

2019

Annual Report



MITEZ
ECONOMIC DEVELOPMENT



MOUNT ISA TO TOWNSVILLE ECONOMIC DEVELOPMENT ZONE

PRESIDENTS REPORT



As a regional, economic development organization, MITEZ has to remain focused on what can be achieved in the longer term for the sustainability of the communities along the corridor we support and occasionally when something goes wrong, it is a short-term situation and a solution is soon put in place.

This year, the un-expected dramas that unfolded with the February flooding from Townsville across to Cloncurry were seen as a catastrophe as when the flood waters receded the extent of the losses became more apparent and the need to commence the recovery became the main focus.

In the immediate days after, many of the Mayors along the MITEZ corridor took charge to quickly assess the situation and provide the leadership needed to address the problems in their respective Council areas and it was their strength and tenacity that kept their communities going.

It was recognition of the untiring efforts of many people from helicopter pilots to Council workers, Police, SES volunteers and charity organisations such as Aussie helpers and many others who captured the attention of people such as the Prime Minister whom in the midst of a federal election campaign visited the affected areas with promises to provide considerable assistance from the Commonwealth Government.

Also affected were a number of the industries in the North West whose supply chains were cut off meaning product was unable to move in either direction and in order to minimize disruption and financial losses to these companies and their

workforce, the Queensland Government did all they could to get the rail, roads and other infrastructure repaired as quickly as possible so that after around thirteen weeks everything soon returned to normal despite losses of well over \$100m for some companies.

On the other hand, things were not going to return to normal for some time for many of the graziers in the region with estimated stock losses of around 400,000 cattle as well lost buildings, fences and other farm equipment. Retired Major General Stuart Smith was appointed by the Premier to coordinate and to lead the disaster response for the Queensland Government and his efforts were invaluable in the implementation of the recovery.

In March, Shane Stone was appointed by the Commonwealth to head the North Queensland Livestock Industry Recovery Agency (NQLIRA) and to oversee flood recovery for the agricultural sector with \$400,000 grants to flood affected farmers and this work continued for a number of months. Grants to assist small businesses affected by the flood were offered through AUSIndustry in many of the towns along the corridor.

By late August things had settled back into a routine with Government, Councils, industries and small businesses now looking to move forward. Queensland Government Minister for State Development, Cameron Dick released the North West Queensland Economic Diversification Strategy which recognized the region's reliance on mining and agriculture and identified Resources; Agriculture; Tourism; Business and Industry as the key regional strengths and economic drivers for the future.

Implementation of the strategy should be easily achieved given the extensive work, studies and projects already carried out by MITEZ as well as the detailed planning and reports commissioned by Councils in recent years into water storages, transport and logistics hubs, meat processing facilities, energy solutions, irrigated cropping trials and tourism development concepts.

At MITEZ's general meetings held during the past year, a number of presentations made to members outlined recent progress on some of the region's key projects and project champions such as Cr John Wharton provided details of Richmond's Nonda irrigation project at our June meeting at

Townsville and Hughenden's Shane McCarthy presented HIPCO's Alstonvale Dam project and Flinders Shires presented their 15 Mile Irrigation scheme at our March meeting in Hughenden.

MITEZ members almost made it to Charters Towers for a General Meeting at in August however due to unforeseen circumstances this meeting had to be postponed until 2020 when Charters Towers will present some of their current projects.

Also, during the year, there were presentations and updates from Centrex's Ardmore phosphate, Multi Comm's St Elmo vanadium and Mount Isa City Council's transport and logistics hub.

At the June meeting at Townsville, respected energy consultant, Ross Thompson explained to members the potential benefits and impacts from a high voltage proposed transmission line connecting the North West Minerals Province to the grid at Woodstock. A Q&A session allowed members to comment or seek clarification about any issues they may have before a statement of support was compiled.

As 2019 draws closer to the end, evidence of the February monsoon floods is now much harder to see and lack of water in many places is again becoming a reality as it is across much of the Australian continent. What is evident following the big wet is that flooding can do wonderful things to restore soil moisture with black soil soaking up water like a sponge to become ideal for dry-land cropping as was seen at Nonda in August when a trial of sorghum and chick peas planted into soil on a grazing property achieved impressive results.

The success of this trial provides evidence for investors looking at other opportunities in the region taking advantage of the available water and good soils. Furthermore, in a continent that is experiencing drastic changes in climate and rainfall patterns in the south, this can only translate to further interest and increased investment in cropping and is bound to accelerate the development of large-scale farming ventures along the Flinders River.

Other schemes such as Flinders Shire's Fifteen Mile Ag Precinct which now has State Government significant project status is also likely to receive more investor interest from the South as water reliability improves in Australia's North. Projects such as Richmond's off-stream storage at Nonda, HIPCO's Alstonvale Dam at Hughenden, Cave Hill Dam at Cloncurry, Big Rocks Weir at Charters Towers and Hells Gate near Townsville each has great potential to add significantly to the output of production from the MITEZ region.

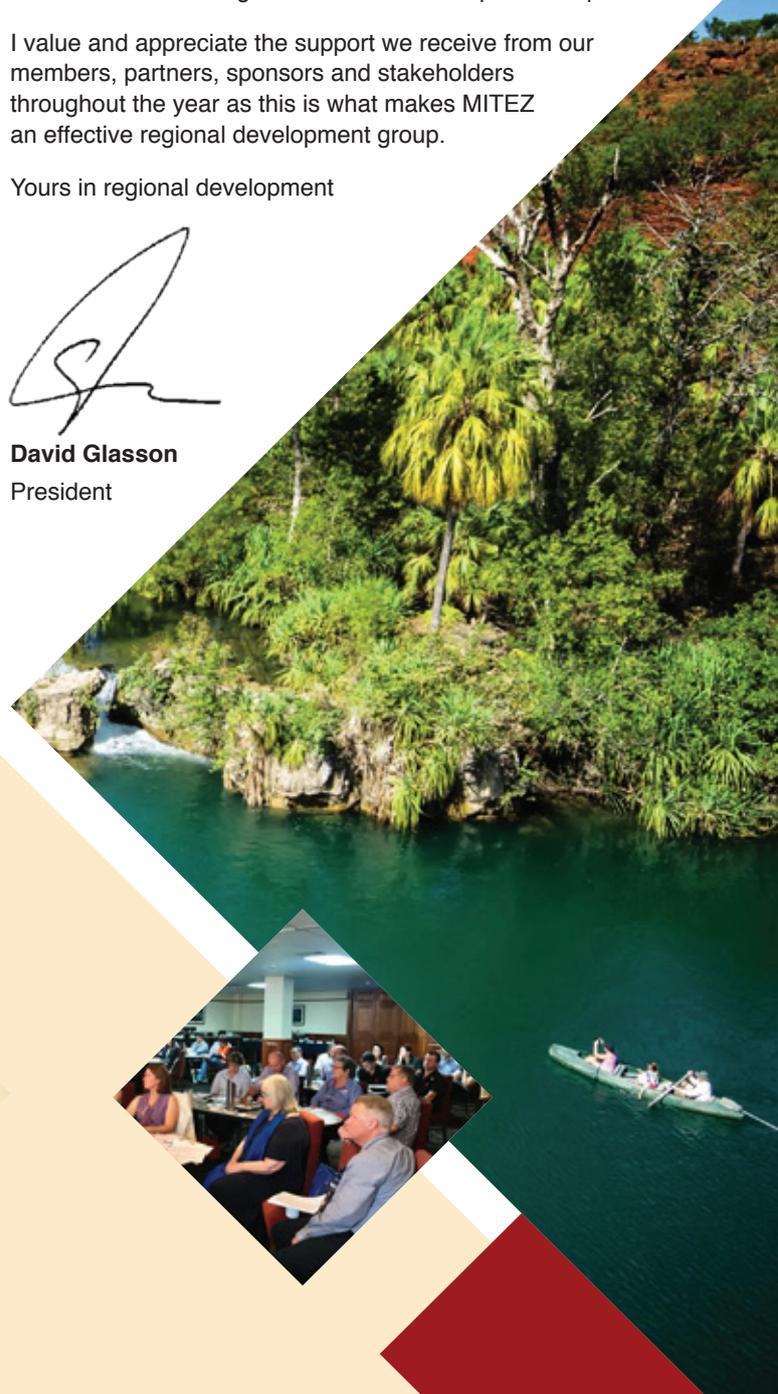
MITEZ's recent submission and presentation to the Select Senate Committee on Developing Northern Australia in October highlighted how much work had been done by MITEZ, Councils and our industry members to advance projects across the region and they were impressed by how our members work together in collaborative partnership.

I value and appreciate the support we receive from our members, partners, sponsors and stakeholders throughout the year as this is what makes MITEZ an effective regional development group.

Yours in regional development



David Glasson
President



2018/2019 MANAGEMENT COMMITTEE



President / Chairperson
DAVID GLASSON



Secretary
CONNIE NAVARRO



Treasurer
REBEKAH HAYNES

OTHER MANAGEMENT COMMITTEE MEMBERS:



Mount Isa City Council
CR JOYCE MCCULLOCH



Industry / Mining
SCOTT BOWMAN



Townsville City Council
CR MARGIE RYDER



**Mid West Shires and
representative of Agriculture**
CR GREG CAMPBELL



**Government Owned
Corporation (GOC)**
DAVID SIBLEY

YEAR IN REVIEW

In reporting on the year that was in 2019, the flooding event that occurred during early February in was most significant due to the immediate and on-going impact on communities, businesses and families across the MITEZ region.

Apart from the devastating consequences from Townsville to Cloncurry, with stock losses of around 400,000 cattle, there was hundreds of millions dollar of damage to infrastructure such as road, rail, fencing, homes and machinery as well as the enormous task of carrying out the repairs presented huge logistical challenges.

The mid-West mayors took on the overall leadership to spearhead rapid engagement with the State and Commonwealth Government agencies and were invited to draft possible responses that Governments could consider, particularly to re-build the beef industry.

The potential effect on industry in the North West was considerable as parts of the supply chain experienced significant damage such as to road and rail. To maintain their operations, these companies quickly investigated alternative arrangements to transport their product to and from their operations in the North West.

Initial repairs to sections of the rail line damaged in the February flooding enabled trains to reach Richmond where Incitec Pivot established a temporary loading facility which was observed on our return from the general meeting at Hughenden on March 22. At that time, MMG made similar arrangements at Hughenden. MITEZ personnel also inspected the repairs being done at Nelia.

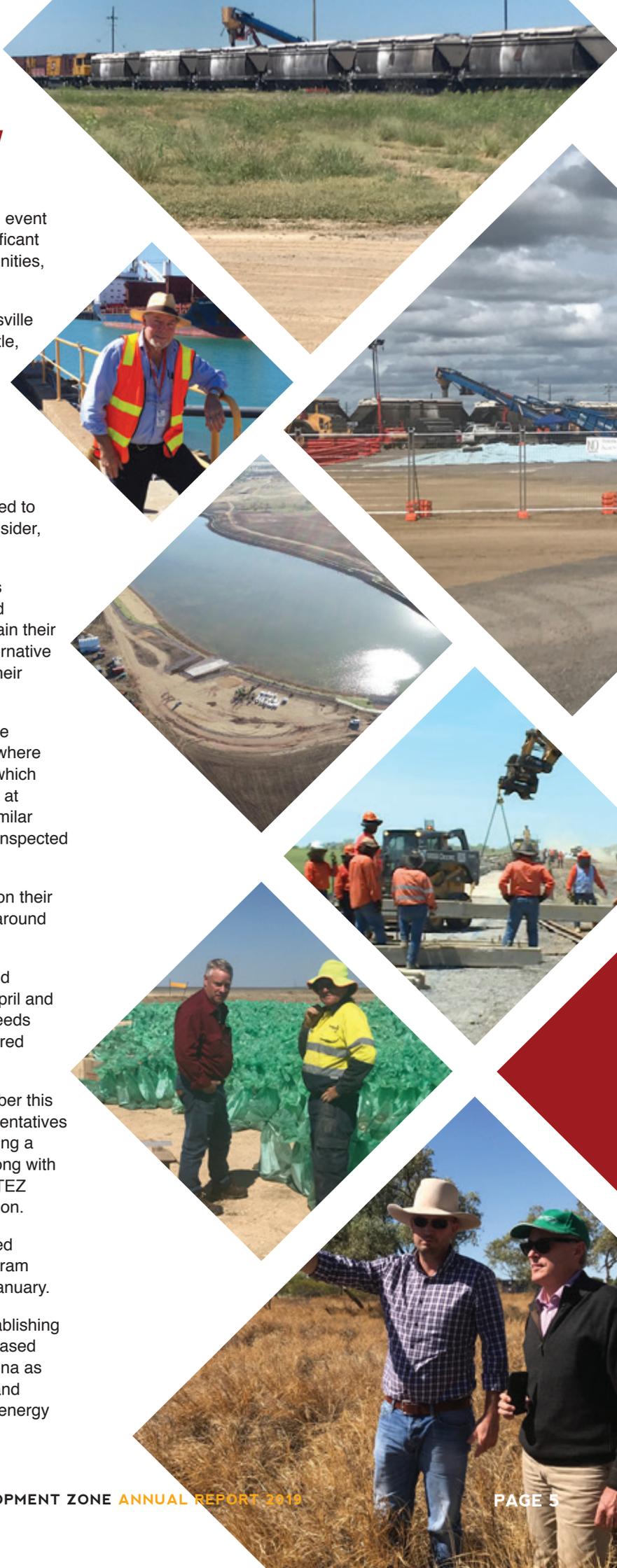
Incitec Pivot reported the cost due to the flood event on their earnings to be around \$110m with lost production of around 250,000 metric tonnes in lost production.

After the enormous task of undertaking the repairs and maintenance, the rail line re-opened on Monday 29 April and services returned and QR reported an increase in speeds across some of the sections that had previously required upgrades.

With MITEZ's 2018 AGM held at Mount Isa in November this gave members the opportunity to network with representatives from the Commonwealth Government who were holding a Ministerial forum on developing Northern Australia along with AUSTRADE. Senator Matt Canavan attended the MITEZ meeting to talk about opportunities for the MITEZ region.

State Development Minister, Cameron Dick announced extension of the remote area assistance funding program (RAB) and project two proposals were submitted in January.

One of the RAB projects assesses the viability of establishing a wood chip export industry, for the mid-west shires based on a combination of prickly acacia and Sterile Leucaena as a crop. This is to fill an information gap for investors and customers seeking a supply wood pellets as a green energy fuel and industry carbon offset..



YEAR IN REVIEW

In late 2018, the Intech renewable energy pod to be trialled at McKinlay Shire arrived at the Townsville Port. A ballot was held to determine which property the pod was to be located for a period to conduct the trial. Miraculously the pod escaped damage during the extensive flood event in the Shire and the pod was eventually set up on Glenagra station south of McKinlay.

In late 2018, the Queensland Government provided \$2m in grant funding to encourage explorers to uncover minerals in the North West while at the same time Glencore announced their plans to conduct a new form of mining to allow them to target low-grade ore to extend the life of the copper mine. A sub-level caving method is half the cost of the current mining method and will extend the copper mine well past 2014.

In March, Dugald River took the gong as one of the world's top 10 producing internationally in zinc, producing 147320 tonnes of zinc concentrate in 2018.

Following a presentation by Centrex's Ardmore phosphate team at MITEZ's March meeting, MITEZ attended community briefing day at Dajarra on September 4 to hear their latest progress report.

Another RAB project for MITEZ in 2019-20 was to deliver a shovel-ready project in the form of a masterplan/ business case to re-develop the old Hughenden Powerhouse to convert the building into a tourism/ education facility to promote story of energy, past, present and future. Both projects are due to be completed by April 2019.

The Commonwealth Government Better Regions Fund provided funding to conduct a leadership program for the MITEZ Shires and this is to identify and to provide mentoring to help develop future leaders. Program activities commenced in mid-October with workshops in Richmond and Mount Isa.

MITEZ attended the opening ceremony of the Jemena NT gas pipeline at Mount Isa on December 14 when it was announced the company was now looking to connect the pipeline to supply the east coast domestic market.

In early 2019, the mid-west shires saw increased activity by companies such as Multi-Comm, QEM and Richmond Vanadium undertaking tests on significant deposits which could be used to develop vanadium powered battery technology, while at Cannington, South 32 completed a 3MW solar farm to provide renewable energy alongside their existing gas-fired plant.

YEAR IN REVIEW

Another MITEZ project finalised early in the year was the packaging of tourism loops across the region linking Outback product along the MITEZ corridor with Cairns and Townsville.

The MITEZ Regional Profile publication was assembled by AEC and completed in April included an update on the economic conditions on the corridor as well as an analysis of the impact of the February flooding.

In late 2018, consultants, Advisian conducted a common-user infrastructure study in the North West to ascertain possible synergies and benefits for mining companies and others to utilise shared facilities such as metallurgical treatment, smelters and logistics hubs.

After advertising the MITEZ regional development officer position in February, Ross Thinee commenced the role on April 23. With his extensive local knowledge, regional networks and business experience, Ross quickly immersed himself in the work of MITEZ. QCCU and Port of Townsville provided their human resources expertise to assist with the recruitment process.

Ross quickly moved into this role and was soon taking the responsibility to facilitate and monitor projects such as the MITEZ Leadership program held at Richmond and Mount Isa in October.

Long-time sponsor, Bell and Moir Toyota provided a replacement Landcruiser as part of its support to MITEZ. This marked their eleventh year supporting MITEZ with a new vehicle provided about every two years.

The detailed business case for the Cave Hill Cloncurry Dam project was completed at the end of June. The study was commissioned by the Commonwealth Government through the State to identify where new water storages could stimulate large scale irrigated agriculture in Northern Australia. A number of issues associated with the final business case including dam design and costings had to be resolved before the project could be completed.

A key recommendation of the report is to establish a 500 to 1000 hectare demonstration farm on the Cloncurry town common to demonstrate to potential investors the sustainability for irrigated cropping around Cloncurry. The trials are expected to begin in mid-2020.

During the year, MITEZ participated in various regional activities including the Telstra Regional Advisory Council at Cloncurry; Remote Area Board Forum at Cairns; Innovate Queensland Outback Tour at Richmond and were represented as an exhibitor at the Mount Isa Mining Expo in May.

Among the key messages from the Mount Isa Expo, Glencore announced they planned to invest in green economy projects and recognised that copper and zinc are going to play an integral role in electric vehicles, renewables and reducing carbon footprint. Also announced was MMG



offering to open their Tuesday charter flights from Cloncurry to Townsville to the public with a fare of \$220 one way.

Mayor Greg Campbell and MITEZ CEO were invited as members of the regional reference group for the Copper String 2.0 project and attended meetings at Townsville in May and at Brisbane in August when the meeting was held in the Queensland Parliament building and this included briefing the government, opposition and cross benches members. This included briefing the Premier and Minister Anthony Lynham. A networking function with the potential customers was also held at Parliament House.

YEAR IN REVIEW

The meeting in Brisbane coincided with the release of the final terms of reference for the EIS for the CopperString 2.0 which is expected to be completed in early 2020.

Prior to this, MITEZ President and CEO met with representatives from both Mica Creek and DPS to better understand how CopperString would impact or benefit their operations in the North West. In its response to the draft terms of reference, MITEZ requested this be included as part of the EIS for the project.

MITEZ general meetings were held at Townsville in November, at Hughenden in March and June at Townsville when there were over fifty people attending to hear reports from QR and TMR following the completion of damage caused by the February flooding to the road and rail networks.

QR reported how the repairs allowed additional maintenance done during that period reduced travel time for freight on the line by around 50 minutes.

The scheduled August meeting at Charters Towers was cancelled due to conflicting events with the final meeting held at Townsville in October.

During the federal election campaign, the ALP had pledged to invest \$100m for further upgrades to the Mount Isa to Townsville line and MITEZ sought a matching commitment from the LNP should they be elected to Government.

Following this election, the mid-west shires received plenty of attention and financial support from the newly elected federal government to assist graziers, businesses and Councils. This work is on-going through the North Queensland Livestock Industry Recovery Agency (NQLIRA).

In July Port of Townsville reported that major floods in the region in early 2019 failed to dampen growth in exports with total trade through Townsville Port increased by 4.7 per cent in the 2018-19 financial year, rising to a total of 7.68 million tonnes, with exports of mineral concentrates rising by 33 per cent, refined copper up by 27 per cent, zinc ferrite by 11 per cent and smelted lead by seven per cent.

The North West Minerals Province contains approximately 75 per cent of Queensland's base metal and mineral endowment including copper, lead, zinc, silver, gold and phosphate deposits.

In July, Ravenswood gold mine announced plans to increase gold production from 115,000 ounces to 200,000 ounces annually and secured 380 jobs at its low cost mine east of Charters Towers.



YEAR IN REVIEW

August saw the signing of a deed between Flinders Shire Council and CNVM to develop a meatworks and 50,000 head feed-lot on a site about 5km west of Hughenden. The facility would be able to process between 800 to 1500 head of cattle once operational.

Also, in August water began flowing into the new \$6m recreational lake at Hughenden. Flinders Shire Council is licenced to pump water out of the Flinders River as well as receive water from overland flows during the wet season.

A formal handover of Aurizon Queensland's intermodal business to Linfox took place in February which would maintain vital rail freight services to the region and Glencore appointed Toll to operate their rail loading facility at Mount Isa.

A detailed business case for a Mount Isa Transport and Logistics Hub commenced with a meeting of stakeholders in August. Representatives from a number of freight operators attended with PWC undertaking this work for Mount Isa City Council.

Plans to develop a rail loading facility east of Cloncurry moved a step closer after the development application received Council approval and investor finance was reported by the proponent to be progressing well.

An Economic Diversification Strategy for the North West was released by the Queensland Government State Development Minister, Cameron Dick along with \$2m to attract investment and deliver jobs in resources, agriculture, tourism, business and industry. The diversification strategy was one of the actions as part of the Blueprint for North West Queensland that was released in 2018.

The next phase of the Blueprint is to develop an implementation plan in consultation with regional stakeholders to identify potential projects.

In September the NAB signed on as financial advisor in the \$2b lithium-ion cell manufacturing plant which is expected to create 1150 jobs and to be located at Woodstock, around 20km west of Townsville. The project is undertaking advanced planning and feasibility work.

Many of the potential major customers of the CopperString project committed to corporate de-carbonisation objectives indicated their interest in taking a significant tranche of unsubsidised renewable energy as part of their overall energy consumption. These companies would be able to negotiate with existing and proposed renewable energy providers to become customers.

QEM's flagship Julia Creek vanadium/ oil shale project was granted new tenements covering 500 square kilometres in total. The tenements form part of the vast Toolebuc



Formation recognised as one of the largest deposits of vanadium and shale oil in the world and located just 15km east of Julia Creek.

To assist in managing the prickly acacia crisis affecting many of the mid-west Shires, the Queensland Government announced over \$2.7m in grant funding through the Queensland Feral Pest Initiative on top of the \$5m already announced by the federal government in March for projects to manage prickly acacia infestations to restore the Mitchell Grass Downs region.

YEAR IN REVIEW

In September the issue of uranium mining in the North West and potential nuclear energy generation in Australia received low key dialogue at various levels of Government however there does not appear to be a strong appetite to move on this issue despite the obvious benefits in providing more jobs in the North West.

Queensland Parliament was held at Townsville in September bringing some welcome attention to issues affecting the North and North West and MITEZ was invited to participate in a number of events including a roundtable meeting with the opposition to discuss priorities on the MITEZ corridor.

Other administration such as providing letters of support for various major project funding applications, MITEZ was acknowledged for forwarding submissions and input on a range of matters including the Senate Inquiry into Rural and Regional Air Route Service Delivery; Draft Terms of Reference for EIS for CopperString 2.0; Draft North West Queensland Economic Diversification Strategy; Extension to the Gulf Water Plan; the Effectiveness of the Australian Government's Northern Australia Agenda and Productivity Review into Remote Area Tax Concessions and Payments.

As a witness and representative body for the region, MITEZ was invited to attend hearings that were held in region for many of these inquiries.

All in all 2018-19 was another busy year for MITEZ.



FINANCIAL SUMMARY

GROUP FINANCIAL HIGHLIGHTS

Net Assets

2019 **\$985K**

2018 **\$1.139M**

Total Assets

2019 **\$1.147M**

2018 **\$1.304M**

2019 Income Summary

Interest Income

\$15K

Membership Fees

\$288K

Project Income

\$932K

Key Expenditure

Projects and Consultants

\$1.095M

Operations and Administration

\$294K

Memberships

2019 **\$288K**

2018 **\$288K**

Cloncurry River Dam Project

2019 Cave Hill Dam - Major Project of

\$1.765M

Delivered on plan

"Thank you to our valued members for your contribution and support through the past financial year. The 2018/2019 Financials have seen us continue to run to plan with the future of 2020 looking to see growth in new membership through a proactive approach through our Chosen Corridor.

MITEZ has retained a stable asset base with the variance in total assets year on year due to outgoing Milestone payments for our major '3 year project of Cave Hill Dam', which we are pleased to say has been managed efficiently and effectively."

Rebekah Haynes Treasurer

MITEZ MEMBER COUNCILS



MOUNT ISA CITY COUNCIL

23 West Street, Mount Isa
Phone: 07 4747 3200



FLINDERS SHIRE COUNCIL

34 Gray Street, Hughenden
Phone: 07 4741 2900



CHARTERS TOWERS REGIONAL COUNCIL

12 Mosman Street, Charters Towers
Phone: 07 4761 5300



CLONCURRY SHIRE COUNCIL

19 Scarr Street, Cloncurry
Phone: 07 4742 4100



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

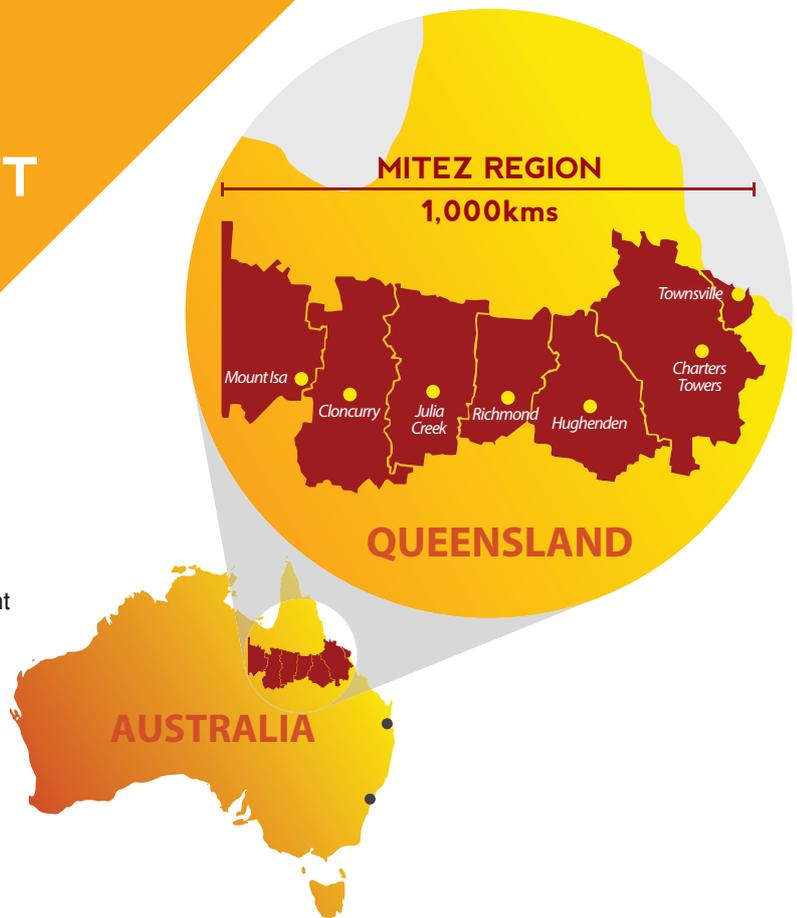
ECONOMIC PROFILE

The economic indicators of the MITEZ region were profiled as a whole and across three major sub-regions based on geography and economic structure:

- **Townsville Local Government Area (LGA).**
- **The Mid West region** – Consisting of LGAs including Charters Towers, Flinders, Richmond and McKinlay.
- **Western region** – Consisting of the Cloncurry and Mount Isa LGAs.

Key economic and demographic indicators for the MITEZ region include:

- **Population of 231,010 in 2018, projected to increase 1.3% per annum to 2041.** Growth has weakened in recent years and is concentrated in the major population centre of Townsville. Rural and remote areas of the MITEZ region have experienced an ongoing population decline.
- **Gross Regional Product of \$18.2 billion:** Between 2011-12 and 2016-17, the MITEZ region's Gross Regional Product (GRP) has grown by \$1.36 billion, equating to an average annual growth rate of 1.6% per annum. However, in the most recent year GRP decreased by 0.2% (\$44.9 million).
- **Labour force of 10,400 and Unemployment rate of 8.8%:** The region has experienced high unemployment over the past five years. However, there has been signs of steady improvement over recent months and this is expected to continue with renewed interest in the mining and agricultural centres and a significant pipeline of infrastructure work in Townsville.
- **Health Care and Social Assistance (14.3% of total employment), Public Administration and Safety 12.8% and Education and Training (10.0%) are the largest employment sectors in the MITEZ region.** The employment mix differs significantly across the MITEZ region, with Townsville's industry mix heavily influencing the regional statistics. In the Mid West, agriculture, forestry and fishing employs the most people at 16.4%, closely followed by the mining sector at 15.1% of total employment. In the Western region, mining provides 34.7% of the region's total employment, with the next largest employment industry being education and training at 9.4%.
- **The MITEZ region attracted 2.6 million visitors during 2017-18, staying a total of 6.6 million nights.** More than 70% of visitors travelled to the Townsville LGA; however, there has been a broad trend of visitation growth (though volatile) across the Mid West and Western regions.



REGIONAL OUTLOOK

The MITEZ region has endured volatile conditions over recent years, with major drivers including:

- The closure of the Yabulu Nickel Refinery.
- Several periods of severe drought across the Mid West and Western regions.
- Large widespread flooding in February 2019 significantly impacting the resource sector, the beef cattle industry and small businesses. The flooding caused major disruptions to key transport corridors, impacting supply chains across MITEZ.
- A cyclical downturn in the resources sector.

This has led to weakness across economic indicators, from labour force to GRP, reduced population growth and a decline in a number of significant industry sectors including manufacturing and construction.

While most statistical indicators remain soft across the region, there has been a clear improvement over recent months on the back of major infrastructure announcements (North Queensland Stadium, Haughton Pipeline Duplication, Hells Gate Dam Stage 1, Mount Isa – Darwin gas Pipeline, Port of Townsville Channel Widening). Improved commodity prices have seen a number of new mine developments, including Capricorn Copper and Dugald River in the Western region that have recently commenced production and broader private investment in the region is beginning to flow through including the \$300 Sun Metals Zinc refinery expansion and numerous renewable energy development throughout the region.

REGIONAL SNAPSHOT



With the pipeline of planned and committed projects underway, regional economic growth is projected to improve over the coming years, with unemployment steadily reducing towards State averages and population growth returning towards longer term growth trends.

Should conditions prove favourable, there is significant upside for economic growth across the MITEZ region. Large scale irrigated agriculture at Flinders Shire, Cave Hill and Hells Gates is potentially game changing for the surrounding rural and remote communities in the medium-longer term and renewed interest in value adding manufacturing investment in Townsville would see the city return to be an economic powerhouse.

However, significant risks remain to the regional economy including trade tensions between the US and China. A significant economic slowdown in China and Asia generally would have significant implications for exports from the MITEZ region and regional investment generally.

The current downturn in Australia's capital city housing markets may potentially impact the Australian economy more broadly depending on the duration and severity of the downturn. However, as recent years have shown the MITEZ region is driven by significantly different economic drivers to major cities and may benefit from southern residents seeking alternative and affordable lifestyle and employment opportunities.

Key issues within the MITEZ region that may constrain economic growth include ongoing population decline

throughout the Mid West and Western regions and re-establishing Townsville as a high growth and prosperous region capable of attracting major investments, visitors, skilled employees and residents after a multi-year downturn.

On balance, the outlook for the MITEZ region is favourable over the coming years as it recovers from one of the most significant downturns in the region's history. The strength and speed of the economic recovery will be dependent on the progress of the numerous large scale developments, and contingent on macroeconomic factors including political and trade certainty. Maximising the regional benefits of the large scale infrastructure and private projects will critical for broader growth and ensure the MITEZ region realises its significant economic development potential over the coming years.

Implications for the MITEZ region

The MITEZ region will be significantly impacted by major macro-economic trends over the coming years. The MITEZ region is both well placed to capture the benefits of ongoing growth in emerging markets and exposed to global economic, trade and geopolitical risks should they eventuate.

Key avenues through which the region will be impacted by macroeconomic trends include:

- The region will continue to see investment interest in its agricultural sector to meet rising global demand, particularly where cost effective irrigation infrastructure can be established. The aging of the region's agricultural workforce and declining rural population base remain key challenges to capturing this opportunity.
- The automation of machinery is likely to impact many of the sectors that are predominant in the MITEZ region. These include:
 - The agriculture industry of which is likely to see benefits of using drones, as well as automated farming equipment which is likely to reduce employment.

REGIONAL SNAPSHOT

- Mining has started to see a shift towards driverless technology with many jobs now allowing people to work from city centres rather than be physically on-site. This could reduce the economic impact that FIFO workers have on the development zone, as well as reduce employment in the industry.
 - Manufacturing is also likely to continue to see a reduction in employment due to automation with many jobs in manufacturing.
 - The increased ability to telework and increased automation in the services sector will continue to support service levels in the remote parts of the MITEZ region in areas including health and aged care, education, recreation and employment opportunities.
 - The transition to a largely services based economy has impacts on the mining, agriculture, manufacturing and energy sectors with less reliance on these sectors for employment at a national level. However, they will remain critical drivers of the MITEZ regional economy and the basis for significant services based activity.
 - Increasing environmental demands and compliance will continue to be a major implication for new investment in the regional agricultural and mining sectors. However, MITEZ's production of base metals is not currently subject to the same levels of environmental concern as thermal coal in the Galilee Basin.
- Within the context of macro economic trends, the following impacts are projected across key sectors of the MITEZ economy.

Macro Trends for Key MITEZ Sectors

Sector	Impacts	Outlook
Mining	<ul style="list-style-type: none"> • The sector is projected to continue to recover driven by increasing global and emerging market demand for commodities such as lithium-ion, vanadium, copper and zinc. This will benefit regional exports and support ongoing investment interest. <ul style="list-style-type: none"> - This increase reflects rapid technological growth and the subsequent increasing demand for base metals. • The regional industry will continue to be exposed to a potential economic slowdown in China, and ongoing trade tensions with the US. • Increased awareness of climate change is likely to continue to place pressure on thermal coal mining, with Townsville a potential major labour source for the Adani Carmichael project. 	<ul style="list-style-type: none"> • There is a solid outlook for the MITEZ mining industry with: <ul style="list-style-type: none"> - Demand for battery materials (including vanadium, high-purity alumina, lithium and cobalt) is projected to rise exponentially over the coming years (IBISWorld, 2019). - Output for silver, lead and zinc are projected to grow due to an increase in global demand. However metal prices are projected to decline leaving IVA at a slight decline of 0.2% per annum over five years to 2022-23 (IBISWorld, 2019). - Significant opportunities to leverage Common Use Infrastructure (CUI), including: <ul style="list-style-type: none"> • Developing the Port of Karumba as an export hub for minerals/ processing and beef cattle. • Facilitating the development of the of the Mount Isa/Cloncurry mining precincts and Mount Isa phosphate precinct. • Strengthening the Mount Isa smelting and Townsville refining hubs. • Increasing rail utilisation to reduce freight costs and improve safety outcomes.

REGIONAL SNAPSHOT

Sector	Impacts	Outlook
Agriculture	<ul style="list-style-type: none"> • An increase in disposable incomes for the Asian middle class along with current and under negotiation FTA's are projected to increase beef exports over the next five years. • Relatively low projected exchange rates will also support regional production. • Regional production will continue to be subject to weather conditions, <ul style="list-style-type: none"> - From drought being a key risk for the industry to; - The widespread flooding event occurring in February 2019 impacting cattle stock. 	<ul style="list-style-type: none"> • Agriculture within the MITEZ region is projected to experience solid demand growth over the coming years, with: <ul style="list-style-type: none"> - Beef industry revenue projected to grow nationally at an annual rate of 1.1% to 2022-23. However, IVA for the industry is expected to moderate from recent record high levels. - Although growth is projected, the recent flooding event and loss of stock will most likely negatively impact the industry in the short-term, with flow-on effects being felt throughout the community. - Niche areas such as organic beef are expected to continue to see strong growth over the coming years.
Tourism	<ul style="list-style-type: none"> • Tourism growth will continue to be attributed to an increase in travellers from Asia, in particular mainland China. • Region's with authentic outback and Indigenous Australian experiences are well placed to capture rising international tourist demand. • The Australian dollar is currently projected to remain relatively at competitive levels, supporting growth in international tourism and incentivising Australian households to holiday domestically. 	<ul style="list-style-type: none"> • Tourism remains a strong potential growth sector for the MITEZ region, where supporting products, experiences and transport connectivity are enabled: <ul style="list-style-type: none"> - Over the next 5 years the Hotels and Resorts sector is projected to grow by 2.0% annually. - Over the same time period caravan parks and camping grounds are projected to grow by 1.0% per annum.
Manufacturing	<ul style="list-style-type: none"> • Manufacturing and refining within the MITEZ region is recovering from a very difficult period due to projects such as the \$300 million Sun Metals Expansion and renewed interest in local nickel/cobalt refining. <ul style="list-style-type: none"> - Coupled with the Townsville's port widening project, the MITEZ region has significant potential to be an even greater transport and value adding hub for commodities produced in the North West Minerals Province. - Glencore's copper refinery and smelter is set to increase copper output within the region after originally planning to close Queensland sites in 2016. These sites will now be kept open until 2022. • Australia's high cost of production continues to be a major barrier to industry growth. However increased automation is projected to open up significant opportunities within the region. 	<ul style="list-style-type: none"> • The MITEZ manufacturing sector is projected to continue to steadily recover from the major downturn of the past few years driven by emerging market demand: <ul style="list-style-type: none"> - Prices are expected to be rather volatile over the coming years, however it's seen to be an improvement compared to recent years. - Projects such as the Sun Metals Expansion will significantly increase regional output. - IVA for copper, silver, lead and zinc smelting and refining is projected to grow at an annual rate of 1.0% to 2022-23.

REGIONAL SNAPSHOT

Sector	Impacts	Outlook
Energy	<ul style="list-style-type: none"> Climate change tensions have turned focus towards renewable energy sources. The MITEZ region hosts several large renewable energy projects (Sun Metals solar farm, Kennedy Energy Park). Increased awareness of climate change is likely to continue to place pressure on thermal coal mining and traditional energy generation in favour of renewable resources. 	<ul style="list-style-type: none"> Particularly high energy prices are a long term constraint towards investment in the region, however the development of renewable energy sites and projected reductions in prices should support industry and economic development outcomes. The region has extensive renewable energy generation capabilities, with a transmission connection to the National Electricity Market (NEM) required for the region to fully capitalise on generation opportunities. The recent connection of Mount Isa to the NT gas network will support energy availability for large operations in the Western region. Potential connection of the North West Minerals Province to the National Electricity Market (NEM) proposed by CopperString v2.0.
Defence	<ul style="list-style-type: none"> The Australian-Singapore military training agreement in Townsville is set to expand the regions defence force which is already know as being one of Australia’s largest defence forces. Local industries have the potential to benefit from major initiatives including the recent Land 400 project which will deliver the next generation of Combat Reconnaissance Vehicles to the Australian Army. 	<ul style="list-style-type: none"> The \$2 billion initiative will allow for up to 14,000 Singapore troops in the regional annually. Ongoing geopolitical tensions are likely to support ongoing military investment in Northern Australia.

Source: AEC, IBISWorld (2019).



REGIONAL SNAPSHOT



Major Regional Developments

Few regions in Australia have the economic development potential of the MITEZ corridor. The region currently has several major projects proposed and underway which will provide the impetus for significant growth over the coming years and decades.

Approved and under construction projects will underpin the regional economy as it recovers from the downturn of the past few years, and potential large scale irrigation, energy and manufacturing projects have the potential to drive a new era of growth for region. These projects have been a major driving force behind the recent economic recovery, and this is projected to continue over the coming years.

Table 4.1 below highlights some of the major regional projects which are either planned or under construction for the MITEZ region.

Project	Location	Description	Status/Timing	Outlook
North Queensland Stadium	Townsville	\$250 million, 25,000 seat stadium to currently being developed in the Townsville CBD. The facilities will be used for NQ Cowboys NRL home games and other large scale events.	Under construction, to be completed by the 2020 NRL season.	1,650 FTE jobs during construction (direct & flow on).
Australia-Singapore Defence Agreement	Townsville	\$2 billion investment between Central and North Queensland to deliver military training areas, enhancing the region's bilateral defence relationship with Singapore. Training for Singapore troops will be approximately 18 weeks with the initiative spanning over 25 years. It is estimated that \$50 million will be spent annually during the construction phase.	Construction to begin in 2019.	14,000 Singapore armed forced personnel.

REGIONAL SNAPSHOT

Project	Location	Description	Status/Timing	Outlook
Haughton Pipeline Duplication	Townsville	<p>\$225 million duplication of a fully functioning and sustainable 36.5km pipeline from the Haughton Pump Station to the Ross River Dam.</p> <p>A backup to the Ross River Dam, the pipeline will provide a bulk raw water supply link to the Burdekin Haughton Water Supply Scheme.</p>	Under construction scheduled for completion by December 2019.	Not available.
Townsville Port Channel Widening	Townsville	<p>The Channel Capacity Upgrade will be developed over six years and involves widening of the existing channels from the current 92-metre width to 180 metres at the harbour entrance, tapering to 120 metres at the sea channel entrance.</p> <p>This will enable access for larger trade and cruise ships to the region and significantly improve efficiency.</p>	Under development.	120 construction FTE.
Kennedy Energy Park	Flinders Shire	Commencing with the 'proof-of-concept' Kennedy Energy Park project of 15 MW solar, 43.2 MW wind, plus 2 MW of storage, the ultimate plan is to construct up to 1,200 MW of renewable energy generation in the region.	Stage 1 operational from late 2018.	Not available.
Sun Metals Expansion	Townsville	\$300 million expansion to improve efficiency and boost production by 45,000t zinc p.a.	Approved, to be completed by 2021.	800 FTE construction 100FTE Operations.
Hells Gate Dam	120km North of Charter Towers	<p>\$5.35 billion project to increase irrigation for agriculture in the North.</p> <p>Phase 1 includes: \$24 million for stage one of the Big Rocks Weir and \$30 million to advance the broader Hells Gate Project.</p>	Approved, Phase one subject to Environmental Impact Statement.	12,000 Construction 5,000 Direct & Indirect Operations.
Cave Hill Dam	Cloncurry Shire	Major water storage and broadacre irrigated cropping development on the upper Cloncurry River.	The development of a detailed business case assessing the economic viability of the Cave Hill Dam will be completed in early 2019.	58 direct and indirect operational FTE jobs.
Eva Copper Project	75km from Cloncurry	Initial capital costs of approximately \$350 million with a minimum projected mine life of 12 years. The mine will look at copper and gold deposits with a processing rate of 9.75 million t/p.a.	Positive feasibility study results announced in October 2018, with construction expected to start in 2019.	5300 FTE Operations.

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Project	Location	Description	Status/Timing	Outlook
Saint Elmo Project	Julia Creek	\$30 million project under consideration to produce 10,000t of vanadium p.a.	Proposed, targeting first production in 2021.	250FTE Construction 150FTE Operations.
Mount Isa to Tennant Creek Rail Line	Mount Isa	\$2-\$3 billion project under consideration which will connect the port of Townsville and the Port of Darwin.	Proposed.	Subject to feasibility works.
Darwin Gas Link	Mount Isa	NGP Project is a 622km buried gas pipeline linking Tennant Creek in the Northern Territory and Mount Isa in Queensland.	Completed.	Approx. 1,100 construction jobs.
Richmond Croydon Road	Richmond	\$4 million progressive road sealing project to improve productivity, safety, accessibility to deliver improvements to the cattle supply chain. Australian Government contributed \$3.2 million.	Under construction, to be completed by mid 2019.	Not available.
Irrigated Agricultural Development	Hughenden	\$47 million with initial development of 60 ha for table grapes and 60 ha for citrus crops.	Expected completion 2020.	5FTE Construction 2 FTE Operations 70FTE Seasonal.
Recreational Lake	Hughenden	\$8 million recreational lake precinct will cover an area of 59 acres.	Under construction, to be completed by end of 2019.	15% of construction labour must be sourced locally.
Recommendation of Nickel Refining	Townsville	Townsville currently has two proposed major nickel and cobalt projects, being the potential reopening of the Yabulu Refinery and a new facility proposed by Pure Minerals.	Queensland Nickel currently subject to legal proceedings relating to 2016 collapse. New refinery subject to feasibility works.	Yabulu Refinery previously supported 800 direct jobs.
Lithium-Ion Battery Plant	Townsville	Proposed \$2 billion battery plant by international consortium Imperium 3.	Proposed, targeting first production in 2021.	
Lady Loretta Zinc Mine	Mount Isa	The Zinc mine has partially reopened in 2018 after two years of suspended operations.	Proposed, targeting first production in 2021.	
Capricorn Copper Mine	Mount Isa	Reopened in 2017 with production levels of 30,000 tonnes p.a.		
Copper String v2.0	Mount Isa to Townsville	T\$1.4 billion project connecting the North West Minerals province to the NEM.		
Centrex Ardmore Phosphate Rock Project	120km south of Mount Isa	To produce 1 million dry tonnes p.a. processing rate to produce 800,000 wet tonnes of premium grade concentrate with a 10 year mine life.		

REGIONAL SNAPSHOT

Project	Location	Description	Status/Timing	Outlook
Cloncurry Bio-Fuels and Waste Treatment Precinct	Cloncurry	Irrigated cropping trials are underway to generate bio-fuel production, a significant value adding opportunity for the MITEZ region. There are future plans to investigate the expansion of crops in order to generate larger productions of bio-fuel. This presents an opportunity to develop a bio-fuels industry and a niche market for potential export to meet global demand.		
Barbara Copper Project	60km north-east of Mount Isa	The open pit mine exists of copper-gold deposits, with the ore to be processed at Gelncore's Mount Isa copper operations. The mine is a joint venture between Syndicate Metals and Round Oak Minerals Pty Ltd (or ChopperChem Limited).		

Impact of 2019 Floods

The MITEZ region was recently hit by the worst flooding event in the region's history in February 2019, with the one in five-hundred year event causing significant deluge across both Northern Queensland and the MITEZ region.

The region experienced unprecedented rainfall, with approximately two meters of rain in a period of ten days in some areas.

The long-term economic toll is not yet known, however the Insurance Council of Australia (ICA) currently estimates the insurance claims at \$1.04 billion worth of losses with over 25,000 claims being submitted (90% of claims residential) (Insurance Business Australia, 2019). In addition to the disruption of homes and businesses in Townsville the floods have had a significant impact across the MITEZ corridor.

Some of the key areas impacted are considered in the following sections.

Beef Cattle Industry

The flooding across North West Queensland has had a major impact on the beef cattle sector, with an estimated loss of 300,000 to 500,000 head across the region.

The impact that this loss of stock will have on the Australian beef cattle market is yet to be fully understood. However, it is clear the event will have a significant negative impact on the industry over the next 12-18 months, with flow-on effects felt throughout the entire supply chain and Queensland as a whole.

Mount Isa to Townsville Rail Line

The North West Minerals Province is a significant export hub for the mineral industry, supporting \$4 billion worth of mining and metal exports from the Port of Townsville annually (Townsville Bulletin 2019).

The rail line has been closed since the flooding event, with over 200km of rail line damaged and 16 damaged rail bridges between Richmond and Oorindi alone. Queensland Rail has implemented a special task force to oversee repair of the line with up to 400 employees and contractors on site. The rail line is currently scheduled to reopen in May. Mineral producers have enacted interim transport arrangements predominantly via road.

The rail line is of critical importance to the local economy, with Incitec Pivot Limited (IPL) estimating financial losses of \$100-120 million due to the rail closure. The closure of the key supply chain route has caused an increase in operational costs across the major mining operators within the region due to disruption in logistics. However, the major mining operators have acquired alternative routes with operations continuing as per normal.

Community Support Required

The MITEZ region experienced a long period of severe drought followed by extreme flooding which will have both significant short and long term consequences. Current focus needs to be directed towards the broader supply chain, in particular small businesses which are suffering due to due the disrupted supply chains, flooding damage and loss of income. The retention of small businesses within

REGIONAL SNAPSHOT



remote and regional communities is critical for industries to resume operations once repairs and restocking has been undertaken.

Consultation with key MITEZ stakeholders also identifies a need for funding support to continue community services and events, as the loss of business income has led to a drying up of sponsorship revenues to support a range of community activities. Events are a key means of social support for individuals, particularly through the challenging recovery period. Support will likely be required over a significant period of 12-18 months.

Summary

The MITEZ region had endured volatile conditions over recent years, with major drivers including:

- The closure of the Yabulu Nickel Refinery.
- Several periods of severe drought across the Mid West and Western regions.
- Large widespread flooding in February 2019 significantly impacting the resource sector, the beef cattle industry and small businesses. The flooding caused major disruptions to key transport corridors, impacting supply chains across MITEZ.
- A cyclical downturn in the resources sector.

This has led to weakness across economic indicators, from labour force to GRP, reduced population growth and a

decline in a number of significant industry sectors including manufacturing and construction.

While most statistical indicators remain soft across the region, there has been a clear improvement over recent months on the back of major infrastructure announcements (North Queensland Stadium, Haughton Pipeline Duplication, Hells Gate Dam Stage 1, Mount Isa – Darwin gas Pipeline, Port of Townsville Channel Widening). Improved commodity prices have seen a number of new mine developments, including Capricorn Copper and Dugald River in the Western region that have recently commenced production and broader private investment in the region is beginning to flow through including the \$300 Sun Metals Zinc refinery expansion and numerous renewable energy development throughout the region.

With the pipeline of planned and committed projects underway, regional economic growth is projected to improve over the coming years, with unemployment steadily reducing towards State averages and population growth returning toward longer term growth trends.

Should conditions prove favourable, there is significant upside for economic growth across the MITEZ region. Large scale irrigated agriculture at Flinders Shire, Cave Hill and Hells Gates is potentially game changing for the surrounding rural and remote communities in the medium-longer term and renewed interest in value adding manufacturing investment in Townsville would see the city return to be an economic powerhouse.

However, significant risks remain to the regional economy including trade tensions between the US and China. A significant economic slowdown in China and Asia generally would have significant implications for exports from the MITEZ region and regional investment generally.

The current downturn in Australia's capital city housing markets may potentially impact the Australian economy more broadly depending on the duration and severity of the downturn. However, as recent years have shown the MITEZ region is driven by significantly different economic drivers to major cities and may benefit from southern residents seeking alternative and affordable lifestyle and employment opportunities.

REGIONAL SNAPSHOT

Key issues within the MITEZ region that may constrain economic growth include ongoing population decline throughout the Mid West and Western regions and re-establishing Townsville as high growth and prosperous region capable of attracting major investments, visitors, skilled employees and residents after a multi-year downturn.

On balance, the outlook for the MITEZ region is favourable over the coming years as it recovers from one of the most

significant downturns in the region's history. The strength and speed of the economic recovery will be dependent on the progress of the numerous large scale developments, and contingent on macroeconomic factors including political and trade certainty. Maximising the regional benefits of the large scale infrastructure and private projects will critical for broader growth and ensure the MITEZ region realises its significant economic development potential over the coming years.

Table 6.1. Regional Opportunities and Risks

Factor	Rationale	Opportunities/Recommendations
Economic Development Opportunities		
Intensification of the regional beef cattle industry	<ul style="list-style-type: none"> Capitalise on increasing demand for red meat in Asian markets. 	<ul style="list-style-type: none"> Investment is required to meet current infrastructure gaps: Water storage Upgrades to key beef cattle transport roads
Beef processing facilities	<ul style="list-style-type: none"> Townsville is Australia's second largest live cattle export port, with potential for further capacity upgrades with investment in infrastructure gaps. Intensification of beef cattle requires additional infrastructure to support industry growth 	<ul style="list-style-type: none"> Potential beef processing plants situated in regional MITEZ areas such as Charters Towers of Flinders Shire.
Irrigated agriculture and diversification of cropping options	<ul style="list-style-type: none"> Food production will need to increase to sustain growing demand and a continual increase in population and wealth in Asia Stock fodder cropping options can be developed for beef cattle fattening and finishing 	<ul style="list-style-type: none"> Investment in irrigation projects such as Hells Gates Dam, the Hughenden irrigation scheme, and Cave Hill.
Examination and development of new resource opportunities	<ul style="list-style-type: none"> Increasing demand for base metals in both emerging and developed economies is significantly attributed to technological growth. The North West mineral province is the world's greatest minerals province (Mount Isa City Council, 2019) In 2018 there was a 35% increase in minerals exploration (Mount Isa City Council, 2019) 	<ul style="list-style-type: none"> Ongoing investment in the geoscience effort to improve the scope of the potential data and advance data collection. Development of research facilities. Ongoing investments in transport efficiency and access throughout the MITEZ corridor.
Minerals value adding	<ul style="list-style-type: none"> There has been renewed interest in value adding minerals processing across the MITEZ region, with higher commodity prices and processing margins in areas such as zinc, nickel, copper and lithium. 	<ul style="list-style-type: none"> Ongoing support for existing and new minerals processing operations.
Economic Development Risks		
Declining Rural Populations	<ul style="list-style-type: none"> Rural populations have been declining on a long term basis, which creates significant risks for the ongoing viability of rural townships and the capacity to support employment, essential services and general liveability. 	<ul style="list-style-type: none"> Regional employment incentives such as <ul style="list-style-type: none"> Investment packages. Greater wage and tax support for truly remote areas The QLD and Commonwealth governments have introduced regional employment trials (RET) for Townsville and Mount Isa.

Source: AEC

REGIONAL SNAPSHOT

Factor	Rationale	Opportunities/Recommendations
High energy prices	<ul style="list-style-type: none"> Energy prices have risen year on year, and high transmission costs across the MITEZ corridor create a significant constraint for business and new investment. 	<ul style="list-style-type: none"> Continue to enhance renewable energy sources to utilise and improve energy efficiency, especially within the resource sector. Continue to pursue opportunities for greater transmission connectivity across the region.
Availability of Services	<ul style="list-style-type: none"> Regional and rural areas remain at an ongoing disadvantage for health care service and aged care facilities. 	<ul style="list-style-type: none"> Support and carer services for the elderly in rural areas. Support the health care services and organisations such as the royal flying doctors service.
High operating costs	<ul style="list-style-type: none"> High capital costs and vast transport distances limit the return on investment for new opportunities or business start-up. MITEZ areas are situated a relatively far distance from major cities and hubs, as a result, high costs arise for: <ul style="list-style-type: none"> Transportation of materials for operations and output of products to export. Including transportation of repair parts. Time costs for transportation. Possibility for human error Fly-In and Fly-Out works airfares, including accommodation costs. 	<ul style="list-style-type: none"> Ongoing support for major road and rail expansions and long term capacity increases at the Port of Townsville.
Emission awareness	<ul style="list-style-type: none"> Increasing climate change awareness and compliance costs have the potential to constrain new development in the agricultural and resource sectors. 	<ul style="list-style-type: none"> Ongoing compliance support for new and existing operators.



MITEZ MEETINGS HELD IN 2019

Meetings	Location	Presenters	Attendance
November 7, 2018	Mount Isa incl. AGM	<ul style="list-style-type: none"> • Darren Cleland, Executive Regional Director (North) Regional Economic Development Department of State Development • Sarah Dixon, General Manager Bulk East Aurizon • Professor Sabina Knight, Acting Deputy Chair RDA Townsville and North West Queensland • Katrina Houghton, Client Manager .id- the population experts • Shaun McCarthy, Chief Executive Officer Multicom Resources • Denise Kreymborg, Group Manager, Northern Queensland Trade & Investment Queensland • Cr Phil Barwick, Deputy Mayor Mount Isa City Council • Scott Bowman, Vice President – Value Chain & Trading Incitec Pivot • Tammy Parry, Regional Director North West Region – Regional Economic Development Department of State Development, Manufacturing, Infrastructure and Planning 	36
March 22, 2019	Hughenden	<ul style="list-style-type: none"> • Mark Plath, Superintendent/Deputy State Recovery Coordinator Queensland Reconstruction Authority • Glen Doyle, Leader Queensland Rail Mount Isa Rail Recovery Taskforce • Catherine Jackson, Customer Service Manager Pacific National • Matthew Kelly, Principal – Agricultural Economics AEC Group Pty Ltd • Gerard Bosch Manager Approvals & Stakeholder Relations Centrex Metals • Cr John Wharton, Mayor Richmond Shire Council on behalf of Regional Organisation of Councils (ROC) • Shane McCarthy, Chairman Hughenden Irrigation Precinct (HIPCO) • Rod Wilkinson Director Projects Facilitation – North Department of State Development • John O'Brien, Director CopperString Project 	35
June 6, 2019	Townsville	<ul style="list-style-type: none"> • David Quinn, General Manager - Integration Linfox Intermodal • Dr Romy Greiner, Project Manager - Cloncurry River Dam Feasibility Study • Cr John Wharton, Mayor- Richmond Shire Council and Dougal Miller- Agricultural Consultant, North Queensland Agricultural Solutions • Ross Thompson, Director- Soren Consulting • David Mason, Regional General Manager North Queensland • SRC Major General Stuart Smith (Retd), State Recovery Coordinator- Queensland Reconstruction Authority • Wade Arthur, Program Manager- Department of Transport & Main Roads • Carla Keith, Communications Manager- CRC for Developing Northern Australia 	40

TOURISM OVERVIEW



OQTA CHAIR – Cr Belinda Murphy

Another exciting year for OQTA with 2019 named by the Queensland government as the Year of Outback Tourism. This has put a spotlight on the Outback and has also presented us with some great opportunities including increased funding for tourism infrastructure, outback events, business capacity building and marketing activity.

The OQTA Management Committee (Board), has established a solid strategic framework to deliver OQTA's vision "To position Outback Queensland as the number one choice for an authentic Australian experience and adventure".

The OQTA team is working hard for its members to provide leadership and facilitate an environment whereby tourism flourishes in Outback Queensland.

This has been evident in 2018-19 through OQTA lobbying hard with all levels of government over the past few years for the Outback to be given more prominence for tourism. Tourism has emerged as a new industry for the Outback that brings demonstrated economic benefits in terms of the visitor economy creating employment opportunities and community benefits through events and increased infrastructure.

Whilst drought and floods have taken its toll on Outback Queensland over the past 12 months, our local and State governments have seen the positive benefits tourism brings not only in economic terms but also in the strength of bringing communities together and sharing our stories with others.

Through the combined effort of OQTA and other key

stakeholders, the State government officially declared 2019 as the Year of Outback Tourism. We thank the State government for this announcement which has created unique opportunities which are supported with a \$3 million dollar Outback event funding package.

Infrastructure builds have commenced across the Outback for successful applicants to the \$10 million dollar Outback Infrastructure fund announced last year in July. This program was a direct result from requests and meetings initiated by OQTA. Additionally, we are lobbying strongly with government to try to secure recurrent funding on this program over the next two years. We are aware there are many more great projects out there to be developed.

It is critical with all the existing and new developments that we keep pace with the training and capacity building needed to ensure access to markets continues to grow. As a result, we have just completed almost \$200,000 worth of capacity building training with industry across the Outback to build capacity within our emerging industry so they can compete with other destinations and be seen by more distribution channels. This funding is recurrent, and we still have two more years of training to deliver.

I would like to take this opportunity to thank all the members of the OQTA Management Committee who voluntarily give so much of their time and expertise to this organisation. I thank Matt Bron and his team at Tourism and Events Queensland. We have a strong, positive and professional relationship with TEQ. I also acknowledge and thank all our local government councils for your continuing support of OQTA and for the support you give tourism and events in your communities. I would particularly like to thank our General Manager, Peter Homan who resigned in July this year. Peter has always worked passionately and tirelessly for Outback Queensland and will remain a great friend of the Outback. I also welcome Denise Brown as our new Chief Executive Officer. Denise brings a wealth of knowledge and expertise to this role and will continue to deliver on our vision for Outback Queensland.

It is my last year as Chair of OQTA and board member, a position that I have enjoyed immensely. I would like to thank MITEZ and the management committee for their support of me as the representative for the last seven years. I am confident that OQTA will continue to move forward and deliver on the outcomes of our strategic framework. I will always remain a strong advocate for tourism in Outback Queensland.

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
 - Beef Cattle Sale Yards, Loading and Transport
 - Dams and Water Supply
 - Freight and Logistics Hub
 - Sulphuric Acid Plant
 - Uranium deposits
 - Grates
 - Hock Prospective
 - 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
 - Renewable Energy Resources
 - Minerals Processing
 - Mine Construction and Development
 - Beef Cattle Sale Yards, Loading and Transport
 - Dams and Water Supply
 - Freight and Logistics Hub
 - Sulphuric Acid Plant
 - Uranium Prospective
 - Grates
 - Hock Prospective
 - 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

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

- RICHMOND**
- Grazing and Beef cattle
 - Irrigated Agriculture
 - Cattle Yards
 - Road and Rail Freight Hub
 - Minerals Processing
 - Gold
 - Water Supply options
 - Major Rural Centre
 - Health
 - Education
 - Industrial Area
 - Rail and Air Services
 - Tourism Facilities

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

- CHARTERS TOWERS**
- Innovation Hub
 - Grazing and Beef Cattle
 - Regional Sale Yards, Loading and Rail
 - Renewable Energy Resources
 - Dams and Water Supply
 - Copper, Gold, Zinc, Diatomaceous Earth
 - Minerals Processing
 - Secure water supply
 - Irrigated Agriculture
 - Horticulture
 - Administration
 - Major Regional Activity Centre
 - Health
 - Education
 - Industrial Area and Services
 - 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 perched on a leading gateway to Asia.
 - Townsville City Deal – 15 Year plan
 - Priority Beaches and green-giant heathcare stretching across 5.5km 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

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Legend:

- Main Roads and Highways
- Rail System
- Waterways
- Water Pipeline
- Gas Pipeline
- International & Domestic Airport
- Domestic Airport
- 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
- Lead
- Copper
- Diatomaceous Ag
- P Phosphate
- U Uranium
- Cu Copper
- D Earth
- Au Gold





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MEMBERS



MOUNT ISA TO TOWNSVILLE ECONOMIC DEVELOPMENT ZONE