



Prime northern exposure



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Northern Queensland may be best known for holidays in the tropics or the vast outback, but it is also an economic powerhouse brimming with potential.

The 49 local government areas and communities that make up Northern Queensland, using the definition used by the Australian Government in their work on Northern Australia, contributed \$64 billion in 2017/18, that is, 21.25% of the State's Gross Regional Product from a population base of 947,000 which is 19.6% of the population. Government departments, not-for-profits and 75,000 businesses

A roadmap of the dynamic opportunities ahead for NQ

employed 475,000 in the same year. (Source: .id Consulting Pty Ltd). The area is also very large, covering 1.2 million km² or more simply put, 17.5 times the size of Tasmania.

Key economic drivers include: mining and energy; agriculture including the beef industry and aquaculture; advanced manufacturing; construction; defence; education; and tourism. There is a high specialisation of labour in the areas of mining, electricity, agriculture, accommodation and food services, transport and public

administration and safety.

Infrastructure is the great enabler for economic development. Electricity, gas, water, telecommunications and all transport infrastructure are critical for industries to establish, grow and prosper.

Northern Queensland does have a good starting base of essential economic infrastructure, but there is much room for improvement. In particular there are needs and opportunities on the Mount Isa to Townsville economic



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corridor, linking the North West Minerals Province and agricultural producers to international markets through the Port of Townsville.

Key projects that have been identified to take the region forward include the Copperstring transmission line from Mount Isa to Townsville which will also provide enhanced telecommunications infrastructure, the Townsville Eastern Access Rail Corridor to drive rail productivity into the Port of Townsville and on-going expansion of the Port of Townsville including a new perimeter rock wall.

Through the Inland Queensland Roads Action Project (IQ-RAP), strategically important road and bridge upgrades have also been identified across the region. Other key projects include the Cloncurry Intermodal Facility, a proposal for a telecommunications fibre connection between Burketown and Normanton for northern redundancy, and a multitude of new water and irrigated agriculture projects at various stages of development. For more details visit www.rda.gov.au for the Townsville and North West Queensland Economic Recovery and Growth Strategy which will be released shortly.

In the north, we are very optimistic about the opportunities ahead of us. The State Government has already identified Townsville as a location for future development of the hydrogen sector, with the private sector already actively pursuing new investments. Sun Metals, Korea Zinc's refinery in Townsville, has already committed to a hydrogen project after recently completing the installation of their own solar farm.

Copperstring, mentioned

above, will not only enhance electricity transmission and lower prices in the north, but drive opportunities for new generation based on the excellent solar and wind resources. The lower electricity pricing will also underscore the development of new minerals and rare earth deposits, estimated to be valued at \$680 billion.

With an RAAF base and Australia's largest army base at Lavarack in Townsville, and the Australia-Singapore Military Training Initiative being rolled out in Townsville and Shoalwater, the region is



well-placed to further develop defence industry capability.

World leaders in 21st century defence training, Cubic, operate their Australian headquarters in Townsville and a new \$40 million simulation training centre is now being established in Townsville.

New irrigated agricultural projects are being developed across the region including Big Rocks Weir in Charters Towers, HIPC0 and 15 Mile in Flinders Shire, the Richmond Irrigated Agriculture Project and cropping trials in McKinlay and Cloncurry. Other major proposed water projects include raising the Burdekin

Falls Dam, Hells Gate and Cave Hill Dam. These projects are at various stages of development and have potential to support a range of value-add manufacturing projects as well.

Investment into regional infrastructure, in the main, has not kept pace with regional needs or expectations. One major concern is the use of the benefit cost ratio (BCR) methodology for assessing project value and guiding investment decisions. We believe it is time to review the methodologies used to make investment decisions in regional Australia.

Based on current BCR methodologies, investment is driven mostly to densely populated metropolitan areas. However, if a wider range of factors were considered, a case could be built for more investment into regional areas.

As a result of our work on the Inland Queensland Roads Action Project (IQ-RAP), we believe there is a need and opportunity to reassess the framework for investment decision-making regarding regional infrastructure. For example, in the case of roads, productivity, safety, fuel consumption impacts, maintenance impacts on vehicles, labour cost impacts,

animal welfare, dust impact on animals and crops, visibility and reliability of access are most important to inland road stakeholders; however the current BCR methodologies favour the convenience factor for large numbers of car commuters in capital cities. The current one-size-fits-all decision making methodology, or moreover the data that is input and valued, is flawed when it comes to regional investment decision-making.

We have welcomed the significant investments by the Australian and Queensland Governments into roads this year as economic stimulus measures that will also have longer term benefits of creating safer, more productive roads. It appears that a whole of government perspective is being taken about the importance and value of investing into regional road infrastructure and we support that wider, cross-departmental view.

We also welcome Infrastructure Australia's current review of the methodologies used for investment decision-making in regional Australia.

Queensland is a vast state with a distributed industry and population base. While it is easy to focus on local competition, we really are competing nationally and internationally for our industries, employment and economic prosperity to grow.

Collaboration across industry and government, and taking a strategic and long-term view of the next five to 50 years is critical for Queensland's economic future. Through our work at RDA, we have frequently seen the benefits of collaboration. It is not always easy, but it does get results!