



PRESIDENTS REPORT

As MITEZ is about to begin its 25th year it's pleasing to see many positive signs around the region and despite the ongoing challenges of the drought in many places, our region overall is looking fairly robust and vibrant.

One thing that remains constant is the relative wealth of our region in comparison with most other regions as there are considerable known mineral resources, yet to be discovered un-known resources, significant water run-off that can be stored, abundant land, soil and cropping potential and advances in pasture and beef production. Also, the region has a number of natural attractions, spectacular scenery, wondrous landscapes as well as unique prehistoric and indigenous history that attracts increasing numbers of domestic and international tourists each year.

The other factor that puts our region over and above most others is the established infrastructure associated with our supply chains that connects producers, a thousand kilometres or so from the coast to their suppliers and customers in Asia, Europe and most places around the world.

Advances over the past ten years in telecommunications and the digital economy means that business can generally be done as easily on most remote outback mine-sites and isolated cattle properties as in metropolitan areas.

The pioneers who made the way under much more difficult conditions. using pack saddles, pick and shovel, have been replaced with explorers who now use helicopters that hover above the ground taking magnetic images to send back to geologists sitting at a pc thousands of kilometres away.

Most businesses across the MITEZ region are now at the forefront of new technologies employing people from around the world who bring new skills and experience to help with the challenges of next wave of development about to begin.

The focus on developing the North over the past couple of years has seen a greater interest in general by both the State and Commonwealth Governments as more funds have made there way to our region for advancing exploration, undertaking feasibility, planning and design work, improving hard infrastructure such as roads and enhancing lifestyle and social amenities for communities.

Many infrastructure projects in towns with a low rate base may never have happened without a sizable, financial contribution by Governments and the corporate sector whose support is vital for getting these projects up and running such as Mount Isa's \$20M Buchanan Park rodeo complex, Cloncurry's \$8 community precinct, McKinlay Shire \$1.2m hall upgrade and Hughenden's new \$8m recreation lake.

Governments can do so much, but in the end it's the people in the communities, businesses and towns that need to be in the driver's seat when it comes to advancing their best interests. This is where MITEZ plays an important role as projects that can be promoted for having a regional benefit can gain wider support more easily particularly if substantial funding is being sought.

As an organization known for unity and collaboration amongst its members, MITEZ is seen to be the ideal

vehicle to receive grants, to facilitate projects and to provide a voice to represent all of our members.

I often hear people talking about the recommendations in the MITEZ Fifty Year Freight Infrastructure Plan, the MITEZ meat processing feasibility study, the Flinders River Ag Precinct prospectus, documents that were all supported by our members and were greatly respected by not only governments but also seen as valuable tools for potential investors.

Among the many positive things taking place at this time are new ventures looking to mine and process vanadium at the Toolebuc deposits between Julia Creek and Richmond which may lead to substantial growth in those towns in coming years. As a result of the cropping trials at Cloncurry, the next stage may be commenced in the near future which could lead to an even larger scale project.

Recently, Richmond Shire presented a concept for a large-scale irrigation project with adjacent cropping areas at Nonda. As well, Flinders Shire announced plans to open up the first stage of their 15 Mile irrigation area where table grapes will be grown and these projects could result in an eventual transformation of the mid-west economies.

With the work MITEZ has undertaken along with that of local governments, departments of Natural Resources and State Development it's expected this will help to develop significant agricultural- based industries in the future, and this may be fast-tracked with the emergence of an investor who would finance a large-scale operation with associated infrastructure somewhere in the region.

Looking back over the past year there has been a number of significant wins for the MITEZ region such as the announcement by all levels of Government to fund the Port's channel-widening project, funding for planning work for Richmond's irrigation scheme, special status for the meatworks at Hughenden and for the 15 Mile Ag Precinct, plans for mining vanadium around Julia Creek and plans to build a battery plant at Woodstock

Energy is a winner also with the completion of the Hughenden Solar Farm, construction of Kennedy Energy Park and another look at a transmission line between Hughenden and Cloncurry.

With gas from the Northern territory set to flow to Mount Isa via the new pipeline by the end of the year and the possibility of extending the pipeline further south, this may herald new opportunities in the North West.

All in all, it seems 2018 has been a pretty good year for MITEZ.

Yours in Regional Development



David Glasson President

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2017/2018 - MANAGEMENT COMMITTEE



President / ChairpersonDAVID GLASSON



Mid West Shires and representative of Agriculture CR GREG CAMPBELL



Secretary
CONNIE NAVARRO



Townsville City Council
CR MARGIE RYDER



Treasurer (Interim)AILEEN CULL



Industry / Mining
SCOTT BOWMAN



Mount Isa City Council
CR JOYCE MCCULLOCH



Government Owned Corporation (GOC)
DAVID SIBLEY

YEAR IN REVIEW

The MITEZ year traditionally begins in the midst of the North's annual wet season with many parts of the region receiving sufficient rain so that unlike much of inland Australia, by the end of 2018 parts of the North West region were not under a drought declaration.

DECEMBER:

At the end of 2017, the final stages of the Cloncurry Bio-fuels project were completed to enable the project acquittal with the Queensland Government. Cloncurry Council continued to engage with the consultant team to evaluate and monitor activities at the trial cropping site. Various crops were planted during 2018 with Council managing ongoing activities at the site.

Following the completion of the Dugald River project in November, Pierre Malan was appointed as General Manager Operations – Australia with Sam Rodda as Dugald River Operations Manager.

MITEZ was invited for an observer role on the Mount Isa/ Tennant Creek Alliance and was invited to attend a meeting to be held at Canberra on March 27.

Flinders Shire had completed 13km of sealing work on the Hann Highway during 2017 and applied for funding to advance planning and design for the proposed Porcupine Gorge Skywalk tourism attraction.

Preliminary work such as drilling and geo-technical investigations commenced to evaluate the feasibility of a dam sites on the Cloncurry River. This work was focussed in the proximity of the Cave Hill site. Meanwhile the consultant team was assessing soil suitability at cropping sites as well as potential demand

for water, probable cost of water from the dam and likely customers as part of developing a business case.

Following Glencore's announcement at the end of 2017 that extensive work into the feasibility of the Mount Isa open Pit (MIOP) had indicated the project was not viable, Glencore continued to assess a number of other options including using sub-level caving to economical/y extract ore from the Black Rock ore body.

Mayors of Mount Isa, Broken Hill and Kalgoorlie visited Parliament House at Canberra where they formed a Mining Cities Alliance in an effort to work collaboratively to raise issues concerning the challenges in their communities and how these could be met.

MITEZ sent a survey to members seeking feedback on issues or concerns regarding the Mount Isa rail network and their views regarding the proposed NT rail line. Around 13 responses were received.

JANUARY:

A second revision to the funding agreement with DEWS regarding milestones for the Cloncurry River dam project was approved as the consultant required additional time to deliver aspects of the work.

MITEZ invested considerable time and resources to research and prepare a submission for the Senate Inquiry into the operation, regulation and funding air route service delivery to rural and regional areas as the issue of airfares and the quality of services provided is vitally important to communities on the MITEZ corridor.





To attract investor interest, MITEZ placed an advert and editorial material in the Australian Mining Review special feature on North West Queensland to promote the prospectivity of Australia's premier mining region.

Trade and Invest Queensland contacted MITEZ to discuss the potential for large-scale African mahogany production to supply demand from Vietnam. TIQ arranged for a representative from Vietnam Timber Trading Centre to contact MITEZ CEO and this was followed up.

MITEZ raised this as an opportunity with most Councils across the corridor explaining that Vietnam imports 4 million cubic metres per annum at a value of 3-5 million a tonne and they are looking for new sources of supply of hardwood such as African Mahogany which grows very well in our region.

MITEZ CEO met with and briefed the new implementation team working on the NWQ Blueprint at Department of State Development.

FEBRUARY:

Initial lobbying to secure the next round of RAB funding for 2018-20 projects got under way as potential projects were in the pipeline. A road trip across the MITEZ corridor was conducted from February 5-9 visiting Councils and some other members to discuss issues and potential project ideas.

Information was updated to produce a revised regional profile publications and to revise Shire snapshots and associated material used in standard MITEZ information packs.

MITEZ President and CEO were invited to meet with the Board of Port of Townsville when they held a board meeting in Cloncurry on February 19.

In February, the consultant for the Cave Hill Dam project delivered the Preliminary Business Case (PBC) which was then reviewed by the project review committee and feedback was provided to the consultants who were asked to respond and make the necessary amendments before it could be submitted to the Queensland and Commonwealth Government for approval.

MITEZ provided \$60,000 of its RAB funding to engage a consultant to conduct a feasibility study for the proposed Mount Isa Transport and Logistics Hub to be located north of the city and the project was completed in February and fully acquitted with the Queensland Government.

Centrex announced plans to develop a ten year openpit mining operation south of Mount Isa at Ardmore phosphate that will produce 776,000 tpa, equal to 3% of world market. Phosphate will be exported out of Townsville Port and a trial shipment planned for later in 2018.

The Federal Govt announced it will assess the 56,000sqk Isa Super-basin along the Queensland/ Northern Territory border for gas that could feed into northern gas pipeline and provide vital energy for domestic and export customers as well as for industry in the North West Minerals Province.

Hughenden is well on its way to becoming the renewable energy capital of Queensland following

completion of the 20MW Hughenden Solar farm and the commencement of the nearby \$160m Kennedy Energy Park project, the first utility scale wind solar storage hybrid generator to produce 43.2MW wind, 15 MW solar and 2MW battery storage.

MARCH:

The \$40.7 million upgrade of Berth 4 was officially opened March and this additional investment has doubled the capacity of berth 4 allowing an additional 2 million tonnes of product per annum and delivering a 20% increase on previous total port tonnage throughput capacity.

A regional energy round table organised by Mount Isa City Council to discuss perspectives on the region's needs and options for the future was attended by MITEZ and other stakeholders.

An invitation was extended by the Cross-Border Alliance to attend their meeting in Canberra on March 27 where they were briefed by Geo-sciences Australia on their \$100m geological mapping program in the zone to the west of Mount Isa. MITEZ were unable to attend on this occasion.

Mayor Joyce McCulloch was invited to become a member of the Federal Government's Resources 2030 Taskforce which is designed to identify impediments to future mining and fast-track projects.

MITEZ CEO met with the Advisian team to provide input and ideas for potential common user infrastructure for the North West Minerals Province. These could result in projects eligible for NAIF funding.

MITEZ worked with local governments and other agencies to update the Regional Profile brochure and corresponding Shire snapshots.

MITEZ President and CEO met with the project review team for the Cloncurry River dam project to discuss the draft preliminary business case that was explained by the consultants. This was an important meeting as feedback would decide the way forward. A separate meeting was held with the Queensland Government department responsible for coordinating the funding.

MITEZ worked in collaboration with the Queensland Energy Users Network (QUEN) in preparing a submission to the Queensland Competition Authority (QCA) to put a strong case to keep future price rises under control, pointing out the lack of competition in the north and that increasing costs had was detrimental ton industry and communities. MITEZ sent a representative to participate at a workshop at Cairns on March 13.

On March 19, the QCA held a workshop at Mount Isa to explain their process for energy price determination which was attended by MITEZ and other stakeholders in the region.

Interim resources announced plans for a joint venture Chinese backed AXF Vanadium and AXF for a \$6m feasibility study to assess most economic and efficient pathway to commercial production in the Richmond/McKinlay Shires.

McKinlay Shire held an Innovation Day on March 27 to further encourage the community to embrace digital technology as part of their future.





Following our submission to the Commonwealth Government on regional air travel, MITEZ was one of six organisations in the region invited to give evidence as a witness before the Senate Inquiry that was held at Cloncurry on March 26. The hearing was well attended by the public.

Glencore's Lady Loretta Mine (LLM), ramped up toward full production after recommissioning during the first half of 2018 following two years in care and maintenance.

Development work began at LLM on 6 March, with the first ore trucked to Mount Isa Mines processing facilities ahead of schedule on 24 April.

APRIL:

MITEZ received the final report from the principal consultant, IAS on the future for the Cloncurry Biofuels project and the activities undertaken since the start of the project in July 2017. Recommendations in the report are likely to be acted on so that a larger scale demonstration farm can be undertaken on the 500 ha Cloncurry town common area.

MITEZ CEO participated in discussions with the NAIF people whilst they were visiting the region in the hope that at least once strong project in the MITEZ region might be funded by NAIF before the June 2021 deadline.

In April, the Queensland Government announced the 8.3km TEARC project from Stuart to the Port would not be proceeding due to the business case indicating insufficient demand at this time, and the Commonwealth responded by announcing they would

reassess the studies that had been done.

MITEZ's first general meeting for March had to be postponed due to rain causing road closures and was then held on April 27 at Mount Isa where members were taken on a tour of Glencore's rail loading area as well as the site of the proposed Mount Isa Logistics Hub.

The principal proponent for a project to construct a new 500km high voltage transmission line between Hughenden and Cloncurry presented the concept at the April meeting and explained the benefits of connecting the North West to the national grid. The project is to be submitted to NAIF for possible funding.

In mid-April, Senator James McGrath attended a sod turning event to mark the commencement of work on a new recreational lake at Hughenden that will support 19 jobs during construction. The Commonwealth Government invested \$4.1m through the Building Better Regions Fund with Flinders Shire contributing \$1.9m.

MAY:

On May 1 MMG announced its Dugald River zinc operation achieved commercial production and would no longer be treated as a project. This confirmed the mine when operating at full capacity to be one of the ten biggest zinc mines in the world.

Following advice from the Queensland Government that they had accepted the Preliminary Business Case for the Cloncurry River Dam Feasibility Study, payment for the first milestone was received and the consultants

were instructed to deliver the draft detail business case, technical design and investment prospectus.

In accordance with the contracts, three of the four RAB projects were acquitted with the Queensland Government and an extension was negotiated for the fourth project due to unforeseen circumstances.

As a result of a number of serious road accidents on the Flinders and Barkly Highways since the beginning of 2018, a media release was produced to highlight concerns and issues about the number of heavy haulage trucks currently using the road network.

Ergon held a community leaders forum at Townsville on May 25 and asked attendees to contribute outside the square ideas for future energy scenarios and possible solutions for North Queensland. Around 100 people from all parts of the north, including MITEZ attended the full-day meeting.

MITEZ was able to respond to some initial investor enquiries by arranging for a representative to attend initial meetings in Brisbane and report to MITEZ on the outcome and to recommend the next steps such as sending the parties to visit the region. In May, TIQ contacted MITEZ to meet with a group interested in producing bio-fuel pellets for exporting to Japan as a renewable clean energy for heavy industry and another investor was enquiring about mining granite.

JUNE:

A submission from MITEZ was forwarded to the Department of Natural Resources, Energy and Mines regarding an extension to the Gulf Water Plan with particular focus on regulations around existing unused licences that could be re-allocated for serious water users.

Around 10 MITEZ members attended the 4th Developing Northern Australia Conference at Alice Springs on June 18-19 where there were approximately 400 delegates from various parts of Australia. The themes of the conference had shifted from exploring ideas and concepts to presentations about a range of successful projects that had occurred, were well advanced or had received funding through the NAIF.

MITEZ attended meetings at Brisbane on June 26-28 including: update on the detail business case for Cloncurry Dam project with DNR&M as well as the consultant team; briefing the team from State Development DG's office regarding extension of RAB funding; UQ School of Agriculture regarding bio-fuels in the North West.

New signage was installed on the Flinders Highway to promote the significance of the region's transport corridors.

The upgraded \$2.2m Julia Creek Airport was officially opened to provide an all-weather runway to ensure reliable access to the community. The Federal Government contributed \$1.17m under the Remote Airstrip Upgrade Program and the State Government contributed \$500,00 through Building our Regions program.

Prospects for the Flinders River Vanadium project were boosted with Australian minerals explorer, Chalice acquiring the project and announcing plans to commence field reconnaissance work once approvals





were granted.

Commencement of sub-level cave mining at Glencore's Black Rock was marked with Mount Isa Mayor, Cr Joyce McCullouch detonating the first cut of the decline that will access mining levels to allow for production to commence in 2020.

JULY:

As a special project, MITEZ facilitated the production of a new publication, INVEST North West in conjunction with the Townsville Bulletin. The publication is designed to promote conditions for investment and to highlight some of the visionary projects in the pipeline across the MITEZ corridor.

A major milestone was reached on the Northern Gas Pipeline with Jemena announcing pipeline construction was complete. It was expected that full capacity of the line (90 Tjs per day) will be contracted by the time it is operational.

MITEZ CEO attended the JCT Asian Market Forum 2018- China Update that highlighted China's desire for investing in Australia and their rising affluence. Over 300 people from North Queensland attended the event at JCU.

Whilst in Townsville, MITEZ CEO visited the Port to discuss the channel widening project and to prepare a media release to support the TEARC funding being diverted to improve the supply chain including the channel widening project.

Mount Isa City Council announced plans to hold a

conference/ showcase of the North West to be held at Brisbane on November 22-23 with MITEZ supporting the event and organising an investment publication to be used at the event.

AUGUST:

Representatives of Mount Isa City Council attended a meeting of the Cross-border Alliance held in Tennant Creek on August 3. MITEZ was invited as an observer but was unable to attend.

The second MITEZ General Meeting was held at Julia Creek on August 27 with presentations such as Richmond Shire's proposal for a large scale irrigated agriculture scheme which diverts water from the Flinders River into off-stream storages adjacent to cropping areas. A researcher from University of Queensland explained how new strains of sterile leucauena being developed by may be suitable for the North West for fodder crops and bio-fuels.

The project committee assessing alternative solutions to the SWER line met in order to modify the original project scope so that the project could be acquitted by end of September. This did not affect the final outcome of the project as McKinlay Shire purchased a portable power pod to conduct trials in 2018/19.

Around 80 community leaders and stakeholders from across the region attended North West Futures Forum that was held at the Mount Isa Civic Centre on August 29.

Minister for State Development, Manufacturing, Infrastructure and Planning, the Hon Cameron Dick MP

discussed the key focus of the directions statement as being the main economic drivers for North West Queensland as resources; agriculture; tourism; business and industry.

Economic diversification was vital for the creation of long-term sustainable employment and Government would work to adopt innovative commercial models, identify new markets and encourage investment to support significant economic development.

The Minister announced successful projects funded from the Maturing the Infrastructure Pipeline Program (MIPP). This is a \$30 million infrastructure planning program that supports the development of a robust project pipeline by enabling projects to be matured from conceptually good ideas into solid proposals.

The first of 12 Vestas V136-3.6 MW wind turbines were installed at the 60.2MW Kennedy Energy park situated near Hughenden. With a hub height of 132 metres each blade measures 67 metres.

SEPTEMBER:

Shadow Minister for Resources and Northern Australia, Jason Clare MP visited Mount Isa on September 4 to take a look at key issues in the North West.

MITEZ prepared a document outlining 16 key priorities and also provided his staff with a large map of the MITEZ corridor that shows current and proposed projects in each of the local government areas.

Jason was very interested in improving the supply chain including the rail, port and infrastructure along

the corridor. He was also interested to hear about roads and where money was most needed.

Queensland's independent Coordinator- General declared Flinders Shire Council's proposed 918 Ha irrigated agriculture development a coordinated project. The proposed project on the banks of the Flinders River 15 kl west of Hughenden is expected to drive sustainable economic activity in the region and would create an initial 60 hectare of irrigated land for table grapes and 60-hectares of citrus crops for market.

Flinders Shire has been in close discussions with interested parties who may commence a project at the site. At full development the project is estimated to cost around \$47m.

Queensland Treasury Corporation (QTC) visited the region on September 26 and hosted an event with a number of experienced finance and investment professionals.

During a visit to Townsville in September by Prime Minister, Scott Morrison, it was announced that \$75m from the Commonwealth would be provided to match the Queensland government's \$75m for the channel-widening project at Port of Townsville.

With such a focus on strengthening the economy and industries in the MITEZ region, there has been a lot of additional meetings and workshops organised by Government departments and this has created much demand on the key people across the region which meant the number of MITEZ meetings had to be reduced to just three General Meetings held in 2018.





STATUS OF MITEZ'S (RAB) 2016-18 PROJECTS

ROUND	RAB Funding (ex GST)	Council	Other	Project Title	Milestone 1	Milestone 2	Milestone 3	Contract
2016 - 2018	\$60,000.00	\$90,000.00	\$0.00	Commercial and Industrial Transport and Logistics Facility for Regional NWQ	30/06/17 \$20,000 Payment received 11.08.17	30/11/17 \$20,000 Payment received 26.10.17	15/04/18 \$20,000 Payment received 18.05.18	Acquitted
2016 - 2018	\$50,000.00	\$50,000.00	\$0.00	Assess alternatives to SWER lines at McKinlay Shire, consider renewables	01/05/17 \$20,000 Payment received 11.08.17	30/11/17 \$30,000 Payment received 10.09.18	n/a	Acquitted
2016 - 2018	\$50,000.00	\$30,000.00	\$100,000.00 (In-kind CSC)	Work to establish Stage 1 Cloncurry Biofuels and Waste Treatment Precinct	30/05/17 \$ 20,000 Payment received 11.08.17	31/10/17 \$20,000 Payment received 15.01.18	30/04/18 \$15,000 Payment received 9.02.18	Acquitted
2016 - 2018	\$35,000.00	\$15,000.00	\$5,000.00	Develop New Outback Qld Tourism Routes	01/05/17 \$15,000 Payment received 6.06.17	31/10/17 \$20,000 Payment received 11.01.18	n/a	Acquitted

STATUS OF NWIDF PROJECT - CLONCURRY DAM FEASIBILITY STUDY

	Amount	Drawn contribution (ex GST)	Date of Claim	Project	Progress		
2016 - 2018	\$1,765,000	\$353,000.00 \$582,450.00 \$176,500.00	7.03.17 05/04/18 29/08/18	North West Queensland Strategic Water Storage	Preliminary Business Case completed and was reviewed by PRC and approved by Queensland Government. First draft Detailed Business Case (DBC) and technical design for dam construction.		



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MITEZ MEMBER COUNCILS



MOUNT ISA CITY COUNCIL

23 West Street, Mount Isa Phone: 07 4747 3200

CLONCURRY SHIRE COUNCIL

19 Scarr Street, Cloncurry

Phone: 07 4742 4100



FLINDERS SHIRE COUNCIL

34 Gray Street, Hughenden Phone: 07 4741 2900



CHARTERS TOWERS REGIONAL COUNCIL

12 Mosman Street, Charters Towers Phone: 07 4761 5300



MCKINLAY SHIRE COUNCIL

29 Burke Street, Julia Creek Phone: 07 4746 7166



TOWNSVILLE CITY COUNCIL

103 Walker Street, Townsville Phone: 1300 878 001



RICHMOND SHIRE COUNCIL

50 Goldring Street, Richmond Phone: 07 4741 3277



REGIONAL SNAPSHOT

OVERVIEW

The Mount Isa to Townsville Economic Development Zone (MITEZ) is the peak regional development organisation for an area encompassing seven local government associations - Mount Isa, Cloncurry, McKinlay, Richmond, Flinders, Charters Towers and Townsville.

The MITEZ region extends 920 kilometres inland from its most eastern point on the Great Barrier Reef, across North Queensland over the Great Dividing Range and across the outback of North West Queensland to the Northern Territory border. In total, the region covers approximately 16% of Queensland's land area.

The MITEZ region is home to approximately 230,000 local residents. Strategically located, the region acts as a vital integrated transport corridor; connecting the region and its extensive mineral and agricultural production to the rest of Queensland, Australia and internationally via road, rail, air and sea links.

Over the past 10 years, the region's resource-rich economy has diversified into new sectors while maintaining its established industry strengths. The region accounted for 5.6% of Queensland's economic activity over 2016-17.

MITEZ is committed to continuing the diversification of new industries, alongside the expansion of new markets and the promotion of existing investment opportunities. This commitment will help to accelerate the growth of the region and ensure its continued prosperity well into the future.

For more information about the MITEZ region, please visit www.mitez.com.au.



QUEENSLAND





POPULATION GROWTH AND CHANGE

The MITEZ region hosted a resident population of just under 230,00 persons with an average age of 35.9

years in 2016. Over the past five years, population growth has averaged 0.7% per annum, with growth concentrated in the Townsville Local Government Area (LGA).

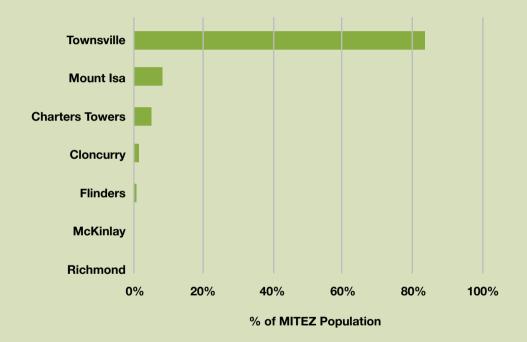
Population and Average Age

Region	Resident Population (June 2016)	Five Year Average Annual Population Growth	Average Age (2016)
Townsville	192,058	1.3%	36.0
Mount Isa	19,332	-2.6%	32.5
Charters Towers	12,074	-0.6%	39.5
Cloncurry	3,114	-1.4%	38.7
Flinders	1,569	-3.1%	41.5
McKinlay	810	-5.7%	39.3
Richmond	800	-1.1%	38.1
MITEZ Total	229,757	0.7%	35.9

Source: QGSO (2017), ABS (2017)

The Townsville LGA is the major population centre for the region with 83.6% of residents, followed by Mount Isa (8.4%), and Charters Towers (5.3%).

SHARE OF MITEZ POPULATION



Source: QGSO (2017)

The LGAs of Townsville, Mount Isa, and Richmond possess younger average ages than the State of Queensland (38.2 years).



EMPLOYMENT

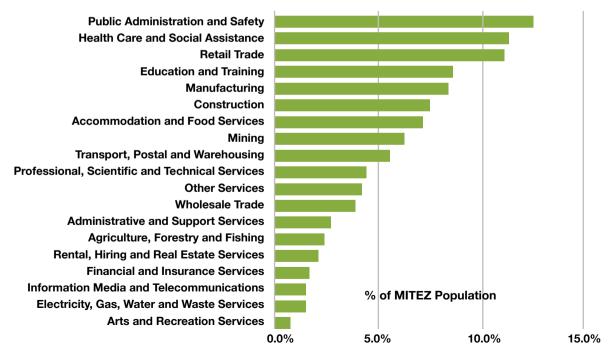
The MITEZ region hosted a labour force of 113,000 persons with an unemployment rate of 10.5% as of March 2017.

Public administration and safety and health care and social assistance are the largest sectors of employment in the MITEZ region followed by retail trade, education and training, and manufacturing. Townsville is the

major employment centre in the region with over three quarters of employment occurring within the Townsville LGA.

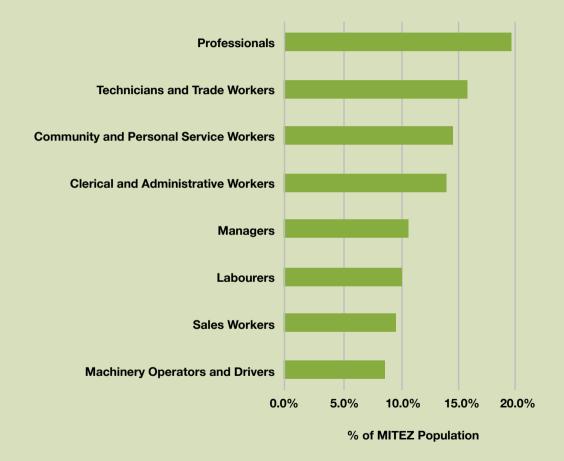
Mining is the dominant employment industry in the Mount Isa, Cloncurry, and McKinlay LGAs. Agriculture is also a major employment sector across the LGAs of Richmond, Flinders, and McKinlay. Education and training is the largest employment sector in Charters Towers. Source: ABS (2017)

MITEZ Region Employment by Industry (Place of Work, 2016)



MOUNT ISA TO TOWNSVILLE ECONOMIC DEVELOPMENT ZONE - ANNUAL REPORT

MITEZ Region Employment by Occupation (Place of Work)



Source: ABS (2017)



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REGIONAL SNAPSHOT (CONTINUED)

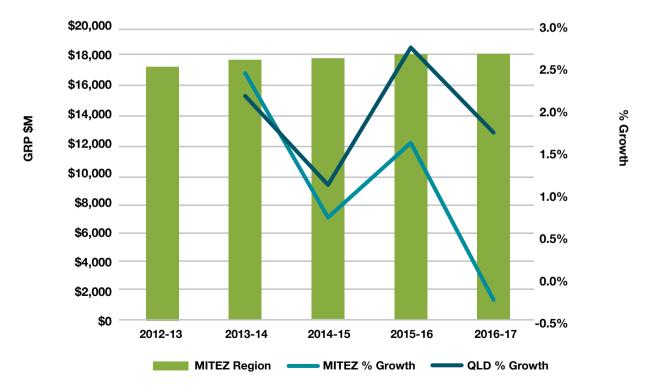
ECONOMIC PROFILE

Gross Regional Product

Over 2016-17 the MITEZ region generated Gross Regional Product (GRP) totalling \$18.2 billion (5.6% of the Queensland economy). Over 2016-17 the region recorded slightly negative growth of -0.2%.

Since 2012-13, GRP growth has averaged 1.1% per annum compared to 2.0% per annum for Queensland as a whole.

MITEZ Region GRP



MOUNT ISA TO TOWNSVILLE ECONOMIC DEVELOPMENT ZONE - ANNUAL REPORT

INDUSTRY VALUE ADDED

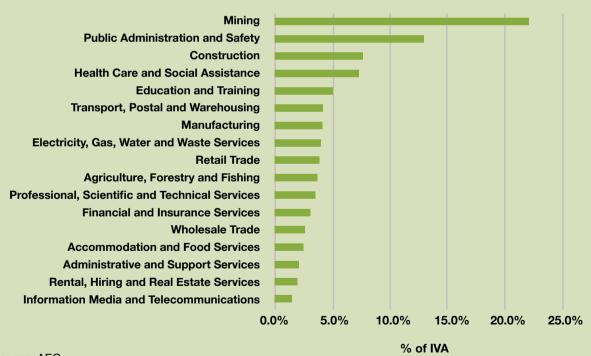
The major industry sectors within the MITEZ Region include:

 Mining (22.0% of Industry Value Added (IVA, i.e. contribution to GRP)).

- Public administration and safety (12.9% IVA).
- Construction (7.6% of IVA).
- Health care and social assistance (7.2% of IVA).

The breakdown of MITEZ industry sectors is provided in the figure below.

MITEZ Region % of IVA (2016-17)



Source: AEC





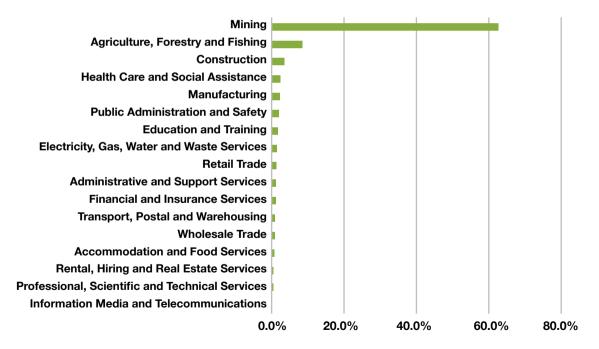
The Townsville LGA provides a major contribution to the MITEZ regional economy, accounting for approximately 70% of IVA in 2016-17. Accordingly, Townsville's industry structure strongly influences the MITEZ regional industry structure.

When the Townsville LGA is excluded, the industry contribution to GRP changes significantly, to a heavily

resources-based economy. Across the six LGAs from Mount Isa to Charters Towers the major contributing industries are:

- Mining (63.2% of IVA).
- Agriculture, forestry and fishing (8.7%).
- Construction (3.7%).

MITEZ GRP by Industry (Excl. Townsville LGA, 2016-17)



Source: AEC % of IVA (Excl. Townsville LGA)

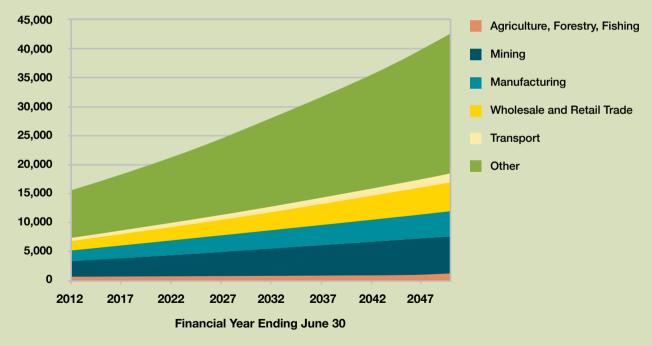
The MITEZ region is poised for substantial growth over the longer term. Forecasts for Gross Value Added (GVA) growth have been developed for the seven LGAs in the region for the MITEZ 50-Year Freight Infrastructure Plan.

It is anticipated that GVA will grow by almost 150%, from an estimated \$15 billion in 2011 to approximately

\$40 billion in 2050 (around 2.5% per annum), as shown in the following chart.

The minerals sector is forecast to grow by over 100%, from \$2.2 billion to \$4.5 billion during this time.

MITEZ Region Forecast GVA (\$M)



Source: Juturna Consulting (2012)





MITEZ MEETINGS HELD IN 2018

Meetings	Location	Presenters	Attendance
December 7, 2017	Townsville incl. AGM	 Matthew Kelly, Senior Economist- AEC Group Pty Ltd Jed Matz, Chief Executive Officer- CRC for Developing Norther Australia Claudia Brumme-Smith, Acting Chief Executive Officer - Port of Townsville Limited Steve Settle - Advissian Darrin Hoffensetz, Asset Manager - Ergon Energy Angus MacDonald, Principal Commercial and Economic Advisor- Jacobs Scott Moorhead, Director, Infrastructure Operations - Townsville City Council 	33
April 27, 2018	Mount Isa	 Tammy Parry, Regional Director (North West Region) Department of State Development Matt O'Neill, Chief Operating Officer Glencore North Queensland Copper Assets John O'Brien, Director CuString Project David Sibley, Chief Financial Officer Port of Townsville Ltd Cr Phil Barwick, Deputy Mayor Mount Isa City Council Graham Locke, Manager Economic Development, Department of State Development Glenys Schuntner, Chef Executive Officer Regional Development Australia 	28
August 14,		 Carolyn Collins, CEO GasFields Commission Queensland Cr Belinda Murphy, Mayor McKinlay Shire Council Virginia Wilkinson, Research Director Coriolis Australia Pty Ltd Glen Graham on behalf of Cr Joyce McCulloch, Mayor Mount Isa City Council Peter Bennett, CEO Richmond Shire Council Christopher Lambrides PhD, Associate Professor Plant Breeding/Molecular Genetics and Physiology School of Agriculture and Food Sciences The University of Queensland Murray Smith, Principal Engineer Agriculture and Regional Water GHD 	24

TOURISM OVERVIEW

TOURISM ACROSS THE CORRIDOR

I have had the privilege of being the MITEZ representative on the Outback Queensland Tourism Board and was elected to the Chair role for the last 12 months. Tourism continues to grow across the outback and cement its place as an economic driver in the North West. November 2017 saw Cloncurry be awarded and host the OQTA Symposium and Awards night which was a wonderful three days and great to see in the North West.

Over the last year we have again seen some strong growth in visitation. Though data collection is still a significant issue for our outback region, something that the board is focused on rectifying; the numbers that have come through show visitor expenditure at \$617.3million an increase of 11.1% on a three-year trend. Across the outback we have seen 875,000 overnight visitors ending March 2018. The exciting trend is a 1.7% increase on length of stay.

The organisation has been kept very busy working closely with Savannah Way and Overlanders Way drive routes and also participated in the North West Drive Route Initiative, a project supported by MITEZ Remote Area Board funding and lead by Richmond Shire Council.

OQTA continues to support and build capacity in the region with digital capacity building and Tourism Development Officer workshops hosted recently.

Trade show attendance remains a strong part of

marketing the Outback region both within Australia and New Zealand. Marketing the region has remained one of the core responsibilities for OTQA and a number of campaigns were delivered across multiple media platforms.

There are many facets to tourism that require attention across the region aside from marketing. Product development and renewal is critical and to this end OQTA lobbied and assisted the Department of Tourism (DITID) to provide a \$10million Outback Infrastructure fund. It is hoped that the success of this one-off fund, once projects are announced and delivered over the next 12 months, will assist in driving further investment in the coming years.

Events continue to drive visitation and spend across the region; most notably in the North West where record numbers attended the Mount Isa Mines Rotary Rodeo. Other events such as Julia Creek Dirt and Dust Festival, Richmond Fossil Festival, Porcupine Gorge Challenge and Cloncurry Merry Muster to name a couple all create wonderful opportunities to increase traveller numbers to our region.

The board has continued to look outwards to Local Governments and members across the region to gauge where the gaps are and what is needed to successfully grow tourism. As part of this a new strategy will be launched at the upcoming Outback Tourism Symposium which will create a new direction and sustainable model for the RTO. The next 12 months will be exciting for tourism in our region.



NORTHERN AUSTRALIA INFRASTRUCTURE CORRIDOR

MOUNT ISA TO TOWNSVILLE ECONOMIC DEVELOPMENT ZONE







MOUNT ISA

- · NT Gas Pipeline
- · Local Power Generation
- · Large water storages
- Exploration
- · Copper Silver Lead and Zinc
- · Minerals Processing and
- Smelting
 Mine Construction and
- Development
- · Freight and Logistics Hub · Sulphuric Acid Plant
- · Uranium deposits
- Granites
- · Rock Phosphate
- **Major Regional Activity Centre** Administration
- · Queensland Government Offices
- Legal District Health Hub
- Education Retail
- · Heavy Industry Services
- Industrial Precincts
- . Contractors and Labour Hire
- · Bail and Air Services · Tourism Facilities



CLONCURRY

- Exploration
- · Copper, Silver, Lead, Zinc, and Gold
- · Minerals Processing
- · Mine Construction and
- Development
- Beef Cattle Sale Yards, Loading
- and Transport
- · Dams and Water Supply
- Energy infrastructure · Rock Phosphate
- · Fertiliser Manufacturing
- · Rail Loadout mining products Major Rural Centre
- Administration
- TMR Regional Office
- Health
- Education
- Retail
- · Industrial Area and Services
- · Rail and Air Services

Tourism Facilities

JULIA CREEK

- · Innovation Hub
- · Beef Cattle, Loading and Rail
- · Renewable Energy Resources
- · Silver, Lead, Zinc · Minerals Processing
- Irrigated Agriculture
- Horticulture
- District Rural Activity Centre
- Health
- Education
- Retail Industrial Area
- · Rail and Air Services Tourism Facilities

BICHMOND

- · Grazing and Beef cattle
- · Irrigated Agriculture

- Gold

- · Tourism Facilities

SHIRE OF N/DER

HUGHENDEN

- Exploration

- Cattle Yards
- · Road and Rail Freight Hub
- Water Supply options
- Major Rural Centre
- Agriculture Service
- Health
- Education
- Retail
- Rail and Air Services

· Renewable Energy proposals Irrigated Agriculture

- **District Rural Activity Centre**
- Administration Health
- Education

proposals

Retailing

Accreditation

- Industrial Area
- · Agriculture Services · Light Industrial Services
- Rail and Air Services · Roads - Federal Safety

Tourism · Grazing and Beef cattle

Innovation Hub · Grazing and Beef Cattle

- Meat Processing Proposal · Regional Sale Yards, Loading and Rail
- · Renewable Energy Resources · Dams and Water Supply Dams and Water Supply
 - proposals
- Renewable Energy resources Copper, Gold, Zinc, Diatomceous Earth
 - Minerals Processing Secure water supply Irrigated Agriculture
 - Horticulture Major Regional Activity Centre Administration

CHARTERS TOWERS

- Health Major Education Facilities
- Retail Industry Area and Services
- Rail and Air Services · Tourism Facilities



Townsville is the largest city in Northern Australia, gateway to mining and agricultural regions and is perfectly

- Priority Development Area 97 hectares stretching across 5,9km of
- ready for development · North Queensland Stadium - \$250
- million project Dvnamic lifestyle
- Minerals Processing
- · Australia's largest garrison city

- Major health hub
- · Diverse retail sector · Rail and Air Services including
- Tourism Facilities



TOWNSVILLE

- positioned as a leading gateway to Asia. Townsville City Deal - 15 year plan across three levels of government
- prime waterfront land near the city
- Major port city
- · Economic diversity

· World renowned marine research facilities

- **Major Regional Activity Centre** Government agencies
- · Extensive education facilities
- International Airport



Rail System Waterways Water Pipeline

Gas Pipeline

International & Domestic Airport Domestic Airport

Port Coal Basins

Agricultural Lands North West Minerals Province

Cotton Broad Acre Cropping Renewable Energy Potential Power Station Mining / Minerals Processing Agricultural Services Centre Heavy Industry Services / Supply Centre Zn P Phosphate Zinc U Uranium

> Cu Coppe

Ag Silver

Beef Grazing

Cattle Export Quarantine Depot 4

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MOUNT ISA TO TOWNSVILLE ECONOMIC DEVELOPMENT ZONE