



**Regional
Development**
Australia

CENTRAL AND WESTERN QUEENSLAND



RED DUST TO REEF

Australia's Powerhouse Region

Major Industries OF CWQ

Regional Ports at Gladstone & Rockhampton

ONE FIFTH³ OF QUEENSLAND'S EXPORTS

Shoalwater Bay Training Area

ADF'S LARGEST PERMANENT TRAINING AREA

Tourism Industry

1.9 MILLION OVERNIGHT VISITS GROSS VALUE ADDED: \$1,215 MILLION



MINING

GVA: 7,359 million



MANUFACTURING

GVA: 10,277 million

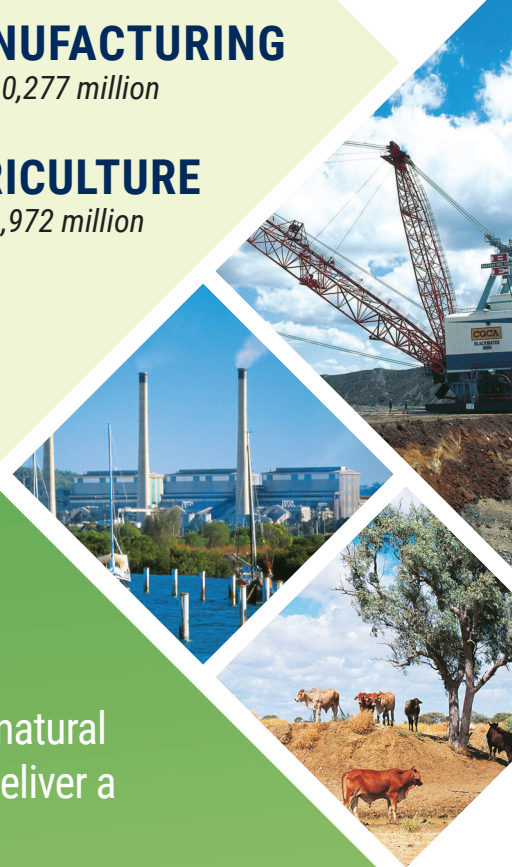


AGRICULTURE

GVA: 1,972 million

Central and Western Queensland (CWQ) is a region of significant potential, with the ability to combine its people, natural assets, economic opportunity and lifestyle advantages to deliver a significant contribution to the state and national economy.

CQW covers 452,454 km² (26% of Queensland) and had an estimated population of 235,586 in 2018. In 2018, the gross regional product was 17.2 billion, about 6% of the state economy.^{1,2}



Future Growth Opportunities

| | |
|---------------------|--|
| INDUSTRY: | LNG expansion Synthetic gas production Hydrogen plants Oil refinery |
| MINING: | Galilee Basin Surat Basin |
| AGRICULTURE: | Rookwood & Eden Bann Weirs Nathan Dam |
| TOURISM: | Western Region & Great Barrier Reef |
| TRANSPORT: | Expansion of ports, roads and rail |
| DEFENCE: | Extension of military training programs |

Industries and the supply chain network in CWQ need investment to improve productivity and support long term economic growth.

Regional Development Australia Central and Western Queensland (RDACWQ) and its 12 local government members have collaborated to define the priority industries and transformational investments to realise potential growth. These investments will enable agriculture, resources, defence, tourism and manufacturing to grow in the region.

Current Production and Potential Growth

| SECTOR | CURRENT GRP/GVA (\$ million) ^A | CURRENT EMPLOYMENT | GROWTH RATE ^B | GRP/GVA IN 2025 (\$ million) ^C | GRP/GVA IN 2030 (\$ million) |
|---------------------------------------|--|-----------------------|---|--|---------------------------------|
| AGRICULTURE | 1,972 ⁴ | 6,284 ¹ | 22.4% by 2025 and 38.9% by 2030 ^{5,6} | 2,606 | 2,958 |
| MINING | 7,359 ⁷ | 8,582 ¹ | 25% by 2025 and 50% by 2030 ¹⁵ | 9,199 | 11,039 |
| INDUSTRY | 10,277 ⁸ | 8,757 ⁸ | 12% by 2025 and 24% by 2030 ¹⁶ | 11,745 | 12,969 |
| TOURISM | 1,215 ⁹ | 10,993 ⁹ | 23.5% by 2025 and 40% by 2030 ¹⁷ | 1,516 | 1,789 |
| DEFENCE | 136 ¹⁰⁻¹² | 7,800 | 58% by 2025 and 60% by 2030 ¹⁸ | 215 | 218 |
| PORT | 152 ^{13, 14} | 750 | 28% by 2025 and 51% by 2030 ¹⁹ | 195 | 230 |
| CURRENT VALUE (\$ million) | 21,111 | | PROJECTED VALUE (% change) | 25,476 (21%) | 29,273 (38%) |

A = Estimates for Agriculture, Mining, Industry, Ports and Defence are available as Gross Value Added (GVA).

Estimates for Tourism are available as Gross Regional Product (GRP) (expenditure method).

B = High rate growth scenarios have been identified to represent the potential for future development.

C = The annual value of GRP/GVA under high growth scenarios

Strategic Investment

REQUIRED TO UNDERPIN GROWTH ^{D, E}

| PROJECT | PROPOSED INVESTMENT (\$ million) | PATHWAY TO IMPACT ^F |
|--|-------------------------------------|---|
| EAST WEST FLIGHTS | \$20 | <ul style="list-style-type: none"> Flight access to western towns to develop tourism Improvements in service delivery / connectiveness |
| EAST WEST ROAD LINKS | \$500 | <ul style="list-style-type: none"> Enhanced road linkages to western towns for connecting agriculture and mining supply chains Connecting organic beef producing areas in west. |
| NORTH SOUTH ROAD LINKS | \$500 | <ul style="list-style-type: none"> Linking the CWQ region with southern Queensland (Toowoomba) |
| GLADSTONE PORT ACCESS ROADS | \$2,000 | <ul style="list-style-type: none"> Connecting regional areas into the port and rail terminals in Gladstone |
| GLADSTONE - TOOWOOMBA RAIL CONNECTION ^G | \$1,500 | <ul style="list-style-type: none"> Making Gladstone port a key gateway to connect to southern Australia |
| EMERALD - ALPHA RAIL CONNECTION | \$500 | <ul style="list-style-type: none"> Transportation of regional mining resources into network to Gladstone Port |
| THREE WATER DAMS | \$3,000 | <ul style="list-style-type: none"> Improve the supply and security of regional water resources. Increase agriculture production and mining industry. |
| HIGH SPEED INTERNET & MOBILE NETWORKS | \$250 | <ul style="list-style-type: none"> Usage of technology in primary sectors, increase value adding across the economy |
| EMERALD TAFE & QAC AND RRR HE POLICY | \$60 | <ul style="list-style-type: none"> Academic training to build a skilled workforce. |
| GLADSTONE PORT CONTAINER CRANE | \$100 | <ul style="list-style-type: none"> Increase the frequency of loading and unloading at Gladstone port allowing more high value products to be transported |
| GLADSTONE PORT CHANNEL DUPLICATION | \$2,000 | <ul style="list-style-type: none"> Increase the capacity of Gladstone port to service increases in LNG exports, coal exports from Galilee and Surat basins, and commodities from Inland Rail |
| TOTAL (\$ million) | \$10,430 | |

D = These priority initiatives have been identified by RDA Central and Western Queensland after extensive consultation with the 12 Local Governments and other development agencies in the region.

E = These initiatives will need to go through standard approvals processes once selected for advancement.

F = These initiatives will not only underpin growth in the CWQ region, but also provide the Surat Basin and Southern Australia with access to export markets

G = The cost of the Gladstone-Toowoomba rail link may be increased by an additional \$1.5B if a dual gauge option is selected

ASSUMPTIONS ON GROWTH RATE

- Queensland Government's strategy is to double agriculture production from 2013 to 2040. The same growth rate has been extrapolated to 2025 and 2030.
- Current coal production from the Bowen Basin is 77.8mtpa. There are four approved mines in the southern Galilee Basin in CWQ with maximum capacity of 117mtpa, which would be 150% increase in production in CWQ Region. But not all mines develop to their full potential, and higher production is likely to be offset by other mine closures. There will also be significant lag times for new projects to come on line. Therefore, it is assumed that there would be a 25% increase in production by 2025 and a 50% increase by 2030.
- The total Value Added in the CWQ region from Other Mining (LNG) and Minerals Processing sectors have been estimated from a CQU Input-Output model at \$7,055 (\$5687 for LNG and \$1,468 for Minerals Processing). When the recent price increases for LNG are factored in, these estimates are adjusted upwards to \$10,277M (\$8,809 for LNG and \$1,468 for Minerals Processing). Potential for the two sectors to increase production has been assumed to be 50% by 2040, which is equivalent to 3.3% compound growth per annum.
- For Tourism, a maximum likelihood regression model was used to predict growth trends, Data Source: TRA 2019. Aspirational mean is taken to be the upper limit of the prediction with 95% confidence level.
- Expansion of the Gladstone Port can support increased sales of LNG, coal and commodities from southern regions, with associated increases in GVA/GRP, however only growth in CWQ is estimated in this document.

REFERENCES

1. Queensland Government Statistician's Office, Regional profile.
2. National economic indicators for local government areas, 2017/2018, National economic indicators series, available at: <https://economic-indicators.id.com.au/?es=6&StateId=3>.
3. Gladstone Ports Corporation. Origin & Destination of Cargoes. Total for Financial Year 2018, <http://content1.gpcl.com.au/viewcontent/CargoComparisonsSelection/CargoOriginDestination.aspx?View=G&Durat=F&Key=2018>.
4. Australian Bureau of Statistics, Value of Agricultural Commodities Produced, Australia, 2017-18, CAT no., 75030D0001_201718.
5. Department of Agriculture and Fisheries 2013. Queensland AgTrends 2013–14, State of Queensland, Brisbane. https://www.daf.qld.gov.au/_data/assets/pdf_file/0004/117166/3042-AgTrends-2013_web.pdf
6. Qld Government strategy for increasing agricultural production. Queensland Government 2013. Queensland Agriculture Strategy, A 2020 Vision to double agriculture production, State of Queensland, Brisbane
7. Footnote 46 in KPMG report, 2019, An overview of the economic indicators and regional priorities for Central and Western Queensland, KPMG report for RDACWQ.
8. Estimated from CQU models and other sources
9. Tourism research Australia (TRA), 2019
10. The Senate 2017 Impact of Defence training activities and facilities on rural and regional communities, Second interim report.
11. DSDMIP, 2018, Queensland Defence Industries, 10-Year Roadmap and Action Plan
12. Stehlik, D., Jennings, G., Dwyer, L., 2004, A socio-economic impact study of defence force activity in central Queensland, Australia.
13. GPC (2012). 50 year strategic plan. Gladstone Ports Corporation Ltd, Gladstone. Available at: https://www.gpcl.com.au/SiteAssets/Development/GPC_50yr_strategic_plan_2012_update.pdf (Accessed 28/8/2019).
14. GPC (2018a). 2017-18 Annual Report Financial Overview. Gladstone Ports Corporation Ltd, Gladstone, Queensland. Available at: <http://gpcl.com.au/Pages/Annual-Report.aspx> (Accessed on 05/08/2019).
15. Allows for 25 and 50% of production for four currently approved mines in southern Galilee basin to be in production by 2025 and 2030
16. Allows for 50% increase in LNG and other industry by 2040, adjusted to 2025 and 2030. Information drawn from Qld Government websites: <http://www.dsdmip.qld.gov.au/industry/priority-industries/advanced-manufacturing/hydrogen-industry-development.html> & <https://www.business.qld.gov.au/industries/mining-energy-water/resources/petroleum-energy/outlook-statistics/petroleum-gas>
17. Extrapolates from past growth in tourism sector
18. Uses high growth scenario from GPC (2012) of reaching 295mtpa by 2050 – see footnote 13.



This report has been prepared by CQUniversity for RDACWQ in November 2019.