



**MITEZ**  
ECONOMIC DEVELOPMENT



# ANNUAL REPORT 2017

MOUNT ISA TO TOWNSVILLE ECONOMIC DEVELOPMENT ZONE

# President's Report

Annual report time, a time to reflect upon the year that was and as usual it has been another busy year across the MITEZ corridor with plenty of challenges out there to be overcome.

The first significant hurdle was the announcement that Glencore would not be renewing their contract with Aurizon for their Townsville Mount Isa freight service.

This had significant impact across the region with the loss of around 80 staff across the corridor; with the biggest community to take a hit Hughenden, wearing the brunt of most of the job losses.

For some time things were looking pretty tough, but as often happens, one door shuts and another one opens and the renewable industry has now arrived in Hughenden. With a large scale solar farm currently being built on the outskirts of town things are looking positive and the township is busy with the many contractors the project requires.

This particular project is a prime example of the need for good planning which is where MITEZ as a facilitator comes in; helping to grow ideas into fruition. A decision was not just made one day to build this solar farm, there has been a lot of work over the years to get this project to where it is now, on the ground and happening.

Another developing township is Cloncurry, with MITEZ currently involved in the Cloncurry Dam feasibility study and a trial irrigated cropping project in partnership with Cloncurry Shire Council.

If the outcomes of these trials are successful and the results of the Cloncurry Dam study prove feasible it could be the start of a whole new industry for much of the North West.

Another innovative project that is currently underway across the corridor that could change the way Ergon delivers power to remote stations is the trial of new renewable powered generator sets that McKinlay Shire is currently working on. Working with a German based company, Ergon and other partners the project will see the units set up for trials on neighbouring remote stations. With the SWER line system close to running at capacity this project is just another example of a small idea that could more than likely turn into a whole new industry.

The mining industry across the North West is also starting to pick up once again with



commodity prices on the rise.

By the time this report is published MMG will have opened their new Dugald River Mine. Congratulations goes out to MMG for getting this project off the ground, overcoming a number of hurdles over the past few years. This project will be no doubt be supporting the economy of North West Queensland for quite a few years to come.

Another mining project that is also nearly ready to commence is Capricorn Copper's Mount Gordon. With those involved in the project undertaking a lot of work to get this project up and running, it is positive to see trial shipments of ore have now been taken out and operations are nearly ready to start.

From these few examples you can see that things are travelling positively across the MITEZ corridor currently.

Looking to the future and current issues to overcome Energy and Transport continue to be at the forefront.

At a recent speech delivered by Glencore's Mike Westerman he mentioned one very important point " that the mining Industry, and for that matter any other business can do a lot of things to fine tune their operations and save costs, but two of the biggest cost items and the two things they don't have a lot of control over are the costs of energy and transport and in most mining scenarios these are the two costs that are mostly likely to cause them to close down."

On the energy front, MITEZ as a group are all well aware of the issues that are out there and like the whole country are working on solutions, such as ways to blend renewables into the system to get a reliable, efficient and affordable price for all concerned.

On the transport front, rail in particular has taken up a lot of time at MITEZ in the past year.

Since it was announced that Aurizon would no longer be carrying Glencore's freight there has

## President's Report (continued)

been a sharp increase in truck movements along the highway with freight coming off the rail and onto the road.

Whilst the exact number of trucks may have been greatly exaggerated the problem of freight needing to be returned to rail still remains.

The reasons as to why this isn't happening are quite complex as we have been discovering, but recently with the help of State member, Rob Katter MP there has been a user group formed to get to the bottom of all the issues with progress happening.

Both the Energy and Transport will be issues we will be dealing with for some time, but hopefully

through a united approach we will achieve an outcome that will be sustainable and efficient for all parties concerned.

In closing I would like to sincerely thank all our valued members for their continuing support over the past year, your ongoing support and encouragement is greatly appreciated.

I hope all our members have another successful year ahead for 2018.



**David Glasson**  
President MITEZ

## 2016-17 MITEZ Management Committee



President / Chairperson  
**David Glasson**



Vice President & Mount Isa City Council  
**Cr Joyce McCulloch**



Secretary  
**Connie Navarro**



Treasurer (Interim)  
**David Glasson**



Mid West Shires and  
representative of Agriculture  
**Cr Jane McNamara**



Townsville City Council  
**Cr Margie Ryder**



Government Owned  
Corporation (GOC)  
**Michael Mitchell**  
(December 2016  
> May 2017)



Government Owned  
Corporation (GOC)  
**David Sibley**  
(September 2017  
> current)



Industry / Mining  
**Drew Penny**  
(December 2016  
> May 2017)



Industry / Mining  
**Scott Bowman**  
(September 2017  
> current)

# Year in Review

## JANUARY:

The year began with some welcome rain across many parts of the North West, ending a long dry spell and the filling a number of water storages such as Lake Julius and Cloncurry's Chinaman Creek Dam.

A decision by Glencore not to renew its rail contract with Aurizon, resulted in Aurizon announcing it would be re-deploying around 76 positions in total from their Regional Operations including 38 positions at the Intermodal Terminal at Mount Isa, one position at Cloncurry which includes the closure of the local rolling-stock maintenance depot, 29 positions at Hughenden as well as 8 positions at their Stuart operation.

Pacific National were awarded the Glencore contract however for a number of weeks to follow there was a shortage of available rolling stock which resulted in a significant amount of product being transported by road.

As Hughenden had been impacted most as a result of this decision, the Queensland Government stepped in to assist Council to identify other opportunities to create employment for the community. A number of shovel ready projects were brought forward to provide immediate work in the Shire.

MITEZ has kept a watching brief on the transport situation and has made a number comments to the media in relation to need to eventually get mining products back onto rail.

Time was spent working with DEWS to further progress the detailed feasibility study for a new, water storage for Cloncurry and Mount Isa as part of the National Water Infrastructure Development Fund.

MITEZ relocated to its new office at 15 West Street and the new location gives MITEZ a practical office arrangement as well as good street exposure and access for clients.

MITEZ's 2017 RAB projects were finalised and the proposals were presented to the DSD panel. Funding partners were confirmed prior to approval by the State Government and project steering committees were formed to finalise the scope and manage the delivery of the separate projects.

MITEZ was invited to participate with the proposed Townsville Regional Plan and submitted feedback in relation to aspects of the



planning process that could affect the MITEZ corridor in the future. MITEZ committed to provide comment on draft documents as they became available.

## FEBRUARY:

MITEZ CEO participated in a marketing workshop hosted by Mount Isa City Council looking at branding the city in the best possible light with an emphasis on promoting the city living and outback setting.

The Executive Committee met in Townsville on 14 February to discuss a range of matters important to the organisation including election of Cr Joyce McCulloch for the position of Vice-President whilst Cr Jane McNamara (newly elected) is the representative of the Mid-West Shires.

Other matters discussed were the objectives of holding a member's strategic planning meeting. Engagement of a project manager for the Cloncurry River dam project was approved with Dr Romy Greiner to be responsible to ensure the project achieves the deliverables and meets the financial reporting requirements. Dr Greiner undertook the first preliminary investigation study in 2015 and in 2016 assisted with the successful funding application for the \$1.765m.

A detailed project plan prepared by Dr Greiner was submitted to the Executive Committee and was then submitted to DEWS.

MITEZ was invited to provide a submission and to attend and address the public hearing into the Queensland Government's Sustainable Resource Communities Act- 2016 that is designed to regulate FIFO in large resource projects to ensure benefits flow to workers in regional towns. The MITEZ submission was well received.

## MARCH:

A road trip was conducted with the CEO visiting Councils along the corridor. During this

## Year in Review (continued)

trip, effort was made to encourage Councils to participate in the Innovation Hub program (ARIP) that is being led by RAPAD (Longreach). They have put together a program of activities that they believe meets the criteria for the \$500,000 funding for Outback Queensland. RAPAD is keen to partner with MITEZ Shires who would need to contribute to the program on a dollar for dollar basis.

Most of the proposed RAPAD projects are centred on community development and digital innovation Initiatives.

On March 3, Flinders Shire hosted a General Meeting which was held at the Diggers Hall and a workshop was held to confirm MITEZ's strategic direction.

\$18m in Arena funds were announced for the first phase of the Kennedy Energy Park at Hughenden that would be a joint venture between WindLab and Burus Energy and would create 19.2MW of solar, 21.6MW of wind/2MW/4MWh of battery storage. The project would include 200,000 solar panels and 8 wind turbines.

CEO attended a meeting at Julia Creek on March 13 to discuss the SWER lines Study with Council and Ergon and to work out the project scope and who would be doing what. Both Ergon and Energy Queensland will take part in the project.

MITEZ CEO and Greg Palm, Department of State Development travelled to Cloncurry for discussions particularly about the objectives and to develop a project plan of the proposed bio-fuels project.

MITEZ attended a workshop to discuss the Glencore community perceptions survey feedback report where the main issue was concerning the company's sustainability and mine life.

### APRIL:

April 4, MITEZ CEO attended the strategic advisory committee meeting at Townsville Enterprise where projects were prioritised for the 2017 State and Commonwealth Budgets.

A regional illustrative map to promote the MITEZ corridor as the Northern Australia Infrastructure Corridor was designed and printed in conjunction with a similar project being done by Trade and Invest Queensland.

The Queensland Government released the draft changes to the electoral boundaries with the seat of Mount Isa changing to become Traeger and to now include Charters Towers.

Richmond Shire announced it would be getting an option to Telstra with a local business Wi-Sky providing a connected to the NBN for the town which would provide an improved service.

MITEZ, CEO attended the major stakeholder presentation conducted by Building Queensland concerning the various options being considered for the proposed Townsville Eastern Access Corridor. Around 50 people attended and gave feedback on each option.

Glencore continued to provide MITEZ with information regarding the new flat-top wagons that were ordered to attach onto PN trains as well as the quantities of freight on the road.

MITEZ management committee established a Project Review Panel to assist the project manager working on the \$1.765m Cloncurry Dam Study.

The panel of eminent people in the field of agriculture, engineering, hydrology and economics will review the reports and documents provided by the consultants to ensure they are of a high standard and meet with the expectations of the State and Commonwealth.



## Year in Review (continued)

Cloncurry Mayor, Cr Greg Campbell was also invited to join the project management committee.

Richmond Shire announced plans for a \$900,000 upgrade to the towns cattle-train loading facilities and construction of a new intermodal rail hub.

A team from Phosphate International visited the region and the MITEZ office and inspected tenements adjacent to the Paradise site north of Mount Isa. They are hopeful of developing a project at the site and are in talks with a range of operators in the supply and logistics chain.

In February, the Federal Government announced the make-up of the CRC board that would be chaired by Sheriden Morris and include Richmond Mayor, John Wharton and Cloncurry cattleman, Don McDonald among the board members. Jed Matz was appointed as CEO.

### MAY:

MITEZ advertised for Expressions of Interest for consultants interested in tendering for the Cloncurry Dam Feasibility Study with EOIs closing on May 5. With the assistance of the Project review Committee, Jacobs were appointed in early June. The weeks to follow involved a lot of discussion, clarification and negotiation and the preparation of a contract between MITEZ and the successful tenderer.

MITEZ President and CEO attended a function at Parliament House that was organised by Townsville Enterprise and designed to highlight the significance of North Queensland. There were around 330 people in attendance. The concept is something MITEZ may consider at some time in the future.

Whilst in Brisbane, meetings held with Queensland Rail Assets Manager; Queensland Resources Council; Queensland Treasury and Pacific National to gather information concerning the costs to customers associated with accessing the Isa Rail line.

In May, Glencore sounded the alarm when it alerted the Prime Minister to its concern about rising energy costs and that the Company would need to consider the future of their copper smelting operations at Mount Isa and refining at Townsville. Governments have been forced to urgently look at the supply of domestic gas and the cost on production for Australian industry.

Also in May, Connie Navarro represented MITEZ and attended a Townsville Regional Plan meeting to provide comment as necessary in relation to the considerations for the future of the Townsville region.

The May General Meeting was hosted by Richmond Shire Council and members and visitors were present for the official opening of the new \$5.5m Council Chambers and Admin precinct. Cr Wharton later took members for a tour of Silver Hills irrigation projects.

Retiring members on the MITEZ management committee, Industry: Drew Penny, South 32 and GOCs: Michael Mitchell, QR were replaced by Scott Bowman, Incitec Pivot and David Sibley, Port of Townsville.

### JUNE:

The main activities during this period were in relation to getting the four RAB projects started and monitoring their progress.

At McKinlay Shire the project to identify options for replacing SWER lines gained



## Year in Review (continued)

more momentum as Council entered into an arrangement with an Australian based, German manufacturer of a renewable energy pod system that will be trialled in the Shire at a time later in 2017.

ERGON agreed to undertake an audit of the projected energy requirements by property owners in the Shire (those currently depending on the SWER line for their power supply).

CEO attended a FRAP meeting at Julia Creek on June 22 where Ag Force grains people came to speak about the future potential for grain production along the Flinders River through irrigation and dry-land cropping.

### JULY:

Things began to move on the Cloncurry Bio-fuels project after a team from Queensland Bio-Fuels visited Cloncurry to visit and assess what could be done at Cloncurry and . Irrigation and Agri-business Solutions were recommended as the facilitator to oversee the project and establish the trial cropping in line with the project MITEZ had submitted to DSD.

Cloncurry Shire Council would provide the necessary labour, materials and equipment.

Cloncurry Council is considering moving onto Stage 2 cropping trial following Stage 1 being developed at a site north of the town.

CEO MITEZ was invited to meet with the board members of Port of Townsville during their visit to Mount Isa on July 18.

MITEZ's Secretary, Connie Navarro assisted in preparing the contract document with consultant, Jacobs who were successful in their bid for the Cloncurry Dam Study.

On July 26 whilst in Brisbane to participate in meetings with Jacobs for the Cloncurry Dam study, MITEZ CEO and President also attended a Rail and Energy Users Forum held at the Parliament House annex as organised by Rob Katter MP. This Forum was attended by the major corporate customers (infrastructure users) of rail and energy in the North West Minerals Province and the main issue was the cost of accessing and using this infrastructure and their concerns that rising costs will affect their ability to continue to operate and to compete in a global market.

The Queensland Government released the Blueprint for the North West Minerals Province which includes around \$40m worth of measures as well as a further \$5m to assess current infrastructure such as rail, water and energy. MITEZ President was invited to be a member of the implementation taskforce.

### AUGUST:

On August 1, CEO attended an Aqua-culture Stakeholder Engagement to hear about the potential for aquaculture projects in the North West.

On August 3 Queensland Treasury held an excellent event at Mount Isa "Regional Perspectives" where a range of presenters spoke at a high level about topics such as economics, trade and investment to a group of about 50 people from a number of different local organisations.

On August 4, CEO attended stakeholder engagement meeting at Cloncurry that was organised by DNR&M to explain the latest release of water on the Cloncurry Rivers such as the terms of sale and the timing. This is for the remaining 7500ML that is currently available for which the Queensland Government wants to see used for



## Year in Review (continued)

productive purposes. The initial 50,000ML that was taken up by a tenderer in the recent tender program was not revealed.

Flinders Shire announced plans to construct a skywalk for the Porcupine Gorge National Park as a new tourist attraction.

On August 14, the team working on the bio-fuels project arrived at Cloncurry along with members of the team working on the Cloncurry River dam study as well as people from Department of Agriculture and Forestry.

A MITEZ General Meeting was held at Cloncurry on August 22 and this was followed by a tour of the MMG mine site and a dinner hosted by MMG and Cloncurry Shire.

### SEPTEMBER:

A proposal for a mini-CopperString project was presented to MITEZ members at the Cloncurry meeting by Mr John O'Brien and has since been promoted at energy conferences and to the Queensland Government. This project would connect Julia Creek to Cloncurry and enable Mount Isa based generators to send surplus energy back to the NEM.

A road trip to visit the Shires along the corridor allowed time to follow up on progress on the four RAB projects and to brief Councils about MITEZ activities and for them to raise current issues.

Around sixty invited guests including MITEZ CEO attended the ceremony marking the turning of the sod for the Jemena gas pipeline compressor station at Mount Isa.

The first 8000 solar panels had been installed at the 20MW Hughenden Solar Farm with power being fed into the nearby Ergon substation. The project will provide power for 8000 to 10,000

homes and has provided around thirty local jobs during construction with the trained workers set to move across to the first stage of the Kennedy Energy Park.

Around \$25m in Federal and State funded works were carried out along the Flinders Highway replacing seven aging culverts between Charters Towers and Richmond.

Cloncurry's C 150 celebrations were a great success for the Shire with numerous events extending for over a week. Special guest, Federal Treasurer, Scott Morrison attended the C150 celebrations and MITEZ CEO accompanied him along with Cloncurry Mayor and CEO on an underground tour of the Ernest Henry Mine. The Treasurer also met with Glencore at Mount Isa to discuss the effect that rising gas prices are having on their operations, particularly copper smelting and refining.

Aurizon completed a development application to upgrade its Cloncurry terminal to enable it to load MMG's product to be railed to Townsville Port.

In late September, Port of Townsville announced a \$193m channel-widening project following the Port receiving approval to its Environmental Impact Statement. It will also establish a 152ha reclamation area, 4km of rock revetments, 700m new western breakwater and six new berths.

More than 7500 head of cattle from the North West were exported out of the Port in September with over 20,000 head so far this financial year and over 200,000 head expected to be exported by the end of the financial year.

### OCTOBER:

Richmond Vanadium project, joint venture partners began metallurgical sampling the



## Year in Review (continued)

Toolebuc Formation near Julia Creek. It is estimated the project contains 3.3 billion tonnes of vanadium molybdenum resource which is used in many applications such as steel and titanium alloys.

MMG's Dugald River Mine project was ahead of schedule and some \$50m below the expected development cost of between \$600 and \$620m. The process plant and associated infrastructure construction is now completed and dry and wet commissioning of processing facilities were in progress.

Northern Gas Pipeline owner Jemena announced plans to deliver gas from the Galilee Basin to the eastern seaboard and will also be connected to the Northern Gas Pipeline from Mount Isa and the Northern Territory at the Wallumbilla Gas Hub near Roma.

CS Energy entered into a 10 year agreement with the 60MW Kennedy Energy Park near Hughenden which means CS energy will purchase the electricity output from the wind, solar and storage hybrid generation facility north of Hughenden. The Kennedy Energy Park will connect to the national grid via existing transmission infrastructure.

Significant progress was achieved with MITEZ projects such as the Cloncurry River Dam with the consultants presenting a draft options short list and draft strategic business case to the Queensland Government departments on October 19. This followed an extended program of stakeholder consultations in the region including indigenous groups.

Completing the project plan, commencing site-works and setting out irrigation for the Cloncurry Bio-fuels project was carried out as was the preliminary business case and options for the next stage.

ERGON commenced an audit of energy consumers on the SWER system in McKinlay Shire to collate data about projected energy needs of around 165 properties in the Shire. In-Tech Energy commenced the design and construction of a pod comprised of renewable energy (wind and solar) with a diesel back-up that may be a suitable option. A number of properties will be selected to test these pods.

The North West adventure tourism drive loops project was completed in late October and is designed to attract new markets out of Cairns and Townsville thereby increase visitation and extend tourist season to the towns on and nearby these loops.

The draft final report for the proposed Mount Isa Transport Logistics Hub was completed and an investment prospectus was designed to be used to attract interested investors.

A delegation from Flinders Shire attended the COIFAIR Investment Expo at Beijing for the second year to promote opportunities to investors particularly the proposed abattoir, cattle fattening and associated irrigation projects in the Shire.

Other significant occasions over the year include the official opening of the CuDECO copper mine in October 2016 to the opening of Dugald River zinc mine in November 2017.

Following commencement of work to construct a 622km gas pipeline connecting the Northern Territory to a gas hub at Mount Isa, the project is on track to receive the first gas in late 2018.

In October 2017 pipeline owners, Jemena announced plans to connect their pipeline at Mount Isa to a new pipeline delivering gas from the Galilee Basin to gas markets on the eastern seaboard.

There has been plenty of progress with renewable energy projects the Flinders Shire such as the Kennedy Energy Park and the Hughenden Solar Farm which is due for completion in late 2017.

In recent months exploration companies including Aeon, Hammer Metals, Pursuit Minerals announced encouraging results from drilling in the North West Minerals Province. Minotour's copper discovery adjacent to the Eloise mine and other discoveries of minerals such as zinc, copper, cobalt and lead may lead to the next generation of mines in the area.

Aurizon's plans to expand their bulk-loading facility at Cloncurry will enable MMG product to be railed to Townsville whilst at Mount Isa plans have been completed for a Transport Logistics Hub that may become multi-user facility.

A number of investment opportunities were showcased by MITEZ and Councils who were represented at the Northern Invest Forum held in Cairns in November.

Looking back over what has occurred over the year, it is clear much has been accomplished in practically every part of the MITEZ region.

**Glen Graham**  
Chief Executive Officer

## 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



### McKinlay Shire Council

29 Burke Street, Julia Creek  
Phone: 07 4746 7166



### Richmond Shire Council

50 Goldring Street, Richmond  
Phone: 07 4741 3277



### Flinders Shire Council

34 Gray Street, Hughenden  
Phone: 07 4741 2900



### Charters Towers Regional Council

12 Mosman Street, Charters Towers  
Phone: 07 4761 5300



### Townsville City Council

103 Walker Street, Townsville  
Phone: 1300 878 001



# 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 around 5% of Queensland's economic output over 2015-16.

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](http://www.mitez.com.au).



## 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).

**Table 1.0: Population and Average Age**

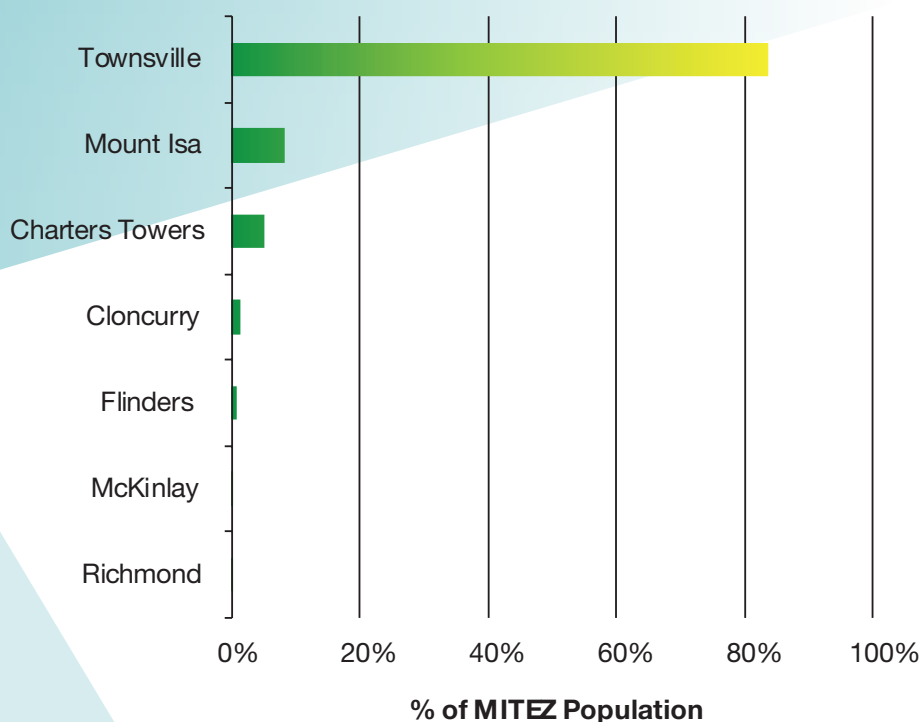
Local Government Area	Resident Population (June 2016)	Five Year Average Annual Population Growth	Average Age (2016)
Townsville	192,058	1.3%	36.0
Mount Isa	19,332	-2.6%	32.5
Charters Towers	12,074	-0.6%	39.5
Cloncurry	3,114	-1.4%	38.7
Flinders	1,569	-3.1%	41.5
McKinlay	810	-5.7%	39.3
Richmond	800	-1.1%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

Source: QGSO (2017), ABS (2017)

## Regional Snapshot (continued)

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%).

**Figure 1.0. 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.

Health care and social assistance and public administration and safety are the largest sectors of employment in the MITEZ region followed by education and training, retail trade, accommodation and food services. Townsville is the major employment centre in the region with over 80% of employment occurring within the Townsville LGA.

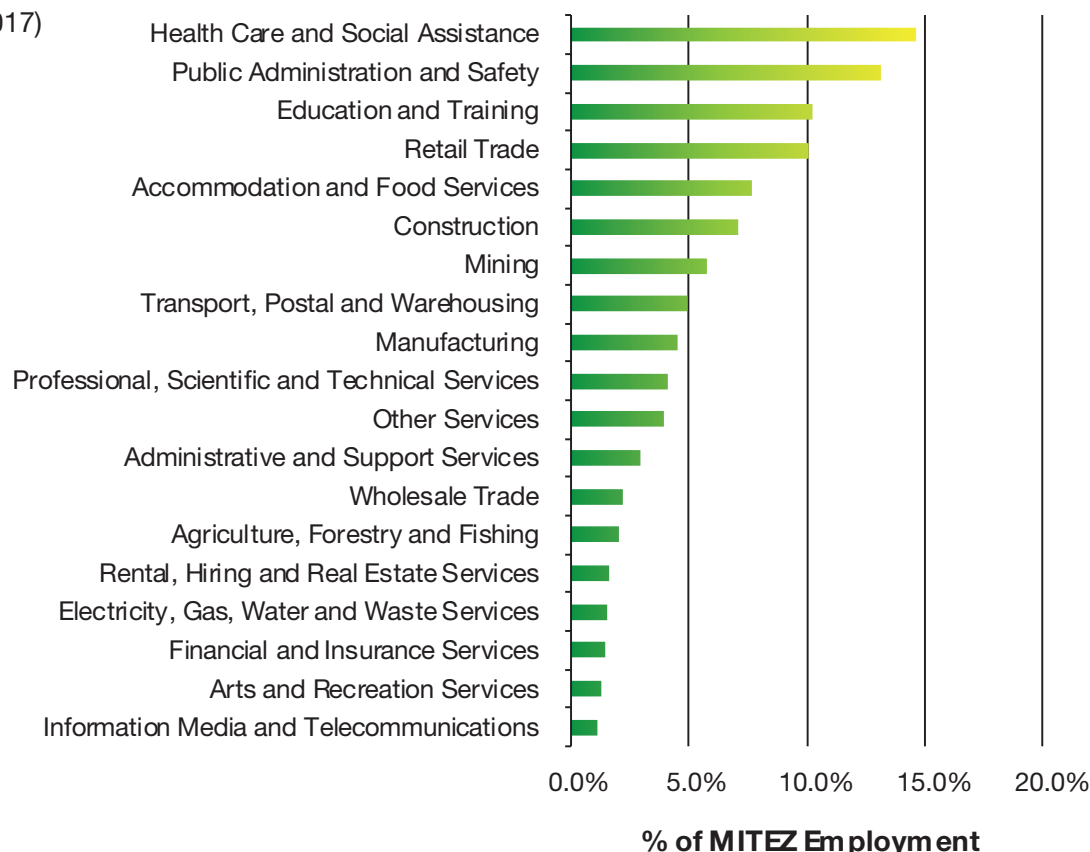
Mining is the dominant employment industry in the Mount Isa, Cloncurry, McKinlay, and Charters Towers LGAs. Agriculture is also a major employment sector across the LGAs of Richmond, Flinders, McKinlay, and Charters Towers.

# Regional Snapshot (continued)

## Employment (continued)

**Figure 1.1. MITEZ Region Employment by Industry (Place of Work, 2016)**

Source: ABS (2017)

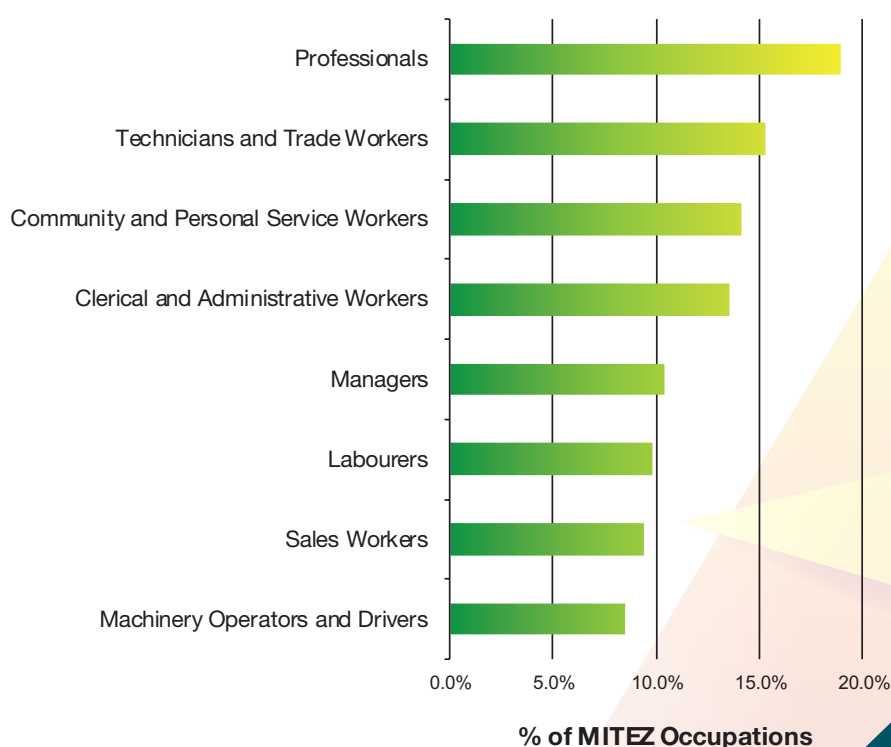


## Occupations

The main occupational groups across the MITEZ region are professionals, technicians and tradespersons, and clerical and administrative employees. The MITEZ region as a whole features a strong balance of worker skills, with no occupational sector contributing more than 19% or less than 8.5% of total employment.

**Figure 1.2. MITEZ Region Employment by Occupation (Place of Work)**

Source: ABS (2017)



## Regional Snapshot (continued)

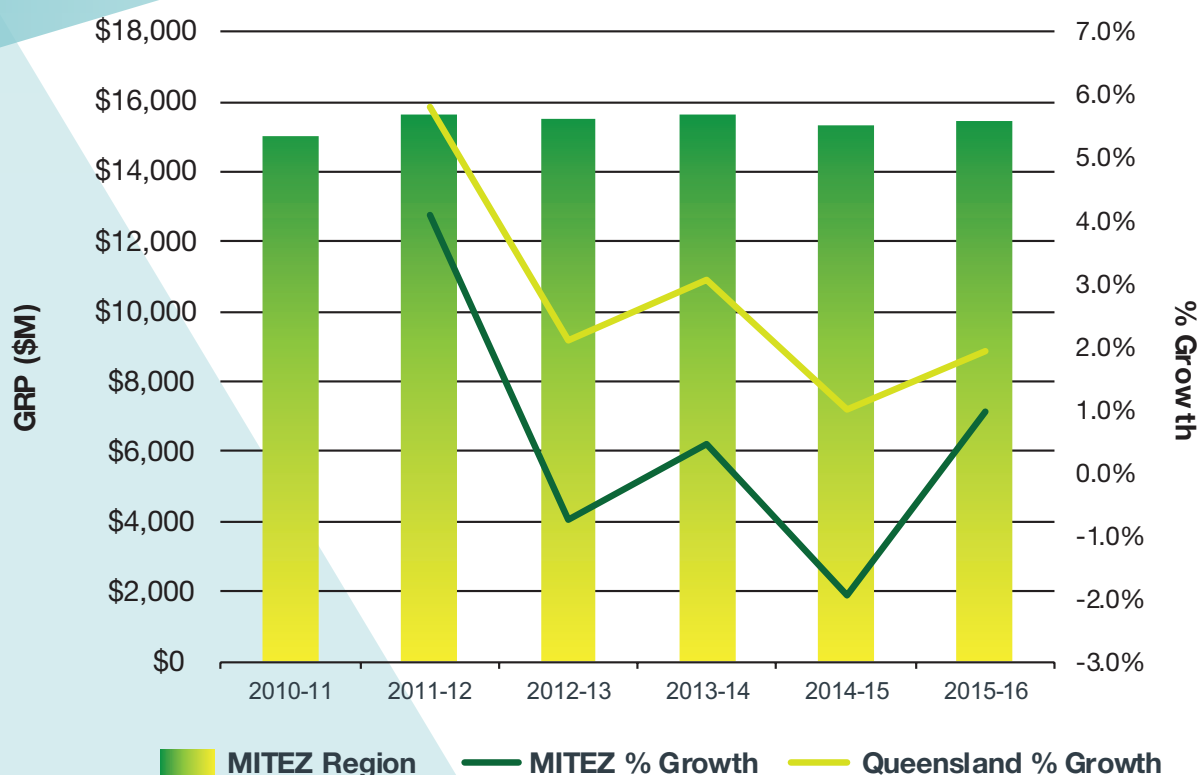
### REGIONAL ECONOMY

#### Gross Regional Product

Over 2015-16 the MITEZ region generated Gross Regional Product (GRP) totalling \$15.4 billion (approximately 5% of the Queensland economy). Over 2015-16 the region recorded strong growth of approximately 1.0%.

Over the past five years, GRP growth has averaged 1.4% per annum compared to 2.5% per annum for Queensland as a whole.

**Figure 1.3. MITEZ Region GRP**



Source: AEC

#### Industry Value Added

The major industry sectors within the MITEZ Region include:

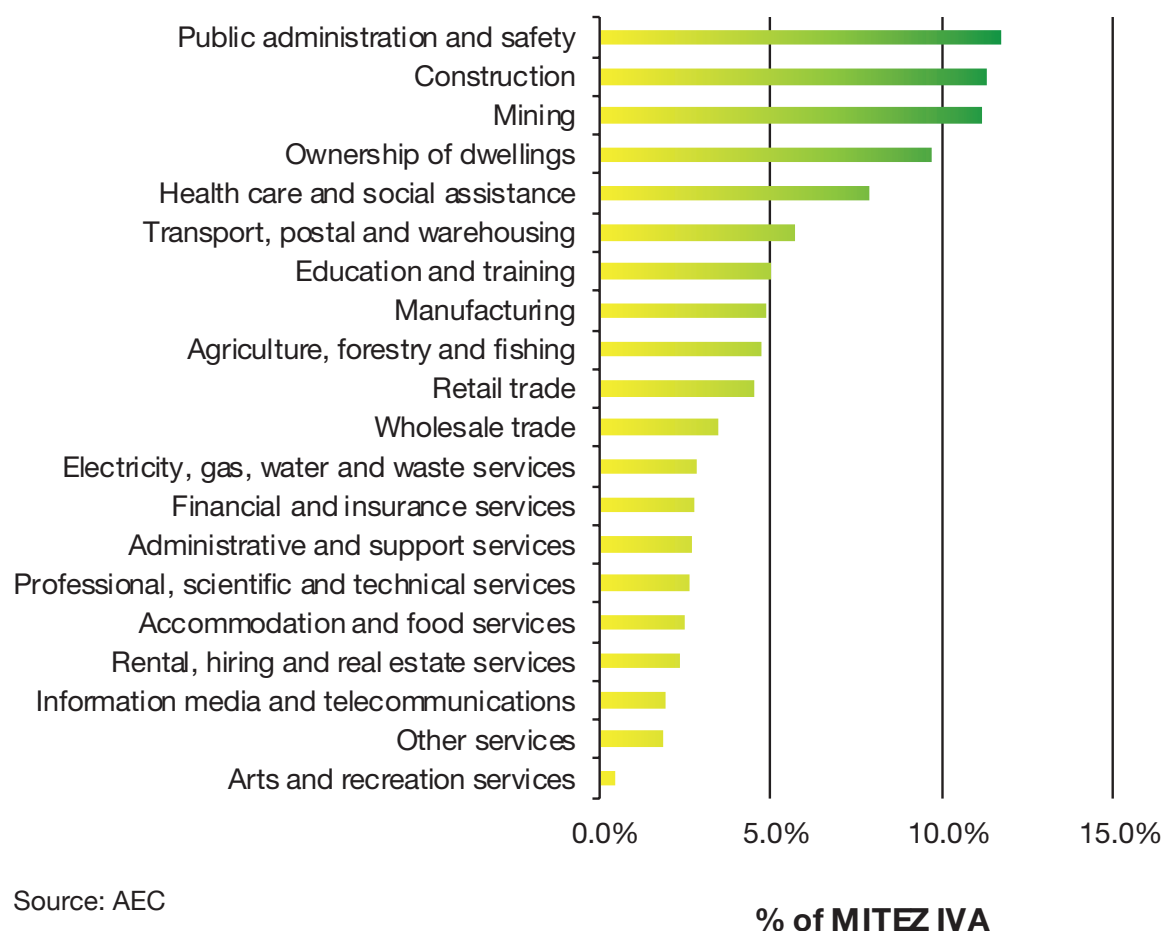
- Public administration and safety (11.7% of Industry Value Added (IVA, i.e. contribution to GRP)).
- Construction (11.3% of IVA).
- Mining (11.1% of IVA).

The breakdown of MITEZ industry sectors is provided in Figure 1.5.

## Regional Snapshot (continued)

### Industry Value Added (continued)

Figure 1.4. **MITEZ** Region % of IVA (2015-16)



The Townsville LGA provides a major contribution to the MITEZ regional economy, with over 70% of IVA in 2015-16. Accordingly, Townsville's industry structure strongly influences the MITEZ regional industry structure.

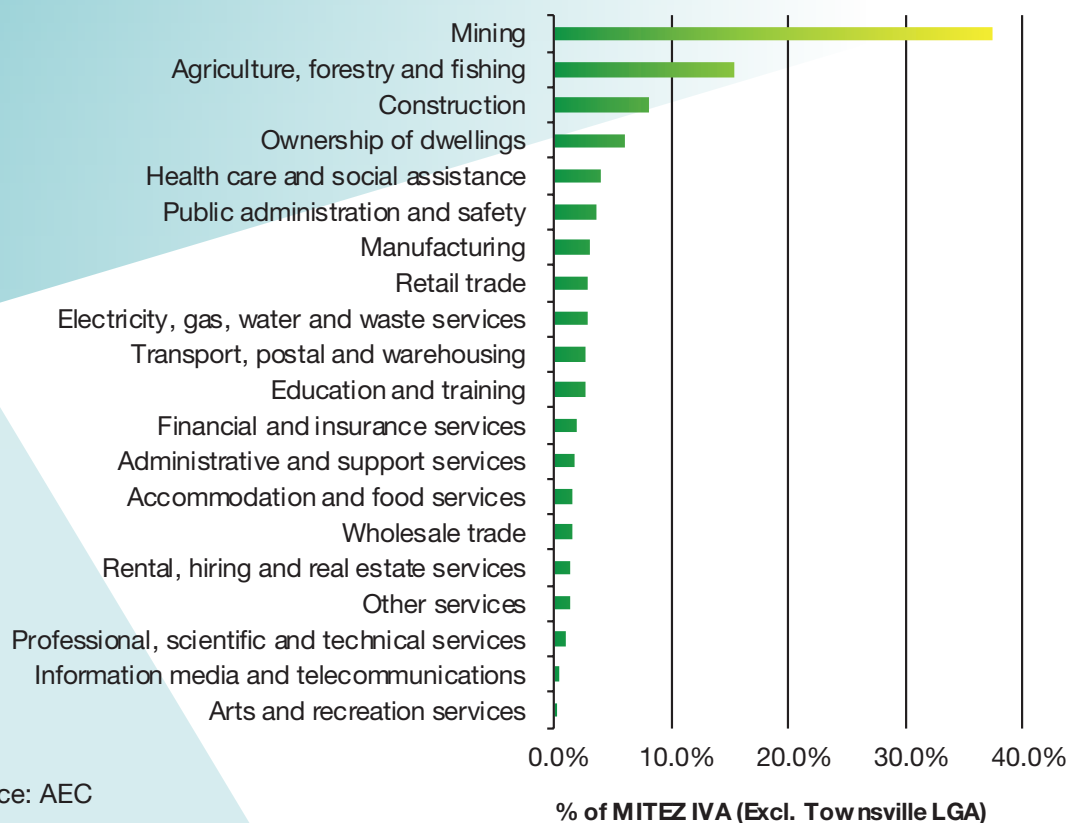
When the Townsville LGA is excluded, the industry contribution to GRP changes significantly, to a predominantly resources-based economy. Across the six LGAs from Mount Isa to Charters Towers the major contributing industries are:

- Mining (37.4% of IVA).
- Agriculture, forestry and fishing (15.4%).
- Construction (8.1%).

## Regional Snapshot (continued)

### Industry Value Added (continued)

Figure 1.5. MITEZ GRP by Industry (Excl. Townsville LGA, 2015-16)



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.

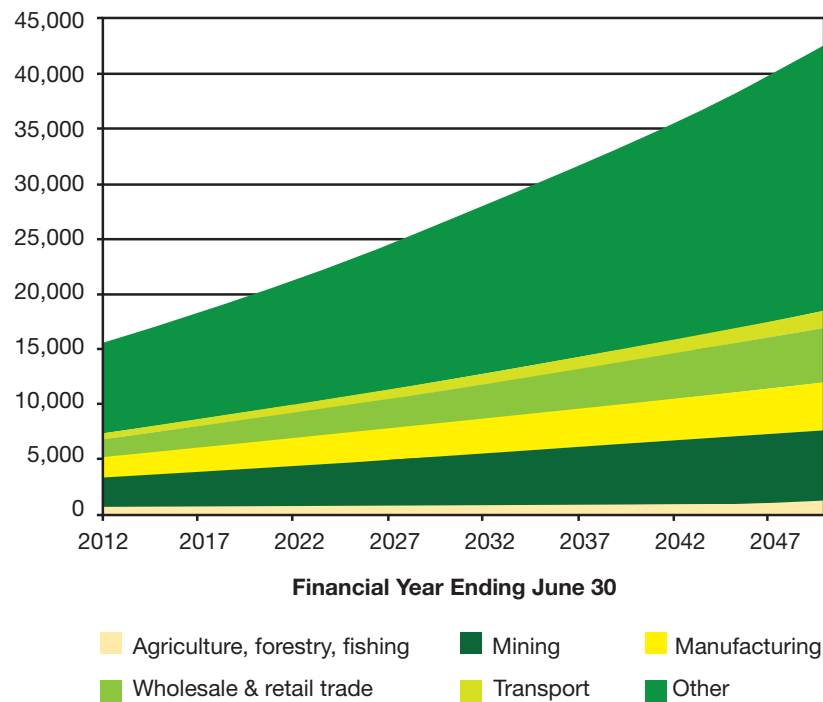


## Regional Snapshot (continued)



## Industry Value Added (continued)

Figure 1.6. **MITEZ** Region Forecast GVA (\$M)



Source: Juturna Consulting (2012)



# MITEZ Meetings Held in 2017

Meetings	Location	Presenters contribution (ex GST)	Attendance
December 1, 2016	Townsville incl. AGM	<ul style="list-style-type: none"> <li>• Cr Jane McNamara, Mayor Flinders Shire Council</li> <li>• Raneë Crosby, Chief Executive Officer Port of Townsville Ltd.</li> <li>• Mark Roberts, General Manager CuDECO</li> <li>• Tracey Lines, Reef Development Director Clean Energy Finance Corporation</li> <li>• Todd Harrington, Resources Investment Commissioner Queensland Government</li> <li>• Anne Neil, Manager Northern Queensland Office Economic Policy Division Department of the Premier and Cabinet</li> <li>• Cr Belinda Murphy, Mayor McKinlay Shire Council</li> <li>• Chief Executive Officer Regional Development Australia</li> <li>• Brendan McNamara, President FRAP</li> </ul>	34
March 3, 2017	Hughenden	<ul style="list-style-type: none"> <li>• Strategic Planning Session: 2017-2020</li> </ul>	30
May 25, 2017	Richmond	<ul style="list-style-type: none"> <li>• Robert Mathieson, Director Outback Drones</li> <li>• Will Harrington, Director Wi-Sky</li> <li>• Rod Wilkinson, Director Projects Facilitation – North Economic and Industry Development Department of State Development</li> <li>• Tammy Phelan, Regional Manager Strategic Planning Queensland Rail</li> <li>• Drew Penny, Manager Processing South 32</li> <li>• Mark Biffanti, Ergon Energy</li> <li>• Cr Jane McNamara, Mayor Flinders Sire Council</li> <li>• Cr Belinda Murphy, Mayor McKinlay Shire Council</li> <li>• Trevor Gray, General Manager Central Services Glencore Mount Isa Mines</li> <li>• Brendan McNamara, President FRAP</li> </ul>	27
August 22, 2017	Cloncurry	<ul style="list-style-type: none"> <li>• Cr Greg Campbell, Mayor Cloncurry Shire Council</li> <li>• Angus MacDonald, Principal Commercial and Economic Advisor Water Infrastructure and Regulatory Economics Jacobs</li> <li>• - David Glasson, President MITEZ</li> <li>• Greg Palm Regional Director, North West Queensland Regional Economic Development Department of State Development</li> <li>• Steve Hammer, Project Director TEARC Building Queensland</li> <li>• Mike Kaiser, Director, KPMG and Clinton de Bruyn, Director, Trade and Investment Queensland</li> <li>• John O'Brien, Managing Director Hill Michael and VisIR</li> <li>• Peter Fitchat, Chief Executive Officer McKinlay Shire Council</li> </ul>	39





## Tourism Overview

Tourism continues to grow and be recognised as a significant economic driver for the MITEZ corridor. Overall visitation to the outback as a region is up 9.1% and we have hit an all time high for visitation with 792,000 people and \$501 million dollars generated. OQTA which is the lead marketing organisation for the Outback region continued to do very well as reflected in the figures.

During the last 12 months OTQA designed and implemented a new destination management plan along with a new marketing plan. Further investment was secured and delivered into the Education Subsidy scheme and OQTA would like to work more closely with MITEZ and the Councils it covers to grow this space next year. Over all over 12 trade and travel shows were attended both within Australia and New Zealand promoting the outback as a destination of choice. A new quarterly Mates Magazine was launched with the “Mates” program now having over 2,200 new members and there were a further 63 new industry members join OQTA.

The State Tourism Awards saw the Outback in full force with of course the highlight for the MITEZ corridor the Mt Isa Rodeo taking out the

Major Events title. It was less than 3 months later in Darwin that the event was crowned with Gold- Major Events. This is a significant accolade not only for the Rotary Rodeo Board and staff but also Mt Isa and the MITEZ region as a whole.

On behalf of MITEZ I attended both face to face board meetings as Deputy Chair as well teleconferences over the last 12 months sharing those costs with both MITEZ and our Council. Looking to the next 12 months OQTA will be seeking to strengthen its marketing campaign and also look to engage on other levels with additional “in region” staff that could be charged with some of the following: Product development, Industry Development, Experiential development, trade development and event development. The Regional Tourism Organisations, not unlike many Councils, have many challenges such as funding, staffing, distances and support however I believe OQTA has performed well and is achieving in this space for our region. To this end I acknowledge my board colleagues, Chair Stuart McKenzie and CEO Peter Homan who work very hard for the region in this space.

## Status of MITEZ's 2017-18 Projects

ROUND	RAB Funding (ex GST)	Council	Other	Project Title	Status
2016-2018	<b>\$60,000.00</b>	\$90,000.00	\$0.00	Commercial and Industrial Transport and Logistics Facility for Regional NWQ	Completed
2016-2018	<b>\$50,000.00</b>	\$50,000.00	\$0.00	Assess alternatives to SWER lines at McKinlay Shire, consider renewables	ERGON audit of energy demand underway Alternative power system identified and unit is under construction
2016-2018	<b>\$55,000.00</b>	\$30,000.00	\$100,000.00 (In-kind CSC)	Work to establish Stage 1 Cloncurry Biofuels and Waste Treatment Precinct	Cropping report completed Business case completed Site preparation completed Planting ready to commence
2016-2018	<b>\$35,000.00</b>	\$15,000.00	\$5,000.00 (In-kind MITEZ)	Develop New Outback Qld Tourism Routes	Completed Ready for launch

## Status of NWIDF Project – Cloncurry Dam Feasibility Study

	NWIDF Grant	Claim 1	Date of Claim	Project	Progress
2016-2018	<b>\$1,765,000</b>	\$353,000.00	7.03.17	North West Queensland Strategic Water Storage	Project review Panel appointed JACOBS selected as consultant Preliminary Business case completed in October

# NORTHERN AUSTRALIA INFRASTRUCTURE

## 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
  - Rail 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



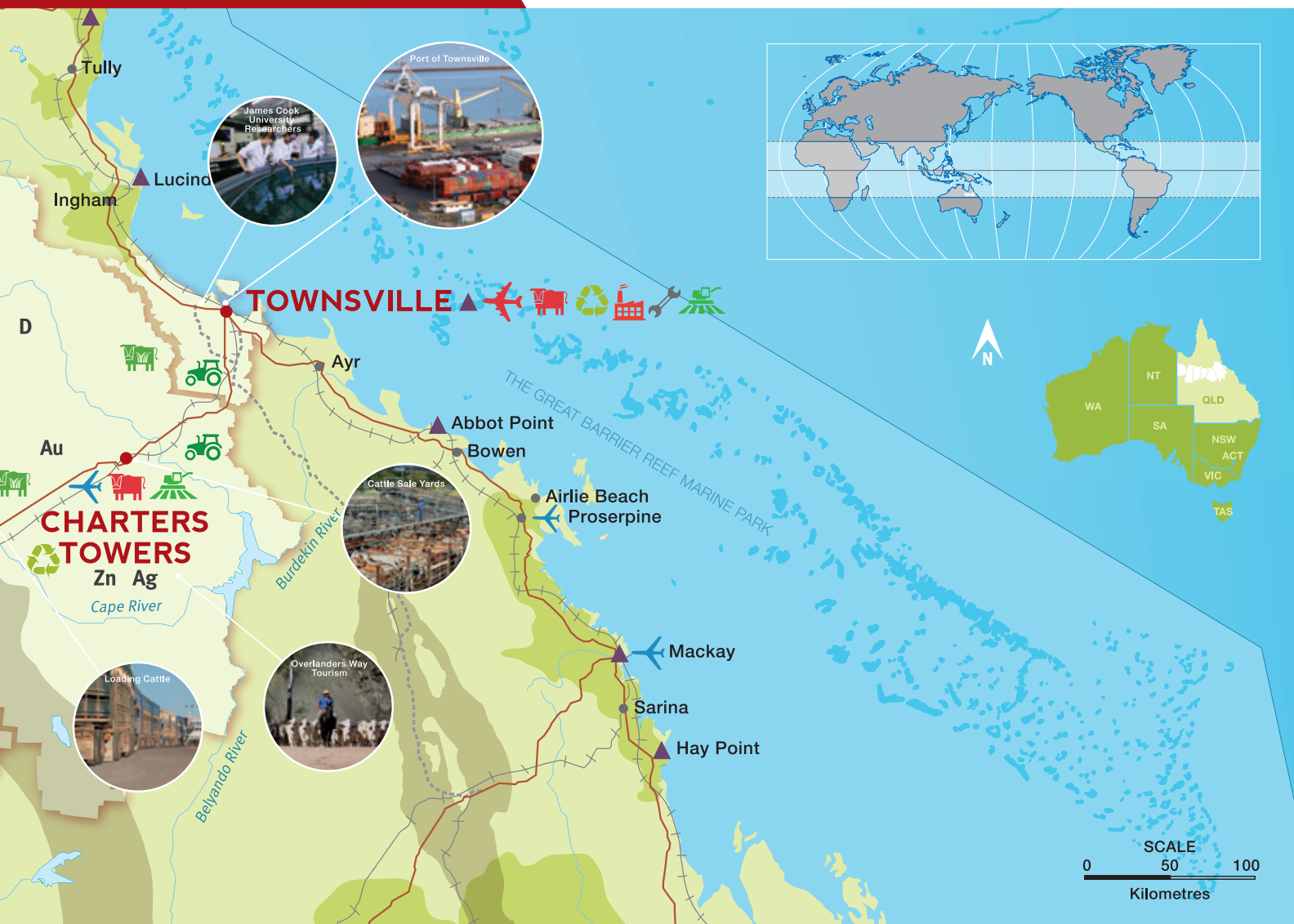
#### RICHMOND

- Grazing and Beef cattle
- Irrigated Agriculture
- Cattle Yards
- Road and Rail Freight Hub
- Gold
- Water Supply options
- Major Rural Centre**
  - Agriculture Service
  - Health
  - Education
  - Retail
  - Rail and Air Services
  - Tourism Facilities



#### HUGHENDEN

- Exploration
- Tourism
- Meat Processing Proposal
- Grazing and Beef cattle
- Dams and Water Supply proposals
- Renewable Energy resources
- Renewable Energy proposals
- Irrigated Agriculture
- District Rural Activity Centre**
  - Administration
  - Health
  - Education
  - Retailing
  - Industrial Area
  - Agriculture Services
  - Light Industrial Services
  - Rail and Air Services
  - Roads – Federal Safety Accreditation



## CHARTERS TOWERS

- Innovation Hub
- Grazing and Beef Cattle
- Regional Sale Yards, Loading and Rail
- Renewable Energy Resources
- Dams and Water Supply proposals
- Copper, Gold, Zinc, Diatomaceous Earth
- Minerals Processing
- Secure water supply
- Irrigated Agriculture
- Horticulture

## Major Regional Activity Centre

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



## TOWNSVILLE

Townsville is the largest city in Northern Australia, gateway to mining and agricultural regions and is perfectly positioned as a leading gateway to Asia.

- Townsville City Deal – 15 year plan across three levels of government
- Priority Development Area – 97 hectares stretching across 5.9km of prime waterfront land near the city ready for development
- North Queensland Stadium – \$250 million project
- Dynamic lifestyle
- Major port city
- Minerals Processing
- Economic diversity
- Australia's largest garrison city
- World renowned marine research facilities

## Major Regional Activity Centre

- Government agencies
- Major health hub
- Extensive education facilities
- Diverse retail sector
- Rail and Air Services including International Airport
- Tourism Facilities

- Main Roads and Highways
- ++++ Rail System
- Waterways
- Water Pipeline
- Gas Pipeline
- ✈ International & Domestic Airport
- ✈ Domestic Airport
- ▲ Port
- Coal Basins
- Agricultural Lands
- North West Minerals Province

- Beef Grazing
- Cattle Export Quarantine Depot
- Cotton
- Broad Acre Cropping
- Renewable Energy Potential
- Power Station
- Mining / Minerals Processing
- Agricultural Services Centre
- Heavy Industry Services / Supply Centre
- Zn Zinc
- Pb Lead
- Cu Copper
- Ag Silver
- P Phosphate
- U Uranium
- D Diatomaceous Earth
- Au Gold

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