northern Australia, the government should allow for the depreciation of capital in defined export investment zones over a maximum period of two years*
- *Fuel tax credit rates for taxable liquid fuels should be increased for transport and industry development purposes for areas that are designated regional remote*
- *Abolition of the Carbon Tax and the Minerals Resource Rent Tax*
- *To enable population growth and economic and social opportunities in the remote areas, taxation concessions that substantially offset the cost of living disadvantages compared with provincial and city living should be introduced. The Zone Tax Offset (rebate) system should be reviewed in this context*
- *To raise the necessary guaranteed capital for investment and development purposes in the region, government bonds should be a financial product utilised*
- *The government consider to committing to a portion of the risk based finance on new infrastructure projects, e.g. investing equity in rail and port infrastructure, or providing partial finance guarantees on Public/Private Partnerships (PPPs) where the project is ultimately transferred to the government during the course of its productive life*
- *Public/private partnerships should be utilised where appropriate*

### **6.3 “Address impediments to growth”**

6.3.1 Impediments to growth derail the potential for economic and social development in the region. These must be addressed in the short to longer term to achieve both “*the Vision*” and “*the Plan*”.

These include:

- The inadequate freight services to rural and remote centres<sup>58</sup>
- The Inadequate communication services in rural and remote areas<sup>59</sup>
- The region’s inadequate transport road network system rural and remote areas<sup>60</sup>
- Onerous and time consuming environmental and business regulatory obligations and costs<sup>61</sup>
- Restrictions on land use<sup>62</sup>
- Workplace relations (the Fair Work Act)
- Chronic shortage of capital investment for social and economic development
- The inadequate economic and social infrastructure
- Under resourced primary health care and education services in remote and rural areas
- The inadequate delivery of services to meet demand for potential developments
- Inclusion of good quality land for potential agricultural development in SEAs
- Visa restrictions that impede tourist and transitions and movements<sup>63</sup>

6.3.2 An impediment to most export industries in remote areas is the application of full cost recovery for inspection services. Cost recovery should be waived on export inspection services for new industries

in defined export investment zones for a set period of time, with full inspection charges phased in over a period of time thereafter.

6.3.3 The region suffers from high levels of unemployment caused by a chronic shortage of capital investment for economic and social development.

6.3.4 Recommendations

Impediments include:

- *The inadequate freight services to rural and remote centres*
- *The Inadequate communication services in rural and remote areas*
- *The region's inadequate transport road network system rural and remote areas*
- *Onerous and time consuming environmental and business regulatory obligations and costs*
- *The inadequate services and employment opportunities for Indigenous communities*
- *Restrictions on land use*
- *Workplace relations (the Fair Work Act)*
- *Chronic shortage of capital investment and development*
- *Under resourced primary health care and education services in remote and rural areas*
- *Export inspection services for new industries in defined export investment zones waived for a set period of time with full inspection charges phased in over a period of time thereafter.*
- *Inadequate employment opportunities deriving from the lack of capital investment for economic and social development*
- *Visa guidelines streamlined for efficient tourism transitions and movements*

6.4 **“Set conditions for private investment and innovation”**

6.4.1 The conditions set for private investment and innovation will underpin productivity growth and must be for the long-term and not subject to sudden change.

6.4.2 Flexible work place relations and a regulatory environment conducive to new opportunities are required to provide private investors with confidence.

6.4.3 Tax breaks and incentives should be considered to encourage private partnership monies to build much needed infrastructure such as roads.

6.4.4 Ensure long term growth and productivity to meet technological changes through sustained research and development and private and government partnership investments or individually.

6.4.5 There must be recognition that innovation is critical to economic growth and productivity improvements and is multifaceted such as improved goods and services or processes, a new marketing methodology or new business practices, workplace organisation etc.

6.4.6 Infrastructure Australia should prioritise the region's current and future infrastructure needs and seek potential investors for such projects.

6.4.7 Recommendations

- *The conditions set for private investment and innovation must be for the long-term and not subject to sudden change*

- *Flexible work place relations and a regulatory environment conducive to new opportunities are required to private investor with confidence*
- *Tax break and incentives should be considered to encourage private partnership monies to build much needed infrastructure such as roads*
- *Technological changes sustained through ongoing research and development through private and government partnership investments or individually*
- *Infrastructure Australia should prioritise the region's current and future infrastructure needs and seek potential investors for such projects*

## Part 7

### Identification of the infrastructure to progress growth and ways to support its planning and investment

#### 7.1 *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*

7.1.1 Economic and social infrastructure that is planned, prioritised, funded and delivered has significant implications for productivity outcomes, economic growth levels, and the ability to meet the service needs of the region. The same can be said for how existing infrastructure is used, maintained, expanded and recycled.

7.1.2 The critical economic and social infrastructure needed to support the region in the longer term includes:

#### Education

- Classification of the region as a higher learning institution hub. The Coalition's 2030 vision for Northern Australia points to the creation of an education hub with world class vocational and higher education campuses in selected areas. The James Cook University (JCU) centred on Townsville has campuses in Cairns<sup>64</sup>, Mackay,<sup>65</sup> Mount Isa<sup>66</sup> and Thursday Island<sup>67</sup>. JCU also has Singapore Campus. The Central Queensland University (CQ Uni) centred on Rockhampton has campuses that include Mackay<sup>68</sup> and Cairns<sup>69</sup>. The CQ Uni operates the Cannonvale Study Hub in partnership with the Barrier Reef Institute of TAFE campus
- Establish Centres of Excellence in tropical agriculture and mining
- Development of agricultural colleges, particularly in areas of specialist tropical and rangeland expertise, with colleges offering flagship courses of expertise
- Provision of trade training in the region's TAFEs to supply technical expertise for
  - (i) the growing mining industry in Papua New Guinea (PNG) and Indonesia and actively market training places for the PNG and Indonesian resources sector and
  - (ii) other mining areas in the region to meet the demand for skilled workers
  - (iii) practical hands on training for skilled workers within the agricultural fields
- Provision of air conditioning in all of the region's schools
- Resourcing of the region's schools to reflect the particular circumstances of educational needs away from capital city resourcing, transport and facilities, including monitoring regular attendance by students
- Continuation of Direct Instruction initiatives as being trialed by the Cape York Institute
- Trade training centres at Yarrabah and Palm Island, in conjunction with VET programs and local high schools

#### Health

- Well functioning and funded primary health care system in rural and remote regions including Indigenous communities
- Local hospitals in rural, remote and Indigenous communities must remain primary health facilities (including mental health services), be maintained and upgraded to align with growth
- James Cook University Medical and Dental Schools be the learning, teaching, and research and development hub for the region



- Planning (including health care professionals) and funding of health care must precede economic development
- Advanced communication technologies to enable increased utilisation of telehealth
- Promotion of healthy lifestyle and disease prevention
- Plan for the development of aged care homes and mental health facilities in towns that will be the centres of new developments

#### Transport infrastructure

- The Bruce Highway must receive the highest priority as the major transport and communication link from the south. A reliable all weather transport link is vital to the economy of the region
- The Peninsula Developmental Road must continue to be upgraded to an all-weather capacity. This road is essential to the future development of Cape York to enable the expansion of mining and agriculture. It is a lifeline to the Cape towns and communities
- Improve the Hann Highway for B double access<sup>70</sup>
- The completion of the Hann Highway of the unsealed section (Hughenden to Lynd Junction) to benefit the beef cattle industry, long distance transport<sup>71</sup>, tourism, mining, safety and social and economic development in the North of the region
- Improve B double and road train routes for major and secondary roads.<sup>72</sup>
- Improve B-double routes between Mareeba and Cairns<sup>73</sup>
- The Kuranda Range Road upgraded to double lanes<sup>74</sup>
- The Savannah Way declared part of the national highway network and sealed to a national standard
- Plan over the long term a rail link between Mount Isa to Tennant Creek to provide for the export of iron ore from potential mining developments
- Improve the efficiencies of the rail corridor between Mount Isa and Townsville<sup>75</sup>
- Extend B double access and routes throughout the region<sup>76</sup>

#### Aviation Infrastructure

- Upgrade of the Mareeba airport for domestic and cargo use<sup>77</sup>
- Maintenance of local airstrips
- Air services to regional centres particularly in Cape York and the Gulf are costly and must be assessed in the context of economic and social development
- Additional operators (international and domestic) for the region's airports and related aviation small businesses<sup>78</sup>

#### Water infrastructure for economic and social development

- Review, assess and prioritise water storages and conservation projects, including the ongoing enlargement of the Burdekin Dam; the Urannah Dam on the Broken River; the Connors Dam on the Connors River; the Nullinga Dam on the Walsh River<sup>79</sup> for the security of Cairns water supply, the northern Cape river systems and the river systems of the North West, the Cave Hill Dam on the Cloncurry River,<sup>80</sup> and the Greenhills Dam<sup>81</sup> on the Gilbert River
- Gilbert River system
- Moderation/upgrading of the current irrigation system for MDI Area
- Facilitate and support private investment in the Flinders River Agricultural Precinct in North West Queensland (Hughenden, Richmond, Julia Creek)<sup>82</sup>
- Investigate longer-term investment frameworks and strategies in order to target the highest risk issues in remote northern Queensland communities in order to resolve basic service delivery

problems and build regional water management capacity in remote, Indigenous communities and rural Local Governments

- Continue an ongoing investigation into a regional approach for water security and supply and to establish the best source for a water storage facilities in the region

#### Power generation

- Secure power supply is required for power supply across the region for mineral, agricultural, community and social development
- A base load power station to supply the future demands of the region
- Transmission infrastructure upgraded to ensure that there is an efficient interconnector to the grid and redundancy to satisfy major industry development projects
- Reliable power supplies for remote communities using a combination of renewable, diesel power and battery storage
- Revisit the Tully -Millstream proposal (Kareeya B)
- Secure power supply for agricultural precincts e.g. the Gilbert River. (Three phase power is necessary to allow for value adding enterprises such as cotton gins, sugar mills, meat works, farming enterprises etc.)

#### Water supply

- Water storage opportunities such as on adjacent to the Gilbert, Flinders, Herbert, Connors and Broken Rivers be either progressed or analysed for their contributions to long term sustainable development and minimisation of reliance on groundwater by mining developments

#### Communications

- Landline, internet (high speed broadband) and mobile services upgraded to a standard in rural and remote areas to advance both social and economic development

#### Indigenous Opportunities

- Indigenous engagement as business partners or in their own right in industry development or service delivery is fundamental to achieving the region's potential. Economic incentives such as taxation concessions must include Indigenous capacity and capability development for locally based enterprises in their communities.

#### Public Administration

- Decentralisation of State and Federal bureaucracies that reflects the region's landscape, culture and industries and delivers the services

#### Weather radar loop for the Northern Gulf Region

- Improved weather radar loop is required to support future agriculture and provide timely information that has the potential to reduce economic losses incurred by weather events. One of two locations are proposed - Kowanyama Airport or Croydon on the town reserve<sup>83</sup>

#### 7.3 Recommendations

- *See 7.1.2*

## **Part 8**

### **Conclusion**

8.1 The region has the foundation to progress growth and development. It has a population of some 820,000, generates wealth annually of some \$74 billion and has projects with an estimated value of \$78 billion underway, approved or proposed. This fades into insignificance when compared with the region's enormous productive potential.

8.2 The successful implementation of the Coalition's *2030 Vision for Developing Northern Australia* commitment to the development of northern Australia requires a bold and visionary policy framework which will necessarily incorporate a comprehensive program of service delivery and fiscal incentives large enough to initiate and sustain economic growth and achieve a significant shift in the present population distribution.

8.3 To encourage the structural changes to population, attract investment flows and to secure the participation of the private sector, a concessional taxation regime for northern Australia has to be developed. These taxation arrangements would confer significant benefits on northern Australian residents in respect of: Capital Gains, Fringe Benefits and Company taxation and personal rates of taxation.

8.4 State and Territory Governments should make too, a contribution to the incentive program by a concessional taxation regime which should include Land and Payroll taxes, motor vehicle registration, stamp duty etc.

8.5 Foreign investment controls should be relaxed for major investments in northern Australia. The FIRB threshold for reviewing foreign investment should be increased and a more liberal attitude to foreign ownership adopted in respect of these assessments.

8.6 Essential government infrastructure should be financed by Northern Development Infrastructure Bonds which would have a zero taxation coupon and could be used to mobilise the nation's significant superannuation savings.

8.7 The Government should initiate a program of institutional commitment to northern Australia with appropriate government agencies of a substantial nature relocated to north Australian locations. In addition defence military establishments should be programmed for relocation from south east Australia to northern Australia.

8.8 Where reasonable the economic risk of Greenfield investments in northern Australia should be mitigated by PPPs and where appropriate the development of common user facilities. This could be extended to the use of military infrastructure such as airfields and naval ports where civilian traffic could be accommodated and costs reduced.

8.9 The extension of Government communications commercial infrastructure such as high speed broadband should be extended to commercial and personal use where this does not compromise security and can enhance operating efficiency and provide increasing quality of life for communities.

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- <sup>1</sup> The Coalition's 2030 Vision for Developing Northern Australia, June 2013, p.2.
- <sup>2</sup> Queensland Plan, December 2013, <http://queenslandplan.qld.gov.au/>.
- <sup>3</sup> Regional Plans for Cape York, Central West, Far North Queensland, Mackay, Isaac Whitsunday, and North West Queensland. See <http://www.dsdp.qld.gov.au/maps/regional-planning-maps.html>.
- <sup>4</sup> Australian Bureau of Statistics, Regional Population Growth Australia, 30<sup>th</sup> August 2013.
- <sup>5</sup> Population Trends, 2014 Quarterly Update, Capricornia Enterprise, p. 6.
- <sup>6</sup> Michael, P. "North Queensland wants to go it alone and create its own economic zone," the Courier Mail, 26 September 2012.
- <sup>7</sup> Cairns Post, "Should Far North Queensland become its own state," 13 July 2013.
- <sup>8</sup> See Townsville Bulletin, "\$78 billion investment pipeline boosts regional economy," 11 February 2014. (Townsville Enterprise December Quarter Development Status Report).
- <sup>9</sup> Queensland Plan, op.cit.
- <sup>10</sup> McCarthy, J. "Queenslanders moving to the bush for quality of life in gas and mining and cheap houses," The Courier Mail, 21 January 2014. (Study by the Research Institute of Australia)
- <sup>11</sup> E.g. See [www.dnrm.qld.gov.au/](http://www.dnrm.qld.gov.au/)
- <sup>12</sup> Land tenure in northern Australia: Opportunities and Changes for Investment, Northern Australia Ministerial Forum, Cairns, 14<sup>th</sup> June 2013.
- <sup>13</sup> Under the draft Cape York Regional Plan the State Government proposes to include, 1,136,587 hectares of potential good quality agricultural land in Strategic Environmental Areas (SEAs). This would prevent the cultivation of crops in these areas as part of the 30 year vision. These soils are suitable to a range of opportunities (sugarcane, field crops, perennial horticulture i.e. mango, citrus, annual horticulture & intensive livestock). Conservatively, this represents a potential loss of Agricultural Production within the SEAs, of at least \$400 million at farm gate.
- <sup>14</sup> Department of Natural Resources and Mines, "Queensland Government response to the Inquiry into the Future and Continued Relevance of Government Land Tenure across Queensland," <http://www.parliament.qld.gov.au/documents/committees/SDIIC/2012/01-Government-land-tenure/gr-rpt25-23Aug2013.pdf>.
- <sup>15</sup> Department of Natural Resources and Mines, "Queensland Mineral and Energy Province Report and Data Package," March 2011.
- <sup>16</sup> Mount Isa Star, "Mine to close in 2019," 9 June 2019.
- <sup>17</sup> Department of Natural Resources and Mines, 24 October 2013.
- <sup>18</sup> Cripps, Hon A. "\$4 billion mineral bounty in North West Queensland," 5 December 2012.
- <sup>19</sup> Northern Australia Land and Water Taskforce, Northern Australia Land and Water Science Review 2009, Coordinated by the Commonwealth Science and Industrial Organisation, October 2009, p 64.
- <sup>20</sup> See Cape Alumina Limited, "Cape Alumina suspends work on Pisolite Hills mine and port project," 22 November 2013, ASX release.
- <sup>21</sup> Cripps, Hon A. "Queensland takes next steps to uranium mining," Media Statement, 12 September 2013. The resource value of approximately \$10 billion referred to in this report and is based on the current (January 2013) 100 000 tonnes resource –see *Recommendation of uranium mining in Queensland, A best Practice Framework* <http://mines.industry.qld.gov.au/mining/uranium>.
- <sup>22</sup> Released in March 2013.
- <sup>23</sup> Cripps, Hon A, "Queensland takes next steps to uranium mining," op.cit.
- <sup>24</sup> Templeton, A. and Armistead, J. "New Townsville power station proposed by Herbert MP Ewen Jones, Townsville Bulletin, 10 February 2014.
- <sup>25</sup> See para. 5.3.9 and 5.4.4.
- <sup>26</sup> See [Queensland's agriculture strategy](#)
- <sup>27</sup> The proposed Strategic Environmental Areas in the draft Cape York Regional Plan (See <https://www.getinvolved.qld.gov.au/gi/consultation/1659/view.html>).
- <sup>28</sup> The Queensland Government announced July 2012 a release of 80,000 and 15,000 megalitres of water reserved for new irrigation developments in the Flinders and Gilbert Catchments respectively. In May 2013 the Minister for

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Natural Resources and Mines announced the successful tenders. Cotton Australia is of the view that the industry can expand onto the Flinders, assuming improved transport infrastructure and eventually a cotton gin.

<sup>29</sup> E.g. The moderation/upgrading of the current irrigation system for the MDIA. The Nullinga Dam has the capacity to relieve pressure on the Tinaroo Dam by supplying water to the western parts of the MDIA i.e. the Mutchilba-Dimbulah localities and could also allow for further expansion of the MDIA.

<sup>30</sup> The Project is a large scale integrated farm and processing precinct in the Gulf Savannah -250 kilometres south west of Cairns. It is a Greenfield agricultural enterprise comprising 50,000 hectares of irrigated cropping land, co-located processing facilities and associated water, electricity and logistics infrastructure will be established. The Queensland Government has declared it a coordinated project, which gives it a streamlined approval process. See Dalton, C. "A \$2 billion agricultural project 250km south west of Cairns gets state backing," Cairns Post, 26<sup>th</sup> December 2013.

<sup>31</sup> Capricorn Tourism and Economic Development Ltd Strategic Plan 2010-2013 p 26. Agribusiness value-adding based around existing and potential production in Fitzroy Agricultural Corridor. Landry, M. "Landry urges leaders to keep pushing for Fitzroy food bowl," 15 January 2014.

<sup>32</sup> The proposed Urannah Dam is located on the Broken River adjacent to Urannah Creek. It is centred on the upper Bowen/Broken River valley, south of Bowen and north-west of Mackay and south of Collinsville. The Wirri and Birrigubba people have the native title right to the dam site. It is their aim for the dam to be built with longterm benefits accruing to them. The proposed scheme has the potential to provide water for the developing Galilee Basin and the established Bowen Basin. It has the potential to provide new irrigation opportunities for the horticulture, cane growing, feedlotting, and aquaculture industries, for industrial development, social amenity and tourism.

<sup>33</sup> The proposed dam is located on the Connors River, near Mount Bridget, approximately 110 kilometres due east of Moranbah and 70km south of Sarina. It has the potential to provide irrigation for the mining sector and agricultural production including broadacre cereal crops and feedlotting, industrial development, social amenity and tourism.

<sup>34</sup> See Endnote 13.

<sup>35</sup> A.J.W. Biggs and S.R. Philip, QDPI, 1995.

<sup>36</sup> E.g. The Queensland Government has released a Draft Strategy for Delivering Water Resource Management in Cape York, November 2013. This draft strategy sets out a proposed approach to ensure the outcomes of the regional planning process and the aspirations of Cape York communities, agriculture and industries are supported with a robust and responsible water allocation and management framework.

<sup>37</sup> CSIRO, "The Agricultural Potential of Australia's North, Livestock industry logistics," June 2013. Road Access is highly variable and the cost of transport is high. Transport costs comprise up to 35% of the market price. This is relevant to the region as it is to the rest of northern Australia.

<sup>38</sup> Northern Outback Beef and Roads Forum, 31 August, 2011, Post Event Report, p 4.

<sup>39</sup> It should be noted that the region has three beef abattoirs - Rockhampton, Townsville and Mackay, each on the coast and distant from the producing areas.

<sup>40</sup> See North Queensland BioEnergy Corporation Ltd website-

[https://www.google.com.au/?gws\\_rd=cr#q=north+queensland+bioenergy+website](https://www.google.com.au/?gws_rd=cr#q=north+queensland+bioenergy+website).

<sup>41</sup> See The CIE Report "Aquaculture in Queensland - Prioritising regulatory reform," Prepared for the Queensland Office of Best Practice Regulation, 28 February 2013.

<sup>42</sup> Department of Agriculture, Forestry and Fisheries See <https://data.qld.gov.au/...north-queensland.../>

<sup>43</sup> The Capricorn Coast also includes the southern end of the Great Barrier Reef, Great Keppel Island and inland gem fields trail and beef farm home stays.

<sup>44</sup> "Ql'd tourism - Industry Outlook & Potential to 2020," Department of Tourism, Major Events, Small Business & Commonwealth Games, August 2012.

<sup>45</sup> Ibid, p. III.

<sup>46</sup> Dransfield Hotels and Resorts Report. See Dalton, N. "Cairns and Port Douglas hotels are leading Australia in growth according to new RevPAR report," 12 February 2014.

<sup>47</sup> Ibid.

<sup>48</sup> Deloitte Access Economics, op.cit.iii & iv.

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- <sup>49</sup> Australia in the Asian Century, Visitor Economy Opportunities, Tourism and Transport Forum, March 2012, p.20.
- <sup>50</sup> Newman, Hon C. "Boosting economy and services focus of Six Month Action Plan," Media Statement, 16 January, 2014.
- <sup>51</sup> Seeney, Hon J. "Race for regional integrated resorts starts today," Media Statement, 19 December, 2013.
- <sup>52</sup> Seeney, Hon J. "Aquis evaluation Coordinator-Generals 200<sup>th</sup> decision," Media Statement, 4 October, 2013.
- <sup>53</sup> See <http://www.ellabay.com.au/>
- <sup>54</sup> See <http://www.dsip.qld.gov.au/defence-industries-queensland/economic-development/defence-industries-queensland.html>.
- <sup>55</sup> Queensland Government submission on defence white paper, February 2013.
- <sup>56</sup> Ibid.
- <sup>57</sup> Not included in the terms of reference.
- <sup>58</sup> E.g. Remote freight services from Cairns cease at Georgetown. For some residents, freight collection can be a 5 hour return trip. There is no freight service from Townsville excepting post. Q-Link which served this remote area following the closure of the rail line under a service obligation to provide a road freight service was shut down leaving the area without any freight service.
- <sup>59</sup> E.g. In many rural and remote areas landline services are poor and unreliable. This is detrimental to businesses and service providers. It is accepted that these areas will never have state-of-the-art communications but an upgrade of services should be made available. See also, Parsons, L, "Dead zones: Cairns Regional Council identify 15 mobile phone blackspots that cripple business and threatened safety," Cairns Post, 11 February, 2014. It is noted that the Federal Government has a \$100 million package to improve mobile phone coverage along major transport routes, in small community areas prone to natural disasters and to fix black spots in areas where the coverage is poor preventing calls to be made or received.
- <sup>60</sup> E.g. Road infrastructure is an urgent necessity in terms of upgrades and maintenance. Poor road conditions and the lack of bridges are an impediment to economic development and impose a high cost on users in term of vehicle and machinery maintenance.
- <sup>61</sup> The potential for export-oriented agriculture enterprise is severely constrained by environmental restrictions on development, excessive green tape and onerous government approval process, making agricultural infrastructure too costly. Such regulations must be rescinded to reap the major economic benefits of developing Northern Australia, potentially increasing agricultural exports by over \$10 billion.
- <sup>62</sup> Where there is a conflict between federal and state laws that affect the use of rural land, all such laws should be reviewed to reduce restrictions on land use where environmental values are otherwise protected.
- <sup>63</sup> Australia in the Asian Century, Visitor Economy Opportunities, Tourism and Transport Forum, March 2012, p.20.
- <sup>64</sup> The JCU Cairns Campus offers both undergraduate and post graduate courses
- <sup>65</sup> The new JCU Mackay Education and Research Centre is located at the Mackay Base Hospital. The centre accommodates the teaching of the JCU Social Work degree and provides a larger facility for medical and dental clinical placements. The JCU Health and Medicine Faculty in partnership with the Mackay Mater offers a Bachelor of Nursing Science.
- <sup>66</sup> JCU's Mount Isa Centre for Rural and Remote Health creates access to health education for the remote west region. It facilitates research and education for rural, remote and indigenous health issues.
- <sup>67</sup> JCU Thursday Island provides teaching and learning facilities for nursing and education students in the Torres Strait region at the northern tip of Australia.
- <sup>68</sup> Central Queensland University (CQUni) Mackay has five Schools - Business and Law, Education and the Arts, Engineering and Technology, Human, Health and Social Sciences, Medical and Applied Sciences and Nursing and Midwifery.
- <sup>69</sup> CQUni Cairns Distance Education Study Centre.
- <sup>70</sup> Improving the Hann Highway for B-double access sufficiently should be far enough inland to minimise/avoid cyclonic and monsoonal influences (flooding).
- <sup>71</sup> The Cairns/Tablelands area is a major fruit and vegetable producing region requiring secure and fast links to southern markets.
- <sup>72</sup> E.g. The Kuranda Range Road is unsuitable for B doubles. Trailers must be unhitched before travelling across the range. This significantly increases freight cost and reduces transport opportunities for product to the southern

markets. The Kuranda Range road constrains the future mining development due to a quick and short linkage to and from the Ports of Cairns and Mourilyan. Previous plans to upgrade the Kuranda Range Road have proved to be cost prohibitive, in part due to environmental considerations. A proposed upgrade provides for an 'economic loop' whereby trucks that arrive into Cairns loaded, proceed to the Tablelands and return south via Mourilyan or Mt Garnet loaded with Tableland produce. Tablelands freight could be exported out of Mourilyan reducing time, food kilometres and carbon emissions.

<sup>73</sup> Ibid.

<sup>74</sup> The upgrading of the Kuranda Range Road would increase the potential for hinterland mining developments not constrained by the lack of road development and quick short linkage to the ports of Cairns and Mourilyan.

<sup>75</sup> See Department of State Development, Infrastructure and Planning, "Infrastructure for Economic Development," op. cit. The Queensland Government is assisting with the Queensland Resources Supply Chain project which covers the supply chain between Mount Isa and Townsville. It aims to improve the efficiency and productivity of the supply chain by better coordinating infrastructure owners, operators etc. to manage the movement of freight along the corridor.

<sup>76</sup> Maximise the use of B doubles to move produce and livestock throughout the region thereby reducing the number of trucks on the road and the associated carbon emissions and lessening food miles through greater efficiency and timeliness of transport.

<sup>77</sup> E.g. The first step requires a useable airstrip for up to 45,000 kg aircraft and all the necessary facilities for the development of an aviation industrial estate. The Tablelands Regional Council has opted to strengthen the existing runway, main taxiway and apron to accept aircraft up to 45,000kg in weight.

<sup>78</sup> Department of State Development, Infrastructure and Planning, "Infrastructure for Economic Development," op. cit. Note that a 20 year, \$1 billion redevelopment of the Cairns Airport is detailed in the Cairns Airport Land Use Plan.

<sup>79</sup> The proposed Nullinga Dam is to supplement supplies from the Tinaroo Dam to secure Cairns water supply, provide additional water to the western parts of the MDIA such as the Mutchilba-Dimbulah localities and allow for further development of the MDIA and eliminate the need to harvest water from the Mulgrave Aquifer.

<sup>80</sup> The Cave Hill Dam could service the Cloncurry township, Ernest Henry Mining, CopperChem Great Australia, Cudeco Rocklands Group, MMG Dugald River, as well as attracting future development. The North West Queensland Mineral Province and local industry need the dam. . Water is just as important for the township as for the exploration of minerals." See: The North West Star, "\$250m dam plan for Cloncurry," The North West Star, 13<sup>th</sup> February 2014.

<sup>81</sup> The Greenhills Dam would allow for further development of the Gilbert River system.

<sup>82</sup> E.g. in order to encourage value-added agriculture and to develop the fertile land of the inland dry tropics the Flinders Shire Council and the McKinlay Shire Council are seeking investment from private enterprise.

<sup>83</sup> Ikin, N. "Reigning in the rainfall - Radar support for development and disaster," Northern Gulf Resource Management Group Business Case, April 2011-June 2014, 1 May, 2011.

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