

Updated 16 October 2014

ATTACHMENT 1: DETAILED COMMENTS ON GREEN PAPER ON DEVELOPING NORTHERN AUSTRALIA

Preamble

The Queensland Government commends the Australian Government for its Green Paper on Developing Northern Australia. We recognise the role of northern Australia in contributing to a diverse and thriving nation both economically and socially, and share the commitment to unlocking its potential for the benefit of all Australians. The Green Paper is a promising first step towards defining a comprehensive policy platform for promoting economic growth across the region in the forthcoming White Paper.

The Report of the Joint Select Committee Inquiry into the Development of Northern Australia (the Entsch Report) was published on 5 September 2014. The Entsch Report has made a valuable contribution to the strategic direction of the forthcoming White Paper. Queensland has considered the recommendations made in the Report. The following comments address the policy directions in the Green Paper in the context of the recommendations of the report.

The Queensland Plan

Central to the Queensland Government's consideration of the Green Paper is the strategic direction for the state outlined in *The Queensland Plan*.¹

The Queensland Plan sets out Queenslanders' aspirations for the state over the next 30 years. It is a dynamic plan which will evolve over time. In 2014 a significant community engagement process was undertaken across the state to obtain the views from Queenslanders about the state's future, from which nine foundation areas were identified. The "economy and infrastructure" and the "regions" were identified as two of the foundation areas. *The Queensland Plan* identifies specific outcomes sought for each foundation and sets targets to measure progress towards achieving them.

The economic vision outlined by Queensland residents is that the state should be well planned with the right infrastructure in the right places to support a growing population and strong, prosperous and diverse regional economies. Employment choices should be diverse and government service delivery should reflect the needs of each region. To focus effort

¹ Queensland Government, *The Queensland Plan: Queenslanders' 30-year vision, 2014*
<http://queenslandplan.qld.gov.au/>

towards achieving this goal, a target has been set to double the population outside of south-east Queensland by 2044.

In September 2014 the Government responded to *The Queensland Plan* and outlined a significant number of actions from 2014 to 2020 and beyond. In the response, the Government expressed its support for driving regional growth to secure the economic future of the state. It also recognised the unique opportunities presented by a strong, decentralised state and the need to support prosperous regional communities by unlocking productivity and economic growth. It has emphasised a focus on four key drivers in the short to medium-term to help achieve the economic vision:

- Growing a four pillar economy;
- Delivering the best environment in the nation to start or grow a business;
- Prioritising the infrastructure needed for economic growth and productivity; and
- Driving innovation, to turn ideas into opportunities.

The immediate response will focus on accelerated actions to help achieve the vision for the regions. It is intended that all future government action, including policy, programs and services, will work towards achieving the goals and targets set by Queenslanders.

The Queensland Government is particularly interested to ensure that the policy proposals in the White Paper align with the strategic priorities for the state identified in the Queensland Plan. The six policy directions in the Green Paper are a positive first step in achieving this outcome. It is recognised that economic and social prosperity in northern Australia can only be achieved collaboratively. The White Paper presents an unprecedented opportunity to coordinate Commonwealth, State and Northern Territory priorities for northern Australia.

The Queensland Government is also interested to ensure that northern Australia is well defined for statistical, policy and planning purposes. It is agreeable to the idea of the Tropic of Capricorn providing a general defining boundary, but this will not be practical from a long-run policy perspective. The recent Infrastructure Australia Audit into Developing Northern Australia did its work using the Tropic of Capricorn plus statistical areas that straddled the defining boundary to the south. This practical approach is supported. This method will thus include more of central Queensland including regional centres such as Gladstone and Rockhampton which are rightly viewed within the context of the White Paper as part of 'northern Australia', noting that this northern part of central Queensland is a key economic contributor through agriculture, resources and education.

Key Policy Considerations

Population

71 per cent of northern Australians live in Queensland and represent around 20 per cent of Queensland's population. The majority live predominantly in urban areas along the coast and in relatively diverse local economies. Northern Queensland is projected to experience very strong population growth in coming years, increasing by almost 50 per cent to reach 1.25 million people by 2036. This projected population growth is greater than the current total population of the combined Northern Territory and Western Australia portions of northern Australia (349,517 people).

The area above the Tropic of Capricorn delivers around 30 per cent of Gross State Product and already supports a relatively diverse economy. For example, in 2010-11, while the single largest contributor to Gross Value Add (GVA) from the statistical regions of Fitzroy and Mackay was mining (34.0 percent and 54.2 percent respectively), in both cases over 45 per cent of economic activity came from different industry sectors. In fact 30.6 percent and 24.3 percent, respectively, of GVA came from service industries.

This has significant implications for where people choose to live and work. Most resource industry workers that work within the northern Australia region usually reside in the north. Of the 17 850 resource workers surveyed in Queensland's Bowen Basin in 2011², 88% were usual residents of northern Australia, including those who Fly In Fly Out / Drive In Drive Out from coastal centres such as Mackay, Rockhampton, Gladstone, Cairns, and Townsville. By contrast, around 79% of FIFO workers in WA reside in the Perth/Peel region, which is outside of northern Australia³.

The economic capacity, infrastructure and services required for existing and growing urban centres is markedly different to the requirements for growth in smaller, rural towns. These are different again to the needs of remote and very remote communities. To ensure policy responses benefit all residents of northern Australia, the White Paper should recognise and take account of these differences, particularly the impacts of large variations in population size and distribution.

² QGSO, *Bowen and Galilee Basins population report, 2011*

<http://www.qgso.qld.gov.au/products/publications/bowen-basin-pop-report/bowen-galilee-basins-pop-report-2011.pdf>. Individual workers were not surveyed – data were collected from companies.

³ Chamber of Minerals and Energy of Western Australia, *State Growth Outlook 2013, 2013*

<http://www.cmewa.com/UserDir/CMEPublications/2013%20State%20Growth%20Outlook446.pdf>

The Green Paper notes that ability for governments to directly affect decisions about where people live and work is limited. The White Paper should explore practical options to remove impediments to, and encourage internal migration to northern Australia. In light of *The Queensland Plan* target to double the regional population outside south-east Queensland by 2044, and the efforts to take new approaches on migration, the Queensland Government supports analysing ways in which the Australian Government can reduce barriers. While northern Queensland is already a hub for those working in resource industries, overcoming impediments to migration would help further unlock northern Queensland's potential as a driver of economic growth.

Population as a driver for industry

The Queensland Plan sets out the goal to be the strongest and most diverse economy in Australia and a key player in the Asian region. To do this, it is essential that northern Queensland builds on its existing population strengths and converts these into opportunities that drive and sustain growth. There are large populations in northern Queensland with economic infrastructure and health, education, cultural and social services needed in larger urban and regional centres. These urban and regional centres have significant potential to grow and support dynamic, export-focused industries. The Queensland Government shares the view expressed in the Green Paper that now is the right time to focus our efforts in the north, in particular to focus on markets in Asia. At the same time, it is equally important that we create opportunities for greater exports to our neighbours in the Pacific region. Links, including those through the Torres Strait, should be built upon to support exports to Papua New Guinea and other Pacific nations.

The Green Paper also identified the north's tropical expertise as an opportunity for the region to excel. For Queensland, both service exports and tropical expertise have an essential role to play. With existing strengths in tourism (including an international terminal at Cairns Airport), health services (tertiary hospitals in Cairns and Townsville), expertise, education (including several regional universities) and personnel, and the Government's commitment to targeting niche strengths such as international education⁴, Queensland is well positioned to be a catalyst in this area. Queensland would also be in an ideal position to contribute valuable tropical expertise should Recommendation 15 of the Entsch Report be supported (developing a national institute for tropical sports and sports medicine in northern Australia).

The White Paper should look to enable the development of export-focused industries across the spectrum of the economy. Strengthening service industry exports has the added advantage of diversifying markets and improving economic resilience.

⁴ Queensland Government, *A plan for the future: the Queensland Government Response to The Queensland Plan*, 2014 <http://queenslandplan.qld.gov.au/gov-response.aspx>

Infrastructure

The Queensland Government strongly supports the view expressed in the Green Paper that appropriate infrastructure is crucial to securing the economic future of northern Australia, and that the region's full potential can only be realised through long-term commitment by all levels of government and the private sector.

The timely and cost effective provision of catalytic infrastructure will be a critical factor in achieving sustainable economic growth for northern Australia. This will require new and innovative approaches to partnering with the private sector to plan, deliver, finance and operate the infrastructure to underpin economic growth. Queensland's own infrastructure plan, *InfrastructureQ*, will be released early in 2015.

The White Paper should explore how work from the Infrastructure Audit into Developing Northern Australia, and consequent investment, can be used by the Commonwealth and state governments to facilitate accelerated investment to support regional growth. This includes for infrastructure which could cross jurisdictional boundaries; for example, any expansion of the Amadeus Basin Gas Pipeline.

Education and research

International students

In January 2014, the Queensland Government established the International Education and Training Advisory Council (IETAC) as part of a commitment to enhance international education and training through Great Skills. Real Opportunities. IETAC-Q provides independent advice direct to the Minister for Education, Training and Employment on key issues relating to Queensland and the development of long term strategies and programs to revitalise Queensland international education and training. IETAC-Q is engaging with training providers, James Cook University and tertiary institutions, schools, peak bodies and industry to maximise opportunities for Queensland's participation in international education and training. The council will prepare its first report to the Minister by mid-2014, outlining the development of strategies and programs to ensure Queensland international education and training is world class, responsive, robust and sustainable.

Leveraging tropical research and expertise for economic development

The Joint Select Committee recommended that the Australian Government support the development of a national institute for tropical sports and sports medicine in Northern Australia. Cairns and Townsville were both suggested by the Committee as potential locations for an institute, in light of strengths for hosting capacity, existing sporting and research facilities and capacity to meet the demands of a likely increase in sports tourism.

James Cook University (JCU) is the largest university in the tropics and has internationally recognised research strengths and an active collaboration network with other institutions across Australia. JCU is already the base for the Australian Institute of Tropical Health and Medicine (AITHM), a newly-established tropical health and medical research institute with key nodes in Townsville, Cairns, the Torres Strait and Mackay. Through research and innovation, AITHM is focused on health issues of importance to tropical Australia, including infectious disease and health services in tropical, regional, rural and remote communities. Given its existing expertise and research capabilities, JCU would be well-placed to provide a similar base for a tropical sports and sports medicine institute.

Agriculture

Queensland's Agriculture Strategy: A 2040 Vision to Double Agricultural Production outlines the vision for an efficient, innovative, resilient and profitable agricultural sector and identifies key foundations for this growth.

State land tenure

The Green Paper noted that land tenure arrangements are complex and can impede investment and innovation. The Queensland Government has undertaken an extensive land tenure reform agenda. The *Land and Other Legislation Amendment Act 2014* amended the *Land Act 1994* to boost security of tenure for landholders and business enterprises with leases used for agriculture, grazing or pastoral purposes, as well as land for tourism purposes on regulated islands. The initiatives reduce red tape and business costs and enhance tenure security for leaseholders, creating an environment that better supports economic growth in the agricultural and tourism sectors.

Building on these land tenure reforms, the Queensland Government is progressing with a broader review of the State land legislative framework, with a view to delivering a new system that modernises and consolidates legislation, streamlines government processes, reduces red tape and improves the way services are delivered to customers.

Aquaculture

JCU also houses the Australian Tropical Marine and Aquaculture Centre (ATMAC), an important initiative of the university to facilitate economic development through a strong aquaculture industry and the effective use of marine resources. Through marine science and aquaculture research and facilities, the ATMAC could be a key driver of further growth in these industries and has the potential to contribute to job creation, skills development, tourism and knowledge transfer. It has the strong support of industry partners (with significant financial investment) and local communities to deliver on the benefits of a strong aquaculture industry, and has also received financial support from the federal government through research project and researcher funding.

Northern Queensland is an ideal location for developing the aquaculture industry in northern Australia. The Queensland aquaculture industry has grown over the past two decades, and so has its importance to seafood production. The value of aquaculture production in Queensland in 2009-10 was \$103 million, representing 31% of total fisheries production in Queensland. Developing sustainable aquaculture has many potential benefits to regional communities including creation of employment and training, additional income sources for marine service industries, diversifying local economies and supporting tourism.

The Entsch Report Committee recommended (at recommendation 35) that the Australian Government facilitate the development of the aquaculture industry in Northern Australia by improving the regulatory framework. The Queensland Government supports this recommendation, particularly in light of the significant economic benefits a diverse aquaculture industry may have for northern Queensland in future years.

Exports

As mentioned above, the White Paper should look to enable the development of export-focused industries across the spectrum of the economy. One example of where this could occur further in Queensland is our world-class beef industry. Recommendation 10 of the Entsch Report recommended that the Australian Government, in conjunction with the Queensland Government, investigate the construction of an abattoir in northern Queensland with a view to facilitating private sector investment at the earliest possible date. The recommendation noted the opportunities for development of the export beef industry in the north with meat processing facilities in northern Queensland.

The Queensland Government is already working hard to grow agricultural exports. We are currently seeking comments on a draft Beef Industry Action Plan, which will help secure the industry's strong growth. The draft Beef Industry Action Plan is part of the Queensland Government's vision to double Queensland's agriculture production by 2040, as set out in Queensland's agriculture strategy. Meeting this target will require strong growth in the beef industry as Queensland's largest agricultural export earner. The draft Beef Industry Action Plan sets a growth target for the industry to produce two million tonnes of beef by 2040.⁵ Our population strengths place us in good stead to support productivity through processing expansion. With the right investment, these opportunities for export and jobs growth in the north can be maximised.

Recommendation 14 of the Entsch Report recommended that the Australian Government support the creation of a Co-operative Research Centre for Northern Agriculture, which

⁵ Department of Agriculture, Fisheries and Forestry, *Draft Beef Industry Action Plan 2014 – 2016*, 2014 <http://www.daff.qld.gov.au/business-trade/development/queenslands-agriculture-strategy/draft-beef-industry-action-plan>

would provide a research focus point for agricultural development potential in the north. The Queensland Government supports work by the Australian Government to complement efforts by state and territory governments to unlock agricultural potential in the region.

Insurance and Extreme Weather

The Green Paper identified a number of factors which lessen the attractiveness of northern Australia as a place to live, including climate. The Green Paper also recognised that the severity of extreme weather events can have a negative impact on infrastructure and increase insurance costs. This is particularly relevant for far north Queensland, where extreme weather events are common.

Recommendation 6 of the Entsch Report recommended the Australian Government take measures to reduce insurance premiums back to an affordable level, which could include increasing competition in the insurance market in northern Australia. It also noted that “the cost and availability of insurance is a significant impediment to development in northern Australia” and that there is “extraordinary disparity” in insurance costs between northern and southern Australia.

Recommendation 8 also noted the impacts of the ongoing change in climate should be included in all planning processes, and that planning processes include the development of adaptation and mitigation policies and strategies for northern Australia. This recommendation also highlighted the challenges faced by northern Australia in light of the impacts of extreme climatic events, and the necessity for mitigation and adaptation policies to ensure that economic and community growth in the region can be sustained.

Ensuring that affordable insurance premiums are available in north Queensland is an important factor in increasing development and encouraging people to relocate to the region.

In recent years Queensland has experienced a number of extreme weather events of unusual severity. These events had significant economic impacts on industry and communities. The effects of changes in climate have the potential to increase the frequency and severity of these events and leave infrastructure and industries more vulnerable to risk in the future. The current Natural Disaster Relief and Recovery Arrangements (NDRRA) are world-class and highly effective. Any attempts to unwind or lessen the NDRRA will have a deleterious effect on the country, but particularly northern Queensland.

The Queensland Government supports the concept of risk mitigation as part of economic development planning for northern Australia. It is suggested that the White Paper explore how the Commonwealth can work with the states and territories to embed risk mitigation into long-term policy platforms for infrastructure and land in northern Australia.

Native Title

The Queensland Government welcomes the Green Paper's policy focus on implementing more efficient, timely, native title processes.

Native title transaction costs are a significant issue for leaseholders wishing to move to more secure title. Work is underway at a state level by the Queensland Department of Natural Resources and Mines to work with all interested parties to develop a better approach to native title negotiation, including incentives for all parties to enhance how consents are obtained. The White Paper should continue to examine the issues identified in the Green Paper about improving the effectiveness of the native title system, particularly reducing transaction costs and delays.

The Queensland Government also legislated to enable Queensland's Indigenous population to transfer native title to freehold title, should individuals or community groups wish to do so.

Tourism

The Government is committed to securing the long-term future of the tourism industry, a vital contributor to regional prosperity in Queensland. The Queensland Government is interested in views regarding exempting foreign-flagged expedition cruise ships (under 5000 gross tonnes) from federal 'cabotage' restrictions when operating in Australian waters, in order to place smaller vessels on an equal footing with larger cruise ships. Smaller expedition and adventure cruise ships are high yielding and are a potentially lucrative market in northern Queensland.

ATTACHMENT 2: QUEENSLAND GOVERNMENT DEVELOPMENTS SINCE THE JOINT SELECT COMMITTEE SUBMISSION ON DEVELOPING NORTHERN AUSTRALIA

The Queensland Government made a significant submission to the Joint Select Committee on Developing Northern Australia. Since that time, a number of strategic policy platforms and reforms have been announced which are designed to support Queensland's economic development and growth. These include:

- Policies designed to transform the state, such as *The Queensland Plan* and the Strong Choices Investment Program;
- Key enabling reforms such as the Local Infrastructure Planning and Charging Framework, *InfrastructureQ* and reforms in land tenure and education and training; and
- Strategies to drive economic growth including the Ports Strategy, *RegionsQ*, *PowerQ*, *EducationQ* and *WaterQ*.

A significant milestone in the state's ongoing economic development was also achieved with the declaration of the Galilee Basin State Development Area.

Strong Choices Investment Program

The Strongest and Smartest Choice – Queensland's Plan for Secure Finances and A Strong Economy (<http://www.strongchoices.qld.gov.au/TheStrongestSmartestChoice-Web.pdf>) is the Queensland Government's draft plan to reduce State debt and also establish the Strong Choices Investment Program (the Program). The Program will deliver the infrastructure required to drive economic growth in Queensland.

While the Program is targeted across all areas of the state, the draft Plan anticipates that parts of the Program will be specifically targeted to rural and regional Queensland, especially in the north. Examples of this are a proposed \$1.5 billion Rural and Regional Roads Fund and a proposed \$700 million Rural and Regional Economic Development Fund. Rural and regional communities are also expected to benefit from other components of the Program, such as a Local Government Co-investment Fund and a Community Hospitals Fund.

Local Infrastructure Planning and Charging Framework

This framework aims to establish a certain, equitable and transparent infrastructure charges regime that balances the competing demands of local authorities and the development

industry and supports both local government sustainability and development feasibility throughout Queensland.

The long-term framework, which commenced in July 2014, provides certainty to the development industry about the local infrastructure charges that apply to development. The framework retains the existing flexibility for local governments, including those in northern Queensland, to set infrastructure charges at levels that stimulate growth and investment in local communities.

InfrastructureQ

Queensland's State Infrastructure Plan, *InfrastructureQ*, will identify infrastructure priorities in the context of economic and population growth, as well as fiscal challenges. It will consider short and long-term infrastructure initiatives and will provide direction on how these initiatives are planned, prioritised, funded, delivered and used.

While the focus will be on the transportation, energy and water sectors, social infrastructure will also be considered. The Queensland Government's *InfrastructureQ Directions Statement* was released on 10 September 2014 (<http://www.dsdip.qld.gov.au/infrastructure-planning/infrastructureq.html>).

Infrastructure planning is being guided by the following principles:

- Principle 1: integrated infrastructure planning
- Principle 2: a credible state wide infrastructure program
- Principle 3: prioritised infrastructure for economic growth and productivity
- Principle 4: encouraging new technologies and innovation
- Principle 5: partnering with the private sector
- Principle 6: smart funding and financing solutions.

After its release, *InfrastructureQ* will be updated annually to provide a credible pipeline of infrastructure investments, reforms and complementary initiatives to drive the growth of Queensland's resources, construction, tourism and agriculture sectors. *InfrastructureQ* is scheduled to be released in early 2015.

State Land Tenure

The Queensland Government is modernising the state land system to promote economic growth. The *Land and Other Legislation Amendment Act 2014* (passed in May 2014) and more recent amendments to the Land Regulation 2009 mark the initial phase of comprehensive reform of government land tenure. This follows the Queensland Parliament's 2013 inquiry into the future and continued relevance of government land tenures across Queensland.

The amendments to the *Land Act 1994* by the *Land and Other Legislation Amendment Act 2014* and the broader review of the state land legislative framework are covered in Attachment 1.

A discussion paper entitled *Queensland state land—strengthening our economic future* was released on 10 June 2014 for public consultation. Extensive consultation is taking place. Submissions on the discussion paper closed on 31 August 2014.

Education Reform

The Queensland Government is undertaking extensive consultation with parents, schools, unions and schooling sectors to map out the future of education and create Queensland's first Education Accord. Education is a key foundation area identified in The Queensland Plan and the Queensland Education Accord will bring together ideas that will determine priorities for our schools and ensure students are given the best possible education and job opportunities. One of the seven questions in the Accord focuses on the regions, "How do we ensure young people in rural and remote locations have access to world-class educational opportunities that build on the strengths and potential of our regions?" A day-long summit was held on 25 September 2014 to help development the Queensland Education Accord.

The Queensland Schools Planning Commission (QSPC) established a cross-sectoral, consultative approach to planning for new schools in Queensland. In July 2014, the Commission publicly released a series of new school demand maps for high growth areas across Queensland. For northern Queensland, this included Cairns South, Townsville, Mackay and Bowen Basin North. Having delivered on the original commitment, the QSPC will be formally dissolved, and a new committee established to continue the consultative approach to demand mapping and schools planning activities.

Central Queensland University (CQU) became Queensland's first dual sector university on 1 July 2014 and the university will become a decisive driver in inter-sectoral educational and training initiatives. The Tropic of Capricorn runs through Rockhampton and the CQU campus is on the north side of the line. Also, its Mackay and Emerald campuses are in the northern Australia region. CQU has world class strengths in agriculture, with unique sectoral partnerships emerging with the region's agricultural colleges. It has a world class reputation for the delivery of distance education.

Education and training clusters have been formed in Cairns, Townsville, Mackay, and Rockhampton that include:

- education and training providers;
- student accommodation and transport providers; and
- a broad range of other service providers including banking, insurance, tourism and employer groups.

Training Reform

Queensland's vocational education and training (VET) sector is undergoing significant reform as part of the 'Great skills, real opportunities' VET five-year action plan. This plan includes fundamental changes to Queensland's investment framework that supports the Government's investment in skills and training.

In 2013, the Government established the Ministerial Industry Commission (the Commission) to lead engagement with industry on skills demand and to consolidate their advice into an Annual Skills Priority Report. The Commission's first Report was released in March 2014 and identifies the key labour market trends across the economy and within the four pillar industries, as well as current and future skills needs.

The Commission's work is critical to delivering targeted VET investment based on industry advice, and the Commission's Report is the key input into the development of the 2014–15 Annual Vocational Education and Training Investment Plan.

The state's new VET investment framework will provide clear information on priority skills and funding arrangements, based on advice from industry and employers, and will create certainty for providers. For the first time, skills investment will be fully contestable from mid-2014, with a focus on courses and qualifications that are most likely to lead to employment for graduates.

From 1 July 2014, all government funded training will be delivered contestably, and the majority of government VET investment will be managed through the fully contestable and demand-driven skills market via a range of programs including User Choice, the Certificate 3 Guarantee and the Higher Level Skills program. The key features of this include:

- a network of quality registered training organisations that have been approved by the Department (pre-qualified suppliers) to deliver eligible training and assessment services;
- expanded choice for individuals and employers to select the qualification, and the pre-qualified supplier, that best meets their needs in terms of delivery strategy, value for money, and potential for securing employment;
- published subsidy levels for all funded qualifications or skill sets reflecting the level of government contribution toward the cost of training, influenced by government priority and relative cost to deliver;
- co-contribution to the cost of training by individuals, employers and/or industry; and
- fully deregulated fee arrangements to provide pre-qualified suppliers, individuals and employers the scope to negotiate the level of co-contribution required (except the User Choice program, which retains a regulated fee requirement until 30 June 2015).

High quality training delivery aligned to the economic needs of the region are paramount. In this regard, regulation of outcomes for VET is fundamental to ensuring high quality training is delivered to support economic growth and the growth of new industries in northern

Queensland. An increased focus on quality assurance through regulation or contract management will improve the likelihood of high quality outcomes in the deregulated training market being adopted by Queensland.

TAFE Queensland is partnering with the Papua New Guinea (PNG) Technical Vocational Education and Training Skills Scholarships (TVETSS) Program. The overall aim of the program is to meet knowledge and skills deficiencies in industries identified in the PNG National Vision 2050 document. Approximately 2000 PNG students will study with TAFE Queensland in Townsville or Cairns during the period 2011–16. The program's projected revenue to the Queensland economy for the period 2011–16 is \$50 million.

RegionsQ

RegionsQ is focused on delivering and building vibrant and prosperous regions. The first part of *RegionsQ* – The *RegionsQ* Framework – focuses on factors within the state's control, where the Queensland Government already provides leadership and can foster economic growth in the regions.

It identifies the government's achievements to date across six priority areas and flags a major new initiative – Projects of Regional Significance – where a targeted place-based and collaborative effort can have significant positive economic outcomes for a region. The next stage will be the release of the *RegionsQ* Action Plan later in 2014. This will outline Queensland Government actions to achieve Queensland's vision for the regions.

More information about *RegionsQ* is available at <http://www.dsdip.qld.gov.au/regionsq>

Projects of Regional Significance

The flagship initiative of the *RegionsQ* framework is the identification of a number of projects of regional significance. These are projects where focused local action, in partnership with the private sector, can accelerate regional economic and jobs growth.

As part of its approach, the Queensland Government will continue using the tools it has available to improve the business environment and make investment more attractive including: an improved regulatory framework; facilitating and supporting infrastructure and major projects; and adjusting policy settings. Government can also direct targeted resources to specific projects and assist clients with case management, project facilitation, capability improvement and development and navigation through the approvals process.

In specific cases state development areas or priority development areas may be declared to support economic growth and, if needed and appropriate, the wide-ranging powers of the Coordinator-General could be applied to plan, deliver and coordinate large-scale infrastructure projects, while ensuring their environmental impacts are properly managed.

As projects of regional significance are likely to be at various stages of maturity, they will benefit from different types of assistance from government.

Projects of regional significance will be important catalysts to drive economic growth and can:

- benefit from whole-of-government coordination and collaboration;
- add value to business-as-usual – government recognising the potential of a project signalled by industry, and bringing things together so the whole is greater than the sum of the parts;
- create a notable economic benefit for a region or sub-region with more strategic use of the whole-of-government toolkit;
- support growth, diversity and resilience in regional economies;
- generate a high level of capital expenditure; and
- create employment opportunities by supporting, creating and unlocking economic potential.

The current list of projects within the framework is not exhaustive, but is reflective of the kinds of projects the government sees as benefiting from this approach. The projects include:

- Charlton-Wellcamp Precinct (west of Toowoomba);
- Cairns Airport Aviation Precinct and Commercial Precinct;
- Cooper Basin Development (south west Queensland);
- North West Minerals Province (centred on the Mt Isa – Cloncurry region);
- Galilee Basin Development (extending north past Hughenden);
- Burdekin Catchment Development (extending north past Ingham);
- Springfield Health Precinct (south west of Brisbane);
- Gulf Rivers Agricultural Zone (directly south of the Gulf of Carpentaria); and
- Sunshine Coast University Hospital/Kawana Health Precinct.

Queensland Ports Strategy

The Queensland Ports Strategy was released on 5 June 2014. It outlines 18 actions for the planning, developing and managing Queensland's port network. The key actions include:

- the establishment of five Priority Port Development Areas (PPDAs) at the long-established major ports of Abbot Point; Brisbane; Gladstone; Hay Point and Mackay; and Townsville;
- the prohibition of dredging within and adjoining the Great Barrier Reef World Heritage Area, for the development of new, or the expansion of existing port facilities outside PPDAs, for the next ten years;

- introduction of a statutory guideline for port master planning; and
- introduction of the new ports legislation to Parliament.

The government will also continue to investigate port governance arrangements and work to improve port and supply chain coordination and performance. The Ports Strategy is available at <http://www.dsdip.qld.gov.au/queensland-ports-strategy/infrastructure-and-planning/infrastructure-planning-and-reform/queensland-ports-strategy.html>.

Streamlining environmental approvals

The Coordinator-General has developed an Efficiency and Quality Improvement Plan which is streamlining the environmental impact statement (EIS) process, which will support a further reduction in EIS timeframes, while improving the quality of output.

Additionally, a draft Environmental Approvals Bilateral agreement between the Commonwealth and Queensland Government was released for public comment in May/June 2014. Amendments to the *State Development Public Works Organisation Act 1971* (SDPWO Act) in June 2014 introduced new statutory provisions to enable the Coordinator-General, upon commencement of the agreement, to approve and impose conditions on projects within Queensland that may have an impact on 'matters of national environmental significance' as defined by the Commonwealth Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act).

Further amendments to the SDPWO Act, (passed by Queensland Parliament on 5 August 2014 and scheduled to commence on 1 October 2014), introduce a streamlined impact assessment report (IAR) process as an alternative to the more comprehensive environmental impact statement (EIS) process.

The Coordinator-General may declare a coordinated project requiring an IAR where a full EIS is not warranted based on the estimated scale and extent of the project's environmental impacts. The intent is for the IAR process to focus on the assessment of key risk factors associated with each project and address statutory approvals requirements.

Transforming the water business

The Queensland Government has set a very clear path to provide customer-focused and modernised natural resources businesses. We are making changes to the way we manage the resource and deliver services to customers. This is being enabled through major reform to the *Water Act 2000*, providing a fresher, modernised framework that is flexible and allows government to tailor outcomes for customers whilst delivering on responsible and productive water use in Queensland. These changes are delivering security, certainty and flexibility to water users by balancing economic, social and environmental outcomes.

This, coupled with transformation of processes and adaptation of existing water services, will enhance each customer's experience and facilitate regional economic opportunity through:

- providing proponents of major water infrastructure projects certainty of water access early in their project development. This will enable investor confidence and allow them to progress their development with certainty;
- providing a more streamlined process for licensing decisions which will result in substantial savings to customers by removing the need for public notification where there are no discernible resource impacts;
- greater engagement with customers on unallocated water, with the recent launch of an interactive Water for Queensland map and register of interest for general reserves of unallocated water. Customers have until 17 October 2014 to register their interest. The demand profile established from this, will feed into a strategic roll out of unallocated water which reflects customer drivers. Coupled with more flexibility in release processes for unallocated water, this will provide faster access for individuals and industry to the almost 2 million megalitres of unallocated water identified for use;
- providing investment certainty for the resources sector and protecting landowner water rights by clarifying and simplifying water rights and obligations in relation to activities affecting groundwater;
- establishing fit for purpose management arrangements for low risk areas;
- streamlining the water planning framework to facilitate more efficient and flexible management arrangements. These arrangements will be used to transition, where there is greatest benefit to customers, to a fully realised water market by 2017; and
- introducing direct savings for our customers and more avenues for self-management and convenience, through online forms and delivery of self-meter read capability.

The government is actively engaging with its customers and industry representatives about these changes to ensure services are useful, understood, desirable and sustainable, and to provide timely access to a broad range of online services.

These actions and initiatives will protect the security of entitlement holders, increase options for access to water and deliver an overall better water business experience for Queenslanders.

ResourcesQ

Queensland wants to position itself as a lead resource destination. *ResourcesQ* seeks to drive growth and jobs in Queensland's resources sector. Critical to this is ensuring the

State's resource endowment is used responsibly, by responding effectively to new opportunities and minimising constraints that impact economic growth in this sector.

Throughout 2014, the government has been working in partnership with the resources sector to develop a shared vision for Queensland resources over the next 30 years and an action plan to deliver that vision.

ResourcesQ provides a renewed opportunity to focus on how and when the state's mineral and energy potential can be realised. There are key resource area and commodities within central and north-west Queensland that will undoubtedly play a critical role in Queensland's long term strategic resource future.

Securing a robust future for the resources sector includes: the need to be globally competitive; to plan and coordinate the appropriate infrastructure; to lead in the innovation, technology and services sector; to build informed communities; and educate and train for a strong resources future.

Potential for development of mineral industries in the far north

The Geological Survey of Queensland is undertaking the Cape York Mineral Resource Assessment Initiative under the government's \$30 million Future Resources Program.

The Cape York Mineral Resource Assessment Initiative will follow-up on anomalous results, particularly for rare earths and uranium, revealed by an earlier national geochemical survey.

With renewed support for mining from Indigenous communities on Cape York, the new initiative will re-evaluate the cape's mineral potential in light of the new stream sediment data. Geological mapping and sampling to re-evaluate the strategic mineral potential of the region will be the major focus of this initiative and is scheduled for 2014-15 and 2015-16.

Future opportunities include eco-efficiency in mining processes and energy product life cycle – an emerging opportunity for leading technology to improve production and consumption systems.

PowerQ

A 30 year strategy for Queensland's electricity sector was released in June 2014. *PowerQ* is designed to ensure the state has an electricity supply system that is resilient, cost-effective and consumer-focused to support the economic and lifestyle aspirations of all Queenslanders.

The strategy recognises the challenge and expense of servicing a relatively small population spread over a large area and that there is a real opportunity for new technologies to help meet regional consumers' needs. Actions include investigating options to provide increased competition in regional areas and encouraging alternative electricity solutions to meet forecast growth in regions.

PowerQ can be found at <http://www.dews.qld.gov.au/policies-initiatives/electricity-sector-reform/30-year-electricity-strategy>

WaterQ

WaterQ was released in June 2014 and provides a high-level framework that will continually adjust to reflect a water sector that supports increased productivity, economic growth, strong and healthy communities and a natural environment that is valued.

WaterQ highlights that a key action for the State Government is to work with local governments in priority growth areas to assist in their assessment of short, medium and long term water supply/demand balances for urban needs. Water Q can be found at <http://www.dews.qld.gov.au/policies-initiatives/water-sector-reform/30-year-strategy>

Regional Water Supply Security Assessments

Significant population growth in many major urban centres across Queensland continues to place pressure on regional water supplies and some local governments, including in northern Queensland, have requested assistance with water supply security planning.

The regional water supply security assessments (undertaken in partnership with the local water service provider) are aimed at assisting local service providers in their water supply planning activities and to develop a shared understanding of the challenges ahead.

These assessments seek to provide a regional context of water security, developing a shared understanding of the potential water security risks the community face in the short, medium and long-term.

The State Government will facilitate a rolling program of regional water supply security assessments over the coming three years, with the four areas of Rockhampton, Mount Isa, Cairns and Townsville being chosen for the first round of assessments based on a prioritisation methodology.

Specific projects

Galilee Basin State Development Area (SDA)

The Galilee Basin State Development Area was declared in June 2014. It will support the development of the Galilee Basin and provide an efficient way to transport coal to the Port of Abbot Point. The 247 000 square kilometre Galilee Basin is located about 200 kilometres west of the Bowen Basin, extending north past Hughenden, south of Alpha and west of Rolleston.

The proposed mining projects within the Galilee Basin have the potential to attract investment of over \$28 billion and provide more than 15,000 jobs during construction and more than 13,000 operational jobs.

The Galilee Basin SDA will enable a coordinated approach to developing multi-user common rail corridors whilst minimising impacts on landholders and the environment. The SDA comprises two 500 metre-wide corridors from the Galilee Basin to the Port of Abbot Point – one rail corridor designed to service the central Galilee Basin and a second corridor will service the southern Galilee Basin.

Integrated Agricultural Developments

As identified in the Queensland Government's submission to the Joint Select Committee's Inquiry into the Development of Northern Australia, opportunities are currently being explored to better use good agricultural land in northern Queensland. One such project is the Etheridge Integrated Agricultural Project at Georgetown, which has been declared a coordinated project under consideration by the Coordinator General.

The proponent of the Etheridge Integrated Agricultural Project, Integrated Food and Energy Development Pty Ltd, is currently preparing a draft EIS. This project typifies the kind of integrated development that takes advantage of the resources available in the region. This project aims to create a large scale integrated farm and processing precinct in the Gulf Savannah region of North Queensland. Key elements of the project include:

- 65,000 hectares of cropping land, including sugar cane and guar bean
- 241,000 hectares of grazing land
- bioprocessing precinct, incorporating:
 - 4.8 million-tonne sugar mill
 - 200,000-head meat processing plant
 - 1000 hectares of red claw farming
 - ethanol refineries
 - biodiesel plant
 - bio-ammonia plant
 - 90-megawatt cogeneration plant
 - extensive processing facilities

Significant projects

Projects in northern Australia – completed EIS process:

- Byerwen Coal Project (140km west of Mackay) – 2 July 2014:
Open-cut coal mine with a yield of up to 10 million tonnes per annum (mtpa);

- Carmichael Coal Mine and Rail (160km north-west of Clermont) – 7 May 2014
Open cut and underground coal mine with an expected yield of 60 mtpa and 189km railway line; and
- North Galilee Basin Rail – 12 August 2014:
An approximately 310 kilometre standard gauge, Greenfield rail line in Central Queensland, connecting the northern Galilee Basin to the Port of Abbot Point.

Projects in northern Australia – declared Prescribed Projects:

- Alpha Coal (38km north west of Alpha) - 25 October 2013:
Open-cut coal mine with an initial export capacity of 30 million tonnes per annum, supported by new rail and port infrastructure;
- Kevin's Corner (160km west of Emerald) – 25 October 2013:
Combined open-cut and underground coal mine with an ultimate capacity of 30 million tonnes per annum;
- Shute Harbour Marina (10km south-east of Airlie Beach) – 5 March 2014:
Integrated marina, resort hotel and residential community development;
- South of the Embley (40km south of Weipa) – 13 November 2013
New Bauxite mining operation, initially producing 22.4 million dry product tonnes per annum (mdpt/a) with the positional to increase to 50 mdpt/a;
- Ella Bay Integrated Resort (70km south of Cairns) – 21 October 2013:
Redevelopment of a 470 hectare cattle station into an integrated tourism and residential community;
- Great Keppel Island resort (12km off the coast of Yeppoon) – 3 October 2013
Redevelopment of the Great Keppel Island Resort, including demolition of the existing resort and replacement with a substantial low-rise eco-tourism resort;
- Caval Ridge Mine (17km south of Moranbah / 160km from Mackay) – 17 September 2013
New coal mine and coal handling and processing infrastructure to produce 8 mtpa of hard coking coal for the export market over a life of approximately 30 years; and
- Baralaba Expansion project (150km west of Rockhampton) – 31 July 2013
Open-cut, truck and shovel mining operation producing approximately 500 000 tonnes of coal per year.