



Wimmera Southern Mallee Development

Tour of Surat Basin November 2023

Surat Basin Study Tour:

Introduction and Editorial by Chris Sounness

In November 2023, regional leaders embarked on a study tour to explore the Surat Basin Toowoomba region—an initiative of the Wimmera Southern Mallee Board. This undertaking aimed to provide insights into how regions, traditionally driven by agriculture, manage the complexities of transitioning due to the increasing presence of Energy and Mining Infrastructure planned for the area.

Wimmera Southern Mallee Development, encompassing Yarriambiack, Hindmarsh, Buloke, West Wimmera, Horsham, and Northern Grampians, initiated the trip with support from the Wimmera Southern Mallee Board, Regional Councils, and financial backing from the Grampians New Energy Task Force. Valuable perspectives were added through the involvement of the Barengi Gadjin Land Council, Regional Partnership Wimmera Southern Mallee, Regional Development Australia Grampians, as well as various community leaders, DEECA, RDV, and VicGrid staff.

On the cusp of significant change, the Wimmera Southern Mallee grapples with uncertainty regarding the reasons, nature, and potential outcomes of ongoing developments. The Surat Basin, identified as a region that began transitioning 20 years earlier, driven initially by Coal Seam Gas, now witnesses substantial investment in Renewable Energy infrastructure and associated Transmission Infrastructure.

At the onset of the Surat Basin transition in the 2000s, initial challenges emerged as local communities and businesses perceived the costs outweighing the benefits. The corporate sector faced unexpected hurdles and significant community hostility, while the government acknowledged that the regulatory and policy space was inadequate. However, concerted efforts from TSBE, Local Governments, key community organisations and community leaders have led to a positive shift over time. A visit to the region now evokes optimism, opportunity, and a commitment to ongoing improvement for everyone who lives in the Surat basin.

WSM Development is dedicated to supporting our community in navigating the transition and managing the numerous impacts in our region. We are working actively with the corporate sector (Renewable, Transmission and Mining companies) to enhance their understanding of our region and community. We are engaging with the Government to encourage appropriate policy and regulatory responses, and meaningful support is provided. We also collaborate with our local government members to assist them in responding to the challenges posed by the transition to make them opportunities.

Participants on the trip highlighted the following themes.

(These are taken from the report that is included in this pack)

- **Need for action:** There was a shared understanding that development would continue due to state and federal government priorities related to the energy transition. There was agreement that adopting a proactive approach provided the greatest likelihood that development benefited affected communities and the Wimmera Southern Mallee region. Participants recognised the

difference between CSG and renewables development, particularly regarding impacts on visual amenity. Some participants realised that a proactive approach could be challenging and not universally popular, especially among impacted landholders.

- **Vision and narrative:** Participants stressed the critical role of having a clear vision and narrative to gain buy-in from communities and developers. This vision should be region-specific, appropriately scoped and scaled, future-focused, and involve all stakeholders, including landholders, communities, renewables companies, and local and state government.
- **Coordination and communication:** There was recognition of the role that TSBE had played as an intermediary and the importance that coordination and communication had played in securing investment and positive outcomes for communities across the Surat Basin. Emphasising collaboration over competition was considered essential to avoid unnecessary conflict.
 - Participants reflected the need for clearly defined roles and responsibilities for the parties and agencies involved.
 - Clear, consistent and transparent communication was emphasised to build and maintain trust with all stakeholders. This 'no surprises' approach entailed shared messaging and preferably a single point of contact. Participants noted that TSBE provided a template the region could follow, with some adaptations to suit the local context. Most participants felt that an organisation like WSMD was best placed to lead any Wimmera Southern Mallee-based activities.
- **Strategic investment:** Participants acknowledged TSBE's success in delivering meaningful benefits through a longer-term, strategic approach to investments. They recognised that the Wimmera Southern Mallee could benefit from complementing or replacing the current approach of providing short-term, superficial community grants with longer-term strategic programs and projects that addressed critical regional challenges or provided ongoing, sustainable revenue sources.
- **Equity and fairness:** Participants agreed on the need for equitable and fair funding distribution. However, there was disagreement over what this looked like and how funding should be distributed. There was a notable tension between regional and local priorities and a level of concern that Horsham would be the primary beneficiary of any investment.
- **First Nations representation:** The lack of involvement and outcomes for traditional owners (TO) was highlighted frequently. The need for early and ongoing TO involvement was highlighted as crucial. Learning from TO perspectives, cultural practices and international models was suggested as a valuable approach to guide engagement efforts.
- **Role of government:** Participants recognised that Victorian government involvement will be required. However, that role will be to provide regulatory clarity and support as and where

required. Participants noted that activities that leveraged existing Victorian government capability or initiatives would be preferred over funding requests.

- There was concern about the role of the Victorian government, particularly the that funds intended for community and regional development could instead be diverted into general revenue or to support government electioneering.
- **Proactive and positive:** Some attendees noted a significantly more positive outlook among Queensland's businesses, councils, and residents than in the Wimmera Southern Mallee Southern Mallee. Several factors were proposed for this difference, including reduced financial dependence on state and federal government, greater autonomy in decision-making, and improved services and infrastructure compared to the Wimmera Southern Mallee (enabled by investment from CSG companies).
- **NDA's:** Several participants were concerned about the divisive and potentially manipulative nature of Non-Disclosure Agreements (NDAs) and proposed local or regional efforts to encourage landholders not to sign them.

The following are some of my key takeaways (Editors Prerogative)

Key Takeaways from the Surat Region:

1. Successfully navigating land use change involving Agriculture alongside Energy and Mining infrastructure is challenging but achievable.
2. Communities and local businesses, united around a common vision, can ensure that change creates better opportunities for all.
3. Establishing regular structured opportunities for understanding between Local Businesses and the Corporate sector is crucial for regional growth and was a key factor in turning a negative sentiment in the region to a positive one.
4. While there is an impact on Agricultural land, the majority of infrastructure does not impede food and fiber production.
5. Government involvement is vital in ensuring projects proceed with a clear evidence-based understanding of their impacts, holding all parties accountable for commitments.
6. The need for both the community and corporate sector to constantly engage with government policymakers and politicians cannot be overstated. The government is often playing catch up, and without that constant engagement, the likelihood of well-meaning interventions having unintended consequences is significant due to not fully understanding the nuances of the region, the community, and the development opportunity being undertaken.

7. Housing is crucial during infrastructure construction, with optimal outcomes achieved when housing for the workforce is within towns rather than stand-alone camps.
8. Addressing compensation and benefits from the impacts at an individual farm, along with neighbors, local communities, and regions is challenging. A small part of it is the grants and funds distributed to the community. It requires alignment among rural communities, businesses, and corporate sectors on infrastructure priorities. Small grants alone are insufficient, and corporate sector investments should not lead to reduced government support. Given the growth, increased government investment in public infrastructure is necessary.

Acknowledgments:

The success of the trip is attributed to the commitment and contributions of all participants. Special thanks to Ash Brooks for organizing logistics and creating a comprehensive itinerary, as well as gratitude to the speakers, communities, towns, GNET for financial support, and the member LGAs and WSM Development board for encouragement and support. I have included two maps of the Surat region and Queensland to provide context.

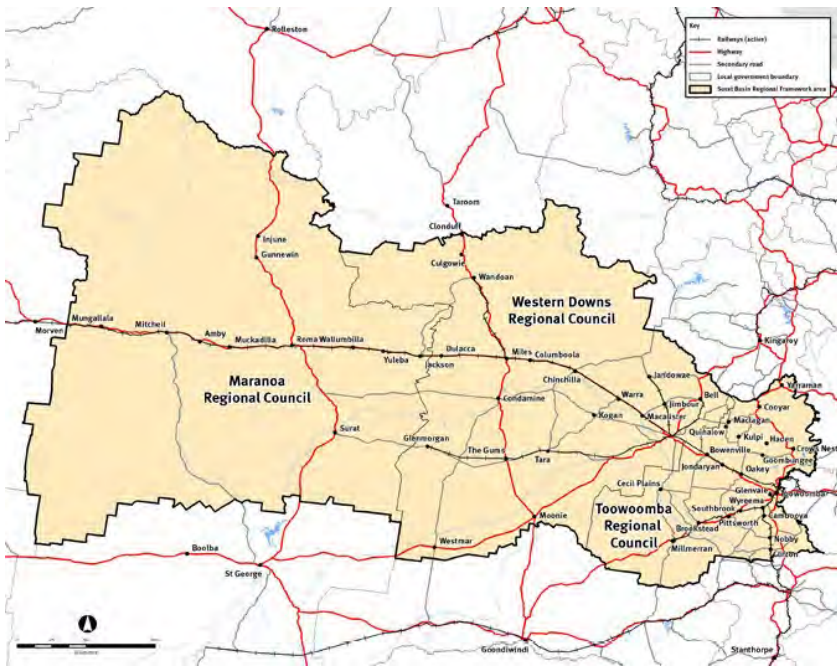
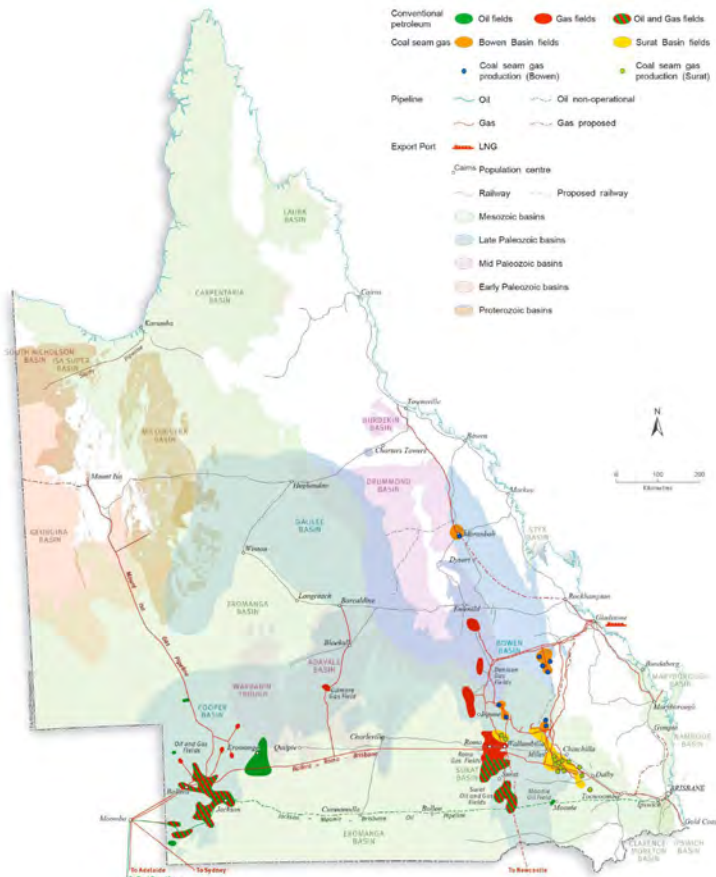


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Queensland Renewable Energy Council

Queensland GasFields Commission

Lessons from Coal Seam Gas - John Cole

Australia to Net Zero Authority Report

Surat Basin Future Directions Statement Qld Govt 2010

Surat Basin Regional Planning Framework Qld Govt 2011

Neil Argent, Coauthor of the journal paper that follows, gave a presentation to the WSM Development board and made the following recommendations to assist WSM region to maximise the chances of the transition being seen as beneficial

Be Careful What you Wish for. - Research paper that highlighted some of the challenges faced by the Surat basin community in the initial years and set the scene for TSBE to form.



SURAT BASIN TOUR **REPORT**

PARTICIPANT VIEWPOINTS

Introduction

Wimmera Southern Mallee Southern Mallee Development (WSMD) invited 14 business and community leaders to participate in a 2-day trip to the Surat Basin in Queensland in November 2023. The purpose of the trip was to provide participants with firsthand experience and insights into the approach taken to collaborate with coal seam gas (CSG) companies, to invest in local communities and infrastructure – in particular the role played by the Toowoomba and Surat Basin Enterprise (TSBE) to coordinate investment in businesses in the region. The intent was to identify whether a similar approach could be taken in the Wimmera Southern Mallee regarding renewables, transmission, and mineral sand mining (RTMSM) companies. Participants included representatives from various sectors, including local government authorities (including councillors and CEOs), state government, businesses and communities, and traditional owner groups.

The content of this report was gathered from a series of interviews with participants conducted either during the second or third day of the visit. Additionally, several participants were contacted by phone in the week following the visit to capture their perspectives.

Overall impressions

Participants were positive about the trip and appeared impressed by what had been achieved in the Surat Basin. They saw significant potential in applying the TSBE model in the Wimmera Southern Mallee. However, there was uncertainty about the scope and scale of what could be achieved given the differences between the two regions, and the coal seam gas and RTMSM sectors. There was a strong belief that development was inevitable, and the region needed to find a way to turn this to its advantage and ensure the benefits were meaningful, lasting, and fairly/equitably distributed across the region.

Themes from participant interviews

- **Need for action:** There was a shared understanding that development would continue due to state and federal government priorities related to renewables and resources. There was agreement that adopting a proactive approach provided the greatest likelihood that development benefited affected communities and the Wimmera Southern Mallee region. However, CSG's lower impact on landscapes and visual amenity was noted, meaning a proactive approach was unlikely to be universally popular, especially among impacted landholders and communities in the vicinity of developments. There was some disagreement whether an iterative or considered approach was required.
- **Vision and narrative:** Participants stressed the critical role that having a clear vision and narrative could play in gaining buy-in from communities and RTMSM companies. Overall, most believed these should be region-specific, appropriately scoped and scaled, future-focused, and involve all stakeholders, including landholders, communities, RTMS companies, and local and state government.

- **Coordination and communication:** Participants recognised the need for trust, and in particular the role that TSBE played as a trusted intermediary. Coordination and clear, frequent, and transparent communication were seen to be important in securing investment, leading to positive outcomes for communities across the Surat Basin. Emphasising collaboration among businesses, stakeholders and communities was considered essential to avoid unnecessary conflict.
 - Participants reflected the need for clearly defined roles and responsibilities for the parties and agencies involved.
 - Many participants noted that the coordination and collaboration between TSBE, LGAs and communities was notable, and critical to the region's success. Stakeholders needed to be on 'the same page' and working collaboratively, rather than independently, to get the best outcomes at both the regional and local level.
 - Clear, consistent, and transparent communication was emphasised to build and maintain trust with all stakeholders. This 'no surprises' approach entailed shared messaging and preferably a single point of contact. Participants noted that TSBE provided a template the WSM could follow, with some adaptations to suit the local context.
 - Most participants supported TSBE's 'business first' approach and a similar approach in the WSM. There was broad agreement that WSMD was best placed to lead any local efforts to replicate the TSBE model. However, there was some concern/discussion about how the social functions of the WSMD would be managed, or whether this could be managed under a single entity.
- **Strategic investment:** Participants acknowledged TSBE's success in delivering meaningful benefits through a longer-term, strategic, and collaborative approach to investment. They recognised that the Wimmera Southern Mallee could benefit from complementing or replacing the current approach of providing short-term, superficial community grants with longer-term strategic programs and projects that addressed critical regional challenges or provided ongoing, sustainable revenue sources.
- **Equity and fairness:** Participants agreed on the need for equitable and fair funding distribution. However, there was disagreement over what this looked like and how funding should be distributed, including some tension between regional and local priorities. There was also a level of concern that Horsham would be the primary beneficiary of any investment.
- **NDA:** Several participants were concerned about the divisive and potentially manipulative nature of Non-Disclosure Agreements (NDAs). It was noted that the Qld government and several peak bodies (Qld Farmers Federation) had taken public positions advocating against the use of NDAs. Several participants suggested something similar should occur in Victoria.
- **First Nations representation:** The lack of involvement and outcomes for traditional owners (TO) was highlighted frequently. The need for early and ongoing TO involvement was seen to be important. Learning from TO perspectives, cultural practices and international models was

suggested as a valuable approach to guide engagement efforts. Several participants remarked on the disparity between the expectations imposed on TO groups and the resources/funding provided, which resulted in unrealistic expectations regarding outcomes.

- **Role of government:** Participants noted that the Queensland government lagged behind the rapid development of the CSG industry. While it eventually responded by increasing regulatory oversight and communication, a similar situation seems to have emerged regarding renewable energy development in both Queensland and Victoria. There was also some concern, since mitigated, that the Queensland government would use CSG funding to step away from its core roles and responsibilities or deliver government business as usual activities. Participants expressed a clear opinion that investment should be managed independently of government and be directed towards strategic regional development rather than core government business (healthcare, education etc.).
- **Proactive and positive:** Some participants believed that TSBE had played an important role in building stronger relationships between CSG companies and the community. This has resulted in a significantly more positive outlook among Queensland's businesses, councils, and residents than seen in the WSM. Several factors were proposed for this difference, including greater trust and collaboration across the region, reduced financial dependence on state and federal government, greater autonomy in decision-making, and improved services and infrastructure enabled by strategic investment.

Questions

Participants raised several questions during the trip that they felt were not fully answered or were important to address. It appears most of these questions could be addressed, either partially or in full, by developing a business case/strategy to guide implementation:

- **Defining the problem:** What are the problems we are trying to solve?
- **Representation and license to operate:** Who do we represent, and do we have a license to operate on their behalf?
- **Roles and responsibilities:** What are the roles of various parties and agencies at local and state levels? To avoid perceptions of conflict, should there be separate economic and social development agencies, or can WSMD (or a similar organisation) effectively handle both?
- **Government support:** How can/should the Victorian government contribute and what should the shape of this contribution be?
- **Harnessing positivity:** How do we harness the passion and positivity observed in Queensland?
- **Funding sources:** Where will the funding come from, especially in the absence of a significant funder/donor like the Wagner family?
- **Learn from other regions:** Should we approach regions such as Gippsland to learn from their experiences with transitioning from coal to renewables?

Next steps

Participants shared their feedback on the next steps and the overall process to be followed:

1. **Reflection and consideration:** Participants needed time to reflect on the discussions and experiences.
2. **Reconvene and discuss:** It was suggested that each participant present their thoughts to the group, fostering open dialogue and shared insights. (A draft vision statement and approach could be workshopped at this session).
3. **Interim proposal for WSMD Board:** Form a small working group to prepare an interim proposal for the WSMB board, outlining the initial steps and vision for regional development.
4. **Strategy and business case:** Several participants suggested that a comprehensive strategy/business case needed to be developed including:
 - An aspirational vision statement.
 - A stakeholder map to identify key players and interests.
 - A strong ask or request.
 - Clear communication and messaging strategies.
 - A well-defined process for implementation.
 - Investigating various outcome scenarios, including status quo, agriculture-driven diversification, and RTMSM-driven diversification.
5. **Business and community engagement:** Participants agreed on the need to engage with stakeholders to identify priorities and begin discussions about the potential for a TSBE-like entity in the Wimmera Southern Mallee. However, there was disagreement about when and how the businesses and communities should be engaged. While some participants favoured early engagement and transparency, others were concerned that engaging too early risked causing confusion, distrust, and potential opposition.

Author's observations

- **Coordination is critical:** The WSM has been presented with a significant opportunity to redefine the future of the region. However, the lessons learned from the Surat Basin indicate that without effective coordination and collaboration, the full scope and scale of this opportunity may go unrealised. While individual communities might experience some benefits through independent initiatives, these gains are likely to be smaller and less transformative compared to a collaborative regional approach involving communities, regional businesses, RTMSM businesses, and other stakeholders in the region.

- **Progress should be swift but considered and planned:** Given the advanced nature of planning and development, there is a need to move quickly to avoid fragmentation and stakeholders resorting to individual, uncoordinated efforts and approaches. However, given the intensity of emotions and the increasingly political nature of mining and the energy transition, advancing too hastily, especially without a well-defined vision, could lead to unforeseen and adverse outcomes. This may manifest as miscommunication, negative perceptions, and a loss of trust among key stakeholders, including landholders, communities, and RTMSM businesses. Such repercussions could have lasting consequences for the initiative, potentially requiring substantial time, effort, and investment to rectify and realign the project.
- **Equity of distribution:** The balance of benefits and focus between impacted and non-impacted communities needs to be carefully managed to avoid inequity or perceptions of unfairness. Affected communities may feel short-changed if funding is allocated more broadly across the region. However, focusing too heavily on affected communities may result in greater inequity and inequality.
- **Short-term vs. strategic focus:** There was a tension among participants between the development and delivery of short-term initiatives that solve immediate pain points, and strategic initiatives that set the conditions for long-term regional prosperity. Balancing these and communicating the long-term vision for the region will be critical to the ongoing success of the program and gaining and maintaining community buy-in.
- **Managing anger towards RTMSM companies:** Discussions touched on the anger expressed towards RTMSM companies and the need to 'lay down the law' or dictate terms. If not managed, this could create further tension between renewables companies, the WSMD, and local communities.
- **We're not the Surat Basin:** Some participants focused on the difficulty of trying to replicate the scope and scale of TSBE's activities and the lack of similar seed capital in the WSM (e.g., the Wagner family). Understanding the scope and scale of the opportunity and the required investment to establish a TSBE-like entity in the Wimmera Southern Mallee should be a key part of any strategy/business case.

“Nada to Negotiation” STUDY TOUR – Learnings from the Toowoomba Surat Basin region

TUESDAY 21st – FRIDAY 24th NOVEMBER 2023

Join us as we tour the Toowoomba and Surat Basin (TSB) gaining transformational experience insights!

Speak with local TSB leaders, growers, and a range of stakeholders who've been on the transformational journey in Southern Queensland over the past 15 years. As well as networking with local leaders we'll be meeting with the TSBE executives, local councils, and Roma grower Peter Thompson as he reflects on his experiences with shared trust negotiation.

THE LEARNING OPPORTUNITY

- Over the next 10 years it is estimated that there will be \$20 billion worth of infrastructure investment in the WSM within critical mineral sands (~\$4 billion), transmission (~\$4 billion) and renewables (~\$12 billion) industries.
- This is a once in a lifetime opportunity with large capital inflow having the potential to improve community conditions.
- Extractable opportunities exist for infrastructure and connectivity improvements, workforce upskilling and job creation, regional industry diversification, and increasing housing and the fit for purpose nature of our current stock.
- Bridging the divide, supporting landholders, aligning the community, local business, government, and corporate infrastructure companies to build trust requires community leaders to step forward if a positive legacy is to be achieved.
- To maximise the potential of this transformative era, we need strategies to sophisticatedly engage with stakeholders, astutely negotiate, develop, and execute an aligned regional strategy to deliver beneficial change.
- Learning from the Toowoomba Surat Basin region, a region who has successfully broadened its industry base from traditional agriculture provides significant learning opportunities.

STUDY TOUR INVESTMENT

To encourage as many people to join as possible we're keeping costs to a minimum. For an \$1,100 + GST investment per person all bus, accommodation, meals, and some drinks for the 22nd and 23rd November 2023 will be covered. All flights and transit accommodation to and from Brisbane will need to be self-funded and arranged.

AGENDA

Our agenda plans are well underway, and we are confirming guest speakers, panellists and presenters and a final agenda will be provided at the start of October. In the meantime, here's a snapshot of what you can expect.

TUESDAY 21st NOVEMBER – Self-arranged and funded travel and accommodation to Brisbane, ready to catch the bus at 6am the following day.

WEDNESDAY 22nd NOVEMBER

Bus Travel: BRISBANE → TOOWOOMBA

ECONOMIC DEVELOPMENT LEADERSHIP WITHIN THE TOOWOOMA & SURAT BASIN REGION

- **HEAR** from past and present TSBE leaders (CEO's and Chairs) on the value of place-based leadership and value extraction opportunities during significant regional industry transformation.
- **PANEL** discussion – Energy transition policy and the power of effective negotiation for regional benefit.
- **NETWORK** – Enjoy evening drinks and dinner listening to a guest speaker on rural economies, people, and issues strategy.

Accommodation: TOOWOOMBA

THURSDAY 23rd NOVEMBER

Bus Travel: TOOWOOMBA → ROMA

REGIONAL INDUSTRY TRANSFORMATION WITHIN TRADITIONAL AGRICULTURAL COMMUNITIES

- **DISCUSSING** the transitional journey within the Western Downs council with the mayor. Understanding the wins and learns!
- **CHAT** with UQ bus guest Professor John Cole on regional resilience and the value of a helicopter view.
- **TOUR** – Innovative grain grower and beef producer Peter Thompson's farm and hear about his family's experience with coal seam gas and shared value negotiation.
- **DINE** – Over an enjoyable meal, local business will reflect on the region's transformational opportunities and the community benefits 15 years on.

Accommodation: ROMA

Friday 24th NOVEMBER – Bus arriving at Brisbane airport by 1pm. – Please note there are flights from Roma to Brisbane on Thursday evening and or Friday morning, which you are welcome to organise yourself. However, you will still be charged for the bus hire on Friday (Sorry)

SECURE YOUR PLACE TODAY!

We hope you're available to join us and to secure your place please confirm with Chris Sounness. An invoice will then be sent for a 50% trip payment by the 30th of September 2023. With the final 50% due on Nov 15

FOR MORE INFORMATION

CHRIS SOUNNESS

CEO – Wimmera Southern Mallee Development

E: chris.sounness@wda.org.au

M: 0409 559 364

WSM Development Toowoomba Surat Basin Study Tour – November 2023

Hello study tour delegates,

Thanks for the opportunity to co-ordinate your tour to the Toowoomba and Surat Basin region. For those of you that don't know me my name is Ash Brooks. I'm a farmer in Dimboola, marketing and communications consultant and industry board director. I have thoroughly enjoyed working with Chris to deliver a what we hope is an insightful agenda. You'll have the opportunity to engage with a range of people and organisations, both public and private, who've experienced Queensland's energy transformation journey, and will share valuable views on regional economic development, landholder coexistence and community legacy. As with all trips the timing never suits everyone and unfortunately, I'll be unable to attend as being a grain farmer harvest calls!

As you're all aware our Wimmera Southern Mallee (WSM) area is on the cusp of a once in a lifetime change with significant investment proposed for mineral sands mining and renewable energy projects (Estimated \$20 billion over the next 10 years*). WSM Development has identified the Toowoomba and Surat Basin (TSB) as a region with many synergies to the WSM, particularly during its early energy transformation era. The TSB area has innovatively shifted from being one in population decline, with poor community and industry outcomes to an extremely prosperous region.

We hope you enjoy the opportunity to question, challenge and understand the region's successes, landholder co-existence experiences, social license reflections, industry collaboration approaches and the potential value extraction prospects for the WSM as the road ahead for regional transformation is navigated.

To provide further background and context on some of the people and organisations you'll meet throughout the tour we have provided you with a few useful links as well as LinkedIn profiles for review. Safe travels, enjoy the networking opportunities and I look forward to hearing the learnings and of the possible strategies to strengthen the WSM's exciting future.

Regards,

Ash Brooks
ash@agticulate.com.au

*WSM Development projection

WSM Development Toowoomba Surat Basin Study Tour – Background

DAY 1. REGIONAL VALUE EXTRACTION, INDUSTRY TRANSFORMATION LESSONS LEARNT AND LANDHOLDER CO-EXISTENCE

Queensland Renewable Energy Council

The Queensland Renewable Energy Council (QREC) was founded by a group of renewable energy companies wanting to foster increased industry collaboration, address local industry challenges and drive a proactive Queensland policy agenda. The Queensland Renewable Energy Council was established in August 2023, almost twelve months on from the release of the Queensland Government's Energy and Jobs Plan 2022. The QREC is a not-for-profit industry body representing large scale renewable energy developers, investors and supporters in Queensland.

– Summary is a direct extraction from [linkedin](#) – November 2023

Website: <https://qrec.org.au> (Coming soon!)

Gasfields Commission Queensland

"GasFields Commission Queensland is an independent statutory body who facilitates trustworthy relationships and respectful communication between Queensland's onshore gas, agriculture, business, and government sectors.

"The Commission's vision is to be the trusted leader and facilitator of sustainable coexistence between landholders, regional communities, and the onshore gas industry. The Commission supports best-practice business-to-business relationships across Queensland's gas fields and provides the tools for informed decision-making for all stakeholders."

– Summary is a Direct Extraction from GFCQ website – November 2023

Website: <https://www.gfcq.org.au/>

Toowoomba Surat Basin Enterprise (TSBE)

In 2018 former CEO Shane Charles summarised, within a regional development federal government submission, the TSBE business strategies that were considered to have led to their success and those where they were challenged.

Government Submission: Source: Charles, S (2018) Inquiry into regional development and decentralisation – Submission 190. <https://www.aph.gov.au/DocumentStore.ashx?id=7c3ce558-c900-4262-96f5-51f7df7186&subid=564401>

TSBE Website: <https://www.tsbe.com.au/>

TSBE Annual Report: <https://www.tsbe.com.au/resources/annual-report-20212022>

Rural Economies Centre of Excellence

Website: <https://www.ruraleconomies.org.au/>

DAY 2 – SUCCESSFUL REGIONAL COMMUNITY POLICY & LIVED TRANSFORMATIONAL EXPERIENCES!

Western Downs Council

Website: <https://www.wdrc.qld.gov.au/Home>

Peter & Nikki Thompson

The Thompson Operation:

<https://soil2soul.com.au/>

https://www.dpi.nsw.gov.au/_data/assets/pdf_file/0009/470952/case_study_coal_seam_gas_cropping_grazing_thompson_echo_hills_roma.pdf

Making peace with CSG extraction – one farming family story: https://www.abc.net.au/news/2015-10-29/making-peace-with-csg-extraction-one-farming-family-story/6897316?fbclid=IwAR1Gs5CKE1fGcGQqAzMYXR5kEa0nZ01WEALszTsz-3ZhSdhWo-rewceqyV4_aem_AWEakx_E2fXPM4MjXZW2ReY4q9CcrA2cXGdZ5JQalyiPG_2uC3bluvNslMLRmTiPQqc

Roma Commerce & Tourism

Website: <https://www.commerceroma.com.au/about>



**WIMMERA
SOUTHERN
MALLEE
DEVELOPMENT**

**2023
TOOWOOMBA
SURAT BASIN
STUDY TOUR**

AGENDA

WEDNESDAY – 22nd November 2023

REGIONAL VALUE EXTRACTION, INDUSTRY TRANSFORMATION LEARNINGS AND POSITIVE LANDHOLDER CO-EXISTENCE

6:30am - SHARP	Bus Departs Novotel Brisbane Airport for Toowoomba 6/8 The Cct, Brisbane Airport QLD 4008	
9:00am	<p>Economic development leadership within the Toowoomba Surat Basin Region. The value of local leaders collaborating to seize regional economic potential and the inception of TSBE.</p> <p>Shane Charles, Upscale Carbon and Former TSBE CEO linkedin.com/in/shane-charles-98a3489</p>	
10:00am	MORNING TEA	
10:30am	<p>Renewable energy coexistence in regional Queensland – Newly formed QREC organisation’s vision for collaboratively working with members, government, key stakeholders, and regions to deliver a long-term sustainable and responsible renewables industry.</p> <p>Katie-Anne Mulder, CEO Queensland Renewable Energy Council linkedin.com/in/katie-anne-mulder-ba235315</p> <p>Andrew Brier, COO Queensland Renewable Energy Council linkedin.com/in/andrew-brier-234b1196</p>	<p>Oaks Toowoomba – 25 Annand Street, TOOWOOMBA</p> <p>(THE ROCK FUNCTION SPACE, accessed via Kwong Sang Walk)</p>
11:45pm	<p>Sustainable landholder coexistence – Improving and facilitating respectful relationships with landholders, rural and regional communities, and the onshore gas sector. What are the Gasfields Commission Queensland experiences with industry operations within regional communities and how is positive coexistence best achieved?</p> <p>Gasfields Commission Queensland</p> <p>Warwick Squire, CEO linkedin.com/in/warwick-squire-01aa7786</p> <p>Timothy de Jersey, Communications and Media Manager linkedin.com/in/timothy-de-jersey-69220b1a4</p>	
1 –2:00 pm	LUNCH - TRAVEL TO TOOWOOMBA SURAT BASIN ENTERPRISE (TSBE)	
2:00pm	TSBE - Driving regional development opportunities, creating community legacy, and supporting sustainable growth, and collaboratively partnering	

	<p>with state and federal governments. Reflections from the past and visions for the future for regional economic development success.</p> <p>Lance McManus, General Manager Energy and Infrastructure linkedin.com/in/lance-macmanus-85a8641a</p> <p>Reagan Parle – Senior Project Mgr Energy and New Industries linkedin.com/in/reagan-parle-491a09160</p>	
3:30pm	<p>Policy & Economic Development Discussion:</p> <p>Regional transformation and the success of collaboration and effective consultation in achieving shared outcomes and the role of government in supporting regionally led economic strategy whilst supporting agriculture and its Net Zero pursuit.</p> <p>Prof. Emerit. John Cole, Institute for Resilient Regions University of Southern Queensland linkedin.com/in/johncole1955</p> <p>Sally Higgins, Nuffield Scholar, Manager at Nous Group, Agricultural policy, strategy & sustainability linkedin.com/in/sally-higgins</p>	<p>TSBE – BOARDROOM</p> <p>(6 Ann St, Toowoomba City QLD 4350)</p>
5:00pm	Depart TSBE and travel to Oaks Toowoomba	
6:30pm	<p>Informal Networking Dinner – The Arbour – Fitzy’s Toowoomba (153 Margaret St, Toowoomba City)</p> <p>Rural Economies Centre of Excellence’s Executive Director, Ben Lyons will share his insights into their core research focus “How best can a strategic multidisciplinary approach to industry, community, and regional development deliver a thriving and internationally competitive rural economy?”</p> <p>Guest Speaker: Assoc. Prof. Ben Lyons, Executive Director Rural Economies Centre of Excellence https://www.ruraleconomies.org.au/ linkedin.com/in/a-prof-ben-lyons-0b899617</p>	

THURSDAY – 23rd November 2023

SUCCESSFUL REGIONAL COMMUNITY POLICY & LIVED TRANSFORMATIONAL EXPERIENCES!

7:30am	<p>Bus Departs Oaks Toowoomba for Roma.</p> <p>Packed lunches to be collected from Quarter Acre café.</p>	
9:00am	<p>The Western Downs Council, the energy capital of Queensland! The Western Downs council started its energy journey with coal and gas, and is now home to significant renewable energy projects, further diversifying the</p>	<p>Western Downs Council</p>



	<p>region's energy industry base. Hear from the council team on the impact of transformation over the years and how co-existence within a traditional agricultural region has been navigated enabling the region to thrive!</p> <ul style="list-style-type: none">• Daniel Fletcher, General Manager of Community & Liveability linkedin.com/in/daniel-fletcher-gaicd-364b35b7• Nicole Franklin, Tourism Program Leader linkedin.com/in/nicole-franklin-34b0b263• Todd Summerville, Planning and Environment Manager linkedin.com/in/todd-summerville-28610a76	<p>(30 Marble Street, DALBY -Room Dalby Committee)</p>
	LUNCH – On the road to Roma!	
2:00 pm	<p>Agriculture and Mining Co-existence in Action – The Thompson's will share their lived experience through the establishment of the Surat Basin coal seam gas industry. A journey of shared trust in delivering mutually beneficial outcomes and regional coexistence.</p> <p>Peter & Nikki Thompson – Roma Grain and Cattle Farmer Linkedin: linkedin.com/in/peter-thompson-11388312 linkedin.com/in/nikki-thompson-04087912</p>	<p>Echo Hills – Roma (Thompson's Farm)</p>
4:30pm	<p>Depart Peter & Nikki Thopson's for Roma Explorers Inn</p>	<p>Roma Explorers Inn</p>
6:30pm	<p>DINNER – Explorer's Restaurant – Roma</p> <p>Roma Commerce and Tourism – Our dinner speaker Debbie Joppich will highlight the impactful business support successes within the Maranoa region which have enabled and continue to assist local business to grow and thrive.</p> <p>Roma Commerce & Tourism https://www.commerceroma.com.au/about Debbie Joppich – General Manager</p>	<p>(44778 Warrego Hwy, Roma QLD 4455)</p>

FRIDAY – 24th November 2023

6:30am	<p>Depart Roma and travel by bus to Brisbane.</p> <p>Breakfast & Packed lunch from Bakearoma (73-77 McDowall St, Roma)</p>
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STUDY TOUR DELGATES – November 2023

DELEGATE	ROLE	ORGANISATION	Linkedin Profile
Kendra Clegg	Regional Recovery Manager – Grampians	Emergency Recovery Victoria	linkedin.com/in/kendra-clegg-phd-6494634
Robyn Gulline	Mayor	Horsham Rural City Council	linkedin.com/in/robyn-gulline-a1543348
Kevin Erwin	Councillor	Northern Grampians Council	ngshire.vic.gov.au/Council/Councillors/Kevin-Erwin
Paul Geyer	Board Chair	WSM Development	linkedin.com/in/paul-geyer-faicd-41a83786
Tim Hopper	Managing Director	CHS Group	linkedin.com/in/tim-hopper-9222a25a
Omkar Gupte	Senior Policy Officer	DEECA Energy Group VicGrid	linkedin.com/in/omkar-gupte
Phillip Guthrie	Consultant	Nine Creeks Consulting	linkedin.com/in/phillip-guthrie-38336a3
Tim Harrison	CEO	Ararat Rural City Council	linkedin.com/in/dr-tim-harrison-1a64aa119
Stuart Benjamin	Director	Elmstone Group	linkedin.com/in/stuart-benjamin-54976228
Tim Grech	Program Manager: Energy	DEECA Forest, Fire & Regions Comm. & Partnership	linkedin.com/in/tim-grech-20120a34
Gregor Heard	National Grains Reporter	Australian Community Media	linkedin.com/in/gregor-heard-a860686b
Sarah Henderson	Acting Regional Director	Regional Development Victoria – Grampians	linkedin.com/in/sarah-henderson-69307330
Chris Sounness	CEO	WSM Development	linkedin.com/in/chris-sounness-9b503946
Jarrold Troutbeck	Renew. Energy & Climate Project Officer	Barengi Gadjin Land Council Aboriginal Corp.	linkedin.com/in/jarroldtroutbeck

--DRAFT WORK IN PROGRESS--

Enabling the renewable energy revolution in Wimmera Southern Mallee through a united community voice: key messages

Key message summary

- The renewable energy revolution is a once-in-a-generation economic opportunity for the Wimmera Southern Mallee region. But we must act now or we will miss out.
- Our region will thrive in the shift to renewables if the interests of all sections of our community are heard and supported.
- Our voice is powerful. A united voice from community leaders provides the best opportunity for the benefits of renewable energy investment to flow into our communities and our households.
- If the Victorian Government wants to hit ambitious renewable energy targets, the Victorian Government needs to come to the table and support regional communities through the transition.

Background: a fast and smooth energy transition is good for Western Victoria

Victoria's renewable energy revolution is underway. With ambitious renewable energy targets legislated and investment starting to flow, significant economic opportunities are emerging around the state.

The Wimmera Southern Mallee region can be a big winner in this transition. We are blessed with an abundance of renewable energy resources – sun and wind – and that means local families and businesses can benefit as Victoria makes the shift to a clean energy powered economy.

Right now, 19 renewable energy projects are under consideration in our region. If these projects go ahead, they will deliver approximately \$20 billion of investment in infrastructure over the next ten years into solar, wind and energy storage, transmission lines, and critical minerals mining.

But we can't afford to delay. With the Victorian Government committed to delivering the VNI-West transmission line and closing the Yallourn Power Station (both scheduled for 2028), delaying the transition today means we risk the lights going out tomorrow.

At this critical moment, a united voice from community leaders directed at the Victorian Government can help maximise the benefits of the renewable energy revolution for Western Victoria. With a united voice, we can deliver the economic outcomes our region has needed for decades and guarantee energy, job and housing security for decades to come. The time to raise our united voice is now.

A united voice: how you can help

Our region will thrive in the renewable energy revolution if the key concerns of our communities are respected and responded to, and if our farmers and rural towns are supported.

Residents of Western Victoria have raised genuinely held concerns over perceived economic and physical impacts of renewable energy and transmission projects, and apprehension over ongoing power

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reliability issues. To address these concerns, and set our region up for a prosperous future, we recommend community leaders use their collective voices to unite behind the following five priorities:

1. **Housing and liveability:** provide accommodation for construction and operation workers.
2. **Energy poverty:** address the distribution capacity issues in the region.
3. **Community engagement and education:** secure community support for the energy transition by considering environmental and vista protection, and by changing community sentiment from “no” to “negotiate” through effective community engagement.”
4. **Infrastructure investment:** ensure that transmission and renewable energy projects are built on time.
5. **Workforce development:** seize the opportunity for local skills development and employment.

VNI-West shows why we need a united community voice

The Victorian Government has legislated ambitious renewable energy targets. To achieve these targets, the government is prioritising closure of fossil fuel power stations, and has identified critical transmission infrastructure projects that need to be built to replace coal with renewable energy generated in regional locations like the Wimmera Southern Mallee.

In five years’ time, it is forecast that the Yallourn Power Station will close and the VNI-West transmission line will have been developed. If the former event takes place, as expected, but the latter is not complete, there is a very real risk that the lights will go out in our region.

Right now, some sections of our community do not support the VNI-West project. But, with the Victorian Government committed to the VNI-West project, community leaders have three options:

6. Do nothing and hope the situation resolves itself
7. Join the protest against VNI-West
8. Use your united voice to advocate for beneficial community outcomes

If opposition to these projects prevails, the region risks entrenching energy poverty in place of once-in-a-generation economic opportunities. Only option three presents a pathway that creates jobs, builds houses and secures the energy future for communities in Western Victoria. Only option three ensures the region does not miss out as Victoria transitions to renewable energy.

Key messages

- **The renewable energy revolution is a once-in-a-generation economic opportunity for the Wimmera Southern Mallee region. But we must act now or we will miss out.**
 - Proof point 1: 19 renewable energy projects are under consideration in our region. If these projects go ahead, they will deliver approximately \$20 billion of investment in infrastructure over the next ten years into solar, wind and energy storage, transmission lines, and critical minerals mining. Specifically:

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- Two major transmission lines estimated at \$4 Billion - Western Victoria Renewable Link (WRL) and Victoria New South Wales Interconnector West (VNI West).
 - Solar, wind generation and storage projects, estimated at \$12 Billion.
 - Critical minerals mining (three mines), estimated at \$4 Billion (30 years operational life).
 - Proof point 2: There are significant regional economic opportunities created by renewable energy and transmission projects, including infrastructure and connectivity improvements, workforce upskilling and job creation, regional industry diversification, and increased fit-for-purpose housing stock.
 - Proof point 3: Victoria's electrification strategy necessitates the implementation of major transmission projects like VNI-West. If opposition to these projects prevails, the region risks entrenching energy poverty in place of once-in-a-generation economic opportunities.
- **Our region will thrive if the interests of all sections of our community are heard and supported in the shift to renewable energy.**
 - Proof point 1: Residents of Western Victoria have raised genuinely held concerns over perceived economic and physical impacts of renewable energy and transmission projects, and apprehension over ongoing power reliability issues. Failure to take these concerns into consideration often leads to delays and negatively impacts the overall success of renewable energy projects.
 - Proof point 2: These concerns should be listened to and respected, but also balanced alongside the community benefits the energy transition can bring to the Wimmera Southern Mallee region.
 - Proof point 3: Compensation for landholders remains a sticking point in negotiations with developers and government. However, compensation approaches that maximise efficiency while safeguarding community interest can satisfy all parties, such as:
 - Raising local funds to establish full/part project ownership
 - Revenue sharing arrangements that distribute project income locally
 - Joint ventures
 - Meaningful investment by project owners to support development of the wider regional economy
- **Our voice is powerful. A united voice from community leaders provides the best opportunity for the benefits of renewable energy investment to flow into our communities and our households.**
 - Proof point 1: The Victorian Government is committed to implementing new renewable energy and transmission projects.

- Proof point 2: The renewable energy revolution is an opportunity to achieve community outcomes on issues like health and housing that have negatively impacted the Wimmera Southern Mallee region for decades.
- Proof point 3: By collectively raising our voices now, we will make the strongest argument possible to the Victorian Government and give our region the best shot at

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- securing economic outcomes this region has needed for decades and guarantee energy, job and housing security for decades to come.
- **If the Victorian Government wants to hit ambitious renewable energy targets, the Victorian Government needs to come to the table and support regional communities through the transition.**
 - Proof point 1: The Victorian Government needs to work with regional communities to secure our energy and economic future.
 - Proof point 2: We call on the Victorian Government to listen to community voices and work with us to deliver the following priorities alongside the energy and transmission projects planned for our region:
 - **Housing and liveability:** provide accommodation for construction and operation workers.
 - **Energy poverty:** address the distribution capacity issues in the region.
 - **Community engagement and education:** secure community support for the energy transition by giving consideration to environmental and vista protection, and by changing community sentiment from “no” to “negotiate” through effective community engagement.
 - **Infrastructure investment:** ensure that transmission and renewable energy projects are built on time.
 - **Workforce development:** seize the opportunity for local skills development and employment.

Appendix 1: Detail of each priority

1. Housing and liveability

Health and development outcomes in the Wimmera Southern Malley region are among the poorest in Victoria. Housing is in critically short supply and is the region’s number one barrier to liveability, according the WSM Housing Blueprint.

Critical to social licence and economic development in the region will be providing sufficient housing during the construction phase so that local supply is not impacted, either by price and/or availability. This accommodation can then be transitioned to local residents after construction is completed, which boosts local population and liveability in the WSM region.

Housing and liveability calls to action:

- Development of a unified regional strategy delivered by local leaders, businesspeople and politicians that supports population growth, health services, liveability, infrastructure and promotes regional investment attractiveness.
- Implementation of a clear, united regional advocacy strategy for critical infrastructure investments, innovative housing solutions, training and education opportunities.
- Improve electrification across the region through grid connection upgrades.
- Collaborate on planning of short-term and long-term housing requirements, and coordinate funding between local councils, developers, community and businesses.
- Prioritise local contractors rather than importing resources from other areas. Consider implementing locals content targets.

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2. Energy poverty

The Victorian Government and Powercor, the Distributed Network Service Provider (DNSP), need to work with communities in the Wimmera Southern Mallee region to upgrade the distribution network so that a fair and equitable energy transition is delivered in Western Victoria.

Energy poverty calls to action:

- Wind developers advocate for regional access to increased electrification.
- Advocate to State Government, DNSPs and other relevant bodies to enhance and upgrade the distribution network so that local communities and businesses can benefit from electrification
- Educate communities on the likely benefits including the improvements in the local energy position.

3. Community engagement and education

Misinformation and poor engagement with impacted landowners by renewables developers and miners are causing negative sentiment in the region. As we embark upon a renewable energy revolution over the next ten years, developers and providers must actively engage with local communities through advisory groups and public forums to share information, listen to concerns and enable true participation and benefits sharing, including mutual understanding of the compensation that will be required for land access.

Clearly communicated resources for landholders to utilise will be important to help communities move to a negotiation mindset, while also ensuring developers and other stakeholders do not blame rural communities for any lack of success.

Community engagement and education calls to action:

- Development of a case to communicate community benefits as part of the engagement. This should include benefits, tax implications and potential legacy outcomes of commercial agreements with large-scale project proponents to engage in longer term fixed rental agreements to support housing developments.
- Ensure compensation agreements are transparent, fair and collectively negotiated to address interests of landholders and communities.
- Developers and miners to maintain local connection on distribution of community allocated funding. The centralised model proposed by VicGrid is problematic and not supported.
- Compensation approaches must maximise efficiency while safeguarding community interest. Consideration should be given to revenue sharing and community investment models (eg outright/shared ownership, shared revenue or joint ventures).

4. Infrastructure investment

Leveraging state and federal programs, such as "Powering the Regions", to transition current and new local industries to net zero.

Local infrastructure will need to be developed to support the expanded population during construction, providing a legacy for local communities.

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Commented [JC1]: Updated. Please review.

Infrastructure investment calls to action:

- Support the development of net zero Agricultural Processing Precincts and Manufacturing Precincts to allow local businesses to meet growing local, national and international demand for certified low carbon products.
- Ensure that local infrastructure and services, such as roads and emergency/medical services are maintained and improved during increased use during construction, creating a legacy for the future.
- Through shared ownership schemes with developers, ensure that electricity costs are reduced to local people and businesses creating an attractive and lower cost environment in which businesses can grow and communities thrive.

5. Workforce development

Collaborate with local educational institutions, vocational training providers, and employment agencies to develop programs that equip the regional workforce with the skills needed for renewable generation and transmission industries.

Efforts should be made to retain skilled workers within the region and prevent labour shortages in other essential sectors. Investment in community leadership development should also be prioritised.

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Workforce development calls to action:

- Ensure that developers work with the regions to identify key skills needs, creating a regional plan for workforce development with priority given to those developers that provide apprenticeships and on the job training for local people.
- Invest in building local capability to tender for energy transition related projects, through mentoring programs and local business champions in the region to facilitate local business building local energy projects.
- Create a regional Centre of training excellence in the WSM to address skill shortages.
- Support opportunities and a culture that encourages workforce from outside the region bring their families to the region for the duration of a project, rather than FIFO.

INQUIRY INTO REGIONAL DEVELOPMENT AND DECENTRALISATION

*Submission accompanying evidence in person, 13
February 2018*

From:

Shane Charles
Executive Chairman
Toowoomba and Surat Basin Enterprise

BEST PRACTICE APPROACHES TO REGIONAL DEVELOPMENT

The Issues Paper associated with this Committee provides food for thought when contemplating what best practice looks like. I concur with the authors that good quality empirical evidence is hard to locate and implement. The purpose of this submission is to identify successful measures that might have been implemented by our organisation over its short history.

Toowoomba and Surat Basin Enterprise Pty Ltd (TSBE) is a regional economic development organisation. We are a little different than most similar organisations in that we are essentially a Public Private Partnership Model. Our purpose is “to be the go-to organisation that links business with opportunity to provide sustainable growth and diversity for the region.” We have leveraged local government investment (\$450,000) with membership income. In this financial year we estimate that our revenue will be circa \$3,000,000. For our members, we provide a fee for service-based membership model with various levels of membership base. Our membership fees range from \$350 + GST for charities and individuals, to \$700 + GST for a base level membership and our Diamond level members pay \$30,000 + GST. Attached to this submission is a copy of our membership offer.

We want to be thought leaders in the area of regional development. We have an ethos within the organisation that we want to be the best possible regional development organisation possible. It is hard to measure ones effectiveness towards this goal, but we do note that “The Australian” newspaper had called our region as the model of regional economic development in Australia, and we are called or visited by other regional locations on average of at least 1 per month to ascertain what we are doing and how we are doing it. Attached to this submission is a copy of our latest annual report which identifies some of the successes of the organisation in the previous financial year.

TSBE was born out of a desire from the local business community to have more or a say in economic development. The idea was born out of the local chamber of commerce as they were keen to work more closely with local government to advocate for more and better infrastructure in our region. The

community at large felt that our region was missing out on infrastructure and services. The reasons for this are not able to be identified, but anecdotally included:

- Our close proximity to Brisbane
- Our safe political seats
- Poor or ineffective advocacy

TSBE commenced in January 2012 as Toowoomba Regional Enterprise with a clear strategy to focus on the resources sector but with a long term vision to widen our scope to other industry sectors. The reason was simple – we needed a revenue base. The construction phase of the gas industry was starting to begin with earnest. There was a perception that business simply had to travel west of Toowoomba and there would be boundless wealth to be made. The reality of course was that it was difficult to win work, the bidding procedures were complex and required a level of sophistication that was unknown to most regional businesses. Toowoomba also was not considered part of the Surat Basin and accordingly when an opportunity came up to merge with a small regionally based industry group, we jumped at the chance. We subsequently changed our name to TSBE after much consternation. One might imagine, a predominantly rural and regional area using the words “Surat Basin” drove some level of resistance. However, the strategy worked particularly well in that we were able to essentially become the industry group for the Surat Basin, and now had Toowoomba intrinsically linked to the major infrastructure occurring.

In time, we have developed an agricultural aspect of our business, which we have branded “Food Leaders Australia”. This brand focusses on export and innovation as it is an area unserved by other agricultural groups. In partnership with QGC we are running emerging exporter programs so that we can transition our region from bulk commodity producers to value added producers. We also hire a plane periodically – in October 2017 we took over 200 people from the region to Shanghai, China to explore trade opportunities. Independent economic research from that trip estimated that the participants of that trip estimated that they would generate an additional \$350 million revenue in light of what they had learnt and contacts made. In June this year we are taking our second trip to Auckland, New Zealand.

In more recent times we have also commenced a division of TSBE Health. TSBE, with assistance from our Mayor, has arranged, for the first time in our knowledge for the regions 2 private hospitals, 1 public hospital, PHN along with TSBE and our Council to sign an MOU agreeing to collectively work on (and fund) initiatives designed to promote health (and wellbeing) in the region.

It is particularly important for the board that we operate on a commercial model. Each division, whilst we may inject seed funding, must be able to stand on its own two feet and contribute operational expenses back to the wider group. To be blunt, each division of the business must raise sufficient revenue to cover their own cost, plus pay a percentage of operational overheads. This revenue can come from membership, grant funding, conferences, etc. Despite this, our business is always looking for revenue and the ability to balance the budget is difficult.

We are run like a business and not a traditional economic development business. This does cause some concern for those who might wish to work with us at times as we will only undertake activities that benefit our members, are relevant to the economic growth of the region or reflect our strategy. For example, we will not run an event or seminar for a government department unless it adds value.

Our members are conscious of the fact that we are more than an industry group. There is an air of optimism in Toowoomba and the region that is palpable. It is as though you can taste, touch and feel the opportunity. Our members want us to advocate for and on behalf of the region as they know that as the region grows, so too does their business and personal assets.

We do undertake services for the region and not just for members. One example, is that for new business to town, we assist them by helping them build a business case around relocation at no charge. We are also on at least one occasion per week hosting investors looking to invest in the region.

Best practice is hard to define but the following list is a short attempt to identify some aspects of our business that lead to our success, or are of concern to us:

- Our first point of business was to ensure that we had 1 united voice for the region. This is critical. We spoke with all local politicians, RDA, chamber of commerce and of course local councils to get agreement on the major projects on which we would advocate. No longer would we tolerate a situation where the mayor was advocating something different to local MP's, to something different from the local chamber.
- The Mayor is and will always be the focal point for the community. A positive mayor and council is essential for the region, and a group such as TSBE. TSBE is extremely visible in the media and our reflection is that this does cause some conflict at times with those who are elected to power to serve their constituents. As such, relationships are critical to maintain.
- Optimism is paramount. Local business leaders need to talk positively about the region as it encourages investment. Regional Australia Institute have written an excellent paper on this very point.
- Regional Development Organisations are all about people. If your CEO or Chairman are untrusted and disliked by the local political stakeholders, their success will be limited.
- There is often discussion as to whether a truly independent organisation owned by its members is preferable to an organisation owned by the local council (which we are). Given significant funding comes from local government, it does make it somewhat difficult to criticize at times. Our approach to date with local government that we air concerns in private, not through the media.
- Our fee for service based membership model is a huge point of difference. When we can give tangible benefit back to members which also benefits the economy, the results are incredible. E.g. passing on information about new work opportunities, providing assistance on the form and how to apply, introducing members to buyers of their services, etc
- It's an old saying but infrastructure brings prosperity, and that is certainly the case. Since TSBE has been formed (and I am the first to acknowledge that TSBE cannot and will not take the kudos for this), we have seen construction of (or announcements):
 - o The Range Bypass, a \$1.7 billion piece of infrastructure
 - o Inland Rail
 - o Wellcamp Airport
 - o QIC Grand Central redevelopment
- Revenue is critical. These types of organisations cannot rely on volunteers. They need to be run on a commercial model.
- Councillors have constituents and matters pertaining to the City to attend to. TSBE does not. TSBE is regularly in Brisbane and Canberra talking to politicians and business leaders to build the

profile of the region. Whilst Councillors can do this, they cannot do it as often, and often cannot react quickly to opportunity.

- Economic Development works best when it is close to business. Our monthly events attract well over 200 people on average and with many in excess of 500. Government bodies often cannot be flexible or adaptive enough to work with business in the way that business wants them to.
- In a successful region such as ours, labour is already an inhibiting factor to growth and this problem will only get worse. Australians are reluctant to move regions for work, especially those who have a family. As such, immigration may be a solution for this but may require more flexible arrangements.
- Regional Capitals are Critical. We work with most regional councils in the region. We know that Toowoomba cannot be successful as it might be unless the regions around us are also successful. For that reason, we try to work with other regions in areas such as export and innovation to ensure that the whole region grows.
- Diversity of economies are critical and is something we consciously work on when undertaking strategy development. This is particularly important for rural areas (although harder), and even though Toowoomba is widely regarded as being a very diverse economy.
- TSBE does worry about duplication of services in the regional development arena. Whilst the local office of RDA are quality people, we would question their effectiveness in circumstances where: RDA in Queensland is not well supported by the State Government, and there are other bodies undertaking similar roles.
- We do not receive any state or federal government funding for operational purposes. Some form of funding program should be introduced for regional Development Organisations.
- Regional Development Organisations should be entitled to Deductible Gift Recipient Status. We do not value regional development in this country as we should.
- Regional Australia has poor connectivity generally by road, rail, air and digitally. Toowoomba is an example that if you fix some of these infrastructure gaps growth will occur. The Wellcamp Airport in particular has been a piece of infrastructure that has given business and the community a great sense of optimism. We now think globally rather than just locally. It is also so much easier for senior business leaders to visit the region and make investment decisions.
- TSBE is successful in that the local council and the local business community believes in us. Our board are business people and as such the risk profile is higher than that at government. For example, TSBE has created a co-working space primarily designed for business from outside the region to create a visited or small office so that they can build their client base or market before establishing a permanent presence. This is a risky business with variable cash flow but is good for the economic development of the region.

DECENTRALISATION & CORPORATE DECENTRALISATION

Whilst there are some good news stories in our region (GRDC) for example, the communications plans around them is poor. TSBE view is they greater emphasis can and should occur on a regular basis about the effect that new services coming to town will have.

TSBE does not accept that people will not relocate from existing departments. We do understand that this is difficult and that unions and others will place pressure on government to maintain the existing status quo. We are undergoing something similar at the moment in our region as the gas industry transitions from constructions to operations. Gas companies are no longer asking their employees to fly in fly out but rather live in regional communities. Our evidence is that they are receiving good applications and good candidates when advertising in regional communities.

The history of decentralisation as outlined in the Issues paper makes interesting reading and it does make one stop to reflect on why, after so many attempts, over so many years, that we still have the debate in this country. Why does the United States have major population centres throughout Inland America? One might argue because of rail, i.e. connectivity. Toowoomba is ideally placed as a major regional centre with a wide and diverse economy to be a home for government services.

Best practice economic development tells us that we need to be closer to business or our constituents. That being the case, how does the Dept of Agriculture sitting in Brisbane or Canberra, or Melbourne assist those with a farming background.

SUMMARY

Rather than focus on the relative strength and weaknesses of our region, we have attempted to pass on some learnings from what we believe has been a relatively successful startup into regional development. This organisation, whilst we did look at various models of economic development around the world, started with a premise on what would give value to members, and provide economic stimulus for the community.

Toowoomba and the Surat Basin is alive and kicking. We have bucked the regional trend on declining rural populations, largely in part to the gas industry. However, as a region, we are conscious to ensure that we use the gas industry and the infrastructure and wealth it brings, to strengthen and diversify the economy.

As every region in Australia will no doubt submit to you – we are a wonderful and proud region. As the brand of the region states “Rich Traditions. Bold Ambitions.” This is perfectly apt for us. We want to continue to advocate for more and better infrastructure and services as we know that we need to continue to adapt and grow so that there are bountiful opportunities to grasp. Now is the time for this region to push harder than ever so that we might take full advantage of the infrastructure that has now been delivered.

TSBE

Membership Prospectus

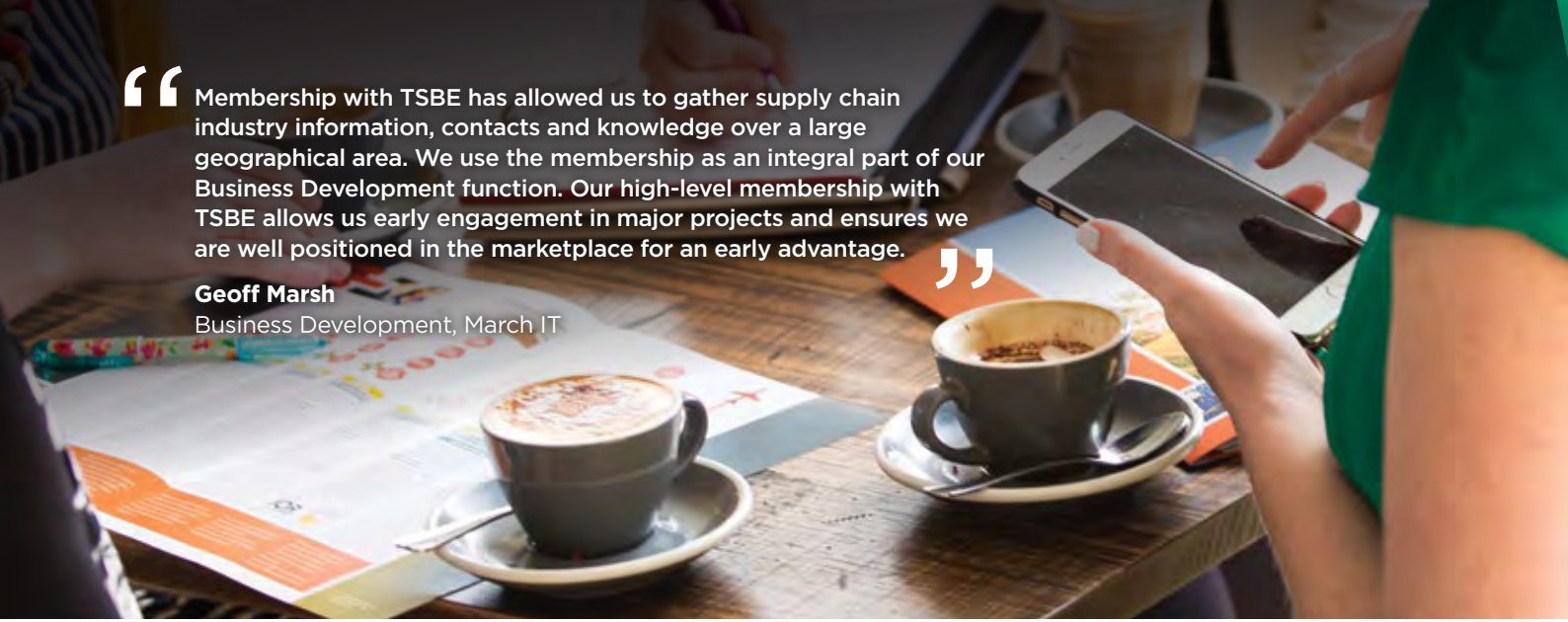
2017 - 2018

LINKING
BUSINESS

INVESTMENT
ATTRACTION


ADVOCACY FOR
OUR REGION






“ Membership with TSBE has allowed us to gather supply chain industry information, contacts and knowledge over a large geographical area. We use the membership as an integral part of our Business Development function. Our high-level membership with TSBE allows us early engagement in major projects and ensures we are well positioned in the marketplace for an early advantage. ”

Geoff Marsh
Business Development, March IT



“ As a TSBE member, we have been able to find efficiencies in our own supply chain, utilising fellow TSBE members to source local services, material and labour when required. Whether we are hiring out a transportable building or constructing a cold storage facility throughout the region, there is a good chance that TSBE has played a part in the process. ”

Craig Leschke
Area Sales Manager, Retracom Australia



“ We have found the whole team at TSBE to be an integral part of our growing business. From business development support, offering continued partnership opportunities, to public relations and communications support, they are just a phone call away for any of our questions. We could not be happier! Thank you TSBE. ”

Jaden Frame
Managing Director, Live Well

WHO WE ARE?

Toowoomba and Surat Basin Enterprise (TSBE) is an independent, member-driven organisation that links business with opportunity through project creation, supply chain and delivery, with a focus on achieving sustainable growth and diversity for the region.

TSBE works to attract new industries and major investment to the region, while advocating for new and upgraded infrastructure needed to see population and industry growth. TSBE is committed to ensuring the local business community continues to collaborate, innovate and prosper.

WHAT WE DO?

LINKING BUSINESS

TSBE understands that our members are pivotal in achieving continued prosperity for the region and to bolster their advantage and industry exposure, a range of targeted networking events and major conferences are held throughout the year.

TSBE is available to assist your business to achieve its industry goals through supply chain tendering assistance, grant work, developing opportunities, access to a range of factsheets and resources, and promoting your business to our wide-reaching network.

With TSBE in your corner, your business is well placed to make the most of opportunities within the Toowoomba and Surat Basin region as it grows to become Australia's premier region.

INVESTMENT ATTRACTION

Toowoomba and the Surat Basin is open for business, and with a mix of private and public investment in the broader region,

it has seen a growing development spend currently totaling about \$13 billion.

Across a range of industries, developments over \$2 million are registered in TSBE's Development Status Report to highlight to industry the scope of future works. Attracting investment and driving new business to the region is a core role of TSBE, that has seen it establish a co-working space known as The Branch to allow companies outside the region to enter the Toowoomba market.

ADVOCACY FOR OUR REGION

TSBE is a strong advocate for the region, and a voice on business sustainability, resources, supply chain, infrastructure and industry. Through targeted meetings with politicians, industry leaders and decision-makers, TSBE is able to put forward the region's advantages and opportunities of doing business here. TSBE works to position Toowoomba and the Surat Basin as an ideal location for investment. To assist this drive, TSBE has an Infrastructure Priority List that guides its vision.

INDUSTRY EXPERTISE

RESOURCES

RAIL, ROAD
& AIR TRANSPORT

MANUFACTURING

TRADE-BASED

RENEWABLES

JOIN TSBE TODAY!

1. Visit www.tsbe.com.au
2. Choose your membership level.
3. Fill out the application form.

Or contact us at

P. 07 4639 4600

E. memberships@tsbe.com.au

www.tsbe.com.au



TSBE MEMBERSHIP LEVELS

BASE	Member welcome kit – includes 1 x complimentary event pass, membership certificate, use of TSBE logo and invitation to new member meet and greet	BASE \$71/month or \$792/year	BRONZE \$222/month or \$2596/year	SILVER \$438/month or \$5192/year	GOLD \$871/month or \$10,384/year	PLATINUM \$1,448/month or \$17,314/year	DIAMOND \$2,892/month or \$34,639/year
	Access to Development Status Report & key factsheets						
	Attendee guest lists prior to events						
	Targeted email correspondence						
	Complimentary Australian Institute of Company Directors membership joining fee						
	Directory listing on TSBE website						
	Access to member discounts (ask us for current offerings)						
BRONZE	Advertising and event sponsorship opportunities						
	Goods and services procurement assistance						
	Proactive tender watch – personalised email to each member regarding relevant opportunities						
SILVER	Invitation to relevant small group events						
	Strategies to promote and brand your business						
	Priority event sponsorship opportunities (at a cost)						
GOLD	Priority advertising in select publications (at member rates)						
	Media assistance						
	Market intelligence (on request)						
	Complimentary base TSBE membership for any directly affiliated business						
PLATINUM	Invitations to quarterly meetings with local elected representatives						
	Periodic invitation to Chairman’s Lunch						
	Logo recognition on every page of TSBE.com.au website (rotational)						
DIAMOND	Logo recognition in select TSBE publications						
	Verbal acknowledgement at TSBE networking functions						
	Regular invitations to boardroom briefings						
	Invitations to meet with elected representatives when advocacy is undertaken						
DIAMOND	Logo exposure on pull up banners to be displayed at all TSBE Enterprise Evenings						
	Logo recognition on email signatures, letterhead, website footer and PowerPoint presentations						
	Complimentary full page advertisement in your choice of TSBE publication (valued at \$1,800)						
	Complimentary exclusive event sponsorship, speaking opportunity and collateral display (valued \$5,000)						
	Bespoke lunch/client event with Executive Chairman						
Partnership opportunities (by negotiation)							

Please note: TSBE incorporates FLA and as such membership benefits at each level are currently made accessible interchangeably to members as suits their requirements.

MEMBERS

<p>FOUNDATION PARTNER</p>  <p>TOOWOOMBA REGION</p>	<p>PARTNER REGIONAL COUNCILS</p>   	<p>PLATINUM</p>                     
<p>DIAMOND</p>  	<p>MEDIA PARTNERS</p>  	<p>GOLD</p>          

FLA

Membership Prospectus

2017 - 2018

EXPORT

INNOVATION

OPPORTUNITIES





“ FLA represents a powerful and united voice for industry, successfully bringing the right people around the table to secure opportunities. Whether it’s assistance with market access, logistics advice or media exposure, FLA has played a significant role in our success and building the reputation of our region internationally. ”

Pat Gleeson
General Manager, Oakey Beef Exports



“ FLA is a fantastic advocate for promoting the region’s food and agribusiness capabilities. Its local and international program of business events provide an excellent platform for members to connect to local businesses and global markets to pursue new opportunities for their businesses. ”

Brendan Goulding
Director International Services, Bentleys (QLD) Pty Ltd

“ It’s about collective thinking and collaboration between food industries in an area, drawing on the required expertise from people that can supply R&D and people that can supply innovation in technology and other areas. ”

Quentin Kennedy
Managing Director, Kialla Pure Foods



WHO ARE WE?

FLA exists to support the growth of businesses working within the food innovation and agribusiness space nation-wide to capitalise on opportunities across the global market, with a focus on Asia.

FLA drives engagement between industry and world-leading researchers to share a clear, focused vision on commercialising outcomes and improving profitability domestically and internationally.

As a membership-based organisation, we facilitate a range of networking, industry, and education events, lead delegations and offer advisory services for investment and expansion opportunities. This has resulted in the growth and development of FLA's offerings, as well as collaboration between members.

WHAT WE OFFER

- Export opportunities
- Advocacy for the region
- Investment attraction
- Targeted introductions
- Thought leadership
- Events and networking
- Industry updates
- Activate China program
- Media and marketing collateral

TYPES OF FLA MEMBERS

PROCESSING

SERVICES

RESEARCH &
DEVELOPMENT

HORTICULTURE

LOGISTICS

MEAT

MEDIA PARTNERS

GRAINS, PULSES,
BROAD ACRE
FARMING

DAIRY

JOIN FLA TODAY!

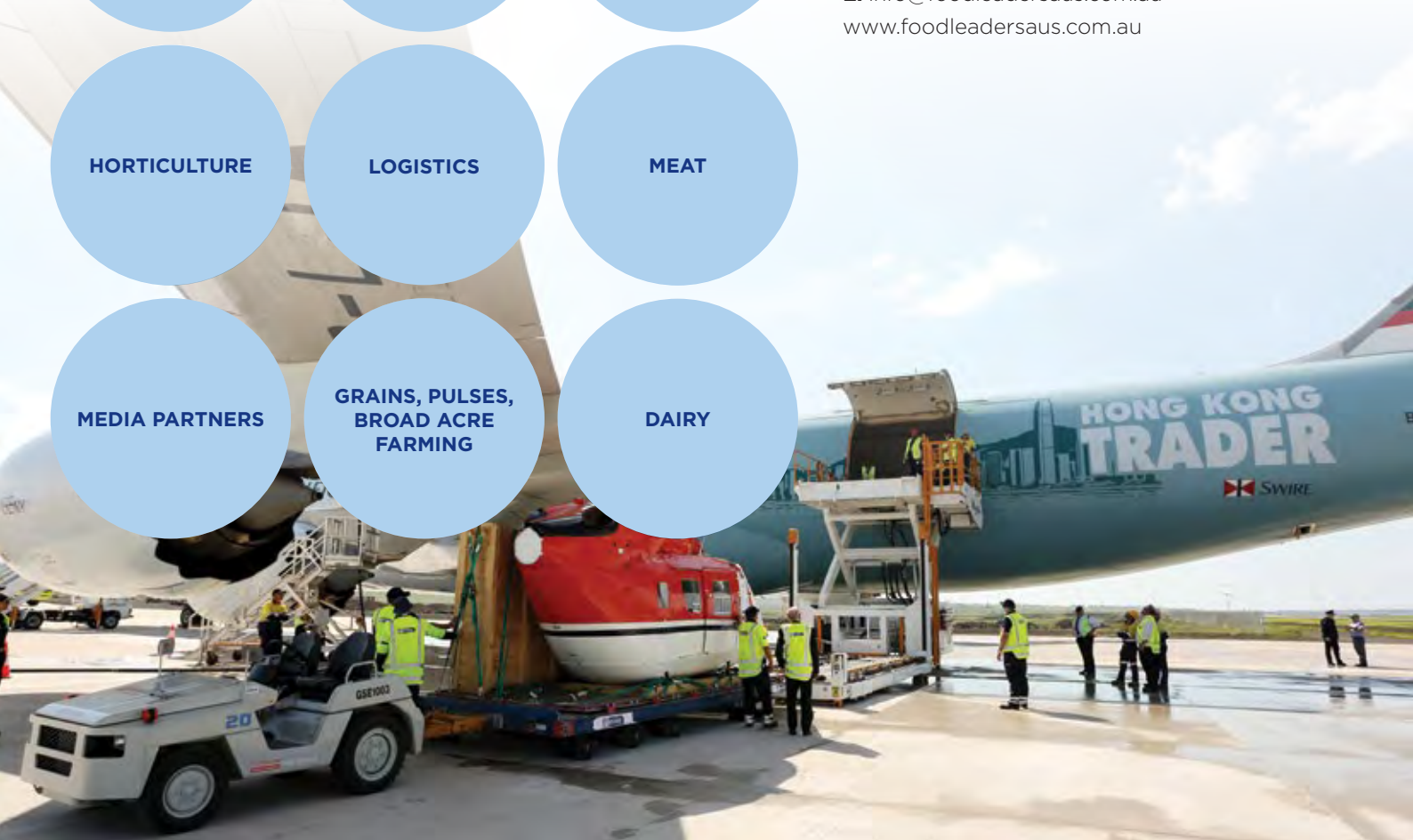
1. Visit foodleadersaus.com.au
2. Choose your membership level.
3. Fill out the application form.

Or contact us at

P. 07 4639 4600

E. info@foodleadersaus.com.au

www.foodleadersaus.com.au



FLA MEMBERSHIP LEVELS

BASE	Member welcome kit and access to online resources	BASE \$71/month or \$792/year	BRONZE \$222/month or \$2596/year	SILVER \$438/month or \$5192/year	GOLD \$871/month or \$10,384/year	PLATINUM \$1448/month or \$17,314/year	DIAMOND \$2892/month or \$34,639/year
	Monthly newsletters and attendee lists prior to events						
	Event invitations (at Member Rate)						
	Promotion of member events						
BRONZE	Targeted introductions / business matching	BRONZE \$222/month or \$2596/year	SILVER \$438/month or \$5192/year	GOLD \$871/month or \$10,384/year	PLATINUM \$1448/month or \$17,314/year	DIAMOND \$2892/month or \$34,639/year	
	Peer to peer networking						
	Introductory export advice (e.g. How to export; standards, shipping, packaging and branding)						
	Invitation to professional development events (at a cost)						
SILVER	Exporters Club speaking invitations	SILVER \$438/month or \$5192/year	GOLD \$871/month or \$10,384/year	PLATINUM \$1448/month or \$17,314/year	DIAMOND \$2892/month or \$34,639/year		
	Market demand (local), access and intelligence						
	Strategies to promote and brand your business						
	Investment opportunities; big leads and referrals						
GOLD	Priority access to trade delegations	GOLD \$871/month or \$10,384/year	PLATINUM \$1448/month or \$17,314/year	DIAMOND \$2892/month or \$34,639/year			
	Priority event sponsorship opportunity (at a cost)						
	Option for two advertorial pieces in newsletter (per year)						
	Media assistance						
PLATINUM	Logo on FLA & TSBE website	PLATINUM \$1448/month or \$17,314/year	DIAMOND \$2892/month or \$34,639/year				
	Market research						
	Extension opportunities						
	Innovation; technology, product development						
DIAMOND	Media advice (including social media advertising)	DIAMOND \$2892/month or \$34,639/year					
	Verbal acknowledgment at all FLA & TSBE networking events						
	Policy intelligence and formulation						
	FLA events; logo exposure (via pull up banners), verbal acknowledgment						
DIAMOND	Grant application assistance	DIAMOND \$2892/month or \$34,639/year					
	Invitations to events with elected politicians						
	FLA website banner exposure with link to your website						
	Logo placement on email signatures for FLA staff and powerpoint presentations						
DIAMOND	Complimentary exclusive event sponsorship (value \$5,000), speaking opportunity and collateral display	DIAMOND \$2892/month or \$34,639/year					
	Lunch/Client event with Executive Chairman of TSBE and FLA team						
	Activate China / relevant country of interest (business development, market intelligence, tailored introductions)						

Please note: FLA is an initiative of TSBE and as such membership benefits at each level are currently made accessible interchangeably to members as suits their requirements.

MEMBERS

<p>FOUNDATION PARTNER</p>  <p>TOOWOOMBA REGION</p>	<p>PARTNER REGIONAL COUNCILS</p>   	<p>PLATINUM</p>                
<p>DIAMOND</p>   	<p>MEDIA PARTNERS</p>  	<p>GOLD</p>           



“
The catch cry for this region is *Rich Traditions, Bold Ambitions*, and how relevant that is. We are proud of our roots in agriculture and love the fact that we are still a big country town at heart.
”

8 Factors to Consider for Business Relocation- Why Toowoomba?

Today's Toowoomba is very different from 20 years ago. We boast an enviable café, laneway and dining culture that rivals Melbourne's and a jam-packed events calendar attracting international attention. Bursting with innovation and ingenuity, Toowoomba has become an entrepreneurial hub in a range of industries.

1 Attracting and Retaining Talent

On the face of it, you might say our current unemployment rate of 5.6% (November 2017) might restrict the number of quality employees in the labour market. This rate is consistently lower than the Queensland and Australian rates largely due to our stable

and diverse economic base. What also needs to be considered is our strong rate of employment growth. Toowoomba ranks very highly for the amount of jobs created, with the state Government estimating that more than 5400 jobs were created in Toowoomba in 2017, one of the highest rates per capita.

We are also a region that focusses on education and training. The University of Southern Queensland (USQ) is the number one university in Queensland for graduate employability. TAFE Queensland is the largest provider of vocational education and training in the state and the Toowoomba region has almost 90 schools across public and private campuses.

2 Industrial Real Estate Costs and Availability

It's often the second largest expense after labour costs, so how does the region rate when it comes to land and availability?

If it is greenfield industrial land you are chasing, stop your search now. Toowoomba has some of the most

promising industrial land in the south-east corner, thanks to the Toowoomba Enterprise Hub at Charlton.

In 2016, the average cost for industrial land was \$120/m² although the prices are increasing as Toowoomba becomes more recognised. Many of the smaller towns in the Toowoomba region also have land available for business and industrial use that can be extremely affordable.

3 Clusters

A well-developed concentration of related businesses spurs three important activities: increased productivity, rapid innovation, and new business formation.

The Australian Bureau of Statistics has identified Toowoomba as the third most diverse economy in Australia. One of the reasons is clusters. As you might expect, Toowoomba, as a regional capital to South West Queensland and northern New South Wales has natural



Find out more about
Toowoomba's Economic Profile March 2017





forming clusters in health, education and professional services.

There are a number of other clusters that fly under the radar, including: Well Drilling and Servicing, Ag Tech, Food Production, Composite Fibres Technology, and Renewable Energy.

4 Incentives and Initiatives

The Toowoomba Regional Council (TRC) is "open for business." Our region's leaders understand we are a growing and thriving region that wants to encourage development in certain areas.

- **Railway Parklands.**

This Priority Development Area (PDA) has been designed to provide developers and investors with clarity and certainty when looking to invest in the Toowoomba CBD. The first stage in the PDA, a \$10 million Railway Good Sheds refurbishment has already begun.

- **District Townships Incentives.**

Toowoomba is a big region with many smaller but vibrant and thriving communities. To encourage development in these communities the Toowoomba Regional Council has a policy until June 30, 2019 which provides incentives for establishing retirement and residential care facilities, among other developments.

- **CBD Heritage Incentives.**

TRC has established a scheme to provide grants for external works on heritage places that visually improve the appearance of buildings and their contribution to commercial centres.

5 City Dynamics

There is a lot to be said for moving to a region that is thriving. Confidence breeds success and Toowoomba has it in abundance.

- Suncorp Bank named Toowoomba as the fourth most family friendly city in Australia.
- The Courier Mail newspaper

describes us as the "Miracle City" for our targeted investment and catalytic projects.

- The Australian newspaper calls us the model city for regional economic development in the country.
- For a decade we have seen an average growth of 3.5% - exceeding the state average of 3.1%.
- Expedia has recognised us as the fifth most beautiful place in Australia.

6 Accessibility

It sounds simple but whether it's accessing new markets, customers or resources, transportation is crucial for your suppliers, manufacturers and retailers. Toowoomba has three pieces of brand new, world class infrastructure offering road, rail and air connectivity.

Road- We are situated at the intersection of three major and significant highways and can reach 85% of Australia's population within a 24-hour drive. More importantly, 2018 will see the \$1.6 billion Toowoomba Second Range Crossing completed.

Rail- The Federal Government has announced funding to complete the Inland Rail from Melbourne to Brisbane, via Toowoomba.

Air- If any one thing might be responsible for the air of optimism in the region, it is the Toowoomba Wellcamp Airport. This airport provides connectivity for us to numerous centres around the country with more than 80 services a week to destinations including Sydney and Melbourne.

7 Energy

Cost of electricity is a major factor when it comes to operational expenses. Let's be upfront. We are not cheaper than anywhere else at the moment. However, we do have ten coal and gas fired power stations in the region and at last count there were approvals in place for around 17 wind or solar projects.

We are also committed to energy in the region. The board of TSBE has set up an Energy Committee consisting of some of the State's leading experts with a view to encouraging new and innovative trials in the region, and providing more infrastructure. This comes off the back of two international conferences held by TSBE in 2017 - the National Energy Summit, and Renewable Energy Roundup.

8 Cost of Living

If you are moving your business and in turn your employees to Toowoomba, you want to ensure the city can offer a place to live, work and play. Cost of living and housing affordability are key factors in this.

House Prices (November 2017):

- Sydney:** \$904,000
- Melbourne:** \$718,000
- Mooloolaba:** \$705,000
- Gold Coast:** \$600,000
- Maroochydore:** \$587,000
- Brisbane:** \$491,000
- Toowoomba:** \$350,000

Modelling shows that a family of two working professionals and two children living in Toowoomba is on average \$9,000 better off per year than the same family living in Brisbane.



TSBE Annual Report 2016 - 2017

LINKING
BUSINESS

INVESTMENT
ATTRACTION

ADVOCACY FOR
OUR REGION



From the Executive Chairman

The 2016-2017 financial year has been one of the busiest and most rewarding years for TSBE.

TSBE facilitated the largest ever international, privately led, business delegation in Australia's history. More than 200 business people joined us on AccessChina'16, a flight direct from Toowoomba to Shanghai that also marked the first international passenger flight from Brisbane West Wellcamp Airport. The week-long trade mission generated over \$1million in publicity for the region, as well as \$350 million in potential business revenue.

Advocating for infrastructure and projects needed to see development across the region in a number of sectors is an ongoing core role of TSBE. To do this, multiple trips to politicians in both Canberra and Brisbane were undertaken to ensure that our region remains at the forefront. We are blessed with good investment in game changing infrastructure, however we will not rest on our laurels. TSBE launched an Infrastructure Priority List to guide infrastructure outcomes. It was pleasing to see the awareness and positivity for our region growing amongst our Federal and State representatives. The federal government's \$8.4 billion announcement for Inland Rail project is a testament to the work that we all have collectively done as a region. In particular, the section of rail from Gowrie to Kagaru is expected to consume 60% of the actual build cost. This contributes to the \$13 billion of work in the pipeline in the Toowoomba Region, as highlighted in our Development Status Report.

Federal department decentralisation has also seen Toowoomba picked as a potential location for the regional moves, thanks to our wide service capability, connectivity and industry. We have worked hard as a community to ensure that we are front and centre in these discussions.

Research championed by TSBE during highlighted the confidence in our region and importance of key sectors to our growth. The March 2017 CCIQ-Suncorp Pulse Survey of Business Conditions – the largest poll of its kind in Queensland – found confidence levels in the Toowoomba and Surat Basin region were significantly higher than the average of businesses state-wide. The Regional Australia Initiative's Pathfinder report also reinforced that transport and logistics, as well as our agriculture sector, will be game changers for the region's future. Business confidence and opportunity in the region drove the need for TSBE to open The Branch, a co-working serviced office space in the CBD, to attract new companies to the region.

TSBE and its FLA initiative continue to support export market development through pursuing international leads. We have been host to over 12 international delegations in the past year. Our Shanghai office led by Business Development Manager Wen Liu, has continued to assemble leads and enquiries, and host local companies looking to do business in China. FLA is also cognisant of capacity and capability building within our local industry.

TSBE is keen to strengthen major industry sectors in our region. As evidence of this, TSBE joined with the three major hospitals in Toowoomba, the Toowoomba Regional Council, and the Primary Health Network to sign a Memorandum of Understanding where all parties agree to collaborate to collectively develop the region's capability in health – especially in innovation, service capability and awareness.

Financially, the organisation has maintained a surplus. Working with partner regional council's including Toowoomba, Western Downs, South Burnett and Maranoa has seen TSBE's work encompass a wider footprint and



deliver value across the region and priority areas of each council.

Particular thanks as always needs to go to the Toowoomba Regional Council. Their funding support is critical. Special thanks also to the Western Downs Regional Council who greatly increased their support of TSBE towards the end of the year. This increase will see a whole range of initiatives delivered and reported on in the next Annual Report. Membership and support from the wider business community continues to drive TSBE's success, with more than 500 members in our extensive database, including diamond members IOR Petroleum, TAFE and USQ, and our 17 platinum members. Our media partners News Regional Media and MMM are also significant drivers of our advocacy and success.

Our Year at a Glance document further highlights the annual snapshot of our key undertakings and achievements for the region. We cannot begin to express our appreciation to our members. TSBE has made significant change to the economic development landscape in our small part of the world. With the support of Local Government and our members, TSBE and this region is now the envy of every other region in the country. The use of the word 'thanks' does not even begin to adequately convey our appreciation and gratitude to all our supporters for joining in our journey to make the Toowoomba and Surat Basin the most outstanding in the country.

Shane Charles
Executive Chairman
TSBE

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LINKING
BUSINESS

INVESTMENT
ATTRACTION

ADVOCACY FOR
OUR REGION



Highlights

MEMBERSHIP

TSBE and FLA's membership tipped over the 500, a significant achievement and sign of the region's involvement in development and industry undertakings. View our members [here](#).

TSBE relaunched its **website** in January, with an online member portal allowing members to renew and manage their membership preferences online.

TSBE held an in-depth review of our membership offer through an annual survey as well as focus group sessions which helped identify ways to increase value for members. These were:

- Increased communication and the ability to tailor email content to member interests through the website portal
- Small group networking and forming more business connections
- Delivering the right speaker/topic at events
- Creating more advertising and branding opportunities

EVENTS

TSBE held 33 events in 2016-2017 including three international conferences that attracted a combined attendance of more than 3600 attendees.

TSBE facilitated the largest ever international, privately led, business delegation in Australia's history. More than 200 business people joined us on AccessChina'16, a flight direct from Toowoomba to Shanghai that also marked the first international passenger flight from Brisbane West Wellcamp Airport. The week-long trade mission generated over \$1 million in publicity for the region, as well as \$350 million in potential business revenue. The Toowoomba

Transport and Logistics Symposium and 400m AgTech Investment Forum also attracted significant attendance, including mayors from the wider regions and industry representatives.

TSBE's annual Race Day and Golf Day's also provided unique networking opportunities for members.

Some of our event topics for the year included:

- \$3 Billion Star Casino Project Briefing (July 2016)
- Roma Hospital and Santos Project Update (August 2016)
- New Hope Group's Acland Coal Mine Stage 3 expansion (September 2016)
- Toowoomba Second Range Crossing – Nexus Project Update (December 2016)
- Prime Minister Malcolm Turnbull visiting address (January 2017)
- State of the Toowoomba Region (March 2017)
- Major Hospitals Development Update (May 2017)

MEDIA

We have ensured that our story is everywhere with our media reaching in excess of 3.5 million people.

In addition to that we featured in over 700 news items (200 more than the previous financial year) including well over 155 media releases, 60 television interviews. Our website receives 10,000 views each month and our average monthly reach with social media is now over 70,000. This included coverage in more than 80 outlets including Crikey, The Australian, Australian Financial Review, Courier Mail, Sunday Mail, ABC News, news.com.au, The Chronicle, Surat Basin News, Brisbane Times and ABC Landline.

YEAR AT A GLANCE

TSBE is the go-to organisation that links business with opportunity to achieve sustainable growth and diversity for our region. We exist to provide the support needed by business and the broader community to see the region reach its full potential. We are proud of the achievements we delivered in 2016-2017.

TSBE MEMBERSHIP
OVER
500
MEMBERS
with
213,896
EMPLOYEES

TSBE EVENTS

3,601
attendees

80%
of attendees are
key decision makers

1,215

TARGETED
INTRODUCTIONS
FACILITATED

+

519

WORK AND
TENDER
OPPORTUNITIES

58
OVERSEAS INVESTOR/
BUYER INTERACTIONS

11
NEW BUSINESSES
WELCOMED TO THE REGION

\$13 billion

DEVELOPMENT
PIPELINE

INFRASTRUCTURE PRIORITY LIST
(INLAND RAIL FUNDING ALLOCATED)

3
INTERNATIONAL
CONFERENCES

- TSBE ACCESS CHINA
Toowoomba and Surat Basin Enterprise | OCTOBER 2016
- TRANSPORT AND LOGISTICS SYMPOSIUM
TOOWOOMBA | 2017
- 400m**
AgInnovate Investment Forum 2016

\$339,277
estimated Business Tourism brought
to the region through TSBE events

MEDIA EXPOSURE

Reached an audience of over
3.5 million people

700+
news items

155
media articles

60 television
interviews

10,000
website visits per month

70,000
average social media
reach/month

ACCESS CHINA
\$1,000,000+
worth of exposure for the region





ADVOCACY – INFRASTRUCTURE PRIORITY LIST

TSBE’s advocacy projects were discussed at all levels of government across the year, and include:

1. Melbourne to Brisbane Inland Rail Project
2. Motor Sports Facility
3. Quarry Gardens – Feasibility Study
4. Picnic Point Master Plan
5. Mountain Biking and Walking Trails
6. Overpass into Wellcamp Airport
7. Convention Centre + 5 Star Hotel – Feasibility Study
8. Motor Sports Facility
9. Railway Parklands
10. Increased CBD Parking
11. Nathan Dam

SURAT BASIN SUPPLY CHAIN

The supply chain team provided 1,215 targeted introductions and 519 work and tender opportunities. TSBE leads the way in local content initiatives and practical support to business.

The year was one of diversification into the renewables sector as the number of projects in the region grew. The team assisted with six solar projects as well as the Coopers Gap Wind farm project, located 50km south-west of Kingaroy. The team continue to work with the proponents and local supply chain network as they progress.

Spending and expansion continue on a number of existing projects within the resources and infrastructure sector. Shell are working on a \$750 million

expansion of their pipeline called Project Ruby and Santos are investing \$175 million in their Scotia field. Continuing with the Gas theme, Senex and Origin continue to invest in the region with the Queensland Government also reopening up new acreage in the Surat Basin for domestic gas development. Coal prices have also rebounded – we are keen to see further development in the region and we will continue to support the New Hope Group in pursuing the \$850 million expansion of their operations to Stage 3.

September 2016 also saw construction commence on the TSRC viaduct, an 800m long road bridge between the Lockyer valley and through the Toowoomba range at Mount Kynoch. TSBE talks regularly with all proponents and participates in the Nexus business advisory group to ensure the needs of our members are heard.

2016 - 2017 TSBE MEMBERS

FOUNDATION PARTNER



PARTNER REGIONAL COUNCILS



DIAMOND



MEDIA PARTNERS



PLATINUM



GOLD





The supply chain team also took members to Mackay to explore supply-chain opportunities with the Adani Carmichael mine, rail and port projects. TSBE also attended and showcased the region at LNG 18 and at the National Australian Logistics Council Conference.

FOOD LEADERS AUSTRALIA

TSBE's food, fibre and beverage initiative, Food Leaders Australia worked prominently in export, investment and innovation. Key projects included AccessChina'16, the Emerging Exporters Program Pilot, known as Western Downs Eastern Opportunities, free trade agreement forums and agribusiness

investment, as well as awareness with new markets.

Much of what underpinned the success of AccessChina'16 was the significant agricultural focus of the trip and the industry's involvement through Food Leaders Australia.

The Western Downs Eastern Opportunities program run saw six emerging exporters progress towards becoming export ready with one participant securing their first customer in Hong Kong. This was a highly successful pilot program.

CLICK HERE to watch a short video about the program.

FLA took a leading role informing members about the opportunities

available in newly-announced China, Japan and South Korea Free Trade Agreements through information forums hosted in Toowoomba, Kingaroy and via webinar.

FLA facilitated the second annual 400m AgTech investment forum for a crowd of over 200 business people in Toowoomba in May 2017. The day included keynote addresses, panel discussions and 12 AgTech pitches seeking investment.

TSBE/FLA and the Royal Thai Consulate Brisbane partnered to coordinate a highly successful Thailand Trade Mission between 15 – 18 November 2016 which identified and explored horticulture, infrastructure and construction market opportunities.

2016 - 2017 FOOD LEADERS AUSTRALIA MEMBERS

FOUNDATION PARTNER



PARTNER REGIONAL COUNCILS



PLATINUM



DIAMOND



MEDIA PARTNERS



GOLD



Audited Financial Statements

TSBE invests considerably in operating activities that support the business community, drive our advocacy efforts and attract the investment to support and enable infrastructure.

With all this activity it is pleasing to see in the **unqualified audit** that TSBE has maintained a surplus.

The Year ahead: Goals for 2017 – 2018

Looking forward to 2017-2018 TSBE has set out to do more for our members and grow our activity and impact across a range of areas within the organisation.

1. Continue momentum and growth of Food Leaders Australia through continued strategy development and a range of regular events that will increase interaction between members and strengthen the business community.
2. Regularly review and update infrastructure priorities to advocate with all levels of government to see more project progress for the region.
3. Support investment and workforce attraction with two magazines (Live Toowoomba and Live Western Downs) as well as producing factsheets, and information collateral.
4. Secure state, federal and private sector funding to coordinate multiple programs that support new and existing businesses to commercialise new revenue streams.
5. Surat Basin Supply Chain team to launch TSBE Exchange portal to support increased information sharing and tendering opportunities for members.
6. Support new and emerging industries including the renewables sector through information sharing, events and conferences such as: July 2017 – National Energy Summit and Nov 2017 Renewables Round-up.
7. Host a follow-on Access delegation in 2018 to promote the region internationally and create unique networking and learning experiences for TSBE's members and supporters.
8. Launch new eLearning platform for members.





SANDS SAUNA

淘金沙桑拿

嘉多莉餐廳

馳名蒸鮮魚 客家鹽焗雞

ESSE

粥粉麵飯

FORTRESS

McDonald's

伍光堂

翠華餐廳

匯豐銀行

民幣找換

TOOWOOMBA AND SURAT BASIN ENTERPRISE

ABN: 85 155 004 523

Street Address

6 Ann Street, Toowoomba QLD 4350

Postal Address

PO Box 658, Toowoomba QLD 4350

P +61 7 4639 4600 **F** +61 7 4639 3416 **E** info@tsbe.com.au **W** www.tsbe.com.au





COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

HOUSE OF REPRESENTATIVES

SELECT COMMITTEE ON REGIONAL DEVELOPMENT AND
DECENTRALISATION

Regional development and decentralisation

TUESDAY, 13 MARCH 2018

TOOWOOMBA

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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HOUSE OF REPRESENTATIVES

SELECT COMMITTEE ON REGIONAL DEVELOPMENT AND DECENTRALISATION

Tuesday, 13 March 2018

Members in attendance: Mr Drum, Mr Stephen Jones, Ms Marino, Ms McGowan, Mr Ramsey, Ms Swanson.

Terms of Reference for the Inquiry:

To inquire into and report on:

- a. best practice approaches to regional development, considering Australian and international examples, that support:
 - i. growing and sustaining the rural and regional population base;
 - ii. the benefits of economic growth and opportunity being shared right across Australia;
 - iii. developing the capabilities of regional Australians;
 - iv. growing and diversifying of the regional economic and employment base;
 - v. an improved quality of life for regional Australians;
 - vi. vibrant, more cohesive and engaged regional communities;
 - vii. leveraging long-term private investment; and
 - viii. a place-based approach that considers local circumstances, competitive advantages and involves collective governance;
- b. decentralisation of Commonwealth entities or functions, as a mechanism to increase growth and prosperity in regional areas, considering Australian and international examples, including:
 - i. examining the potential for decentralisation to improve governance and service delivery for all Australians, considering the administrative arrangements required for good government;
 - ii. identifying the characteristics of entities that would be suited to decentralisation without impacting on the ability to perform their functions;
 - iii. identifying the characteristics of locations suitable to support decentralised entities or functions, including consideration of infrastructure and communication connectivity requirements;
 - iv. considering different models of decentralisation, including:
 - relocation of all or part of a Commonwealth entity to a regional area;
 - decentralisation of specific positions, with individual employees telecommuting, considering any limitations to this in current Australian Public Service employment conditions and rules; and
 - co-location of decentralised Commonwealth entities or employees in existing regionally based Commonwealth or State Government offices; and
 - v. examining the family, social and community impacts of decentralising;
- c. actions of the Commonwealth that would encourage greater corporate decentralisation and what can be learned from corporate decentralisation approaches, including:
 - i. considering the role of the private sector in sustainably driving employment and growth opportunities in regional areas in both existing and new industries;
 - ii. comparing the access to early stage equity and or debt finance of metropolitan and regional businesses for both start-up and established businesses;
 - iii. examining access to capital for regional business, including agribusiness, manufacturing and technology;
 - iv. considering the adequacy of regional businesses access to early stage accelerators and incubators, including access to business mentors, business networks and capital (debt or equity);
 - v. considering the adequacy to support the private sector to attract and retain skilled labour to regional areas; and
 - vi. examining the extent to which employment and growth can be supported by growing existing and new industries in regional areas, leveraging strong transport and communications connectivity; and
- d. any related matters.

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ANTONIO, Councillor Richard Paul, Mayor, Toowoomba Regional Council**Committee met at 08:36**

ACTING CHAIR (Ms Swanson): Good morning, everyone. I would now like to welcome everyone here this morning to Toowoomba, make an acknowledgement of country and pay my respects to the Indigenous owners of this land upon which we meet.

I declare open this public hearing of the Select Committee on Regional Development and Decentralisation. As the deputy chair of this committee I am pleased to be here in Toowoomba today. The committee is approaching the end of its public hearing program, having held hearings in each of the states and territories along the way and having received evidence in writing. The committee has consistently heard about the good work happening here in Toowoomba. It's certainly an area that's been identified as a good example of successful regional development, so I am really looking forward to learning more about that success and what has been driving it, as I'm sure members of the committee are as well.

In accordance with the committee's resolution of 15 June 2017, this hearing will be broadcast live on the parliament's website. The proof and official transcript of the proceedings will be published on the parliament's website in due course. Those present here today are advised that filming and recording are permitted during the hearing. I remind members of the media who may be present of listening on the web of the need to fairly and accurately report the proceedings of the committee.

I welcome our first guests, the Toowoomba Regional Council, to give evidence to the committee here today. Although the committee does not require you to give evidence under oath, I should advise you that this hearing is a legal proceeding of the parliament and therefore has the same standing as the proceedings of the House of Representatives. The giving of false or misleading evidence is a serious matter and may be regarded as contempt of parliament. The evidence given today will be recorded by Hansard and attracts parliamentary privilege.

Good morning, Mayor Paul Antonio. It's lovely to have you with us this morning. Do you have an opening statement that you'd like to make?

Councillor Antonio: I do have a brief statement. Thank you very much for coming to Toowoomba. I think that, if there is a regional capital that's really booming along well, it would be Toowoomba. So thanks for the opportunity to speak to you. On behalf of my colleagues and the whole community, thanks for being here.

We believe that Toowoomba quite clearly is an ideal place to consider for any decentralisation of departments. We have so much going for us, which I will certainly spell out in the next couple of minutes. I think there are the cost of living; the cheaper land prices than capital cities; the fact that we have a skilled workforce; the fact that Toowoomba is in fact by our estimations and by many other people's estimations an education and training capital, with not only a university but significant other training opportunities available; and, most importantly the recognition of Toowoomba as a very liveable place. As well as those, we have been designated by those who take notice as a very family friendly city. Our geographical proximity to Brisbane plus our intrastate and interstate network make us an ideal location to consider for relocation of relevant departments and departmental entities. We also have connectivity from our new airport, which will give people access to the whole world.

Our Toowoomba region together with the Darling Downs, we believe, is a very solid economic powerhouse not only in the Queensland economy but certainly the Australian economy as well. Scattered across the Darling Downs we have some of the best agriculture land in Australia. As well as that, our region is a major coal seam gas service hub and services an area where significant coalmining has taken place and potentially could take place in the future.

One of the things that we believe is clear about our future is that we're going to be a major transport and logistics hub. As well as that, with some of the developments that I'm going to tell you about in a moment, we're clearly a great centre for communications.

Toowoomba is a large regional centre, with 105,000 people and with a very diverse employment base. There are some 160,000 people in the Toowoomba region and, of course, that spreads across a number of the smaller communities right across the Darling Downs. We're diverse enough, we believe, with opportunity enough to support the partners of any potential government workers who are willing to move our way. Our region has been able to attract both public and private investment in recent times. Look at the investment by the federal and state governments in the Toowoomba second range crossing, which will have a profound effect on connectivity here, particularly considering the relationship that we have with the Port of Brisbane and the quantity of product that comes from this area. That second range crossing is about a \$1.6 billion project. An old rail line that has been in operation for 150 years is being upgraded so it will take the larger shipping containers.

But we're seeing significant private investment, which is a clear indication to me that judgements have been made by people with money to invest. Look at the likes of Wellcamp airport, which currently has 80 flights a week, including one freight flight going into Hong Kong. Look at the Pulse Data Centre, which, once again, is a local investment company. Wellcamp airport, of course, has been funded by the Wagner family. Nobody's public money has gone into that. Look at the QIC development, which is just over here beside us and which is the biggest shopping centre built by QIC, who are a significantly capable investment group. It's the biggest shopping centre built in a regional capital. We have New Hope's Acland coalmining, which certainly keeps the rail line going with about seven million tonnes per year making its way to the Port of Brisbane. We also look forward to the largest infrastructure project in Australia, the Inland Rail, where Toowoomba will certainly have the opportunity to become a very significant inland port. I think that is very much entwined in our future.

Our region has a comparatively low unemployment rate that last year rose by about one per cent to 5.23 per cent. Prior to that we were stranded in the fours and felt that was pretty good going. Our gross regional product in this area is about \$9.58 billion.

Ms McGOWAN: What was your unemployment rate?

Councillor Antonio: 5.23. We've been consistently one per cent below that. In the last 12 months it has risen. I know that Jack Archer, Chief Executive Officer of Regional Australia Institute, has already mentioned the Toowoomba region in your committee hearings as one of the regions that stand out in terms of regional development, and this is because we have, in his terms, one of the most sophisticated local strategies. The question is: what regional growth are we experiencing, and why hasn't that translated into faster population growth? Our regional population forecast is 1.1 per cent, which is quite low for a regional capital. One thing I would say about the Toowoomba economy is that, because of its breadth and because of the dependence we have on the great employers like health and education, it's particularly stable here in Toowoomba, and those who want to invest will find that there will be limited peaks and troughs but significant steady growth.

We're already the beneficiary of some decentralised departmental functions where relevant authorities have been located in our region. However, we believe there's far more that can come our way. Current federal department offices that are located in our region include the Murray-Darling Basin Authority, Grains Research and Development Corporation, and Darling Downs and West Moreton Primary Health Network. And of course we have a significant number from the state government.

Strategically, the reason that placement of these department entities have been successful is that they were either established in our region in an embryonic stage or they were placed here as part of a departmental section to service our region. Which is quite necessary with the growth that we have here. I'm concerned that there is a difficulty for government to overcome Australians' love for the big cities and love of proximity to the coast. We must realise that we are already a decentralised nation and we're also a First World country that has an understanding of the good communications systems that we need so much to run this country.

It would concern me if the Toowoomba region were to miss out on an opportunity in government relocation because we are on the wrong side of the geographic line between metropolitan and regional Australia. The Toowoomba region would support policies that decentralise government departments into regional centres, and there are already examples where sections of departments have been moved to this area, but I suggest that the conditions are right for further consideration of relocation of government departments to Toowoomba. Thank you.

ACTING CHAIR: Thanks very much. I appreciate that. Would you like to start, Cathy?

Ms McGOWAN: Thank you, Mayor. The inquiry is not only about decentralisation; it's also about regional development. One of the aspects I bring to the committee is that I'm not looking at a deficit model of regional development. If we had a national approach, the regions would have a significant role to play there. It's not actually looking at filling the gaps. One of the things that it seems to me Toowoomba has done so well is use its own capital to invest. In terms of regional development, you've done that really well, so I'm really interested in exploring the lessons we can learn about that, because clearly we don't want government competing with the private sector. When communities can do stuff, we want communities to do them. Can you have a bit of a think about the environmental factors that have enabled private enterprise to do so well in Toowoomba?

Councillor Antonio: I think the private investment we receive here—and I can quote two really good examples of that, one of which is the airport. That's the first airport of that size that's been built in Australia since Tullamarine. It has international capability. In fact, I've flown to Shanghai from there on a very special flight. But that airport was private investment by a local family who have tremendous faith in this community. They believe that, because of where we are and because of the fact that we are within 12 hours of half the world's population, they can build a business predicated on, first, our food production and the need for transport by air, and, second,

our proximity to the world. The Toowoomba region—and Australia generally, of course—is a very strong food producing area and it will get better. We'll see significant land-use change.

Ms McGOWAN: I really want to explore with you what it was that helped them do that. This whole 'supporting local businesses to invest locally' is a really important part. We get the need and we get the 'what you could do' but what was it, do you know, that actually enabled the family? Was it their relationship with local government—were there tax incentives or planning incentives? What actually got them over the line to be able to do it?

Councillor Antonio: I think the great thing that drives the Wagner family is their love for Toowoomba. This is where they've come from, this is where they've made their money and this has been their base. Like many other companies, they don't have to be based in Toowoomba, but they love this area. They've invested, and I'd suggest that many other people may not have invested if they didn't have that love for Toowoomba and that belief in Toowoomba's future.

Ms McGOWAN: I get all that, but I'm really pushing on this because we've got families everywhere that love their communities.

Councillor Antonio: Absolutely.

Ms McGOWAN: Was there anything about Toowoomba—I get love, but what actually helped them do that?

Councillor Antonio: I think the fact that we are a serious area for production. The fact that we believe that there were things coming, like the second range crossing and the Inland Rail, probably gave them the belief and the opportunity. It's a brave investment by those people and I can't explain the whole lot of why they did it—you would have to ask them. But the reality is they have invested their money—their money! Don't forget this is the private sector in action: they built this airport in 19 months and 11 days. They were absolutely committed. They are now in the second stage of that where they are driving tourism—

Ms McGOWAN: Was there anything that council did that helped that happen?

Councillor Antonio: We were positive about it. We supported them on the planning journey. We supported them as best we could. Those journeys are never easy when it comes to a complex thing like an airport, but we worked with the Wagners and we got it done. I probably haven't quite hit the nail on the head there but, if you really wanted to find out what made the Wagners commit, you may be best talking to the Wagners.

Ms McGOWAN: Yes, absolutely.

Mr DRUM: I think we wish we could have a Wagner family in many regional centres but we don't and, therefore, government has to try and visualise, 'Would this area benefit from certain infrastructure?' Obviously, this area is going to ride on the back of their investment, as you say, with the inland rail coming through this region, the freight hub and with the product in this area. I'm interested in the connectivity. As we develop regional cities around Australia, connectivity is an enormously important aspect. What is your passenger rail service like into Brisbane?

Councillor Antonio: Non-existent.

Mr DRUM: Non-existent?

Councillor Antonio: To a great degree.

Mr DRUM: How many services a day?

Councillor Antonio: I don't even know if there's a service. There's a Westlander that goes now. I don't have any detailed knowledge of that, but I can tell you one thing. I can tell you that last Friday I was in a meeting with the Council of Mayors in South East Queensland, headed by the Lord Mayor of Brisbane. It takes in an area from the Sunshine Coast to the Gold Coast west of Toowoomba, and we are beginning to talk about rail and when it ought to be delivered. We've got a consultancy firm working. We believe that there is a need for a fast rail from Brisbane to Toowoomba, and the current time frames for the delivery of that would appear to be in the 2040s—about 2041, there's a belief that that may happen. We have 105,000 people. That's probably not enough to run something like that and have it pay its way. It's the population that we have here that will restrict us to some degree but, in saying that, we have begun to talk about that.

The Council of Mayors in South East Queensland have been doing some studies in recent times because we have a dream that, further down the track, we may be able to apply for the Olympic Games for this region, as it has become a regional model based on Brisbane, Sunshine Coast, Gold Coast and west to Toowoomba. One of the things we will need for that is fast rail. We have begun a mass people movement study. It's working to see how we're going to move people in the future. I think this will be a catalyst for development. Toowoomba is positioned to become the Blue Mountains of Brisbane—if we get the right rail.

Mr DRUM: We think we're pretty special about trying to get a Commonwealth Games; you're going straight over the top for the Olympic Games!

Councillor Antonio: We don't fool around up here.

Ms MARINO: Mayor, just a couple of issues: was the Wagners investment a catalyst? I looked at what else was happening around your airport. Clearly there was enough land set aside for associated food manufacturers as well, and that was council owned land; am I right?

Councillor Antonio: No, it's been bought by the private sector.

Ms MARINO: So the Wagner family bought the land for the airport—

Councillor Antonio: They had owned—

Ms MARINO: or they owned it already. I see there is an infant-formula-processing capacity in the vicinity as well, to go out through the airport. Toowoomba are doing exceptionally well. You've got the feed-in from across the Darling Downs. Can you tell me about what the knock-on impact has been? Are we seeing a growth in the smaller communities that surround Toowoomba that have had a spin-off, an additional benefit, from the growth and the opportunities in Toowoomba itself? Has there been a spin-off?

Councillor Antonio: Well, it hasn't been as pronounced as I would hope. I think, from a recent meeting with many of the smaller communities and the chambers of commerce that come out of those smaller communities, there's a feeling of disappointment, as there always is. We're celebrating the 10th year of a council amalgamation here which put eight councils into one.

Ms MARINO: Which is always a fraught process, isn't it.

Councillor Antonio: Yes, it's a tough process, and it takes a long time for people to accept that. But can I just tell you about Wagners' airport? Not only has it been a great economic boon to this area but I think it's given the people of Toowoomba a real belief.

Ms MARINO: Confidence.

Councillor Antonio: Absolutely. Something happened to Toowoomba when Wagners built that airport, something that's difficult to explain, but it's about self-belief. It's about confidence. It's about: 'We can do it.'

Ms MARINO: It actually was the catalyst for other private investment, from what I can judge.

Councillor Antonio: Absolutely.

Ms MARINO: Is that accurate?

Councillor Antonio: If you look at this community of Toowoomba, I think Toowoomba has matured in the last six or seven years. If you look at the laneways, it even reflects right across to the art in the laneways, which I hope you've had the time to have a look at, and the number of restaurants there are in Toowoomba. All those sorts of things have happened. We've seen a steady but very positive growth in Toowoomba. We of course are part of that because we are prepared to incentivise developments in the CBD.

Ms MARINO: That's important.

Mr RAMSEY: Mayor, can you give me some idea—I'm just looking at a map here—how big your council area is now? Do you go out to Highfields or Mount Luke?

Councillor Antonio: It's quite a big area. As I said before, there were eight former shires. We now have 13,000 square kilometres in our area. It goes to Yarraman. It goes past Crows Nest. It goes almost to Dalby. It goes to my home town and beyond. I live at the place called Millmerran, which is about 80 kays out of town.

Mr RAMSEY: Which direction is that one?

Councillor Antonio: West, towards Goondiwindi—west-south-west.

Mr RAMSEY: I've been trying to find that one.

Councillor Antonio: So it's quite a big area, yes.

Mr RAMSEY: Was that council amalgamation a voluntary or a forced amalgamation?

Councillor Antonio: No. We went to a meeting in Brisbane where we were told what we were doing. That followed a couple of years of us sitting down talking here locally about what we thought was the best idea, and someone made up their mind and just did it. We had no choice in that.

Mr RAMSEY: We've seen a bit of that in South Australia, mainly forced. I'd have to say there was probably mixed success, but it is what it is as far as you're concerned. I would have thought there were quite a lot of small communities that would feel fairly disenfranchised by that process.

Councillor Antonio: Absolutely. There were 68 or 69 councillors across the region in eight councils. We now have 11. That in itself is a problem.

Mr RAMSEY: Just a question on that: what has happened to the percentage rates the council has had to strike as a result of that amalgamation? Have we had a lowering of the rate?

Councillor Antonio: No. I'm pleased you asked that question, because there are some other factors that are involved in that. There were eight different councils with totally different models financially, and one particular council was proud of the fact that it had the lowest rate in the dollar in Australia, I think, at the time—I'd have to check that. But there are some issues that come with that.

But, in saying all of that, I think local government in Queensland—and I'd imagine it would be the same across Australia; I think it's something for the federal government to consider—is on a flogging to nothing. I think we're heading for a financial crisis not just now but further down the track. We are seeing that we do not have enough money to maintain our roads at the level we want them. In fact, in this area we need to improve our roads because of the export capabilities that we have here.

In the longer term of local government—and particularly I guess I speak with experience here—I think we need another source of money. I don't know where it's going to come from. I'm looking at the federal government for a share of something. I'm sure that the Premier of the day thought that these amalgamated councils would be big, vibrant organisations. Well, that's not the case. We still need the money. They took away a lot of subsidies that were available to us quite naturally when we built infrastructure—a 40 per cent subsidy on sewerage, as an example—so we've lost all that.

Much of the funding now is competitive, and we have to be on the ball all the time, slowly working through, slowly developing our case in many areas. Of course, there was the announcement recently by our local member and the minister, John McVeigh, regarding the \$272 million which will be spread right across Australia over a period of time. It's great; it's got everybody excited, but, when you examine that, it's not a lot of money for all of Australia.

Mr RAMSEY: 27 projects maximum.

Councillor Antonio: 27 projects.

Mr RAMSEY: Yes, and it's quite a big hurdle. Having said that, there are grants of smaller magnitude under the Building Better Regions Fund, which is more compatible with perhaps what councils can put in.

Councillor Antonio: Rowan, we've had to get very good at preparing those cases. That's what we've had to learn—

Mr RAMSEY: I think everybody's on that boat. Thank you.

ACTING CHAIR: Paul, I might just ask you a couple of questions. In your annual report you refer to \$13 billion worth of investment in the region. Can you give me just a potted version of how that breaks down roughly, public versus private?

Councillor Antonio: I can't give you the exact ratio of that, but—

ACTING CHAIR: Roughly?

Councillor Antonio: there is significant private investment here, when you look at the half a billion dollars right beside us here that was put in by QIC, when you look at the Wagners airport and when you look at the money that's pouring into the resource sector still, as we speak. They're still working hard on making sure that they capture the gas that's out there and sell it off.

ACTING CHAIR: Could I get you to take that question on notice and perhaps submit the answer to the committee at a later date, if you could.

Councillor Antonio: Yes.

ACTING CHAIR: I really am interested in what the breakdown of that \$13 billion is. It doesn't have to be the minutiae of it, but just a percentage figure would be useful. There are just a couple of other things that I want to get to. I took real interest in reading the University of Southern Queensland submission to us by Professor John Cole, the Executive Director of the Institute for Resilient Regions. He said:

Australia's future will be better assured not so much by the presence of government offices outside the cities, but by sustainable economic development based in the private sector in regional Australia.

In other words, he said that, rather than trying to relocate reluctant public servants, we're probably better to look to some of the examples that you have outlined here this morning.

It brings me to two other questions: firstly, to your remit, if you like, in terms of the amalgamation of those council areas. Have you been able to achieve efficiencies of scale due to that amalgamation in terms of capital, plant, machinery—those types of things—or is the area just too big for that? What I'm trying to get at is: has it been a true and formulaic amalgamation, or do you still have local areas that are relying on their own capacity?

Councillor Antonio: The best way I can answer this is that, prior to amalgamation, local authorities in those smaller communities—and I cite my home town as an example of that—were a very important part of the economic profile. When you amalgamate anything, whether it be a business, a farming operation or anything that it might be, you do tend to centralise to gain efficiency, and that is one of the effects of this. And, yes, we have centralised.

A whole lot of things have changed in terms of the use of technology. For instance, where we have the service centres for our machinery, much of the servicing is now done on site with computers, just bang, bang, bang, done. That's taken jobs out of small communities. But, on the other side of it, technology is available for us to have people sitting in the Cliftons, the Millmerrans and the Pittsworths of the world doing jobs that are actually Toowoomba-centric. So we've got to address that.

ACTING CHAIR: I guess there's been a transfer—technology has allowed a transfer in some respects. We are here talking about decentralisation, but, interestingly, there has been, through the amalgamation, somewhat of a centralisation in this region—

Councillor Antonio: yes.

ACTING CHAIR: because of that. The other thing I want to ask you about is the skilled workforce. Can you tell me a little bit about attracting skilled labour to this area? I know it's potentially not your remit as such, as the mayor, but I just wondered if you had an assessment of that. Has it been difficult to get the sorts of people that you require? I'm interested because that is one of the key questions of decentralisation across the country and in building regions. It's about being able to attract people to come and live here. Yes, the house prices might be lower, but if there isn't the capacity to earn at a certain level you won't attract the people that you want to try and attract.

Councillor Antonio: The best answer I can give you is that, during the boom within the resource sector here, we were at times better than 10 engineers short in the Toowoomba Regional Council because of competition. Some of those people have actually come back now, so it ebbs and flows. But we're in a pretty good state at the moment. I don't think there are too many areas—although I'm hearing from some of the employment agencies that people like diesel fitters wanted further out have better opportunities here. The fly-in fly-out is not a happy thing for families sometimes. We get a bit of that. But we're in a pretty good state in Toowoomba, I think, in terms of employment opportunities. The private sector is driving opportunity here. Whilst there are some hiccups, I think we're in a good state.

ACTING CHAIR: Finally, I just want to get to that linkage between public and private sector drivers, if you like. Has it been a fortunate accident in that you've had fertile soil, you've had wealthy families and you've had education and health, or are there other real drivers? Or perhaps it might be a combination of the two? But those drivers are what we're really looking for here in this committee. Is it transferable? Can we transfer the good fortune that you've had here in Toowoomba, or is it luck of location and climate? I'm quite happy for it to be all of those things, but, with all due respect, we can't put a Wellcamp Airport in every regional centre of Australia. So we're looking for: how have you driven that private investment? Are there any transferable lessons for us to take back?

Councillor Antonio: I think some of the major investment we've got here has been a result of the fact that we've been very clearly positive about Toowoomba. I've made very, very sure with the press from day one, when I was elected mayor. They could say whatever they liked, but I was going to be positive about a place like Toowoomba. But, importantly, with some of the major stuff that we're looking at, such as the range crossing, we begged for that for about 50 years. That was a fair while, and I think it was just a political alignment at a given time that gave us that opportunity.

The figures I've just got from the Port of Brisbane authority are that the area within a 200-kay radius of Toowoomba and west generates close to 60 per cent of the product that goes out of the Port of Brisbane. They gave me those figures the other day, so they're verifiable with them. That's the sort of thing. We desperately need infrastructure. Infrastructure—good infrastructure—equals jobs, as will the inland rail, as does the airport. It equals jobs.

ACTING CHAIR: So we might be well to surmise that perhaps the federal government position on something like this might be that the federal government would build the spine, the infrastructure-type capacity,

and therefore perhaps the public and private matters might be filled in around that spine in terms of growing diversity and broadening of the economic base?

Councillor Antonio: Exactly. I would agree with that.

ACTING CHAIR: Are there any other questions? We are a bit time pressed.

Ms McGOWAN: I have a very quick question. My colleague and I have just been talking about the problem of transport between Brisbane and here. I hired a car at the Brisbane Airport to drive here. Are there any plans for a train of some form between—

Councillor Antonio: I spoke about that before. I was meeting in Gatton, which is down the Lockyer Valley, regarding a SMEC report in respect of future fast rail. That report indicated quite clearly that it's a long way off for Toowoomba. But in the meantime we may be able to have a fast rail to Rosewood, and from Rosewood it may be a fast bus service that would get us here. But there is no doubt that that connectivity between Toowoomba and Brisbane will be very catalytic to the development of Toowoomba.

ACTING CHAIR: Thank you for your attendance today. If you've been asked to provide any additional information—and I have requested the percentage breakdown of that \$13 billion investment—would you please forward it to the secretary by Friday, 23 March 2018. You will be sent a copy of the transcript of the evidence that you've given and will have the opportunity to request correction to transcription errors. Again, Mayor Antonio, thank you so much for your time and evidence this morning. I wish you and your community and the broader region all the very best into the future. Thank you again for hosting this committee in your lovely town.

Councillor Antonio: Thanks for the opportunity and thanks for coming to town.

GRAY, Bryan, Executive Officer, Regional Development Australia, Darling Downs and South-West Queensland

SHEPPARD, Ms Jo, Chief Executive Officer, Toowoomba Chamber of Commerce

[09:11]

ACTING CHAIR: Welcome. Although the committee does not require you to give evidence under oath, I should advise you that this hearing is a legal proceeding of the parliament and therefore has the same standing as the proceedings of the House of Representatives. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The evidence given today will be recorded by Hansard and attracts parliamentary privilege. Do you have a brief opening statement?

Ms Sheppard: I just want to give you a quick overview of the Toowoomba Chamber of Commerce. As you've heard from the mayor, it is a growing economy, and small business is very much part of that. The Toowoomba Chamber of Commerce has 400 SMEs that are very engaged members in our organisation. Small business in Toowoomba actually provides over half the jobs in the TRC region. So it is a really important part of the economy and an important component to look at and to discuss when we look at decentralisation. Obviously big business is a key part of developing the regions, but I think supporting the SMEs and the growth of those businesses is equally important. I'd be keen to have some discussion around how we can grow that part of the economy as well.

Bryan Gray: I'm from Regional Development Australia, Darling Downs and South-West Queensland. It's a federally funded program, with now 52, not 55, RDAs—the four Melbourne RDAs are now one. We've just gone to 52 in the recent reform of the RDAs. Part of the new reform for RDAs is around assisting our regions in attracting investment and jobs but also in facilitating decentralisation. We've come from a report of RDAs and some changes to RDAs that have been adopted but also looking at decentralisation and the best fit. Our area covers 10 local governments, from Toowoomba here, where our office is, west to the Northern Territory, South Australia and the New South Wales border. We cover 23 per cent of Queensland. Whilst we are here in Toowoomba, we have 10 local governments that we also need to look after.

Mr RAMSEY: We have a council, an RDA, a chamber of commerce and the Highfields group here, and you all seem to be doing similar things. I'm wondering how you work together and how you delineate those particular responsibilities.

Bryan Gray: The chamber has a membership base. The strength of RDAs is that we don't; we're bound only by geographics—which is quite large, being 23 per cent of Queensland. What we try to do—

Mr RAMSEY: But you are based here in Toowoomba?

Bryan Gray: We have an office here in Toowoomba, that's right. We work with all of our chambers; we obviously work closely with Jo's chamber, which is the largest in the region. We often support events. If Jo has an event or people who are presenting, we extend those invitations and disseminate that information through our networks and try to attract a lot of our regional counterparts who may be interested in those events. Naturally, a lot of those events come to Toowoomba because of its size and the infrastructure that is here. Where we can, our role is to take those people west so that they are exposed to the same people who are here in Toowoomba or at least attract them into Toowoomba.

Mr RAMSEY: Do you see that largely is your role—to get people to come here and show an interest in the area?

Bryan Gray: No, that's just part of our role. Our remit is around economic development. The way we work best with chambers, and certainly with Jo here in Toowoomba, is to try to attract those people. We partner on many events—breakfasts and things like that. We have one coming up this week.

Mr RAMSEY: I really like my local chambers—they're important people—but we seem to struggle to get really fair dinkum involvement from businesses. You'll find small groups running these chambers as a rule. If you go to a meeting, often more people are paid to be there than volunteers. By that I mean business owners who go as volunteers but then there are a lot of people who are there on behalf of local government or the department. How does this one run? How do you feel about it?

Ms Sheppard: You have asked a really good question. If you look at regions all over Australia and think about the regional approach versus the local approach, in my view to have a really strongly engaged community you need a strong local approach, and that is where the local chambers play a really important role all over Australia. Paul, our mayor, alluded to it: with the amalgamation of seven local governments, people disengaged. Making sure there is strong local engagement is a real key to developing regional Australia. Here in Toowoomba

we have that. Our chamber has 400 very actively engaged members. Our members have staffs of 50 staff down, with most of them having about four to 15 staff. That's the size of the businesses. We have 30 to 35 networking events every year, which are sold out. We have a very strong business-excellence awards program in the region. So we have a very strong local engagement, but we need regional as well. To make the regional engagement strong, you need to have a strong local engaged community. In many regions around Australia, that is not done well.

The other thing I think about the chambers is that, generally speaking, chambers are undervalued. Since I've been involved in our chamber, I've become familiar with the global chamber movement. There is enormous value in those connections. Toowoomba chamber is working with some chambers in Asia to create opportunities where we can work together as two different regions. Overseas, chambers are highly valued. In many countries they are second to local government; they are very strong. That is the real value of chambers. In my view chambers are really important and communities should throw some focus into rebuilding their chamber. Often, as a community organisation, there are issues around governance and other reasons they are not working as effectively as they could. My view is that strong chambers feed into strong regions—

Mr RAMSEY: You are singing out of my hymn book, because I often say that, if you want lasting and real change in a community, the community needs to drive it. It's all very well for us to descend from afar, but, in the end, if you haven't got local drivers, you won't go anywhere. What do you do to make your chamber so vibrant, apart from just you?

Ms Sheppard: Apart from me? We provide value to the members. Our customers are business people, so, ultimately, they need assistance to grow their business. It's that simple. We listen to our members and we provide what they need. I think that's key for any business. You need to know your customer to be able to deliver what they need.

Mr RAMSEY: What kind of budget can you afford to do all that?

Ms Sheppard: Chambers run on the smell of an oily rag. It's an issue for all local chambers to look at their sustainability model. Our chamber was in the same boat, really. If you let yourself try to be everything to everyone and you go down the track of being a community organisation, then you're going to get yourself into strife. You need to stay focused on your core business and we are there to support SMEs. There is a cost to that and we need to make sure we're viable as an organisation. The members pay if they see the value. It's actually quite simple, but you need to say no so that you can do your yes.

Mr RAMSEY: Am I allowed to have the budget figure?

Ms Sheppard: I didn't have to swear on a Bible, did I! Our turnover is up to \$400,000 a year, just for the Toowoomba Chamber of Commerce. We just focus on Toowoomba. The regions in TRC have their own groups. My personal view is there is some merit in our community exploring how Toowoomba chamber, which is a strong organisation, can work with the regions and what the model might look like. I really think the strength in the chamber lies in the network and the connections. We are currently talking with the Ipswich chamber, the Dalby chamber and the chamber in the Lockyer Valley about how we can work together on opportunities that may arise that affect all of our businesses. That collaboration is really important. It's probably in our psyche as Australians. I have an ag background. We don't tend to work that well together. We are a bit inclined to row our own boats, but there's a lot of value in really collaborating for small business.

Ms MARINO: Could I take that a little further? When we see a central major community—perhaps like Toowoomba; we have those in Western Australia in a similar sense—a number of the outlying towns often lose some of their vibrancy because there's a shift. In working with those local communities, what do you think, for practical purposes, is going to be useful to help grow and maintain those smaller communities that still need to be vibrant in their areas in the way that your collective 400 members are? To someone like me from a rural and regional area, it's really critical that those smaller communities get some of the benefits of what the Toowoomba centralised model is able to achieve.

Ms Sheppard: Bryan might have a view on this as well. I think it's all about local engagement. I think the reason that communities disengage is that they feel they're not being heard. They feel they don't have a vehicle in which they can say what their communities want. If I look at the chamber model across Queensland, I think we've got some work to do in terms of connecting. If you're in a business group in Highfields or an outlying suburb and you join the business group, then you are automatically linked with the Toowoomba chamber and the Queensland chamber. So you have a mechanism where things can feed up from the ground, but things can feed down as well.

Ms MARINO: I will take that one step further. It may be more a question for the mayor than anyone. In that collective model, is the majority of the local government funding—because there's been an amalgamation—spent

here in Toowoomba? Or how is it, in a sense, shared through the broader communities so that everybody comes along on the same journey?

Ms Sheppard: That probably is more a question for the mayor. I'll speak on Paul's behalf, if he doesn't mind. The council is very focused. We did have the amalgamation, which was tough for this region.

Ms MARINO: Very.

Ms Sheppard: There are council resources to work with the regions to have a coordinated effort to grow the regions. In terms of actual spend, I couldn't answer that question.

Ms MARINO: It's just the prioritisation of projects, because each of those local communities has its own projects that will empower its local economy. And they also want those considered in the overall planning, because that's part of the regional development. It's not just the one centre; it's how you bring the whole region along with you that I'm also interested in.

ACTING CHAIR: Absolutely. Through you, Nola: I think that we might potentially hear more about that today when we speak with Regional Solutions.

Ms MARINO: Yes.

ACTING CHAIR: In my forward reading of the program, would you say that what they're suggesting with Highfields, for example, could be an indicator towards that answer?

Ms MARINO: Yes. Particularly in those communities, each of those small businesses work and operate in that small community. If we lose those small businesses, the vibrancy goes, there are fewer options for the locals and they have to source whatever they need in services and goods in a major centre. That empowers the major centre and disempowers the smaller community.

Ms Sheppard: Can I just make one quick comment there? If you look at the broader region—perhaps Bryan's region—in some of those centres smaller towns have actually been quite severely affected by the downturn in the gas. So one of the suggestions I would make is that I know the state government, and perhaps the federal government as well, has quite a focus on start-up activities. We have hackathons and a lot of activity around starting new businesses, which I'm not taking away from, but statistically a lot of new businesses fail. I think we, as a nation, need to look seriously at supporting existing businesses more, because, if you're in a little town like Miles or Cunnamulla way out west and you're doing it tough, it's much better to provide some turnaround support for those businesses so that they can stay operating, because generally they're the people who actually want to be in that community and contribute back to their small community. We need to help those because the SME environment is tough. The margins are not big, so, if we could invest some money and some services into turnaround-type work with existing businesses and shift the focus in the regional areas towards not being so focused on start-ups but also being focused on turning around businesses so they can adapt, operate in a different way, remain profitable and stay in those businesses, I think that would be a good thing to do.

Bryan Gray: Can I just add a point to that? I've had a few conversations around this recently. A gap exists, and, obviously, funding models have changed. We mentioned BBRF before and now there's the growth fund, so there's obviously been a precedent. Certainly, in our area, in the last round of BBRF, whilst the council led a project, it was basically funding for a private organisation. Ultimately, yes, they're the job creators, and this is obviously why we have the regional growth fund, but there is a massive gap between \$10 million plus projects in a small operation. And I only met with one yesterday. They need some capital money to basically fit out an existing building to expand. It's 11 jobs, and they will double—it still 100 per cent of new jobs. But there is no access to capital grants—and Jo has mentioned the small and medium businesses for that. So we're looking after the local governments in terms of it, and the mayor mentioned about these competitive funds. We also now have a large fund for private, but we're lacking some of that small, accessible money for small businesses, certainly those in regional areas, to expand and to access markets, whether they're domestic or international.

ACTING CHAIR: I know it's difficult to put a figure on it, but I understand exactly where you're going with this. Can you perhaps put a ballpark figure on that gap? As you say, it's \$10 million—dollar for dollar, it's \$20 million. That's what we're really talking about with the growth fund. That's a reasonably sized project. You're coming back now to perhaps incentivising—can you put a dollar figure on those, roughly?

Bryan Gray: The BBRF starts at \$20,000 and goes to \$10 million. I think there would be an avenue to quarantine some money out of grant funds—whether it's for small locations. We had an RDA fund round where it was only open for populations of fewer than 30,000—obviously, local government. But you could do something for private sector up to that half-a-million-dollar mark. They're quite willing to invest, and, certainly, I can only speak of this project I met with yesterday. They're more than happy to invest, but they need the confidence that, whilst they're investing in building capital, there is also a lot of money then to spend on getting themselves up to

standard in terms of getting into that export market, or growing those markets. And they're willing to do that, but they just need some of that incentive grant money or some money to be made accessible so they can do that.

Mr DRUM: When I was in Victoria—to be honest, I don't know the Queensland situation will—we had a state government fund of \$500 million set aside for regional development. Does something like that happen up here?

Bryan Gray: There's no official relationship between the federal government and the state government in Queensland, in terms of RDA. I think someone mentioned before that they were from South Australia, and in the model down there all three levels of government fund the model, and RDAs are, predominantly, a key driver.

Mr DRUM: Irrespective of the fact that they don't have a relationship with the RDAs, does the state government of Queensland have a regional development fund to the tune of half a billion dollars over a term?

Bryan Gray: They've got a few funds. Some of them are around capital works for local government, and they also have what was the Royalties for the Regions fund. I think it's now called Building our Regions, which, basically, commenced out of the gas, but it is predominantly only for local governments to apply for.

Mr DRUM: They were getting about a billion dollars a year out of the gas royalties, weren't they?

Bryan Gray: The problem that exists, though, is that, while federally funds like BBRF are there as well, we don't have that relationship in this state and we can't coordinate. Obviously, the best way to fund infrastructure would be to involve all three levels of government, but at a state and federal level they don't talk to each other, or they are round based and those rounds don't align.

Mr DRUM: In relation to decentralisation, the committee has often heard around Australia that the best transitions and the best examples of decentralisation happen where there seems to be a natural fit with the department and the area. If you were to make a pitch, what would you say are the natural gifts of this region that would, therefore, attract a like entity that's going to prosper and grow and be a win-win for whatever organisation it is that you would like to see assisted out to this region or grow from within this region? The second part of that is: would you also like to see a second tier of decentralisation where you might move a smaller number of people out into places like, as you mentioned, Cunnamulla, where 10 or 15 jobs might make a significant difference? It doesn't just have to be 80 or 150 jobs into Toowoomba; it could be a second tier or even a third tier of movement out to try and create those natural fits within the regions.

Ms Sheppard: Toowoomba is very fortunate in this region because it does have so many strengths and its economy is quite diverse. When you're looking from a government perspective at decentralisation, it's really important to look at the competitive advantage of each region so that you actually do fit with what's growing in that region. For us, it's been the food, agriculture and mining. It is also health, education and aged care, and tourism is the other—

Mr DRUM: Is there anything you're not good at?

Ms Sheppard: I don't think so, no! We actually have an exciting project called the Pulse Data Centre, which is also going to give some opportunities to this region in the digital space. I think anything around those sectors is a nice fit for Toowoomba. Toowoomba also has a strong population. Because it is the regional centre for south-west Queensland, it is an attractive place for people from regional Queensland to move to. I think that's the other thing—when you're looking at growing regional Australia, you have to think about where the workers are going to come from. We've seen some issues in the past. One that springs to mind is the abattoir in Charleville, which is growing because the demand for goat meat is extraordinary. They're at capacity, but in their lifetime in Charleville they've nearly had to shut three times, and actually did shut for a period, and it was due to staff. So Toowoomba is very well placed to take government departments.

When I think about further west, it's a much harder sell, because it's hard if you're moving a department with staff in Canberra, for instance, to encourage people to go and live somewhere more remote like St George, Charleville or Cunnamulla. That's a much harder sell. My personal view is that the growth in those smaller regions has to be by supporting the SMEs that are there. Take Cunnamulla, for instance. If every SME in that town was given some turnaround support to grow their business to make them profitable and they all employed one extra staff member, that would be sustainable because people actually want to live in that region. They would be attracting people who either are already in that region or have been away and want to come home. So I do not think you can have just one strategy that's going to fit every region. Growing a place like Toowoomba is going to be different to growing a place like, say, Cunnamulla or Bollon.

Mr DRUM: That's a very good point.

Ms Sheppard: Really, federal government needs to support private enterprise. It's been going around for a long time talking about incentives for businesses to go to particular regions. But, when you're looking at those more remote areas, things like increasing the threshold for businesses around payroll tax—which I know is a state issue—and other real incentives that encourage people to do business in those remote areas I think need to be considered. I did watch *Q&A* last night and I was little bit concerned about the comments coming up saying that decentralisation has been around for a hundred years and it's never worked, so we may as well give up on it. I thought there was a real feeling in the debate—

Mr DRUM: Who said that?

Ms Sheppard: Just in the general debate. We need to really commit to it, so we need to not go down that track that it's too hard and that we can't move people to Toowoomba because the water infrastructure is not there. We need to be really strategic and commit to it. Water security obviously is a key issue. Ultimately, we need to support businesses, because businesses are actually going to drive the growth.

Ms McGOWAN: Jo, I really need to challenge you.

Ms Sheppard: I saw you shaking your head.

Ms McGOWAN: Yes, because it's not really useful for us to talk about payroll tax—that's state government stuff. My need is to understand how best to support private enterprise, because truly the government is not going to come and rescue Toowoomba. It doesn't need rescuing. But there is a role for the government to do what it does well, which is support people who are already doing work. When the mayor was here, he asked the same question: what was it that got the Wagners going? What was the local infrastructure that we can learn from here in a practical sense so we can somehow go to other communities and say, 'Here's what worked'? I know we obviously have to talk to the Wagners about it, because they would know, but that didn't just happen. We have got wealthy families everywhere. That's one thing. Is there anything very specific that you would like to put to this committee to make a recommendation on what we could do to support private enterprise do what it does better—not state stuff; that's the first thing. The second thing is, to you, Bryan, if I could: we've been talking to RDAs everywhere we've gone, and some RDAs do a fantastic job of facilitating. They're proactive; they do stuff. The member representing South Australia is not here at the moment, but he raved about how, in his area, state, federal and local all work together. I've heard you say it doesn't happen. You've got a chance to think about it. What would it take for your RDA to line all the ducks up and get everybody working together and come to the Commonwealth with, 'Here's what we need—a package for you to support us to do what we need to do'? Clearly you're a go-getter community; you could do that. Or is it, 'Actually, everything's going okay here'?

Bryan Gray: I think, yes, it is going okay. However, as I touched on before, there is no official relationship between the state and the Queensland RDA. So the model in our state is different. I think the state government is pulled out of that model in New South Wales as well. South Australia, to us, is always the pre-eminent role and the model we look to in RDA. However, we do work with predominantly our local governments and we do work with our state government. But, as I touched on before in terms of infrastructure funding, there's no communication. They're round based; they don't align.

Ms McGOWAN: I heard you say that. So why not? It's a bit like saying, 'Mum and Dad aren't talking to each other.' What would it take for you to get them to work together?

Bryan Gray: It needs to come from both high levels of government. There needs to be an appetite by the state to look at a model like the South Australian model, and likewise the federal government.

Ms McGOWAN: For you, Jo?

Ms Sheppard: For Toowoomba, I think it's around connectivity, which we've gone a long way towards ourselves, but I think there's support for that. The Inland Rail project is very exciting for our region. I think water security is an enormous issue, and that's infrastructure. It's probably one of our limiting factors here. I think it needs to be top of the list. I think skilled staff—so staffing solutions for business—is also top of the list. Many businesses can't find skilled staff for their operations currently. Some of the changes to the 457 visas et cetera have actually negatively impacted on some of the businesses. So I think a solution around staffing is really important.

The other thing that I think is critical is digital connectivity. In the digital age that we are in now, if you can't have good, solid access to the internet, you are really disadvantaged. I would say that digital connectivity is as important as road, rail and air. That is a big issue for regional Australia.

Ms McGOWAN: I want to go to economic development. You gave the example of payroll tax, but what have you seen at the Commonwealth level that would support private enterprise to do what it needs to do better?

Ms Sheppard: What I've just outlined really. They are key.

Ms McGOWAN: That's infrastructure stuff—and I get all that—but I am really interested in what we could do to support business.

Ms Sheppard: Sorry; I understand what you're saying. A lot of it is about employability—helping them to attract and retain good staff. Training programs nationally need to be revamped so that they are actually relevant to what the business needs. I have been doing some work with some national RTOs around appropriate training packages. I think that is very relevant to SMEs. Training in the digital space is really important. There are a couple of federal grants out at the moment addressing just that, so that people can transition into the digital age. Investment attraction for growth is another key area where the federal government may be able to assist a lot of SMEs. We find at the chamber that we have a lot of demand from our members for upskilling so that they can grow their business into an investable model—so into a package that they can either half sell for succession planning or for further growth. It is really around business skills, so that they can adapt their business—because it is changing so quickly, particularly in the digital space. Big business is critical to the growth of regional Australia, but small business is as well. So I think factoring that into the equation is probably the first step.

Mr STEPHEN JONES: If I ask a question that you have already covered off before I got here, just interrupt and say, 'We've dealt with that; read the transcript.' Mr Gray, I am keen to get your reflections on the role of the RDA here in Toowoomba. You had the Smith review 18 months or two years ago, which said that the RDAs need to refocus and the principal responsibility should be attracting and facilitating private sector investment into regional areas. More recently, the Productivity Commission said that you should fall on your sword and that there is no role for RDAs anymore. I'd like your view on what you see as the role of the RDA here in Toowoomba and how you make a difference.

Bryan Gray: Our office is based here in Toowoomba but we cover 10 local governments to the border. I think the role is around facilitating and taking an overarching view of the region. Whilst local governments are looking after their own patch and chambers of commerce have a membership base, we don't have those restrictions. We try to pull those people together and work across RDAs and local government areas—in particular, on things like the Regional Growth Fund, where, outside of the Toowoomba Council, no other council in our area would have the capacity to fund a \$10 million-plus project.

Our role also includes some of that catalytic infrastructure that we have now—being the range crossing, the airport and the proposed inland rail—and how the rest of our region benefits from that. There is a lot of work around the rejuvenation of rail, right out to Quilpie. There has been some investment from the last round of the Building Better Regions Fund for Morven for a rail hub. There's a lot of work towards St George around rail. So what's the role that we play that can tie all that in with things like inland rail or in assisting those communities to get access to markets through either the airport or utilising the range crossing to access the port of Brisbane?

I see our role as facilitating but also taking that overarching view and how the region as a whole benefits from some of that infrastructure and some of the happenings that are in Toowoomba, in particular, because Toowoomba, probably, is the regional capital.

Everything west, naturally, will come through here and, in terms of decentralisation, I'm certainly an advocate for a lot of those smaller organisations to be based in a lot of those regional communities. Regional communities are no doubt declining. They're at the helm, predominantly, of agriculture and weather. And a role that we're playing is trying to look at some of that diversification of economies. Tourism, in the past, has been a focus predominantly in drought, yet that's changing; it's more of a 24/7 operation. And the further west you go they're getting that. We're really keen to work around that decentralisation.

It's not very clear, in the reform of how RDAs are going to be in that space. My suggestion is around helping facilitate and coordinate some of those small co-location opportunities. I co-located here for some time with a federal department; however, the coordination and linkage back into Canberra was terrible—even to a point where I was, basically, rent free, because they didn't even invoice me for the rent until I chased it up. I think there's a role there, and it could be RDA's role in facilitating some of that. We've got some small departments already here, through Inland Rail, and some liaison roles to the Murray-Darling Basin Authority. We've got two people in Toowoomba; they're flexing to 10. However, they're co-locating to the state department, and we didn't even know that existed. We could have helped broker or leverage an opportunity to share a facility.

I think there's a role there for RDAs to play in trying to coordinate that and trying to attract some of those smaller departments into some of our smaller communities. The benefit is directly into those communities. There is also a natural benefit to Toowoomba, because everything will come through here—through health, through education and socially.

Mr STEPHEN JONES: Can you give me just one example of where you think a particular department or part of a department would move to a particular community that you're talking about?

Bryan Gray: Certainly. From the Balonne Shire Council, with St George and Dirranbandi, and the fact around the Northern Basin, I would think that the Murray-Darling Basin Authority would be a prime organisation to be based out there.

Mr STEPHEN JONES: Do you know how many people the Murray-Darling Basin Authority employs?

Bryan Gray: No, I only know what's here in the Toowoomba office and what they're planning to get to.

Mr STEPHEN JONES: It's very small. I just put it to you that the economic value that the Murray-Darling Basin Authority can add to your community is in the decisions it makes over the allocation of water rights, not whether they move three or four middle-class families out of Canberra and into Toowoomba. The real value they add is how they deal with water rights. Would you agree or disagree?

Bryan Gray: I agree, but I was talking about putting a department into smaller communities, basing them in somewhere like St George. When we're talking about decentralisation of smaller departments, in smaller numbers, I would think that geographically it's relevant, and it's relevant in terms of topic.

Mr STEPHEN JONES: Sure. The point I put to you—and/or Ms Sheppard—is about weight. I don't think we need to say whether we're for or against decentralisation. It's a bit like saying you're for or against Christmas. Everyone wants a Christmas present. The question is the weight that we are going to put on things that we're doing as a Commonwealth government. I don't get people, as I'm walking through regional towns, coming up to me and saying, 'The thing that's going to make a difference to this town is moving 20 DHAS jobs into this town,' for however long they may be here before they're automated. But I do get people saying, 'If only my mobile phone would work when I'm 10 kays from town or if only I could get a decent synchronous broadband signal. They're the things that are really going to make a difference to my business.' In terms of weight of the things that we should be talking about, where do you think the weight of the effort of this committee and other Commonwealth deliberations should be?

Ms Sheppard: I agree with what you're saying. I think the weight should be on looking at ways that we can support business to start in the regions. It could be great for the federal government to pick through, say, the department of agriculture, and I've been involved in programs over the years that, really, could have been based anywhere in Australia. So they would have been great opportunities to bring here. When we are talking about long-term change, business drives jobs, jobs bring people and then you need the infrastructure. So really I think the focus should be on supporting people, like we talked about with the Wagners this morning. We've got local families building the Pulse Data Centre. We've got families everywhere starting businesses that will employ 10 staff this year and could potentially employ 20 next year. So the focus should be on how government can support business growth in the region.

ACTING CHAIR: You've both touched on the critical point here: it's not about moving a department, per se, and plonking it into an area. What this committee is deliberating on is regional growth, development and decentralisation as a piece and how it fits into a much bigger question and conversation. You've touched on the RDAs. How do you feel about the idea that perhaps RDAs could become part of the vehicle for that Commonwealth support for regions? I would like you to talk to me about performance indicators for regional development for RDAs because I'm concerned that we've had the Productivity Commission basically saying that, 'It's not working; they should be scrapped.' We have had other academics saying, 'It's just another level of bureaucracy on top of chambers of commerce in regions.' I come from a region where we have so many regional organisations. Over the years, we have had more reassessments, more studies and more dusty shelves. Really what I'm trying to get to is: is there a place for RDAs, and how do we judge the success of them? Is there something we can transfer into usable policy from a Commonwealth level?

Bryan Gray: Yes, there is a place for RDAs. One of the issues is that there isn't a regional policy. I think there was a 2030 document released. I didn't think it was really a policy. But at our last national forum it was raised that they want a regional body to align to the government's regional policies. Somebody asked the question, 'Where do we find it?' and the answer was, 'We don't have one.' So I think we really need to get that regional policy and then find the model, whether it is RDA that fits that or not. As I said, we've got a nation that is disjointed in terms of the RDA model. There is a very effective one in South Australia and in Victoria, where it all began, but in Queensland we are underresourced. I cover 23 per cent of Queensland, for example, in terms of funding. The Brisbane RDA covers one local government and it gets only \$5,000 less than what I do.

ACTING CHAIR: I'll just bring you back to the question of what we could use as measurable key performance indicators for RDAs. If they were properly resourced, what would be a fair assessment of their success or otherwise?

Bryan Gray: I think one is investment. Obviously part of the reform is looking at investment and growing jobs in the region. So one would be looking at what investment they are assisting, working with those existing bodies in that space and local governments. I think there is a need for funds to be accessed by small business to help grow as job creators. Like I said before, there was a precedent in that last round of funding where we were funding even private organisations through government. But if you give a council \$5 million they are not going to employ 100 people. But for a private enterprise that \$5 million will mean a \$10 million or \$15 million project, and that will create the jobs.

Mr STEPHEN JONES: Can you point to an example where you can say, 'But for the intercession of the RDAs here, this stuff wouldn't have happened?'

Bryan Gray: Yes, there have been a few. Obviously we have gone through many rounds of funding. We were assisting and assessing funds at the start through the RDA Fund. Now we're really just assessing. It's around prioritising projects and assisting proponents build better cases. We were lucky enough to secure three projects in the last round, and they were three projects I was directly involved with, yet we still have proponents that don't come to their RDAs seeking assistance.

Ms Sheppard: I was the deputy chair of this RDA when it was first set up. I think there is a role for RDA, but I think the issue lies around the fact that the goalposts for RDA have changed so much since they were set up. They were originally set up to engage with their region and to make recommendations on major infrastructure projects for that region. I think that's still an important role. They need to also be funded. Not long after they were set up, the funding bucket drained away, so there was no money. I think that's the problem with RDA, and, for all of our organisations, you can't be everything to everyone. You have to say, 'This is my role,' and focus on it. I reckon you can fix that.

ACTING CHAIR: I think that collaboration piece is an important one as well. It seems to me we've got people screaming out that they don't get a say locally in what they want to have happen. There is enough room for all of the players—the chambers, the RDAs and the 'everyones', because everyone wants to get involved—but it is about working together and working collaboratively.

Thank you for your attendance. I don't recall that you've been asked anything on notice. You will be sent a copy of the transcript of your evidence and you'll have the opportunity to request corrections to transcription errors, should they occur. Thanks for your input into the committee. We really appreciate it very much.

CHARLES, Mr Shane, Executive Chairman, Toowoomba and Surat Basin Enterprises

[09:56]

ACTING CHAIR: I welcome representatives from Toowoomba and Surat Basin Enterprises. Although the committee does not require you to give evidence under oath, I should advise you that this hearing is a legal proceeding of the parliament and therefore has the same standing as proceedings of the House of Representatives. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The evidence given today will be recorded by Hansard and attracts parliamentary privilege.

Thank you for hosting us in this beautiful part of the world. I note that you have provided the committee with a submission. Are you happy for this to be made public?

Mr Charles: Yes, I am.

ACTING CHAIR: May I ask that you keep your opening statement brief, as we are limited for time.

Mr Charles: Certainly. I very much appreciate this opportunity. I'm sure all of the witnesses have said this: for you to come to regional Queensland and regional Australia is very much appreciated by us when we're talking about some of these issues.

I approached my submission a little bit differently after reading the terms of reference, and I congratulate the secretariat on the terms of reference. I thought they were quite thought-provoking and interesting in that there is a dearth of evidence about regional best practice for economic development, which we've certainly struggled with in our organisation. I'm relatively new to the economic development game. I'm a lawyer by trade. I came into this organisation with commercial bent, having run my own practice for 10 years as a principal partner. I say that because there really was very little evidence out there to understand what made a successful regional economic development organisation. We certainly looked at organisations like Townsville Enterprise, which we'd heard was a regional model, and then we went to the United States because we thought that their practice was far superior to what we saw in Australia.

We came up with a few things. One is a fee-for-service based membership model that we thought was a best-practice model for regional economic development. You may have heard from my wonderful mayor already that the Toowoomba Regional Council have given us \$450,000. They essentially subcontract economic development to us. They terminated the services of some of their employees to let us have a crack at it. We also now receive \$150,000 from the Western Downs Regional Council, which is to our west, at Dalby, Tara and about 11 other regional towns, and our geographic area technically includes the Maranoa Regional Council, which includes Roma, Mitchell, Injune and those types of communities.

We've now used that \$450,000 from council, and our revenue this year will be in the vicinity of \$3 million. It's a public-private partnership model that we see is so commonplace in infrastructure development these days. I think the results of the organisation speak for themselves. I note *The Australian* recently commented that we are the model for regional economic development in Australia. We are visited at least once a month by other regions around the country looking to see what we've done in relation to economic development and how we've been able to have the success that we have.

It goes back to a time in 2011 when we were created. If you cast your mind back, at that stage there was the emergence of a gas industry, not in full flight but certainly starting to ramp up. We had no range crossing. We had no talk of inland rail. We had no Wellcamp Airport. We had no Grand Central development—\$600-odd million here. We estimated that we'd missed out on infrastructure funding of about \$60 billion in towns comparable to our size and greater. We went through a whole range of reasons for that and we did it in consultation with the council. We felt that it was a whole range of things—safe political seats in this part of the world; our proximity to Brisbane, which meant that we could go to Brisbane for services—but we believe that poor advocacy on behalf of the whole region, not just council, was a fundamental reason why we kept missing out.

The predominant factor—we really worked with the Regional Australia Institute on a lot of this. I take my hat off to the mayor in particular, and I'm embarrassed that he's still in the room because he will get a big head. It is optimism that drives community. We can talk about putting building blocks in place and a whole range of things, but, when you look at the literature—and the mayor is the focal point of the community—having a mayor that talks positively and with a great deal of optimism about the region is really quite incredible. But when you link that with local government and with all of the business community, singing off the same hymn sheet, as our local state and federal representatives are, the case becomes overwhelming when you're talking to government.

Since that time—and it's certainly not TSBE's; we don't claim the kudos for it—there has been a phenomenal body of work to try and get the range bypass done, including national conferences, delegations to Canberra and

delegations to Brisbane. The benefit of a private organisation like ours is that we don't need to go through council committees. I can jump in the car and be in Brisbane. I'm generally in Brisbane two days a week. I'm in Canberra—and I saw Ms McGowan only recently. We try and be in Canberra every three months just to make sure we're in front of people and getting our message across on a whole range of points that are critical to the region.

So, singing with one voice—when we sat down and did our strategic planning day for TSBE in 2011, that was the No. 1 focus, and I think the results now speak for themselves. I've outlined in the submission a whole range of things that we think, in our humble opinion, might represent best practice, bearing in mind we're perhaps not best placed to judge ourselves. Then we make a few comments around regionalisation and RDAs and other things through that submission. I'm happy to take questions or go into further aspects in greater detail.

Mr DRUM: I'll throw a question at you that I've asked the previous witnesses. Organisations pushed into the regions, or encouraged to move into the regions by government, always work best when there is a natural fit. If you're in this position and this is your speciality, what is the next organisation that would be welcomed out here because you have a natural fit, not just because you want something. Where is the natural fit for this region?

Mr Charles: It's a difficult one because I suspect everywhere you go in regional Australia a lot of the things will be the same.

Mr DRUM: Exactly.

Mr Charles: Everyone wants agriculture in regional Australia.

Mr DRUM: But what is this region's natural fit?

Mr Charles: Of course agriculture—it's in our DNA, but that's like everywhere else. One of the things where I think we have a real niche is in defence. We have two army bases here in town, with Oakey to our west and Cabarlah just to our north. Cabarlah in particular interests me a great deal, and, particularly at this moment, the township of Oakey has really struggled. It may be familiar to a lot of you on the committee. I think there is a real opportunity to try and boost this town. I don't have Defence security clearance, so I don't exactly know what goes on out there, but a great deal of cybersecurity and cyberdefence issues occur at the Cabarlah base in particular. With the advent of a data centre outside Canberra, this base is the most significant base around cyberterrorism in the country. The white paper and other documents have flagged a significant increase to funding in relation to cyberterrorism and cybersecurity—

Ms McGOWAN: Is that the Pulse Data Centre?

Mr Charles: No. The Pulse Data Centre does fit into this. We think there's a great opportunity for an increased defence spend to be located in regional Queensland. There has been some conversation in relation to making the Pulse Data Centre—forgive me—cat file or Defence rated, because there's no data centre in Australia outside Canberra. That in itself does suggest there's a security threat in it being in one centre. The benefits of being a regional community is that we've already spoken to the schooling network, the university, the TAFE sector. All three are aligned in having and promoting a training pathway for people to be trained in cybersecurity and for that to lead to a pathway perhaps into defence. In regional communities sometimes you can more easily effect change, from a training perspective. That to me is the biggest singular win we can achieve in a region. We can do lots of things on water and everything else, but I suspect everyone else is talking to those. That's the real niche that I see at the moment.

Mr DRUM: What would your year 12 completion rates around this region be like compared to, say, Brisbane?

Mr Charles: They're less than Brisbane. They're certainly less than Brisbane. I don't have the statistics off the top of my head. I'm happy to take that on notice and get that information to you.

Mr DRUM: If you could, and also then the flow-on of year 12 students to tertiary studies as well. Could you get those two indicators of your educational outcomes, thanks.

Mr Charles: Absolutely. I know that, in relation to university, there's been a little bit of data recently that the dropout rates are a little bit higher.

Mr STEPHEN JONES: It's 84.4 per cent.

Mr Charles: Thank you.

Ms McGOWAN: What is it?

Mr STEPHEN JONES: It's 84.4 per cent.

Ms McGOWAN: Completion of year 12?

Mr STEPHEN JONES: Yes, which is above the Queensland average.

Mr Charles: We are a particularly strong area in education, of course, because we're the service centre for the south-east and northern New South Wales. There are 90 schools. A lot of them are boarding schools. I think we are the biggest boarding centre in Australia.

Ms MARINO: Obviously you have done and will do really positive things in this region. I want to pursue a similar line of questioning to that I have with other centres. We have Toowoomba, which is the centre of so much that's happening, so much growth, but I have a great interest in those smaller communities and the hub-and-spoke-type model where everybody—all the boats—are lifted collectively as part of that development. What do you see as your next your role? How do you see yourself, in a practical way, assisting those other smaller communities to benefit in a genuine way and assisting the businesses and the people who live and work there to be a part of that?

Mr Charles: That's a good question. We're fortunate in this region that we've got a number of mayors who are very parochial about their regions—

Ms MARINO: So they should be.

Mr Charles: yet work together. So we've got a group of mayors, and our mayor particularly, who say that Toowoomba can't be successful or as successful as it might be unless the regions around us are successful. You may have heard already this morning that up to 60 per cent—it's nearly 60 per cent—of the goods going through the Port of Brisbane come from Toowoomba and west. We are a real focal point. As part of our organisation we have a strategic relationship with the Western Downs Regional Council and Maranoa Regional Council. They pay us money, so we do more for them, to be frank. In the Western Downs, for example, we're really looking to diversify their economy. We've stopped the rural drift there, particularly with the gas industry. But, at the moment, we do bulk commodity in this region. We say we're the No. 1 agricultural region in the country. From a pure production sense, in local government area, Moree is No. 1 and Toowoomba's No. 2, but when you look at the Darling Downs region that we represent, we're clearly No. 1. We want to work with them around emerging exports at the moment. We're trying to get people away from bulk commodity into value-added products, taking advantage of our natural strengths around that inland port concept—road, rail, air. We've got brand-new, world-class infrastructure in road and air. Let's hope rail will follow shortly—

Ms MARINO: But do you see that manufacturing? I see what's happening now out near the airport in food manufacturing. What do you see happening in those smaller communities to allow that direct economic benefit to stay in that community and facilitate more and more small businesses in those communities as well as here in Toowoomba?

Mr Charles: We're a little bit different to the rest of the of Australia in that we do have a gas industry. The gas industry here is a really positive story. I'm sure there'll be some detractors, but here it's not an issue. In terms of the people on the ground, CSIRO show 85 per cent of people actually accept or tolerate the industry. I say that because it's important in that Dalby has 1.8 per cent unemployment and Chinchilla has 2.2, so essentially we have full employment.

We want to try to make sure that the agricultural sector tries to move into food manufacturing and food production. We're working with the South Burnett in a more strategic way around water. They have limitations around water. They think if they can get more water to the region, for which there are a few initiatives, they can potentially increase food production and manufacturing, working with Goondiwindi and further west around rail routes and getting different product to market. It's a difficult piece, because each community has to work it out for themselves. Maranoa at the moment has the largest saleyards in the Southern Hemisphere. It's a massive cattle saleyard. Rockhampton might be the beef capital of Australia, but we're certainly the feedlot capital of Australia in a number of different, intensive agricultural aspects. They're now trying to think about—similar to Charleville—getting into goats and particularly getting an abattoir. If it's the biggest saleyard in the Southern Hemisphere, why isn't there an abattoir associated next door to provide employment and value adding that product by throwing it on the road down to Toowoomba and getting it out on a plane?

This airport in particular has been a catalytic piece of infrastructure, but I think it's been catalytic in the way people think about themselves. We now no longer think about domestic markets only; we're thinking about international markets. Two years ago, we took—without any government support—220 people from Toowoomba to Shanghai in China. We have an office in Shanghai that is looking at trade opportunities. From that trip alone, people estimated they would generate revenue of \$350 million. We're doing the same again in June.

Ms MARINO: So the buyer and the seller got together, essentially.

Mr Charles: Yes, that's right. We introduced them.

Ms MARINO: It was directly, whether you came from within Toowoomba or outside—in some of the smaller communities.

Mr Charles: There was certainly some of that. You can imagine people from regional Queensland going to Shanghai, a population bigger than Australia. Their eyes were certainly wide open. For a lot of them, it was about opening their mind to opportunity and what the projects might be if they could tap into an Asian market. That's why we've now gone to New Zealand, because China's probably a step too far for some people to take on their first export journey. New Zealand's our largest trading partner. They have the same food-labelling laws. We're going to go there. We think that they do marketing particularly well too.

Mr RAMSEY: I think you indicated that the \$350 million was an anticipated growth of export. What's the reality of that? How does that pan out?

Mr Charles: I'd say if 10 per cent of it comes true, I'd be pretty happy. I don't expect for one minute that people will generate \$350 million in the short term. We had economists come on the trip and do pre and post surveys, and that was the figure that people came up with. It might have been in the heady days of coming back from the trip and being all excited. Once the reality set in, it was somewhat harder, which is why we're doing emerging exporters programs to try to train people along the way. Regardless, if the trip is successful and opens up people's minds opportunity and we get \$30 million, it's been a worthwhile adventure.

Mr STEPHEN JONES: Thanks for your evidence and for the written submission as well. They're good. I have a couple of points. You identify in here that access to skilled labour is already a stress point within the region. I can see that. You have good skill completion rates of above 84 per cent, which is great when compared to most other regional towns around the country. It's certainly above the Queensland average. It seems to me the challenge for this region is not how you get more skilled jobs here but how you get more skilled workers here or staying here. What does Toowoomba do to ensure that you can hang onto or attract back to the region the skilled workers who come through the great schools in this joint?

Mr Charles: It's really challenging. I think it's a real challenge for regional Australia because the reality is—and the universities tell us—that the grass is always greener. I did it. I went away to study law. You want to go away to the big smoke and experience life. We see this evidence in Australia, although you hear it anecdotally. I haven't seen much empirical evidence that people don't move for work. In this region we've seen a lot of fly-in fly-out with the gas industry. One rider to that—and I mention it in my submission—is that QGC are now telling people that they have to be employed in Chinchilla, to our west, and people are moving for that.

We're trying to do a couple things. We tried to work with the Queensland government around a 'move to Queensland; move to Toowoomba' type of campaign. Working with state government departments—or any government department—is somewhat problematic, so that took longer than we anticipated. We're going down a crowdfunding model at the moment, working with the university and whether business in Toowoomba will fund a national advertising program. It's something that we want to talk to the regional council about to promote the benefits of living and working in this region. We are only embryonic in that stage. We've spoken to Regional Australia Institute. They say that blanket mass advertising campaigns don't work. No-one's done an effective social media campaign, so we're thinking about trying that.

The other thing we've been exploring more with Regional Australia Institute—and anecdotally we think it works as well—is skilled migration. It certainly worked here during the construction phase of the gas industry. Toowoomba is really successful—again, being led by our mayor and a number of church groups in this community—at welcoming refugees and migration to this region. That is potentially a pretty handy scope. I know there's a fair bit of commentary around it in the federal government sphere at the moment, but it's something that I suspect we'll be making submissions on at some stage to try and loosen up that regional migration workforce development.

Mr STEPHEN JONES: I'm interested to hear further from you if you have any other contributions you want to make on that. I come from an area that's similar where, after leaving school, often the first ticket young people buy is one to Sydney, Melbourne, Canberra or somewhere else. Sometimes they come back in their 30s and 40s, but often they'll move out. Hanging onto your skill base is critical. The point is to make it interesting for people who live in our regions.

Mr Charles: A big change—and I talk about it there—is connectivity.

Mr STEPHEN JONES: That's going to be my next issue.

Mr Charles: Toowoomba five years ago was a completely different place. I'm not sure if you've been able to walk the streets, but there is a sense of optimism that you can taste, touch and feel. There are laneway cultures, funky new restaurants—a whole range of things. That in itself is good. Heritage Bank has their head office in

Toowoomba. It has struggled for decades and even contemplated moving its head office to Brisbane because it couldn't get qualified people to move here. Now with the advent of an airport, it has people from Sydney relocating to Toowoomba. Some initially, I must admit, were fly-in fly-out, but they've all transitioned now to live in this community. Now that there's connectivity to the rest of the world—and particularly capital cities—it makes an extraordinary difference. You see investment decisions that out of Sydney and Melbourne now. You jump on that plane and every day there'll be someone from Sydney or Melbourne coming up to look at an investment decision that have to make in Toowoomba. It is quite extraordinary what connectivity will do for a regional community.

Mr STEPHEN JONES: How do you rate it? I'm looking at your figures. They're not small-cell data, but for Central and South-East Queensland, Swinburne University have teamed up with Roy Morgan Research and Telstra to have a digital inclusion index. This part of Queensland comes in at about 54 out of 100. The national average is 56. The Queensland average is 55. You're below the national average—and, by the way, I don't think 56 is a good place to be either. How do you rate connectivity? You've lived and worked in Brisbane yourself. How do you rate connectivity here compared to other parts of Queensland?

Mr Charles: It's still poor. I live 10 kilometres out of town and don't have an NBN connection. I think I have a one megabit per second upload speed. It really limits where I live, particularly in rural areas. As soon as you get outside the city—the airport, for example—

Mr STEPHEN JONES: I flew into it this morning.

Mr Charles: Did you check your phone? You've generally got no bars of service at Wellcamp Airport, which is just incredulous. It's been there are now four two years. Telstra, because of lack of data and numbers coming through the airport, can't put a tower up. It is poor. I think we're improving. Toowoomba is becoming an emerging centre for ag tech in particular and NBN. We're seeing the Pulse Data Centre you've heard about. We run a 400M—because you have to have a sexy gen Y name—ag tech conference. We're seeing a lot more people, and USQ has a significant digital base. I think you'll see it improve. It's certainly poor at the moment, but improving.

Mr STEPHEN JONES: In deference to my colleagues, I'll hand back to the chair.

Ms McGOWAN: I'm really interested in the environment to grow decentralised businesses. You've just given us a couple of beauties. You've talked about Heritage Bank. We're looking for case studies of best practice. When we were in Bendigo, we looked at the Bendigo Bank, which is actually centred in Bendigo. It's a really good example of something decentralised, financial and locally based, so maybe you could take that on notice. You also talked about skilled migration. That is another one you can maybe take on notice. We had some excellent evidence in South Australia about country towns that have so much potential, but they need skill service and migration. A positive, proactive regional migration plan could solve lots of problems. I'm wondering if any work has actually been done. You could send us the report on what your skilled migration program was. Obviously it's not all refugees. We did hear previously from Jo about changes to the 457 visas having a bit of an impact. It would be good if you could get us some really specific information, because they are practical levers that the Commonwealth could pull—already doing that work—that could actually make a difference on the immigration stuff. I was talking to the mayor before about the Wagners' airport. What was it, other than good trust and love, that actually made it work? Is there anything specifically that we could learn from that experience that made that local community invest in their own local community to such a large extent?

Mr Charles: No is the short answer. The mayor and I travelled to Canberra to talk to Defence, and we asked. They said, 'The Wagner family won't even give us their business case for this development.' We laughed and said, 'That's because they don't have a business case.' They are a wonderful family that did something on a gut feel, and it's clearly worked. The airport has been driven solely on the back of the gas industry. Regardless of whether you like it or hate it, it has been a phenomenal thing for this region. I tell people from New South Wales and Victoria, and particularly their state leaders, that it's a disgrace that they don't have it. The benefits for regional economic development are quite incredible. The infrastructure that's been developed as a result, such as an airport, is just quite extraordinary. As you drove into the airport, you would have seen Schlumberger. They've got their Australian headquarters based in Toowoomba now because there is an airport.

Ms McGOWAN: What is Schlumberger?

Mr Charles: It's an international mining house, well-drilling and servicing company. In the Cooper Basin, if they can fly a part in for servicing overnight, get it machined at an engineering house overnight and then back on a plane and back into the field, it's saving them money. They know they can do that here, because they've got the supply chain set up. We've had 43 companies relocate to Toowoomba just for the benefit of well drilling and servicing in the gas industry.

Ms McGOWAN: That's the goal for us. Do you have any other information? Is that collated in some form so we can actually have a look at those companies that have relocated here?

Mr Charles: Yes, certainly.

Ms McGOWAN: If any economics has been done on that, that would be great.

Ms MARINO: But that's based around the support for the resources sector.

Mr Charles: That's right, and gas specifically.

Ms McGOWAN: And an airport.

Mr DRUM: I come from a state where we have a government that doesn't want any onshore gas drilling, and yet you talk about this region where there is something like 85 per cent acceptance, and the benefits are flowing and ag is working with the gas industry. How do we get that story into the mainstream, as opposed to the fear and the scaremongering that seems to dominate the whole gas story in the southern states?

Mr Charles: It's a difficult question. It's a question that industry groups, gas companies, have been grappling with for years, because they still haven't got it right. What we hear is that the political capital is really based in your major capital centres still at this stage. I sat on the GasFields Commission in Queensland. Peter Reith, from Victoria, came up and had a conversation with us and went back and recommended that the gas industry be accepted with appropriate regulation. There have now been two million wells in the world fracked, with very little evidence—I don't know how you fix that campaign. We've volunteered. We've gone to Melbourne and spoken at gas conferences and a whole range of things. But, at the end of the day, it's not particularly my job. I'd love to run a campaign in *The Sydney Morning Herald* and Melbourne, saying: 'You're about run out of gas, and gas is up to \$4 a gigajoule dearer. Move to Queensland. Move to Toowoomba.'

Mr STEPHEN JONES: Yours goes into the national pipeline. Yours goes up to Gladstone as well, doesn't it?

Mr Charles: That's right. It does.

ACTING CHAIR: Just a couple of really quick questions, because we are rapidly running out of time: I note that you said that there was a lack of empirical evidence for regional development; do you work with the University of Southern Queensland Institute for Resilient Regions?

Mr Charles: Yes.

ACTING CHAIR: Has that been a collaborative effort to try and come up with some empirical evidence for regional growth?

Mr Charles: Not particularly. It's looked at health and, particularly, rural and remote communities rather than Toowoomba so much. I'm actually meeting with the institute director this afternoon. We've done a lot of work with their Institute for Agriculture and the Environment around agricultural-type programs, but not so much to this stage. We've probably worked more closely with the Regional Australia Institute.

ACTING CHAIR: There is quite strong evidence across the globe, particularly in relation to medical schools, that, where there is a medical school, towns and cities benefit, particularly regional centres. I speak on behalf of Newcastle, where we have an excellent medical school. We had some evidence out of Tasmania which says that, whilst people do move away in the first 10 to 15 years after graduation, there is always a flood back to within 80 miles—excuse the imperial measurement—of support networks and where you were educated. I think that that is probably worthwhile investigating. I'm saying that more for the *Hansard* transcript, the secretary and all committee members, because I think it is something that we do need to look at.

Mr Charles: It is certainly the focus of ours—that green change and coming back home after your training.

ACTING CHAIR: The other piece that I am interested in is the Oakey piece. I come from Williamstown in New South Wales and I'm very familiar with the PFAS contamination issue. In a spirit of positivity, I feel that Defence has a huge opportunity to deal with PFAS. Obviously, a lot of it has emanated from Defence sites, but I think that Oakey and Williamstown have the opportunity to be the headline pieces for how we remediate and turn a negative situation into a very positive one. We have in Williamstown, of course, the Joint Strike Fighters coming, so I encourage you to perhaps talk to me outside of the committee about that.

Thank you for your evidence today. I note that you were asked to provide some evidence for Mr Drum, but we found the information that he was looking for. Please have the information that Ms McGowan has requested to the secretary by 23 March. You'll be sent a copy of the transcript of your evidence and you'll have the opportunity to request corrections to any errors. Thank you again for your work. We might take the opportunity to look at your submission and, if there are further questions, reach out to you.

Mr Charles: Absolutely. Thank you very much for your time.

CHARTERS, Associate Professor Kathryn (Kate), Director, Management Solutions (Qld) Pty Ltd

PRESTIPINO, Robert, Director, Vital Places Pty Ltd

REID, Ms Mary, Director; Owner, Merivale Cakes and Crafts

[10:28]

ACTING CHAIR: Welcome. Although the committee does not require you to give evidence under oath, I should advise you that this hearing is a legal proceeding of the parliament and, therefore, has the same standing as the proceedings of the House of Representatives. The giving of false or misleading evidence is a serious matter and may be regarded as contempt of parliament. The evidence given today will be recorded by Hansard and attracts parliamentary privilege. Would you like to add anything about the capacity in which you appear before the committee?

Prof. Charters: I am chair of the SEGRA National Steering Committee and co-founder of Regional Solutions.

Ms Reid: I am a director of Vital Places Pty Ltd and member of Highfields and District Business Connections, the business group that's been auspicing this project, and a member of the Highfields Community Heart Project 2020 steering group.

Robert Prestipino: I am the co-founder of the Regional Solutions framework.

ACTING CHAIR: What an exciting project. I really enjoyed reading about that in the lead-up to this committee hearing. I've read your submission and would like to hear more about it. Would you like to make an opening statement?

Ms Reid: We have two very short opening statements—one from Robert on his area of expertise and the other from Kate. Robert will be speaking on regional development planning and design and local engagement with community leaders. Kate's opening statement will be on the executive national policy.

Robert Prestipino: How do you activate regional growth that strengthens local communities? Imagine a regional community in distress where local leaders decide to start seeking solutions rather than asking government to fix it and working from within their own community to develop an idea that responds to local values, aligns with government policy and is attractive to corporate investors. This is what the application of the Regional Solutions framework has created for Highfields and other regional communities. Over the last four years, the RSF has provided a unique synthesis of expert policy knowledge with award-winning design practice to develop a systematic pathway for local leaders to create regionally significant projects that deliver employment, promote regional growth and protect community lifestyle.

For me, as an urban designer passionate for regional Australia, the Highfields project is a result of over 25 years of working with regional communities in government programs across more than 40 projects, seeking to shape better places for people and business. It is an experience that has actually challenged my design training to the core and made me look deeper into the unique trends shaping regional communities. To find better ways for promoting growth that protects lifestyles and provides sustainable employment—a place based approach that sees growth as change that strengthens communities. Place based regional economic development provides insights for the long-term sustainability of our regions. It aligns with existing governance structures and reveals a new pathway for creating collaborate economic development networks across our regions.

Regional Australia urgently needs to learn from Australian innovation projects rather than overseas case studies—projects forged by Australian innovation distilled into transferable learnings that benefit other Australian communities seeking sustainable growth options. We do learn best from our mates. Fast-tracking a cluster of priority innovation projects would provide profound program learnings that empower regional leaders keen to promote growth that delivers local employment and protects lifestyle. The Highfields bold vision of being Australia's first regional lifestyle enterprise precinct is a research and innovation doorway to sustainable economic opportunity not only for the Toowoomba region but also for every regional community seeking to secure their place in the future of Australia and its transition to the new economy.

Prof. Charters: Are our current regional development policies leveraging the most out of government investment in regional Australia? What needs to happen to ensure that regional communities leverage the maximum benefits of jobs and growth? These two questions have exercised my mind often in the last 30 years while I have been working in public policy and implementation for regional development. I guess they have led me to two questions: firstly, what do we want from regional economic development; and, secondly, how do we maximise economic growth in regional, rural and remote Australia in the 21st century?

Until recently, policies and the grant application processes for regional development have tended to encourage wish-list thinking and unintentionally generated standalone projects that have often resulted in significant ongoing asset management costs for local communities rather than measurable local economic development. I would like to draw a little bit of a distinction between regional development and regional economic development in that statement. The emphasis on place based theory combined with the increasing requirement for non-government investment partners and their need for more investable business cases has challenged regions in how to identify their best ideas for sustainable growth. One of the things we say is that there are a million good ideas out there, but which are the good ideas that will actually deliver sustainable growth for regional communities?

There's growing evidence that new approaches are required founded upon the development of a more diverse networked, coherent, local economy. To maximise the regional opportunities of this evolving policy direction—

ACTING CHAIR: Sorry, can I just stop you there, Kate. Can you just repeat that phrase that you used?

Prof. Charters: Diverse, networked, coherent, local economy—as opposed to a project.

ACTING CHAIR: Yes, I understand that.

Prof. Charters: To maximise the regional opportunities of this evolving policy direction means our programs need to help identify an evidence based way to develop greater collaboration. We've heard about greater collaboration a lot and partnerships at the place level to catalyse local jobs and growth. So what are the evidence based ways to develop greater collaboration and partnerships? This collaboration needs to work across government, community, not-for-profit, interest groups and businesses in order to create the right mix of stakeholders if we're going to have effective decision-making, funding and commercial arrangements for collaborative public and private investment. Reflecting place based values and delivering economic growth requires transparency, accountability and compliance with multiple participants. Each brings different motivations to the collaboration and each operates in different regulatory frameworks. It's becoming increasingly apparent that there's a role for some sort of independent oversight when delivering regional economic development through collaborative partnerships. Whilst we have conducted several early collaborative investment projects in New South Wales and Queensland, of which Highfields is one, further demonstration projects will provide essential insights to policy formulation for place based economic development in regional, rural and remote Australia.

Ms MARINO: I would be really interested in the very practical early steps of bringing together the groups that you've spoken about. I've seen you nodding when I've talked about the hub and spoke of the broader, smaller communities and how, in the model that you have put together, they will benefit, even from some of the practical early steps to bring people together. You've spoken about who needs to come together, but how do we do that so that everybody shares what needs to be achieved—that local ownership issue. I think the member for Grey, Rowan, has previously said—and we know, because we live right out in the regional areas—that unless the local community owns it, believes in it and drives it, and there are ongoing generations to do the same, it will fail. I'm interested in that.

Prof. Charters: I will speak specifically about the hub and spoke, which is my area of expertise, and Robert will talk about how we've done it in the different regions. We have been very concerned about the tendency for centralisation, which has been discussed already, and we think that that's a force that you can't come against. But, I think as we've seen in some of the discussion already, the impact of how people think about themselves will proactively drive this. So one of the key things in our approach is to say that we can't just focus on the hub; we have to be out looking at how we can drive that character, enthusiasm and positivity in smaller regional communities. Locals can often reveal the opportunities not necessarily apparent to outsiders. One of the purposes of our strategy is to reveal the opportunities in these smaller regions that aren't necessarily apparent to outsiders.

Ms MARINO: You're saying those local people are very much part of that early process and early engagement—

Prof. Charters: Yes, and Robert will talk about that early engagement and process.

Robert Prestipino: Absolutely. At the heart of the process we've been working on is place and the values of that place. In our document we talk about how the journey to a viable project starts with passion. We go: passion, purpose, process, projects. And that passion is exactly what you've said: how do we get together the values for the project? We've got a systematic way of working with local leadership, because, when we're coming in, the end line of this is a regionally significant catalyst infrastructure project. We going to intervene for economic development. So it's not a community development exercise where we start. For Highfields, we were invited in by the local business community because of a concern. That's always our starting point. There's a local leadership, and often, on the 80-20 rule, 20 per cent of—

Mr RAMSEY: Who was that local leadership that actually contacted you?

Mr STEPHEN JONES: And what was their concern?

Mr RAMSEY: Was it the chamber? Was it the RDA? Was it the council?

Robert Prestipino: It was HDBC that Mary is—

Ms Reid: Highfields District Business Connections. The original concern came about probably by default as the rapid growth of Highfields falling off the growth of Toowoomba, and Highfields was being dubbed a dormitory suburb. That's not what the demographics of Highfields considers, and they wanted to look at developing their own economic development strategies. That was the trigger to get it all started, but it's all been under the membership of HDBC.

ACTING CHAIR: HDBC is obviously a network of business owners. Are you like a chamber? Who are you? Can you just reference that for the committee, please?

Ms Reid: What I can do is explain that we have been in operation just over 10 years. We are a business group. Initially, we were a business networking group for businesses in Toowoomba. We have bipartisan reciprocal arrangements with the chamber of commerce. We tick-tack with the mayor, particularly now our project is picking up so much momentum. We meet with the mayor monthly. The project has been endorsed and fully supported by our membership base who are the ones saying: 'We don't want to be considered a dormitory suburb. We're bigger than this, we're better than that and our demographics prove it.' Does that answer your question?

ACTING CHAIR: No, not really. You're not a chamber of commerce, but you're a network—

Ms Reid: A registered business network.

ACTING CHAIR: A registered business network. Thank you.

Ms Reid: We've been in operation for 10 years, and, until 18 months ago, we were just doing networking activities. But with the growth, we decided—others, Jim O'Dea—we took on the mantle of economic development advocate.

Robert Prestipino: There's one thing I wanted to clarify, too, in the process now about passion. Yes, because it's economic development, we're often invited in by the local business group, whether it's a chamber or any other networked group, depending where they are. They're the ones motivated. The first thing we say is: 'Yes there is a way to change things, but you've got to identify your place in the region. What's your regionally significant asset?' And the first part of your values and passion journey is: 'Look outside your group.' We created a local leaders' workshop that had leaders from education, health, lifestyle and environment that were outside the membership base of the business group that invited us in and has auspiced this. So that's one of the fundamentals about yes, looking now, you can't drive solo agendas, because we needed to get the best values that we should look at and work in an economic development idea, but it wasn't just drawn out of the business group, so that was—

ACTING CHAIR: Can I just pick up here, committee. I'm hearing two distinct messages. We have a chamber of commerce coming out of Toowoomba saying small to medium enterprises create jobs and they need government support. I'm hearing from the Surat Basin organisation that they couldn't find local empirical evidence so they had to look to overseas models, yet I'm hearing from you that we learn best from our mates. And I'm not denouncing that. I'm saying that there is diversity of opinion within the evidence given at this hearing, which I think is excellent. I'm not asking you to all sing from the same song sheet, because sometimes I think if we all sing from different songs, the harmony can be amazing. But, following on from Nola's line of questioning, can you speak to me about how you got started, where's your empirical evidence and what is this formula that you use? Yes, I can see us trying to roll this out in other regional areas across the country. I feel like we're finally getting to the kernel of some information. And I've been hearing evidence all over the country for many months, but I'm starting to hear something from you, and I'm really interested.

Robert Prestipino: I'd like to say a few words and hand it to Kate. I think the important thing—and why you've heard different stories today—is that it's about different scale. We're working right down at the community scale which was really at that smaller level where there is a lot of process and evidence of how you engage people and how you develop place-based projects that have economic outcomes. When you're working at the regional council scale, the bigger scale that TSBE's working at, they're actually solving a different problem, and they need different systems and evidence for that discussion. Where we are, I'd like to hand it to Kate to really talk a bit about the difference of scale with our work.

Prof. Charters: You talked about empirical evidence, and I suppose there's a little bit that I would bring to this. I have coedited a book on innovation in regional Australia, and I am one of the founders of SEGRA and have worked—

ACTING CHAIR: What is SEGRA?

Prof. Charters: Sustainable Economic Growth for Regional Australia. I'm a founder of that. It's been going for 23 years. In that time, we've worked across the whole of Australia and looked at how things operate in different places. One of the things that became really apparent to us is this concept of scale and footprint that Robert's alluded to, and I think Mrs Marino has also alluded to it in terms of hubs and spokes. Are you talking about spokes? Are you talking about hubs? Are you talking about RDA-scale regions? What we've tried to do in our process is look at what are the networks between these things? Brisbane connects to Toowoomba connects to other regions. So it's very important, as Robert has said, that in looking at the community values, you get the scale and footprint correct. But it's not isolated. You've got to connect a network, and I think he said that earlier. Creating collaborative networks is critical to our process. I come from a public policy background, so theoretically I'm very interested in things like collaborative advocacy frameworks, coalitions of interest and those sorts of models—interagency collaboration. So, having identified that collaboration was important to place-based development and to achieving regional economic growth, Robert and I have been working for more than four years in developing this framework. Robert, as Mary has said, has an extensive experience in regional planning and design, so we've brought those design thinking components as well as some of the 21st century model thinking about how the world works today, which is why we've got this issue around decision-making, for example, and where power sits.

Ms Reid: Can I just come back to your question. The differentiation between TSBE chamber and Highfields, if you went broader—

ACTING CHAIR: We're not familiar with the acronyms. Who are TSBE?

Ms Reid: Surat Basin, Toowoomba—

ACTING CHAIR: Yes, sorry.

Ms Reid: The Highfields business group has really been a carryover from the amalgamation days, so the community retained its little business group—

Mr RAMSEY: Just to clarify that, Highfields was a separate council?

Ms Reid: It was belonging to Crows Nest, I believe.

Mr RAMSEY: How close is it to Toowoomba? Are we right on the outskirts?

Ms Reid: We're 12 or 13 minutes from Toowoomba.

Mr RAMSEY: So there is separation of agricultural type lands—a small amount? Or peri-urban—

Ms Reid: No, I think peri-urban is probably a good description.

Robert Prestipino: Peri-urban is a good description—big backyards.

Ms Reid: A big backyard, yes—a big block.

Prof. Charters: Though we have done this project in a number of other places as well, with a whole lot of different geographical indices.

Mr DRUM: How is RSF funded?

Robert Prestipino: It's been jointly developed by Kate and myself, basically, through our own sweat equity. We've been working on it as a side project to our core business, and I've been applying it through my projects that I'm commissioned on in regional redevelopment projects. So it's really been an industry-led invention that is about trying to develop a framework and a skill that we can give back to regional communities. One of the big things that comes out of a lot of conferences is great international speakers but, 'How do I take this home and do it in my community?'

Prof. Charters: That's the issue. Where does the rubber hit the road?

Robert Prestipino: Exactly.

Prof. Charters: This is what we tried to address in this framework.

Mr STEPHEN JONES: So you've got an agreement amongst the community stakeholders. Is that crystallised in a development application or an LDP, local development plan? How is that crystallised? Otherwise, you have just had a workshop.

Robert Prestipino: It's quite a journey in the sense that what you are referring to is the outcome, whereas at the front end is getting the values right. We take a big idea to create the best investable idea. The document that we have circulated is in that context of a best investable idea; it is not even a preliminary feasibility. We have worked with community. We have identified their key lifestyle values. We have brought in the 21st century research about where the job opportunities are and what the strategic importance of Highfields is. There is a

footprint that has emerged. We were originally speaking to the private owner of that land a year or so before council purchased it, because it was always a strategic opportunity. So you have got values and a footprint.

We are working with the local leadership group. We came up with some ideas, which we ran by our local leadership group first, before we went to community meetings. We are talking about the aspirational drawings in that document, as it says. We are not talking construction, but a lot of people need a bit of a visualisation, and that precinct is an expression of all the values the community talked about but their aspiration is that they want local employment. That is where we are.

Mr STEPHEN JONES: So it hasn't started yet?

Ms Charters: I think that's a really good question, Stephen. I think to just say that it has been a community engagement strategy deeply misrepresents it.

Mr STEPHEN JONES: I'm not trying to be offensive. I'm trying to get a sense of where the rubber hits the road.

Ms Charters: No. I am not saying you are. I am saying that that is sometimes what is said about the project. How does that differ from just good community engagement? I think it is quite different. I think one of the reasons is that we ask a pivotally different question. We don't ask for wish lists of what you want. We ask about what we have to do to get an investable business case. The difference in the question is quite important, so that its focus is on economic development. As part of that, we do have the consultations which Robert has alluded to, but there are also six other players that I mentioned earlier. There are three levels of government. There are business partners. There are social and venture capitalists who need to be involved. So we have engaged with the founder of the Australian Small Scale Offerings Board. We have met with wholesale traders and investors saying, 'What are the chances of attracting investment to these sorts of projects?' We have met with all levels of government. We have met with the NRM group. So it's quite a big group of people. I suppose one of the things that we have said is that sometimes the cart comes before the horse. People say: 'What's the project? Where is the money? Where is the pre-feasibility?' That has all got to happen; but, if you haven't got a good project in the first place, putting all your time and energy into it is the wrong thing to do.

We have held about eight discovery sessions with different regions who have contacted us saying, 'We want to go for this.' And almost to a region, they brought to us a project. Sometimes they had spent \$600,000 developing the project, and the project is a lovely building and it has got beautiful drawings but it doesn't actually have a regional economic development strategy built into it. So, for us, the front end in getting the regional economic development strategy and the place based vision and values is fundamental. We see people rush forward, because the funding—it has changed a little bit with the regional growth funds—necessarily requires you to have done a business case. We are saying that this work has to happen beforehand. I suppose that is why I put that initial question: are the current policies leveraging value in regional Australia, and how can we do it better? It is complex. It does involve collaborating with a lot of people, and the structures for how you do that and where authority lies, compliance and governance, are still being debated.

Mr RAMSEY: As a reflection, where I come from in South Australia, I would be expecting my RDA to be doing what you are doing. I don't know whether there is a breakdown. We are told that they are different from state to state. But to bring about the kinds of things that you are talking about is pretty much what I would expect my RDAs to be working on.

Ms Charters: I am obviously very familiar with the RDAs in South Australia and the work around some of the big investment attractions there—Muradel, Sundrop Farms, the steelworks. The RDAs have played a role. They certainly operate very differently throughout Australia. A lot of the work that happens in South Australia is very much based on collaboration and having their own mechanisms that they have worked out to achieve that. They also have an overarching person who coordinates a lot of the RDA activity. I think it is probably another element that is not recognised in the case study. For example, the case study of how Sundrop Farms came to be there is a more complicated institutional arrangement than it appears to be.

Ms Reid: If I could add to that in relation to the differentiation between the RDA, our business group and this project. The RDA needs more immediacy. We needed to engage the community. We needed to be certain that our clubs and HDBC vision was what the community wanted, and that is why it has taken us up to 20 months to get to where we are at.

Mr RAMSEY: I could probably see that from your point of view, Mary, because you're from the Highfield site as such, whereas Kate and Robert are from—forgive me—Regional Solutions. One of our agricultural advisories in South Australia is called Regional Solutions, so that's why it got a little bit tricky for me there. I can see that you are a local group that wants to achieve change, and Regional Solutions are assisting you to achieve

that change. It is no reflection on anything; it is just that at home I would expect my RDAs to be doing the job that Regional Solutions appears to be doing here.

Ms Reid: I think we need to be very clear. This project is not about Highfields. This project is about a national best practice demonstration model that is going to give us a significant amount of momentum, and not just for this region. It will have a cluster of priority projects that are already strategic assets for the Toowoomba region. That is why we are so thrilled to be working with the mayor.

ACTING CHAIR: I think this is perhaps where, Kate, you made a very important distinction between regional development and regional economic development. Is that really speaking to the nub of this? On the one hand, we have got place based activity. We are looking at how we develop a region using this best practice model. It is not just the economics of it; it is the social interaction; it is where people want to live. I don't know the word for it, but it is all inclusive, if I can use that term. Am I picking up the nuances here?

Ms Charters: Robert, you might like to speak to that.

Robert Prestipino: In the 21st century economy, the biggest brand or economic advantage regional Australia has is lifestyle.

ACTING CHAIR: Yes, amenity.

Robert Prestipino: This is why we are calling this precinct a 'lifestyle enterprise' precinct, because it is not about making Highfields look like a CBD or a city. It is that the people who live there live there for a lifestyle. The challenge is—and this is a design challenge that you need to bring skill to, because the community can't solve this; they've got a vision and a passion—how do we integrate that lifestyle into the 21st economy? What is the commercial precinct that a worker wants to engage in, enjoy the lifestyle of, raise their kids and be employed in an economy that is bigger than it has ever been? If it weren't for the emergence of the internet, we would have very, very limited employment opportunities in regional Australia. But thank God we have it, because we are all saying that now there is mobility, now people in microbusiness and small businesspeople are choosing where they are going to do their business by the quality of the place and the lifestyle. It is an absolutely linked huge opportunity, and it is about the best practice advantage here. What does that look like for regional Australia? Because that is what Highfields can provide: a brand new precinct that is driven by regional values but, absolutely, has a business case and local employment outcome.

Mr STEPHEN JONES: What are regional values?

ACTING CHAIR: We'll come to that in one second, but can I just ask this. This is a greenfield site. I want to know how we retrofit what you have just said into existing regional centres, because that is the key. That's why we're here. We know about housing affordability and we know about liveability. You've just hit the nail on the head when you talked about the opportunity in regional Australia. If you watched *Four Corners* last night and heard about the megacities, we are actually sitting on a massive opportunity here. That is what this committee really needs to get to the nub of—how do we fit in? I do want to get to Stephen's point about getting to those values, but how do we retrofit what you're doing to existing regional centres?

Robert Prestipino: It's absolutely doable, because all that is is a design change. The thing is, this process is place based in the sense that the community has its values, its opportunities and its strategic locations. The real key to this is the footprint. Every idea has to hit the ground. If the community can't find a project site, you don't have a project—you can't do a business case. Whether that project site is greenfield or brownfield doesn't matter—that's just a different problem to solve. But, with this approach, you get the right design brief—because often we get the wrong design brief when we race out to employ the consultants and we get the wrong business case. This process is really getting the right design brief for whatever site you've got—you've got to have a footprint—that's regionally significant. Then it lists, basically, the pre-feasibility tasks and challenges that need to happen. But the important thing with this process too is that, when that happens, you can't disengage that local leadership group and the consultants and everyone else makes decisions over here about a project that no longer fits.

ACTING CHAIR: This is coming back to Stephen's point now about values, isn't it?

Mr STEPHEN JONES: What do you mean when you're talking about community values? Each of you have mentioned it, and dropped it in there—

Robert Prestipino: It's really important. It's in the context that our starting point here is to develop an investable business case for regional economic development. So, in that case, we are saying, 'What are the lifestyle values that our business case and our development site should respond to? What's the local character that's valued?' For example, at Highfields there are the trees and there are a number of aspects there that have been absolutely identified as core values. The design challenge is: how do you grow and have change, and

negotiate to keep as many of those values as you can in an economic business case? When we talk values in this sense it is about an investable business case. You can talk values for community development—they'll be slightly different. Our process here is about trying to pull out the values that will guide us in doing a development site for a business case.

Mr STEPHEN JONES: If I could commit the egregious sin of trying to put words in your mouth, when you say 'community values' do you mean things that the community values?

Robert Prestipino: The best way to explain is by example. For Highfields, the three core values that came out to guide our business case—

Mr STEPHEN JONES: We want a liveable environment, we want to be able to talk to our neighbours over the back fence? Maybe you are talking about something different. I'm obviously not hearing—

Robert Prestipino: It was grouped under three values of wellbeing, safety and connectivity. They were three catchalls for a whole lot of issues that came up. The question we asked was: if you want to move to a future with local employment, and we know we have to grow and change, what values should drive our change process? When we create this new place that is different and new, what should it do? The local leaders of Highfields said, 'We definitely want it to improve safety, we want it to improve our wellbeing and we want connectivity,' which other people have talked about. So, they become driving values for a business case, rather than just going out for: 'What are the community aspirations for community development?' There is that bit of filtering right at the front end. But they're very important.

Mr STEPHEN JONES: Going to the question of scale, when Commonwealth governments talk about regional development it is shorthand for a whole bunch of things, from national infrastructure projects like the Inland Rail or the NBN down to funding a council to help with its capital works program. It is generally not funding a property developer to develop a new subdivision somewhere. It's generally about building things, but the force in what you're saying, it seems to me, is that a whole bunch of this stuff is around leadership and human capital development at the front end of things. Where is what you're talking about fit into what we do as a Commonwealth government when we're looking at regional development?

Robert Prestipino: It really comes in as soon as you start talking about place based infrastructure, place based economic development. That brings it down to the scale.

Mr STEPHEN JONES: Isn't that everything?

Robert Prestipino: There are different scales. You can say, 'Is inland rail place based infrastructure?' No, it isn't; it's strategic national infrastructure.

Mr STEPHEN JONES: Something that is conceived and planned and unique to a particular place—got it.

Robert Prestipino: And it can leverage. In some ways, this process is looking at enhancing the trickle-down effect. If you have an airport and inland rail, is there a guarantee the local small community can benefit? The community doesn't feel that's a natural outcome, but, when you develop the business case for that small community, it becomes a strategic asset nearby to leverage off, but they need to come to the business case ideas that they're happy with that can leverage off inland rail or the airport or the range bypass. That's what we're working at.

Mr STEPHEN JONES: I can sense that Kate wanting to enter some of this stuff! What are we doing wrong in the way that we currently go about economic development or regional development that would benefit from your insights?

Robert Prestipino: Kate, this is yours.

Prof. Charters: Thank you. Thrown straight to me! There are a couple of things that I'd like to say. One is that, for me, regional economic development is about good growth. You can't disconnect it from social community values. However, it's very easy to turn regional development into only soft infrastructure—only parks, only swimming pools et cetera—at the outer regional level. That's a concern for me and that's why I'm saying we really come to the focus of economic development. When we were having our coalition of interest groups, we had a natural resource management group and they were very keen that the whole site would be turned into a park. We said, 'That's fine, but can you turn that into an economic business case?' In the end, they started looking at how you could deliver environmental values within the business case. Their take on it changed and that's what we're looking to have happen in communities. Very often in some of the communities we've gone to, they feel they have enough, but they want economic growth. They're not looking for short fixes, parks or whatever—that sort of infrastructure.

In terms of the question of scale, one of the things that we hear a lot is that inland rail is going to be great for regional Australia. Obviously, inland rail is going to be great for regional Australia, but lots of infrastructure potentially becomes corridors through regional Australia and doesn't connect. This is what we're getting at in terms of scale. Some of the benefits have to be felt locally. They can't just be felt in terms of national wealth. They have to be regional outcomes. We had a really good example from the mayor. It's been wonderful to meet with him. He obviously comes with a collaborative background, being the chair of the Council of Mayors. There are scales, but we have to think about whether we're getting maximum benefit from the money we're spending in regional Australia? I think that's a really key issue for consideration. The other one is: are regions getting the maximum benefit from the money? You can apply for a grant and you can be successful, but did it leverage as much as it could have? That's really the space we're working in: are you leveraging as much economic development as you can that will give good growth for your region?

Mr STEPHEN JONES: We generally do grant cycles in three-yearly blocks. We change them every three years and sometimes between that time. You've been three years in the making on this, by the looks of—

Prof. Charters: Twenty months.

Mr STEPHEN JONES: How does a community get job ready, to stick its hand up for any of the stuff that we're doing, given that cycle. For every government, whether it's my mob or the current mob, it's all pretty similar. How does that front end exist if we were to maximise and do what you propose?

Prof. Charters: Robert and I have spent four years developing this model. We're working in the Highfields project. We're also working in another project in western Queensland and we've done a project in New South Wales. Some of those have been much faster, for different reasons. Partly it is that we're getting practiced at it, but it's horses for courses. Some have a much clearer sense of where their boundaries are. Others are in these sorts of locations. I don't think it needs to be as long as that. The other issue for me is we've had as government policy since 2013, easily, the need to attract investors. I think the nexus between attracting investment and government grant applications, and how that process works needs considerable work, because there are commercial-in-confidence issues and a whole range of other things. We're in the process of developing MOUs. We talk to investors in this early stage, or potential business partners, but the complexity of aligning that with grants is big.

Ms Reid: I have three quick points that I think address Stephen and Nola's comments. I think we're talking about tiered funding instead of three-year funding. For example, the mayor has an economic development group that he brings together twice or three times a year. They're in a position of trying to put their hand up for funding, but they get four, five or six weeks to do a business case.

Mr STEPHEN JONES: That's my point.

Ms Reid: They need tiered funding earlier, not too dissimilar to what RSF does for us. That's the first thing. The second thing is they need to be able to walk the talk. Again, HDBC, the business club, has done its own lifestyle survey in Highfields. Our stats show that the residents want to stay there from between five years and end of life, but that's 80 per cent of them wanting to continue to live in Highfields. That's a phenomenal outcome. The other feedback we've had, as part of our executive meeting program where we meet with politicians, ex-politicians, senior bureaucrats and the corporate sector, is that the Department of Defence is always oversupplied with applications for transfers to Highfields, Cabarlah or Oakey. I think that speaks volumes too.

The other point we're very happy with is the values we identified in November 2016 when we started to run our own workshops for community leaders. Those three values were duplicated when the mayor recently completed his Highfields survey in the last month or so. I think that's an affirmation that we're on track. But I think the most important thing from your question, Stephen, is about what we're doing differently. Local governments across Australia can work only to their charter, correct? Yes, it is. We are working outside the box. Everything we do is different. We're going to get guidance advice or whatever from every person we speak to. On our executive meeting program we are in a position to pick up the best advice from proven corporates and ex-deputy prime ministers.

I'd like to add a comment here that we were given only yesterday morning. We've heard several times about the data centre. In meetings with the data technology park, their comment was this: 'You can advise the select committee that you are in discussion with FKG about the synergies between FKG and Highfields.' We've done all of that outside the box, on a whim—on a whim meaning we're doing it on the fly with the support of these two people and the business group and the members who are so passionate about it. So, coming back to the questions that you posed to Jo and to Bryan Gray, you do need that local leadership group. They have to see that vision. I think the question is: where do we get started?

ACTING CHAIR: Robert, I'm so interested in this. I could set aside another four hours to hear you talk about it. But perhaps we will suspend now for a brief time. I need to give you the official exit strategy. Thank you for your attendance. I don't think you've been asked to provide anything on notice. You will be sent a copy of the transcript of your evidence and you will have the opportunity to request corrections to transcription errors. Again, thank you, and please note that this has been a most worthwhile exchange and I do value it, and I'm sure the committee does. At this point the committee will suspend the hearing and break for morning tea.

Proceedings suspended from 11:15 to 11:40

COLE, Professor John, Executive Director, Institute for Resilient Regions, University of Southern Queensland

MACKENZIE, Professor Geraldine, Vice-Chancellor, University of Southern Queensland

ACTING CHAIR: Welcome. Although the committee does not require you to give evidence under oath, I should advise you that this hearing is a proceeding of the parliament and therefore has the same standing as proceedings of the House of Representatives. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The evidence given today will be recorded by Hansard and attracts parliamentary privilege. I would like to note that Professor John Cole is a member of our expert panel. It's nice to see you again, John. Do either of you have an opening statement?

Prof. Mackenzie: Yes, thank you very much. I commenced as vice-chancellor six months ago and my colleague John Cole has kindly agreed to come today to fill any knowledge gaps if the committee has any questions. The University of Southern Queensland commenced 50 years ago in Toowoomba. It has been a very well-established institution under various guises but became USQ 25 years ago. We have had a very well-established campus in Toowoomba for over 50 years now. We have 5,000 students on campus. We have been very well established in areas of engineering and business right from the start. Our areas include the arts, health, the sciences, education, business and law, amongst other things. Students come to Toowoomba to study from the surrounding regional areas, many of whom live on campus as well.

We also have two other main campuses, both in regional areas. One is in Springfield. We have there 2,200 students on campus. We've been there for two years and we are part of a rapidly growing community. The main areas we teach there are business, education, law, engineering, aviation, and film and TV. We also do research, and John's institute is based there. Many of those areas go across Toowoomba and Springfield. We have a campus in Ipswich. We have had that for the past three years. We have 1,500 students on campus there. We have mainly health programs at that campus in nursing, midwifery and paramedicine. They are the main ones.

We also have a small campus west of here. It's about an hour and a half west at Stanthorpe. It's a joint venture between us and the state government. It focuses on wine science, mainly. We have students who study areas of wine science. Also, research occurs there plus training under an RTO. Online we have 18,000 students. We are very much an online university. Many of our students live in our catchment area. We have a staff of approximately 1,800, most of whom live in Toowoomba or surrounding areas, and we are one of the biggest employers in this region. If you add up the number of students in this region and staff together, we are a very large part of this community. Also, the fact that USQ educates students in the region means that they are much more likely to stay in this region, which is a really important part of the story for the university. Toowoomba is very much an education city, and we are a very large part of that.

We're also part of the six-university Regional Universities Network. The RUN group contributes \$2.1 billion in gross domestic product, \$1.2 billion in household income and 14,000 full-time equivalent jobs to the Australian economy, most of which are in regional areas. So education and training is a growing source of economic value to this region. According to a study undertaken by Toowoomba Regional Council, the sector generates considerable value for the Toowoomba region's economy, and in 2015-16 was the sixth largest contributor of economic value to the region. This highlights the region's specialisation in education and training. The same study demonstrates the value generated by the education sector has grown consistently in the last decade, and it's risen from \$465 million in 2005-06 to \$628 million in 2015-16. Contributing to this is USQ, which has a significant international student population and a consistent proportion of students studying on campus in Toowoomba. Each year around 5,000 students study on campus here in Toowoomba, with around 1,200 international students. In addition, USQ has more than 18,000 studying externally. In 2015-16, estimates showed tertiary education was the fifth-largest generator of international exports for the Toowoomba region, and USQ exports education and research to over 130 countries. The students at our campus here come mainly from South-East Asia and China.

USQ has partnered with the Toowoomba Regional Council, the Toowoomba and Surat Basin Enterprise, and TAFE Queensland South West to establish an education and training cluster in the Toowoomba region known as Study Toowoomba. Study Toowoomba will function in a similar way to other established clusters around Queensland that aim to attract additional students and improve their experience when they're in the region. Also it's developing the capacity of industry and increasing awareness within the Toowoomba community of the value of students.

USQ produces graduates in many key areas for this region—for example, nurses, teachers, software designers and engineers. It keeps those regional students in the region and attracts other students to the region who stay here after graduation. In 2017, 141 of our newly graduated nurses, 165 of our newly graduated teachers and 108

engineers stayed here in the region and took up professional positions here. With an ageing population, health care and social assistance will continue to remain the largest employers in the region, and our key programs in nursing, midwifery, paramedicine, psychology, counselling and human services all contribute to the development of human and intellectual capital in that area. At present on our campuses, USQ has 2,277 domestic students studying in nursing and midwifery, 740 in human services and 305 in paramedicine.

USQ also contributes to the community by our work in the arts, and we've been doing this for many, many years. We have a very established community outreach area called Artsworx, which provides a venue on campus but also works with the community and emerging and professional artists in independent theatre productions, music, film and art exhibitions, all of which, as you would appreciate, are critical for communities. In 2017, just to give you an idea of the reach, 11,600 members of the community attended Artsworx events, and we had 90 events last year which employed over 100 artists. So these types of areas are very important to us as community partnerships in growing social and intellectual capital through resource sharing and through our ability also to focus teaching and research around local characteristics of our area.

In terms of research, our portfolio is specifically directed to meet the needs of our region. Our research is regionally relevant and has national significance and global impact. We work in areas such as climate change. We are working closely with the Queensland government. We have recently announced a major project of \$8 million, working with the Queensland government Department of Agriculture and Fisheries and the MLA Donor Company on the Northern Australian Climate Program. It improves the capacity of the red meat industry to manage drought and climate risk across northern Australia.

We also work in crop protection and biosecurity, in agricultural technologies and precision agriculture, in soil research, in irrigation and in materials engineering, where our research is on automated manufacturing, advanced composites manufacturing and other similar areas.

In astrophysics we also have a world-class facility, around 30 minutes outside Toowoomba. It's been there for 30 years, at Mount Kent. It has new telescopes, just completed. We've substantially increased the capacity there. That facility enables our astrophysicists to play a critical role in research. For example, they are working with NASA on the upcoming Transiting Exoplanet Survey Satellite mission, which is discovering new exoplanets.

Finally, resilient regions—and I'm here with my colleague John Cole: our institute has a particular and specific focus on developing cultural enterprises that support identity, wellbeing and economic community. I know he's already given evidence, so I won't go into detail on that, but I'm sure he'd be very happy to.

In closing, University of Southern Queensland has experienced substantial growth over the past five to 10 years as our communities have grown. The corridor between Ipswich and Toowoomba is one of the most rapidly growing in Australia. We'll be experiencing massive growth in the next 20 years. The university is positioning itself to be able to accommodate that growth. The number of young families and children who will be looking to us for education over that period will substantially increase. It will be a challenge for us, with the current freeze that the government has on university funding. That's one of our major challenges going forward, but we are looking to try to, as far as we can, approach that challenge with positivity and serve the very real needs of the region in which we work. Thank you.

ACTING CHAIR: Thank you, Geraldine. John?

Prof. Cole: I haven't really got anything to add to the submission that I've made. Probably the only thing I'd say in addition—and it's at a different level—is that I imagine most of you didn't see *Four Corners* last evening—

Mr STEPHEN JONES: Incorrect.

Prof. Cole: You did see it, Stephen?

Mr STEPHEN JONES: I reckon most of us did actually.

ACTING CHAIR: I've made reference to it this morning, John, yes.

Prof. Cole: The magnitude of the challenge for Australia, I thought, was well captured by that program last night. We talk about our national destiny and we talk about a national population policy. If you recall, in the 45 minutes of the program, there was no reference to regional Australia. And here we are talking about regional development and decentralisation. We are being presented with a view of our national future as if it's a choice between inner-city high-density apartments and peri-urban McMansions. This is what happens when the national policy is left in the hands of demographers and urban planners, with a few politicians thrown in to add colour. It really struck me last night that, on this issue, the narrative is all wrong. Bernard Salt talks about it. I've spoken about it at different times. We have what I call now—to paraphrase Geoffrey Blainey, the historian—the tyranny of the cities. We have seemingly an incapacity to see our national future as anything other than something that is

about Sydney and Melbourne and possibly Brisbane. If you read my submission, you will note that I make the point that, whenever we talk about regional development, the one thing we never talk about is the Constitution. The very constitutional basis of our approach to our national development, I'd suggest, is partly our problem, because, while we are here today to talk about regions, there is no governance basis for regions outside of the states and the Commonwealth government. The Commonwealth is the great hope of regional Australia, because the states, frankly, are preoccupied with what was on *Four Corners* last evening. The states are essentially six metropolitan areas, each with their own resource province in Queensland, New South Wales or whatever.

I'm talking at a high level here, because I think, as a committee, you have a challenge. As political leaders, if we're not going to talk about the issue of leadership, which was not what *Four Corners* was about last evening—it's what happens when it's left to the process—the process will be inexorable and inevitable. We'll have eight million people in Sydney, eight million people in Melbourne and four million here. It seems that it's all about making sure that we build bigger roads or provide faster public transport or whatever.

I think the regional capitals idea, which is at the back of my submission, possibly gives us a mezzanine approach. We need to get beyond this either/or thing. Damien and I were speaking at morning tea about the challenge of getting the message right from regional Australia too. Most of the folks who watched *Four Corners* last night or who live in the cities only ever see regional Australia when there's a drought, or a flood, or some bones on the ground and some drought-stricken farmer with a crying family talking about his future or lack of future. It's a very negative image. No wonder no-one wants to live in it.

ACTING CHAIR: John, have you concluded your opening statement?

Prof. Cole: Yes—I'm coming to Canberra at the end of the month too.

ACTING CHAIR: Your submission is not lost on any of us. Indeed, I think your Geoffrey Blainey quote that federalism has failed will certainly be taken as a valuable piece of evidence. Cathy, I can hear that you're chomping at the bit!

Ms McGOWAN: I am chomping at the bit. I want to pick up on something you said about leadership and regional development at a national level, which is your theme. One of the absolute frustrations I have is that big picture decisions are made at the national level without actually understanding the regional impact. We could do regional development till the cows come home, but the government decision to freeze university funding will have such a huge impact. We don't have a mechanism—and my colleagues can correct me on this—to get the government to understand the regional impact of its big picture decisions. Can you give us some detail of your understanding of the implications of the current government policy around funding of universities and the current freeze and how they will impact on the community, on jobs and on development—not so much on your university, because I think we got a feel for that. Can you give us some evidence that we can actually work with in our report so that we can make recommendations to the government that say, 'If you are going to make these sorts of decisions, you actually need to do so in light of their unintended and other consequences.'

Prof. Mackenzie: First of all, I have a very strong belief that universities only exist to serve their communities, and that has never been more the case than in regional communities. USQ is a great example of that. We were established in the 1960s by the community which felt passionately that Toowoomba should have a university for its future development. Therefore, in regions like this—Toowoomba is a great example—we are inextricably bound up with the community. The community's prosperity is our prosperity; our prosperity is the community's prosperity. Therefore, what happens to the university disproportionately impacts on the community in a way that would not happen with capital city universities. Things will happen much more quickly. Any effect on us will also affect the community because of the number of people we employ, because our students are generally local and because of the international students who stay and spend money in this community, for example. Because of that direct impact, the effects of this will be seen more quickly, and they will be much more direct.

The effect on the university will be long term. The freeze at 2017 levels means that we have a limited or no ability to grow further to meet the needs of the community. The corridor that we have between Ipswich and Toowoomba, as I said earlier, is one of the fastest growing in Australia. For example, in Springfield the average age is 27 to 28. They have young families; they're not at university age yet. They're rapidly growing with schools. Those children will need to go to university somewhere. We have to have the ability to grow to do that. The government has also announced that in 2020 any growth will be linked to the working age of the Australian population plus other performance metrics. If that's the case, our region is growing much more quickly than the Australian population, and we need something that's very specific to meet the needs of our local community.

I guess the summary of what I'm saying is that that link is very, very direct in regional areas, and you don't see that in a big city where there might be three or four universities, all huge, all frequently over 40,000 students. There is not the direct link at all, where there is for us.

Ms McGOWAN: Madam Chair, could I just ask a follow-up question? Professor, I understand you've met with the minister for education and you've put this view to him. Do you get any sense that the government understands the connection between regional universities and regional development?

Prof. Mackenzie: I did get a sense that they understand. The minister's view, as he has said publicly many times, is that his hands are tied because of the budget repair that's needed. All we can do is keep lobbying, on behalf of our universities and our communities, that we need to be able to accommodate those specific needs of our regional communities. If it is growth, and areas such as ours which will be experiencing very rapid growth, we do need to be able to do that within the constraints of funding from the Commonwealth government. We don't have the large numbers of international students that the big universities have. We don't have a big cohort of full-fee-paying students so we can buffer that. We don't have any buffer in regional universities. That's the other part of the problem.

Prof. Cole: I think the corollary to it, Cathy, is that regional universities have a critical role in redefining, if you like, the narrative of regional Australia. We're complex organisations. If you take this region here—and I think you've met our mayor, Paul Antonio—we all know John Wagner built an airport. But, just as importantly, John Wagner was instrumental in setting up the Toowoomba and Surat Basin Enterprise organisation. It's possibly one of the better examples of self-organisation by a region that I can think of in the country. It's reflective of the social capital we have in this region. The university was fundamental to the establishment of TSBE.

Ms McGOWAN: TSBE?

Prof. Cole: Toowoomba and Surat Basin Enterprise. It's that capital, that role as corporate citizen, that a university can play, with all its diversity and complexity that you simply don't get in a normal, regional centre. And you only have to look at Wagga, Armidale, us, Rockhampton, Albury-Wodonga and other parts of regional Australia to find that the presence of a university makes that difference. In my institute, we're establishing a centre for population health to address the issues of urban and regional disparity. In Queensland, for example, the average person out here that might get cancer will, if just left to themselves, die five years earlier than a person in Brisbane. It's that kind of disparity. So population health's a fundamental thing for us.

We—the University of Southern Queensland—have just partnered with the Department of Agriculture and Fisheries to lead a consortium made up of UQ, us, James Cook and Central Queensland University. We're setting up a centre for rural economies, which is looking at how to deepen and diversify agricultural economies particularly, and a lot of it has to do with thinking differently.

It goes back to that foundational point: universities have a critical role to play in challenging the dominant narrative that somehow all the smart stuff's in the cities. What Geraldine didn't say is that that telescope is central to a collaboration between Harvard, Stanford, USQ and NASA. It's here in Toowoomba. We don't think of things like that happening in regional Australia. That's got to be CSIRO. It's got to be Canberra. No, it's regional Australia. So I think that's the unsung point that we need to make about why it's so important that we not only maintain. By the way, I could have said that one in 10 out there in south-western Queensland actually has a university degree. If we are going to have a talk about a future for regional Australia, we have to recognise that we have to put the people front and centre in that story.

Mr STEPHEN JONES: You are seven per cent behind the state average in Toowoomba and yet you're 1½ per cent above the state average for school completion. Why? You've got more people leaving high school after having finished year 12 than the state average, but are 7½ per cent below the state average for people going on to university or any other form of tertiary education.

Prof. Mackenzie: I think that's bound up with the statistics from further west as well. Further west, it's 45 per cent. Their highest level of educational participation is year 11 or 12.

Prof. Cole: It is part of the culture. It takes time. I am first in family. I was born near Kingaroy. We forget—and I am an historian originally—that it was only in 1964 that we had universal secondary education in Queensland. That's within my lifetime. So we're overcoming those things too.

Mr STEPHEN JONES: Will the freeze in education funding make it harder or easier for you to close that gap?

Prof. Mackenzie: Significantly harder.

Mr STEPHEN JONES: Why?

Prof. Mackenzie: At the moment we can't expand beyond 2017 levels unless we cover the cost ourselves somehow.

Mr STEPHEN JONES: So you're frozen in that inequality—

Prof. Mackenzie: So we're frozen at the moment. That's exactly how we would describe it—it is freezing the inequality. Until that is lifted or we're able to get some consideration that in regional areas we have particular needs for our growing communities, we are freezing that inequality. In terms of the statistic that you were just quoting, because so many of our students are part-time mature age—and over three-quarters are in that category—it demonstrates that people like that are coming back later on to education. That's what we typically see at USQ. We have a relatively very small number of school leavers. Many more people are coming back later and realising the value of education.

Mr RAMSEY: Is there a percentage of the school leavers that are—and I would be surprised—electing to go to university in Brisbane that we are not picking up there?

Prof. Mackenzie: We don't know that percentage, but we do know that there are quite a few students who drive down the hill to go to university in Brisbane.

Mr RAMSEY: Even to access the same courses?

Prof. Mackenzie: At times they do, but the number staying here is also significant.

Mr RAMSEY: So we don't really have an accurate figure on what that conversion rate of year 12 completion to tertiary education is, do we? We only have a figure on what you are converting.

Prof. Mackenzie: I don't know whether that's available more generally. I could take that on notice, but I don't know.

Mr RAMSEY: It's probably not of central importance; I was just wondering.

Prof. Cole: It's about half.

Mr RAMSEY: I deal with exactly the same. I've got UniSA in Whyalla and we look at the courses. Largely, people in Whyalla will access the local courses, but if they are separated by 100 kilometres they are just as likely to go to Adelaide—probably more likely, in fact.

Prof. Mackenzie: In order to do that, though, they have to have the money to do so. A lot of people in Toowoomba and surrounding areas would be looking to be educated here; hence, the establishment of the university. Toowoomba is a city where people are passionate about the university. I see that wherever I go.

ACTING CHAIR: Could I just ask a follow-on question from the two preceding? Talk to me about enabling courses. How do they fit into the picture of your university? I imagine that this is a critical piece of the regional education puzzle, in that, as John has said, a lot of people come to university perhaps after they've tried some other things or had some life experience.

Prof. Mackenzie: Correct.

ACTING CHAIR: Enabling courses are a vital piece. I know from the University of Newcastle, that we have a very high percentage.

Prof. Mackenzie: It is a really important part of the story. People come to us when they haven't completed year 12, for example, or they had other opportunities and they are looking to find another way to go to university. They are very, very important for this community—and are not subject to the same funding freeze, for which we are very grateful. It is a big story of opportunity, as we talked about. In regional areas there is about half the participation in higher education as there is in the cities. Whatever we can do to increase that is really critical, and enabling courses are a big part of that.

Mr DRUM: Professor Cole, the branding 'Institute for Resilient Regions' has a negative connotation, in that you are going to help toughen up the people of your patch so that they can get by through all the hardship that is coming their way through the course of their lifetime.

Prof. Cole: That's a traditional interpretation.

Mr DRUM: When I read your summary, it is a little different, isn't it?

Prof. Cole: Resilience is about adaption, and it comes back to, I guess, the line of questioning here. To answer the question, in Maranoa and the Darling Downs, about 55 per cent of the population got to grade 12. If I look at Ipswich-West Moreton, the figure's about the same—it's 54 per cent. But of course it's pockets. If you go to the Somerset, you'll find it takes a dive very quickly. Right out west, it is 47 or 48 per cent. But it's all very uneven. It can be much lower than that.

The resilience issue is a good one—and, I've got to say, John McVeigh was partly the root of the name for the institute, being at the time our local state member. It's not about toughening up; as much as anything, it's probably actually about being capable of making decisions about the future on your own terms as much as you can. The other thing that I keep talking about is that so much of what happens in regional Australia is determined by people who don't live there and the decisions are made in other places. The first thing for resilience is that you've got to be aware of what's going on. If we can't get our people to understand what's happening in the world, in terms of threat but particularly in terms of opportunity, that's an issue. It goes back to that narrative point. We have to talk about the regions being more about opportunity than about doom and gloom all the time.

I did workshops in western Queensland last year on this very principle. A community is much stronger when all of its people are involved in the process. The whole notion that you, the elected officials, or we, the professoriate, know best, so between us we'll determine what happens and bugger the rest, doesn't work. Getting people involved is important. Inclusive growth is an important point, but to do that, of course, the conversation has to be about things that make intelligible what's happening in the world. The other thing is that with resilience we're talking about self-organisation. I use TSBE as an example. The communities that do best—and I'm sure you've seen this as you've travelled around the country—are capable of self-organising. They don't wait for federal politicians or state government bureaucrats to tell them what their future's going to be. Self-organisation is so important.

Ultimately, it's about bringing it altogether, and I talk in my paper about cooperation and collaboration. The federal government has to work out where it's going to add value. Indeed, as I don't make much of a secret of, the Commonwealth working more effectively directly with the regions—it's not original—is probably the way to go. As federal politicians, your report has to somehow get traction directly with the 14 or so major economic regions of Australia. The states don't reflect that, by the way. The boundaries were drawn in 1847 or thereabouts and they don't really reflect anything.

The last thing—and this is the critical thing about resilience—is adaptive capacity. We have to invest, and this is why education is so important. People who are not educated, not aware and not involved are incapable of self-organising and being in the game. That's the whole theory of resilient regions. So, yes, that's why we spend so much time on resilience.

Mr STEPHEN JONES: Your submission refers to megatrends and I'm interested in what they mean for us as policymakers. You have said a couple of times that decisions are made by and for people in Sydney, Melbourne, Canberra and maybe Brisbane. I'd also put back to you that often the view out of Sydney, Melbourne, Canberra and Brisbane is that regional Australia means blokes in big hats with cattle, when the majority of people who live in regional Australia live in one of these larger towns. What is the consequence for us and how do we deal with those megatrends of the future? You sort of alluded to it in your submission, but you didn't really go to what it means for what we need to do.

Prof. Cole: David Malouf talked about it. He's a writer. He said that had we been settled by Russians and Poles, maybe we would have settled the entire continent. The answer to your question is that as leaders we have to speak differently about our country. And to do that, somehow regions have to be brought in, and it's got to be more than big hats—even though I've got one! It's got to be more than that. I mean, our drone work, for example—the work we're doing at USQ on drones and robotics and things like that—is agricultural; that's farm stuff. But you don't see that. You don't hear about that. We've got drones out there, or robots out there, that can go along the field and pick out the weed.

Mr RAMSEY: They're also destroying jobs.

Prof. Cole: I know. That is—

Mr RAMSEY: And I'm very excited by agriculture, and I've still got an interest in it, but it is sucking the guts out of—

Prof. Cole: It's the consolidation, and I know others have talked about that. It's the downside of it all.

Prof. Mackenzie: But I don't think destroying weeds is taking away jobs; I think it's helping.

Prof. Cole: Well, maybe there are jobs if we can see—

Prof. Mackenzie: But jobs are being transferred. They're becoming smarter jobs. They're people who are actually learning how to design the drones, as opposed to pulling weeds out of the ground, at a very simplistic level. And this is why people need to be educated.

Prof. Cole: That's our challenge. The services sector has to be part of it. I'll give you an example of what I consider to be best practice of Australian rural. I've got a farmer friend out at Longreach who's just sold a bunch

of sheep out of Adelaide directly onto a plane to Malaysia. He went to Alibaba, the Chinese website, and put his product on there. He got his interest out of Malaysia. He got four times the price he could have got selling them here. He's a young Nuffield scholar. He's a well-educated farmer. But the point I'm making is that that's the kind of thinking we've got to celebrate and talk about and get out there, because, again, they're not all old blokes who have no stake in the future. Diversification services have got to be part of it. We know that. And for that we need an educated sector. And Toowoomba probably best represents an example of it.

Mr STEPHEN JONES: If I could get you to clarify something: in your submission you appear to endorse the Productivity Commission's recent report on regional development and back in the line around 'people, not places'. The Regional Australia Institute has been very critical in other evidence that they've given before us. Is that your view? Do you want to say anything more about that?

Prof. Cole: I will. I went to college with Peter Harris. We don't share—in fact, my view of the Productivity Commission's report was that that's what happens when you leave it to economists to do an assessment of complex social change. All the Productivity Commission showed us, really, was that the most adapted place in Queensland as a result of the mining boom was Ascot. Well, surprise, surprise! It's the richest suburb in Brisbane. The point is that they were trying to come at resilience just by using the narrow index of economics, and it doesn't work. Social capital has to be in there, and human capital. We've got work going on here at USQ, by the way, in developing resilience metrics to sort of measure this stuff. So no, I would have thought that I was reminding the Productivity Commission that some of the things they concluded were right but there is a real limitation if we try to define, again, our national progress and our national development by economics alone.

Prof. Mackenzie: I want to add one thing to what you were saying about the megatrends. I think they are very much supported in regional communities, particularly self-sufficient ones like Toowoomba, because of aging population and technological innovation—we deal with all of these things much better. So, I think it's a little bit the opposite of what you were saying earlier, that we're actually supporting all of those things and communities deal much better with all of those trends.

Mr STEPHEN JONES: The point being that there's a consolidation around large regional towns and cities.

Prof. Cole: Yes.

Mr STEPHEN JONES: And when people think and talk about regional Australia they think of blokes in big hats and cattle; they don't think of the large regional cities.

Prof. Mackenzie: It's much more nuanced than that.

ACTING CHAIR: Thank you. We will have to leave it there, because time is getting away from us. But thank you for your attendance today. You will be sent a copy of the transcript of your evidence and will have an opportunity to request corrections to transcription errors. But, again, thank you.

BODEN, Ms Rhiannon, Director Strategy and Planning, Darling Downs Hospital and Health Service

[12:20]

ACTING CHAIR: Welcome. Although the committee does not require you to give evidence under oath, I should advise you that this is a hearing that is a legal proceeding of the parliament and, therefore, has the same standing as the proceedings of the House of Representatives. The giving of false or misleading evidence is a serious matter and may be regarded as contempt of parliament. The evidence given today will be recorded by Hansard and attracts parliamentary privilege. Do you have an opening statement?

Ms Boden: Yes. I'm here on behalf of the Darling Downs Hospital and Health Service. We're the largest provider of public hospital and healthcare services across the region. We have 29 facilities across an area of 90,000 square kilometres. We encompass six local government areas, including Toowoomba, Southern Downs, Goondiwindi Regional Council, Western Downs Regional Council, South Burnett Regional Council, Cherbourg Aboriginal Shire Council and part of the Banana Shire Council, so a very large and diverse area across a regional and remote part of Australia.

We're one of the largest employers in the region. We employ over 5,300 staff. The average age of our staff is 45 years old. So there are certainly challenges for us in recruiting and retaining a qualified workforce to deliver our public hospital and healthcare services.

Part of our service demand is that we face a growing and ageing population in our region. At the moment our estimated resident population across the region that we service is nearly 280,000 people, with Toowoomba being the largest regional centre with 165,000 of those people. The population growth over our whole region is fairly stable, at one per cent per annum. However, we have a high rate of aged and ageing people in the region over the age of 65 years, with 18 per cent of the population over 65 years of age compared to the state average, which is 14.7 per cent, so that in itself offers some significant challenges for us in the delivery of our services and how we plan for those now and into the future.

We also have a high percentage of Indigenous Australians in our catchment area, with 4.9 per cent of the population identifying as Indigenous compared to the state average of four per cent, with the Cherbourg region, obviously, having the highest rate, given that it's an Aboriginal controlled community.

One of our other challenges is that there is a high level of socioeconomic disadvantage in our region. We have 30.9 per cent of people in the region in the most disadvantaged quintile, compared to the average of 20 per cent. That is quite a high level of disadvantage. Similarly, quintile 2 also has a high level of disadvantage. The predominant areas of need for us are Cherbourg, South Burnett and the Southern Downs regions. Again, that brings challenges for us in how we plan and deliver our services to address that need.

In terms of the delivery of health services across the region, one of the key issues for us is increasing levels of chronic disease and obesity, due to our ageing population and lifestyle choices, and this places increased pressure on the delivery of our services. The leading causes of disease in our area are cancer and cardiovascular disease, followed closely by mental health disorders.

One of our other challenges, as I mentioned before, is recruiting and retaining a qualified workforce across all of our streams—medical, nursing, allied health, administrative and operational services staff. However, an opportunity is our partnership with the university sector. We have defined and established partnerships with the University of Queensland, the University of Southern Queensland and Griffith University across all of our centres.

The other concern we have as a health service is managing the increasing service demand in a fiscally constrained environment. Funding levels are remaining static, yet service demand is increasing. For us, how we manage that demand—looking at innovative service delivery models and making sure that we are delivering the right service in the right place—is another key issue that we have to balance every day.

Given the vast geographical area that we service—over 90,000 square kilometres—we have a range of assets in varying states. That includes assets from the 1800s through to assets that have only just been built. So the delivery of services within the range of assets that we have is also challenging for us from a regional perspective, but it is something that we are actively addressing.

For us, our opportunities are looking at more integrated models of care across the region. Given that there is increasing service demand and constrained financial budgets, we have to look at innovative ways to deliver our services. That requires us to partner more with the primary care sector. We are working hand-in-hand with the Darling Downs and West Moreton Primary Health Network to deliver some innovative solutions around diabetes and mental health. We have also entered into a health industry partnership with Toowoomba and Surat Basin

Enterprise, the local hospitals in the region—St Andrew's and St Vincent's—and the PHN. We are hoping that by branching out and partnering more, and by looking at a prevention model rather than focusing on our hospital services, we will be able to address the need in our region.

Year on year, our demand keeps increasing. We see that regularly. The demand is going to fast outstrip supply. For us, that is a very big challenge. But we are hopeful that investing in regional development will ensure that the workforce comes to the regions and we can then meet that demand.

Ms McGOWAN: Thank you very much. You have a huge region.

Ms Boden: We do.

Ms McGOWAN: Stanthorpe, Goondiwindi—

Ms Boden: Yes.

Ms McGOWAN: So it's really big. I'm interested in your relationship with the Commonwealth government. Do you have any notion of what percentage of your budget is Commonwealth funding? I presume it goes through the state and comes out a bit, but I'm just wondering what the figure is.

Ms Boden: It does. I do not have that figure at hand, but I could take that on notice.

Ms McGOWAN: I would be really grateful if you could.

Ms Boden: We manage a budget of over \$750 million and, yes, a proportion of that is Commonwealth funding.

Mr DRUM: It is now commonly accepted that education equals wealth and wealth equals health. Do you notice those trends when you are looking at all the various situations that come before you and your health services?

Ms Boden: We certainly do. With the areas of high socio-economic disadvantage, there is a correlation also with educational attainment. Those areas are the highest areas of health need for us and, again, the highest areas of service demand in terms of chronic disease. And we are not just seeing one presentation or chronic disease; it is multiple comorbidities. And that is on top of being an aged population.

Mr DRUM: In relation to your funding and the tyranny of the distance that the DDHHS has to cover, is a weighting given to the additional cost of servicing any cohort of 100 patients in your area versus 100 patients in Brisbane for instance? Is that factored in?

Ms Boden: We are funded on weighted activity units. They do differ according to the health service. We are an efficient deliverer of services and we have continued to deliver our services below the weighted activity unit. The determination as to how we are funded by those weighted activity units is made by the department and I won't be able to comment on that.

Mr DRUM: Just getting back to the first part, there's a correlation between education and wealth and between wealth and health. Do you ever hear people screaming that we need to improve our educational outcomes and the direct beneficiary that is going to be our health sector? Do you ever get that? Is that message out there?

Ms Boden: To an extent, indirectly. From our perspective, we're working on population health management model and looking at, like I mentioned before, moving towards that prevention and reducing the demand on our hospital before people even get to hospital. Yes, education and wealth are key factors in that.

Mr DRUM: I don't just mean education on health issues; I mean education per se leading to a greater opportunity for personal wealth and leading to greater opportunity for a better standard of living.

Ms Boden: Certainly the health literacy, just going on the health topic, is quite low. We are making a concerted effort to increase health literacy in our region, along with the PHN.

Mr DRUM: Thank you.

Ms MARINO: Thank you for being here today. You touched on workforce issues and retaining people. We heard from the universities here earlier on. What proportion of your workforce is sourced and trained locally and regionally? What proportion of those actually stay? Where are the problems within your workforce and where are they coming from?

Ms Boden: We have a high percentage of our workforce that are trained locally. We have the UQ Rural Clinical School established onsite at Toowoomba Hospital, we have partnerships with Griffith University—

Ms MARINO: Are they coming back, though? Rural clinical school people come to the—

Ms Boden: They do train here as interns, and we have a limited number that we can then take on into the second and third year.

Ms MARINO: Are they coming back? What percentage are coming back and staying?

Ms Boden: I would have to take that question on notice.

Ms MARINO: That would be useful. Anyway, keep going.

Ms Boden: The only program that we have is the Queensland Rural Generalist Pathway for our medical doctors. That's a state-wide program which our health service is responsible for running. That is also a program that is used to help recruit and retain doctors in rural and regional towns.

Ms MARINO: As far as your nursing staff, where are the shortages for you? Given the workforce shortages you mentioned, where are they? Are any of those being trained locally or is the training offered through your existing universities?

Ms Boden: Predominantly it's in the midwifery workforce. We've especially had challenges in recruiting to the rural centres, like Goondiwindi, Dalby, the rural birthing centres and Chinchilla. In terms of a percentage I'd have to—

Ms MARINO: Are they able to train locally?

Ms Boden: They are. There's a midwifery program at USQ.

ACTING CHAIR: We've heard that that's just been commenced recently as a course.

Ms MARINO: So we hope to see that change. Thank you.

Mr STEPHEN JONES: Your public hospital admissions are close to 19,000 per 100,000 head of population, which is up above Sydney average. I think the eastern suburbs come in at around 15,000 per 100,000. Have you seen a drift? Are you seeing more people present to public hospitals who would otherwise have gone to a GP to present with the same indication?

Ms Boden: We are seeing high rates of presentation. The year-on-year trend is an increase in presentations through the emergency department. Our category 4s and 5s, which are predominantly GP visits, are high but manageable at this point in time. We are working in partnership with the primary health network to look at opportunities to reduce that demand and hospital avoidance.

Mr STEPHEN JONES: How reliant is the area health district on overseas trained doctors?

Ms Boden: We have quite a low percentage of locum doctors. Most of our doctors are trained locally.

Mr STEPHEN JONES: I didn't mean within the area itself; I mean in general practice.

Ms Boden: In general practice? I wouldn't be able to comment on that, since that's a primary health network responsibility.

Mr RAMSEY: Your footprint is 90,000 square kilometres. How many health units or how many hospitals do you have within that footprint?

Ms Boden: We have 29 facilities. The largest facility is here at Toowoomba Hospital with 320 beds. We have: an extended inpatient mental health facility at the Baillie Henderson Hospital, about 10 kilometres away; 12 rural hospitals; and three regional hospitals—Dalby, Warwick and Kingaroy.

Mr RAMSEY: What would be the smallest unit?

Ms Boden: The smallest would be about five beds. It would be one of our multipurpose health services, so Millmerran, Inglewood or Texas.

Mr RAMSEY: In that light, does that put you in the space of aged care as well?

Ms Boden: We are a provider of aged-care services. We have six residential aged-care facilities. Again, where there's a need to provide a service, then we have decided to provide that service.

Mr RAMSEY: What about competition from the private sector both in hospitals and, I guess, in aged-care services? There would be quite a bit in aged-care services, I would have thought.

Ms Boden: Yes. There's certainly quite a high proportion of aged-care providers in the Toowoomba region and there are some in the rural and regional areas. We are one of the largest providers in the rural area. In terms of the private hospital sector, there's St Andrew's Hospital and St Vincent's Private Hospital within the Toowoomba region. Again, in terms of our relative utilisation of services, both public and private, there's a fairly equal split. There's quite a high proportion of our residents that use the private hospital services.

Mr RAMSEY: Are you aware, historically, of how a healthcare service got involved with providing aged-care services? Is there a story there?

Ms Boden: When the Darling Downs Hospital and Health Service transitioned to a statutory authority in 2012 the hospital and health board made a decision to retain the residential aged-care facilities given the need—they were one of the only providers in the areas that we currently have those facilities.

Ms McGOWAN: Can I just ask one more question, maybe on notice. I'm interested in what percentage of your staff need a tertiary qualification and what percentage of that would be delivered locally.

Ms Boden: Yes, I definitely have to take that on notice. From a stream perspective all of our medical nursing and allied health staff require—

Ms McGOWAN: I'm looking for a percentage, because we're trying to work out the role of universities in regional development. Clearly you're a huge employer and a really important service, so having a good university that people can get the training that they need locally is really important.

Ms Boden: One of the other partnerships that I haven't mentioned yet is the southern Queensland rural health partnership with the University of Queensland, the USQ, Griffith University and South West Hospital and Health Service. It's a Commonwealth funded arrangement. The intent of that partnership is to train nursing and allied health staff within the region.

Ms McGOWAN: It would be good if you could put that in under the Commonwealth funding that you're going to get information for us about.

Ms Boden: Yes.

Ms McGOWAN: That would be great.

Mr STEPHEN JONES: Just to clarify, because I wasn't clear, when you said tertiary training did you mean only university?

Ms McGOWAN: No. I'd be interested—

Mr STEPHEN JONES: So certificate training as well.

Ms McGOWAN: Yes.

Mr STEPHEN JONES: Because that would be 100 per cent, I would think.

Ms Boden: Yes, of our operational services staff.

CHAIR: A big percentage, I should imagine. Just a couple of quick ones on two areas. The first is on your Indigenous health and populations, and the second is on technology. Could you speak to the committee a little bit more about the Indigenous health challenges? This is perhaps where we come to the hub and spoke model where clearly there are some areas of great disadvantage that we need to look at.

Ms Boden: Yes, given our high Indigenous population, Indigenous health is a priority for us. We currently have a devolved model of how to manage Indigenous health within our health services, but are looking at a centralised oversight model, as we speak, so that we can put more emphasis on the delivery of those services in terms of a coordinated approach. Some of our challenges are obviously a low birth weight, the adjusted life expectancy rate, which is below the state average, and again making sure that we're delivering the right services in the right places. We have quite a lot of programs delivered in Cherbourg, given the high percentage of Aboriginal and Torres Strait Islander Australian population in that region, around the Deadly Ears program and Closing the Gap initiatives. They're predominantly funded out of our state government Making Tracks strategy.

ACTING CHAIR: Are you seeing an increase in services being delivered by technology? I guess this comes to the digital literacy piece, where we have the confluence of increasing technology and an ageing population that may not have the digital literacy. Can you talk to us a little bit more about the challenges, what you're doing well and what we might learn from that?

Ms Boden: We currently provide telehealth services across our health service. Last year we provided nearly 8,000 service events. This year we have a 20 per cent increase on that target. It is a core policy of ours to increase the uptake of telehealth service delivery to ensure that patients within our region are being provided with care closer to home. We are looking at ways to increase telehealth service delivery and uptake by looking at a hub and spoke model. We've established a telehealth hub at Toowoomba Hospital and piloting hubs at Warwick Hospital and are looking to enhance that to Dalby and Kingaroy, and, again, increasing the literacy of our patients in terms of our application with that technology and also branching out into GP practices. We are ensuring that we are linking our GPs with our specialists through the telehealth platform.

ACTING CHAIR: So GPs are the access point for older people who are looking to access those services?

Ms Boden: Yes, or their local hospital. Through an outpatient appointment, they would be able to access that service.

ACTING CHAIR: Thank you very much. Thank you for your attendance. You've been asked to provide some additional information. Could you please forward it to the secretary by Friday, 23 March. You'll be sent a copy of the transcript and you'll have the opportunity to request corrections to any transcription errors. Thank you so much for your time and evidence before the committee today.

HUNTER, Mr Dallas, Group Manager, Property Development, FKG Group

STATTON, Mr Grant, Chief Executive Officer, Digital Innovation and Energy, FKG Group

[12:42]

ACTING CHAIR: Welcome. Although the committee does not require you to give evidence under oath, I should advise you that this hearing is a legal proceeding of the parliament and therefore has the same standing as proceedings of the House of Representatives. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The evidence given today will be recorded by Hansard and attracts parliamentary privilege.

I thank you for the paper submission of the PowerPoint presentation that you've sent to the members of the committee. Because we don't have the capacity in Hansard to show it, I will ask you, if you reference this information, to be quite clear in your explanation so that it's picked up by Hansard. Do you have an opening statement?

Mr Statton: There are two clarifying points that I want to emphasise today: the decentralisation of data can create digital hotspots regionally, and, secondly, the AgriFoods Global issue and our national identity—the very opportunity for collaboration.

FKG is a family owned business, proudly regional. We have been here for 40 years and we employ some 800 staff, most of them located regionally across the eastern seaboard. We turn over approximately \$700 million a year. We have a broad spectrum of clients, from all levels of government—federal, defence and state—through to local commercial enterprises. We were awarded tier 2 managing contractor status for the upgrade of the Oakey Chinook program, which is a recognition of our capabilities and contribution. Importantly, we farm, proudly, 30,000 acres of broadacre black soil out at Cecil Plains—that lends itself to as we go further down.

Ms MARINO: Farming what?

Mr Statton: Cotton and grains.

Mr STEPHEN JONES: What came first?

Mr Statton: Construction, for sure, from Brookstead. And that has grown into what we see today, through strong leadership. The passion for agriculture still exists throughout. Pulse Data Centre, which we have the pleasure of showing you later on today, is very exciting. It is the first of its kind in Australia—a tier 3 regionally located data centre. I'm not sure how much you know about it, but to be recognised it offers exactly comparable capabilities to any city located data centre that currently exists in the market. It has probably been constructed with the latest innovations in the world.

Ms McGOWAN: What does it do?

Mr Statton: We guarantee the uptime of your software applications.

Ms McGOWAN: Storage? It's the cloud, is it?

Mr Statton: Clouds are hosted in our data centre, absolutely. There are advantages to being regional and I will talk through those as we go through the paper. One important point is connectivity. There is a misconception that you have to be city based in order to be connected. That is absolutely untrue. I sit here today and I work off Microsoft's Azure program just as efficiently as if I were in Sydney or anywhere else. So, from that perspective, that is not the case at all.

When you come out to the site today we also want to talk about our Toowoomba technology precinct. Proudly, as I said, our history is in agriculture. We look to the global future of food and agrifood in particular and note the concern that everyone should recognise that, by 2050, 70 per cent more production of agriculture will be required in the world, using less water and less energy. It is a major issue. Without digital innovation I don't know that we are going to get there. From a national identity perspective, our food and our production are recognised as safe, reliable and of quality and we need to gather momentum around that and optimise it. That is the key message and the key focus of our technology precinct, which we will show you later on today.

Why Toowoomba? It is a great opportunity. I am sure you have heard about livability numerous times today. At FKG we focus more around the economic growth engine. Sustainability for us is harnessing our natural advantages and looking to create a collaborative environment for sustainability where we de-risk participation. When you look at innovation in any sense, the visibility of the timing between innovation and economic return is disparate and sometimes a long way off into the future. We have tried to provide an ecosystem for collaboration where people can participate in and accelerate that innovation and bring it to market much quicker.

We have benefited from enabling infrastructure recently. We are talking about a bypass running straight past our precinct. We have an inland rail project, which offers opportunities for regional Australia. And, thankfully, we have an international airport, which was just constructed, which we can leverage from, as well. However, capital investment alone isn't enough for sustainability. To attract resources you've got to have economic prosperity; absolutely. But you've got to have a livability factor that comes with that. Proudly, I believe we've got that.

Why a data centre? In every other country in the world, data centres are regionally located, due to the levels of power required and superior environmental risk management offered from earthquakes, physical attacks—whatever it may be. Decentralised government information systems can improve national security by dispersing critical systems that are susceptible to natural disasters and conflict threats. Centralising data poses a national risk; that's just a fact. If you're storing national interest data for 95 per cent of your federal government departments within a 15-kilometre radius, that is a national risk. There's a test case, which I think that you'd love to refer to in your report, of Quincy, just outside of Seattle in Washington. That is a decentralisation program, driven by over-the-top providers like Microsoft and Yahoo, which has created substantial regional growth in America. I think it is an exemplary case of what we're here to talk about today and what we can achieve through data being dispersed into regional areas. I know you haven't had the chance to look at it, but have a read.

Power is a really important part of the infrastructure. Data centres are power hungry, so, in a city location, unfortunately, you will get a token solar array. These things chew megawatts of capacity and, as you know, solar arrays require acres and acres in order to feed that. Regional locations provide that very infrastructure. They can do that, and that's part of our innovation. We're looking at the moment for a hybrid power solution incorporating renewable energy, and, to the extent that we need base load from gas or similar, we're looking at innovative ways of capturing CO2 emission, putting it back through protected horticultural ventures and making sustainable production from those by-products—again, things that just couldn't happen in a city.

Ms McGOWAN: Where do you get your power from?

Mr Statton: At the moment, from main feed. But we're in early design of our hybrid power solution with the 2017 most sustainable business in the world. We're looking at an innovation here that truly will put Australia on the map. And it can be done, because we've got the assets to do it. There will be a 30 per cent target for renewable solutions, with the other being captured through the operating process, whether it's through protected horticulture or waste heat transfer through manufacturing.

Why Toowoomba? Again, it's our global agenda. By 2050 we will need 70 per cent more food to feed the growing population, and it's growing astronomically. At a commercial level, agrifood is the largest industry in the world, and it's growing astronomically. So, from an economic perspective, we've got the ability to take our rightful place in niche products in quality and superior products into the global market. We need digital enhancement in order to provide that scalability. If we can get traceability from the farm gate or the farmer-producer level—

Ms MARINO: The paddock.

Mr Statton: the paddock—whatever you're used to—all the way through to the consumer, we can accelerate that visibility, streamline operations and create sustainability. That's what we're all about. Within a 300-kilometre radius of Toowoomba exists about 90 per cent of recognised farming categories, and they are of commercial grade. We can entertain, and are entertaining, closed-loop sector farming experiences from the paddock all the way through to the consumer, and we're looking at digital optimisation programs as we speak.

Mr STEPHEN JONES: In plain English—barcoding, chipping?

Mr Statton: Absolutely. Most of the upstream supplier channel needs information that exists at the farm level: moisture content, supply and demand metrics—all of the information—timing, the seed—

Mr STEPHEN JONES: Organics.

Mr Statton: organics. Most of it exists at the gate level, at the farmer level, and we need to optimise there in order to provide upstream solutions. But we've got barriers to entry in terms of intellectual property that hold platform-enabling infrastructure back. Collaboration removes a lot of that. Collaboration, for me, is around intellectual property being owned by its contributors but having an exchange that enables participants to play on that platform. That's what the precinct is all about. If we can optimise by taking out all the different levels through the supply chain or efficiently coordinating that, we increase scalability beyond anything that we've been done previously. Not only that, but biosecurity wise, we've got a major risk to our very survival if, in a global stage, there's any influx of any sort of outbreak. We need to protect our national interests. Fifty per cent of what we produce is exported. That's a major industry and growing astronomically quick.

Ms MARINO: We want to see some of those profits actually get back to the farm gate itself to enable producers of the future and the new, young producers.

Mr Statton: And they're asking for it. We've got an aging rural population. If you want to talk jobs in regional growth, if we get this right, I've no doubt we'll optimise; we'll create scalability on a national level. But the jobs need to be regional because farmers won't adopt digital technologies that hold them back. They'll throw them out and go back to the manual process. For a long time digital innovation was started and stopped because of a lack of support. If we are to truly optimise, we truly need new support services both in technical capabilities and in digital innovation, which help the farmers to produce more quality product.

I think we have to recognise the influx of smarter agriculture and protected horticulture and the likes, and what that's doing to the consumer on demand. We've got a test case here, on the next page, which I would love everyone to have a look at. In the Netherlands, two decades ago, the Dutch made a national commitment to sustainable agriculture under the rallying cry 'twice as much food using half as many resources'. The key here is the science-driven in tandem with the market-driven. They collaborate on a mega scale. Now they're the second-largest exporter of food in the world, behind the US, which has 270 times its landmass. They've created new services. They've created new products that they're taking to the world, and, predominantly, their services are around intellectual property and growth for universities and research.

Ms McGOWAN: Do you think we could ask you some questions, because we've got a copy of all this, and we can read it. I want to ask some questions around the terms of reference of the inquiry.

Mr Statton: Go for it.

Ms McGOWAN: One of the terms of reference of the inquiry is greater corporate decentralisation and what can be learnt from corporate activities. Clearly, that's you guys. The role of regional development lies with the corporate sector. It's not government's job to do economic growth and development. We come in where market fails. We've had two really good examples today—you guys and the airport—about what's happening in this community to grow locally grown, locally supported not decentralisation but business. Can you talk a little bit about what is it that we can learn from your experience that makes regional development work better from an economic perspective?

Mr Statton: For sure. The starting point is vision and strategy and execution. Backing what you're saying, regions have to recognise that government will set the table but, realistically, it's for enterprise to get up and make it happen.

Ms McGOWAN: It is.

Mr Statton: And that's what we do. We see the future. We're about collaboration. It's about creating an ecosystem where people can collaborate by taking the risk of the vision not succeeding by creating sustainable energy at a price point that's competitive in today's market. It's creating a low cost of land. It's introducing ecosystem participants with big data analytics and consulting frameworks. We're working with some of the largest companies in the world at the moment on this one vision. So it's about leadership and execution. Our role was to recognise what Australia offered, down to what our region offered. For us the engine room is agrifood; that's exactly what we do. How do you harness that in a way that creates that global presence and attraction? That's what we've tried to do.

Ms McGOWAN: Are there any lessons from here that could be applied in other regions? I think that's what I'm specifically looking for.

Mr Statton: Absolutely. I think every region has its own strengths. It is identifying the strengths. And then what the strategy is to innovate and create scalability off that is the key. Remember: technology is not centralised; it is everywhere. We're working with one of the largest telcos in Australia. They don't have to be located in our premises. What they offer takes the vision to another level. That's the collaboration here. The service industry and support is regional, because where you're spending money on innovation you want it to be harnessed and adopted. You need to be where the practical coalface is for that adoption. Piecemeal innovation is just expensive. You have federal government, state government and universities doing similar projects, which are expensive and not coming to market quickly enough; whereas adoption in a collaborative context creates so much scalability and much faster traction, as in the Netherlands case that has just been discussed.

Mr DRUM: Could I tease that out in relation to the Netherlands. As I understand the concept, maybe 50 or 60 years ago they started a pork industry in relation to making themselves self-sustaining. I know they have an enormous acreage under glass. Is it through hydroponics that they're effectively becoming the second largest? I find that to be an absolutely staggering statistic.

Mr Statton: Yes. When you think of this protected new smarter farming, think that they're using one per cent of the broadacre water applicable. They're producing 10 times the yield. They're using no herbicides, no pesticides. They're not even using soil; they're using nutrient mixes. When harvesting comes they sit on an enterprise based solution controlling robots and drones. Drones are pulling data analytics about the crop and the crop growth, about the moisture content in the soil and the soil chemistry. It is just so revolutionary. And in their production capability it's evident where the future lies, to a large extent, in terms of smarter agriculture.

If we don't collaborate with that competition, which will be fully traceable because it's digitised and optimised, we'll be left behind, because the consumers in our Asian trading partners are demanding traceability. It's going to happen within five years. If you are not traceable from provenance you're going to be left behind. We need to collaborate across the supply chain, otherwise we risk our market position in the world.

CHAIR: From a federal government policy perspective, give us some indicators of the policy points you would like to see us put in place. We can test this out when we get to the facility this afternoon as well, but for the *Hansard* we'd like to get some of these points on the record now.

Mr Statton: Sure. One is anchoring point. Federal government will create an ecosystem where they choose to disperse their data—at that data point. It's not the other way around. If the federal government choose to grow Toowoomba by putting data there from one sector, say finance, the ecosystem of service industries will collaborate around where that data is. So they can create hotspots and growth through decentralisation. That's one point I really want to emphasise.

The other point is that, from a procurement perspective, regional has never been on the map. So the opportunity to be on panels is something that we'd like to understand. We'd like them not be city based only. If you've got a regional opportunity then we'd like to make sure that, in policy, that is understood as well. From a digital agricultural perspective, there are a lot of emerging digital RDCs and CSIRO government departments where, again, they'd be best serving the producers by co-locating strategically in regions where they can access the greatest range of producers to accelerate the take-up of the innovation. The minister for agriculture recently announced P2D—precision to decision—opportunities and funding.

ACTING CHAIR: What is that?

Mr Statton: That's around farming efficiencies and optimisation at field—digitisation. But without connectivity and without collaboration, it's isolated again. If we can collaborate around—the concept's a fantastic one, but providing collaboration from telecommunications, big data and precision-to-decision suppliers, you can optimise that supply chain far better. And being in a region where it's a centred region for agriculture just makes sense, because the producer who's going to benefit from that is in the region, so you're optimising your spend.

Ms MARINO: You could get direct local input, too. Whatever the local conditions are, your local producers and farmers will feed back into you just as well.

Mr Statton: Absolutely. That's the service offering we can scale. At the end of the day, we are the smartest agricultural community in the world.

Ms MARINO: No question.

Mr Statton: No question. We've shown that in history. But if we're left behind through digitalisation, we may risk that opportunity. We can then scale those services to the world. If you think about it at the food level, there are food risks here for countries that are growing exponentially, and with climate change—it's a global initiative. From a national consolidated perspective, I don't think there's any doubt. We're proud. We're proud of our agricultural background, and through collaboration we can do amazing things.

Ms MARINO: Some are.

Mr Statton: Some are, maybe. We should be.

Ms MARINO: Absolutely.

Mr STEPHEN JONES: What are the enablers? To use the Netherlands as an example, they put a lot of money into agricultural education at all levels. What are the enablers that we need to be looking at from the federal level which will assist the exciting vision of agriculture as an export and as a wealth generator?

Mr Statton: I think we're benefiting from enabling infrastructure. I think that's a fantastic use of infrastructure at the moment with Inland Rail, the bypass and the airport. It creates that connectivity, dare I say, from the producer right through to a global market, so it's almost borderless. But in terms of, like I said, enabling digitalisation in the agrifood space at a federal level, I think where it's enabling and aligned with agrifood it should be centred around where the practical deployment of that technology can be advanced and innovation can take centre stage and be adopted quickly. A piecemeal supply chain solution in an urbanised location just does not

make sense to me at all because if you know farmers, they're not going to adopt technologies that don't add value. We need to be looking at the technologies adding value.

Ms MARINO: And what works in their area.

Mr Statton: And what works in their area, 100 per cent. If it works in Australia, it's going to work globally. We've got many challenges. That's what I'd say. We're spending an awful lot of money on research. Let's make it a collaborative research program where the science led and the market led work together. It saves a significant amount of funding because they'll be entertained for life. If you get right, like in the Netherlands case, universities won't have to worry so much about grants; it'll be coming from an industry led economic drive.

Ms MARINO: It'll be driven.

Mr Statton: It'll be driven. They need solutions.

Mr STEPHEN JONES: How much of that paddock-level data collection requires communications infrastructure onsite, and how would you describe our capacity at the moment?

Mr Statton: I think the advent of 5G creates quite a lot of opportunity—in particular NB-IoT, or narrow-band IoT. From what I understand, it's quite scalable compared to what we currently have—almost three times for the NB-IoT range. I think that we have a long way to go to be fully digitalised at a farming level. We have some rural communities that may have to supplement connectivity through lower end solutions, drones, satellite imaging and other technologies. But I'm a strong believer that, if digital optimises to the point of creating sustainable growth, it's actually an opportunity where the direct cost of that supply would be exceeded by the profit from the farming initiative.

I'd also like to emphasise that from 1 July next year, as we embark on a data economy, if we don't focus on provenance and therefore on digital support back to country, we're going to have some issues for the collaboration environment, because you can't envisage an open data economy where a lot of that cloud based storage is in other countries. I think you've going to have a major cybersecurity issue then.

Mr STEPHEN JONES: Why 1 July next year?

Mr Statton: Just the open banking data exchange. I think that's the precursor to what could be a very good idea, which is the data economy. If we think about provenance and the very heart of agrifood, I think data storage just goes with it, and that's why we've gone into our own data storage program.

Mr RAMSEY: Can I just say that it doesn't seem to me like you're detailing that you're facing a lot of barriers in pushing the boundaries on this issue. Do you feel like you're being held back by anything?

Mr Statton: I think we're proud that we're going to do it anyway. We want collaboration, because we know we'll accelerate this for the national interest so much quicker, and it'll create regional jobs. If we get it right in this region, it's so scalable for every region that produces its own particular brand of food or agrifood, and there's such a growing demand globally.

ACTING CHAIR: That's the provenance piece?

Mr Statton: That's the provenance piece.

Mr Hunter: And we'll get there quicker if we can get everyone to collaborate. We will do it anyway, and we'll eventually get there, but we can shorten the time frames considerably.

Ms MARINO: It's Brand Australia.

Mr RAMSEY: I'm given to reflect on a number of other revolutions that have gone through agriculture. It's the first 15 to 20 per cent where you're an idiot if you're doing it, and then the next 60 per cent comes relatively quickly, and then you end up with your rump where you're an idiot if you're not doing it. So I suspect you're getting towards that stage where others will all be looking at you and what you're doing and saying, 'How do we do this, how do we hook into this thing and how do we extrapolate this to our region?' It's interesting. You're going to do it, and I think this committee hears quite often that it is the local drivers that make these things happen. It's pretty hard. Governments can't translocate enthusiasm. It's just one of those difficulties.

ACTING CHAIR: Could I just ask you one final question about this idea of the technology and particularly digital literacy. It keeps coming up again and again. How do we teach that digital literacy and share that? I suppose it's a little bit off the back of what Rowan's saying: we are early adopters, but we need our agribusinesses and our farmers to be on board and part of that. Do you see that as part of the piece, Grant? There's a difference. To be honest with you, I really had to listen hard, because I come from a technological sort of family, if you like, but I've found that some of the language that you've used is gobbledygook, to be completely honest with you. How do we transpose that to get everyone on board, if you like?

Mr Statton: At the farmer level, they're actually some of the most innovative, digitally enhanced—

ACTING CHAIR: I'm not suggesting—yes, sure.

Mr Statton: So, if you bring them technologies that are practical, they will do more than adopt it.

Ms MARINO: They want to do their work and get everything they need right where they are.

Mr Statton: Absolutely. In India now, the mobile phone application base is probably the largest adopter in agriculture of the country's demand, because it's practical, it's user friendly and it has application to them in agriculture.

To me, if you're talking about why has it not happened previously, agriculture has always been okay. It's a traditional sector and it's done reasonably well. But you've got—

ACTING CHAIR: It's a victim of its own success.

Mr Statton: Of its own success, yes. We're are now at the point where in 30 years we'll have 2 billion more people to feed. We have an Asian trading partner which is demanding traceability for provenance, security, reliability and quality reasons. If we don't enhance digitally and optimise we're actually at risk of being left behind, because other countries are doing it.

But if you take some of the opportunities in smarter agriculture that American markets have adopted, from major e-commerce platforms, down to physical presence in groceries and then down to smarter agricultural supply chains, where they're growing at 350 times the yield of traditional leafy greens, their cost of production per unit becomes minuscule. If we don't head down that path and we remain traditional we're at risk of being a supplier—and we will always be a supplier—of non-niche products and of non-value-added products. Therefore, you don't rank as highly in your quality of proves because you need that traceability and provenance to aid with that.

But for sustainability, if we don't optimise digitally—you've seen the digital economy impact on every economy—where will we be in 20 years? And that has to be a concerted collaborative approach. While we will do what we will do, it won't be anywhere near what we can do if we collaborate.

ACTING CHAIR: Thank you very much. Thanks for your attendance. You haven't been asked to provide anything on notice—no, I don't believe you have. You'll be sent a copy of the transcript of your evidence and you'll have the opportunity to request corrections to any errors that might occur in that transcription. Thank you very much, and we look forward to the on-site visit this afternoon.

Mr Hunter: We're both very passionate about this, so—

ACTING CHAIR: That's fantastic. We'll see you this afternoon—we're looking forward to it.

SIDDANS, Mr Bradley John, Human Resources Manager, Oakey Beef Exports Pty Ltd

[13:17]

ACTING CHAIR: Right, our lucky last representative today is from Oakey Beef Exports—welcome. Although the committee doesn't require you to give evidence under oath, I should advise you that this hearing is a legal proceeding of parliament and therefore has the same standing as proceedings of the House of Representatives. The giving of false or misleading evidence is a serious matter and may be regarded as contempt of parliament. The evidence given today will be recorded by Hansard and attracts parliamentary privilege. Do you have an opening comment?

Mr Siddans: Yes, I do have some work that I've prepared. Thank you for the opportunity, Madam Chair. Our general manager, Pat Gleeson, was going to attend but he has other business that he has to attend to today, which is why I'm here. I've been with Oakey Beef Exports for five years as human resources manager, and I have a further seven years of meat-processing experience.

Our company has been in operation since 1956 and we now employ 780 staff. We have a processing capacity of approximately 1,800 head of cattle per day and are investing in extra storage capacity to allow us to increase our daily production, which is currently limited by storage restraints, to approximately 1,200 per day.

The Australian beef industry exports approximately 80 per cent of its product. Obviously, we have to compete on global markets. Cost of production in Australia is considered to be about \$300 per head. Our major competitors, being the US and Brazil, are \$130 per head and \$80 per head respectively. So that is what we are competing against. Our wages are high and we are forced to pay these high wages in order to get people to work for us. In addition, our energy costs continue to increase and we pay significantly more for energy, despite there being an abundance of natural resources around us. We readily export these resources but no consideration is given to providing a competitive advantage to Australian companies through affordable energy.

The greatest challenge we see that we'll have as we expand our business will be recruitment of suitable employees for our organisation. We've identified a number of barriers associated with recruitment, those being the reluctance of people to move to where work is available, the reluctance of people to work in our industry and long-term unemployed with no desire to secure employment.

On the reluctance of people to move to where work is available, whether they are meat industry employee or other people out of work, it's been our experience that most Australians will not move to gain employment. They prefer to stay where they are and are happy to be supported by welfare payments. It's far too easy for people to stay where they are and collect those welfare payments. Fortunately, there haven't been many meat-processing plants close in recent years, but when they do there can be upwards of 500, or even in excess of that, people out of work and we don't receive inquiries for employment on the back of that.

The reluctance of people to work in our industry—and, in a lot of cases, in any industry—makes filling vacant positions very challenging. The only thing we ask of our new employees or our new recruits is a willingness to work. We provide all training that would be required and no prior experience is necessary. Too many people are not prepared to start at entry-level positions and would prefer to wait for their preferred job to come along. The messages commonly delivered in schools are around the glamorous jobs, and that as young adults they can obtain any job that they like. The message needs to be driven home that the way to achieve those rewards is through hard work and dedication, not welfare payments.

On the long-term unemployed, with no desire to secure employment: as I said, we provide all the training that a new employee will require to work in our industry. We are so often faced with people who are unwilling to meet that basic requirement of coming to work and being prepared to do the job that we employ them to do.

A usual round of recruitment would involve 10 potential, new, unskilled employees. One of those will not show up for induction, two will not last through the first week, a further three will not get through the first month and, of the four who remain, two of those will have an attendance problem and the other two will likely work out as will suitable ongoing employees. The attendance problems are generally associated with people thinking that they don't need a full week's pay or, alternatively, if they do receive a full week's pay, that they will lose some of their Centrelink payments as a consequence of earning money. As you can tell from that, it's a lengthy process to fill 10 vacancies.

A quick way to fill those vacancies would be to employ working holiday visa holders, which would require us only to refill those positions every six months. However, we have made a decision not to employ working holiday visa holders, as we are determined to support local Australian workers and will continue to do so. It is our belief that by engaging local people they become more active in the community, which will strengthen the local community.

We support regional development, but there is only so much we can do when the welfare system is so easy to manipulate. In regional areas, the cost of living is lower and welfare is easy to get. Welfare payments, in many cases, cover the cost of living comfortably. Ultimately, it's large companies that end up having to pay for the welfare. We're happy to support these people, but we would like to do that by giving them a job. As Pat Gleeson wanted me to say, there are plenty in the boat but there aren't many of us rowing!

I've highlighted the challenges that we face in the recruitment of staff, particularly when expanding. I would also like to add that we have successfully recruited very hardworking and very valued people. These include school leavers and people from the long-term unemployed. Additionally, a quarter of our workforce have been with us for more than 10 years, and we have eight people currently who have in excess of 40 years service. Our company is the success that it is, with the capacity to be an active and supportive member of our community, particularly in Oakey but also in the Toowoomba area, in no small part from the hard work and dedication of these people. We support regional development and will be an active contributor to that in our area, but action needs to be taken against welfare being the chosen career for people in regional towns. Thank you.

ACTING CHAIR: Thank you very much.

Mr DRUM: If you were the PM for the day, what change would you make to get people off the couch, away from the telly and out to the abattoirs?

Mr Siddans: We hand out welfare first and then try to encourage them off it.

Mr DRUM: Yes, we understand that. Would you let people keep their welfare for three months so they could realise what it's like to bring in a thousand bucks a week with a job? What would you do?

Mr Siddans: Do you mean in addition to what they earn?

Mr DRUM: Yes. I'm saying: what would you do to encourage and incentivise these people to actually go and get a job? Do you want to give them a taste of being able to own a car, pay the rent, pay all their bills and spoil their kids? I don't know; I'm just asking. What would you do? Would you give them a three-month period where they can get their dole as well as going to work and getting a wage? Then all of a sudden they might make their own decision: 'I actually prefer to get out of bed early and bring home all this money for my family rather than scraping through on \$270, \$280 or \$300 a week.' I don't know. I'm asking you: what would you do?

Mr Siddans: I think there certainly are benefits in exposing people to higher wages. When people have money, they get used to spending it. We have had some success in the past, with people who historically haven't been good attenders, in getting them to come to work: 'Actually, I can do more with my family as a consequence of being there.' So, yes, I think exposing them to that higher amount does have an impact. As to getting them to that point, I'm not sure. Certainly for our industry, as I said, with people who've been there for as long as they have, it can't be a bad place to work if people have been there that long. The biggest barrier to our industry is getting people inside the door. Once they're there and they've had an opportunity to experience it, if it's an industry they haven't previously considered, they think: 'Oh, it's not as bad as I thought it was going to be. It's actually a really good industry to work in. There wouldn't be as many people in it if it weren't.' But getting people in there is certainly a challenge.

Mr DRUM: Again, do you have answers? What would you do if you were the Prime Minister for the day and you could change any IR law and do whatever you wanted to do? What would you do? Your situation doesn't just happen here in Oakey; it happens right around every abattoir that I go and visit in my patch or just outside my patch. Everywhere I go, we have busloads of new Australians that are going in to do the dirtiest work that no-one else wants to do. This is just par for the course, and what we're asking now is: what changes would you introduce?

Mr Siddans: I don't think a lot of it necessarily is the dirtiest work either, on that front. It's a very clean environment, actually. Removing the alternative, I think, is really where I'd start, so that welfare alternative isn't there. The employers are there. Be at work. Do a job. Be paid to do that job and be trained to do that job.

ACTING CHAIR: You mentioned earlier that you're competing against countries that have much lower wages.

Mr Siddans: Yes.

ACTING CHAIR: Are you advocating lower wages for your workers? I'm just trying to get a picture. Are you just saying that's the climate?

Mr Siddans: No, not necessarily. That's just the climate in which we exist. We know costs in Australia are higher than in those countries. Our employees wouldn't take less.

ACTING CHAIR: Can you talk to me about the future of your particular organisation and about automation and what risk that poses to jobs. Are we having a conversation where in five, 10 or 15 years those 800 people that you employ might be halved or quartered through automation? Where are we sitting, realistically?

With all due respect, are we looking at an industry where we have to accept that there may be fewer people employed, or are we looking at it off the back of the agribusiness boom where, in fact, there might be fewer people employed in certain aspects of what you do but who might be taken up by demand in other areas? Do you see where I'm going with this line of questioning?

Mr Siddans: Yes, I do

ACTING CHAIR: We're trying to formulate policy and, with all due respect, I take on board your thoughts in relation to welfare, but I'm also just trying to get to more of your industry.

Mr Siddans: It is considered that in 10 years 40 per cent of the jobs in our industry won't be there—

ACTING CHAIR: Exactly.

Mr Siddans: in their current form. It's not necessarily that 40 per cent of the people won't be there. The expectation is that we will still continue to employ the large numbers of people that we do, it's just that the work we ask them to do will change. Technological advances are coming all the time through our industry and if you're back up this way anytime I'm more than happy to show you through the plant and some of the things that we do. So, there's not an expectation.

We can put in a piece of equipment that costs \$2 million, for example, and that might take us from five people down to one in that exact area, but it allows us to expand to employ another 50 people because the throughput of the company goes up at the same time. Those are the sorts of technological changes that we make, more than the machines and automation removing people from the industry altogether.

Ms McGOWAN: I'm really interested in economic development in the regions. Leaving aside a lot of what you've been talking to us about, what can the Commonwealth do to grow really big industries, like the meat industry, in terms of the operating environment that you work in? Or are you able to do that already? It seems like you're a great organisation: 700-plus people exporting—things are good.

Mr Siddans: Yes. They're good—but they can always be better. A lot of the trade agreements of recent years have certainly assisted, but there are the non-trade trade barriers, for want of a better way of putting it, in place that are restricting us. We're still waiting for our chilled access to China, despite the fact that there is an agreement in place that we can access China—theoretically. We have an airport nearby that we can fly chilled product straight into China from if we could get it in there. It's those kinds of market access things, I suppose, that would assist.

Ms McGOWAN: Make the difference.

Mr Siddans: Yes—for industries like ours, that are so heavily reliant on exports.

Ms McGOWAN: Okay, a tick for that one. What about immigration policy? You were talking about it being hard to get labour. Is there any opportunity that you see to advance that?

Mr Siddans: We use it as a last resort in terms of the 457 program. We do have some—they're not new; some of these people have been with us for 12 years. Some are still 457s; others are through as citizens now. So these are long-term employees. But in terms of access to a program like that, it's last resort. We would much prefer to train young Australians to be skilled meat workers than importing someone. As the HR manager, it's a lot easier to deal with a domestic worker who wants to be there than the process of immigration.

Ms McGOWAN: Great, thanks.

Mr RAMSEY: Just on that: I can hear your frustration, and it's a great frustration to me as a member of the federal parliament. I have areas in my electorate—not in the meat trade—where I can't get people to go for work. And yet I'll go to other areas in the electorate where they're saying, 'There are no jobs.' I really struggle to understand what ties people so closely to—their inability to be a little adventurous and go and have a go.

I'm interested in the area around drug testing your workers. It is that a problem—finding people who are clean enough in a drug sense to work in your facility?

Mr Siddans: We don't drug test on recruitment. We do have the capability to drug test randomly, and we will drug test our employees in the event of an incident—if there is in any way some suspicion associated with that. We do lose a number of people, and it's clear that it's drugs—in particular, ice—that are the cause of the change in their attitude in the workplace. We do see that; it is a problem.

Mr RAMSEY: Certainly I've heard from unidentified meat chainers, 'If we drug tested, we wouldn't have a workforce.'

Mr Siddans: That's probably an exaggeration.

Mr RAMSEY: You can take that as a comment, if you like.

Mr Siddans: It's probably an exaggeration, but there would certainly be an element of that.

Mr RAMSEY: In this particular case, I don't think it is.

Mr Siddans: Certainly it exists. There's heavy machinery involved, and we don't want people under the influence of any substance working heavy machinery.

Ms MARINO: Just on issues around stock numbers and the prices that you're paying, when you look at that side of your business and other similar businesses in the area, how do you find that commercially?

Mr Siddans: We have to take the good and the bad. It is really the market we exist in. If cattle prices are low, it's good to be a processor.

Ms MARINO: Are the stock numbers there?

Mr Siddans: When they're high, it's very difficult to be a processor.

Ms MARINO: But the stock numbers are there in the region for economies of scale and throughput?

Mr Siddans: They are. The herd size in Australia is about 27 million. There's still a percentage that's—

Ms MARINO: But looking at your catchment area for stock?

Mr Siddans: Two-thirds of Queensland can come down through us, through the various road and rail systems that exist.

Ms MARINO: So that issue around infrastructure, again, is very important for you.

Mr Siddans: Yes.

Ms MARINO: Given the airport here, what opportunities will that provide to you in time?

Mr Siddans: It will allow us vast access to markets that want product quickly.

Ms MARINO: How will you move it through? Will you have a facility here, like a chill facility? Will it be Cryovac? What are you going to be doing to get it out through here?

Mr Siddans: If it's chilled, it'll be Cryovac—in a Cryovac bag, in a box, loaded into a truck and trucked across.

Ms MARINO: When we look at regional development, there'll be increased opportunities for Oakey—

Mr Siddans: Yes.

Ms MARINO: because of the presence of the airport. You're close to Asia, including China.

Mr Siddans: Yes.

Ms MARINO: The capacity in the freight space for you is significant.

Mr Siddans: It is.

Ms MARINO: If you like, there is the ability to grow your business on the back of that. It's a regional development opportunity.

Mr Siddans: I would agree with that, yes. In addition to that access, having rail to port is also a critical thing that we would like to see available to us. There are a number of barriers that prevent a container from getting from where we are to the port of Brisbane.

ACTING CHAIR: Where do you source your beef from?

Mr Siddans: Out of Western and Central Queensland for the majority of it. A lot of it goes via feedlot. We have our own feedlot at Whyalla, which is near the New South Wales-Queensland border. About 70 per cent of what we process on a daily basis is coming out of there.

ACTING CHAIR: And the other 30?

Mr Siddans: Other feedlots or grass-fed cattle.

ACTING CHAIR: What's your prime market? Could you talk to me about value-adding in terms of your product.

Mr Siddans: Yes. We've invested in the last 18 months on the value-adding side of the business, which we didn't previously have. We were packing primal cuts, and that was as far as we were going with it. But we've invested in that on the back of the opportunity we thought was there to go into China with shelf-ready product.

ACTING CHAIR: So that northern trade barrier still existed?

Mr Siddans: Yes, of getting that product in there.

ACTING CHAIR: Is that a message that you're sending back to us as well—that that's something that needs to be looked at?

Mr Siddans: Whenever we can.

ACTING CHAIR: Thank you very much for your attendance. We'll keep in mind that we are welcome to come and have a tour of your facility. You will be sent a copy of the transcript of your evidence, and you'll have the opportunity to request corrections to any errors that may occur in that. Thank you very much. Thanks to the secretariat and fellow committee members for your attendance.

Committee adjourned at 13:39

Surat Basin Transformation

WSM Toowoomba Surat Basin Study Tour 2023

www.qrec.org.au
info@qrec.org.au

Suite 264, Level 1, 241 Adelaide Street, Brisbane 4000
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What is QREC?

Working collaboratively with stakeholders to build a clean, reliable and affordable energy future where Queensland communities prosper

But who are Katie and Andrew?

What have we seen?



A decade and a half of unprecedented regional growth

- 4,500+ CCA's
- 16,000+ wells
- 12,000km+ pipelines
- 1,600+ PJ gas production

What worked well

- Significant regional prosperity
- Service industry development
- Diversification of income
- OGIA
- Government engagement (eventually....)

Greater certainty and benefit was necessary and well received when it occurred



What didn't

- Inconsistent benefit
- Regulation on the run
- Reactive engagement
- Competing land uses
- Council infrastructure and housing pressure



Change, Uncertainty and Opportunity?

What really, really didn't

- A company vs industry approach
- A focus on individual rather than shared & sustained benefit
- Boom and Bust

Planning and Engagement



Where does this leave us for Renewables?

The next big thing!

- 50% by 2030 70% by 2032 80% by 2035
- Requires an 8x increase in large scale wind & solar
- Delivery is being driven



There are some steps in the right direction

- Supergrid Blueprint
- Renewable energy zones
- Readiness assessments
- Regional reference groups
- Jobs transition
- Regional energy transformation partnerships framework

Thank you

Katie-Anne Mulder
Chief Executive Officer

✉ kmulder@qrec.org.au

☎ 0412 757 899

www.qrec.org.au
info@qrec.org.au

Suite 264, Level 1, 241 Adelaide Street, Brisbane 4000
Follow us on LinkedIn & Instagram





QUEENSLAND'S ENERGY TRANSFORMATION FROM GAS TO RENEWABLES

Coexistence lessons from an increasingly shared landscape

Warwick Squire – CEO, GasFields Commission Queensland

HISTORY

The gas sector is a significant contributor to the Queensland economy



1900

Gas is first discovered by chance in Roma from a well being drilled for water



1968

Gas is piped to Brisbane via the Wallumbilla to Brisbane gas pipeline



1996

Commercial production of coal seam gas (CSG) commences in the Bowen Basin



2015

Liquefied natural gas (LNG) is exported from Gladstone



2022

Oil and gas supports 6,000+ jobs and is expected to generate \$1B royalties in FY22



2023~

Increasingly shared landscapes

CSG CONTEXT

- New industry in a new area and no experience with resource sector
- Lagging regulatory framework and lack of strategic planning
- Lack of information about the industry with fear of the unknown
- Poor industry and government engagement with land access practices
- Little to no concept of coexistence or social licence

What could possibly have gone wrong?



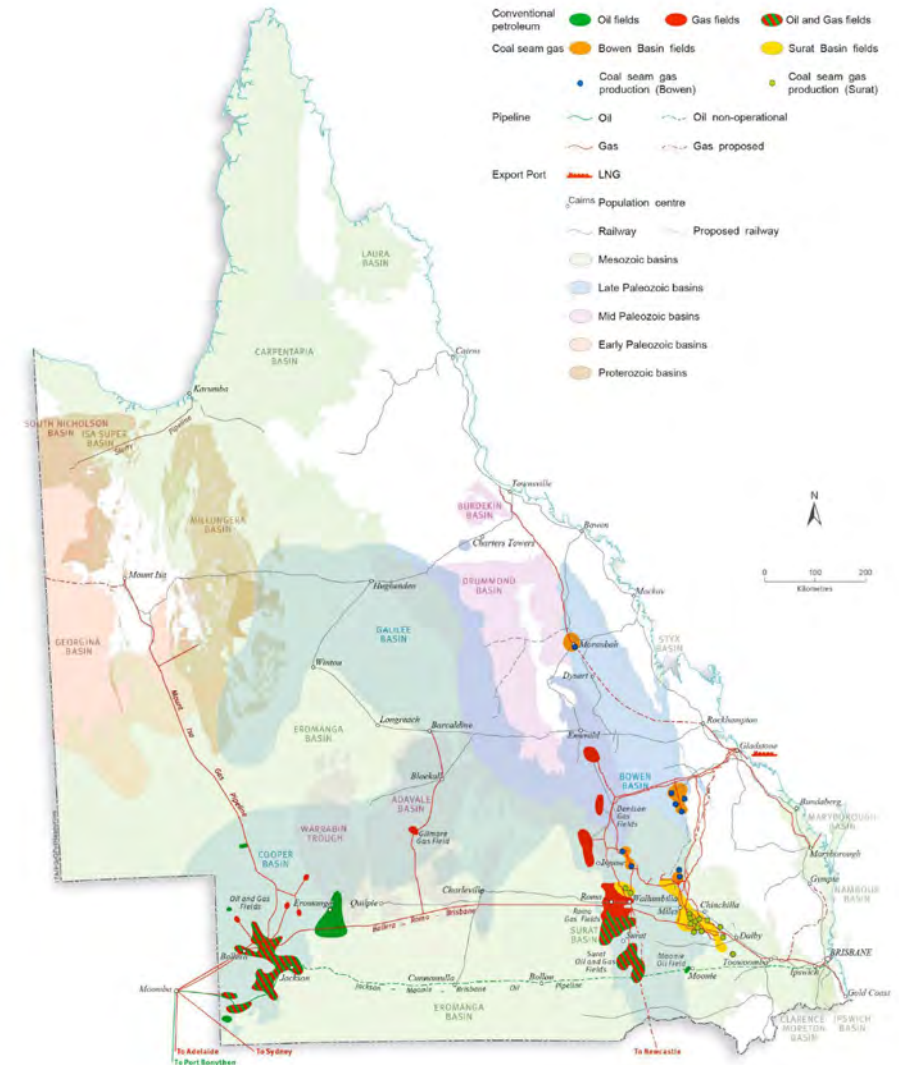
IMPORTANCE OF COMMUNITY

- Communities are pivotal to the success of realising energy development – they must be part of the **conversation**
- Infrastructure is generally hosted by a traditional agricultural **community**
- In many cases on **private land or a farm**, and these farms are often someone's **home**
- Notion of **coexistence** premised on mutually beneficial outcomes for community, landholders and the industry



COMMISSION'S MANDATE

- Born out of the rapid development of the CSG to LNG sector over 10 years ago
- Social license to operate / coexistence central to the success of the onshore gas industry
- Role to foster sustainable coexistence between landholders, regional communities and the onshore gas industry
- Queensland coexistence outcomes envy of other states – but we must remain vigilant
- Role and function continues to evolve – renewables, critical minerals



OUR ROLE

- Independent statutory body under the [Gasfields Commission Act 2013](#)
- Manages and improves the sustainable coexistence of landholders, regional communities and Queensland's onshore gas industry

The Commission:

- is an honest broker – ensures accountability of industry and government
- is a trusted advisor – an ear to the ground and bearer of solutions
- facilitates collaboration – solves complex problems
- actively engages with communities – brings them on the journey
- provides leadership – facilitates ongoing dialogue with industry, government and communities around coexistence.



**Gasfields Commission Act
2013**

Current as at 1 March 2023

COEXISTENCE FOUNDATIONS

1 Engagement

Early engagement is at the heart of successful coexistence outcomes

2 Communication

For communication to be effective, it must be fit for purpose, concise and easy to understand

3 Respect

Respect is the bedrock of any rural community – a handshake is just as binding as a signature



KEY TAKE-AWAYS

- **Defined roles** – clear and easy to navigate
- **Availability of info** – accessible / easily understood
- **Strategic planning** – early and with community
- **Regulatory framework** – fair, robust and modern
- **Connected communities** – stakeholders, industry, community all working together



Regulation tells a company what it can and can't do but not what it *should* do – and there's a big difference.

Whether it's electrons or molecules, the coexistence foundations remain the same.



Lessons from the Queensland Onshore Gas (aka) CSG Industry Development

“Learning by Doing”

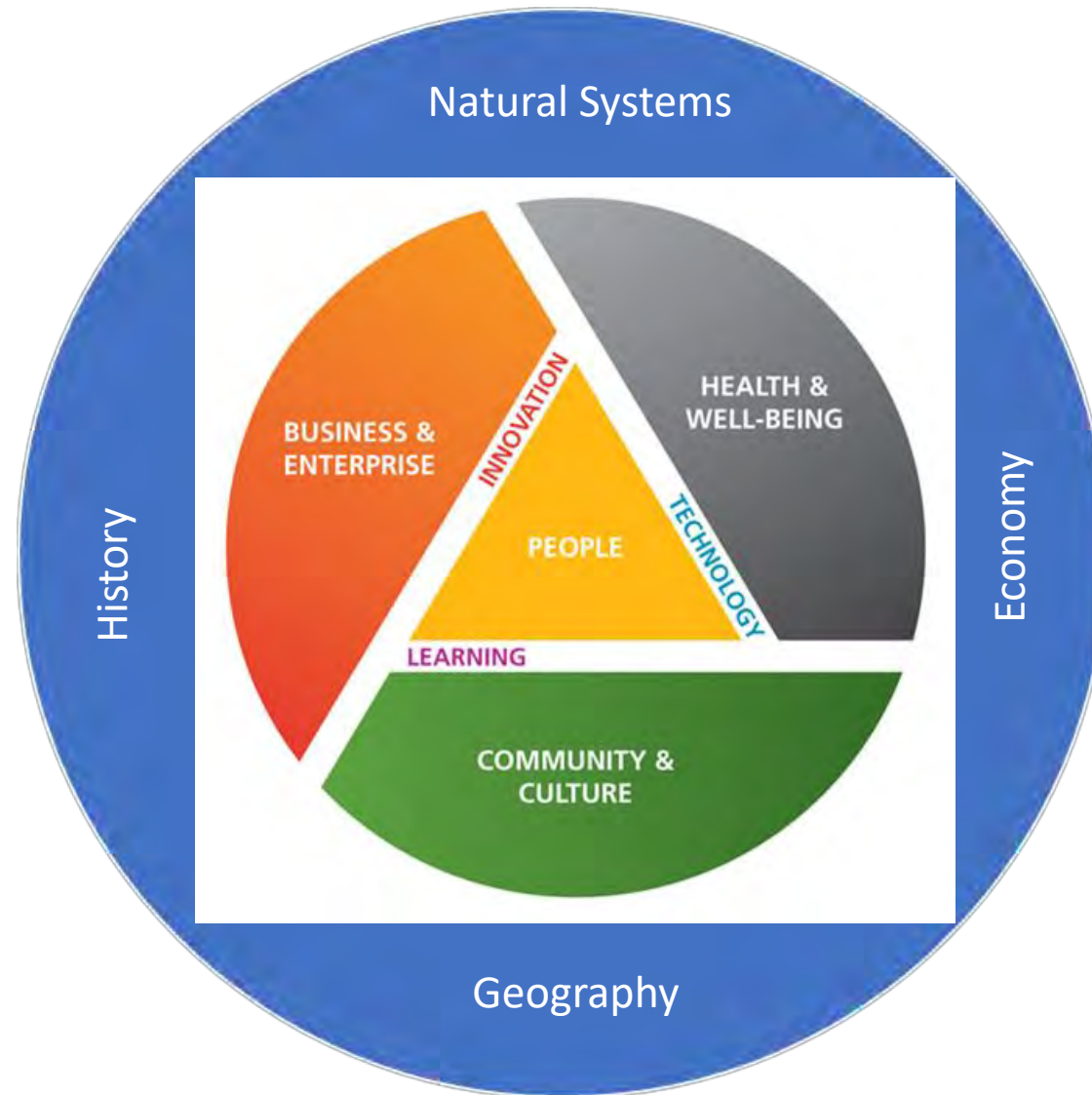
Professor Emeritus John Cole OAM

Institute for Resilient Regions

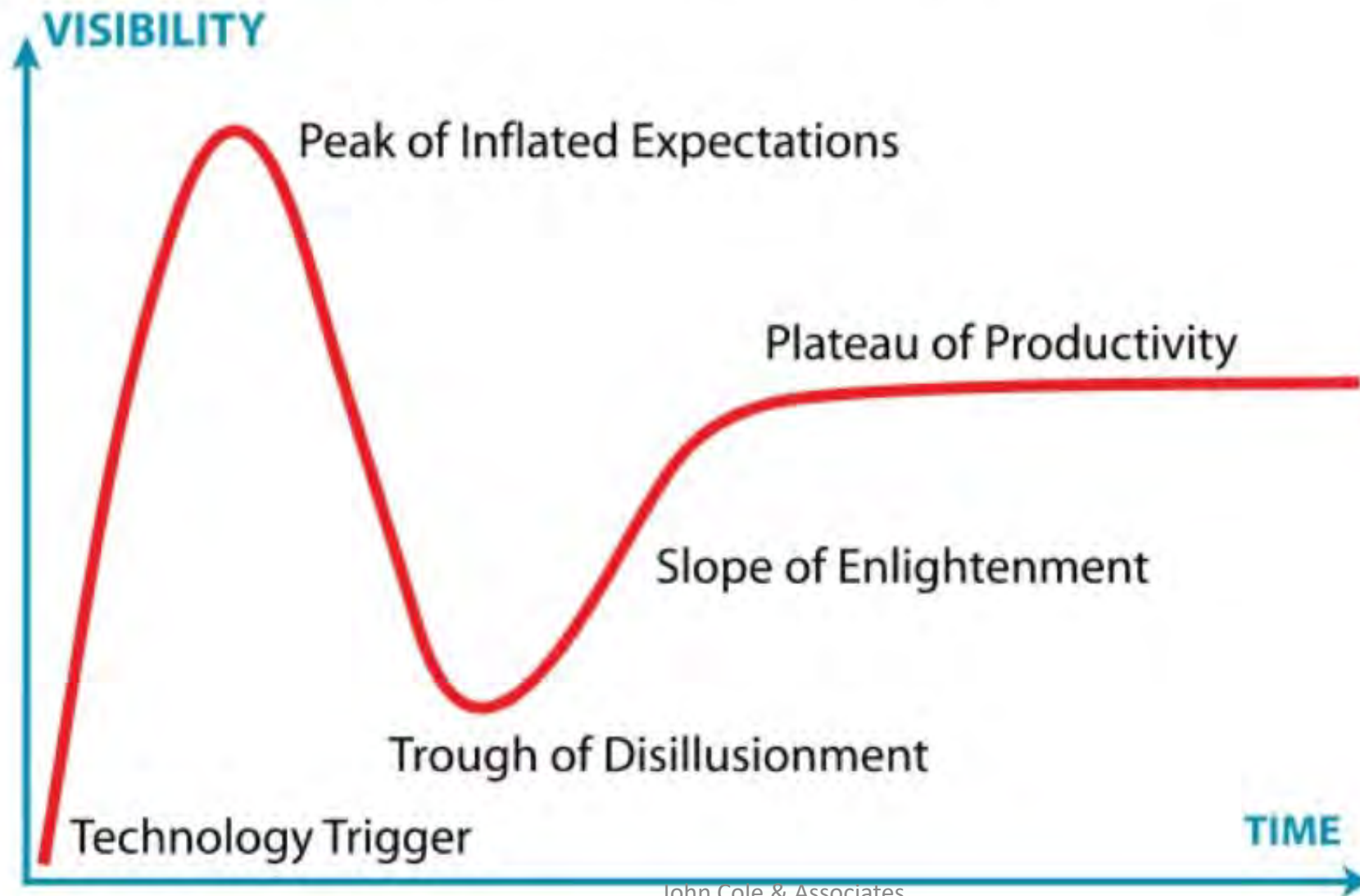
University of Southern Queensland



**Think of
a region
as a
complex
system...**



Gartner Hype Cycle



John Cole & Associates

<https://www.diamandis.com/blog/5-stages-of-the-hype-cycle>

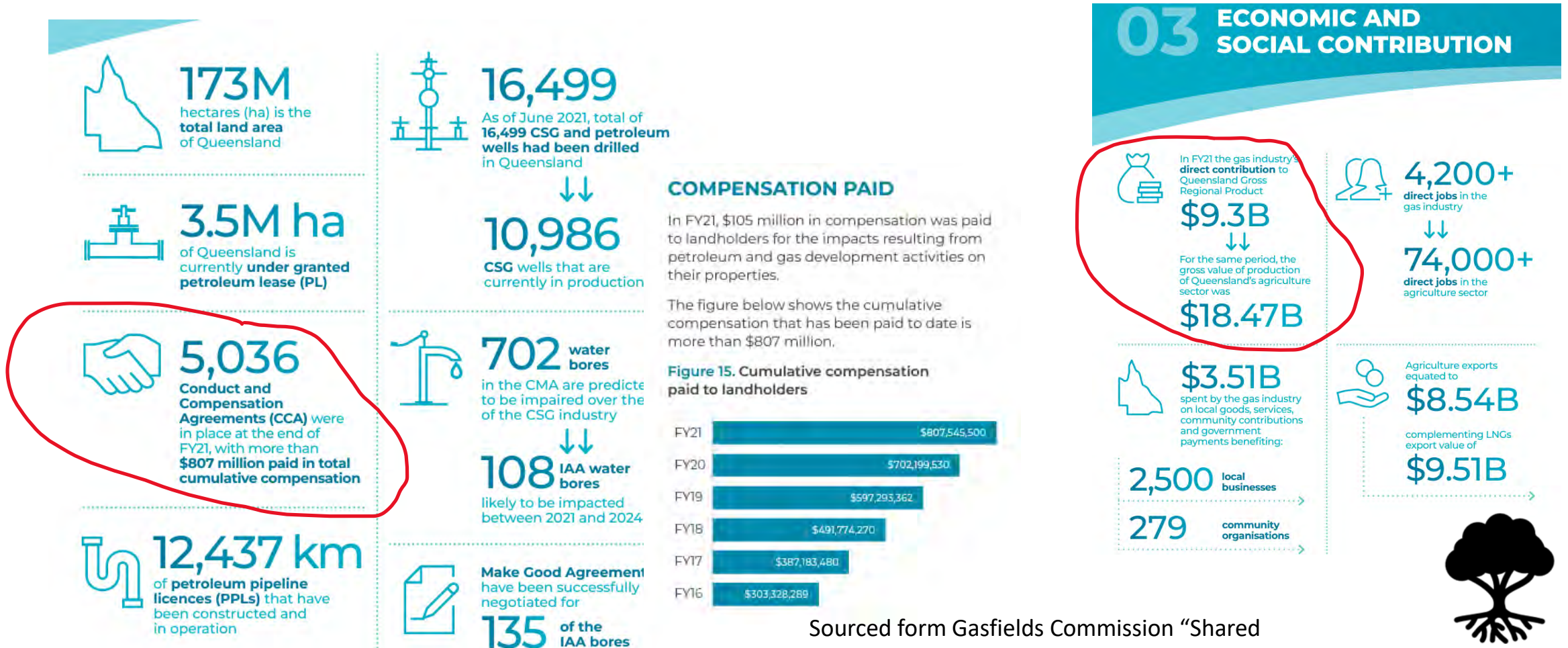


Short history – coal seam gas

- **Early Exploration (1970s-1990s):** The exploration for coal seam gas in Queensland began in the 1970s. First well - Carra in Bowen Basin 1976
- **Commercialisation (Late 1990s-2000s):** The commercial development of CSG in Queensland started in the late 1990s, with companies such as Queensland Gas Company (QGC) and Arrow Energy – first commercial well 1996
- **Coal Seam Gas Boom* (2005-2015):** \$60 billion investment underwrote a significant boom in CSG development. 4 consortia invested heavily in the Surat and Bowen Basins. 3 built LNG production plants at Curtis Island, Gladstone. **Peak of inflated expectations *It was a construction boom not a gas boom**
- **Export LNG (2015)** the first LNG export facility, Curtis Island LNG, began operations.
- **Plateau of Productivity and gas market upheaval 2015-2023** – LNG production & export

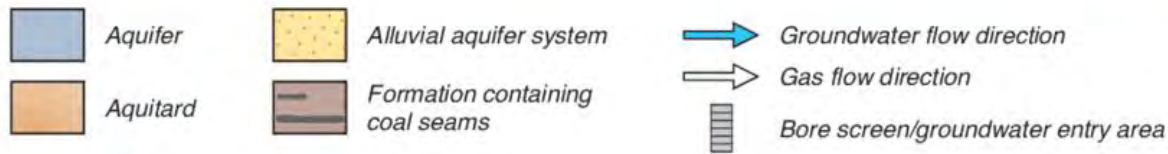
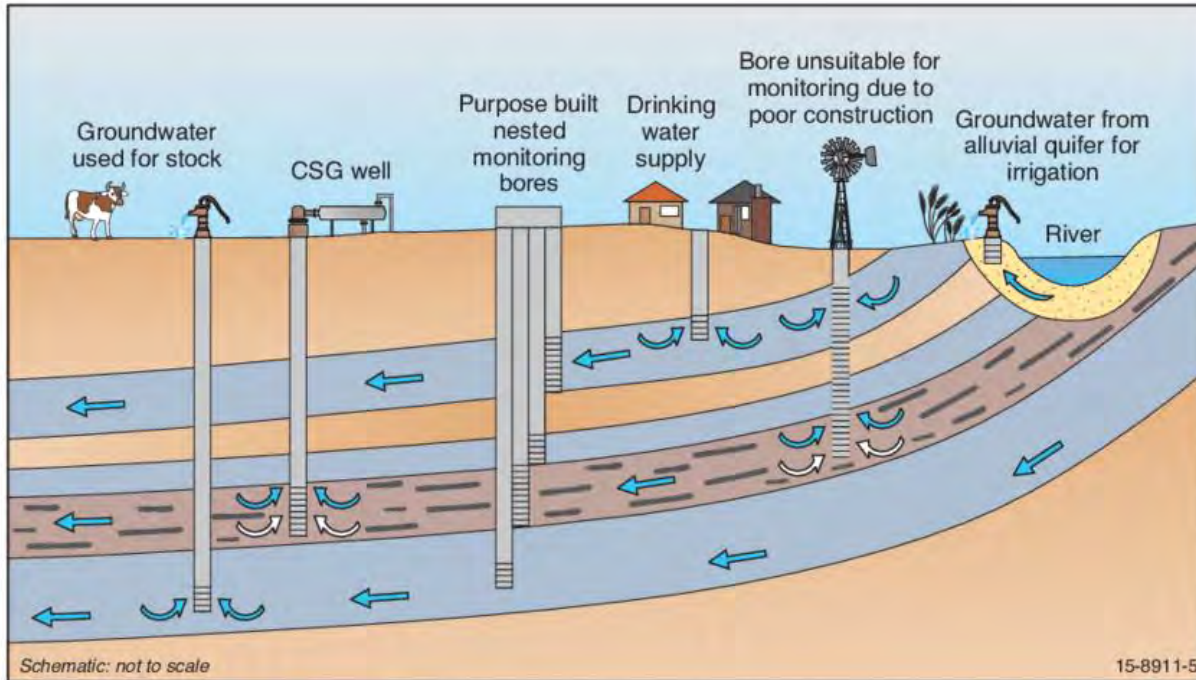


The official narrative – it's good for us – there are risks but they can be managed



Sourced from Gasfields Commission "Shared landscape industry trends 2021"

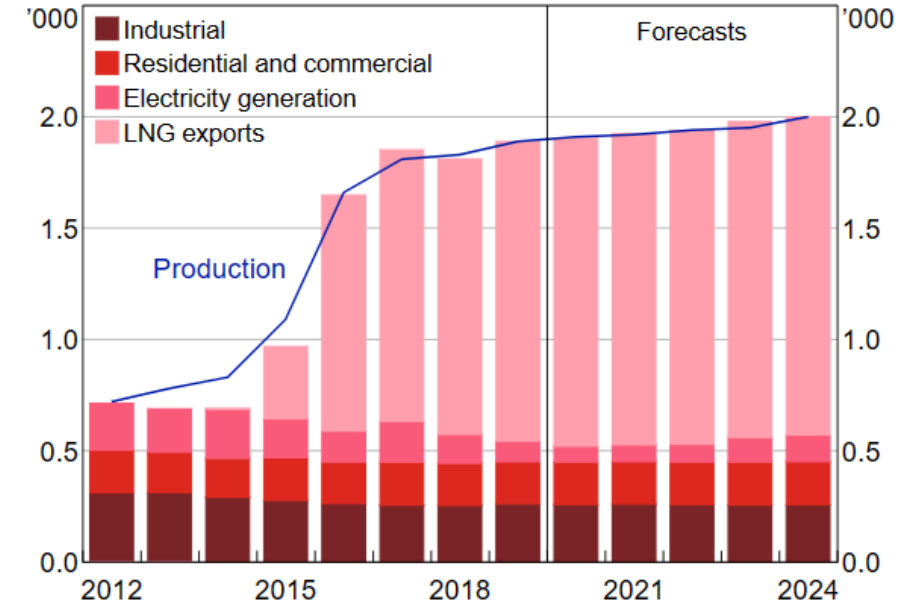
What?



https://www.researchgate.net/figure/Conceptual-diagram-illustrating-potential-groundwater-monitoring-sites_fig4_277014870

Why?

East Coast Gas Demand and Production*
Petajoules



* Projected from existing and committed developments; 2012–2014 calendar year production estimated using average of corresponding financial years

Sources: AEMO; AER; RBA

<https://www.rba.gov.au/publications/bulletin/2021/mar/understanding-the-east-coast-gas-market.html>



- The development of CSG in Queensland has been rapid, with approximately 80 per cent of the State's (including those outside Surat Basin) 9000 CSG wells drilled [between 2010 and 2016]
- A measure of the scale of the CSG undertaking can be gathered from the QRC submission:
 - *“The creation of the onshore gas industry in Queensland was the largest concentration of private capital in Australia’s history. With the best part of 70 billion dollars invested, the investment in Queensland LNG is the equivalent of three Snowy Mountain Schemes (expressed in terms of today’s dollars). In drawing this comparison, it should be noted that the Snowy Mountain Scheme was constructed over a quarter of a century, not just seven years”. Michael Roche QRC 2016*



The race (rush) for gas

Pace & Scale



The Industry Players = Big capacity **Santos**

- **four major CSG players**
- Gladstone Liquefied Natural Gas project (GLNG)
 - Santos (operator, 30%), Petronas (27.5%), Kogas (15%), and Total (27.5%)
- Australia Pacific Liquefied Natural Gas company (APLNG)
 - Origin (upstream operator, 37.5%), Conoco-Phillips (37.5%) and Sinopec (25%)
- Queensland Curtis Liquefied Natural Gas (QCLNG)
 - QGC operator owned by BG which merged with Shell in 2016 with minor stakes in QCLNG owned by CNOOC and Tokyo Gas
- Arrow Energy
 - (a company owned 50:50 by Shell and PetroChina).



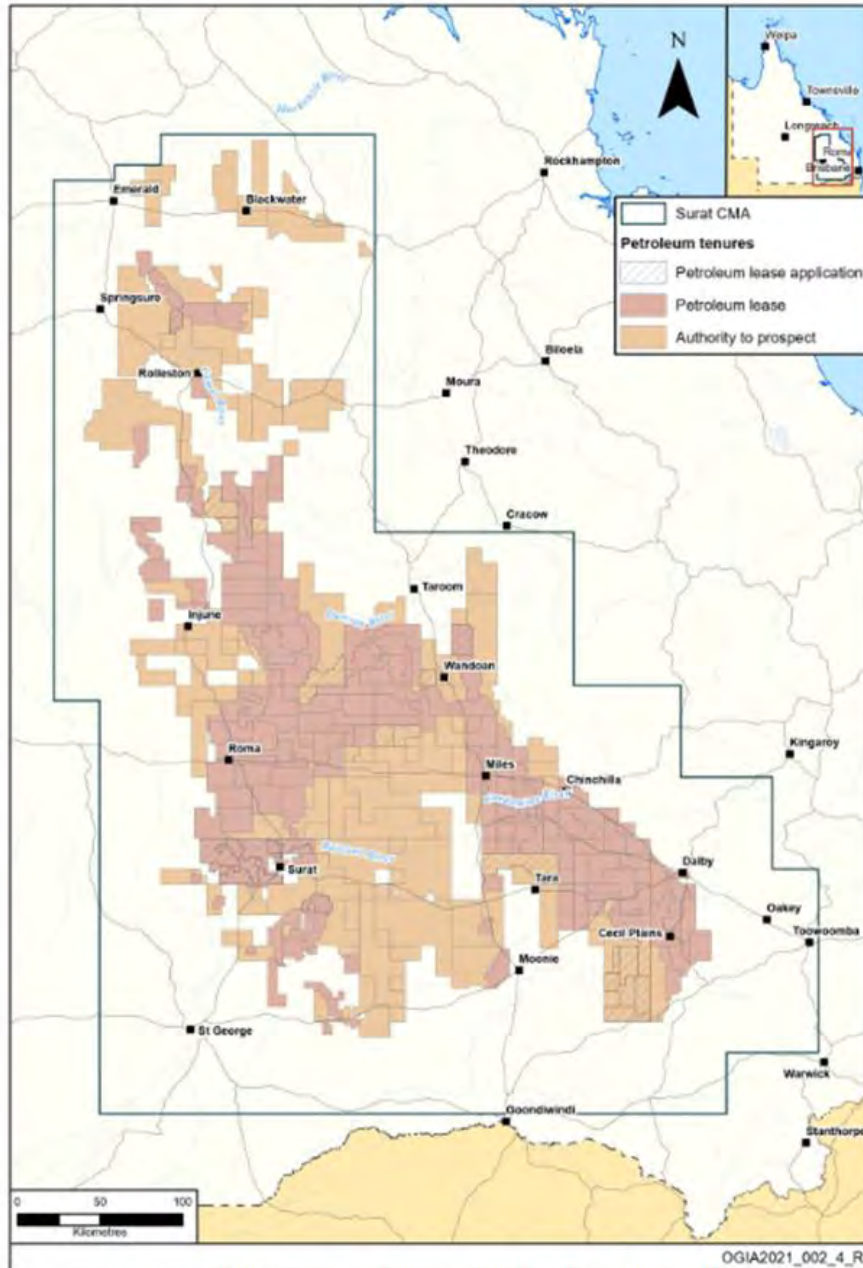
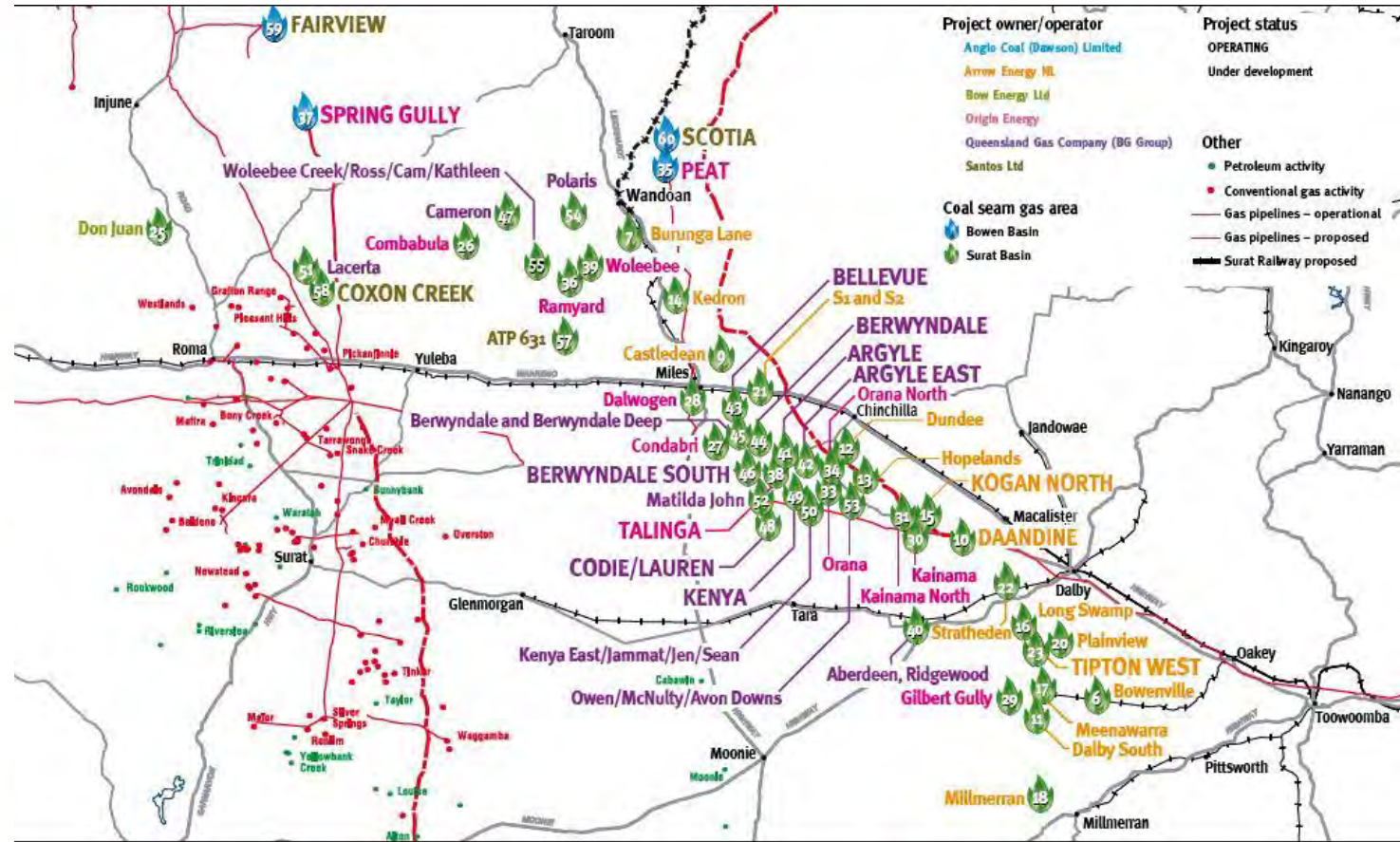


Figure 5-5: Distribution of petroleum and gas tenures in the Surat CMA

Where?



<https://climatecommercial.files.wordpress.com/2012/02/coal-seam-gas-distribution-queensland.jpg>



How?



Flickr



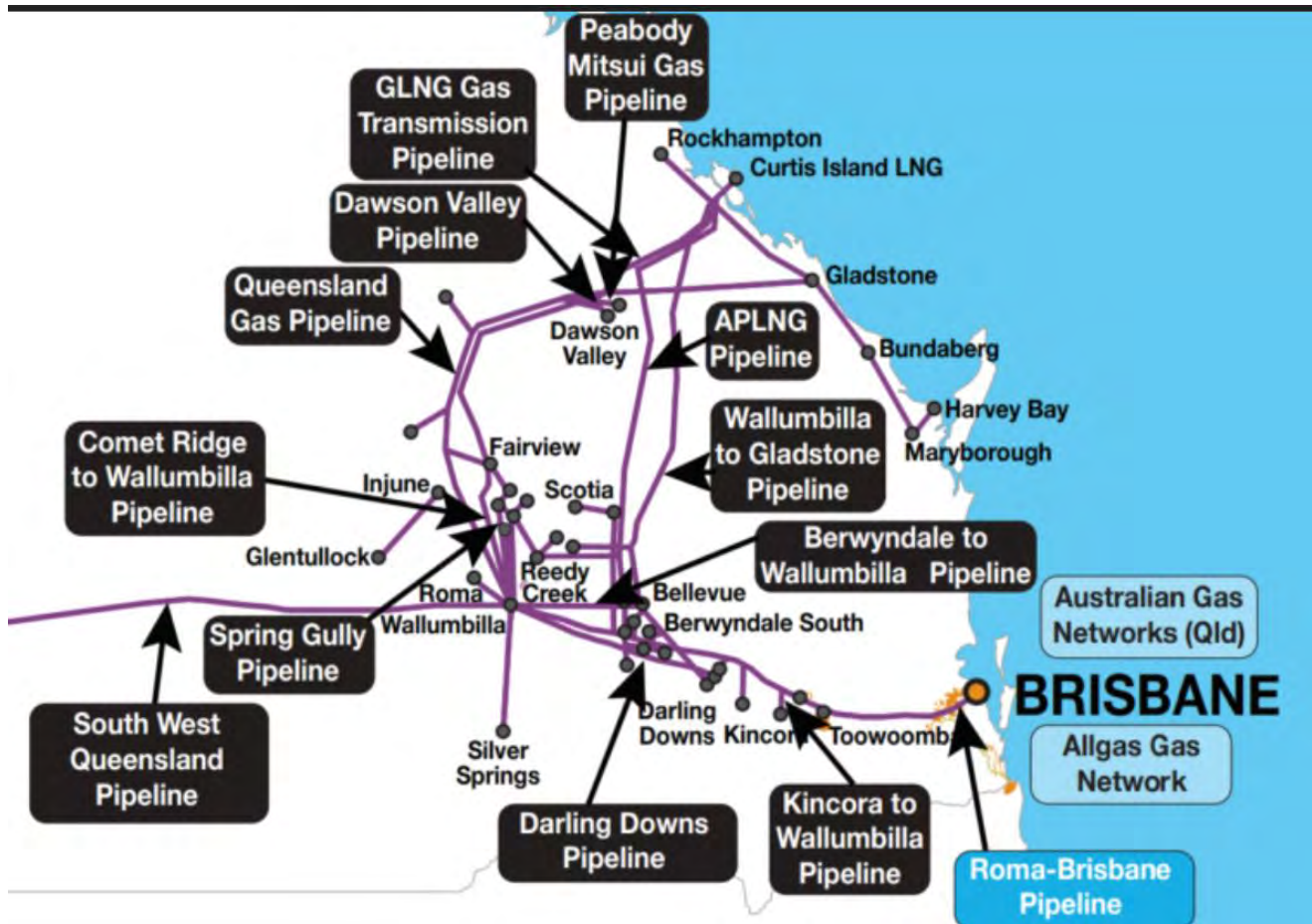
pinterest.com



Photos extracted from abc.net.au



How?



Map extracted from <https://www.repowergladstone.com.au/our-green-economy-plan/central-and-se-queensland-gas-pipeline-network/>



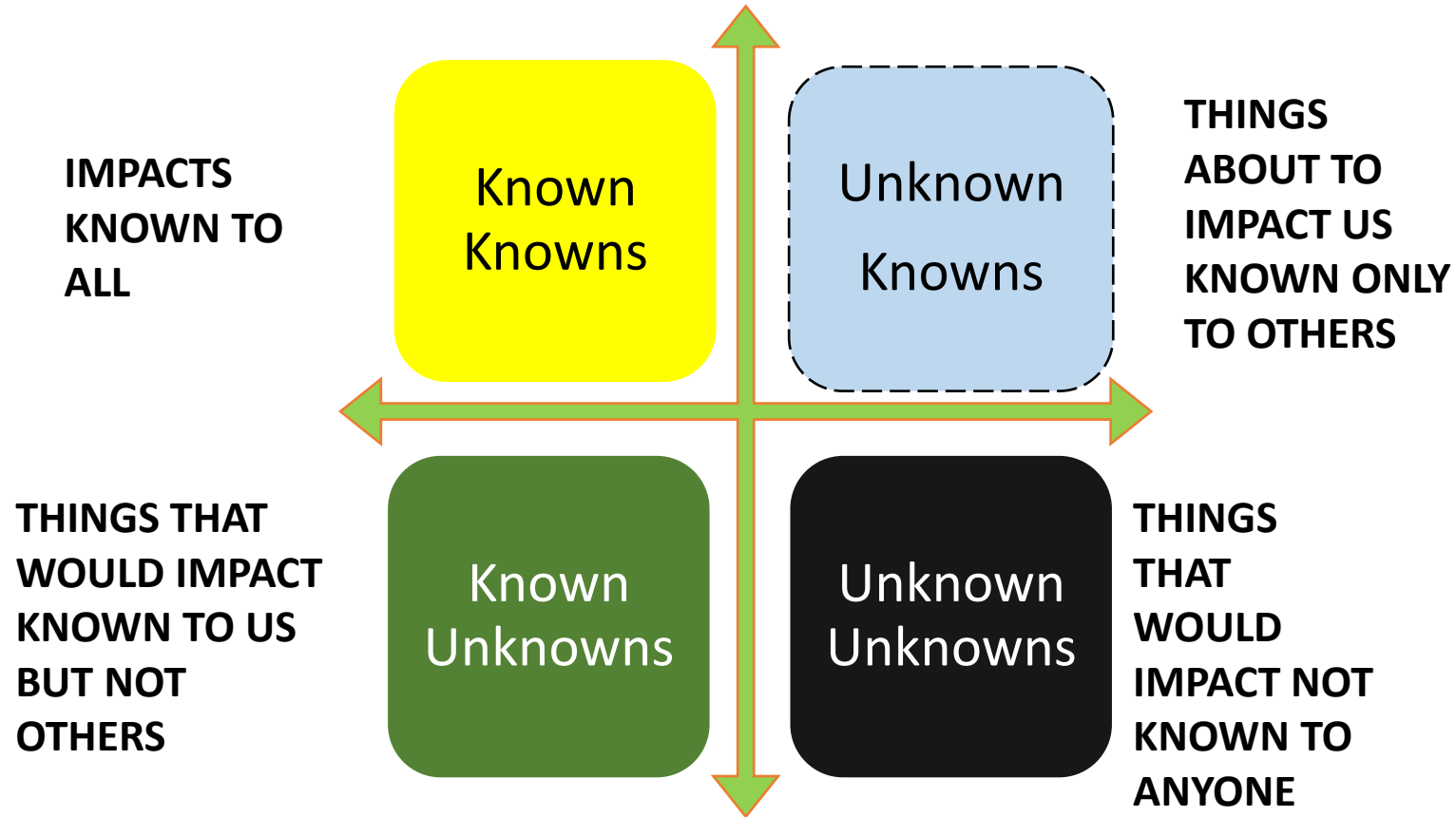
Photo: Gladstone Observer news.com.au



Photo: austockphoto.com.au



In the beginning...there were government, industry and community players and their state of knowledge was a mix of...



Off to a bad start



ABC news photo

- Lots of unknowns
- Fear, anxiety
- Asymmetric capacities & flows
- No agreed strategic vision for the region
- Constructed conflict



BBC News photo



Key issues of concern – known unknowns

1. ground water - impact of CSG extraction activities on aquifers - hydraulic fracturing
2. land access and land values
3. the potential impacts of CSG extraction activities on agricultural land and produce eg subsidence, salinity
4. environment management of salt and brine waste and potential use of CSG water
5. fugitive emissions

- Source: Queensland Audit Office

- <https://www.qao.qld.gov.au/sites/default/files/2020-02/Managing%20coal%20seam%20gas%20activities%20%28Report%2012%E2%80%942019%E2%80%932020%29.pdf>



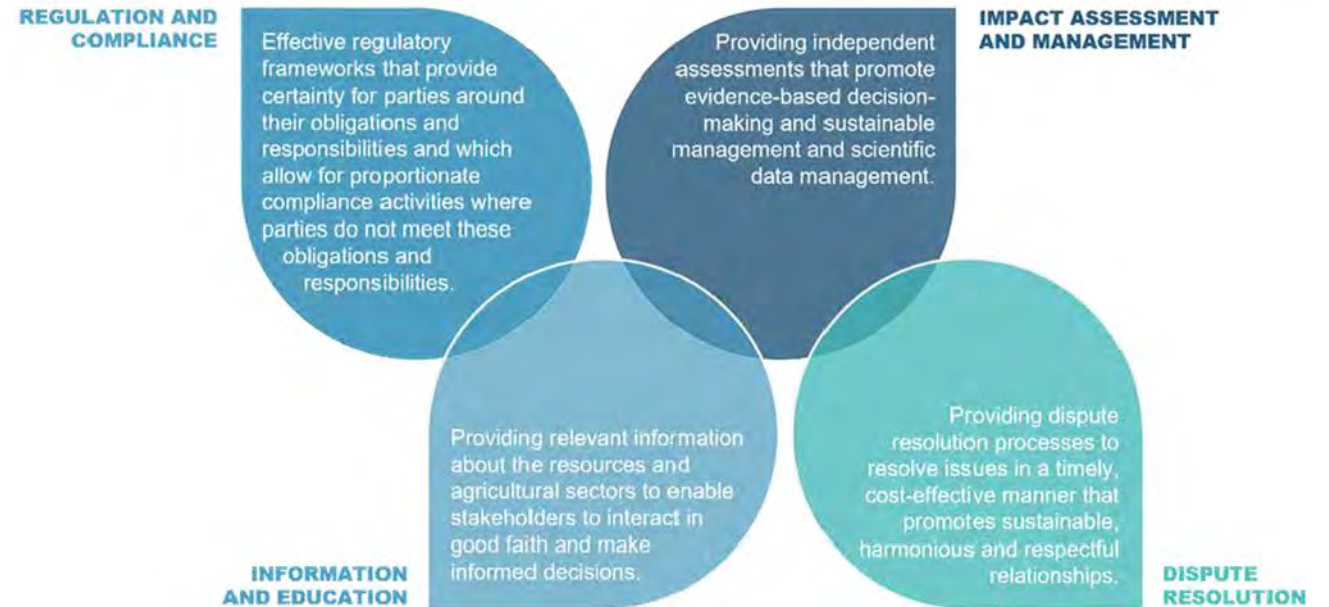
The industry – learning on the run

- **continuously improving – technical innovation**
 - using factory drilling approach to logistics, warehousing, well-site management, cementing, wireline, bits, solids control and directional drilling services.
- introduction of pad-based drilling (multiple horizontal wells from one well pad)
 - significantly reduced the area of land occupied by well infrastructure
- well design changes to improve gas production.
- **“Developing improved drilling and completion technologies to achieve commercial rates of gas production allowed a viable CSG industry to develop”.**
- Brian Towler et al “An overview of the coal seam gas developments in Queensland”, Journal of Natural Gas Science & Engineering 31 (2016) 249-271



Government context – learning on the run

- Gasfields Commission (GCQ)
- Resources Safety & Health Queensland (RSHQ)
- Land Access Ombudsman (LAO)
- Department of Environment and Science (DES)
- Department of Regional Development, Manufacturing and Water (DRDMW)
- Department of Agriculture and Fisheries (DAF)
- Office of Groundwater Impact Assessment (OGIA)
- CSIRO's Gas Industry Social & Environmental Research Alliance (GISERA)
- The University of Queensland's Centre for Natural Gas.



Aim

Protect rural landholders, communities and the environment by

- Detailed assessments of proposed projects
- Environmental impact assessments including cumulative groundwater impact assessment and management framework
- Protection of the Great Artesian Basin, local water supplies and areas of regional interest
- Provision of fair conditions and compensation for affected landholders
- Ensuring petroleum and gas development is safe
- Establishing a strict compliance and enforcement regime.



Regulatory evolution 2010 +

- 2010 Land Access Code (LAC) and supporting land access framework;
- 2010 independent Office of Groundwater Impact Assessment (OGIA) established
- Strategic Cropping Land Act 2011 (SCL Act) replaced by Regional Planning Interests Act 2014;
- Establishment of the Gasfields Commission Queensland 2012-2013 superseded defunct Qld Water Commission
- Amendments of the Water Act to include pre-development groundwater modelling and setting 'make good' requirements for impacts on groundwater supplies/users;
- 2016 Establishment of the CSG Compliance and Engagement Unit (Department of Natural Resources and Mines);
- 2017 Land Access Ombudsman Act Declaration of the Surat Basin Cumulative Management Area (CMA) and subsequently the Surat Basin Underground Water Impact Report (UWIR), commissioned by an independent statutory body: The Office of Groundwater Impact Assessment (OGIA)
- 2017-18 Extension of Ombudsman powers to include land access conflict

Figure 5 – Current roles of entities within the coexistence framework

	ASSESSING & MANAGING GROUNDWATER IMPACTS	NEGOTIATING & DEVELOPING CCAs & MGAs	CCA DISPUTES	MGA DISPUTES	INFORMATION, EDUCATION & OVERSIGHT	REGULATION & COMPLIANCE
Department of Resources		✓			✓	✓
Office of Groundwater Impact Assessment	✓					
Department of Environment and Science	✓ *					✓
Land Court		✓	✓	✓		
Land Access Ombudsman			✓	✓		
GasFields Commission					✓	

*The role of DES is in management and regulation, not in assessment of impacts

CCA Disputes – Conduct & Compensation Disputes
MGA - Make Good Agreement Disputes

https://www.resources.qld.gov.au/__data/assets/pdf_file/0020/1651331/review-coexistence-principles-institutions.pdf



Queensland Gasfields Commission

Launched 2012 - Gasfields Commission Act commenced on 1 July 2013

- Purpose to “manage and improve the sustainable coexistence of landholders, regional communities and the onshore gas industry in Queensland”.
- Independent review July 2016
- **Deficiencies identified** - effectiveness of the Commission’s communications with stakeholders; the lack of rigorous collection, analysis and reporting of data; a failure to adequately address some of its statutory functions; and the sub-optimal strategic and operational planning and reporting”.
- The Commission should:
 - facilitate and maintain a **harmonious and balanced relationship** between landholders, regional communities and the onshore gas industry in Queensland
 - develop an **extension and communication program** to help landholders to become more informed and self-reliant in relation to their legal rights, the management of their land when subject to CSG activities and the developments in science and leading practice relating to the onshore gas industry
 - **proactively monitor and publish comprehensive data** about formal interactions between landholders, CSG companies, government agencies and dispute resolution bodies
 - **proactively collect and publish data** so the growth of the onshore gas industry in Queensland and the properties impacted can be better understood
 - be the **trusted advisor to government and stakeholder representative** bodies on strategic issues including the status of the coexistence model.



If there is to be an umpire, arbiter, mediator – it has to be trusted by all parties

Stakeholder engagement remains an issue

- The regulators could **enhance their current regulatory practices** by **better coordinating** their planning, information and data sharing. Work units within and across the regulators **use different systems** to support their work.
- The **lack of system interoperability** (when systems can exchange data and interpret that shared data) makes it difficult for the regulators to collectively coordinate and report on regulatory activities.
- **Greater collective oversight and reporting on compliance** and enforcement outcomes would **enhance stakeholder confidence** in the regulators and the government's coexistence approach.
some stakeholders still perceive the commission as an advocate for the industry. We recommend evaluating the current engagement approach to determine its effectiveness in meeting the needs of all stakeholders.
- To **coexist effectively**, landholders and the community **need confidence that the industry's behaviour is transparent**, and that government will hold all participants (including industry and regulators) **accountable**
- **Queensland Audit Office - Managing coal seam gas activities Report 12: 2019–20**



THE GAS GUIDE



Version 2.01 - February 2022



A best practice guide for landholder negotiations with petroleum and gas developers in Queensland

THE GAS GUIDE

Everything you need to know from the release of government tenures right through to rehabilitation of the site.

For more information about GasFields Commission Queensland:

- Web: www.gfcq.org.au
- Email: enquiries@gfcq.org.au
- Phone: (07) 3067 9400
- Mail: PO Box 15266, City East QLD 4002
- Connect with us on social media: [Facebook](#), [Twitter](#), [Instagram](#), [YouTube](#) & [LinkedIn](#)

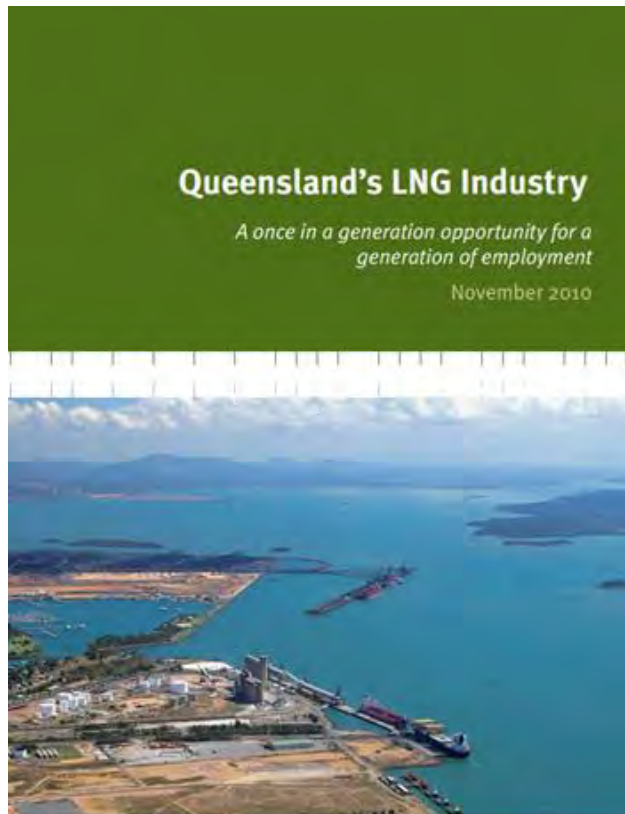
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The GasFields Commission Queensland, PO Box 15266, City East QLD 4002
Phone: (07) 3067 9400
Email: enquiries@gfcq.org.au



So, what happened?

Short term boom vs sustainable development

- **The Dream**



opportunities.qld.gov.au



- **The reality in the regions**

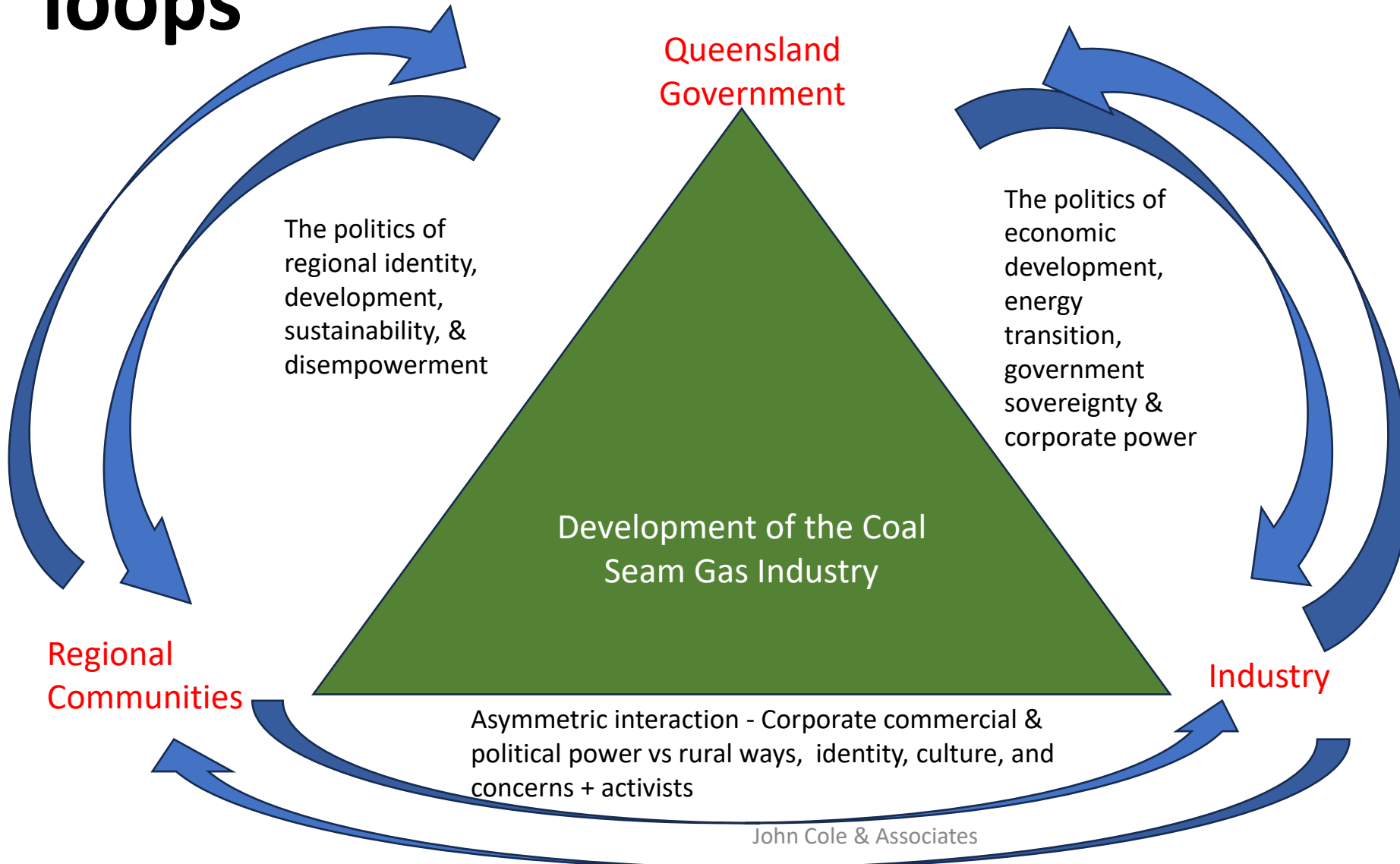
- FIFO & DIDO
- Social and workforce disruption
- Economic dislocation
- Winners and losers
- Biggest winners in the cities
- Speculative housing in some towns
- Gas boom was really a construction boom
- Through the roof, through the floor
- Unknown unknowns

- **Broader realities**

- Destabilisation of domestic gas prices
- Gas too expensive to perform as envisaged as a transition fuel
- Budget boosted by royalties



Perceptual positions & asymmetric feedback loops



Toowoomba Surat Basin Enterprise

Linking Business. Investment Attraction. Region Advocacy.

Toowoomba and Surat Basin Enterprise (TSBE) is the go-to organisation linking business with opportunity to create sustainable growth and diversity for the region.

TSBE is an independent, member-driven economic development organisation actively linking our business community to opportunities across the Toowoomba, Western Downs, Maranoa and surrounding areas.

We're committed to ensuring that our local business community will innovate, adapt and prosper and we take pride in encouraging major investment and promoting the vital need for new and upgraded infrastructure in our region.

To ensure our region continues to diversify and grow sustainably TSBE also invests in activities that:

- attract new businesses and create growth in the region
- grow our communities and skilled workforce
- generate increased investment
- advocate for our region with all levels of government

TOOWOOMBA AND SURAT BASIN ENTERPRISE

Linking Business.

Investment
Attraction.

Advocacy For Our
Region.

Toowoomba and Surat Basin Enterprise (TSBE) is the go-to organisation linking business with opportunity to create sustainable growth and diversity for the region.

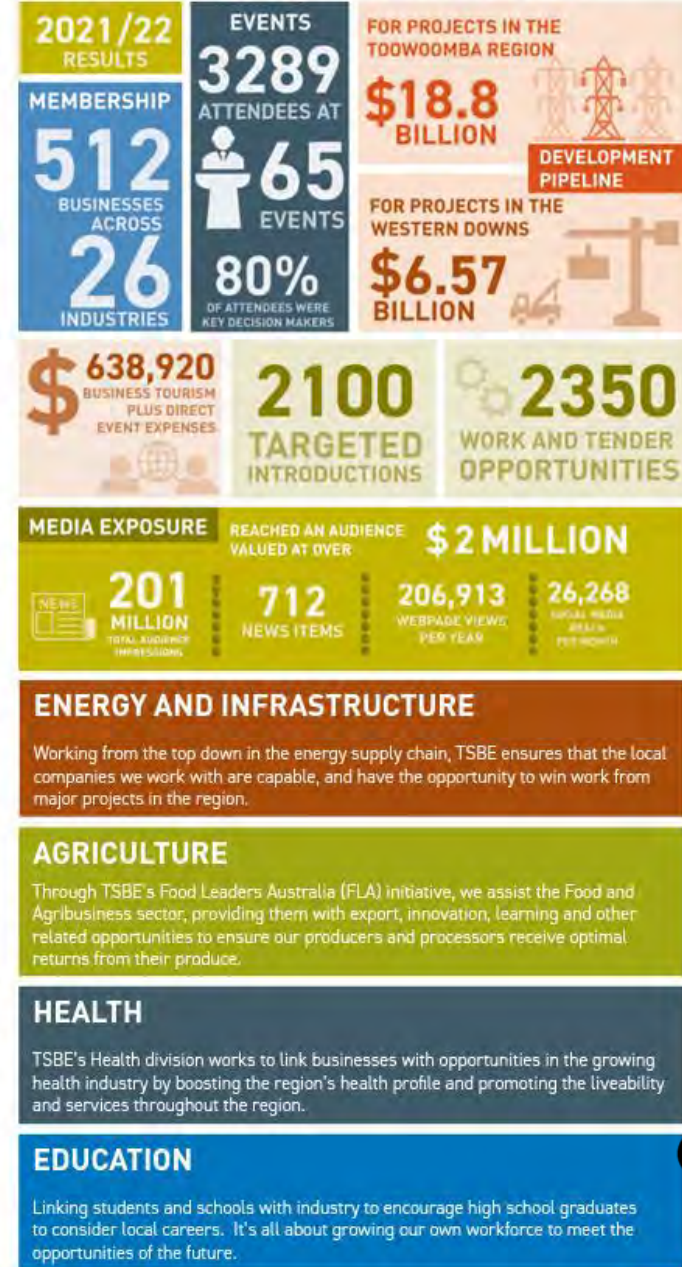
As an independent, business-driven, economic development organisation, TSBE is committed to ensuring that our local business community will innovate, adapt and prosper. We take pride in encouraging major investment and promoting the vital need for new and upgraded infrastructure.

With hundreds of corporate members across 26 sectors, TSBE is working proactively within many industries, including energy, construction, agriculture, export and health, to grow our region's economy.

Since TSBE's inception in 2012, the Toowoomba region has witnessed an economic growth of over \$2.6 billion, with Toowoomba's Gross Regional Product for the year ending June 2020 at \$11.56 billion. (NIEIR 2021)

TSBE's collaboration with local, state and federal government agencies, proactive community organisations, and industry groups has been integral to the region's advancement. The TSBE team has been working hard to attain favourable outcomes for important infrastructure developments in recent years.

Reference: <https://economy.id.com.au/toowoomba/gross-regional-prod>



Gas company community investment



John Cole & Associates



Gas industry social licence to operate

- “As originally conceived, the notion of a social licence to operate reflects the idea that society is able to grant or withhold support for a company and its operations; with the extent of support being dependent on how well a company meets societal expectations of its behaviour and impacts. A social licence is tacit, intangible and context specific. It needs to be earned and is dynamic, as people’s experiences and perceptions of an operation shift over time”

Extracted from GISERA – Gas Industry Social & Environmental Research Alliance, “ The Social Licence to Operate and Coal Seam Gas Development Literature Review Report 31 March 2013

Discussions of ‘social licence’ often draw on Thomson and Boutilier’s (2011) ‘pyramid’ model, which considers four potential levels of support: withheld, acceptance, approval and identification (Figure 2.1).

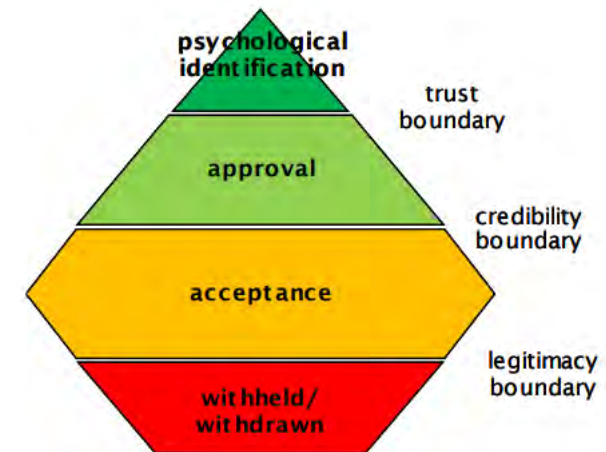


Figure 2.1 The ‘pyramid’ model of the SLO (after Thomson and Boutilier 2011)



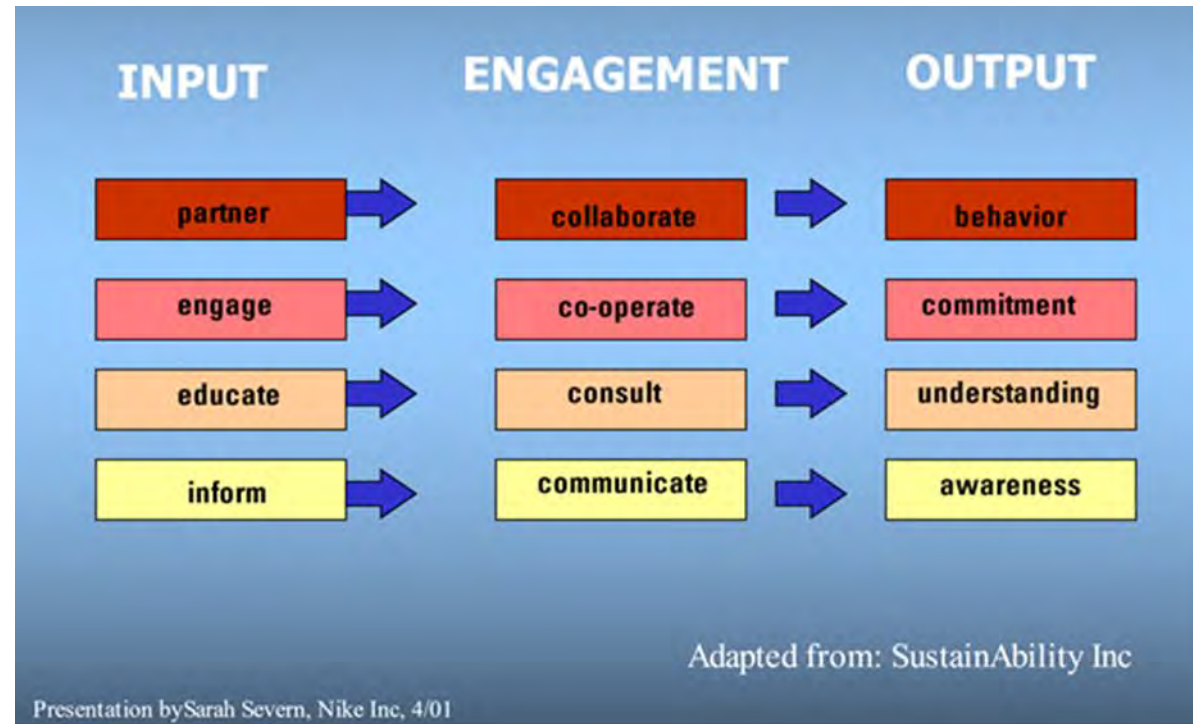
Table 2.1 Four factors constituting three levels of SLO (after Boutilier and Thomson 2011)

Level and Label	Description	Role in Determining SLO Levels as Described in Thomson & Boutilier Pyramid Model
1. Economic legitimacy	The perception that the project/company offers a benefit to the perceiver.	If lacking, most stakeholders will withhold or withdraw the SLO. If present, many will grant an acceptance level of SLO.
2a. Socio-political legitimacy	The perception that the project/company contributes to the wellbeing of the region, respects the local way of life, meets expectations about its role in society, and acts according to stakeholders' views of fairness.	If lacking, approval level of SLO is less likely. If both this and interactional trust (2a & 2b) are lacking, approval level is rarely granted by any stakeholder.
2b. Interactional trust	The perception that the company and its management listens, responds, keeps promises, engages in mutual dialogue, and <u>exhibits reciprocity</u> in its interactions.	If lacking, approval level of SLO is less likely. If both this and socio-political legitimacy (2a & 2b) are lacking, approval level is rarely granted.
3. Institutionalised trust	The perception that relations between the stakeholders' institutions (e.g., the community's representative organisations) and the project/company are based on an <u>enduring regard for each other's interests.</u>	If lacking, psychological identification is unlikely. If lacking but both socio-political legitimacy and interactional trust are present (2a & 2b), most stakeholders will grant approval level of SLO.



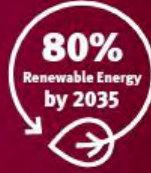
Stakeholder engagement as an active enabled community involvement/development process

- Future focused
- Embracing
- Inter-personal
- Iterative/informed
- Interactive/mutual
- Involved/active
- Innovative
- Value creating
- Engaged/purposeful



Partnership provide the opportunity to walk the talk and realise shared goals





Local Energy Partnerships

LOCAL VOICES | LOCAL CHOICES | LOCAL BENEFITS

Ensuring Local Voices, Local Choices and Local Benefits are prioritised through the energy transformation

October 2023



Local Energy Partnerships takes forward the seven principles for the energy transformation and represents a clear step in our journey with regional communities.

These initiatives respond to feedback from Queenslanders by creating a framework for community participation and sharing benefits.

Local Voices



More engagement with communities



Greater role for the GasFields Commission Queensland



Improving practices in the renewable energy industry



Partnering with peak bodies to engage and support communities



Understanding shared land use implications

03 | Local Energy Partnerships

Local Voices

We heard you say... diverse local voices need formal mechanisms for genuine engagement.

We heard you say... there are existing trusted bodies that could be expanded to support localised advice and representation.

Empowering communities with more genuine and ongoing engagement to help shape the energy transformation.

What we are doing

More engagement with communities
 Investigating the opportunity for the first **Community Leader Energy Councils** with GasFields Commission Queensland to:

- Implement your feedback on Regional Energy Reference Groups
- formalise channels for engagement on the first Renewable Energy Zones (REZ).

Greater role for the GasFields Commission Queensland

Supporting the proposed **expanded remit of GasFields Commission Queensland** to:

- promote coexistence of renewable energy developments, agriculture and other industries in host communities
- support communities with a trusted, independent body for information, education and engagement.

Queensland Renewable Energy Landholder Toolkit



June 2023



This document has been developed in partnership with the Queensland Farmers Federation and the Queensland Government.



Lessons Learned

John Cole & Associates



On New Ground

Lessons from development of the world's
first export coal seam gas industry

June 2017

www.gasfieldscommissionqld.org.au

For further reference

The Social Licence to Operate and Coal Seam Gas Development

Literature Review Report
31 March 2013



GISERA, GPO Box 2583, Brisbane QLD 4001, Australia



Professor John Cole OAM

Principal

John Cole & Associates

0417723965

jrcole@bigpond.net.au



EXECUTIVE SUMMARY

TBC

GROWING THE WSM REGION - THE OPPORTUNITIES & CHALLENGES

Our Wimmera Southern Mallee (WSM) region currently contributes \$7.8 billion in GDP and is home to 54,276 people and supports 25,056 jobs¹. Agriculture is the region's largest industry and continuing to support our grower community whilst deliver Net Zero emissions by 2050 offers exciting prospects. The region has an opportunity to buck declining population trends, and ever decreasing government infrastructure and investment through leveraging the mining, transmission, and the renewable energy opportunities upon the region's doorstep. Successfully gaining community social license for the proposed industry investments, connecting the opportunities available to deliver diversified economic growth whilst advocating for housing, tailored education and training, infrastructure, and electrification connection in the WSM region has positive transformational potential.

The WSM's health and developmental outcomes are among the poorest within Victoria. Housing is in critically short supply and is the region's number one barrier to liveability. The 2021 Australian Early Developmental Census showed that more than 1 in 4 WSM children were developmentally vulnerable in one or more of the five of the outcome domains and the region has the highest incidents of domestic violence in the state (Reference). Additionally, the latest Australian Bureau of Statistics Socio-Economic Indexes for Areas (SEIFA) data (Figure 1.) highlights the level of disadvantage within our region's towns, with all 24 being either quintile one or two, the most disadvantaged in the state. In contrast surrounding farming lands are among some of the most advantaged. These overwhelming statistics emphasise the importance of WSM Development's strategic plan and obligation to drive economic and social prosperity within the region.

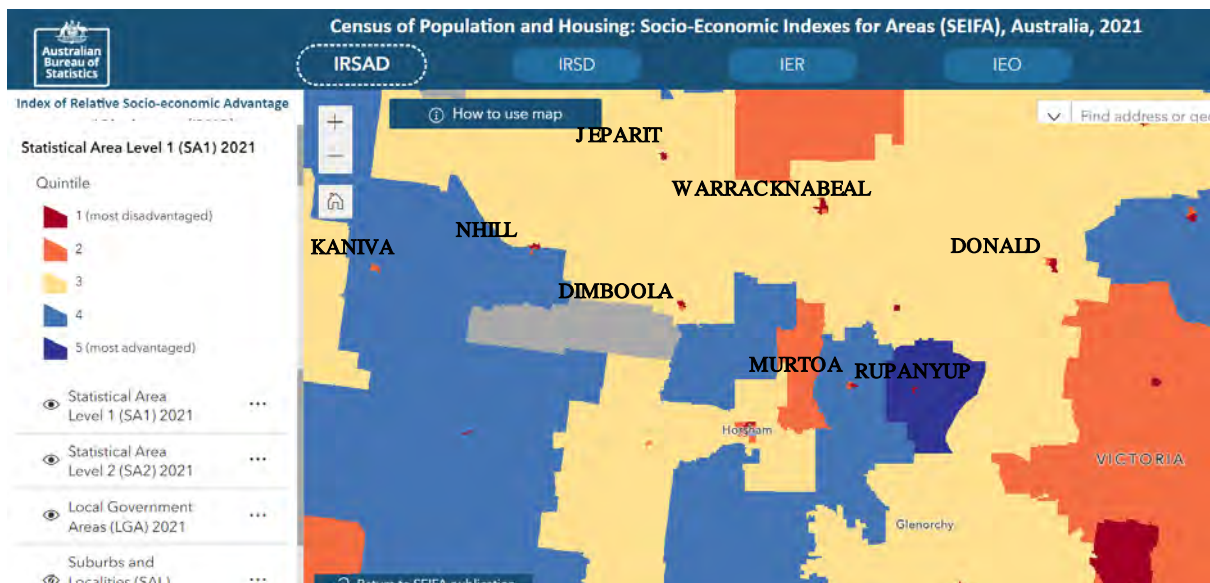


Figure 1. Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA), Australia, 2021. Source Link: <https://experience.arcgis.com/experience/32dccb18c1d24f4aa89caf680413c741>. Accessed 28th July 2023.

Over the next 10 years WSM Development estimate that there will be \$20 billion worth of infrastructure investment in the region within critical mineral sands (~\$4 billion), transmission (~\$4 billion) and renewables (~\$12 billion) industries. In addition, there will be continued farm sustainability capital investment in alignment with ESG end-user market requirements. The nature of investment varies for each sector. Mining and transmission will have a longer legacy in terms of their investment while renewables will largely be within the construction phase and understanding these differences is critical in ensuring regional readiness, workforce alignment and business preparedness to maximise economic benefit at all stages.

The irreversible impacts of wind turbines on the landscape, the proliferation of transmission lines, and planned mine construction has raised community concerns due to the effects on the local economy, particularly with exacerbation of housing shortages, pressures on local industries, workforce attraction away from agriculture and impacts on the tourism

industry. It is clear to maximise economic benefit that our region requires a lead organisation to engage with the community, improve local sentiment, develop social license around the emerging industries, with all aiming to enhance liveability within our regional towns. Leaving this responsibility solely to individual companies will not achieve the desired outcomes for industries and the community.

Furthermore, all proposed investment is occurring on private land. Most of the associated business will be transacted through the private sector and the region will be undeniably impacted. Whilst there is a cost attributable to our towns and communities with infrastructure investment there is also a significant opportunity, should the region choose to seize it.

Key WSM opportunities include:

- Infrastructure and connectivity (electrification and digital) improvements,
- increasing the region's workforce skill base supporting population attraction,
- diversifying the region's industry base assisting regional resilience
- positively influencing community social license, and
- increasing housing numbers and development of greater fit for purpose housing stock

REGIONAL INDUSTRY DEEP DIVE

CRITICAL MINERAL SANDS MINING

Mining has always been a strong contributor to the Western Victorian economy from existing gold (approximately 10% of Victoria's production²), and copper mines. However, in recent years mineral sands projects, stemming from the discovery of the rich Murray Basin mineral sand deposit have emerged, (Figure 2) creating new and significant workforce and supply chain flow-on opportunities. What is uncertain is how employment ready is our workforce is. Where are the specialist skills, OH&S and business acumen gaps that local businesses face in working with corporate resource companies and how can we connect local business to these opportunities.

It is evident that there is significant farmer and community concern with mineral sands mining. Some of the concerns relate to local road usage, mineral stockpiles, and toxic mineral erosion across the landscape. Mine site designation is regulated by government and locations are not negotiable once projects have been commissioned. This is financially and emotionally challenging for landholders, neighbouring farmers, and communities, and process navigation is difficult. It is evident that landholders are challenged in negotiating positive outcomes for both their own businesses and the broader region due to knowledge gaps in understanding where the negotiable opportunities lie stemming from a lack of available resources to support. Landholder compensation needs to cover both financial and environmental impacts and losses. WSM Development's involvement within the Avondale project has highlighted the need and opportunity for landholders to be further supported through a regional lead organisation.

Victoria's mines and future projects

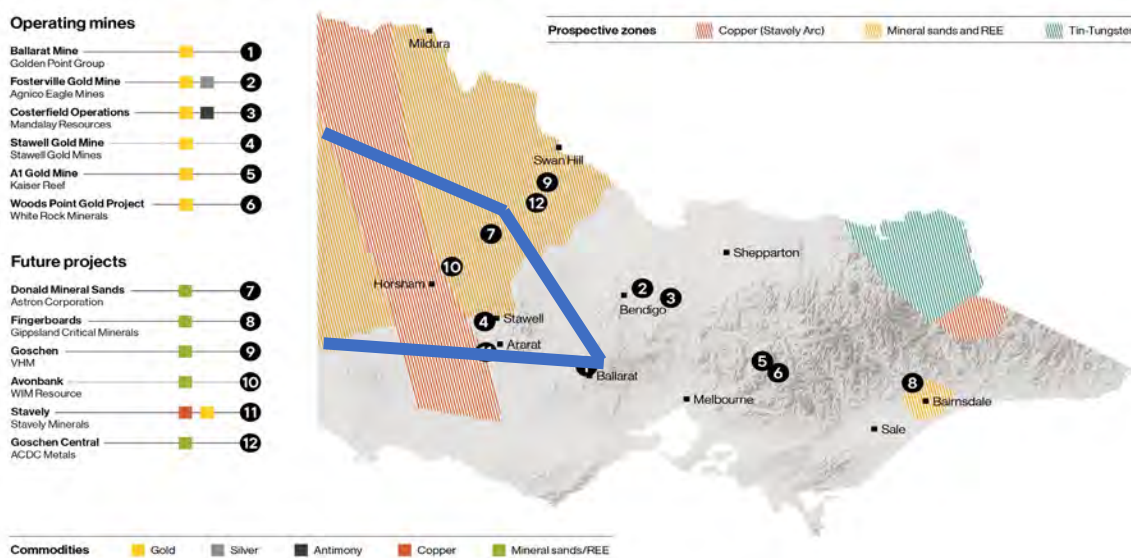


Figure 2. – Chris would you be able to provide the screen grab link please.

WIND & SOLAR PROJECTS

WSM Renewable Energy Snapshot



TURBINES

178 Existing



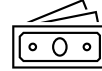
3 GW ENERGY

700 MW – Solar
538 Coming



≤ 4,819 TOT. JOBS

1,737 construction
2.33 GW – Wind



WAGES & SALARIES

↑ \$543 M (Total)
237 on-going.



TOTAL OUTPUT

↑ \$2,083 Billion

The WSM region has been identified as one of the state government's six renewal energy zones (REZ) (Figure 3) due to its abundance of wind and solar energy. Three of these REZ's are located in Western Victoria. Well documented economic modelling by WSM Development indicates there is significant benefit to be obtained for the region with an additional \$2,083 billion³ in potential total output (including all direct, supply-chain and consumption effects. Similarly, the renewable energy industry faces the same workforce preparedness and local business capacity issues as mining. An overview of existing and planned WSM renewable projects, locations and output summary is included within [Figure 4](#).



Figure 3. Victorian Renewable Energy Zones

Source: Renewable Energy Zones. <https://www.energy.vic.gov.au/renewable-energy/renewable-energy-zones>



Figure 4. Western REZ Renewable Energy Project Locations (Insert table of all locations)

Furthermore, renewable energy companies are increasingly reputationally challenged within regional Australia. Company numbers are on the rise, and community and landholder social license is under pressure. In many situations companies are spreading misinformation and riding on their clean energy and environmental improvement narrative for operational freedom. A recent article in The Age reports that renewable projects are at risk of major delays unless companies and governments conduct proper consultation with regional communities and provide local benefits (Reference). The same article also warned that those who did not do so would leave a bad legacy for the sector (Reference). Recent WSM Development discussions with Westwind, Squadron and RES acknowledged the validity of this social license requirement and mutually agreed on the need for industry and regional collaboration to deliver favourable outcomes. Through a local lead organisation advocating for companies to adhere to the Clean Energy Council's Best Practise Charter for Renewable Energy Developments is essential.

The renewable energy sector differs to mining in their legislative rights to commission projects and their locations. Landholder and proponent agreements are voluntary. Negotiations to date have generally occurred through use of unnecessary non-disclosure agreements, demonstrating a lack of transparency, causing community divide and anger among those involved.

TRANSMISSION LINES

The VNI West and Western Renewables links are critical parts of Australian Electricity Market Operator's (AEMO) 2022 Integrated System Plan (ISP)⁵. The existing proposed VNI West route is embolded with community opposition and is unlikely to be realised in a timely way⁶. WSM communities understand the need for new transmission lines⁷. The region lives with transmission constraints every day and acknowledges the significant impact on people and businesses⁸. With electricity generation occurring on the region's back doorstep advocacy for future grid connection is essential for regional development.

Despite the designation of three REZ's in western Victoria, capacity constraints in Victoria's energy grid means that the wind and solar energy currently being produced within the region cannot get to customers because there is insufficient capacity in the existing network⁹. There is simply no capacity for additional projects in the transmission network, leaving the region with 'power issues'¹⁰ which is a significant deterrent to new business. As a result some businesses have taken electricity into their overall infrastructure investment plans as has been demonstrated by hay processor Gilmac, St Arnaud.

With respectful good faith consultation, and appropriate compensation, WSM communities could solve a critical power issue for not only the WSM but Victoria as a whole¹¹. The achievement of effective and affordable connectivity within the WSM is undeniably critical for new regional investment.

LEARNING FROM OTHERS – TOOWOOMBA SURAT BASIN ENTERPRISE (TSBE)

A MODEL OPPORTUNITY!

Across rural Australia investment in the construction of mining and energy projects have often had negative economic impacts in areas where Agriculture is the predominant industry. Inadequate stakeholder consultation is typically a large factor contributing to the lack of the success. Whilst the community, government and Industry all want excellent outcomes, the discussion and consultation processes are generally poorly executed. Stakeholders often misunderstand the needs of each other, resulting in disparate advocacy with limited purpose and power. The WSM will lose a significant opportunity should it fail to progress a targeted economic development strategy. A united and aligned voice to industry, business, the community, and government is crucial.

WSM Development has identified the Toowoomba and Surat basin as a region that has innovatively turned a region in population decline, with a very negative sentiment and poor community and industry outcomes into an extremely prosperous region. TSBE was able to seize the appetite of change that was coming through unification and collaboration of local business, thought and opinion leaders and the development and execution of an effective strategy. Similarly, learning from innovative grower Peter Thompson and his involvement within the Roma Concerned Land Holders Group also offers invaluable insights into the importance of shared value negotiations in delivering effective compensation and community outcomes. His efforts have been highly complementary to TSBE and their strategic delivery.

TSBE - HISTORY

TSBE was established out of desire from the local business community to have a greater say in economic development¹². Their purpose is “to be the go-to organisation that links business and opportunity to provide sustainable growth and diversity for the region.”¹³. TSBE commenced in 2012 with the local chamber of commerce keenly wanting to work more closely with local government to advocate for more and better infrastructure in the region¹⁴. An early strategic planning session identified that the region had missed out on approximately \$60 billion in infrastructure and services¹⁵. Anecdotally this was attributable to proximity to Brisbane, safe political seats and poor or ineffective advocacy¹⁶.

The Surat Basin region had always had a strong resources history with open cut coal mining commencing in the 1990's, oil in the 2000's and coal seam gas commencing around 2008. Since this time renewable energy has also provided strong opportunities and the region's mining journey and TSBE's expertise in linking business with opportunity has continued to provide considerable value. The region is well-known for industry diversity. The health industry is a significant employer in Toowoomba accounting for almost 1 in 5 jobs¹⁷ and a buoyant dryland and irrigated agricultural industry exists on the Darling Downs.

TSBE commenced as a not-for-profit company with the Toowoomba Council (TC) being the only shareholder, this ownership structure remains in place today. TC provided seed funding (\$250K) and a critical aspect of TSBE's initial strategy was clear delineation of the regional development scope to be undertaken by both TC and TSBE. TC was responsible for small scale economic development directly targeting municipality towns and constituents while TSBE was to focus on the broader regional opportunities. The organisation's inception and founding vision was guided by an Advisory Board consisting of key regional businesspeople. However, TSBE quickly evolved to function under a board.

Culturally TSBE has always valued the role of people and relationships within their organisational strategy. Initially their strategic intent was dedicated to extracting and delivering value within resources, particularly coal seam gas, but with a long-term view to broaden the scope to other industry sectors¹⁸. When TSBE was formed the Surat Basin gas industry was in its construction phase and there was a local perception that services would be sort and local business could flourish¹⁹. The region learnt business was difficult to win, the bidding procedures were complex and required a level of sophistication that was unknown to most regional businesses²⁰. Therefore, skills and training connection for TSBE members was a large initial strategic objective to support local business and workforce readiness in addition to regional government advocacy and investment attraction.

Through TSBE's journey they have always held firm on the importance of a commercial model. The organisation runs like a business and not a traditional economic development business¹⁵. The skills-based board does not have any local council representation outside of the TC Mayor as ex-officio. Each TSBE business division, whilst TSBE may inject seed funding, must

be able to stand on its own two feet and contribute operational expenses back to the wider group²¹. Through discussions with Shane Charles (Founding CEO), he acknowledged that budgeting for the organisation is a challenge and funding opportunities are always sought.

TSBE MEMBERSHIP MODEL – A POINT OF DIFFERENCE

TSBE was founded upon a membership-based strategy. Membership is tiered to deliver businesses tangible benefits and a return on investment linked to membership value. The membership structure has evolved over time and currently consists of six tiers, with estimated costs ranging from \$350 to \$30,000 per year. Diamond and Platinum members (highest) collaboratively work with TSBE on a mutual business plan identifying what they need from the region and their membership and TSBE works to connect local business and opportunities to these requirements. They remain a strictly a member-based organisation, and their ethos is 100% membership focused. Membership growth and broad sectoral representation has also assisted government advocacy with TSBE's voice carrying significant weight.

Topical events form a large part of the membership model and strongly align with their people and relationship-based approach to business connection. Initially the membership target was larger businesses to assist revenue security. Today the membership based consists of 520 corporate members across 27 sectors¹⁹.

For more information on the current Membership Tiers refer to: <https://www.tsbe.com.au/who-we-are-0>

TSBE A UNITED, VISIONARY, STRATEGIC & PEOPLE FOCUSED ORGANISATION

In 2018 Inaugural CEO Shane Charles summarised, within a regional development government submission, the TSBE business strategies that were considered to have led to their success and those where they were challenged. The following points have been paraphrased and directly extracted from Shane's [submission](#). The below assumes the views presented in 2018 remain relevant and acknowledges Shane Charles as the author of this section.

STRATEGIC SUCCESS

- **UNIFIED REGIONAL VOICE** – Within the establishment phase a united voice between local politicians, RDA, Chamber of commerce and local councils was essential. Unification has continued and there was nil tolerance for disparate advocacy within the region.
- **POSITIVE MAYOR AND COUNCIL** – Maintaining a strong relationship with the Toowoomba Mayor has been pivotal. Councils are a media focal point and groups such as TSBE may come into conflict with councils as they serve their constituents although relationships must always prevail.
- **OPTIMISM** – The value of local businesses and leaders speaking optimistically about the region encourages investment.
- **REGIONAL DEVELOPMENT ORGANISATIONS ARE ABOUT PEOPLE** – The success of untrusted Executives and Boards will be limited.
- **MEMBERSHIP MODEL** – Significant tangible value generated for fee for service members which also benefits the economy.
- **INFRASTRUCTURE** – The construction of Range Bypass, Inland Rail, Wellcamp Airport and QIC Grand Central redevelopment has significantly contributed to opportunities for the region.
- **FINANCIAL SUSTAINABILITY** – TSBE is a commercial model. Seed funding is provided to new business opportunities although each program must deliver self-sustainability.
- **STAFF RENUMERATION** – TSBE acknowledged early that the organisation could not run on volunteers and effectively remunerates staff.
- **DEFINING THE REGIONAL DEVELOPMENT WEDGE** – TSBE clearly delineated their role within regional development compared to local councils, especially Toowoomba. TSBE advocate for larger non-council specific projects delivering economic benefit for the region whereas council delivers benefit for Toowoomba, surrounding towns and local constituents.
- **CONNECTING BUSINESS TO DRIVE ECONOMIC DEVELOPMENT** – TSBE'S well known and supported business events often attract 200-500 people. These support business to business interaction. Events are topical, flexible, and responsive to local economic needs and opportunities.
- **ECONOMIC DIVERSITY** – An area TBSE is very conscious of ensuring. WSM Development's view of this is to reduce the economic troughs when there is reliance on a predominant industry.
- **POOR ROAD, RAIL, AIR & DIGITAL CONNECTIVITY IN REGIONAL AUSTRALIA** – Toowoomba has demonstrated the benefit of fixing infrastructure gaps. The Wellcamp Airport has provided business and the community with a

strong sense of optimism enabling global thinking and not just local. It has also enabled senior business leaders to visit the region easier and make investment decisions.

CHALLENGES

- **OWNERSHIP MODEL** – There is frequent discussion around current ownership by TC compared to member ownership. The submission highlights with significant council funding it is hard to argue.
- **LABOUR** – Regional migration from cities to regional Australia is a challenge. TSBE have identified immigration as a potential solution although noted greater flexibility was needed.
- **REGIONAL DEVELOPMENT SERVICE DUPLICATION** – Whilst there is a local RDA office with quality people, their effectiveness has been questioned. RDA in Queensland is quoted as not well supported by state government and there are other bodies undertaking similar roles.
- **STATE & FEDERAL GOVERNMENT FUNDING** – A form of government funding should be available for Regional Development Organisations.
- **REGIONAL DEVELOPMENT ORGANISATIONS & DEDUCTIBLE GIFT RECIPIENT STATUS** – Organisations should be eligible and regional development is not valued as should be.

Strategic Success and Challenge Paraphrase Summary Source: Charles, S (2018) Inquiry into regional development and decentralisation – Submission 190.
<https://www.aph.gov.au/DocumentStore.ashx?id=7c3ce558-c900-4262-96f5-511f7fdf7186&subId=564401> (Accessed: 30th July 2023).

ROMA CONCERNED FARMERS GROUP

Peter Thompson is a broadacre cattle and grain farmer within the Roma district. His experiences within the coal seam gas industry development, which complement TSBE, can provide the WSM region with vital insights into landholder negotiations. His story with gas started in the early 2000's when he acknowledged that the gas industry was moving to the region with or without landholder consent. This was at a time when the region was experiencing population decline and the town was implementing survival strategies, including Roma's tender for a high security prison. Similarly, the community perception of the gas industry was very negative and activist groups including 'Lock the Gate' were forming although were achieving limited success.

Peter has been a strong advocate for gas in the region due to the benefit leverage potential. He was one of the first landholders to sign a drilling agreement following years of negotiation and reaching a workable compensation point. Discussions with Peter have highlighted the importance of understanding what compensation is required, based on a range of financial and environmental indicators. He considers his and the region's ability in building capacity around legislation and negotiation expertise with mining and renewable energy acts and providing community resources for landholders to utilise has been very powerful. Peter has been instrumental in developing calculation tools for community access. He also reflects on the social license opportunity through his journey to tell Agriculture's story to those in other industries, government and cities and said this has been highly valuable for industry in the region.

Peter was also the driving force in establishing local activist group Roma Concerned Farmers Group where he proactively promoted discussion and negotiation transparency between group members and gas companies. He has demonstrated that shared trust between landholders and gas companies is where greatest leverage can be generated. It is his experience that this occurs through open conversations without unnecessary legal agreements. Peter has also represented the region's landholders on the government's Surat Basin Engagement Committee.

The Roma community has benefited significantly from the coal seam gas industry. There is an air of optimism with operations directly benefiting all community members with exceptional mobile connectivity, good roads, excellent hospital facilities which has been leveraged through corporates needing local medical access for OH&S and the presence of a Care Flight Helicopter. Exploring Peter's experiences further and their applicability to the WSM will be invaluable.

Notes on community preparation/planning for renewable energy development for Western Southern Mallee Development

First three actions:

1. Community consultation and consciousness-raising. Organise community meetings to discuss the development proposals. These meetings should be as inclusive as possible and held in small and large towns. The focus should be on an open discussion of the 'facts of the matter' as far as possible and moderated by a respected local person/s. Enlist support of local university in this. Set out the full nature of the proposed development and sober assessments of local and regional likely benefits and deficits, short-, medium- and long-term. Provide opportunity for participants to record their views – perhaps break into smaller groups and discuss and record advantages/disadvantages, opportunities, etc. Probably important to keep these initial meetings community-only events; industry and government can be involved and included later on. Develop reports on these meetings and distil key responses, attitudes, concerns and use these to raise issues with government and industry subsequently.
2. Develop prospectus of regional and local business capability and capacity to supply to the renewable energy sector (including mineral sands). Flag this in the community meetings to get locals thinking about the possibility of linking with the sector as far as possible. Liaise with the local Regional Development Australia Committee on this idea – they may have ideas for resources to support this and may want to partner with your organisation (if they haven't already done so). Once complete publicise the prospectus and promote to key industry players as well as State Government.
3. From 1 and 2, develop local content charter that requests/demands local content inclusions/involvement in the sector. Provide examples of where and how this could be done. Again, liaise with local RDA committee and enlist support of local State and Federal members of Parliament. Publicise to local media as well.

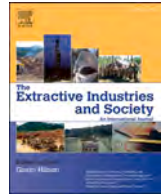
Just some thoughts.

Best wishes,

Neil Argent

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Original article

Be careful what you wish for: Resource boomtowns and disillusionment in the Surat Basin

Fiona M. Haslam Mckenzie^{a,*}, Neil Argent^b, Sean Markey^c, Greg Halseth^d, Laura Ryser^d

^a Centre for Regional Development, University of Western Australia, Australia

^b University of New England, Australia

^c Centre for Sustainable Community Development, Simon Fraser University, Canada

^d University of Northern British Columbia, Canada



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ABSTRACT

Communities near resource extraction projects are notoriously prone to boomtown dynamics, and in the Australian context, the boom and bust cycles have shaped the nation's economic history. Australia is the seventh largest gas producer in the world, with production escalating after the establishment of onshore unconventional gas extraction in the early 2000's. This paper examines the rapid development of onshore unconventional gas extraction, specifically coal seam gas, in the Surat Basin of Queensland, which is also the location of long-established and highly valued agricultural industries. The impact of neoliberal economic principles and public policies, broadly imposed from the early 1980s, caused many services to be rationalised across the region and smaller communities. A new industry, promising industry diversification, alternative employment and royalties, was promoted by the Queensland government and the gas companies in 2005. Very quickly however, tensions between the gas companies and the agricultural industry regarding secretive agreements, land use conflict and lack of consultation developed into blockades, protests and antagonism. Towns were also impacted with an escalation in land prices and competition for labour. Many residents of the Surat believed the government had been greedy in its haste to provide approvals with an eye to lucrative royalties, with little consideration for their welfare or their livelihoods. Resource economies throughout the world are replete with examples of this scenario. This paper documents the conflicts and the subsequent measures undertaken by government and the gas companies to appease the residents of the Surat, all of which took considerable time and expense. If more considered consultation and understanding had been developed prior to the first approvals being granted, this could have been avoided. This paper is timely, given that the Queensland has once again granted exploration licenses in the highly sensitive western Channel country without consultation or consideration, causing angst and uncertainty.

1. Introduction and background

Communities near resource extraction projects are notoriously prone to boomtown dynamics, and in the Australian context, the boom and bust cycles have shaped the nation's economic history. The discovery of a new resource, or a more efficient, cost effective method of extraction creates excitement at all levels of the economy in anticipation of new wealth, job creation and investment. While industry and shareholders anticipate enjoying the financial benefits of a new resource development and governments expect rents and royalties, purportedly for the greater benefit of society, towns close-by usually experience the day-to-day pressures of rapid growth (Haslam McKenzie and Rowley, 2013;

Rolfe, 2013; Pick et al., 2008) with often deleterious impacts on local infrastructure, businesses and residents. Regardless, community leaders and regional development specialists are encouraged by politicians, industry leaders and media hype to take advantage of the opportunities presented by boom conditions, with the expectation of diversifying local economies and building population bases.

Very quickly however, at the local level, the potential benefits that are expected to flow to communities and businesses recede, as boom conditions and their concomitant expectations spawn unplanned-for pressures. Despite the well documented after-effects of the metaphorical cyclonic impacts (Barnes and Hayter, 2005) of boomtown conditions on local communities, including pressures on housing and

* Corresponding author.

E-mail address: fiona.haslam-mckenzie@crctime.com.au (F.M. Haslam Mckenzie).

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community infrastructure, intense competition for labour and increased cost of living and individual stress levels (Murphy et al., 2018; Petkova et al., 2009; Rolfe and Kinnear, 2013; Brunnschweiler, 2008; Marais et al., 2018), the cycle continually repeats itself regardless of location, resource type or jurisdiction. Resource economies throughout the world are replete with examples of this scenario.

This paper will examine a region in Australia, which until 2005, was best known for its highly valued and productive agricultural industry. In 2005 plans for onshore coal seam gas projects, relatively new to Australia at the time, were announced and the media, politicians and industry leaders fuelled expectations of a rapid regional economic transformation, including population and business growth, wealth creation and community investment. The scale of the development was such that Australia is now the seventh largest gas producer in the world and the leading liquid natural gas (LNG) producer (GeoScience Australia, 2022). Until the early 2000s the established and largest conventional gas fields were mostly located off-shore of Western Australia but since the early 2000's, significant onshore unconventional gas extraction, specifically coal seam gas (CSG) production, has escalated production, centred in south eastern Queensland and more recently, northern New South Wales in eastern Australia (see Fig. 1).

The frenetic construction phase of the resource life cycle, commencing in 2004 and lasting approximately five years (2005–2010) (Towler et al., 2016a), caused considerable changes and pressures, particularly at local levels. In some cases there was land use conflict (Petrova and Marinova, 2013; Everingham et al., 2015), with neighbours pitted against each other depending upon their engagement with the resources industry (Fleming and Measham, 2014) and the perceived environmental impairment this was likely to cause to agricultural land (Lawrence et al., 2013; de Rijke, 2013). Local businesses and services experienced what was described as a siege mentality with newcomers and local entrepreneurs keen to optimise potential business opportunities and in some cases, reorienting their business focus to service the gas industry. By 2011, the resource life cycle had moved on from the frantic construction phase to a more steady state, operational phase (Walton et al., 2017). While this was not a bust scenario, many small and local businesses were ill-prepared for the slowdown, causing considerable anxiety and in some cases, businesses to exit the region. Local communities felt they have been abandoned by both industry and government and many remaining residents considered that their sense of place had been irrevocably disrupted.

Over the last fifteen years, considerable research has been undertaken about the Surat Basin¹ region and the disruptive impact of coal seam gas extraction. Different perspectives of the local community and economy have been examined, as some of the world's biggest multinational oil and gas companies have competed with mostly family-based farming and small business operators for access to land and services in their quest for CSG resources. Despite all of this work, little has been done to understand why the oft-repeated cycle of boom and, if not bust then slowdown, is not better managed, to minimise the deleterious impacts and manage expectations, especially at the local level. During multiple visits to the region and interviews with a range of residents including farmers, small business owners, community leaders and traditional owner groups, an understanding was formed of how and why the hype regarding the introduction of a new industry sector to the region was so disruptive. Subsequent interviews with government and industry representatives were undertaken to understand their perceptions of the mine life cycle and how the impacts at the local level could have been better managed. Through the lens of the boomtown model and social disruption hypothesis, this paper examines how expectations of all stakeholders could be more presciently managed and considers potential mechanisms to temper the impacts of the resources life cycle. We argue that the findings are not specific to a commodity or a

jurisdiction.

This paper is particularly relevant 20 years later, as prospective gas development in the very remote western Queensland region of the Channel Country (see Fig. 2); an arid, flat landscape with intermittent rainfall and small, scattered populations of Indigenous peoples and pastoralists. The promise of employment and other opportunities for local businesses, derived from gas development, is once again being offered as a powerful incentive by both government and industry (ABC Rural, 2022). However local residents remember the disruption experienced in the Surat Basin, and they are not so easily lured, resisting government and corporate overtures.

A literature review, based on media reports, government agency reports and documented academic research, was undertaken regarding the overlay of the unconventional coal seam gas (UCSG) industry on the long-established agricultural activities in the Surat, to understand the context for what was to become for a time, a bitter land use conflict. The next section briefly introduces the Surat and the policy frameworks that shape the local communities and their economies. It presents insights to why the region so enthusiastically embraced the government's optimism for the opportunities a new industry would bring to the region, despite the well-known boom and bust cycles of the mining sector. The following section summarises the theoretical frameworks that guided our interrogation of stakeholders and the subsequent insights we formed. We then review the rapid development of the UCSG in the Surat, and report on the lived experiences, particularly the scale and breadth of the impacts, of small rural communities. The penultimate section examines and critiques community and regional development under a neoliberal public policy approach.

2. The Surat Basin and the policy framework

The Surat region lies to the west of Brisbane in southern Queensland (see Fig. 3). It covers an area of approximately 300,000 km², encompassing three regional councils, Maranoa, Toowoomba and Western Downs and incorporates part of the Darling Downs, some of the most prized agricultural land for beef production and cotton growing, the two most important agricultural commodities in the region.

The region is recognised as one of the largest coal bed methane basins in the nation but until recently, technical difficulties prohibited accessing the resource (Towler et al., 2016). The majority of the Surat population of 215,000 people is concentrated in the Toowoomba Regional Council LGA² in the eastern area of the region. Of the remaining regional population, 15% live in the Western Downs Regional Council area (Dalby region), and 5% live in the Maranoa Regional Council (Roma region) (Toowoomba and Surat Basin Enterprise, 2020).

The western areas of the region tend to be drier and agricultural activities are grazing and dryland cropping with the population decreasing the further west travelled from the regional centre of Toowoomba in the east. Until 2016, agricultural production was the most important industry sector contributor to the regional economy (see Table 1).

Like many other rural, particularly agricultural-based communities in Australia, the Surat has been impacted by neoliberal economic principles and public policies, broadly imposed from the early 1980s (Tonts, 2004). The shifts in policy favoured privatisation, deregulation, fiscal decentralisation and economic adjustment. The concomitant restructuring impacts on rural industries and communities have been well researched and widely published (Lawrence et al., 2013; Chapman et al., 2016). In the 1990s the Australian agricultural sector underwent structural adjustment in response to global market influences, and

² In 2008, Shires and many regional local government organisations were amalgamated into larger entities, usually referred to as Regional Councils. Some maps refer to both Regional Councils and former shires as local government areas.

¹ Henceforth referred to as 'the Surat'.

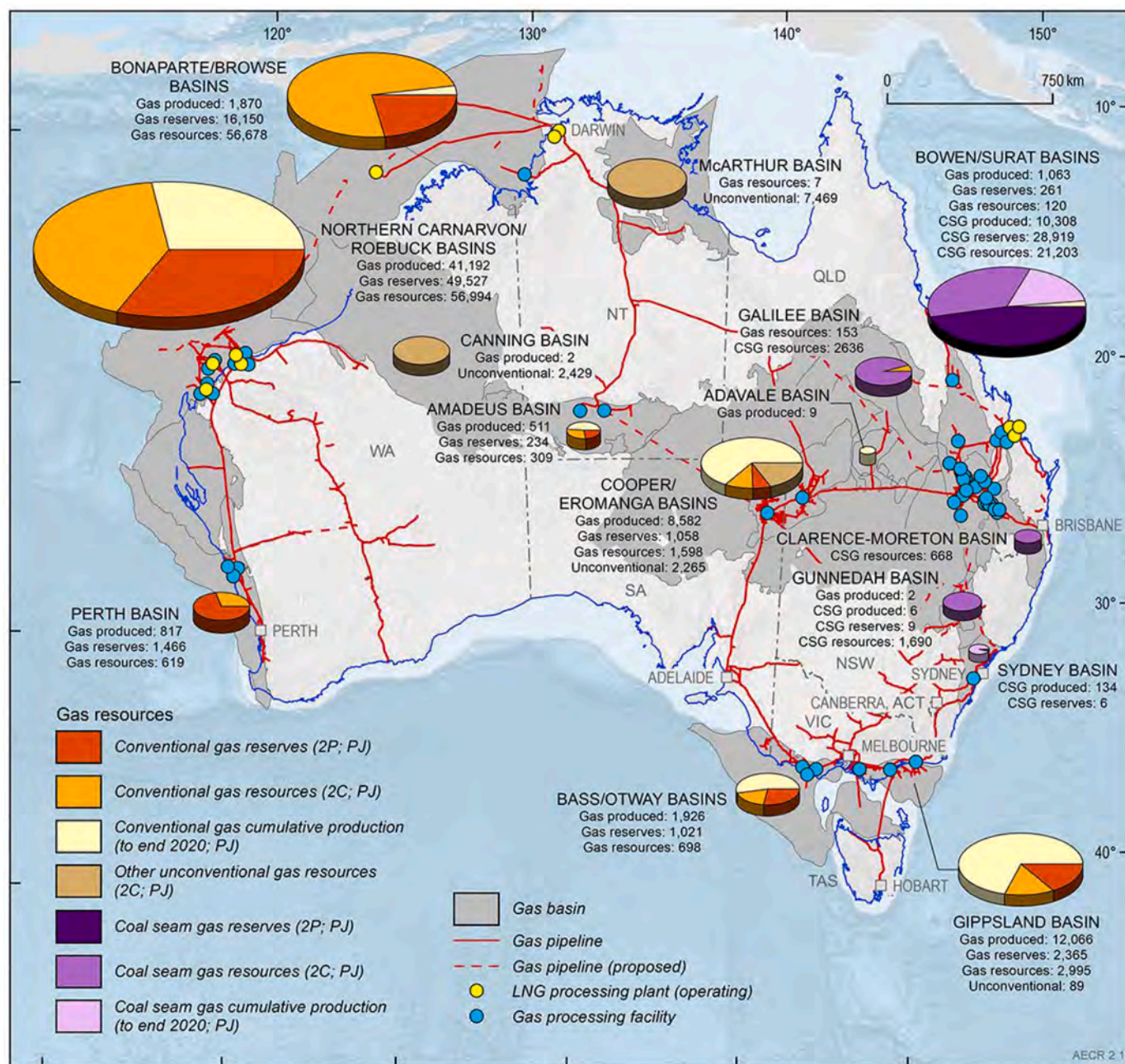


Fig. 1. Australian gas reserves.
(Source: Geoscience Australia)

production in the Surat orientated to large-scale, usually family-owned, agri-business operations favouring economies of scale with strong investment in technological intervention at the expense of local labour. Attaining economic efficiency in a global, neoliberal economic environment undermined the social capital of regional communities such as those on the Surat (Chapman et al., 2016; Tonts, 2004). Labour-shedding technologies, the centralisation and rationalisation of goods and services delivery by slimmed-down government and the re-orientation to a service economy meant many communities in staples (raw natural resources)-dependant communities such as the Surat, were particularly exposed. This caused widespread depopulation, especially youth, seeking alternative work opportunities and services in larger regional and urban centres (Measham and Fleming, 2014). Efforts to

avoid the ‘staples trap’, described by Ryser et al., (2016, p. 595) as “a resource hinterland with little economic diversification and decreasing local benefits”, and diversification of local economies became a priority in places such as the Surat.

The towns, particularly those in the western parts of the Surat with smaller populations, almost exclusively dedicated to servicing the agricultural industry, came under pressure from the effects of a neoliberal policy agenda, especially depopulation (Measham and Fleming, 2014; Everingham et al., 2015). Consequently, industry diversification through the development of UCSG promised jobs and a new population base, and therefore sustainability for towns such as Chinchilla, Dalby and Roma. Politicians and gas companies foresaw growth opportunities for local businesses and many communities leaders looked forward to

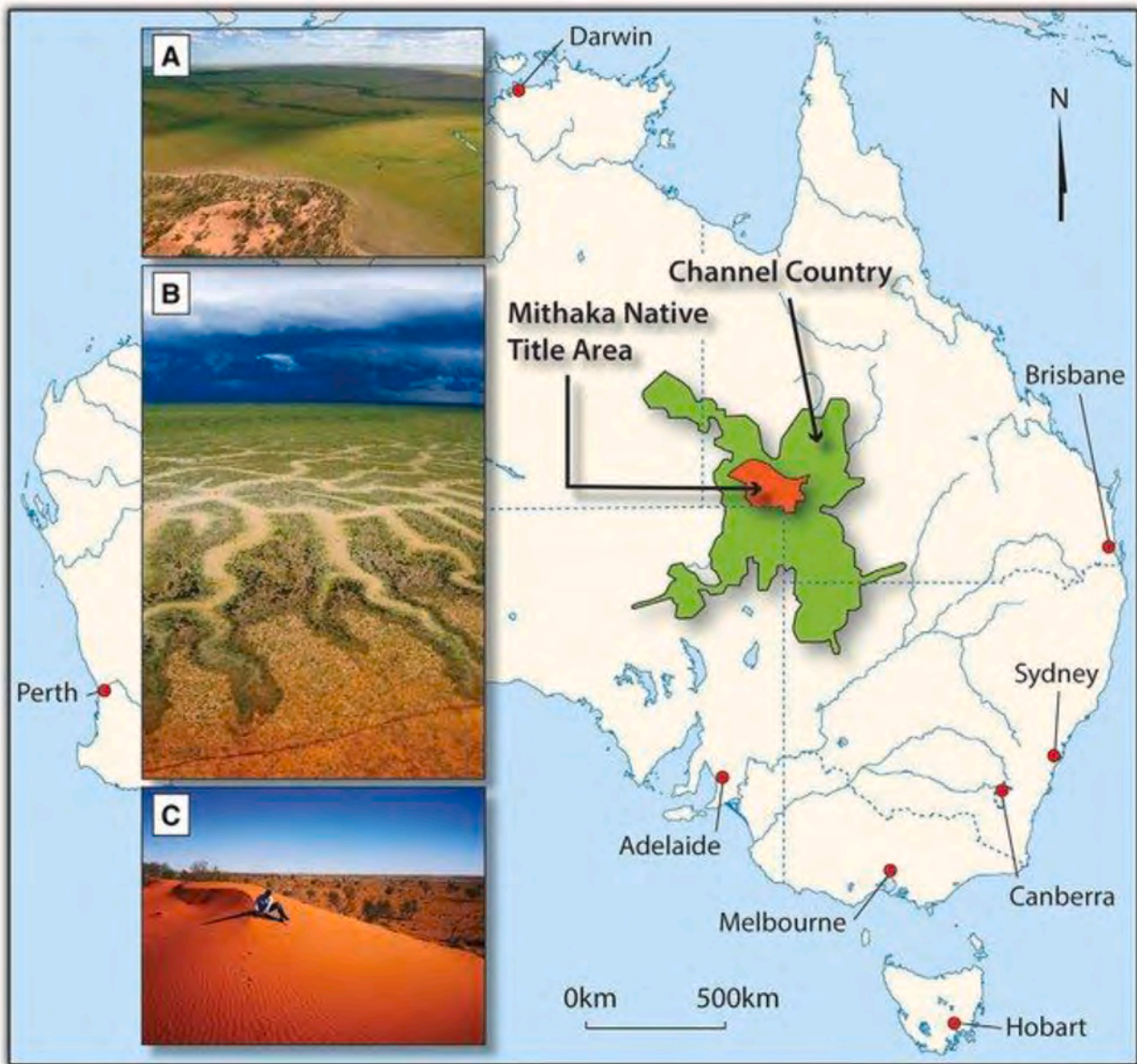


Fig. 2. The location of the Channel Country bioregion, showing the channels in flood (a-b) and linear dune systems (c). (Used with permission from Nathan J. Wright)

increases in population, new services and jobs. The prospect of a new regionally-based industry sector fulfilled the government mantra of ‘jobs and growth’ but what sort of jobs and the effects of a sudden uptick in boom conditions on the surrounding communities would manifest, were not considered in detail.

When the development of the UCSG industry in the Surat was first mooted, few considered the potential for contentious land stewardship. Nonetheless, the gas and agricultural industries have had to learn to share the same landscapes; not without considerable conflict at times (Everingham et al., 2015). Agricultural businesses are typically either leasehold or freehold property whereas petroleum and gas resources are owned by the state and managed on behalf of the people of Queensland. Royalties for onshore resources are charged by state and territory governments, as the owners of minerals and resources in the ground, for the right to extract the resource. In most cases, royalties are payable on an ad valorem (i.e. a percentage of value) or a quantum (i.e. flat rate per unit) basis, depending on the resource. Consequently, petroleum and gas tenures often overlap with other land uses.

3. Theoretical frameworks

The boomtown model and social disruption hypothesis have been applied in numerous contexts of rapid growth in rural communities. Murphy et al., (2018, p. 25) describe boomtowns as communities located close to “resource commodities that provide revenue windfalls for local communities but strain local infrastructure, social structures and governance”. Boomtowns respond to economic circumstances based on site-specific characteristics including commodity base, location and socio-demographic structure (Lawrie et al., 2011). However as noted by Murphy et al. (2018), place-based development characteristics influence how towns cope with the transformation propelled by commodity-driven growth, which Barnes et al. (2001) liken to a cyclonic storm. In short the boomtown processes have been well documented for many decades, which begs the question, why were their impacts such a surprise in the Surat, or not better prepared for from policy and regional economic development perspectives?

Gilmore (1976) provided a boomtown conceptual framework to

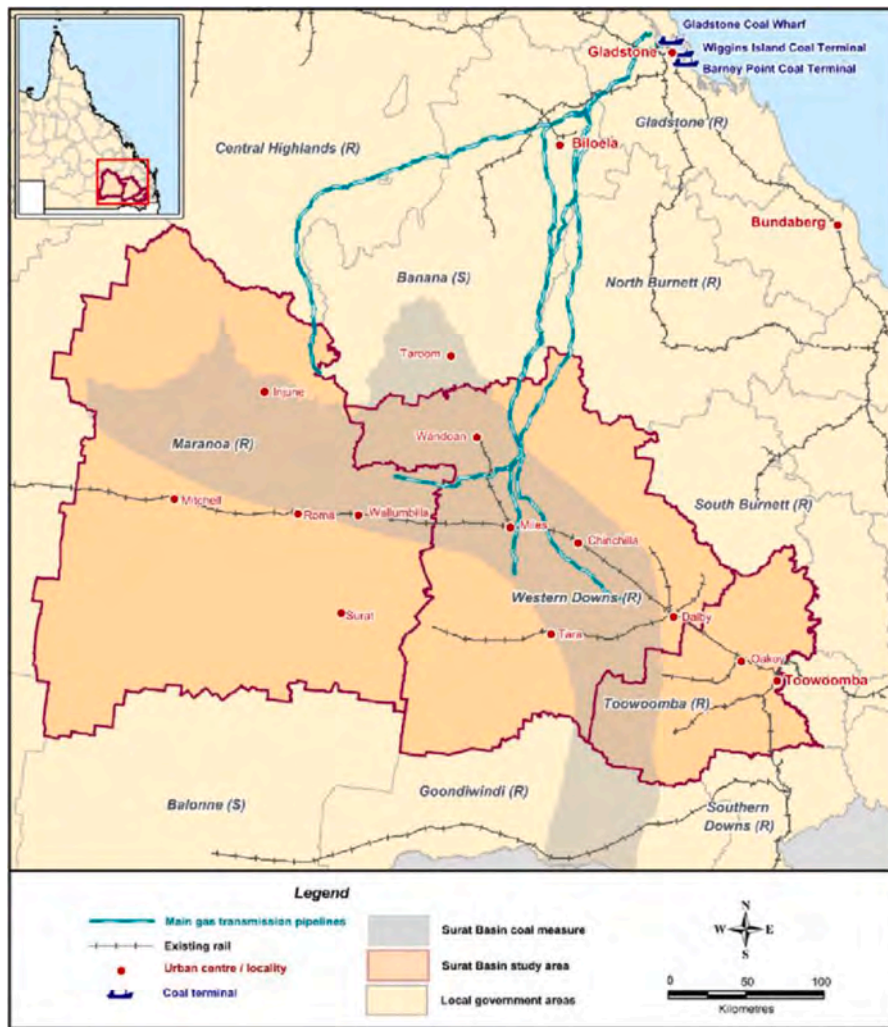


Fig. 3. The Surat Basin, Queensland.
Source: Walton et al., 2016

Table 1
Surat Basin SA2* total populations (place of enumeration), 2001–2016.

	2001	2006	2011	2016	Popn. change 2001–11 (%)	Popn. change 2011–16 (%)
Chinchilla	8093	8029	8129	8987	0.44	10.55
Miles-	4113	4081	4064	5513	-1.19	35.65
Wandoan						
Roma	7289	7222	6848	7136	-6.05	4.21
Roma region	6781	6737	5815	6823	-14.25	17.33
Tara	4135	4122	4221	4170	2.08	-1.21
Wambo	16,840	16,781	17,027	16,974	1.11	-0.31
Total	47,251	46,972	46,104	49,603	-2.43	7.59

* SA2s (Statistical Area Level 2) are “medium-sized general purpose areas built up from whole Statistical Areas Level 1. Their purpose is to represent a community that interacts together socially and economically” (ABS, 2016).
(Source: Argent et al., 2021, Towler et al., 2016).

explain the deleterious impacts to community development imposed by energy development in rural and geographically isolated communities and also the reactions of residents of the community experiencing the disruption. He described “the problem triangle” (see Fig. 4) with the first indication of trouble being “degraded quality of life” when growth pressures exceed local social, environmental and economic systems,

followed by an inability to attract-in the necessary workforce to service new community and business needs. The final axis of the triangle identifies gaps in local service provision and a reluctance by the private sector to invest in local opportunities, driving down local quality of life.

Gilmore’s antidote to this downward spiral from boomtown pressures in growth management, involves balancing investment, planning for resource use and conservation, workforce development and preserving and enhancing community quality of life to ensure retention of residents. This paper examines whether these strategies were applied to the Surat, even after the deleterious impacts of the boomtown scenario were recognised.

Jacquet and Kay (2014) acknowledged the ad hoc nature of Gilmore’s model and the criticisms directed at the social disruption hypothesis, due to lack of empirical data, particularly longitudinal analyses that adequately track pre-and post-boom conditions. Nonetheless, as noted by Jacquet and Kay (2014, p. 5) “the boomtown model and social disruption hypothesis have been applied in numerous contexts” and effectively explain likely development outcomes which later transpired to have occurred. After examining the rapid transformation of a range of boom towns from a variety of jurisdictions including Peru, Chile, South Africa, the US and Canada, Gabriel (1991) confirmed the claims of Gilmore, emphasising the often spontaneous and uncontrolled speculative processes. Importantly, Gabriel identified in each of the case studies that boom conditions were characterised by an extreme dependence upon a dominant economic activity and usually initiated by, and

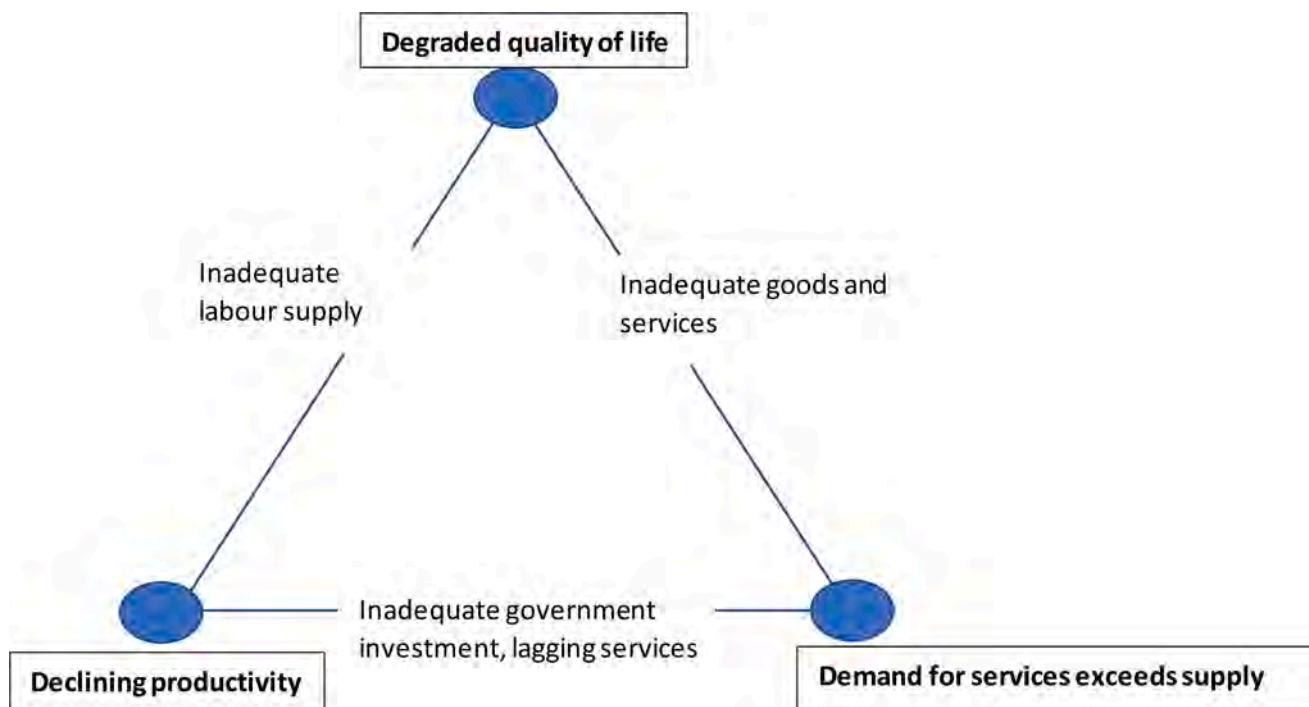


Fig. 4. Gilmore's (1976) Problem Triangle.

directed from, political and/or economic core regions.

Jacquet and Kay (2014) noted that rural areas that are a considerable distance from a regional centre will have more difficulty than urban locales in absorbing sudden growth in population and related service demands. Their findings confirmed the earlier work of Little and Lovejoy (1979) who found that local residents are often ill matched for the employment opportunities that are concomitant with resource development opportunities and consequently, unrealistic employment expectations are typical and therefore go unmet.

These characteristics have parallels with Innis's staples theory (1933) which explains the vulnerabilities associated with an economy's heavy reliance on natural resources and the dependence on the revenue it generates. The revenues generated from export generally flow to urban centres and central government rather than back into the local economy (Barnes et al., 2001; Markey et al., 2019). As noted by Ellem and Tonts (2017, p. 3) "long before others addressed the 'resource curse', [Innis] pointed to a 'staples trap' in which institutional arrangements reinforced resource dependence as governments became financially tied to the revenue generated by the sector". It is therefore in the interests of government to promulgate the benefits of new resource developments as it assists in boosting government coffers through royalties and other trade income.

Even before the UCSG industry commenced, the Surat fulfilled the descriptors of a staples economy, producing cotton and high grade beef for export markets. Only Toowoomba had a diverse regional economy, with a population of 114,479 in 2006 (Australian Bureau of Statistics, 2007) while the next largest towns in the Surat, Dalby, had a population of 9780, the majority of whom were in the agricultural or services industries.

4. UCSG in the Surat Basin and community impacts

UCSG extraction in the Surat commenced in 2005 with rapidly increasing quantities of commercially viable CSG developed via thousands of wells, most on private property, and delivered by pipeline infrastructure. In 2008, the Queensland government invoked a policy shift "favouring gas-fired electricity generation, sparking an exploration

and coal seam gas (CSG) rush for which few were prepared" (Queensland Gasfields Commission, 2017, p. 5) as shown in Fig. 5.

Since then, more than \$Au70billion has been invested in the CSG and liquefied natural gas (LNG) industry (Queensland Resources Council, 2018), usurping agriculture in 2018 as the second most valuable export industry for Queensland after coal (Queensland Gasfields Commission, 2019). In 2018, 76% of Queensland's active oil and gas wells were located in the Surat and southern Bowen Basins (Queensland Gasfields Commission, 2018) and by 2019, the Surat contributed approximately 5% of Queensland's gross state product (GSP) (Department of Foreign Affairs and Trade, 2020); with mining now the dominant industry sector in the region (more than double that of agricultural production).

Almost all of the gas wells were developed on farming property, with early confidential agreements negotiated with each farmer individually (see Fig. 6). Private land owners received payments from energy companies for the option to extract resources on their property, in addition to royalties paid to the state. For many farmers, the compensation payments represented a significant windfall over and above their farm income, particularly from 2011 when southern Queensland experienced prolonged drought conditions, negatively impacting agricultural productivity. Landowner revenues also had positive implications for rural communities, retaining some landowners and business owners who would otherwise have had to leave their communities due to poor agricultural circumstances.

However, revenues from energy companies also set up divisions in the community, particularly between those with energy company revenues pitted against those who did not, reinforcing the findings of Jacquet and Kay (2014), who also found the distribution of leasing and royalties was far from uniform. Community members not receiving any leasing income were found to be at a considerable financial disadvantage to those who do which had the potential to influence community development, the fiscal health of municipalities and how residents perceive and react to development in their communities.

The confidential negotiations with landowners in the Surat caused considerable disquiet; farmers were never too sure whether their neighbour was more canny than them regarding direct benefits such as financial compensation or whether what had been agreed between

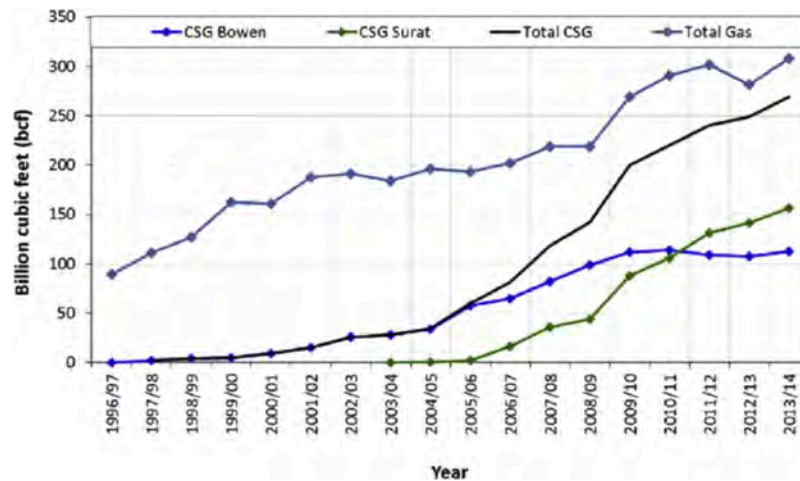


Fig. 5. Historical Queensland gas and CSG production (approx.), 1196/97–2013/14. Source: Towler et al., 2016



Fig. 6. Gas infrastructure on broadacre (cotton growing) farm. Source: Greg Halseth

individual farmers and the gas company regarding land access might impact neighbours without their knowledge. For example, vehicular movements on shared road access, noise, stock disturbance, soil erosion and dust, land subsidence and perhaps most contentious of all, the potential disruption to water supplies or pollution of underground aquifers from chemical additives in gas extraction are all dimensions of shared impact (Walton et al., 2013). Farmers sensed inequity particularly with regard to water consumption. Their use of water was strictly regulated while the resources industry had unlimited rights to extract water for their operations (Everingham et al., 2015). Many farmers chose to block gas companies entering their properties and felt they were not supported by government or community leaders, complaining they were one, small voice against powerful multinational oil and gas companies and a state government too eager to enjoy the financial rewards through royalty

payments (see Fig. 7). Divisions in communities deepened. The Lock the Gate Alliance was formed in 2010, constituted of farmers, conservationists and urban residents who came together to support farmers who locked their gates against the oil and gas companies. The Alliance lobbied government to ensure landowners and water resources were adequately protected against ‘inappropriate mining and invasive coal and unconventional gas industries’ (Lock the Gate Alliance, 2010) but it also served to further drive divisions in communities between landowners who negotiated with oil and gas companies and those who refused.

Despite the increasing tensions, the oil and gas companies hastened to take advantage of not only the high prices being offered in international markets and the attractive incentives from international investment but also the quantities of gas available. They paid a premium for the necessary resources, specialised skills and labour to ensure rapid construction. Communities in the Surat, especially smaller towns such as Dalby, Chinchilla, Miles and Roma, were all suffering as the drought dragged on for several more years and the prices paid by the companies for land, accommodation, services and labour were alluring, especially as competition drove up the price of labour and accommodation. Lockie et al., (2009, p. 332) reported “communities were simultaneously exposed to rapid localised population growth and to large non-resident workforces” mostly accommodated in temporary housing options. For some residents, the inflated value of their properties gave them the opportunity to sell up and move elsewhere, consistent with Freudenberg’s (1992) notion of declining density of acquaintanceships in smaller boomtowns (Walton et al., 2017). In the Surat, this was expressed as a divide between local, long-term residents and long distance commuting (LDC) workers (workers who live and invest elsewhere, but work and reside temporarily in a local area); the latter perceived by the former group as opportunists who had no interest in investing in the local community, consistent with the boomtown and social disruption hypotheses.

The longer term impact of the gas boom on the local workforce was not as expected either. As explained by Measham and Fleming (2014, p. 378) ‘the imprint of UCSG is extensive rather than intensive’ once the wells and pipeline networks are installed. The area of the well head extraction pad is confined to very small areas and with relatively little labour needed for ongoing maintenance. Operational UCSG wells require regular monitoring of the wells, maintenance of access roads and surrounding fencing to separate stock and other intruders, with limited specialist skill sets. The skills required were readily accessible in the Surat, and hence the gas company labour requirements were in direct competition with the agricultural sector for labour, although the gas companies usually paid more than local farmers, creating considerable



Fig. 7. Popular adhesives on vehicles and buildings in the Surat. (Source: Greg Halseth).

problems for the agricultural industry. Community leaders argued that the oil and gas sector was not eliciting new skills for the region as expected, but instead poaching from the existing workforce and consequently pushing up agricultural costs.

Similarly, local construction and gas support industry workers were attracted away from local activities and lured to more lucrative contracts with the gas industry. However, the construction phase is short-lived and local workers were travelling further and further away from home as wellhead installations were completed, with many Surat communities complaining that the gas industry was disrupting the local communities and economies rather than augmenting them (Rolfé, 2013; Windle and Rolfé, 2012). Fig. 8 shows the fluctuations in the resident populations of the Surat towns from 2001, broadly in line with the frenetic construction phase and the drop-off associated with the transition to the operational phase, coincidentally with the drop in gas prices.

5. Understanding local impacts: bewilderment, disappointment and resignation

In 2018 and 2019 the research team undertook field visits to the communities Toowoomba, Dalby, Chinchilla and Miles in the Western

Downs local government area (LGA) and Roma in Maranoa LGA. Interviews, most of which were about 90 min in length, were organised with a variety of stakeholders (see Table 2) who were identified through a snowball method. The open-ended question tableau included an assortment of questions regarding boom town conditions; how they were experienced by residents and businesses, the responses and of particular relevance for this paper, how communities could have planned better for the boom town conditions and the mine life cycle.

Generally, the interviewees agreed that the first decade of the UCSG industry in the region was hectic, chaotic even with, what felt like at the time, continual disruption, suspicion, uncertainty and change. The confidentiality clauses imposed by gas companies on landowners created divisions between farmers and local business owners at a time when they needed to be supporting each other, particularly during the long drought. Farmers did not appreciate how intrusive industry activities would be in the construction phase and the gas company employees did not understand basic farming protocols such as closing gates and conserving ground water. AgForce, the Queensland peak agricultural representative organisation, was under-funded and clumsy in their initial negotiations with the gas companies on behalf of their members.

Several interviewees agreed that the gas companies were ill-prepared

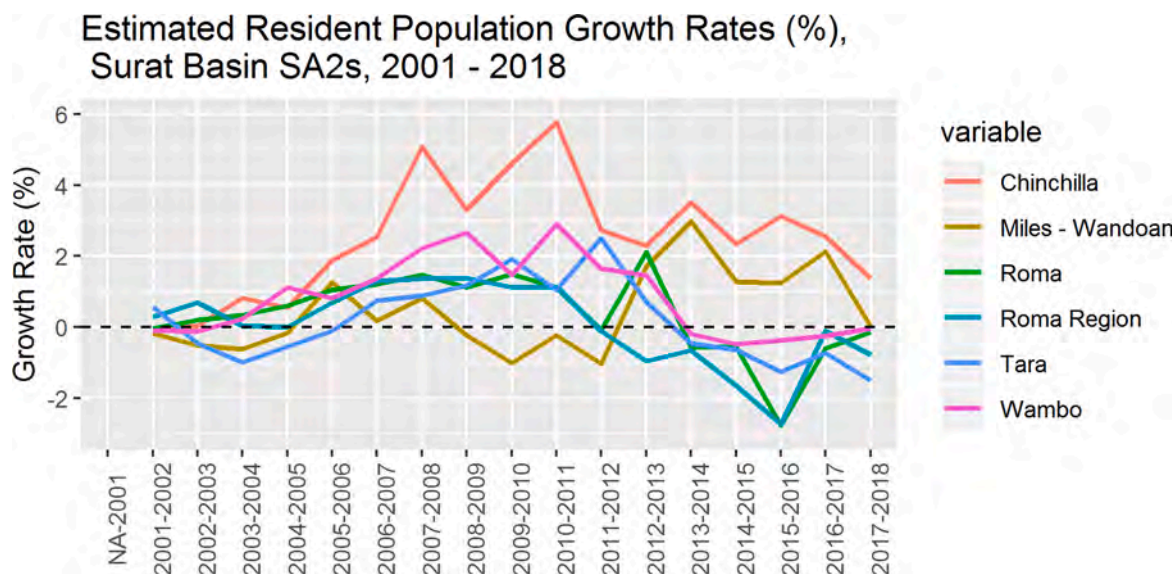


Fig. 8. Surat Population change 2001–2018. Source: Australian Bureau of Statistics 2002, 2007, 2011, 2016

Table 2

Interviewees.

Small business owner*	6
Farmer	2
Traditional owner representative	2
Community organisation representative	4
Local government representative	4
State government representative	6
Peak industry representative	2

* This category includes retailers, accommodation providers, cleaning contractors, food outlets.

for working with small agricultural-based communities. The company representatives did not know how to engage with farmers or small town community leaders, failing to understand the scale of the impacts they were imposing on the communities, and ignorant of who to talk to and how, when trying to engage at the local level. As a local community leader explained:

Many locals think a lot of damage was done by the companies; starting at the beginning, they did not properly engage at the local level. Some companies played landowners off against each other, and a lot of local damage was done. ... The CSG industry did a poor job of managing things. Industry was growing too fast for them, and they had trouble managing property access. They didn't understand our community. It was hard to get our trust back after that.

Most interviewees acknowledged that the gas companies tried to demonstrate their willingness to practice corporate social responsibility through sponsoring local cultural events, donating to health centres and school programs, but like everything else, it was episodic and reactive expenditure in the beginning with no overarching focus or planned regional economic benefits. In some ways, random sponsorships and donations in one town or LGA then created dissent and resentment in a neighbouring community.

Residents of the region were also angry that their communities were bearing the brunt of the boom town conditions while the state government was purportedly reaping the benefits through royalty payments, few of which, they argued, were flowing back to them. Road infrastructure built for agriculture and local uses, in many parts of the region was compromised by the rapid increase in commuting workers and heavy haulage vehicles during the construction phase and the integrity

of several bridges was a particular concern. Generally, funding for regional road infrastructure comes from the Commonwealth and state, but budget allocations for the necessary work was sluggish. Some funding came from the gas companies but it was inadequate and lacked overall regional co-ordination. Consequently long stretches of road were under repair for years, slowing traffic flows and ramping up local frustration. Other local services, such as the Roma sewage system were overburdened and at breaking point but the cost of fixing it was considerably more than the local authorities could afford.

The political and media hype at the commencement of the gas boom had promised jobs but the anticipated growth in jobs did not unfold as the communities expected, a scenario consistent with conditions described by Gramling and Freudenburg (1992) as the 'anticipatory effect'. Instead, many of the bespoke construction workforce were accommodated in work camps and moved onto the next project when their work was complete. The workforce required to maintain the gas infrastructure competed with the agricultural workforce, and many local residents complained, the competition undermined their businesses. Gas companies claimed they wanted to employ local contractors but could not engage, creating an impasse and considerable disappointment and frustration on both sides. This was particularly the case for the local Mandandanji Aboriginal Corporation who were keen to undertake vegetation management work around gas companies' leases but the organisation was not sufficiently large to be an accredited gas company provider. The Mandandanji subsequently subcontracted their management services to a tier one contractor company. Their livelihood was therefore premised on another company negotiating on their behalf and employment opportunities ebbed and flowed without Mandandanji autonomy, despite each proponent having a service agreement contract with the Mandandanji. The tenuous arrangements were disappointing.

Big companies want to use indigenous workforce although no real commitments are ever made - it is always a fairly generic contract that says 'we are happy to engage you as a service provider but we don't necessarily have to act on this'. They don't know how to get the engagement.

The formation of the Lock the Gate Alliance channelled resentment and formalised local resistance to the multinational companies. Lock the Gate were effective in harnessing support from urban environmental activists and mobilised considerable funds to lobby for eventual legislative regulation of the UCSG industry and how it accessed land (Walton et al., 2013). However, while there was dissatisfaction with the UCSG

industry and its impacts on local communities, many residents acknowledged there were benefits, especially for those who had negotiated land access agreements or had successfully gained off-farm employment and they were reticent to join the Lock the Gate Alliance and ostracise gas companies. Some local residents were incensed the Lock the Gate Alliance purported to speak on their behalf.

It was evident that the Surat was suffering from the social and economic consequences of Gilmore's boomtown theory (1976) with rapid economic and demographic changes causing disruptions to entire communities, and arguably, the region. As noted earlier in this paper, this is an oft repeated cycle, but Queensland's agricultural sector could not afford for this highly productive region to become mired in conflict and uncertainty.

6. Community and regional economic development

As noted by Heisler and Markey (2014), central governments in a neoliberal policy environment are focussed on engaging with international markets and incentivising resource development to promote public fiscal benefit through job creation and resource tax revenue. In line with neoliberal principles, governments operate at arm's length, with limited commitment to financially support local communities bearing the burden of rapid industry development and the ancillary impacts of over-burdened services and inadequate infrastructure (Markey et al., 2019; Ryser et al., 2019; Pick et al., 2008). The presumption was that robust local industries would have a trickle-down effect, stimulating vibrant local economies, innovation and self-directed local leadership, with limited need for government intervention. The Commonwealth was explicit: "Our vision is one of strong and vibrant regions – where local leadership, self-reliance and turning new ideas into action are the driving force in development; where infrastructure and services are in place; where there is new investment and growing job opportunities and where families and businesses thrive" (Department of Transport and Regional Services, 2001, p.8).

The lived experience of the impacts of the UCSG boom on the Surat communities did not elicit these outcomes. Instead, the interviewees described Surat communities feeling besieged, experiencing, at times chaotic, change. The pressures associated with the scale and speed of development was exacerbated by the lack of information. There was no overarching recognized regional plan from government or industry to prepare or assist the communities for the social, economic and environmental changes that came with the introduction of an entirely different industry sector. The only regular communication came from media and Ministerial press releases all of which talked up the opportunities for local entrepreneurs, businesses and communities. Communication from the gas companies was piecemeal with no co-ordination of activities or explanation of how they would, or could engage with communities and local business owners.

The lack of industry engagement sparked concerns and misinformation about their activities, particularly with regard to 'fracking' (hydraulic fracturing of coal seam gas). Gas company representatives acknowledged during the interviews that they did not want to talk about 'fracking', even though they were the only stakeholder who could do so with any authority. The reason for this was the adverse public, and particularly community backlash, experienced in other jurisdictions such as the US Mid West, Pennsylvania and the United Kingdom. Even though only 8% of wells in Queensland are fracked, there was a public perception that 100% of them are fracked with widespread fears about the impact on water sources. Once broadcast, industry and the Queensland government found it very difficult to turn the messaging around. As one interviewee explained:

When industry ramped up, the government didn't deploy a particularly effective communications campaign in the Surat Basin and the companies were in a race. Industry assumed they had full rights to move forward. This is where the opposition started to build. Gas companies

tended to wait for government to move into that communications space, which didn't happen. Instead, activists filled that communication space with false information and various other things. No one was correcting it. But now, it is difficult to correct that information.

There were also early frustrations associated with the lack of employment of local people. Expectations of new, well paid jobs were not fulfilled; instead many construction and gas company workers lived in large work camps or motels and short stay accommodation. There was also community disappointment with 'fake' locals; "people who pretend to live locally with four people in an apartment / house, but otherwise live in Brisbane. While they buy groceries in town, they are not part of the community. The community needs investments to make it a place where people want to live". Interviewees also explained how misunderstandings promulgated some of the frustrations:

Industry and community stakeholders have different perspectives of what 'local' means. To industry, [the regional city] Toowoomba was local, but local is Chinchilla to community stakeholders. It's different if industry is funding a program through TSBE [Toowoomba and Surat Basin Enterprise] because the whole region benefits. But a lot of business is still done in Brisbane. A different interpretation of 'local' means you're not necessarily going to make the best decisions for the regional area. So sometimes they're [industry] missing the local content in their decision-making.

Many small business owners, particularly in the smaller Surat towns, Roma, Chinchilla, Miles and Dalby, reoriented their businesses and in some cases, expanded their businesses, in expectation of significant increase in patronage and demand. For some, such as motel and small accommodation providers, there was an immediate and sustained demand for accommodation but for other businesses, demand was uneven associated with episodic exploration and construction activity. Consequently, some local businesses over-capitalised and found themselves in financial difficulties.

Industry was also frustrated. They complained that local governments and regional organisations were slow in granting planning approvals, failing to understand the different demands on decision makers and the varied concerns of their constituents. Initially, gas companies were duplicating gas supply infrastructure causing inefficiencies and a great deal of (unwanted) work for local government officers. Coincidentally, eleven local governments were being amalgamated by the Queensland state government into two (Western Downs and Maranoa Regional Councils), causing widespread disruption and staff turnover, which exacerbated the pressures on local councils in the Surat.

After more than five years of chaos (Towler et al., 2016a), disruption and widespread suspicion, companies began to work together to co-ordinate industry communications, infrastructure construction, local investment strategies and community liaison activities. The Toowoomba and Surat Basin Enterprise (TSBE) played an important role in brokering improved relationships between all stakeholders, recognising the potential opportunities associated with the gas industry if there was improved mutual understanding between the industry and communities. An important development was ensuring all the impacted local government authorities and gas companies had representation in TSBE offering networking opportunities and forums for negotiating community development agreements. TSBE also facilitated employment roundtables, bringing together industry representatives, local employment brokers, contractors, subcontractors, retailers, suppliers and, in some cases local training providers, to discuss mutual needs, expectations and frustrations. Over time, these meetings transitioned to commitments by stakeholders to work together and TSBE continues to broker job opportunities on behalf of the gas industry for local organisations, with some success. TSBE has also worked with industry to develop apprenticeships and training programs for local students and helps organise work experience to facilitate different pathways to employment for local Surat residents. Slowly, relationships and mutual understanding

developed.

7. The role of government

After considerable lobbying by the gas and agricultural industries and growing political pressure from communities, the Queensland government introduced the *Sustainable Resource Communities* policy in 2008 to assist resource regions to maximise economic development opportunities and mitigate the adverse impacts on community infrastructure. The *Building Our Regions* program was established to channel royalties to local governments to assist with infrastructure investment. However, the funding program tended to be ad hoc, lacking a formal process of investment, attracting criticism of pork barrelling and side-agreement-making. Many smaller local government authorities lacked the capacity, especially during disruptive local government amalgamations, to negotiate agreements and consequently missed out on much needed funds and regional development opportunities. The [Queensland Audit Office \(2015\)](#) subsequently condemned the administration of these programmes by the relevant State Government Department, highlighting a lack of transparency in the manner in which funds were distributed to local councils. It found that local governments had:

...applied their resources and time to obtaining data and developing submissions, the content of which were partly or entirely ignored. In the final analysis, many unnecessarily invested their time, resources and money to demonstrate the value of their applications against criteria that were apparently irrelevant. Lack of documentation of the reasons for such decisions means it remains unclear what actual criteria were used to decide which projects were to be funded (Queensland Audit Office, 2015).

The Queensland government argued that local communities were too ambitious in their demands for state assistance, claiming that the state was not accruing the expected royalties quantum. In the quest to attract multinational investment in the UCSG industry, the Commonwealth and state governments had given generous tax discounts, allowing the resource companies to write off their capital expenditures for their pipelines, infrastructure and processing plants against their royalties. Consequently, despite the volume of gas being extracted, the companies were not paying a lot in royalties, leaving the state to argue it had limited available funds to assist the Surat resource boom towns. This did little to ameliorate local communities struggling to manage the unexpected burdens. At the same time, the competition for land access, labour, services and particularly water, was causing unrest, suspicion and dysfunction. Farmers felt abandoned by the government, industry was frustrated and local community leaders could not cope.

Concerns and disquiet continued in both industry sectors and government's persistent distancing drew criticism, manifested at the ballot box in the 2009 state election. In 2010, the Queensland government realised the need for action and passed new legislation to provide "consistent, transparent, balanced and equitable land access and compensation for both the gas and agricultural sectors" ([Franks, 2012](#), p.13), through Conduct and Compensation Agreements. These provided guidelines and support for all parties to deal responsibly and directly with one another, to achieve a balanced and equitable agreement about the use of, and compensation for, privately owned land ([Franks, 2012](#)). Guidelines and agreements were also initiated to assist negotiations regarding exploration activities and dispute resolutions processes. This response was viewed by many in the Surat as "too little, too late".

Later in 2010 the Queensland government established the Surat Basin Coal Seam Gas Engagement Group to facilitate relationships between stakeholders with representatives from rural landholders, gas companies and government agencies ([Scott, 2016](#)). In 2012 this was formalised as the Gasfields Commission with a fulltime commissioner and six part-time commissioners, funded by government. In addition, ten staff based in Toowoomba were employed to channel local concerns through to the commissioners. The remit of the Gasfields Commission

was broad but essentially it was to act as an effective and efficient conduit between government, industry and the communities and to ensure that government entities were capably implementing regulatory frameworks. In 2013, the Gasfields Commission Act was proclaimed into law, with bi-partisan support.

An independent review of the Queensland Gasfields Commission was undertaken in 2016. In summary, while it acknowledges that the CCSG industry is not universally accepted by all as a pillar of the Surat communities, "there is broad tolerance" ([Scott, 2016](#), p.21) of the industry. Work undertaken by CSIRO ([Measham and Fleming, 2014](#); [Fleming and Measham, 2014](#); [Walton et al., 2017](#)) supports this claim, with 22% of 400 people randomly selected from the Western Downs LGA indicating support for the UCSG industry, 69% reporting 'toleration' and 9% rejecting UCSG activities in the region.

Over time, there have been less disputes and the Commission has received a declining number of enquiries from landowners regarding land access issues, concerns regarding impacts on physical and social/cultural environments, bores and other water issues. The independent review reported that gas companies are more conciliatory, avoiding litigation wherever possible and pursuing an intent to establish "stable and ongoing relationships with landholders" ([Scott, 2016](#), p. 24). However, landowners are by no means won over. Agforce, conducted annual surveys with their industry constituents which show ongoing distrust of the Queensland government, the Gasfields Commission and the UCSG industry ([AgForce, 2015](#)). As noted by the independent reviewer, the Commission has a very important role as a source of reliable infrastructure, and therefore as a communicator, developing "an extension and communication program that leads to landholders becoming informed and self-reliant in their dealings with the UCSG companies" while also communicating the companies' expectations and standards with regard to commission and regional development.

The interviewees for this research broadly agreed. They appreciated the Gasfield Commission's status as a statutory, government funded body, but independent of government and industry. They valued the work the Commission does to prepare communities with emerging gasfield developments, assisting them to have realistic expectations and to understand what development will look like, and how to build local capacity. They have been impressed that commissioners have not been shy to communicate to government shortcomings and recommended improvements in constructive intervention. They have also appreciated the Gasfields Commission's outreach, as a forum for exchanging and communicating information and educating all stakeholders about resource development, management of expectations and the opportunities that could be forthcoming as well as the potential challenges.

8. Doing regional development better

Neoliberal policy regimes exacerbate the core-periphery, boom-bust dynamics through market forces, with limited safety nets to prevent mono-economies occurring in communities under extreme pressure, especially in boom conditions, thereby increasing their vulnerabilities and precariousness in periods of downturn. This goes some way to explaining why resource communities are characterised by population churn, instability and poor public and private investment in infrastructure and services ([Haslam McKenzie, 2019](#)). While Australian governments have broadly adopted the laissez-faire, neoliberal policy framework, they still have a role to lead and shape place-based solutions to regional development ([van Staden and Haslam McKenzie, 2019](#)). It was clear that the scale and impact of the UCSG industry in Queensland required the state government maintain an important leadership role to ensure consistency of economic focus, community support and messaging. The experiences in the Surat demonstrate that the trickle-down effect was indeed aspirational, and instead, the benefits that accrued from the UCSG industry mostly drifted to Brisbane and elsewhere, through royalties, dividends and the majority of the skilled workforce. Despite the economic primacy of the regionally based

activities, the population and economic growth was evident in cities, at the expense of regional areas (Haslam McKenzie, 2019).

It therefore follows that boomtown policymaking should be perfected and responsive to early indicators of an impending resources boom and its likely impacts on local communities. As forewarned by Gilmore (1976), so much more could have been done to prepare the Surat communities for boomtown pressures, particularly growth planning and expectations management. Government already had mechanisms by which it could have harnessed local knowledge and experience, channelling regional development expertise to manage the potential deleterious impacts of the boomtown scenario. These included the federally funded Regional Development Australia network and the local TSBE, both of which were ignored by the Queensland government in their haste to capitalise on the emerging global gas market. Tiley (2013, p.12) explained “the Australian Government had the financial capacity to empower an effective regional development network; the state government had the constitutional power; while local government had neither the funding nor the power, but had the commitment needed to deliver change”. As noted by Eversole (2016, p.6) “fragmentation is one of the defining characteristics of the Australian model of regional development”, to its detriment.

Much of the angst associated with the emergence of the UCSG industry was directed at the gas companies and the Lock the Gate Alliance reinforced the culpability of industry, often based on international experience and mixed messages from a variety of jurisdictions. Only when the statutory, state-funded Gasfields Commission was established, with its funding programs and capacity to influence and question government and industry policies, directives and investment, was there improved clarity regarding the science of UCSG, overarching governance and government commitment to both the resources and agricultural sectors. After more than a decade of dysfunction, blame, uncertainty and wasted resources, improved communication enabled sustainable “tolerable” co-existence between rural landholders, regional communities, and the gas industries in Queensland. This outcome underscores the importance of properly executed regional economic development. The following sentiment was expressed by a local government representative, but it could also have been expressed by a Surat Basin farmer, a small business owner, a member of the Marandani Corporation and even local contractors:

Things have settled down now, but only after years of uncertainty. The problem was stuff was happening to us without any idea of how things were going to end up. Were we always going to be steam-rolled? The government and cities forget that farmers and the communities out here play a big part in the economy. We are not here for the short term. We are not hillbillies. We are successful business people and we are profitable despite not having the support enjoyed by big cities. The whole coal seam gas debacle was simply a lack of respect. We showed the government and big business we are not going to be taken for granted. I hope they have learned that lesson. Its not hard; people don't like to be taken advantage of.

9. Conclusion

As Traditional Owners and pastoralist of the outback Channel Country step up their resistance to UCG exploration in the Cooper-Eromanga basins in remote western Queensland, aghast the Queensland government granted multiple applications to drill for fossil fuels over 250,000 hectares of the region in 2021 without consultation, it seems the lessons from the Surat have not registered. Despite the clear outline of impacted communities, businesses and even government, neoliberal government and public policy development seems to proceed without the capacity to learn from, or to build readiness for, responses to those impacts.

As noted earlier in this paper, the findings in this paper are not new, nor are the lessons especially difficult to understand or novel in their

application. Gilmore's (1976) recommended actions to counter ‘the Boomtown Model’ still apply, and it could be argued are even more apt in a remote region, with fragile desert ecosystems, few towns and widely distributed populations. The disruption and deleterious impacts of large-scale mining could have irreparable damage on the sensitive river systems which are inextricably linked to Aboriginal peoples’ cultural connections and pastoral operations.

The ‘Boomtown model’ and ‘social disruption hypothesis’ provide simple messages that hinge on prescient planning and meaningful communication with, and commitment to, stakeholders who are already established in the locality. Timely investment in local social, environment and economic support systems by government and business based on consultation and evidence-based planning mitigates the propensity for conflict, uncontrolled speculative labour and land pressures and degraded quality of life. These principles are not limited to resource boom town pressures, with other communities impacted by similar large-scale investments in agri-business (Woods, 2022) and the sea- and tree-change phenomena in aesthetically attractive regional tourism towns. The difference in this case study is that the rapid, unplanned for and very disruptive changes were led by multi-national oil and gas companies and abetted by government opportunism with no consideration of the local constituents.

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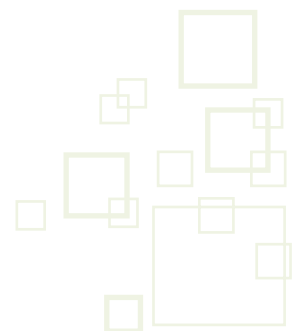


Surat Basin Regional Planning Framework

A framework for a prosperous and sustainable community

An initiative of the Surat Basin Future Directions Statement

July 2011



Surat Basin Regional Planning Framework

Prepared by the Honourable Paul Lucas MP, Deputy Premier and Attorney-General, Minister for Local Government and Special Minister of State.

With assistance from the Department of Local Government and Planning.

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For more information

Department of Local Government and Planning

Southern Region Division
PO Box 15009 City East
Brisbane Qld 4002

tel +61 7 3227 8548

email planning@dlgp.qld.gov.au

www.dlgp.qld.gov.au/suratframework

A copy of the Surat Basin Regional Planning Framework is available for viewing at most council chambers, libraries and customer service centres within the local government areas of Toowoomba, Western Downs and Maranoa.

A CD-ROM or hard copy is available free from the Department of Local Government and Planning offices in Toowoomba, Bundaberg and Brisbane.

Department of Local Government and Planning offices:

- Toowoomba – 128 Margaret Street, Toowoomba
- Bundaberg – Level 1, 7 Takalvan Street, Bundaberg
- Brisbane – shop front, 63 George Street, Brisbane.



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Map 1 – Queensland context





PART A – Introduction

Purpose

The purpose of the Surat Basin Regional Planning Framework (SBRPF) is to sustainably manage regional growth in the Surat Basin area. This is done by setting directions and establishing principles to inform future decision-making and policy relevant to the Surat Basin.

The SBRPF aims to inform and align the federal, state and local government strategic planning agendas and regional policies responsible for land-use planning, service delivery and infrastructure provision within the Surat Basin as it encounters and responds to strong resource sector growth.

Effect

The SBRPF is a regional planning instrument that will inform the review and preparation of existing and future statutory regional plans and other planning policy, and inform the development of a statewide infrastructure plan. It will also be used by the Queensland Government in the review of local government planning schemes, and for the assessment of environmental impact statements for major projects in the area.

While not a statutory instrument, the SBRPF articulates the state’s interests in the region and will influence local government planning schemes under the *Sustainable Planning Act 2009*, and community plans under the *Local Government Act 2009*. The Local Government (Finance, Plans and Reporting) Regulation 2009 stipulates that a local government must identify local and regional issues that affect, or may in the future affect, the local government area. Consequently, there is a strong relationship between the SBRPF, local government planning schemes and community plans.

The SBRPF is a key tool of Qplan — Queensland’s planning, development and building system. Qplan is an integrated and logical planning system with a clear relationship between each level of planning, from state right through to individual homes. Strategic land-use decisions are made at the state and regional level, making town and site level planning easier. This integrated approach provides clarity about how communities will grow and how decisions are made.

Figure 1 illustrates how the SBRPF, and various other plans, programs and legislation relate to the state, region, town, local area and street level.

Figure 1 – My street. Our state

Legislative and policy framework		Strategic outcomes and deliverables	Infrastructure
Toward Q2, <i>Sustainable Planning Act 2009</i>	Our state	Queensland Infrastructure Plan	State infrastructure plans and priorities
<i>Surat Basin Regional Planning Framework, South East Queensland Regional Plan</i>	Our region	Integrated regional transport plans	Regional infrastructure delivery programs
<i>Local Government Act 2009, Queensland Planning Provisions</i>	My town	Local government planning schemes and community plans	Local infrastructure planning and delivery programs
<i>State Development Public Works and Organisation Act 1971, Petroleum Act 1923</i>	My local area	Local area plans	Neighbourhood infrastructure programs, location specific infrastructure
<i>Building Act 1975, Plumbing and Drainage Act 2002, IDAS</i>	My street	Smart eDA, Risk Smart	Site-specific standards of service



Study area

Overview

The Surat Basin is one of Australia's largest, and relatively untapped, energy resource areas, covering a geological area of approximately 300 000 square kilometres. It extends from central southern Queensland to central northern New South Wales.

For the purposes of this framework, the area referred to as the Surat Basin encompasses the Maranoa, Toowoomba and Western Downs regional council areas, which span 110 000 square kilometres across southern Queensland (Map 2).

The study area covers parts of the Darling Downs and parts of the regional planning areas contained within the *South East Queensland Regional Plan 2009–2031* and the *Maranoa–Balonne Regional Plan*.

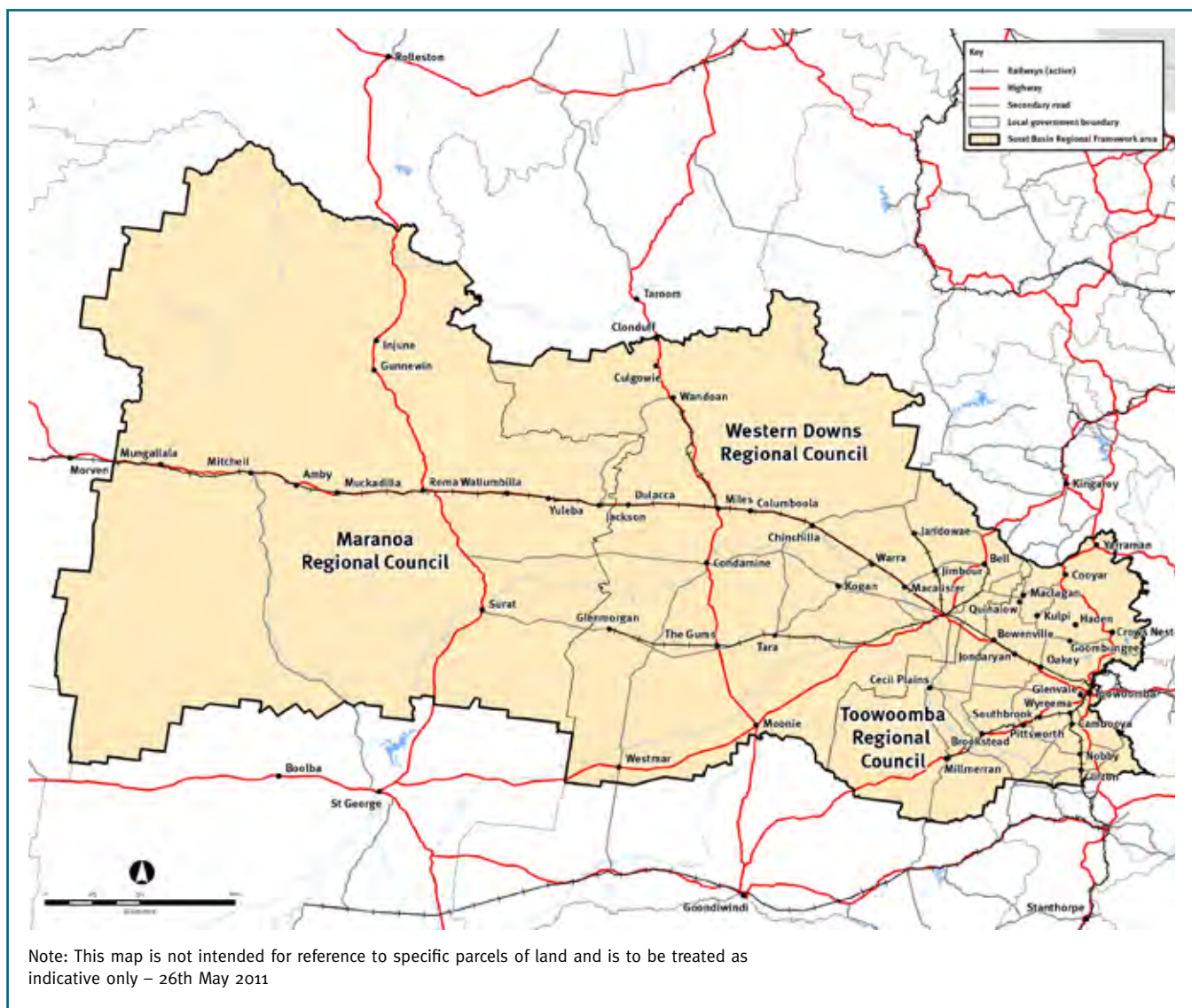
At 30 June 2010, the Surat Basin was home to an estimated 207 500 people. The area is supported by a well established network of regional centres and smaller townships, which offer a range of employment opportunities and essential services including health, education and community services. The sense of community in the Surat Basin is strong and has been a significant factor in the communities' ability to adapt and grow through testing periods such as drought and flood events.

The environmental qualities of the Surat Basin include open grasslands and dense softwood scrubs, and important natural areas protected as voluntary nature reserves and national parks. The area also includes major land catchments and naturally occurring wetland springs sustained by the Great Artesian Basin.

This vast area supports a range of primary production activities, as well as resource and energy industries. These industries use the road and rail networks that transverse the area and support the strong economic and social links with communities in the west. They also link the rural lands of the South West and Darling Downs with the highly urbanised areas and strategic port facilities on the east coast.



Map 2 – Surat Basin study area





Balancing priorities

The Surat Basin is renowned for agriculture and quality food production, and energy resources for both domestic and international consumption. These sectors represent the foundations of both population and economic growth, and are vital in securing the quality of life within local and regional communities such as those found in the Surat Basin.

The Queensland Government strongly values and supports these sectors in the Surat Basin as key economic drivers of the state. Its priority is to ensure that economic and population growth occurs in a sustainable manner. Accelerated growth of the resource sector must not disadvantage the food and agriculture sector, the environment or the communities' health and wellbeing.

Resource capacity

While the Surat Basin has, and will retain, a strong and traditional agricultural foundation, it also contains more than six billion tonnes of proven thermal coal reserves which are largely undeveloped and suitable for power generation, both domestically and abroad.

The area also has significant reserves of coal seam gas (CSG). CSG is predominantly methane gas, which is also suitable for domestic power generation and export to international markets as liquefied natural gas (LNG).

As at June 2009, the Surat Basin's proved and probable total CSG reserves were 18 249 petajoules. To put this in perspective, only 46 petajoules of CSG were extracted in the Surat Basin that year.

Background

Planning for growth

Lessons learned from other regional areas within Australia and internationally suggest that rapid growth in mining activity can result in significant environmental, social and economic impacts on local communities. To reduce this impact, a collaborative and proactive planning response and supporting programs are needed to sustainably manage growth.

One of the key steps in effective planning is determining stakeholder expectations for the future and exploring the opportunities and challenges that may enhance or impede the ability to meet those expectations.

For the Surat Basin, the level of impact on the community and the type of challenges it will be facing will be directly influenced by the intensity of growth in the resource sector.

Predicting growth

The Surat Basin will experience rapid growth over the next 30 years in the mining and gas sector due to increasing domestic and international demand for energy resources.

However, it is difficult to accurately predict levels of resource demand. Consumption of thermal coal and CSG for power generation and material production will fluctuate with global economic conditions and the emergence of innovative and cleaner technology for energy production may also impact on demand.

The productive capacities of proposed mining and gas development projects in the Surat Basin are difficult to accurately determine. Major infrastructure and resource development proposals require rigorous assessment by the Queensland Government, which may ultimately lead to some proposed projects not proceeding.

However, complex modelling has provided a range of possible growth scenarios that can be used to help plan for land use and infrastructure.

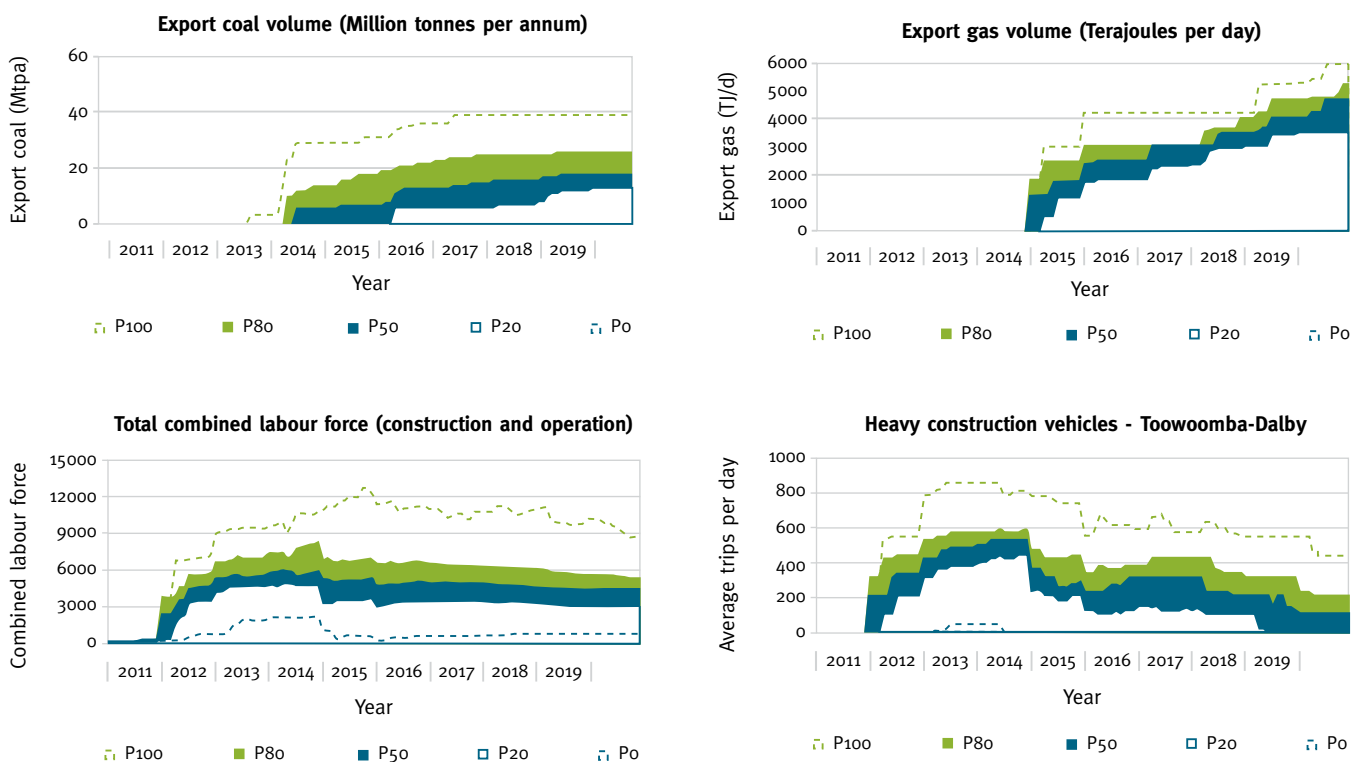
Based on medium-level scenarios for potential resource development, the modelling outputs, illustrated in Figure 2, suggest the production of coal and CSG is expected to increase dramatically from 2011 to 2020. This resource production and the associated industries will require a substantial labour force, contributing significantly to the Surat Basin's expected average annual employment growth of 3.7 per cent to 2031.

While there is uncertainty surrounding the timing and scale of the resource sector projects, even the lower probable outcome projections for export volumes and labour force will place substantial pressure on local and regional infrastructure.

The likely impacts of growth in the Surat Basin will extend past its boundaries, affecting all of southern Queensland, particularly Central Queensland and Gladstone, the remainder of the Darling Downs, South West Queensland and South East Queensland.



Figure 2 – Projected resource sector activity in the Surat Basin (2011–2020)



Note: This assessment is based on modelling that incorporates information available at the time. The information includes project specific information, market information, infrastructure capacity and resource constraints. The analysis generates 1000 possible futures based on the information available. The different ‘P’ values represent different levels of probability of an outcome being reached based on a multivariable analysis (Monte Carlo) of possible futures. For example, the P20 line reflects the line of values at which 20 per cent of the possible futures are below that line. *Source: Evans and Peck – December 2010.*

Challenges facing the community

By examining the likely resource sector growth scenarios, it is possible to understand the challenges that are likely to face communities in the area. These include:

- managing the sustainable use of renewable and non-renewable resources
- managing the cyclical nature of the mining sector in a way that complements other industry sectors
- protecting the natural environment
- positioning the Surat Basin to take advantage of renewable energy resources
- encouraging economic diversity to maintain balanced growth, especially in agriculture
- providing social and economic opportunities to encourage people to remain in, and return to, the area
- meeting growing energy and water demands
- managing potential long-term population decline in the non-mining parts of the region
- adapting to impacts of oil dependency
- preparing for, and adapting to, the impacts of climate change
- attracting and retaining skilled workers and residents
- providing opportunities for young people who have traditionally migrated to large urban centres
- developing strategic guidance for infrastructure provision
- providing essential services to smaller towns and centres.



Surat Basin Future Directions Statement

On 4 March 2010, in response to resource sector growth and the challenges facing communities in the region, the Queensland Government released the *Surat Basin Future Directions Statement* (SBFDS). The SBFDS aims to coordinate and focus the efforts of government agencies and regional stakeholders in establishing key policy initiatives to ensure sustainable growth in the Surat Basin.

The SBFDS establishes a collaborative framework for the Queensland Government, community and industry to work together to anticipate and prepare for the projected rapid growth in the Surat Basin.

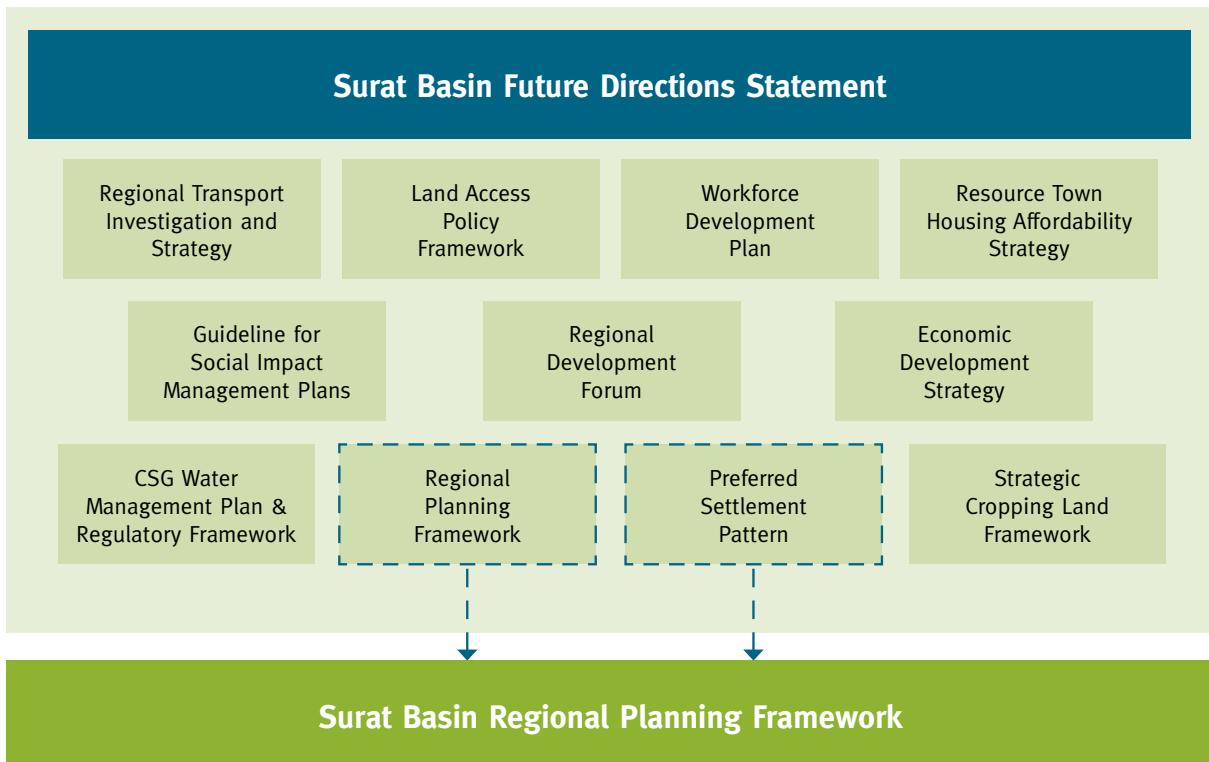
The SBFDS identifies a range of initiatives to address the major challenges facing the Surat Basin (Figure 3). Two of the headline initiatives — Regional Planning Framework and Preferred Settlement Pattern — are included in the SBRPF.

Draft Surat Basin Regional Planning Framework

In developing the draft SBRPF, the Queensland Government consulted a diverse range of stakeholders, including community and environmental groups, industry representatives, local governments and state government agencies.

The draft SBRPF was advertised and released for public review from 5 November 2010 to 17 December 2010. All submissions that were received as a result of consultation were rigorously assessed and played an important role in developing this document. A consultation report detailing the themes of the submissions and the response was released concurrently with the SBRPF and can be found at www.dlpg.qld.gov.au/suratframework.

Figure 3 – Headline initiatives of the *Surat Basin Future Directions Statement*



The Surat Basin Regional Planning Framework

Structure

Part A – Introduction

The introduction provides the purpose and context of the framework. It highlights the pressures from projected growth, challenges facing the region and the reasons for a collaborative and proactive approach in planning for sustainable growth.

Part B – Regional vision

The regional vision defines the desired future for the Surat Basin. It reflects the expectations of the community, industry, regional stakeholders and local and state governments that were captured during consultation.

Part C – Key themes

The key themes explore the aspirational statements found in the regional vision and identify the key areas that require strategic direction to support sustainable growth.

Part D – Settlement pattern

The settlement pattern spatially represents the preferred locations for residential, service and industrial growth. The settlement pattern includes narratives that describe the strategic intentions of each local government area, including their roles in terms of population growth, service provision, employment, infrastructure, housing and community services.

Separate narratives are also provided to describe the interrelationship with surrounding southern and central Queensland regions.

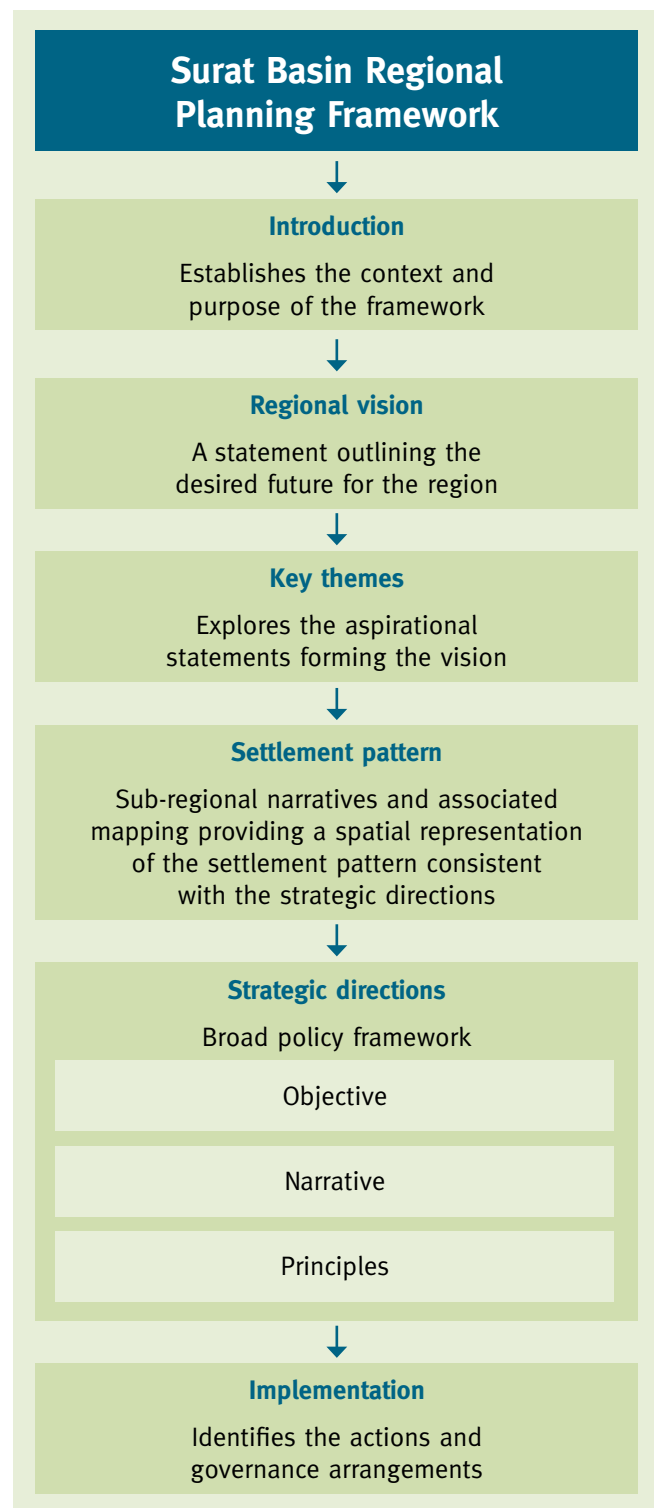
Part E – Strategic directions

The strategic directions provide the policy framework and establish key objectives built on the values, strengths and challenges of the region, and provide the principles needed to fulfil each objective.

Part F – Implementation

The implementation section outlines the actions and governance arrangements to deliver on the outcomes of the SBRPF.

Figure 4 – Structure of the Surat Regional Planning Framework





PART B – Regional vision

The Surat Basin's prosperity is driven by a strong sense of community, recognition of its rich and diverse environment, and the long-term sustainable management of its natural resources.

The area's social values and environmental wealth will be secured and balanced with opportunities for strong economic growth. The opportunities generated by both the agricultural and emerging energy industries will be captured to enhance the Surat Basin's resilience to economic variability, enhance service delivery and advance the communities' early response to the potential effects of climate change.

Healthy and liveable communities will work together with regional partners, adapt positively to the pressures of rapid growth, and maintain and enhance their cultural identities.

The Surat Basin will encounter significant growth driven by domestic and international demand for its extensive deposits of thermal coal and associated coal seam gas (CGS). While the area has a strong and traditional agricultural foundation, and has attracted energy resource sector investment during the last century, projections indicate the Surat Basin will experience unprecedented resource sector growth over the next three decades, potentially leading to major changes in demands on the region's infrastructure and services.

Resource sector growth is characterised by significant peaks and troughs from fluctuating commodity prices affected by global economic conditions. This creates challenges for both planning for and managing impacts on communities which are influenced either directly or indirectly by the resource sector.

Protecting the Surat Basin's natural environment from the impacts of intensive resource and agricultural activity will play a fundamental role in sustainable growth management. Any practice presenting an unacceptable risk to the environmental health of the Surat Basin will not be supported.

Quality of life in the Surat Basin is a key value which must be protected and enhanced to meet the expectations of both existing and future residents. This includes the provision of quality health, education and other community services, as well as improvements in recreation and other services — specifically to retain young people and young families within the area.

The Surat Basin Regional Planning Framework (SBRPF) recognises existing strengths and values of the area and identifies opportunities for positive growth, while minimising potential negative impacts resulting from change. By being responsive and understanding the direction of change, the stakeholders of the Surat Basin and all tiers of government can act pre-emptively to maximise associated benefits. This will include capturing the economic opportunities generated by the resource sector to strengthen local and regional economies. Responsiveness to change will also require openness to innovation and involving the local community in the decision-making process.

The Surat Basin has many distinct advantages, including a well-established framework of communities and inter-regional connections to major services and ports. Towns of the Surat Basin have extensive urban services and capacity to accommodate growth and any opportunities that arise. These attributes are pivotal to future decision-making and to informing funding priorities and location of additional services and infrastructure.

Anticipated growth generated from resources in the Surat Basin goes well beyond Toowoomba, Western Downs and Maranoa regional council areas. It has implications for the entire state, but particularly the southern half of Queensland and parts of northern New South Wales. Growth in the Surat Basin will need to be supported by high quality and high capacity transport routes to key strategic port facilities such as those in Gladstone and Brisbane.

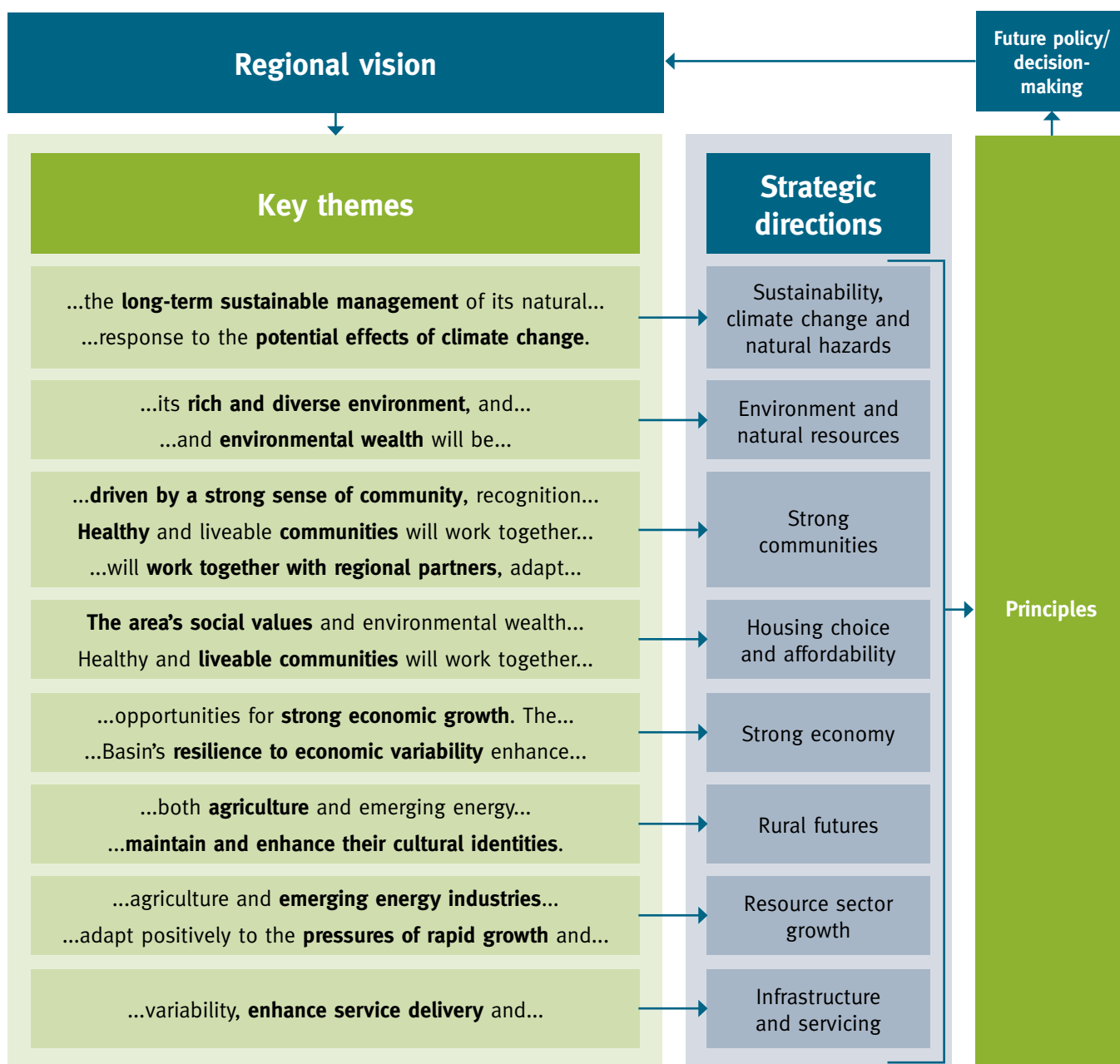


Achieving the regional vision

The regional vision was established following consultation with various stakeholders in the Surat Basin. It includes a series of statements which reflect stakeholder intentions and aspirations for the region. To achieve the regional vision, each one of these statements must be comprehensively addressed. To do this effectively, the statements have been grouped by themes, which are then expressed in the SBRPF as strategic directions.

The strategic directions provide the policy framework for addressing challenges and harnessing strengths and opportunities. To achieve the regional vision, the key principles of the strategic directions will be used to inform and align future policy, programs and decision-making that affect land-use, infrastructure and service delivery within the Surat Basin. This process is outlined in Figure 5.

Figure 5 – Achieving the regional vision

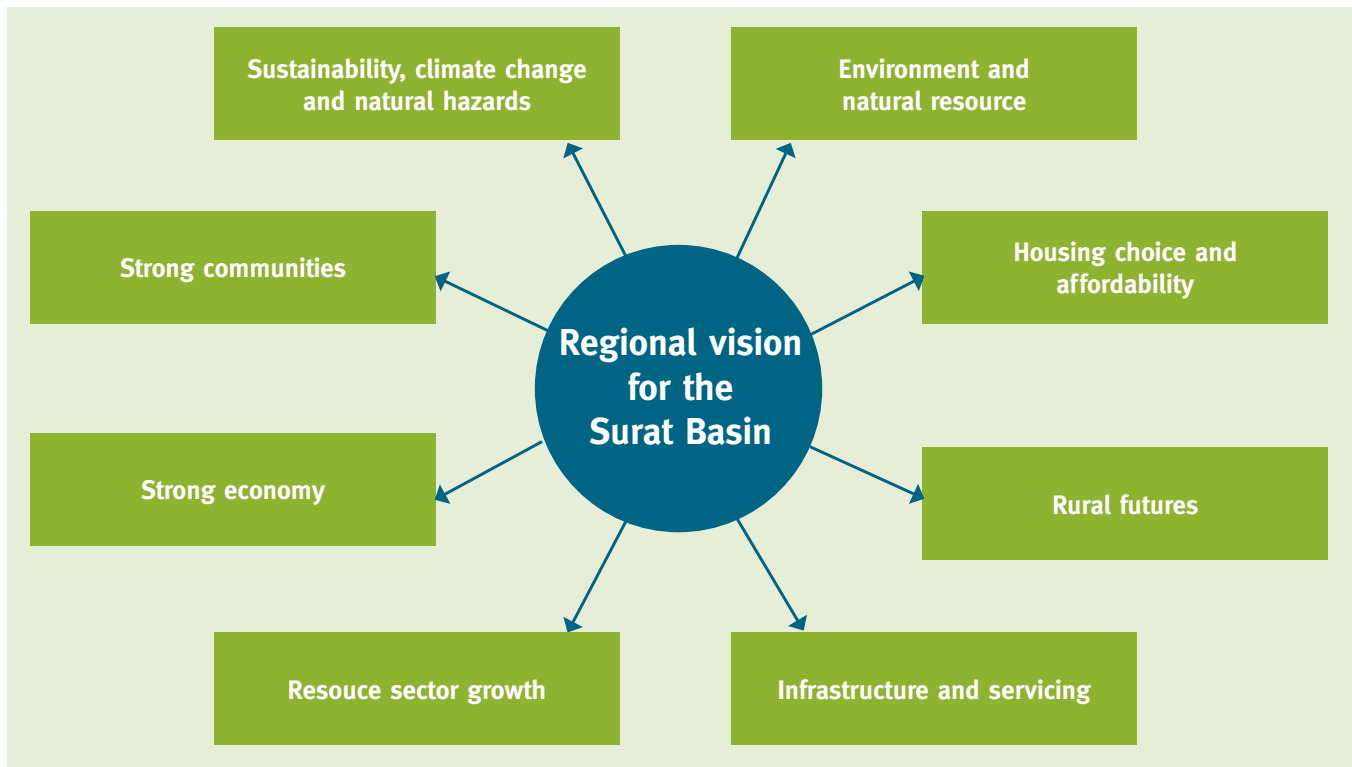




PART C – Key themes

The key themes explore the statements contained within the regional vision. These themes represent the strategic directions needed to underpin sustainable growth.

Figure 6 – Key themes of the Surat Basin Regional Planning Framework





Sustainability, climate change and natural hazards

Regional sustainability refers to a community's capacity to maintain its environmental, economic, cultural and social values in the long-term. The Surat Basin, like all energy resource provinces, has a range of complex issues and competing values which require coordinated regional management. The projected impacts of climate change will also have significant implications for regional sustainability.

Adaptation strategies will underpin the communities' long-term resilience to the anticipated effects of climate change. There will also be a need to embrace innovative and cleaner technology to reduce greenhouse gas emissions from major industries, particularly domestic power generation.

Natural hazards, particularly flooding and bushfires, will continue to threaten communities in the Surat Basin. While the intensity and frequency of these natural hazards may increase with climate variability, communities will continue to develop greater capacities to build resilience to the impacts.

Environment and natural resources

The environment and natural resources of the Surat Basin include ecosystems and high-value biodiversity, productive agricultural soils, mineral and energy resource deposits, air and fresh water systems, and landscape amenity.

These natural assets are experiencing escalating pressures from economic and population growth, including increased resource sector activity, intensive agricultural practices, encroachment of urban and rural development, climate variability and water vulnerability.

Environmental protection, through an effective regulatory and planning response, and the sustainable management of the region's natural resources, are critical in securing a healthy and liveable Surat Basin that will benefit current and future generations.

Strong communities

A strong community is healthy, inclusive, safe and progressive. It is sustained by adequate community services, infrastructure and affordable housing options that meet the changing needs of its residents and visitors.

Enhancing the robust communities that characterise the Surat Basin will be a major factor in achieving sustainable growth. This will require building on their adaptive and resilient qualities, and their capacity to actively engage and seek resolution on matters that impact on their way of life.

The strength of these communities will be a driving force behind sustainable growth in the region, and will continue to be supported in their endeavours to protect their cultural identities.

Housing choice and affordability

Housing affordability issues emerge where there is sustained dwelling demand that outstrips supply. The absence of sufficient and diverse dwelling stock for residents and workers in the Surat Basin will impact on the region's ability to meet growth demands and cater for a sustainable workforce.

The availability of a variety of housing styles and tenures in the lead-up to periods of rapid population expansion is critical for the Surat Basin. It will require a range of well located and designed dwelling options for permanent and short-term residents, including traditional family homes, single living quarters and temporary and rental accommodation.

Ensuring appropriate planning and land-use decisions for future residential communities are made early will reduce the risk of housing shortfalls. This will also prevent higher than market rents and property prices, which reduce affordability.

Strong economy

A strong regional economy builds on existing economic strengths, captures emerging opportunities and seeks innovative ways to diversify and expand service capability.

The strong industries found in the Surat Basin have increased regional stability and provided opportunities for skill development, employment and business expansion and will play a vital role in sustaining regional growth.

A critical management issue for the Surat Basin economy will be maintaining an appropriate balance between its two primary economic drivers — energy resources and agriculture. These sectors are equally important in securing the long-term prosperity of the Surat Basin, driving the Queensland economy and enhancing the quality of life for communities well outside the area.

Retaining skilled workers, especially in primary production, will be necessary to ensure the future is well guarded against loss of the traditional industries which play a major role in shaping the Surat Basin's cultural identity.



Rural futures

Rural areas support many communities, businesses and industries which play a pivotal role in the economic stability and growth of Queensland.

The rural communities in the Surat Basin have robust local economies, support healthy and inclusive lifestyles, and have an extraordinary capability to adapt and thrive under pressure. While the rural areas in the Surat Basin are likely to experience increasing pressure from growth in the resource industry, effective planning will ensure its rural industries and businesses are protected and able to grow, and its communities benefit.

The rural communities which have played a key role in shaping the Surat Basin's cultural identity will continue to be supported by necessary infrastructure and services to improve their productive capacities, capture opportunities for value-adding in emerging markets, and improve their resilience to climate variability and natural disasters.

Resource sector growth

Resource development refers to the mining of coal or mineral deposits, or the extraction of natural gas or oil, which are generally used in power generation or for material production. The resource sector in the Surat Basin, which is a major economic driver of the Queensland and national economy, is primarily focused on coal and CSG deposits.

Growth in this sector will require regionally significant and enabling infrastructure to increase its export capacity to meet expanding international demand. While this growth will bolster local economies and provide new and diverse business and employment opportunities, the increased non-resident workforce will place considerable pressure on local infrastructure, accommodation and services. This growth will require proactive planning at all levels to reduce the impact on existing communities.

Resource sector growth must embrace the broader communities' expectations for a safe, healthy and prosperous region by addressing all impacts on the natural environment and social wellbeing of the Surat Basin residents.

Infrastructure and servicing

Growing communities require an increased level of service and infrastructure, including roads, public transport, water, sewerage, electricity, telecommunications and serviceable land. There is also a requirement to invest in regionally significant infrastructure and services that enable growth and long-term efficiency of major industries.

Growth in the Surat Basin is significant to the prosperity of the broader region and the state. The state recognises, through the *Queensland Regionalisation Strategy* and the *Queensland Infrastructure Plan*, the need to maximise opportunities to promote regional prosperity hand in hand with effective investment in infrastructure.

The Surat Basin's local and regional infrastructure will benefit communities by supporting economic development and contributing to safe environments. Infrastructure must be well-planned and sequenced, be delivered in a cost-effective manner and be responsive to emerging priorities and changing demands of communities.

The safe and efficient movement of people and commodities across the Surat Basin will be a key challenge that will require coordinated planning and early identification of the constraints impeding service performance.



PART D – Settlement pattern

Introduction

The settlement pattern provides a spatial description of the future location of activities, services and infrastructure across the Surat Basin area, as well as implications for surrounding local government areas and regions. This is achieved through a series of narratives and supporting maps. Narratives are provided for each local government area in the Surat Basin and additional narratives outline the area's relationship with adjacent regions and other parts of southern Queensland.

The settlement pattern narrative provides further detail on what the directions mean for each local government area and particular towns. This includes where residential and industrial growth will be directed, where major services will be enhanced and the projected impacts of resource sector growth, including projected populations. The narrative also summarises key issues relevant to particular locations and identifies where further monitoring and investigations may be required.

Settlement pattern summary

The existing settlement pattern of the Surat Basin is heavily influenced by landscape features, the location of well-established regional transport networks, access to water and proximity to high quality agricultural land. The original settlements established along the Warrego Highway have become the major towns servicing the Surat Basin.

The proposed settlement pattern of the Surat Basin supports and enhances the existing network of communities and major towns by highlighting them as the primary locations for future urban growth and service delivery.

The role of the Surat Basin's towns as regional and district centres for rural services will be secured and enhanced. Depending on the proximity to resource sector activities, these towns will be required to respond to additional demands on community and social services, and industrial land supply to support associated activities and supply chain opportunities.

While growth will be focused in major towns, appropriate forms and scale of development will be supported in smaller communities where it can be demonstrated that it improves employment self-containment, encourages compact settlement, maximises the use of existing urban networks, diversifies the economy and improves the long-term sustainability of services to the local community.

West

The western end of the Surat Basin is serviced predominantly by Roma. Approximately half of the resident population live in the township, with the majority of the remaining population dispersed within a network of smaller towns and rural communities. Roma is the primary commercial hub with a strong economic base and will continue to be a dominant location for servicing the surrounding rural industry and major gas industry developments.

Given the regional economy is influenced by coal seam gas (CSG) assets, Roma will also serve as the preferred location for both permanent and temporary residential accommodation within the western Surat Basin. Its well-established gas and oil industry, rural industry services, urban services including a range of retail and professional businesses, land availability and access to regular air services will ensure it remains a strong regional centre servicing the western Surat Basin.



Central

The central area of the Surat Basin provides a mix of traditional agriculture and emerging industries. Settlement across this area is focused in the towns of Dalby, Chinchilla, Miles and other smaller townships. Dalby will continue to be the major centre for central Surat Basin, providing a high level of retail, commercial and industrial services to surrounding residents and businesses. It also has the capacity to accommodate the majority of projected residential growth pressures within the central Surat Basin area.

Dalby will provide opportunities for temporary accommodation. However, due to the proximity requirements and operational arrangements of resource industries, it is likely many of these will be located on, or within close proximity to, resource sites. The secondary centres of Chinchilla and Miles will support the towns of Dalby and Roma in accommodating district level growth, including significant levels of residential development and industrial land. Both of these communities will continue to experience demand for services, accommodation and particularly industrial land due to their proximity to proposed gas and mining activities and access arrangements.

East

The eastern area is dominated by Toowoomba and the surrounding rich grazing and farming land of the eastern Darling Downs. Toowoomba is the principal centre within the Surat Basin; however, its position at the top of the Great Dividing Range has made both road and rail transport between Toowoomba and the ports on the coast a significant challenge. Many of the towns in this part of the Surat Basin, including Oakey, Crows Nest and Pittsworth, play a role in supporting and servicing surrounding rural areas and have the potential to accommodate growth associated with the resource sector.

Toowoomba's urban area will continue as the primary provider of health, education and professional services. It will also capture the majority of the anticipated growth in the east, although some of this demand will be shared among satellite urban centres and localities such as Highfields, Kingsthorpe, Wyreema and Westbrook. Toowoomba will capture a significant portion of resource-related services and a share of the drive-in/drive-out (DIDO) workforce employed in mining and gas activities, particularly in the eastern Surat Basin. The scale of activity supported in Toowoomba will continue to see it as a major location for growth, but this growth will not be solely reliant on the resource sector.



1 Surat Basin – local government areas

1.1 Toowoomba

Toowoomba LGA	
Population 2010 ¹	162 057 people
Indicative planning population 2031 ¹	228 461 people (40.1 per cent increase on 2009, compared to Queensland's 39.0 per cent projected increase)
Towns and regional centres	Estimated population 2010²
Toowoomba urban area	106 743 people
Highfields	8494 people
Oakey	3964 people
Pittsworth	2839 people
Crows Nest	1592 people
Kingsthorpe	1723 people
Millmerran	1348 people
Key locations for growth	
Residential	Primary locations – Toowoomba urban area (broadhectare and infill), Highfields Other – Oakey, Pittsworth, Westbrook, Crows Nest, Millmerran, Clifton
Services	Primary service centre – Toowoomba urban area Other – Oakey, Pittsworth, Crows Nest, Millmerran, Clifton
Industrial	Primary locations – Charlton Wellcamp, Toowoomba urban area (west side of city) Other – Oakey
Key infrastructure	
Existing	Brisbane – Toowoomba water supply pipeline
Proposed	Toowoomba Bypass, inland standard gauge railway, Gowrie to Grandchester rail link, Western Rail Line upgrading, Charlton Wellcamp multimodal transport hub planning, Warrego Highway upgrading, upgrade of various highways and other major roads

¹ Office of Economic and Statistical Research (OESR) *Population and housing profile*, Toowoomba Regional Council, April 2010

² OESR estimated resident population (ERP) by urban centre and locality

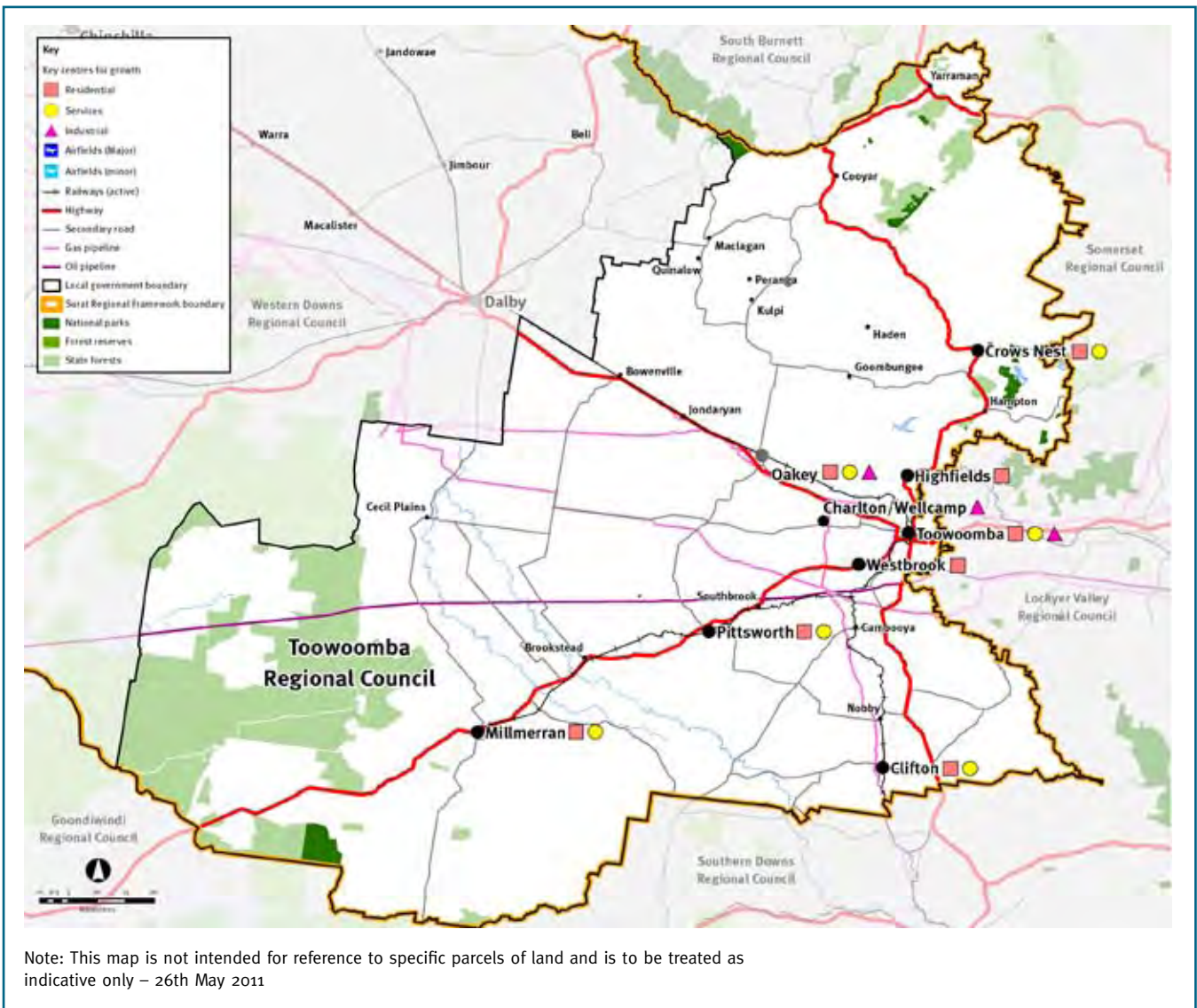
Background

The Local Government Area (LGA) of Toowoomba is located 125 kilometres west of Brisbane and covers an area of 12 950 square kilometres, encompassing both the eastern edge of the Surat Basin and the rich grazing and farming land of the Darling Downs. The city of Toowoomba is the principal centre within the Surat Basin and is located at the junction of the Warrego, New England and Gore highways, linking it to Brisbane, Melbourne and Darwin. While its direct access to the inter-regional transport network firmly establishes it as a key regional transport hub, the Great Dividing Range is a major constraint to the efficient movement of goods and resources to the ports on the eastern coast.

Toowoomba has a history based on agriculture, with many towns, such as Oakey, Pittsworth, Crows Nest, Millmerran, Jondaryan, Cambooya and Clifton, playing a role in supporting and servicing surrounding rural areas. Agricultural production commenced in the region in the 1840s and was dominated by sheep. However, the last 170 years have seen significant changes and diversification, with livestock slaughtering now the highest value rural production class, followed by cropping and livestock products.



Map 3 – Toowoomba Regional Council





The LGA has a history of moderate, yet steady population growth. This trend is predicted to continue and strengthen in the future, with the resource and energy sectors in the Surat Basin province generating regional growth. The other areas of opportunity for the region include fibre composite advanced manufacturing, food processing, agribusiness, aviation and defence.

The Toowoomba urban area is the principal service centre in Toowoomba and is the economic and commercial hub of the Darling Downs and Queensland's south west region. Regional service centres, such as Crows Nest, Oakey, Pittsworth and Clifton, provide a range of community services, retail and agriculture related services which support the various communities. Toowoomba's industries include manufacturing, health and community services, retail, agriculture and government administration and defence.

Growth opportunities and key challenges

Growth in Toowoomba is heavily influenced by growth in South East Queensland, and the rest of the Darling Downs and South West. Toowoomba's regional centre role will be further strengthened by growth in the Surat Basin, catering for business and commercial services associated with the resource and agriculture sectors. The further development of knowledge and technology based services is likely to provide additional long-term growth opportunities, taking advantage of links to the resource sector.

Tourism plays a significant role in supporting local economic growth and providing employment opportunities. Lifestyle, affordability and the proximity to Brisbane and the eastern coast increasingly attract people to Toowoomba, and its emergence as a location for conferences and business events has strengthened its position in South East Queensland. Its diverse communities and a multitude of annual festivals generate positive effects for short-term accommodation, retail industry and numerous service providers.

The growth potential of the Surat Basin and the strong influence of Toowoomba as the region's primary urban centre, combined with demographic change, present a range of planning challenges for the Toowoomba district.

The majority of the anticipated population growth in the Darling Downs and Toowoomba will occur within the Toowoomba Statistical District, within which 81 per cent of Toowoomba's population currently resides. This area includes the Toowoomba urban area and satellite urban centres such as Highfields, Kingsthorpe, Wyreema and Westbrook.

The western and south-western urban edges of Toowoomba, in particular the Westbrook area, are expected to support significant population growth through broadhectare development. Westbrook has been designated as an

Identified Growth Area under the *South East Queensland Regional Plan 2009–2031* and further planning will define the area's boundaries and suitability for residential development.

However, a more compact urban form for Toowoomba is required, particularly in and around the central business district (CBD) to maximise infrastructure efficiencies and provide greater access to housing choice, community services and facilities, employment and transport options. There are also growth opportunities in other local centres such as Pittsworth, Oakey, Crows Nest, Millmerran and Clifton.

The proportion and location of rural residential development surrounding Toowoomba's urban area has significant implications for growth management and infrastructure provision. Accommodating the expected need for housing diversity, particularly age-appropriate housing, is a challenge that will need to be addressed in future planning decisions.

The construction of a Toowoomba Bypass is pivotal to the growth of Toowoomba and the Darling Downs more broadly. The \$1.75 billion Toowoomba Bypass project, including a new range crossing to bypass the urban area, is integral to expanding the region and Australia's productive capacity. The bypass will improve the inland transport route linking Melbourne, Brisbane and Darwin and will provide significant regional benefits. The bypass will also support the longer-term development of the Surat Basin and the south-west of the state.

Economy and employment

The Toowoomba area has a strong economy fostering diverse business opportunities, innovation and a thriving export capability. Toowoomba's major industries include manufacturing, health and community services, government administration and defence, wholesale trade, retail trade, education and agriculture.

The Toowoomba urban area is the primary economic and commercial centre in the Surat Basin and offers a broad and growing economic base which provides a range of employment opportunities. There are three regional service centres (Oakey, Pittsworth and Clifton) and five secondary service centres (Crows Nest, Highfields, Yarraman, Goombungee and Millmerran), as well as numerous minor service centres and townships within the Toowoomba area.

The total working population of Toowoomba LGA was 64 751 persons in 2006, and the largest industry employer was health care and social assistance (12.0 per cent) followed by manufacturing (11.8 per cent), retail trade (11.6 per cent) and education and training (9.6 per cent). Like population growth, employment growth is anticipated to be concentrated in the Toowoomba urban area.



As the principal centre for the Darling Downs and South West of Queensland, Toowoomba also plays a major role in the provision of retail, commercial and industrial land and services, servicing a large area in Queensland and part of northern New South Wales.

The provision of sufficient industrial land supply, including opportunities for industrial infill within close proximity to the Toowoomba urban area, is pivotal to expanding its role as the key rural and construction industry centre, and transport and logistics hub for southern Queensland, west of the Great Divide. Toowoomba already contains a significant proportion of mining services firms supporting coal mines in the eastern and western Darling Downs, plus limited gas industry servicing firms supporting the Surat Basin gas fields. Its location and maturity as a city is likely to see more companies establish to service the broader region. However, this will be impacted on by levels of accessibility and associated improvements in air, road and rail routes and connections linking Toowoomba to national networks.

The Charlton Wellcamp Enterprise Area, located 13 kilometres west of Toowoomba, is anticipated to meet most of the projected industrial land needs for Toowoomba and the eastern portion of the Surat Basin. It has the potential to become a regionally significant industrial area servicing the whole of the Surat Basin, particularly in relation to transportation and logistics, construction materials, manufacturing and supply, and general industry. However, to ensure this area can accommodate projected demands, the land will need to be protected from the encroachment of conflicting uses, particularly residential and rural residential development.

Oakey has a well-established but relatively small industrial area, primarily catering for the surrounding rural industry. There is also a major cattle abattoir and small gas-fired power station within close proximity to the town. The town does have a significant amount of zoned, but undeveloped, industrial land which has the potential to accommodate further rural-focused industry and service activities, and limited mining services.

Residential

In 2010, the estimated resident population of Toowoomba was 162 057 people. The area's population is expected to grow to 228 461 people by 2031, which equates to an average annual growth rate of approximately 1.6 per cent.

Proximity to the CBD, scenic amenity, service provision and affordability are considered the key drivers for growth surrounding the Toowoomba urban area. These drivers point toward continued growth, mainly to the north and south of the city along the escarpment of the Great Dividing Range.

Expansion of the Toowoomba urban area will be restricted in the long term by the topographical constraints of the Toowoomba Range to the east, land-use constraints, including good quality agricultural land and existing rural residential and industrial development, to the west, and rural residential development to the south.

The area has a good supply of residential land that is supported by existing infrastructure or capable of being serviced in the medium to long term. However, the ability of that land to cater for growth is heavily dependent on the land supply being supplemented by the uptake of infill opportunities, particularly in and close by the CBD.

Population projections for the majority of the LGA outside the Toowoomba Statistical District, particularly the western parts, indicate no to low population growth. Limited growth could be affected by resource sector growth but will be heavily dependent on the final location of any future mines and associated activities.

The majority of the population increase projected to 2031 is anticipated to occur in the Toowoomba–Highfields area, with the balance distributed between other towns, primarily Oakey and Pittsworth. Existing land zoned for residential development has the potential to accommodate approximately two-thirds of the projected growth with the remaining third to be accommodated through urban infill.

Toowoomba's urban area residential land supply needs in the long term will therefore be met through growth in the nearby urban settlements of Kingsthorpe, Highfields and Gowrie, and appropriate lands adjacent to the Toowoomba urban area such as Westbrook. In the short- to medium-term, the key areas for growth will be Glenvale, Darling Heights, Drayton, Highfields, Oakey and Pittsworth.

The existing dwelling stock is dominated by low density detached dwellings, although this will change over the coming years, with a significant increase in supply of small lots and higher density housing. This is due to projected reduction in household sizes as a result of the ageing population, but also smaller family units, lower marriage rates and higher divorce and separation rates. Also, the cost of land, while generally low in Toowoomba, is anticipated to increase as a result of increasing development costs and economic changes. This will primarily come from mining sector growth, which will attract a high proportion of contract and temporary workers who are more likely to increase demand for short-term accommodation.



Infrastructure

With the completion of the water supply pipeline between Brisbane and Toowoomba in 2010, the most significant regional infrastructure projects are now the Toowoomba Bypass and the inland standard gauge railway. Both of these projects have major implications for Toowoomba and the Surat Basin.

The Toowoomba Bypass is highly significant for addressing a number of existing road network inefficiencies which have had a substantial impact on the regional transport network and will significantly influence future development patterns. The bypass also has significant implications for the transport needs of the Surat Basin, with the movement of materials by road being hampered by the existing road system through the Toowoomba urban area and the Toowoomba Range crossing.

The inland standard gauge railway is particularly important to the development of the Charlton Wellcamp Enterprise Area and the transport hub at its northern end, which will cater for projected industrial land demands and connectivity to the national rail network.

Community services

Toowoomba maintains a strong focus on protecting and enhancing the values and identity of its local communities, and provides a high level of service to meet the diverse needs of its citizens. The Toowoomba district boasts a comprehensive range of health and allied community services which, as well as providing essential services to the community, form an important element of the regional economy.

The concentration of services and employment opportunities, mainly within and around the Toowoomba urban area, as well as demographic and socioeconomic trends, will affect the long-term sustainability of some towns in the district. Holistic planning approaches, combined with decisive and specific policy interventions, need to be developed to address concerns about the sustainability of the area.

The Toowoomba area has a very high standard and range of education services, including the University of Southern Queensland, Southern Queensland Institute of TAFE and various state and private schools servicing Queensland and northern New South Wales. In 2010, there were 60 government schools and 26 non-government schools servicing the Toowoomba district.

There are three public hospital facilities in the area — the Toowoomba Hospital, Millmerran Health Service and Oakey Hospital. There are also a range of associated allied health services. There are also two large private hospitals in the Toowoomba urban area, as well as several smaller private hospitals and additional aged care facilities.

Government and not-for-profit community organisations provide a broad range of human and social services focused on the needs and issues related to various sections of the Toowoomba's population. Agencies oriented to community safety and emergency response provide services at a community-wide level.

Maintaining appropriate service levels within smaller communities in the Toowoomba LGA is an important challenge in creating a sustainable region.



1.2 Western Downs

Western Downs LGA	
Population 2010 ¹	32 071 people
Indicative planning population 2031 ¹	36 793 people (14.7 per cent increase on 2010, compared to Queensland's 39.0 per cent projected increase)
Towns and regional centres	Estimated population 2010²
Dalby	11 097 people
Chinchilla	4445 people
Miles	1259 people
Tara	807 people
Wandoan	420 people
Key locations for growth	
Residential	Primary locations – Dalby, Chinchilla Other – Miles, Wandoan
Services	Primary service centre – Dalby District level – Chinchilla, Miles, Tara
Industrial	Primary locations – Dalby District level – Chinchilla, Miles Potential specialist location – Wandoan
Key infrastructure	
Proposed	Surat Basin Rail Project, Warrego Highway upgrade, upgrade of Leichhardt Highway and other highways, Western Rail Line upgrading, Miles–Wandoan feeder rail link upgrading, upgrade of other major roads

¹ OESR *Population and housing profile*, Western Downs Regional Council, April 2010

² OESR ERP by urban centre and locality

Background

The Western Downs LGA is located approximately 200 kilometres west of Brisbane, has an area of approximately 38 000 square kilometres, and represents the central section of the Surat Basin. The area contains a mix of traditional and emerging industries in a rural environment which is experiencing strong economic growth. In 2010, the area's population was approximately 32 000 people.

European settlement of the area commenced in the 1840s, with vast sheep and cattle livestock underpinning the development of a strong rural economy. Evolving from a strategic location along early trade routes, townships were established providing rural trade and essential services. The existing settlement of the Western Downs is focused in and around the towns of Dalby, Chinchilla, Miles, Jandowae, Tara and Wandoan. While the rural population is not experiencing substantial growth,

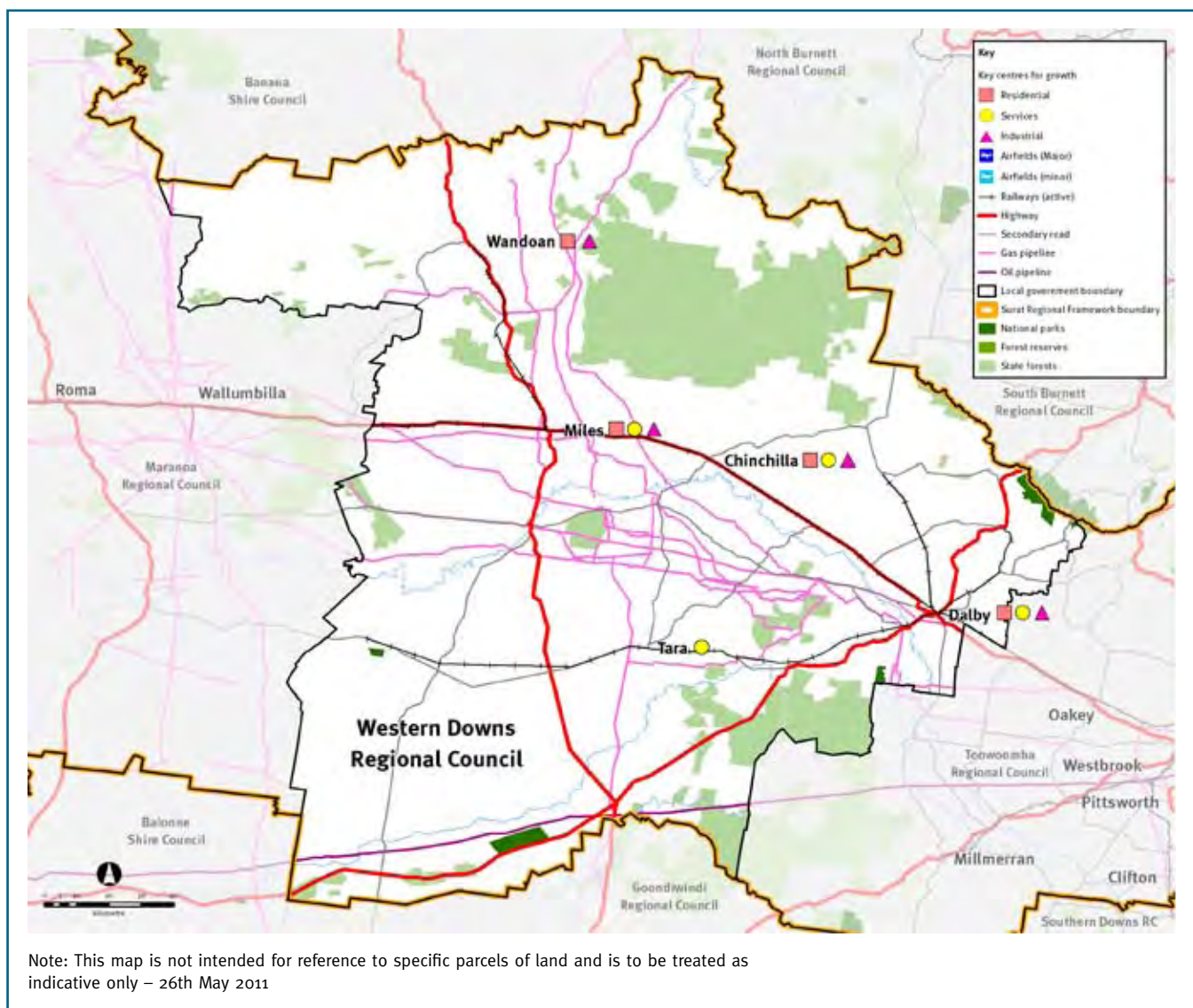
Dalby, Chinchilla and Miles are growing rapidly in response to the emerging demands of the resource sector.

The towns are principally focused on agricultural production, with emerging industries which will strengthen their established economic base. Dalby and Chinchilla will function as regional centres, supported by continued growth in population and industry. Similarly, other towns in the area will strengthen their roles as local and district centres by capturing opportunities generated by resource sector growth.

The communities of the Western Downs are resilient, strong and share healthy relationships with other communities within the Surat Basin. This will enable them to positively adapt and benefit from growth in the resource sector.



Map 4 – Western Downs Regional Council





Growth opportunities and key challenges

The existing industrial strengths of the Western Downs assist in its capacity to actively connect with major developments at all levels of the supply chain. Industrial strength, coupled with existing agriculture, manufacturing and construction industries, will generate future opportunities to expand and diversify the Western Downs economy. However, this will require the establishment of business, management and marketing plans across all functional areas, including finance, health, safety and human resources, to identify and capture opportunities as they arise.

These opportunities have had a substantial impact on the Western Downs' gross regional product (GRP) which has exceeded Queensland's percentage growth in recent years, driven by increased mining and construction activity. Dalby's and Chinchilla's growth indicates these two towns are the primary beneficiaries of extractive resources activity in the area.

Small companies operating in smaller townships and some of the more remote areas of the district will also continue to drive innovation to respond to changing needs. As fewer people take up agricultural roles in small rural communities and their surrounds, the transfer of knowledge and innovation, and skill retention, will be critical to the long-term survival of the agricultural industry.

Partnerships between groups such as the Chambers of Commerce and Western Downs Regional Council will continue to support and drive growth through business development, specifically assisting business relationships, breaking down major project supply chains for the benefit of small business, and promoting the long-term value of agriculture industries.

Infrastructure

Transport, water and telecommunication infrastructure are vital to the district's development.

Upgrading the regional transport system, including the development of critical rail infrastructure such as the Western and Moura rail connection, will be vital to enable the development and growth of the resource and energy sectors, and particularly to increase the export potential of the district's natural assets. Upgrading the Warrego Highway to reflect the volume of heavy traffic accessing the Surat Basin through the eastern gateway at Dalby is vital to increasing the safety of motorists and movement of resources to port.

Key intra-regional roads, such as the Warrego Highway west of Dalby, Kogan–Condamine Road and town connectors, will also need to be reviewed to assist in connecting development of the Surat Basin gas fields to existing and future export facilities in Gladstone. Of particular importance is the upgrade of narrow bridges and roads, which are becoming increasingly dangerous due to increased traffic volume, particularly with heavy vehicles moving equipment.

The emerging industries are driving workforce demand, with construction and operations requiring a bigger workforce and industry-specific skills. Impacts of fly-in/fly-out (FIFO) and drive-in/drive-out (DIDO) camps also require further evaluation, including their proximity to existing communities and availability of company and public transport options. It is expected in the Western Downs that Tara, Wandoan, Jandowae, Condamine, Kogan and other small communities in the midst of the coal and gas field development will face increasing pressure on essential services, impacting on the capacity of these small towns to offset high growth taking place in the larger centres of Chinchilla, Dalby and Miles.

All levels of government will continue to work together in the future to facilitate informed planning and implementation to ensure the sustainability of industry development and cohabitation of mining and agriculture. Connection with global markets and improved telecommunications accessibility has the potential to stimulate the entire economy. Clustering, joint venture partnerships and improved networking will be critical to enabling local industry to grow as a result of the massive investment being undertaken through the region.

Health, utilities and social infrastructure will also need to be monitored and managed to respond to the impacts of a rapidly growing population. Miles and Dalby hospitals have undergone multi-million dollar upgrades in the last three years, improving service delivery and patient care. The area's ageing population, like the rest of the country, is growing. This places further pressure on the regional centres of Dalby, Chinchilla and Miles, with a greater number of aged people selling their properties and moving to these regional centres to take advantage of better health services, while maintaining a connection with their community.

Economy and employment

Mining, agriculture, construction and manufacturing are key industries in the Western Downs, with exponential growth occurring in mining as development in the Surat Basin increases. These industries are predominantly highly skilled in nature, which is contributing to a regional skills shortage, particularly in trades. With an unemployment rate of below two per cent in 2010, the attraction of both skilled and unskilled labour from outside the district will be necessary.



Dalby is the dominant location in the east of the Surat Basin for rural industry services, servicing the well-established agricultural sector in the eastern and western Darling Downs. Sufficient land will be required to accommodate projected growth, as well as the demand generated by the town's increasing role as a major location for servicing gas field development and industrial activities, including manufacturing and power generation supply providers.

Major industrial projects are creating clear strengths within major towns in the Western Downs. Dalby has recently seen the development of Australia's first grain-to-ethanol biorefinery using recycled water in its production process, processing over 200 000 tonne of sorghum annually.

The Western Downs Waste Management Facility in Dalby will replace ageing landfill infrastructure. Council is also considering options for redevelopment of the Dalby Saleyards, with one of these options being to replace the existing facility with a purpose-built saleyard, proposed to be in proximity to the waste management facility on the western side of town.

Dalby's population grew by 2.3 per cent during the year to June 2010. This is expected to decrease to 0.7 per cent annually between 2010 and 2031. It also had GRP growth of 18 per cent in the 2008 financial year, approximately double Queensland's growth for the same period.

Chinchilla is located in the heart of the Surat Basin and is closely linked with ongoing gas field development and agriculture. Chinchilla has experienced the highest growth of any town in the district, experiencing significant population growth of 4.8 per cent during 2009–10 and supporting approximately 20 per cent of the district's labour force in 2009. The unemployment rate, which is well under two per cent, is attributed to the rise in employment opportunities in the gas fields. Chinchilla had GRP growth of 22.3 per cent in the 2008 financial year, the highest district growth in the Western Downs.

Chinchilla has established itself as a secondary location for gas industry services in the Surat Basin. This is in addition to accommodating a number of rural industry services surrounding the township. With a limited supply of land identified within Chinchilla for industrial purposes, further investigations are required to ensure the ability of the town to accommodate projected growth, particularly for mining services.

Miles is a potential transport hub, using its location on the crossroads of the Leichhardt and Warrego highways and the junction of the Western rail system, expected to connect through Wandoan to the Moura rail system for the purpose of exporting coal. The population of the Murilla-Wandoan area, which includes Miles, is currently stable with minimal population change during 2009–10.

The Murilla area alone is expected to average one per cent per annum through to 2031 — the largest average annual population increase in the Western Downs. Miles holds approximately 14 per cent of the district's labour force, with a low unemployment rate, which is also attributed to the rise in employment opportunities with gas and coal. Miles and Wandoan had GRP growth of 15.2 per cent in 2008–09, significant growth compared to previous years.

Miles is undergoing change, with major infrastructure projects being delivered in close proximity to the town, including the Condamine Power Station, which provides electricity to the National Electricity Market. While Miles is yet to experience a significant increase in demand for industrial land, its central location, established levels of urban services and proximity to proposed mining and gas activities are likely to see this change significantly in the future. Currently, it contains a small intermodal transport hub for bulk grains and bulk fuel supplies, a timber mill and other small-scale industrial activities. However, if it is to play a major role in providing for industrial land demands generated by the resource sector within the eastern Surat Basin, further industrial land will need to be identified and made available in the medium- to long-term.

Wandoan, located 70 kilometres north of Miles, has the potential to become a secondary location for mining services in the eastern Surat Basin due to its proximity to a number of proposed coal mines in the area. Further investigations may be required to ensure sufficient local industrial land supply to accommodate projected demands for the medium- to long-term.

Tara is the only major centre south of the Warrego Highway in the Western Downs, located halfway between the Leichhardt and Moonie highways. In recent years, Tara has experienced a declining population. However, projections of the district's population indicate small average annual growth of 0.2 per cent through to 2031. In 2009, just over 10 per cent of the district's labour force lived in Tara. Unemployment of three per cent is higher than anywhere else in the Western Downs, attributed to Tara's late entry to the employment benefits of coal seam gas (CSG) exploration. Tara had the lowest GRP growth for the district at 8.3 per cent.

Residential

The population of Western Downs was 32 071 people at June 2010, and experienced 1.9 per cent growth during 2009–10. Facilitating approvals for appropriate development, access to land and housing affordability are key considerations moving forward.



Residential growth will be focused within established communities, with the existing or potential capacity to accommodate permanent and temporary growth. This will occur primarily in Dalby, followed by Chinchilla and Miles. Chinchilla has already experienced significant growth due to its central location and availability of residential land. Both Chinchilla and Miles will continue to capture growth due to their proximity to proposed mining activities in the Western Downs. These two towns will also be the focus for locating temporary work camps and other temporary accommodation, taking advantage of established urban service networks and accessibility to likely future mining and exploration activities.

Subdivisions, estates and town camps are increasing pressure on utilities, requiring expensive upgrades or redevelopment. Miles is currently undergoing significant growth pressures, with development applications received throughout 2010 set to effectively double the number of houses in the town and place pressure on essential utilities. This pressure is being replicated in Dalby and Chinchilla. Investment in sewerage treatment and water infrastructure will require more innovative responses by local government, in collaboration with the state government and the resource sector.

Smaller towns in close proximity to proposed mining activities, such as Wandoan, are also likely to experience significant growth pressures. However, dependent on the types of mining activities undertaken, pressures may fluctuate significantly, and include a large proportion of demand generated by the need to temporarily accommodate work camps. This will need to be monitored and well planned to ensure levels of service and liveability within these communities are not reduced, and affordable housing stock is available to residents not employed in the resource sector. Ensuring that growth in these smaller towns is consolidated and focused in areas adjoining existing development will be essential for providing cost-effective and sequenced infrastructure, and minimising the social and economic impacts on existing towns. In addition, priority should be given to the location of larger and longer term work camps within larger communities such as Dalby, Chinchilla and Miles.

Further residential growth opportunities in other small towns and communities in the Western Downs will be supported. However, to assist in their long-term sustainability and community cohesion, further residential development will be subject to additional demand generated by local employment growth.

The resource sector will be the major driver for residential growth in the Western Downs. Due to the cyclical nature of mining, including the differing demands created during the exploration, construction, management and close-down stages, capacity in many of the towns could be seen as

sufficient to meet long-term demands. However, the impacts of a potentially volatile global market, with commencement or conclusion of major construction projects creating an under or over supply and therefore placing pressure on local towns, needs to be carefully considered. This will require regular monitoring and management by all levels of government.

Community services

Western Downs is well serviced by education, training, health and social services. There are numerous state and private education options throughout the district, particularly in Dalby. Each of the major towns of Dalby, Chinchilla, Miles and Tara has secondary education facilities, with private education options in the larger centres of Dalby and Chinchilla. Primary school-aged children are also well catered for, with all towns having primary schools, with some small schools also in more remote areas. TAFE is accessible in the larger communities. However, the cost of services to smaller populations generally means that residents outside Dalby and Chinchilla are required to travel.

The University of Southern Queensland has an ongoing relationship with the Western Downs, and there are also many other tertiary institutions based in South East Queensland that use expertise and facilities across the Western Downs to further learning outcomes. These existing interactions will be expanded over time through greater partnerships with the resource sector to advance innovation through local research and implementation of pilot technology.

Health facilities are in good condition throughout the area, with Miles and Dalby hospitals having both undergone multi-million dollar upgrades, enabling them to service existing populations. Population pressures will need to be considered in planning for future health services. This includes the impacts of emerging industries on emergency health services due to the remote location of activities and their associated risks. Further development is ongoing, and services which are not available in the district are provided for in Toowoomba and Brisbane.

Residents are supported by many high quality sporting and recreational facilities located within the district. While service clubs maintain their existence in the area, membership is declining.

Government support for emerging industries will have some ramifications for community services, potentially generating capital expenditure and higher levels of service delivery. Private and public investment associated with industry development may also contribute to well-planned and defined community service objectives.



1.3 Maranoa

Maranoa LGA	
Population 2010 ¹	13 369 people
Indicative planning population 2031 ¹	14 791 people (10.6 per cent increase on 2010, compared to Queensland's 39.0 per cent projected increase)
Towns and regional centres	Estimated population 2010²
Roma	6524 people
Mitchell	1027 people
Surat	462 people
Injune	374 people
Key locations for growth	
Residential	Primary locations – Roma Other – Mitchell, Wallumbilla and Injune
Services	Primary service centre – Roma District level – Mitchell and Injune
Industrial	Primary locations – Roma Specialist – Wallumbilla (gas hub) Other – Injune
Key infrastructure	
Proposed	Roma Airport upgrade, Warrego Highway upgrade, Roma heavy vehicle bypass, upgrade of Carnarvon Highway and other major roads

¹ OESR *Population and housing profile*, Maranoa Regional Council, April 2010

² OESR ERP by urban centre and locality

Background

The Maranoa LGA represents the western end of the Surat Basin study area, and is located 480 kilometres to the west of Brisbane, covering 58 700 square kilometres.

While the LGA covers a vast geographical area, its resident population is relatively small, consisting of approximately 13 400 people in 2010, with around half residing in the major centre of Roma. The majority of the remaining population is dispersed and supported by a network of smaller towns and rural communities. The towns of Surat, Mitchell and Injune are located along the Carnarvon and Warrego highways, which are the Maranoa's primary road networks, linking it with the broader Queensland road system, the Central West and northern New South Wales.

The Maranoa has a robust economy, buoyed by significant agricultural and coal seam gas (CSG) assets which will continue to attract investment and create opportunities for employment, enhance the district's economic competitiveness and strengthen regional relationships.

The area's population is expected to continue growing at an average of 0.5 per cent annually toward 2031. However, the fly-in/fly-out (FIFO) transient employment being driven by growth in the resource sector is expected to produce temporary and fluctuating impacts on the area's infrastructure, local economies and social structure.

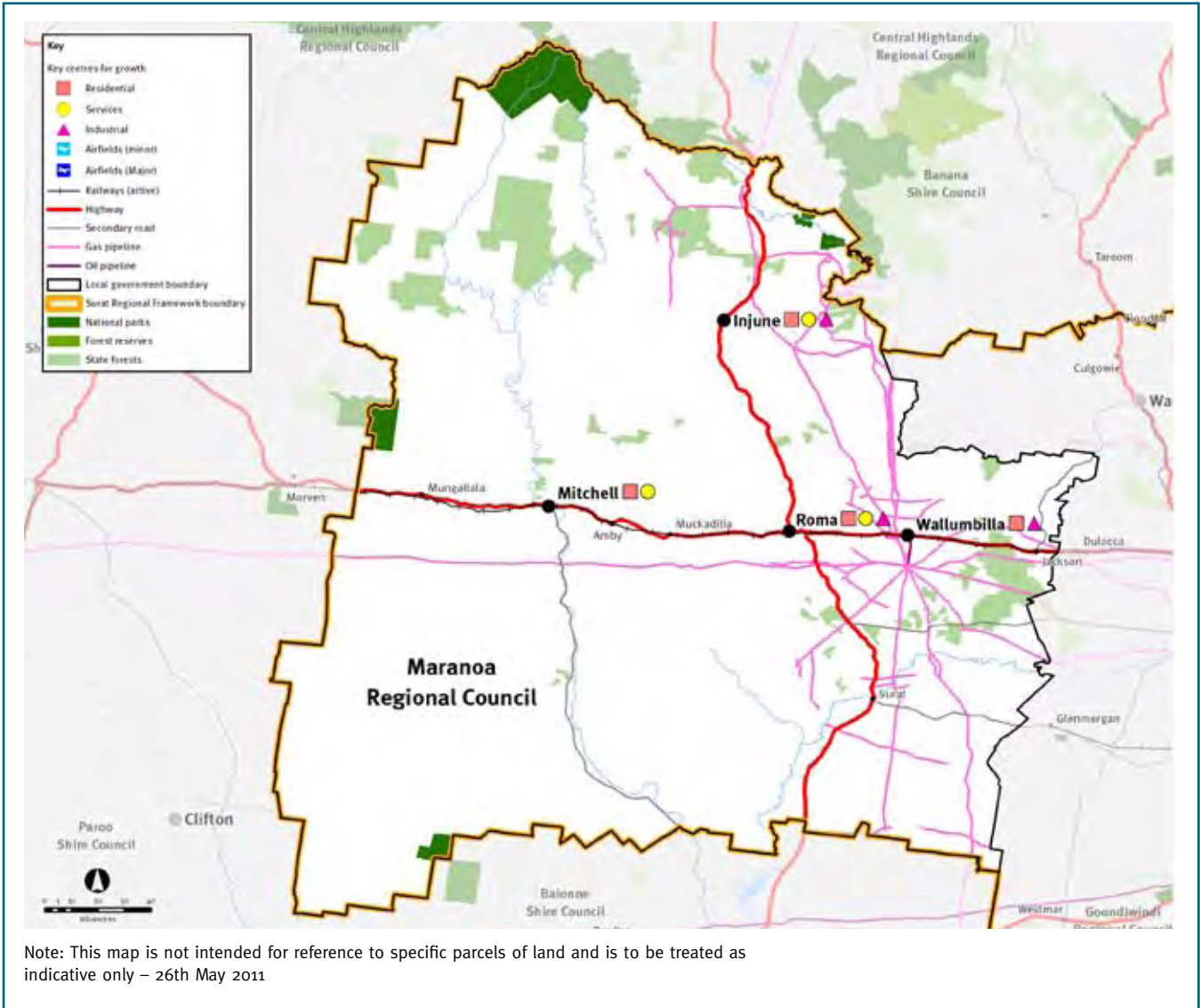
Growth opportunities and key challenges

Growth in the Maranoa will be driven primarily by CSG extraction, agriculture, forestry and tourism. There are also opportunities to diversify and align the manufacturing sector to capture supply chain opportunities stemming from the agriculture and resource sectors.

The extent of CSG resources across the LGA will continue to attract exploratory activity and development of resource sector services. This will prompt further investigation for the use of CSG water, which may also have the potential to support other industries, such as horticulture.



Map 5 – Maranoa Regional Council





As the resource sector and associated activities expand, local communities will require a greater range of essential infrastructure and services, allowing them to adapt to increased local demand. Additional residential development and health services will be required to support communities, which in turn will attract a greater non-mining and skilled workforce.

The planned \$11 million upgrade of the Roma Airport, which connects Roma with Brisbane, Charleville and St George, will facilitate greater accessibility to the Surat Basin by permitting larger aircraft to transport an increasing number of passengers to the district. Greater airport capacity and improved facilities will also support the growing tourist market, although the majority of regional tourism is road based.

With an increase in population and projected increase in the transient workforce, the communities of the Maranoa will have to overcome challenges ranging from housing availability and affordability, skills and labour shortages, increasing demands on infrastructure and essential services, maintenance of existing infrastructure and industrial land availability.

Economy and employment

The Maranoa has a strong and dedicated workforce, providing for a robust labour market which has seen the area's GRP grow by an average 15.2 per cent over the last four years. The labour force has grown steadily, while the district's unemployment rate has declined from 2.1 per cent to 2.0 per cent through 2008 to 2010, performing comparatively well against Queensland's average.

Roma is the Maranoa's primary commercial hub, with a strong economic base. It possesses a diverse economy and excellent infrastructure. It is the birth place of Australia's oil and gas industry and home to the largest cattle selling centre in the southern hemisphere.

Located on the crossroads of the Warrego and Carnarvon highways, Roma is highly accessible, and offers a range of retail and professional businesses, which service the local and broader regional communities. It also has a number of meeting and conference facilities supporting business in the district.

Roma will continue to be the dominant location for services supporting the gas industry, particularly for localised projects and those within the Cooper and Eromanga basins. It will also continue to be the major provider of industrial land in the western Surat Basin, including accommodating regionally significant rural industry facilities such as the Roma Saleyards, timber mills, feed stock mills, livestock freight depots and a major bulk grains terminal. To retain this role, a diverse range of industrial lands will be provided to cater for the differing needs of each sector, and will be protected from incompatible uses that would threaten the long-term viability of the industrial operations.

Mitchell is the major commercial centre for the western part of the Maranoa, including the adjoining townships of Amby and Mungallala. Located 90 kilometres west of Roma along the Warrego Highway, Mitchell offers a broad range of local retail, commercial and professional services. Industrial land supply in the township will need to be monitored to ensure it can continue to cater for local demand in the long-term.

Surat is located 80 kilometres to the south of Roma along the Carnarvon Highway, on the Great Inland Way—a strategic tourism drive route spanning 2700 kilometres from Sydney to Cairns. Historically, Surat was the site of a Cobb & Co changing station, which has been preserved by the Surat community and forms the centre of the community's cultural hub.

Injune is a thriving township located 90 kilometres north of Roma at the base of the Carnarvon Range. It has an excellent water supply, provides a variety of local businesses and services for local residents, and has a growing local CSG industry.

Wallumbilla is located 40 kilometres east of Roma and has limited retail and commercial premises, rural supply services, cultural and educational facilities, and sport and recreation activities. The Wallumbilla Gas Hub, which is located 12 kilometres to the south, is a junction for a number of major gas transmission pipelines and contains major gas compression plants, other above ground gas pipeline facilities and associated operations offices. It is projected that the hub will continue to grow and has the potential to become a specialised industrial precinct over time. The Wallumbilla township may also benefit from its proximity to the gas hub and access to regional road and rail networks, accommodating further industrial activities associated with the gas industry.

Residential

The Maranoa district had a population of 13 369 people at June 2010, with a projected annual growth rate of 0.5 per cent to 2031. The district's projected stable growth will be driven by the resource and energy sectors, which will continue to provide further employment opportunities and attract a significant temporary workforce. The temporary migration of workers will apply additional pressure to an already limited housing stock, potentially affecting rental affordability in the district.

However, housing in the Maranoa is relatively affordable in comparison to other major Queensland regional cities and metropolitan Brisbane. The district offers a range of housing stock and the measure of affordability is reflected in the relatively high level of home ownership.



Roma will be the predominant location for both permanent and temporary residential accommodation within the western area of the Surat Basin. Its location advantages, well-established community networks, existing levels of service, land availability and access to regular air services have made it the focal point for residential and service activities in the past and this will continue well into the future. Roma will be given priority in determining the location of temporary accommodation for resource activities occurring within a 60 minute drive of the township.

Roma's role as the major residential centre will require the delivery of diverse and affordable housing to accommodate demand. A range of initiatives and involvement by all levels of government and the resource sector will be required to provide a timely and comprehensive response to residential demand and associated issues.

Towns such as Wallumbilla and Injune will also benefit from increasing demand for residential development, due to their proximity to CSG activities. However, further residential growth will need to take into account the capacity of each community to accommodate growth in relation to services, housing affordability and impacts on community cohesion, and to minimise the impacts of fluctuating demand on long-term servicing and land values.

Infrastructure

Planning and developing an adequate network of infrastructure is essential to sustain the Maranoa's growth and enhance its liveability. The area is serviced with modern infrastructure, although the expansion of the resource and energy sector will require further investment to ensure the safe and efficient movement of people and commodities.

The Maranoa's electricity networks are connected to the national electricity grid. There are approximately 35 gas industry firms in the district, including three gas producers currently located in Roma. The gas network offers a cost-effective gas supply to residents and businesses, and both electricity supply and the reticulated gas supply are capable of supporting additional growth.

Roma is a significant rural industry service centre for the Maranoa district. It includes a number of large rural industrial activities such as timber mills, a feed stock mill, livestock freight depots, a major bulk grains terminal and the Roma Saleyards, which is one of Australia's largest selling centres and a key piece of regional industry infrastructure.

The provision of water to the district's agricultural and resource sectors is sourced primarily from the Great Artesian Basin, which has a storage capacity of 64 900 million megalitres, making it one of the largest artesian basins in the world. There are also opportunities stemming from the significant reserves of water produced as a by-product in CSG extraction.

The Maranoa is supported by a well-established inter-regional transport network, including the Warrego and Carnarvon highways, which offer strong connections to adjoining regions. The extensive network is pivotal to the Surat Basin's economic growth, it links Brisbane with Darwin via the Warrego Highway, and northern centres of Rockhampton and Cairns and southern centres in New South Wales and Victoria via the Carnarvon Highway.

Community services

The Maranoa offers a range of modern and specialist medical and allied health professional services. The Roma Health Service offers an extensive range of specialist services, a nursing home and allied health professionals.

High quality health care services are also available throughout the district through a range of service facilities and visiting professional networks. A range of quality aged care facilities and services are also available, ranging from accredited nursing home centres, retirement villages and community care services.

In addition to a comprehensive range of state government services, Maranoa Regional Council also offers a range of social development and community care services through the Roma Neighbourhood Centre.

Educational facilities in the Maranoa are of a high standard and include the Southern Queensland Institute of TAFE, which provides technical and further education, as well as vocational training. The Maranoa also has a vibrant arts culture, enhanced by the communities' active participation in arts and cultural groups.

The district offers a diverse range of sporting and recreational activities, which play a critical role in community development and social interaction. In recognition of the vital role that sport and recreation plays in the wellbeing of the community, the local government has undertaken extensive community consultation in developing a Regional Sport and Recreation Plan, which aims to identify the future development and management needs, opportunities and priorities for sport and recreation throughout the Maranoa.



2 Southern Queensland

Southern Queensland includes a diverse range of communities and environments, extending from the arid inland areas on the western borders with South Australia and the Northern Territory, to highly urbanised areas on the east coast. It includes Brisbane, Gold Coast and the Sunshine Coast, which are the biggest cities in the state. It has an extensive road and rail network which transverses the area from east to west, linking the rural lands of the South West and Darling Downs with the major cities and ports on the east coast.

The Surat Basin is located in the heart of southern Queensland, and has strong economic and social links with the communities it services to the west and the higher level services provided to the east.

2.1 South East Queensland

Western Corridor

The Western Corridor, located between Brisbane and Toowoomba, has substantial capacity, infrastructure investment and service capability to support strong residential and employment growth. This includes sufficient industrial and residential land capacity to accommodate a significant proportion of the high levels of growth projected for South East Queensland. It is also located on the corridor linking the Surat Basin to the air and port facilities of Brisbane.

Its location and capacity to accommodate growth, and the state's commitment to providing infrastructure to the area, are already resulting in higher levels of growth in the Western Corridor. These positive attributes may also result in the corridor capturing resource sector services and fly-in/fly-out (FIFO) employees from the Surat Basin. Access to rail freight services, proximity to port facilities and diverse industrial land supplies may also result in major resource sector service providers basing themselves in the Western Corridor.

However, the capacity for the Western Corridor to capture growth linked to activity in the Surat Basin will be significantly influenced by the quality of road and rail freight connections—in particular, the upgrading of the range crossing and freight corridors through the urban area of Toowoomba. It will also be influenced by the ability of Gladstone to compete for these activities.

Brisbane

Brisbane provides a range of services to the Surat Basin, as well as the remainder of the state. It is the state's hub for commerce, accommodating large financial and professional sectors, and headquarters for various state government agencies. It is the primary provider of tertiary and specialist health and education services, and also home to the Australia TradeCoast, providing sea and air port access to national and international markets.

Communities and businesses in the Surat Basin will continue to rely on Brisbane for these services. However, as growth continues in the area, the accessibility of these services will become more important. This will need to be taken into account when considering management and upgrades of transport networks between the two regions.

Brisbane currently accommodates several state and national headquarters for resource companies operating or exploring in the Surat Basin. The city is likely to continue to attract these businesses due to the ability to co-locate with specialised financial, professional and legal services within central Brisbane.

As Brisbane continues to experience strong population growth supported by high quality education and training services, it is likely that employment opportunities emerging through resource sector growth in the Surat Basin will attract skilled workers from within Brisbane. The Brisbane Airport, which provides daily flights into the Surat Basin, will continue to support this trend.

Use of the Port of Brisbane to import and export materials for operations in the Surat Basin will be limited by road and rail freight capacity. This includes the near capacity rail network operating through urban areas of Brisbane.

Gold Coast and Sunshine Coast

Both the Gold and Sunshine Coasts have experienced high levels of growth generated by people looking to establish themselves in a coastal location with ready access to city level services and employment. Both coasts have commercial airports providing access to national routes, as well as limited international routes from the Gold Coast. They also benefit from being within an hour's drive of Brisbane. These same traits are likely to see a significant number of FIFO employees from the Surat Basin locating themselves on the Gold or Sunshine Coasts.



Map 6 – Southern Queensland





With increasing residential demand on the Gold and Sunshine Coasts, housing affordability is already a significant issue and will be exacerbated by further demand generated from the Surat Basin and other resource areas. This will need to be monitored to determine additional impacts on coast communities. In addition, opportunities to attract FIFO to other areas capable of addressing demand will need to be used. This will spread growth across southern Queensland, and could also include promoting residential growth in the Western Corridor and major centres in the Wide Bay Burnett region.

2.2 Central Queensland

Central Queensland has several key attributes which have already led to significant benefits for the region from the existing and projected growth in the Surat Basin. Most of the benefits identified to date are within and around Gladstone, with its port facilities to be the focus for the preparation and export of materials and gas from the Surat Basin. However, other opportunities and challenges arise within both the Gladstone Regional Council area and Banana Shire as a result of proximity to mining activities and the development of major infrastructure connections between the Surat Basin and the Port of Gladstone.

Banana

The Banana Shire is located adjacent to the Western Downs and has several communities that are intrinsically linked with the Surat Basin in relation to employment and services. It also has rail, road and pipeline corridors linking the Surat Basin to the Port of Gladstone. The shire, which has been a major crossroad for rural Queensland since 1820, is serviced by the Leichardt, Burnett and Dawson highways, and has aerodrome facilities located at Thangool and Taroom which provide direct links to Brisbane.

Coal mining, beef production, power generation and dryland and irrigated cropping are the shire's leading industries. There are also extensive undeveloped coal and mineral deposits in Theodore, Moura and Baralba, which will allow diversification of the economy.

Banana's population has been declining steadily at an average of 0.4 per cent per annum from 1981 to 2006. However, economic growth in the north of the Surat Basin, and its focus on Gladstone, will build on the industrial developments within the shire, leading to projected steady growth of three to five per cent over the next 10 years.

The towns which are expected to experience the greatest growth from the development of the Surat Basin will be Biloela and Taroom, and to a lesser extent, the towns of Banana and Moura. Theodore will experience growth from the development in the Surat Basin; however, flood constraints affecting the town may limit opportunities.

Biloela is the main service centre in the Banana Shire and provides a high quality of life for residents. Growth in the resource sector of the Surat and Bowen basins has the potential to enhance Biloela's service capacity, attracting industry and residential development and providing opportunities for further training and skills development.

Taroom is expected to become a major junction point for liquefied natural gas (LNG), providing opportunities to establish itself as a service centre for LNG transmission. Taroom also has suitable land for further heavy industry activities if required, and urban development to support industry growth.

With growth in the Surat Basin, a major challenge for the shire will be the uncertainty regarding the type and location of development, where permanent staff will reside and how transport will need to be arranged. The road network through the shire will need to be maintained to cater for increasing demand, including transporting materials to and from mining activities in the Surat Basin.

Further use of rail freight services will be considered to help reduce heavy transport on state and local roads. The construction of the Surat Basin Rail Project would alleviate pressure and enable high capacity transport of coal to the Port of Gladstone for export.

Upgrading is scheduled for the Thangool Aerodrome to accommodate larger aircraft to complement the regional aerodromes of Roma and Toowoomba. The Taroom Aerodrome is also scheduled for an upgrade, which will provide a strategic link to the north-eastern area of the Surat Basin, including Wandoan.

Gladstone

Gladstone is located 600 kilometres north of Brisbane and 400 kilometres from Dalby, on the eastern coast of central Queensland. It will be a key location for the development of the Surat Basin due to the basin's strong reliance on sea port facilities which provide access to international markets.

The well-established mining industry is the primary economic driver within the Gladstone region, contributing to half of its annual economic growth. The other major industries sustaining growth include manufacturing, engineering and industrial services, food and agribusiness, and tourism.



The opportunities generated by growth in the Surat Basin for Gladstone are extensive, as it establishes itself as the strategic hub for the preparation and export of materials. Further investigations are required to ensure wider opportunities are captured and the demands of new industries, including workforce numbers and skills, can be met.

The Queensland LNG industry is a multi-billion dollar export industry centred on CSG reserves in the Surat and Bowen basins. This industry has the potential to create thousands of jobs in the Warrego, Maranoa and Central Coalfields regions and Gladstone.

As a new industry for Queensland, the state government has been working with proponents over a number of years to establish an appropriate planning regime, including establishing pipeline corridors in the Gladstone region. In 2009, the state government committed to securing a corridor for a gas ‘super highway’, which will accommodate gas pipelines transporting CSG from the Surat and Bowen basins to the Gladstone State Development Area for processing LNG.

The Port of Gladstone is Queensland’s largest multi-commodity deep access port, catering for a wide range of shipping operations along a 20 kilometre foreshore. It was responsible for a throughput of approximately 76 million tonnes during 2007–08.

The Surat Basin Rail Project will connect the Surat Basin with the port facilities in Gladstone. The Surat Basin’s coal will be a key driver of expenditure enabling the port authorities to expand and diversify their facilities at the port to increase its operations and export capacity.

2.3 South West

The South West region is located to the west of the Surat Basin area, covering 230 000 square kilometres, and includes the shires of Bulloo, Murweh, Paroo and Quilpie. Communities in the South West use a range of services and transport networks that cross the Surat Basin. The South West also has a significant and well established resource sector, which is connected to markets in the east by pipelines through the Surat Basin.

The South West is part of Australia’s arid inland, with sparse population densities outside towns and centres. The remoteness of the region, along with limited access to transport networks, creates challenges for both residents and service providers. One of these challenges is the strong reliance on services and transport networks within the Surat Basin.

In the South West, Charleville acts as a hub for the delivery of services to the outlying centres of Cunnamulla, Quilpie and Thargomindah. It also has strong service links to Roma, Toowoomba and Brisbane.

Maintaining returns from the region’s traditional economic products of live sheep and cattle, along with goat and kangaroo meat products, is dependent on the continued availability of competitively priced transport options. The completion of a regional transport needs study, currently being prepared, will identify infrastructure and service priorities for the region’s transport sector. However, the rural sector is required to compete with the resource sector for access to key transport options, particularly rail.

South West towns and the grazing sector are dependent on water supplies from the Great Artesian Basin. Appropriate managing and monitoring of CSG extraction and associated water from the Surat Basin will be required to ensure the long-term sustainability of the Great Artesian Basin.

2.4 Maranoa–Balonne

The Maranoa–Balonne region comprises the Maranoa and Balonne shires, with the Maranoa Shire included in the Surat Basin study area. The natural resources of the Surat Basin, and the associated opportunities and challenges, span across the southern border of the Maranoa, and therefore the SBRPF will be of significance to the whole of the Maranoa–Balonne region.

In addition, the SBRPF has used both the policies and ongoing consultation resulting from the *Maranoa–Balonne Regional Plan* to inform its content and direction.

Balonne

The Balonne Shire has an area of 31 130 square kilometres and is located directly south of Maranoa Shire. The shire’s economy is largely rural based, and is sustained by industries including cotton, sheep and wool, grain crops, wild game harvesting, fruit and vegetable production, and beef and cattle. There is potential to diversify the economy through capturing opportunities to develop the district’s oil, coal and CSG deposits.



St George, with a population of approximately 2500 people, is the primary rural centre within the Balonne Shire, and serves as the main administrative and business centre. St George is a valuable agricultural production area and has strong primary production links with the Goondiwindi and Southern Downs regions. The shire includes a network of smaller towns that support rural industry, including Dirranbandi, Bollon, Thallon, Mungindi and Hebel, which have strong ties with Toowoomba for its administrative, health and financial services.

Grain production continues to expand within the shire due to the size, capacity and location of the Thallon Grain Reveal Depot. Horticulture is another leading industry, which is growing rapidly due to the local production of table grapes. Tourism is also a significant source of revenue for the shire, and is projected to grow considerably.

The shire's largest employment sector is agriculture, which accounts for 36.1 per cent of employment. Cotton growing accounted for 60 per cent of the value of agricultural production, making it the leading industry in the shire.

A challenge facing Balonne's agricultural industries includes potential conflict and competition from the emerging resource industries in Maranoa and the Western Downs — particularly the retention of a skilled work force and an increased demand for infrastructure and freight, which may restrict the transportation of cattle and grain out of the Balonne area.

The impacts of resource sector growth on Balonne's infrastructure network will be a focus in the review of the *Maranoa–Balonne Regional Plan*.

2.5 Darling Downs

The Surat Basin study area includes the northern half of the Darling Downs, comprising the Western Downs and Toowoomba regional council areas. The remainder of the area consists of lands within the Southern Downs and Goondiwindi regional council areas, which will also be affected by growth within the Surat Basin.

Southern Downs

The Southern Downs are located to the south-east of the Surat Basin study area, approximately 150 kilometres from Brisbane. The Southern Downs adjoins the New South Wales border to the south and the Toowoomba district to the north. The Southern Downs LGA served a population of 35 996 people at 30 June 2010, and covers an area of approximately 7120 square kilometres.

The two main towns of Warwick and Stanthorpe provide a comprehensive range of retail, commercial and community facilities, as well as being the main employment centres. Each centre plays a major role in the retail, commercial and industrial networks of the area, serving a catchment that extends into northern New South Wales and west towards Goondiwindi.

A diverse range of small towns and villages play an important role in providing local education, business and retail services to surrounding residential and rural populations.

The economy of the region is dependent on agriculture, which is worth in excess of \$220 million to the region annually and employs almost 16 per cent of the workforce. There is also a strong, diverse and growing manufacturing sector, with 10 per cent of the workforce involved in servicing local, national and international markets. This has the potential to capitalise on growth generated from within the Surat Basin.

Employment opportunities, lifestyle, affordability and proximity to South East Queensland will play a significant part in attracting new families to the Southern Downs.

Goondiwindi

The Goondiwindi region is located approximately 200 kilometres from Brisbane and directly south of the Surat Basin. The region adjoins the New South Wales border to its south and the Western Downs and Toowoomba districts to the north. The Goondiwindi LGA had a population of 11 413 people at 30 June 2010, and covers an area of approximately 19 300 square kilometres.

The three larger towns of Goondiwindi, Inglewood and Texas are the primary hubs supporting a number of diverse communities in the region, while Yelarbon, Toobeah, Bungunya and Talwood also play important roles in the economic and social wellbeing of rural residents. Goondiwindi has been identified as a primary transport hub, with five state and national highways converging at the town.

The area is heavily reliant on water from the Murray–Darling Basin for irrigation to support the district's diverse agricultural activities. Grain and cotton are predominantly produced in the western areas, with wool, beef and pork also produced across the region.



The mining resources of the Surat Basin extend into the Goondiwindi area, providing further opportunities for local economic growth, particularly in and around the town of Goondiwindi. The town has sufficient urban infrastructure and services to support residential growth and employment generated by the resource sector; however, this will need to be monitored and appropriately managed to minimise potential implications relating to levels of service and housing affordability.

In order to cater for anticipated growth in the town of Goondiwindi, the local government has planned for a new sewerage treatment plant, together with water supply scheme augmentation.

2.6 Wide Bay Burnett

The Wide Bay Burnett region adjoins the Surat Basin to the north-east, with North and South Burnett regional councils in close proximity to the basin. The region's population was 293 455 people at 30 June 2010, with the majority of the population residing in the coastal regions of Bundaberg and Fraser Coast.

The key economic drivers of the region include agriculture, tourism, construction and retail, with emerging industries such as aviation, advanced manufacturing, marine industry and knowledge-intensive industries envisioned to diversify the region's future economic base.

While the mineral and extractive resource industry plays a significant role in the economy of the Wide Bay Burnett region, the region is not currently experiencing, and is unlikely to experience, a resources boom on the scale of the Surat Basin.

However, the relationship between the Wide Bay Burnett region and the Surat Basin is likely to grow closer, with the region providing additional labour and a potential coastal base for FIFO workers, and to a smaller extent, DIDO employees working in the Surat Basin. Kingaroy is the major centre in the South Burnett district which will cater for substantial regional growth and ultimately benefit from its proximity and access to the Surat Basin.

The unemployment rate in the Wide Bay Burnett is significantly higher than that of the Surat Basin, providing a potential labour supply, as well as opportunities to develop skills using education and training services within the region. In addition, the region has two high quality airports capable of transporting FIFO employees from resource sector jobs in the Surat Basin to Bundaberg, Hervey Bay and surrounding rural and coastal communities.

Access to more affordable residential land in close proximity to the coast, and in proximity to the high level services provided in towns such as Hervey Bay, Bundaberg and Maryborough, will give the region an advantage in attracting families with a wage-earner employed in the Surat Basin.

The existing and planned road and rail network does not favour significant direct benefits for the Wide Bay Burnett region via the transportation and export of materials from the Surat Basin. Instead the networks will focus activity to the ports of Brisbane and Gladstone. However, as pressure continues to grow on the Port of Gladstone to cater for demands generated by the Surat Basin, the Port of Bundaberg may be able to position itself as an alternative port for non-resource sector trade.



PART E – Strategic directions

1 Sustainability, climate change and natural hazards

1.1 Sustainability

Objective

Ensure growth in the Surat Basin enhances the quality of life for all communities, generates local and regional prosperity, and maintains opportunities for future generations, while providing high levels of environmental protection.

Overview

The Surat Basin will change significantly over the next decade, providing both opportunities and challenges for the region. It is essential that the long-term sustainability of the Surat Basin underpins all future decisions to ensure that change results in positive outcomes for all communities and the environment.

A sustainable planning framework is necessary to ensure all values of the Surat Basin are preserved and enhanced as the region encounters the pressure of strong resource sector growth.

Strengths and opportunities

Proactive and well-informed policy will take into account all environmental, economic, social and cultural considerations, and will continue to guide the delivery of ecologically sustainable outcomes for the Surat Basin.

The preparation and review of new and existing policy will be undertaken in accordance with the Queensland framework for ecologically sustainable decision-making to ensure regional sustainability remains a key policy objective.

The framework comprises:

- integrated and long-term decision-making — incorporating long- and short-term environmental, economic and social considerations into decision-making
- inter-generational equity — ensuring the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations
- intra-generational equity — ensuring a fair share of resources and opportunity among present generations
- conserving biological diversity and ecological integrity— protecting the variety of all life forms, their genetic diversity and the ecosystem of which they form a part, recognising the various services they provide to humans as well as their intrinsic value
- internalising environmental costs — ensuring the true costs and life-cycle costs (incurred from when inputs are produced through to waste disposal) of protecting and restoring environmental damage are reflected in the price of a produce or service
- engaged governance — ensuring broad community involvement in decisions and actions that affect people.

Challenges

The Surat Basin's inland climate and geology, relatively low population and dispersed settlement pattern presents a special set of challenges for its diverse communities.

Key challenges facing the sustainability of the region are complex, and will require collaborative and robust planning, adaptive management and constant monitoring to guide sustainable growth. Some of the key challenges include balancing environmental health and economic development, maintaining the region's long-term productive capacity, and ensuring the communities' future needs are identified early in order to ensure the cost-effective and timely provision of infrastructure and services.



Other challenges that must be addressed include managing the competition between strategic cropping land and other activities, such as mining and gas exploration, urban development, and to a lesser extent, carbon plantations. Managing the impact on social services from fluctuating and temporary workforces, and ensuring the Surat Basin remains a socially viable and attractive place for community growth and skill development, are also significant issues.

It is important that the environmental and social costs associated with growth are measured. This must be done while recognising the potential local impacts that may arise from fluctuating activity in the mining and gas industry, particularly from relocation or departure.

Way forward

Sustainable growth for the Surat Basin requires collaboration and action from the community, industry and all levels of government. The establishment of regional sustainability targets is necessary, and will require input from an engaged public and the support of government and the resource sector.

These targets will be used to inform policy, guide regional development and inform the preferred future settlement pattern within the Surat Basin.

Principles

The following principles will assist the Surat Basin communities in achieving the strategic direction for sustainability:

1. The Queensland framework for ecologically sustainable decision-making is used to ensure ecologically sustainable development.
2. Urban activities are consolidated to ensure quality of life is maintained and growth occurs in a sustainable manner.
3. A culture of communication is facilitated between all levels of government, industry, stakeholders and the community. These groups will work collaboratively to develop regional sustainability targets for inclusion in future regional and local planning documents and land-use decisions.

1.2 Climate change

Objective

Increase the industries' and communities' ability to reduce greenhouse gas emissions and adapt to the projected effects of climate change.

Overview

The Surat Basin community, like all Queensland communities, is becoming increasingly concerned about climate change and its anticipated impacts. Climate change is occurring due to increasing concentrations of greenhouse gases in the atmosphere. This trend is expected to exacerbate variable weather patterns. The projected impacts of climate change, both on the economy and liveability, will provide challenges for the region.

Strengths and opportunities

The resources of the Surat Basin present major opportunities to deliver reductions in greenhouse gases through the use of abundant solar energy and vast coal seam gas (CSG) reserves.

As a result of the *Queensland Renewable Energy Plan*, significant investment has been directed toward investigating and developing solar thermal and solar photovoltaic energy plants in the Surat Basin. Solar development within the area is expected to produce a substantial proportion of the state's electricity in coming years — electricity that otherwise would have been generated by carbon-rich fuels.

The Surat Basin's CSG reserves are currently used for electricity generation, and produce approximately 50 per cent less greenhouse gas emissions than conventional coal-fired electricity. The extent of CSG reserves will continue to attract investment in emerging and innovative energy-based technologies, and support the growing global demand for liquefied natural gas (LNG). In 2007, the global demand for LNG was 165 million tonnes per annum. By 2015, the global demand is estimated to reach between 245 and 340 million tonnes per annum.

In addition to opportunities for cleaner power generation within the Surat Basin, an important part of the strategy to address climate change in the area will depend on the community's attitude and awareness of the issue, and its willingness to support a change toward cleaner energy and embrace the need to reduce greenhouse gases.

Rural landholders in the Surat Basin may have new opportunities through carbon sequestration and agricultural abatement. Emerging carbon markets will enable landholders to earn tradeable carbon offsets by increasing the amount of carbon in the landscape through measures such as planting trees, retaining eligible regrowth vegetation, and adopting more sustainable agricultural practices.

Challenges

It is important that government policy responds appropriately to changing climate patterns. Anticipated climate changes for the Surat Basin include increased temperatures, decreased total rainfall, changes in extreme rainfall and increased severity of droughts. These changes are likely to affect local communities and rural industries — particularly agricultural production. The Surat Basin will also need to prepare for the long-term impacts of climate change, particularly the availability of water.

In February 2011, the Commonwealth Government announced the broad framework for its proposed emissions trading scheme, commencing with a price on carbon. As the Commonwealth provides further details, the Queensland Government will carefully consider the implications and opportunities for Queensland households, communities and industries. A price on carbon will provide a market incentive for reducing emissions from existing industries, as well as supporting renewable energy projects.

The prevalence of emissions from intensive resource industries means the region will face long-term challenges arising from any future initiatives or global action to mitigate emissions. It is also possible that these initiatives could generate new economic opportunities through carbon pricing, which would support growth in markets for CSG, power generation and renewable energy.

Way forward

Toward Q2: Tomorrow's Queensland sets a target to cut Queensland's household carbon footprint by one-third by reducing waste, fuel and electricity use by the year 2020. There are many ways that planning and development in the Surat Basin will help to achieve this target. The focus will be on ensuring efficient settlement patterns, transport networks and building design.

Regional climate change actions for the Surat Basin will also be influenced by statewide initiatives and policies, including the Queensland Government's *ClimateQ* and *ClimateSmart 2050* strategy, and future climate change initiatives of the Commonwealth Government.

ClimateQ: toward a greener Queensland presents policies and outlines investments to ensure Queensland remains at the forefront of the national climate change response. The Queensland Government's *ClimateSmart 2050* strategy commits Queensland to play its part in reducing national greenhouse gas emissions to 60 per cent of 2000 levels by 2050.

This strategy includes a range of initiatives across all sectors to reduce greenhouse gas emissions and adapt to climate change impacts. The strategy also supports use of renewable energy technologies, carbon offsets and improvements in energy and fuel efficiency.

The development of the CSG–LNG industry, in conjunction with the emissions from established industries in the Surat Basin, will increase the total amount of greenhouse gas emissions from the region. Emissions from CSG and related LNG projects are managed through the detailed environmental impact statement process.

The Queensland Government commissioned a comprehensive assessment of the ability of the landscapes and agricultural systems to sequester carbon. In May 2010, the Queensland Government decided to implement a range of initiatives to optimise carbon sequestration outcomes from the state's rural landscape and carbon market opportunities for Queensland landholders. The government has also taken measures to protect high-value agriculture land from large-scale carbon forestry.





Principles

The following principles will assist the Surat Basin communities in achieving the strategic direction for climate change:

1. Planning, development, land management and other planning decisions incorporate measures to reduce greenhouse gas emissions.
2. Energy efficiency for new development is improved and greenhouse gas emissions from electricity use are reduced through the use of demand-management technologies.
3. The local provision and integration of renewable energy and low-emissions technology is increased in areas identified for future growth.
4. The siting and arrangement of land uses and infrastructure are responsive to the projected impacts of climate change.
5. The efficiency of water use, in particular its re-use, storage and transport, is improved to reduce greenhouse gas emissions.
6. Low emission technologies are supported to transition local industries to a low-carbon future.
7. The retention and planting of trees and other vegetation in appropriate locations provides opportunities for increased storage of carbon.
8. Appropriate land-management practices are used to increase sustainability and amenity outcomes.
9. Greenhouse gas emissions from waste are minimised.
10. Opportunities to capture and re-use landfill gas are maximised.

1.3 Natural hazards

Objective

Increase the resilience of communities, development, critical infrastructure, economic sectors and the natural environment to natural hazards, including the projected impacts of climate change.

Overview

The Surat Basin's topography and natural environment make it highly susceptible to the impacts of natural hazards, particularly flooding. Throughout history, the region has experienced many natural events which have shaped the settlement pattern and impacted on the communities' quality and way of life. The impacts from flooding and bushfires,

in particular, have resulted in severe property damage, reduced economic productivity and loss of life.

Understanding and responding to natural hazard risk is pivotal to increasing resilience while accommodating further growth and preparing for the projected impacts of climate change.

Strengths and opportunities

Through exposure to natural hazards and developing an understanding of the risks generated, communities that settled in the region have been required to adapt and refine their settlement pattern and building design to reduce localised flood inundation and the loss of livestock and property to bushfires.

While natural hazards continue to impact on communities in the region, the lessons learned from historical experience and the availability of increased data collection and analysis mean the existing Surat Basin communities have an increasing advantage in dealing with the impacts of natural hazards. New and evolving technology has also seen the development of more accurate studies of flood catchments, water storage capacities and flow rates, as well as bushfire modelling and improved geotechnical assessment of land stability to inform future planning decisions.

Challenges

Despite historical knowledge and new technology, it is impossible to accurately predict when a natural hazard, and the extent of its damage, will occur. It is expected as the projected impacts of climate change are experienced, the Surat Basin communities will continue to encounter more prevalent and extensive natural disasters in the region.

While all new development is constructed to achieve reasonable levels of flood immunity and to avoid threats of bushfire and landslide, older developments that were not regulated by current standards remain at greater risk from these threats.

The social impacts of natural hazards, such as widespread flooding of a scale experienced in recent years, has been devastating. Loss of property, income and damage to critical infrastructure can take years to repair or replace. However, it is loss of life that has the biggest affect on communities. While regulations have been developed to protect people and property from these disasters, the sheer scale of some natural hazard events makes it impossible to eliminate all risk.

The Surat Basin's vast primary production activities, such as agriculture and grazing, as well as coal mining activities, will continue to endure the impacts of natural hazards. The economic ramifications from loss of production in these sectors are enormous, with impacts affecting small business and local supply routes, as well as interrupting operations of major export industries and associated transport infrastructure.



Way forward

The impacts of natural hazards in the Surat Basin have increased the communities' awareness of the risks and reinforced the need for practical planning solutions and effective disaster management plans. These events have strengthened community knowledge and instilled in them a heightened level of vigilance in preparing and responding to these events.

The long-term survival of Surat Basin communities from the impacts of natural hazards relies on their ability, with assistance of all levels of government, to adapt to potentially more severe events as a result of climate change, and find practical and cost-effective measures to enhance their social, environmental and economic resilience.

The Queensland Government is committed to developing practical tools to help plan for natural hazards in a changing climate. The recently completed *Inland Flooding Study* was a joint initiative between the Queensland Government and Local Government Association of Queensland to provide clearer advice on how local government should factor climate change into flood studies.

The study recommends that a five per cent increase in rainfall intensity per degree of global warming (the climate change factor) be incorporated into flood studies. The study also:

- recommends temperatures and timeframes for applying the climate change factor
- provides a model code for assessing development in flood-prone areas (taking account of climate change).

The climate change factor is provided as an interim response while the Australian Rainfall and Runoff (AR&R) manual is being reviewed. The AR&R, which does not currently include climate change considerations, is the pre-eminent source of information to inform flood risk-assessment and infrastructure design.

Regional climate summaries have also been developed and are contained in *ClimateQ: toward a greener Queensland*. The regional climate summaries offer more localised information for planning and allows decision-makers to better determine climate risks as they apply to Queensland regional planning areas. They include information on historic weather as well as the potential impact of climate change on extreme weather events such as rainfall variability, heatwaves and severe storm activity.

Principles

The following principles will assist the Surat Basin communities in achieving the strategic direction for natural hazards:

1. Further development is avoided in areas with a high exposure to natural hazards.
2. Risk from natural hazards is reduced through adaptive planning and building responses.
3. Vulnerability to the impacts of flooding, bushfires, landslides and severe storms and winds are minimised.
4. Development is avoided where its location or form may unreasonably increase flood risk elsewhere.
5. Alterations to natural systems, such as natural flow regimes and floodplain connectivity, are minimised by effective management of riparian environments to reduce risk.



2 Environment and natural resources

Objective

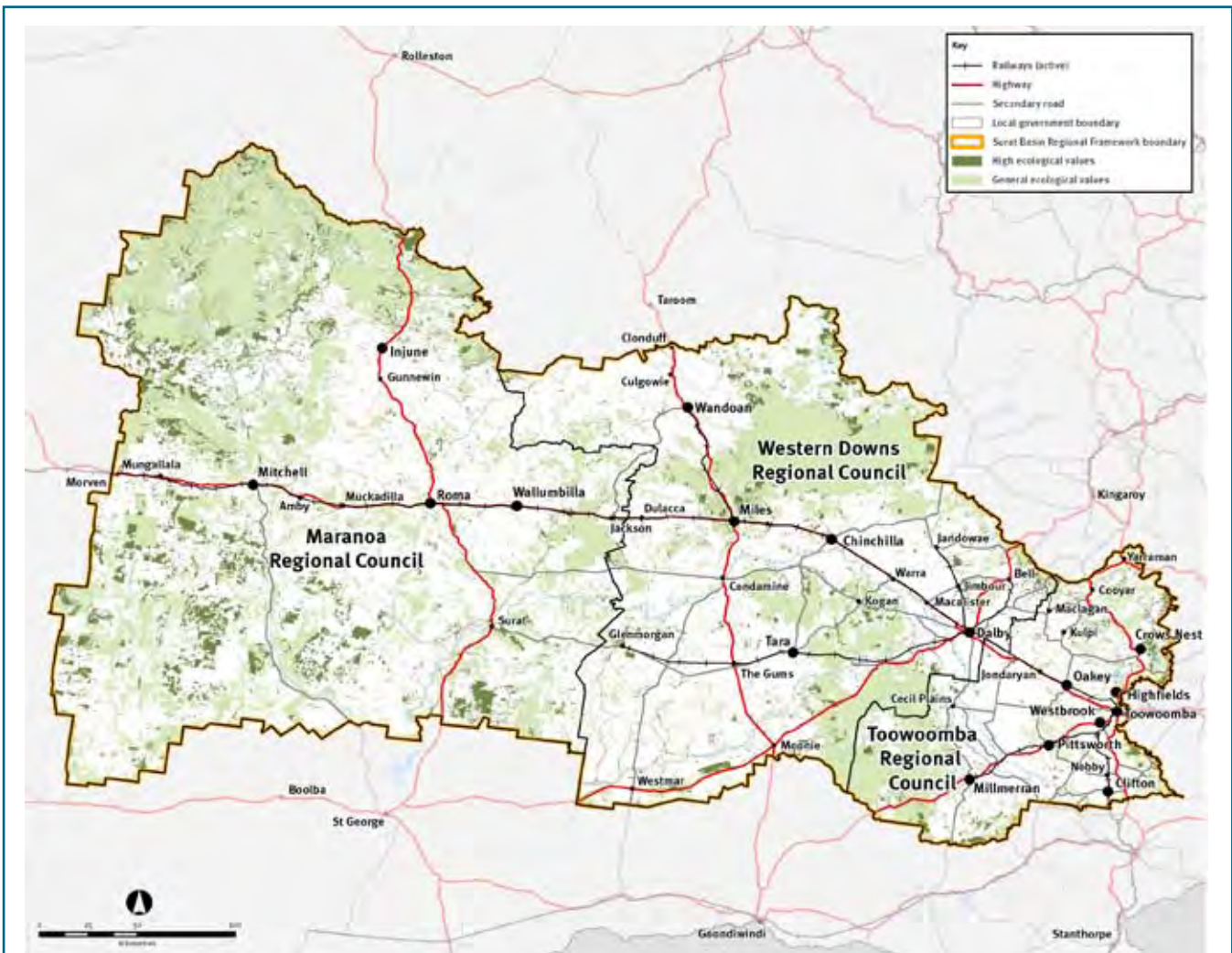
A healthy and resilient natural environment is protected, maintained and restored to sustainably support the region's biodiversity, ecosystem services and natural resources, enhancing the communities' lifestyle and economic prosperity across the Surat Basin.

Overview

The Surat Basin includes a wealth of environmental values and key natural assets. It encompasses the bioregions of the Southern Brigalow Belt, the Mulga Lands and a small portion of the South East Queensland Bioregion. The area contains a range of landscapes and vegetation communities, from dense softwood scrubs to open woodlands and open native grasslands.

Key areas containing biodiversity values are mapped within the Surat Basin as areas of ecological significance (Map 7). The long-term sustainability of the natural environment is ultimately dependent on a collaborative approach between the community, industry and all levels of government that will protect and enhance the natural values.

Map 7 – Ecological values



Note: This map is not intended for reference to specific parcels of land and is to be treated as indicative only – 26th May 2011



Strengths and opportunities

While much of the area has been extensively cleared for agriculture, it still contains significant areas of native vegetation. These areas provide important habitat for a range of native flora and fauna, including significant species such as the Yakka skink, Brigalow scaly-foot legless lizard, Dunmall's snake and the Ooline and shiny-leafed ironbark trees.

National parks and state forests are spread across the Surat Basin, and contain important intact examples of the region's biodiversity. State forest areas, such as the Barakula and Dunmore state forests (currently managed for cypress timber resources) contain habitat for a number of rare and threatened species. The region's biodiversity is presently inadequately represented in protected areas under the *Nature Conservation Act 1992*. As part of the statewide forest process, the future management of state forests in the Surat Basin is being reviewed with the intention of identifying forests for transfer to protected areas. Well-known protected areas in the region include Bunya Mountains National Park and Southwood National Park. Other important natural areas on freehold land are protected as voluntary nature refuges.

The Surat Basin area includes portions of three major inland catchments including the Condamine–Balonne, Border and Moonie rivers, plus the three coastal catchments of Brisbane, Burnett and the Fitzroy–Dawson. The Condamine, Balonne, Moonie and Border rivers are part of the Murray–Darling river system. The Condamine and lower Balonne floodplains are highly developed for agriculture, with consequential impacts on water flows and quality.

The wetlands of the Surat Basin provide habitat for a vast range of plants and animals, and are vital for the survival of many threatened species. Wetlands also play a valuable role in the absorption and slow release of floodwater, and filtering of excess sediment and nutrients.

The Condamine–Balonne river basin is home to nationally important wetlands such as Lake Broadwater, the Gums lagoon, Balonne river floodplain and a number of salt lakes and claypans.

Groundwater extraction needs to be carefully controlled and regularly monitored to ensure impacts on groundwater flows to springs do not compromise their natural value. Regular monitoring to establish changes in spring flows also must be undertaken. Threats to the Great Artesian Basin spring wetlands can be reduced by developing appropriate land and mining management strategies.

The groundwater resources of the area are significant and extensively developed. They are comprised of aquifers of the Great Artesian Basin, as well as fractured and alluvial systems. Groundwater supports a range of water supply purposes, including irrigation, commercial, industrial, aquaculture, stock and domestic use.

Challenges

The environmental challenges for the Surat Basin are headlined by the requirement to effectively manage the impact of the mining and gas industry and other resource extraction activities. Other key challenges include maintaining aquifer production and water quality, protecting water courses and future water access, managing CSG water and maintaining riparian areas.

The protection of natural water and catchments from degradation and inappropriate use is a key challenge, particularly as water extraction from coal seams is essential for coal seam gas (CSG) production. The Queensland Government recognises that protecting the quality and access of groundwater resources is vital for the livelihood of communities and agriculture in many areas. Tough new laws are being introduced to protect landholder's groundwater supplies and the local environment from any impacts of CSG activities. The new laws will apply to current and future projects, and will require evaluation and strict management of the impacts of water extraction from the CSG process on bores, aquifers and springs.

The Queensland Government has also committed to introducing an adaptive management environmental approval regime. This will ensure regulation responds to what is happening on the ground and that the environment is protected, even in unforeseen circumstances. Adaptive management also allows for best practice environmental management to be implemented as technologies develop over time.

Urban water availability is a constraint to growth in many communities across the Surat Basin. During recent droughts, water supplies (especially from surface water sources) were significantly reduced for communities, including Dalby and many small locations across the Darling Downs. Communities substantially reliant on groundwater, such as Roma, did not experience these water shortages. However, greater monitoring and understanding of the region's groundwater sources is required in order to better quantify the capacity of these resources. The potential impacts of climate change also needs to be incorporated into projections of future water availability and use across all sectors.

Ensuring the protection of the biodiversity and ecological processes is a key issue within the Surat Basin. Cumulative impacts on natural systems arising from multiple developments must be assessed, and where identified, these impacts must be mitigated.



Air and noise emitting activities, particularly from those industries associated with the development and operation of emerging resource industries (such as CSG extraction and processing) should be planned, designed and constructed to maintain and protect the health and wellbeing of communities, individuals and ecosystems.

Secondary impacts may also result from the expansion of the resource sector and associated growth in the area. This may include impacts from new residential development on water quality, and the impacts of a temporary population who will need to be made aware of resource management issues in the area, for example, the spread of weed seed via increased traffic from mining and gas industry exploration activities.

Way forward

Effectively managing the expansion of mining, gas drilling and exploration activities will be critical in maintaining and protecting the Surat Basin's natural environment and agricultural areas. However, this activity will also provide considerable investment into the area, which can be used to help manage the quality of the regional environment.

The Murray–Darling Basin Authority (MDBA), established by the Australian Government, is currently developing the Murray–Darling Basin Plan as required under the *Water Act 2007*. On 8 October 2010, the MDBA released the *Guide to the proposed basin plan* for consultation, with extensive work still to be undertaken to develop a finalised plan.

The Murray–Darling Basin Plan seeks to protect and restore the key environmental assets, which are essential to the life of the rivers and their surrounding landscapes, and the cultural values of the communities which depend on the Murray–Darling's water resources. When completed, the Murray–Darling Basin Plan is intended to provide a framework for setting environmentally sustainable limits on the amount of surface water and groundwater that can be taken from the Surat Basin. The likely social and economic impacts of restrictive water use for Surat Basin's town and community water supplies, irrigation, rural and energy-based industries, floodplain harvesting, and interception activities such as farm dams and forestry plantations have been considered in the development and consultation of the Murray–Darling Basin Plan.

The Queensland Government has completed water resource plans for the Condamine–Balonne and Moonie catchments and the Great Artesian Basin. These plans demonstrate that, as a result of historic allocations, a substantial proportion of surface water has been allocated for consumptive uses. The Murray–Darling Basin Plan may require substantial cuts and changes to rules about when water can be taken from water resources.

The Murray–Darling Basin Plan will also include a water quality and salinity management plan, which has implications for management of CSG water. It is essential to align Queensland's water resource plans with the Murray–Darling Basin Plan to ensure CSG operations meet the requirements of the *Environment Protection (Water) Policy 2009*, especially in regard to wastewater management.

Extracting CSG involves the extraction of significant volumes of water from gas-bearing strata. The Queensland Water Commission and state government are undertaking investigations into the potential impacts that extracting this water could have, including consideration of water quality and possible impacts on other ground aquifers.

Under Queensland's CSG regulatory and management framework, an adaptive management regime will apply to allow progressive improvement in the understanding and mitigation of impacts, including cumulative impacts.

The two natural resource management (NRM) plans covering the Surat Basin and prepared by the Queensland Murray–Darling Committee and Condamine Alliance, help direct investment into priority NRM issues. In the context of the issues relevant to the Surat Basin, regional NRM plans outline regional resource condition targets which include:

- maintaining soil condition
- maintaining productivity of high value soils
- ensuring no net loss of native vegetation
- maintaining and restoring the region's rivers and waterways to a healthy state
- developing best current recommended practice for a range of industries.





The state government has developed a state planning policy to address industry air quality and noise issues. The *State Planning Policy for Air, Noise and Hazardous Materials* aims to ensure appropriate buffer distances between polluting industries and sensitive uses, appropriate location of new development and, where necessary, separation of land zoned for industrial uses from land zoned for sensitive uses.

The state government has also released *State Planning Policy for Healthy Waters*. This policy aims to ensure that development for urban purposes, including community infrastructure, is planned, designed, constructed and operated to manage stormwater and wastewater in ways that protect the environmental values identified in the *Environmental Protection (Water) Policy 2009*.

Principles

The following principles will assist the Surat Basin communities in achieving the strategic direction for environment and natural resources:

1. The natural environment is protected, managed and enhanced to support Surat Basin's biodiversity and natural ecosystems by:
 - a) locating urban development outside areas of high ecological significance to avoid impacts on ecological values
 - b) ensuring urban development, that is adjacent to areas of high ecological significance, avoids adverse impacts on the ecological values
 - c) ensuring urban development in, or adjacent to, areas of general ecological significance avoids impacts on ecological values or, where this is not possible, minimises adverse impacts on ecological values
 - d) protecting, managing and enhancing the condition, extent, diversity and connectivity of the region's natural areas to maintain the ecological integrity and processes that are necessary for biodiversity to be resilient to climate change and other threats.
2. Landscapes of natural, cultural, social and economic value within the region are identified, protected and managed to meet current and future community and environmental needs.
3. Regional natural resources and primary production areas are sustainably managed and protected from incompatible development.
4. A sufficient supply of natural resources is available for future use.
5. The extraction, processing and transportation of natural resources minimises adverse impacts on the community and the environment.
6. The availability of renewable resources and opportunities for integration with existing and emerging industries are recognised.
7. Water sensitive urban design principles are incorporated into new development.
8. The treatment and re-use of CSG water is continually investigated and comprehensively addresses all potential impacts on social and environmental values.
9. The environmental values of groundwater are protected and an adaptive and appropriate approach to groundwater management is implemented.
10. Decisions regarding CSG development are consistent with the requirements of the *Environmental Protection (Water) Policy 2009*.
11. Water in the region is managed on a sustainable and total water cycle basis to provide sufficient quantity and quality of water for consumptive uses, while protecting biological diversity and the function and health of ecosystems, including their resilience to the effects of climate change.
12. Inland catchments and naturally occurring wetland springs are managed, enhanced and protected from degradation and inappropriate use.
13. Noise and air pollution-emitting industries are located away from sensitive uses (e.g. houses, schools, hospitals), and vice versa.



3 Strong communities

Objective

Communities in the Surat Basin will be healthy, resilient, cohesive and sustainable, with adequate community services and infrastructure to meet the changing needs of residents, and support the character, identity and liveability of the area.

Overview

The communities of the Surat Basin are facing change, driven largely by major developments in the resource and energy sectors. To enable the continued development of the resource-rich Surat Basin, communities must be strong and able to positively adapt to changes.

A strong Surat Basin community will be the foundation on which all other opportunities are built. Planning for growth must be guided by understanding the strengths, limitations and desires of the socially and culturally diverse communities of the area.

To facilitate timely development of the Surat Basin and instil greater community confidence in how this development may occur, planning instruments must address the cumulative impacts of growth and provide sufficient clarity on how to address key social and community issues.

Strengths and opportunities

The Surat Basin has a proud Indigenous and European cultural heritage and history. The area comprises numerous Indigenous groups, each having a strong relationship to country. The cultural and environmental heritage of the region has influenced the strong community identity and rural lifestyle that is valued highly among local communities and visitors to the region.

The historic built environment within the Surat Basin, which includes heritage-listed places, as well as heritage and character areas, has played an important role in shaping the area's identity. These urban and rural places are a tangible link to the past, and provide important and irreplaceable evidence of the historical development of the Surat Basin.

While it is important to retain and enhance community identity and cohesion, it is also essential to integrate new residents, workers and their families into the community, and protect marginalised and vulnerable community members.

Healthy and sustainable communities will be maintained and supported by the provision of adequate community services, such as health, education and emergency services and facilities. Supporting community organisations in local areas will provide essential services and community activities, and will help build volunteer capacity and community cohesion and resilience.

Living in a healthy and attractive natural environment can improve quality of life. Providing and maintaining quality and accessible open space areas will support the recreational needs of communities, while also strengthening opportunities for tourism.

Challenges

Maintaining liveable communities will be essential to ensuring that towns in the Surat Basin can attract and retain a higher proportion of workers and their families as permanent residents. This will drive flow-on benefits for social and economic resilience and community vibrancy. A resilient community takes intentional action to enhance the personal and collective capacity of its residents, and responds to and influences the course of social and economic change.

Improved planning along with effective and efficient delivery of adequate community services and infrastructure (such as a reliable supply of water) are central to meeting changing community needs. An increase in the fly-in/fly-out (FIFO) and drive-in/drive-out (DIDO) workforces to service industry development means that future planning must be responsive to both the needs of resident and non-resident populations. Focused community engagement will provide information around this planning process.





The high proportion of temporary workers means that work camps are an increasing feature of resource communities. The location of these work camps has implications for community cohesion. There is a strong community aspiration to attract and retain a workforce within local areas. Further consideration on the impact of temporary workers' accommodation, particularly those located in or near established areas and where exempt from local planning scheme assessments, will be required.

Way forward

Community awareness and engagement remains the most effective tool for the community, industry and government to understand each other's needs and desires and address the impacts of change. It will also be important for communities to encourage a regional culture of lifelong learning so that skills and knowledge of rural issues and practices can be passed to future generations.

Acknowledging the lessons learned by other high growth resource and power generation industry areas in Queensland will also assist in planning for a sustainable future for the Surat Basin communities.

The key lessons include:

- the importance of maintaining healthy and liveable communities
- identifying community vulnerabilities and building adaptive capacity to assist in managing social and economic change
- enhancing the social assessment of resource development projects, including the impact of project workforce accommodation strategies on the social and economic sustainability of communities, including the local housing market.

Also, heritage places are an important and highly valued feature of established urban and rural environments. They enhance regional identity and contribute to a vibrant lifestyle. Conservation of heritage places and their integration within new and evolving communities is a critical aspect of sustainable planning and development.

Principles

The following principles will assist the Surat Basin communities in achieving the strategic direction for strong communities:

1. Cumulative impacts of growth on local communities are identified and inform social planning.
2. Local government community plans aid in planning and maintaining sustainable communities.
3. Temporary accommodation is well planned and minimises impacts on established communities.
4. A variety of community engagement approaches are promoted. This may include information sharing, consultation and active participation in decision-making, which build connections and improve coordination between all levels of government, community, industry and stakeholders.
5. Reliable and current demographic data and population projections are available and used to inform planning for, and delivery of, regional services and infrastructure.
6. Population composition and distribution are monitored on a regular basis, with FIFO and DIDO workforces actively identified and considered.
7. Community organisations are supported in the region to increase their capacity to provide appropriate services to the community.
8. Adequate social services are provided to meet community needs, such as childcare and early learning facilities.
9. Traditional Owners and Indigenous groups are inclusively and appropriately consulted regarding land and resource planning, processes and decisions.
10. The knowledge, innovations and practices of Indigenous communities are respected, preserved and maintained to promote understanding of Indigenous culture and heritage.
11. Cultural heritage significance is not compromised by development in, or adjacent to, Indigenous cultural heritage places.
12. Traditional Owner access to traditional land is increased, and Indigenous involvement in the management of traditional land is strengthened.
13. Heritage buildings and sites are well maintained and not lost through neglect, and under-used places are encouraged for re-use for compatible purposes.
14. Historic character and heritage values are conserved through an integrated and balanced approach to managing the impact of development on heritage places.
15. Housing, infrastructure development and planning measures meet best-practice guidelines and incorporate measures for healthy design.
16. Baseline indicators and data collection assists in the continued monitoring of community health and well-being.
17. Enhanced wellbeing and preventing ill health are key elements of future decision-making.



4 Housing choice and affordability

Objective

Respond to the growing and diverse demands of each community, including affordability, through the provision of sufficient residential land supply and a range of accommodation within the towns of the Surat Basin.

Overview

Housing affordability remains a nationwide challenge. For areas such as the Surat Basin, the issue is exacerbated due to rapid economic development and significant demographic movement.

The Surat Basin is likely to continue to experience strong demand, with fluctuating peaks for particular types of accommodation. This will be led by demand from temporary construction workers associated with resource industry developments, permanent resource industry workers, and key service industry workers and their families.

Strengths and opportunities

The availability of affordable and appropriate types of housing to meet different household needs is necessary for individual well-being and social cohesion, and to minimise the potential displacement of the most vulnerable sectors of the community.

A range of housing options will be required in each town to cater for different needs, demographics and price requirements, as well as demands from new and temporary residents drawn to the area as a result of the resource industry. While the region as a whole faces the prospect of strong housing demand, some centres such as Roma have been managing the demand placed on housing and accommodation by the resources industry sector for some years. In response to demand, the Roma community has developed a range of housing stock that caters for diverse needs.

The Surat Basin has adequate land available for residential development. Ensuring existing and future dwelling stock remains affordable is a challenge currently being addressed. In 2008, the federal government released its *National Rental Affordability Scheme*, offering financial incentives to develop affordable rental accommodation in areas of demand. Chinchilla and Toowoomba have numerous housing proposals afforded by this scheme.

In July 2010, the Queensland Government declared a 20 hectare Urban Development Area in Roma. Development of this area by the Urban Land Development Authority (ULDA) will assist in reducing local housing pressures by bringing surplus government land to the market quickly and delivering a diversity of housing to suit the needs of the growing community.

The ULDA has also developed a draft guideline which outlines an approach for planning and design of proposals for non-resident worker accommodation. This draft guideline encourages innovative and high quality development outcomes and provides guidance for the interpretation and application of interim land use plans and development schemes.

In the Maranoa district, the state and local governments are seeking to facilitate the provision and management of social and affordable housing for permanent residents through the Rural Housing Service Centre. Considerable opportunities exist for local government and developers to work in partnership with the not-for-profit housing sector to increase the quantity of affordable housing in the Surat Basin.





Challenges

The level of growth projected for the Surat Basin will have a significant impact on housing demand across various parts of the region. Due to the increased resource activity and the associated workforce, demands will be placed on housing that is usually available for community members not benefiting directly from economic growth. This will need to be taken into account in future planning for residential land supply and the type of housing stock delivered in the Surat Basin.

A wide range of factors are affecting the affordability of housing within the Surat Basin, most notably supply and demand. While there is adequate land supply available for residential development, a key challenge is ensuring its timely release to cater for a growing permanent population and temporary workforce.

The demand for housing and accommodation is affected by a variety of factors — including consumer preference, diverse household needs, economic circumstances, cost and availability of finance, and construction and infrastructure costs — which all contribute to the challenge of providing affordable housing. The peaks and troughs of development in the resource sector and uncertainty of projects is another underlying challenge which affects the attractiveness of housing investment in the Surat Basin.

Furthermore, in a market-based economy, rents and house and land prices often rise faster than incomes. This leads to lower income permanent residents being forced out of the region or to smaller outlying centres to access more affordable housing. This contributes to social isolation and loss of localised skills.

Way forward

All levels of government, industry and the housing and development sector are responsible for addressing housing affordability in the Surat Basin. Together, they must continue to develop partnerships with the private and not-for-profit sectors to leverage funds for building and managing new affordable housing.

Identifying and providing land and infrastructure and identifying opportunities for infill development for new residential development, are essential tasks for reducing the impact of increased housing demand. The process for identifying new land for residential purposes will continue to involve the community to ensure social needs and community expectations are adequately addressed.

Furthermore, sustainable building design will be encouraged in new developments to prolong building life, reduce construction costs and increase energy efficiency.

Principles

The following principles will assist the Surat Basin communities in achieving the strategic direction for housing choice and affordability:

1. Housing and accommodation options are diverse, affordable and able to meet the changing demographic and economic needs of the region.
2. Cumulative impacts of resource projects on the housing market are collaboratively addressed by industry, and local and state governments.
3. Strategies necessary to address cumulative impacts are informed by various mechanisms including social impact assessment and management plans, regional plans and other statutory planning tools.
4. Affordable housing is facilitated by sufficient land and the consideration of factors that contribute to affordability, such as access to transport, design, infrastructure costs and energy use.
5. Residential development is supported by the timely and efficient provision of associated infrastructure.
6. Temporary worker accommodation is located appropriately, taking into account its:
 - a) nature
 - b) duration
 - c) potential economic benefits
 - d) impacts on social integration and community cohesion.
7. Temporary worker accommodation no longer required is re-used as part of sustainable communities.
8. Temporary worker accommodation is designed and built to a high standard, so as to integrate appropriately with the local community.
9. Not-for-profit housing providers are provided with opportunities to expand the supply of affordable housing.
10. Supply and demand for affordable housing is considered when determining the disposal or redevelopment of government property and surplus land.
11. Sustainable building design and energy efficiency initiatives are explored to reduce the cost of construction and living.
12. A culture of collaboration is facilitated between all levels of government, industry, stakeholders, not-for-profit housing providers and community to supply affordable housing and rental accommodation.



5 Strong economy

Objective

A diverse, resilient and sustainable economy, building on the Surat Basin's established economic strengths and emerging economic opportunities, supporting investment and employment in all sectors and using innovation and collaboration to capture growth.

Overview

The Surat Basin has some of Queensland's most diverse agriculture assets and an abundance of coal, gas and other resource deposits. Over the past five years, the Surat Basin has experienced solid economic and population growth, driven by diversification from the area's historically agricultural-based economy to coal and coal seam gas (CSG) exploration and development.

With the majority of resource development yet to come online in the region, there is an expectation the Surat Basin will see some of the largest resource development in Australia.

The key industry sectors of the Surat Basin include:

- **agriculture and forestry**, which has underpinned the area's economy for decades due to vast productive land and the areas access to water and fertile soils
- **energy development**, which is driven by the Surat Basin's estimated 6.4 billion tonnes of known coal reserves and 18 289 petajoules of CSG
- **food processing and value-adding opportunities**, which are driven by primary production
- **metal-based manufacturing**, which is influenced by the mining sector
- **education and training**, which is seeing an increased demand for post-school education to support the provision of skilled workers in specialised areas
- **public administration and safety**, which includes local and state government sectors and the defence force
- **transport and warehousing**, which has been driven so far by the agricultural and forestry sectors and will continue to grow with the emergence of the resource sector
- **tourism**, which is a thriving industry driven by regional festivals and events, impressive landscapes and iconic environmental assets
- **emerging industries**, which are seeking to capture opportunities in renewable energy.

Strengths and opportunities

The Surat Basin has a unique mix of locational and geographic attributes and existing industry characteristics which can be leveraged to enhance economic development. These assets are valuable for the area's investment potential.

Diverse and productive agricultural lands

The Surat Basin has some of Queensland's most diverse agricultural land, which has traditionally been used in grain production, sheep and beef production, intensive livestock, and some horticulture and broadacre cropping activity. The major agricultural field crop products include wheat, barley, sorghum, sunflower, soy beans and cotton.

Livestock production is primarily beef, but also includes wool, sheep, pork and poultry products. Intensive livestock industries (namely beef and pork) are concentrated in the region, and based around local feed grain supply and proximity to markets. The Surat Basin's livestock industry is supported by the Roma Saleyard, which is the largest cattle selling centre in the southern hemisphere. Timber is a significant industry within the Maranoa district.

It is the diversity of the agricultural land and climate that has seen the Surat Basin become a major agriculture production hub, able to sustain a strong and diverse agricultural supply chain. The proximity to markets and transport and availability of natural resources such as water and soil, have made this area attractive to producers. It is recognised that agriculture will remain an extremely important industry sector in the region's economy during and beyond developments in the energy sector.





Abundant energy resources

The Surat Basin is one of Australia's largest and relatively untouched energy resource areas, with over 20 per cent of Queensland's coal deposits and an estimated 65 per cent of Queensland's CSG.

Currently coal and gas from the area is being used for power generation, with more than 12 million tonnes of coal exported from the region during the year 2007–08. Coal and gas exports to international markets are predicted to grow substantially over the coming years.

The coal mining industry is also likely to grow significantly, with current proposals for the major expansion of production to support increasing export markets. The growth is likely to be led by a mix of medium and large coal mining proposals located in the centre of the Surat Basin — to the north and east of Miles, and west of Wandoan.

The Surat Basin also has the ability to become a key player in the renewable energy and the environmental services sectors. These sectors are likely to become increasingly important over the next 20 years and beyond.

Existing transport infrastructure

The Surat Basin is linked to South East Queensland by major road, rail and airport infrastructure, which is used for a high level of freight activity and passenger travel to and from the region. However, there are issues surrounding the quality and capacity of these networks to meet current and future growth expectations.

Information and communication technology

Improved telecommunication infrastructure will be required to meet the needs of the expanding industries and growing communities in the Surat Basin. Providing improved opportunities for industries and businesses to increase their exposure and connect with global markets will enable the Surat Basin to improve economic development and achieve greater regional stability.

Education assets

The University of Southern Queensland and Southern Queensland Institute of TAFE are major education assets, located in Toowoomba and servicing the broader region. The region also has other specialised training assets for the agriculture sector such as the Australian Agricultural College campus located in Dalby. There are over 275 primary schools and 75 secondary schools located throughout the Surat Basin, and numerous boarding schools found in Toowoomba.

Health and community infrastructure

Major hospitals, aged care, diagnostics and allied health infrastructure and services are well represented in the area. These facilities are important to support sustainable population growth and economic development.

Defence assets

The Department of Defence is a significant employment generator and provides considerable economic stimulus to the Surat Basin. It has a number of bases, training areas and ranges located in Surat Basin, such as the Army Aviation Centre and its associated properties at Oakey, Borneo Barracks at Cabarlah, Milne Bay Barracks in Toowoomba, and the Dalby and Roma training depots.

Existing industry clusters and supply chains

Existing industry clusters located in the Surat Basin include food and beverage manufacturing, resource industries and supporting services. These industries have established significant supply chain capability and capacity.

Water assets

The Surat Basin has significant groundwater assets, including the Great Artesian Basin, Condamine Alluvium and Toowoomba Basalts, which supply irrigation for stock and domestic and industry use in the region. The Surat Basin spans the catchments of Brisbane, Condamine–Balonne, Border, Moonie, Dawson and Burnett rivers. Being at the headwaters of the Murray–Darling Basin and the Fitzroy–Dawson Basin highlights the integral role the area plays, not only in sustaining the Surat Basin's water resource activities, but also in contributing to two of the major river systems of Australia.

Climate and environment

The diversity of climate and the unique combination of environmental assets (water, land, soil, geographical location, and biodiversity of flora and fauna) is a strategic asset that has been traditionally leveraged across a wide variety of production activities, particularly the agriculture sector.

Challenges

A key challenge confronting the region and all levels of government is being able to capture economic opportunities generated by resource sector development at a local level. This is exacerbated where gaps exist between supply chain demands from mining and gas industry operations and the capacity for local and regional economies to accommodate the demands. This initially results in the import of goods and services. However, this should lead to early recognition of gaps and identification of opportunities for local business, industry or investors to capitalise on resource sector growth through local replacement and value adding.



The development of the Surat Basin's energy sector has already affected the employment environment across the region. Currently, the area is experiencing some of the lowest unemployment rates in Australia, with skill shortages existing in many sectors. Growth has significantly affected the type of skills required in the area. The size and skills composition of the workforce will also vary markedly at different points of resource sector development.

As seen in regional mining areas across Queensland, other industries are likely to suffer shortages in skilled labour as workers are drawn in by the higher salaries on offer in the mining industry. In particular, local service businesses, rural industries and local government are likely to be the most affected by skills shortages.

Way forward

The Queensland Government, in partnership with local governments and existing businesses, is committed to assisting communities and businesses to maximise future economic opportunities. Attracting private sector investment from outside the Surat Basin is also integral to generating new jobs, servicing an expanding population, and recruiting new skills.

The Surat Basin communities are very adaptive to change and extremely resourceful. The area will remain competitive through the increased uptake and support for business innovation and research and development. Developing or attracting businesses to meet gaps in the supply chains of the energy sector will also present new opportunities for communities in the area.

Regional and industry bodies, local governments and other support mechanisms will need to provide strong leadership by creating a positive environment that strives for excellence, promotes opportunities and embraces success.

A flexible workforce will be required to respond to anticipated peaks in demand. Developing a skilled workforce requires knowledge of existing and emerging needs, the capacity of business to attract and retain workers, and the need to ensure equitable access to training facilities and services.

Principles

The following principles will assist the Surat Basin communities in achieving the strategic direction for strong economy:

1. Employment and business investment diversification is encouraged within each community.

2. The local and regional economies take advantage of opportunities from mining and energy industries.
3. Suitable infrastructure and facilities to service existing towns and centres is provided to encourage economic and employment growth in the region.
4. Appropriate industrial land is identified in advance and provided to accommodate resource sector support industries.
5. Encroachment of development does not prevent or reduce the productive or operational capacities of existing development.
6. All levels of government, industry and community are engaged to determine demand for skills, infrastructure and services to better inform planning.
7. The Surat Basin is promoted as an attractive and prosperous place to conduct business.
8. The provision and uptake of local training and education, including opportunities for Indigenous participation, is expanded to increase the capacity of existing business and capture opportunities in emerging industries.
9. A cooperative and coordinated approach to tourism is fostered, including the support of local Indigenous tourism and business enterprises.
10. A culture of innovation is fostered within business, government and the community that encourages best practice, research and development.
11. An environment that encourages job creation and flexible working arrangements is created and supported.





6 Rural futures

Objective

Rural communities are strong and viable, with sustainable economies contributing to the health, wealth, liveability and character of the Surat Basin.

Overview

The rural sector in the Surat Basin underpins the existing economy, including many of the towns in the region. It is a major contributor to Queensland's economy through the existing agriculture, forestry and food processing sectors.

The area is favourable for agriculture and food production due to climatic and soil conditions. There is also good access to domestic and international markets, access to large numbers of livestock bred within the region as well as other parts of the state, local saleyards, including the state's largest selling centre at Roma, and good access to road transport and value-adding facilities.

Strengths and opportunities

The Surat Basin's major agricultural field crop products include wheat, barley, sorghum, sunflower, soy beans and cotton. Livestock production is primarily beef, but also includes wool, sheep, pork, milk and poultry products. Intensive livestock industries are concentrated in the region and based around local feed grain supply and proximity to markets.

Demand for agriculture and food products from the area is set to grow in coming decades as regional, national and international markets expand. The sector has remained resilient through prolonged droughts. It has demonstrated its ability to withstand short-term volatility and generate increasing wealth over the longer term by responding to market opportunities.

Agricultural activity will continue in the Surat Basin beyond the life of resource extraction. Therefore, planning and infrastructure development to support industry growth, adaptation to climate change and access to skilled labour are all components of supporting rural futures.

Challenges

An increase in gas and mining and associated exploration has resulted in greater conflict between the agriculture and mining sectors. Both sectors are integral to the future of the Surat Basin, and neither should be compromised to advance the other.

It will be important to maintain good quality agricultural land in order to preserve the state's present and future agricultural production capacity and the established economic, environmental and social fabric of the region.

It will also be important to establish fair land access arrangements for the resource industry to agricultural properties. This will require monitoring and management to minimise impacts on rural operations. This will not only improve relationships between operators in both sectors, but will help to protect the livelihood of agriculturalists and various rural communities.

Reliable and cost-effective transport infrastructure to support rural industries will be required, as rural producers compete with the resource sector for access to limited rail transport.

In addition, the projected influence of climate change on the Surat Basin is a major challenge for the agricultural sector. Recent predictions by the Queensland Office of Climate Change indicate that the area will experience higher temperatures, increased evaporation and decreased rainfall in the coming decades. As a result, agricultural production and associated land management strategies will need to adapt to, and where appropriate, mitigate the likely impacts of climate change.

The regular availability of a good quality water supply underpins many rural communities and industries in the Surat Basin. However, a history of prolonged drought periods and uncertainty regarding the regional impacts of climate change on water flow and supplies highlight the need for the development of adaptive water management regimes. New technologies, such as the re-use of treated coal seam gas (CSG) water for rural production, commercial activities and power generation (including renewable energy), will attract significant interest in the coming years.

As with all Queensland communities, the rural future of the Surat Basin is at risk from pests and weeds. These threats cost Queensland an estimated \$600 million annually and have significant impacts on primary industries, natural ecosystems and human and animal health. This threat will require monitoring and ongoing investment toward promoting awareness and new and innovative ways to mitigate the impact.

Way forward

Maintaining the future of rural communities depends on strong, resilient industries and liveable communities that are adaptive and cohesive. This includes retaining rural and community identities, as well as embracing cultural, technological and demographic changes and opportunities.



Due to the cyclical nature of both rural and resource industries, it is important that the region maximises opportunities as they arise in both sectors and accommodates a range of activities to develop a more robust and diversified regional economy.

Ongoing access to water for production and to maintain natural systems depends on the protection of both natural systems (wetlands, watercourses and aquifers) and maintenance of water supply infrastructure. Planning and decision-making for activities that impact on water assets must consider ecological sustainability as a key priority. This includes comprehensive planning, monitoring and management of extractive industries within close proximity to the region's water sources.

Prosperous rural futures require healthy and prosperous communities, towns and centres. For example, enhancing rural towns by supporting economic growth will enhance the viability of local and surrounding communities through increased residential populations comprising a range of family types and age groups.

In turn, this will support the long-term viability of services and further enhance economic and employment diversity. This includes promoting the local processing and packaging of agricultural goods, and other value-adding industries which will enhance regional and local economies.

Principles

The following principles will assist the Surat Basin communities in achieving the strategic direction for rural futures:

1. Rural industries are strengthened through expanding their market access, increasing their adaptability and productivity, and capturing value-adding opportunities.
2. The significant and increasing role of rural areas and rural landholders is respected in the planning process.
3. Rural areas are conserved and managed to enhance their ongoing contribution to the local, regional and broader economy.
4. The long-term prosperity and sustainability of primary production is achieved while maintaining environmental values.
5. Agricultural research, extension services and the agribusiness sector are supported.
6. Rural communities continue to have access to surface water and groundwater resources.
7. Surface water and groundwater resources are used by rural communities in a sustainable manner which maintains aquatic ecosystems and protects environmental values.
8. New technologies are facilitated to reduce impacts on the rural environment. This includes the re-use of treated CSG water for rural production, commercial activities and power generation, including renewable energy.
9. Exotic and introduced pests, weeds and diseases are prevented, managed and monitored through the combined efforts of government, industry and communities.
10. Rural communities are healthy and productive, and benefit from regional growth through their participation in the planning and development of the Surat Basin.
11. Rural communities are encouraged to identify, celebrate and capitalise on their attributes and characteristics.
12. The interdependence of urban and rural communities is enhanced.





7 Resource sector growth

Objective

The resource sector will contribute to the sustainability of the Surat Basin's economy, liveability and social capacity, and address its impacts on local communities and the natural environment.

Overview

The resource and energy sectors have the potential to substantially strengthen the Surat Basin economy over the next 50 years or more. These sectors cover the CSG industry, coal mining, power generation (including renewable energy) and potentially, the coal-based chemical industry.

The resource sector will attract significant public and private investment toward key infrastructure and resource development. This will generate short, medium and long-term employment opportunities and accelerate population growth.

Strengths and opportunities

The Surat Basin has the majority of the Queensland's known coal seam gas (CSG) reserves and significant thermal coal reserves.

The CSG industry's proposed expansion to supply gas to LNG plants located in Gladstone is currently the main new economic driver in the Surat Basin. The development of CSG to supply the domestic gas market and construction of new power stations has already contributed significantly to the economies of local communities across the Surat Basin. It is anticipated that, as investment decisions are made in the near future for current LNG plant proposals, further clarity will be provided in relation to the scope and impacts of CSG development on the Surat Basin.

The thermal coal mining industry is likely to grow significantly in the region, with current proposals for major expansion to support increasing export markets. The growth is expected to be led by a mix of medium and large coal mining proposals located in the centre of the region — to the north and east of Miles, and west of Wandoan.

Major coal mines are proposed, with increased export volumes through the Port of Gladstone. Critical decisions on development approval and investment are expected over the next few years. Should these resource developments happen on any significant scale, they will have a considerable impact on infrastructure development, supply chain activity and on the community and environment.

In the interim, a number of scenarios have been prepared to generate population and employment forecasts based on coal and CSG production forecasts.

In addition, continuing demand for CSG in the Surat Basin for the power generation industry supports the state government's *Energy Strategy* for gas-fired power stations to account for 18 per cent of power generation capacity by 2020.

As demand increases on the nation's power grid, further opportunities will arise for the expansion of the power generation industry in the Surat Basin. Opportunities for the area are enhanced by the availability of coal and CSG, direct connection to the national power grid, proximity to the growing populations of South East Queensland and other regional centres along the Queensland coast, and access to abundant natural energy sources.

The Surat Basin's climate and power grid network provide opportunities for the development of natural energy developments, including solar and wind energy, bio-fuel production (from forestry, animal and other waste products) and geothermal energy.

Growth in the resource and energy sectors will provide many flow-on opportunities for the Surat Basin communities. There will be demand for a greater level of service, particularly within towns close to resource activity. Local businesses may need to expand and diversify to cater for increased retail and commercial trade, and social and recreational services for the resource workforce. There will also be opportunities for local industries to capitalise on the industrial needs of the resource sector, such as increased employment and skills development in support services and value-adding industries.

Challenges

The expanding resource sector will result in conflicts with other objectives for the Surat Basin, including other economic sectors, differing community aspirations and the natural environment. State and local government, the resource and agricultural sectors, and other key stakeholders will be required to identify and address these conflicts and work with the community to minimise impacts and ensure the Surat Basin's long-term prosperity.

The growth of the resource sector will attract an increased number of people working and living in the area, adding pressure on the availability of affordable housing, community facilities and local infrastructure.

Demand for skilled and unskilled labour is expected to continue to increase as new resource developments occur. Many of the major developments have stated their intention to use a fly-in/fly-out (FIFO) and drive-in/drive-out (DIDO) workforce, especially during the construction phase of development.



Temporary worker accommodation camps to support resource projects, if not appropriately planned, located or managed, can have adverse impacts on local government services such as community services, water, sewerage, waste management and roads. The location and impacts of these camps in proximity to established areas must be thoroughly assessed to ensure there is adequate service capacity, local commercial impacts are addressed and impacts on community cohesion can be appropriately managed.

The providers of temporary accommodation have an important role in the planning and delivery of this form of accommodation and contributing to the planning of local communities. These providers must work closely with local government to ensure approval processes are informed and the outcome is a positive contribution to the local area.

Way forward

While the extent and composition of the resource sector in the Surat Basin is yet to be determined, it is clear that it will be a major factor influencing the future of the region. Consequently, comprehensive planning and management of the resource sector will be required to ensure individual communities and the region as a whole benefit in the long-term. Monitoring and evaluation of the impacts of resource industry growth will be essential to inform the planning and delivery of additional infrastructure, services, commerce and residential activity.

As the coal and CSG sectors grow, investment in innovative technology will increase. New and efficient methods of resource extraction, processing and transportation are likely to be pursued to reduce costs and to capture opportunities not currently possible with existing industrial technology. Over the coming years, there may be potential for technologies such as above-ground coal gasification to be explored, as well as the safe and best use of CSG water for uses including power plant cooling, horticulture or agricultural irrigation.

The Surat Basin's access to abundant natural energy sources, such as solar, wind and geothermal, will continue to attract investment toward renewable energy initiatives such as those identified within the *Queensland Renewable Energy Plan*. The *Queensland Renewable Energy Plan* has identified the Surat Basin as a potential Renewable Energy Priority Zone due to its proximity to the transmission network, and the state's high demand for electricity.

Principles

The following principles will assist the Surat Basin communities in achieving the strategic direction for resource sector growth:

1. Cooperative and effective working partnerships across the resource sector, associated industries and the community are established and maintained.
2. The continued investment in coal, gas and renewable power generation and transmission capacity is encouraged.
3. All existing and proposed coal and CSG development is regulated and monitored to ensure the Surat Basin's communities and environment are not harmed.
4. Innovative and renewable energy technologies are fostered, planned and developed.
5. The use of treated CSG water is facilitated by the resource sector.
6. Local government and the providers of temporary accommodation maintain effective communication.
7. The impacts of a FIFO and DIDO workforce on the communities are managed appropriately.
8. Infrastructure necessary to enable resource sector growth is appropriately located and, where possible, provides the maximum benefit to the community.
9. Local skilled workforces are developed to take advantage of the opportunities in the mining and energy industries, including associated supply chain opportunities.





8 Infrastructure and servicing

Objective

Plan, coordinate and deliver safe and efficient regional and local infrastructure networks and services to support the changing social, economic and environmental health needs of the Surat Basin.

Overview

The Surat Basin's infrastructure network underpins all social and economic development in the region. The provision of well-planned, efficient and cost-effective infrastructure and services is essential to meeting the communities' expectations and future demands generated by growth.

An efficient network will improve the quality of life for residents by relieving pressure on existing services and enhancing local business performance, and will enable the expansion of capabilities of major industries.

The high level of demand and dispersed settlement pattern of the Surat Basin provides many challenges to the delivery of an efficient and well-maintained infrastructure network.

Strengths and opportunities

The Surat Basin is serviced by an extensive infrastructure network that is experiencing significant pressure from the increased demands associated with the initial phases of growth generated by the resource sector. The growth projections for the Surat Basin will continue to compound the issues associated with road and rail system performance. In response, a significant government commitment toward infrastructure rehabilitation and upgrading to support industry, to ensure the safe and efficient movement of people and commodities, and to maintain a liveable and attractive community is in place and will need to plan for longer term demands.

There are numerous highways and other major roads servicing the Surat Basin — the Warrego and Gore highways and the Surat Development Road running primarily east to west; and the Carnarvon, Moonie, Leichhardt and New England highways running north to south. There are also two main rail lines running east to west and north to south, primarily used for the transport of the Surat Basin's agricultural produce and coal.

The main airports in the Surat Basin are located in Toowoomba and Roma for light aircraft, while Oakey military airport can handle medium-sized aircraft, although it is generally used for military purposes only. There are also 11 other identified airstrips located in the Surat Basin region capable of catering to light aircraft.

Both the Roma and Toowoomba airports have been identified for upgrades, primarily to improve safety, and to assist the potential growth of the area in the short term. It is understood that mining companies may wish to develop local airstrips to service fly-in/fly-out (FIFO) mining operations. The Toowoomba Regional Council has intentions of developing a larger regional airport in the medium term to cater for inter-regional and interstate jet services. Locations currently under consideration include the Oakey military airport and land in the Wyreema area.

The state government is currently working with the National Broadband Network Company to ensure Queensland benefits from the earliest delivery of improved broadband.

Water resources are generally quite limited across the region, but severe supply constraints have been rectified in Toowoomba by the construction of a major pipeline from the Wivenhoe Dam. CSG water will bring new opportunities, which must be thoroughly investigated to ensure the environment and communities are not put at risk.

The abundance of energy resources and the distribution network within the Surat Basin has resulted in the emergence of the area as a major energy generation precinct, and it will continue to attract significant investment toward renewable energy development.

Planning is currently being undertaken for infrastructure and services within the Surat Basin, including:

- Surat Basin Regional Transport System Study
- Toowoomba Subregional Transport Study
- Roma Heavy Vehicle Bypass Study
- Solar Flagship Program for renewable energy
- Melbourne–Brisbane Inland Rail Alignment Study
- various planning for upgrading of the Western Rail Line and feeder link from Miles to Wandoan
- various link and layout planning for roads in the region, including the Warrego Highway
- a review of the Toowoomba Bypass Business Case
- South West Transport and Freight Study.

Challenges

The increasing demands of mining and resource activity on transport infrastructure within the Surat Basin are already evident. The demands on the rail network generated by the shipment of coal is nearing capacity, with further growth in the rail network heavily influenced by the geographical limitations of the Great Dividing Range and moving freight through the city of Brisbane. As a result, much of the region's agricultural production has been displaced to road transport, and projected demands on the rail network exceed existing capacity.



As the Port of Brisbane also has limitations with respect to handling significantly more potential coal cargo, development of coal resources in the region will be constrained. Effectively, the massive coal resources of the region cannot be developed until the Surat Basin rail line between Wandoan and Banana is constructed in order to facilitate exports via the Port of Gladstone. This will facilitate mining projects around Wandoan and Taroom, but potential coal resources between Miles and Toowoomba will only be developed if the western rail line is significantly upgraded and the feeder link between Miles and Wandoan is reconstructed.

Bulk minerals such as coal will primarily be transported by rail to the port of Gladstone and, to a lesser extent, Brisbane. However, the road system is responsible for carrying almost all of the industry inputs of materials, plant, equipment, pipes, petroleum and explosives, as well as the service vehicles, workers and their families, and the movement of the general population. The road network will continue to experience significant pressure from growth in the resource sector. This occurs not just as a result of strong traffic growth, but also a high proportion of heavy and over-dimensional vehicles and fatigue-related safety issues.

Transport using the Warrego Highway through the Toowoomba urban area and the range section will be significantly constrained, unless a number of improvements are made. This will bring forward pressure for the planned Toowoomba Bypass project.

While the resources and energy-generation industry sectors will have a dramatic impact on development in the region and infrastructure demand, infrastructure planning and service provision must adequately cater for all industry sectors and communities. Flow-on effects will generate demand that will generally exceed the initial direct project impacts. Growth in other sectors, coupled with strong population growth, will require significant infrastructure investment.

The coal seam gas (CSG) and power-generation industries are also expected to have a substantial impact on local landfills with construction and demolition waste, as well as commercial and industrial waste. These landfills are designed and operated as unstaffed facilities, and are not capable of managing the very large volumes of waste likely to be generated.

Capacity constraints and other performance issues on regional rail, airport and road networks, and connectivity to key ports such as Gladstone and Brisbane, are recognised as issues that will negatively impact on the growth potential of the Surat Basin and the Queensland economy. In regard to the road network, there are substantial issues with road capacity through Toowoomba and between Toowoomba and Dalby, road condition (specifically pavement deterioration), road width and associated aspects of safety. Substantial investment from various sources will be required to address these issues.

Anticipated growth in the Surat Basin will also increase demand on existing local urban infrastructure networks and services. Therefore, it is important to identify existing and planned urban infrastructure capacity, plan for its optimum use and development, and minimise the need for further costly expansion. This is linked to determining a sustainable settlement pattern and subsequent investment in communities to help reduce the carbon footprint and contribute to a healthy lifestyle. Nevertheless, while good planning can mitigate demand and encourage efficiency, it is clear that urban growth will create significant demand for new infrastructure investment.

The anticipated increase in demand on water supply by new urban and industrial development, mining and rural industries will also require coordinated planning and management across the region. This includes taking into account the diverse and varying demands on water catchments and the limitations on water resources in the Murray–Darling Basin and the Great Artesian Basin.

Way forward

Population growth and the rapid development of the resource industry is placing increased pressure on existing infrastructure, requiring a comprehensive response involving all users. This will require a shared responsibility between government and industry in the planning, funding and delivery of infrastructure.

In addition, new infrastructure generated by demand from the resource sector will need to be planned to also benefit other sectors of the community in the short, medium and long-term.





Consequently, all levels of government will work with affected industries and communities to identify key actions required to enhance the regional transport network. The state government has committed to the expansion of Roma and Toowoomba airports to improve safety and accessibility to the west of the area.

Further action will be required to increase the capacity of other parts of the transport network. This includes the Surat Basin rail line, the western rail line and Wandoan feeder line, as well as improvements to the Warrego Highway, including relieving of the bottleneck of passing through Toowoomba and negotiating the Great Dividing Range between Toowoomba and Withcott. Lastly, in the medium-term, a regional airport is required that is capable of inter-regional and interstate services capable of accommodating larger aircraft.

Infrastructure, such as roads, rail and telecommunications, are catalysts for economic growth, and are pivotal to accommodating additional demands generated by the resource sector. Social infrastructure such as health services, fire and ambulance facilities, access to community services, skills, knowledge and the strength of local relationships and networks, is essential to the viability of economic growth in the longer term. Expansion of the range of infrastructure is necessary for the Surat Basin's communities to accommodate and benefit from anticipated growth.

Improving the assessment of cumulative impacts of proposed developments, particularly the resource sector, will inform government of projected infrastructure and service demands. This will inform more effective infrastructure planning and prioritisation, and investigation of effective funding arrangements.

Public transport and local pedestrian routes will also play a bigger role in planning in communities such as Toowoomba, especially as oil vulnerability becomes more apparent and local transport networks are increasingly affected by traffic congestion.

Principles

The following principles will assist the Surat Basin communities in achieving the strategic direction for infrastructure and servicing:

1. Planning and delivery of infrastructure services at regional, subregional and local levels is coordinated and integrated.
2. Growth is supported by efficient and effective infrastructure.
3. The delivery of infrastructure is coordinated and prioritised through collaborative planning and innovative joint funding approaches.

4. Current and future infrastructure sites and corridors are identified, protected and managed.
5. All communities are provided with acceptable standards of modern, reliable, accessible and affordable information and communication services.
6. Waste and associated environmental impacts are minimised through holistic management to avoid, re-use and recycle waste and to promote energy recovery.
7. Social infrastructure is appropriately planned and located and is responsive to demographic change.
8. Demand for infrastructure is managed and mitigated through integrated land-use planning and investment in non-infrastructure alternatives.
9. Preferred airport locations are identified to accommodate the air transport needs of resource projects.
10. Local transport planning caters for well-connected and highly accessible pedestrian and public transport networks to deal with future impacts of oil vulnerability and traffic congestion.
11. An integrated multimodal transport system is economically efficient and meets the social, environmental and safety objectives of the industry and communities.
12. The incremental development of transport infrastructure and services, together with appropriate links between land use and spatial development planning measures, network infrastructure management and operations, are catered for in a transport strategy which serves all industry, business and the community.
13. Economic growth is enhanced through the prioritisation of infrastructure which supports employment activities in all sectors of the economy.
14. Major enabling infrastructure projects which are critical to future regional economic development are advocated, planned and facilitated.
15. The impact, including the cumulative impacts of major development projects on the transport system is managed through planning and coordination management, and contributions to infrastructure maintenance, upgrading and road use management.



PART F – Implementation

Implementation

The Surat Basin Regional Planning Framework (SBRPF) establishes the basis for better planning, management and development in the Surat Basin. It further articulates the state's interest, and must therefore be considered in all future policy responses within the Surat Basin.

The value of the SBRPF will be largely determined by how successfully its principles are supported and implemented within future planning products and decision-making affecting the Surat Basin, particularly:

- regional planning activities, including the future review of the *Maranoa–Balonne Regional Plan* and the *South East Queensland Regional Plan 2009–2031*, and the development of a regional plan for the Darling Downs
- local government planning schemes and community plans
- assessment of environmental impact statements for major projects within the Surat Basin
- development and review of natural resource management plans, regional economic strategies, integrated regional transport plans and other regional instruments.

The principles of the SBRPF will also guide and inform other delivery mechanisms affecting growth in the Surat Basin. Figure 7 shows the relationship between the SBRPF and some of the key delivery mechanisms.

The implementation of the SBRPF will occur with the cooperation and involvement of all levels of government, non-government organisations, the private sector and the community.

Roles and responsibilities

The Department of Local Government and Planning will work collaboratively with other Queensland Government agencies, local governments and regional stakeholders to facilitate and coordinate the implementation of the SBRPF.

Oversight for the implementation of the SBRPF will be coordinated by the Department of Local Government and Planning. Implementation progress will be reported to the planning Minister and relevant regional planning forums, including the Maranoa–Balonne Regional Planning Committee.

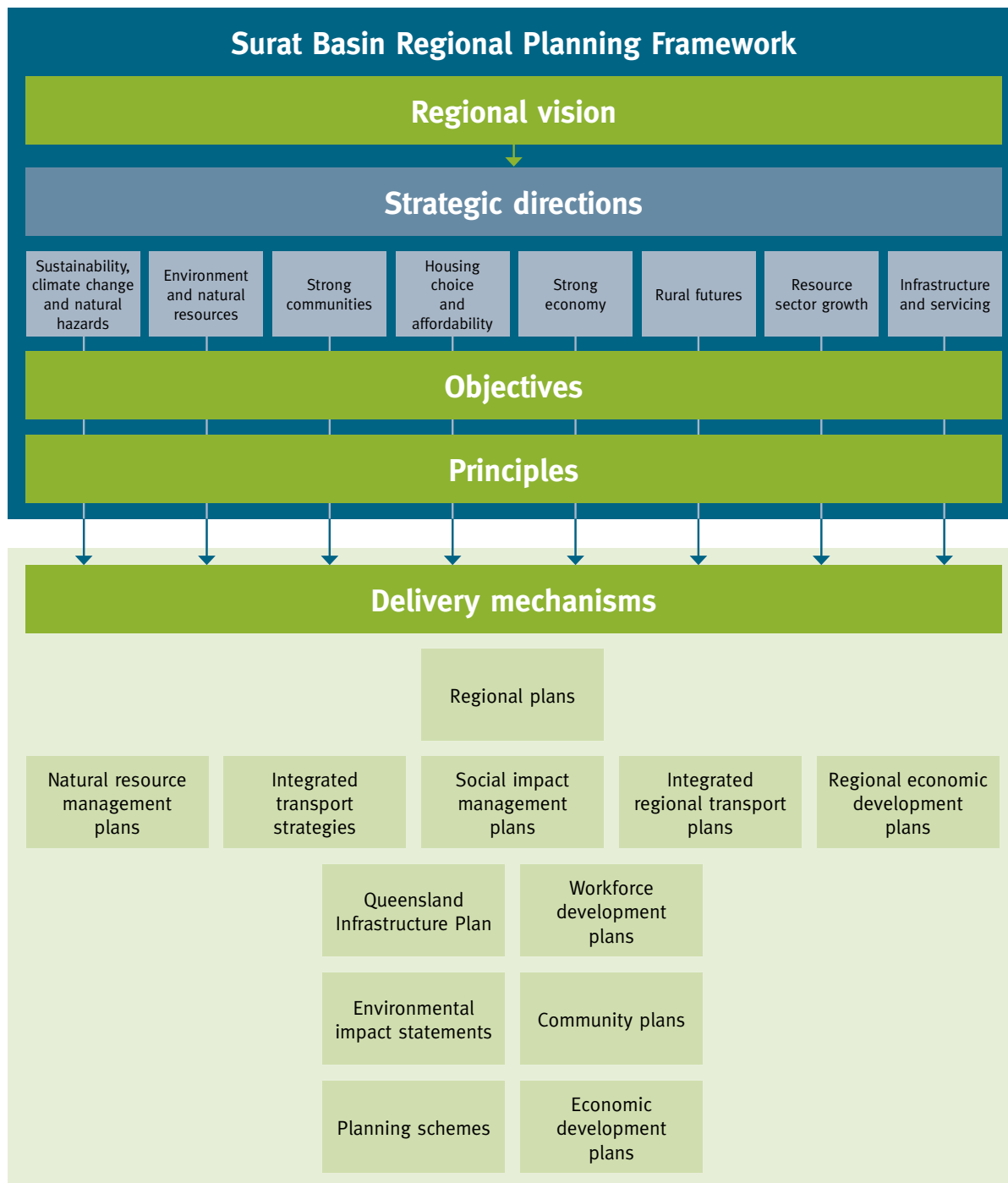
The rights and responsibilities of individual departments, authorities and bodies are to be respected and retained, including the responsibility for development, resourcing and funding of programs within their respective portfolio interests. However, greater coordination of these programs with other policy interests under the SBRPF will be supported.

Review process

The state government is committed to the rollout of regional plans across Queensland and regularly undertakes reviews. It is not intended that the SBRPF will be reviewed, as it will be replaced through the revision of the *Maranoa–Balonne Regional Plan* and the *South East Queensland Regional Plan 2009–2031*, and the development of a Darling Downs regional plan.

Timing for the review of the *Maranoa–Balonne Regional Plan* and the development of a regional plan for the Darling Downs is yet to be confirmed.

Figure 7 – Delivery of the Surat Basin Regional Planning Framework





PART G – References

Preparation

The SBRPF has been developed with advice from relevant state departments, local governments and key stakeholders prior to and following the draft consultation period (5 November 2010 and 17 December 2010).

The key stakeholders included:

- Department of Communities
- Department of Education and Training
- Department of Employment, Economic Development and Innovation
- Department of Environment and Resource Management
- Department of Local Government and Planning
- Department of the Premier and Cabinet
- Department of Transport and Main Roads
- Queensland Health
- Queensland Police
- Queensland Treasury
- local governments, including:
 - Toowoomba Regional Council
 - Western Downs Regional Council
 - Maranoa Regional Council
 - Balonne Shire Council
 - Banana Shire Council
 - Goondiwindi Regional Council
 - Southern Downs Regional Council
- industry and community representatives.

Acknowledgments

The SBRPF is the result of contributions from a wide range of government and stakeholder groups and the community. Although it is not possible to list all of these contributors individually, their assistance is acknowledged and appreciated.

The contributions of the following groups are acknowledged:

- regional interest groups
- state agencies
- local government
- industry and community representatives.

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Department of Local Government and Planning

PO Box 15009 City East Qld 4002 Australia

Tel +61 7 3227 8548

info@dlpg.qld.gov.au

www.dlpg.qld.gov.au

Surat Basin Future Directions Statement



Foreword

Development in the Surat Basin region presents Queensland with a significant opportunity to build a prosperous future. We owe it to ourselves and future generations to seize this opportunity and ensure it yields maximum long term benefits. The Surat Basin region includes the local government areas of Toowoomba, Western Downs and Maranoa Regional Councils, with strong linkages through Banana Shire to Gladstone.

The region has built a well-established agricultural and food processing sector, and is now embracing the potential growth from the vast energy reserves discovered in the region.

Whole new industries are planned, based on this wealth, including a new export liquefied natural gas industry.

These new opportunities are driving rapid growth in the Surat Basin region. Queensland has on occasions seen regions and communities stressed as rapid growth has not been accompanied by adequate planning. The Bowen Basin is a recent example.

21st Century Queensland can do better. We have learnt from the approaches of the past.

We have the capacity, in partnership with local governments, industry, community leaders and local residents, to foresee needs and address many problems before they arise. Rapid economic growth generated by the development of energy resources can and will support sustainable jobs in secure, liveable communities.

The Queensland Government has listened to regional stakeholders and is committed to working in partnership to build strong economies, sustainable communities and a resilient natural environment in the Surat Basin region. Coordination of activity is critical to achieving this goal.

This is what underpins the Surat Basin Future Directions Statement.

The families living in the Surat Basin region in 2030 will enjoy an enviable lifestyle based on the high wages earned by skilled workers, and upon world class education and training.

The Surat Basin Future Directions Statement embraces the challenges of rapid growth. It plans to succeed.



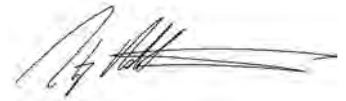
Tim Mulherin MP

*Minister for Primary Industries,
Fisheries and Rural and
Regional Queensland*



Stirling Hinchliffe MP

*Minister for Infrastructure and
Planning*



Stephen Robertson MP

*Minister for Natural Resources,
Mines and Energy and Minister
for Trade*

Executive Summary

Energy resources in the Surat Basin are driving rapid development in the region, which presents opportunities for economic development, but also puts pressure on local communities, their economies and the environment.

The Queensland Government is working with community and industry to achieve a long term prosperous and sustainable future for the Surat Basin region. Together, we have identified issues in a range of areas that require coordinated action through improved planning and policies, and new programs and services on the ground.

The Future Directions Statement takes account of the strong economic and distribution links the region has with the Gladstone region. Major infrastructure project investments support resource development and distribution in the Surat Basin region.

Whilst the Future Directions Statement focuses on the Surat Basin region, it will integrate with relevant Queensland Government initiatives in the wider region.

The Surat Basin Future Directions Statement provides a framework for a coordinated, region-wide approach to maximise the economic benefits and minimise any unintended consequences of rapid growth.

The key areas for action are:

- planning for growth
- planning and developing infrastructure
- capturing economic opportunities and building resilience
- developing a skilled workforce
- building and maintaining liveable communities
- sustaining regional environments.

This Future Directions Statement outlines new and accelerated efforts to address the issues in the Surat Basin region.

Actions are identified in these six key areas, brought together by improved coordination and collaboration across Government and amongst regional partners.

Key steps for a prosperous, sustainable Surat Basin

To deliver this Future Directions Statement, we will:

1. kickstart our response through implementation of a series of headline initiatives
2. focus the efforts of government agencies and regional stakeholders through Surat Basin Working Groups

3. share information amongst key stakeholders on how the region is changing
4. work together with local stakeholders on key planning and policy initiatives
5. release a progress report on the Future Directions Statement in February 2011.

Delivering the headline initiatives:

By March 2010:

To identify collaborative solutions for the future of the Surat Basin region, we will:

- Hold a Surat Basin Regional Development Forum with regional stakeholders to further develop the Future Directions Statement.

To facilitate greater beneficial use of Coal Seam Gas (CSG) water and assist industry in their consideration of options we will:

- Develop guidelines for performance standards to be met by beneficial uses of CSG water.

By July 2010:

To ensure that industry considers the cumulative impacts of its activities on the region and its community, we will:

- Develop guidelines to improve the consistency and quality of Social Impact Management Plans to better understand social infrastructure requirements and respond to local needs.

To address issues that have emerged between agriculture and the resources industry about access to private land for exploration and development, we will:

- Implement the Land Access Policy Framework to address land access issues between agricultural and resource sectors stakeholders.

By October 2010:

To help guide priority setting on regional planning and service delivery by government, industry and community, we will:

- Determine the preferred settlement pattern for the Surat Basin region.

To improve coordination and integration of planning we will:

- Develop a Regional Planning Framework covering the Surat Basin region. The key outputs that will be developed under the framework are:
 - regional vision
 - strategic directions
 - regional land use patterns.

By December 2010:

To ensure that the stock of housing in the region keeps up with demand, we will:

- Develop a resource town housing affordability strategy, to improve the availability of quality affordable land and housing.

To help guide transport priority setting by government, industry and community, we will:

- Conduct a Regional Transport Investigation, and develop a Regional Transport Strategy covering various transport modes as well as alternative or complementary non-infrastructure solutions to transport issues. This will inform subsequent transport strategy preparation and more detailed transport planning during 2011 and 2012.

To broaden the region's economy, and capture the benefits of the resources boom locally, we will:

- Develop an Economic Strategy for the Surat Basin region, focussing on driving growth in energy, agriculture and food processing, helping local businesses to improve their position, and attracting new investment to take advantage of the region's growth potential.

To meet the skills and labour needs of industry, local business and the community, we will:

- Develop a coordinated Workforce Development Plan in partnership with regional stakeholders.

To provide industry with greater flexibility and improve Government's ability to manage potential environmental impacts of CSG water disposal and use options we will:

- Introduce an adaptive approvals regime to allow existing approvals to be altered, should significant unintended environmental outcomes occur.

To address issues that have emerged between the region's traditional strength, agriculture, and its emerging resource industries, we will:

- Refine the strategic cropping land policy and develop the planning framework.

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Surat Basin Future Directions Statement

Purpose and scope

The development of the energy resources in the Surat Basin will drive significant change in the region over the next 20 years and beyond.

Experience in the Bowen Basin showed that rapid expansion of mining resulted in significant environmental, social and economic impacts, including cumulative impacts on local communities.

These impacts occurred in the Bowen Basin and the broader region encompassing the coastal communities of Mackay, Rockhampton and Gladstone.

It is clear that a coordinated approach is essential to address both the issues and to support and manage the opportunities of growth.

The Surat Basin Future Directions Statement takes account of development in the Gladstone region, which influences the Surat Basin region's resource development activities.

It also incorporates linkages with the Federal Government to increase support and funds to benefit the Surat Basin region.

The Future Directions Statement is a high level document to bring key stakeholders together to develop a coordinated region-wide approach to the complex and cumulative impacts of this change.

It takes a holistic view of the region, considering economic, social and environmental elements as the array of issues and opportunities cannot be tackled in isolation.

The Future Directions Statement provides a model of how government can better coordinate to deliver regional development outcomes that both support and manage growth.

The Future Directions Statement:

- sets out an effective framework to shape a prosperous and sustainable Surat Basin region to 2030
- identifies the major issues facing the region, and provides an integrated approach to how the region will address those issues
- establishes clear mechanisms to coordinate the work of the Queensland Government and Surat stakeholders.

The wealth generated by harvesting the resources of the Surat Basin region will increase the ability of the Queensland Government to provide services for all Queenslanders, including the residents of the region. The Future Directions Statement does not contain spending commitments, but establishes a way for the Queensland Government to consider the needs of the region in its own planning and prioritising, providing a way for stakeholders to invest in a coordinated way for an agreed future for the region.

While the Future Directions Statement takes a long term view to 2030, it also recognises that some actions need to occur now. Due to the rapid pace of development, the Future Directions Statement will adapt and respond to emerging issues.

Ongoing consultation with regional stakeholders will occur to ensure the initiatives remain focused on the key issues for the region. Regular updates will be undertaken to ensure the implementation of actions within the Future Directions Statement align with other major initiatives. This includes regional planning, and development of a cumulative growth management framework.

The Future Directions Statement contains a series of headline initiatives that will be undertaken to February 2011. The initiatives combine activities that will deliver practical outcomes quickly, as well as addressing some priority issues. For example a preferred settlement pattern will be determined within six months. The results will inform other planning activities and strategies such as a Housing Affordability Strategy, a Regional Transport Investigation, and an Economic Development Strategy.

Other headline initiatives focus on key issues such as skills and labour force shortages and gaining better outcomes for community from resource operators social impact plans.

The Queensland Government is already working with regional stakeholders and industry through a range of initiatives including the Sustainable Resource Communities (SRC) initiative. The Future Directions Statement reflects the SRC Policy's intent to strengthen the Government's coordination role; improve linkages between social impact assessment and regional planning; and foster partnerships with local government, industry and community. Consultation through this initiative has helped identify the key issues for the Surat Basin region and address short-term priorities.

The Future Directions Statement will expand on current work to identify key actions for the future. However, the Future Directions Statement itself is not the solution to the region’s issues, but is a flexible way to bring together the various elements needed for a prosperous, sustainable future for the Surat Basin Region.

Overview of the Future Directions Statement

There is a unique opportunity to anticipate and prepare for rapid growth in the Surat Basin region, to both maximise the economic and job creation benefits and minimise any unintended consequences. This requires leadership, and must be underpinned by effective partnerships between key regional stakeholders.

Development in the Surat Basin region is taking place over a large spatial area, with less certainty about the nature, pace and location of development. This differs from growth in the Gladstone region, for example, which has had more certainty and has been underpinned by a declaration of a State Development Area.

The Surat Basin Future Directions Statement establishes a framework for the Queensland Government to work with community and industry to achieve a long term prosperous and sustainable future for the Surat Basin Region.

Principles

Four principles guide this Future Directions Statement.

Effective partnerships

The scope of the opportunities and challenges will require government, industry and community organisations to work together and share responsibility for the region’s development.

Comprehensive and integrated approach

The complexity of rapid development requires a comprehensive approach to address inter-related issues and avoid unexpected impacts.

Building resilience in regional communities

Sustainable development of the region requires more than simply capitalising on rapid resource-driven growth. To withstand shocks, the region needs to develop economic diversity and liveable communities.

Adaptability and responsiveness

Rapid and uncertain development presents a constantly changing range of opportunities and challenges. The Future Directions Statement needs to be flexible, adaptable and responsive to meet this changing environment.

Elements of the Future Directions Statement

The Future Directions Statement is structured around six key elements, brought together by improved coordination and collaboration across Government and amongst regional partners:

- Planning for growth – The region will meet the challenges of growth through effective regional and local planning that directs the scale, type, location and connectivity of development.
- Planning and developing infrastructure – The needs of communities and industry will be serviced by appropriately located infrastructure.
- Building and maintaining liveable communities – The region will have a range of liveable communities, with adequate community infrastructure and services to meet the needs of residents and visitors.
- Capturing economic opportunities and building resilience – The regional economy will be strong and diverse, able to meet local needs, attract investment and respond to significant opportunities.
- Developing a skilled workforce – The region will provide diverse employment opportunities and meet the need for skilled labour through training local residents and attracting and retaining new workers to the region.
- Sustaining regional environments – The biodiversity, ecosystem processes and production values of the region’s environments will be sustainably managed.



For each of these elements, the Future Directions Statement outlines the key issues, current actions to address them, and initiatives that the Queensland Government will take to work with stakeholders in developing solutions to the region’s issues.

Coordination and partnership

Achieving the intention of the Future Directions Statement will require coordinated action to address a range of interconnected issues in partnership with key stakeholders and linked with other Government initiatives. Coordination is critical to the success of the Future Directions Statement.

Integrating with existing arrangements

The Queensland Government has already taken steps to achieve a coordinated partnership approach to issues in the Surat. In response to the issues and challenges facing resource communities, the Queensland Government developed the SRC policy, launched in August 2008. The Surat Basin Local Leadership Group, established under the SRC policy, includes Mayors of the regional councils in the Surat Basin as well as other key industry and community stakeholders. It will be a key mechanism for coordination and collaboration at a regional level and will feed issues of State-wide significance to the higher level SRC Partnership Group.

The Gladstone Social Infrastructure Strategic Plan is a joint initiative with the Gladstone Economic and Industry Development Board and the Gladstone Regional Council. The plan will be used to “better inform contributions to regional social infrastructure by current and future private development proponents and to better prioritise scarce social infrastructure funds in line with identified priorities”. The methodology and findings from this project can inform social infrastructure considerations in the Surat Basin region.

In recognition that the cumulative impact from several projects creates significant challenges, the Queensland Government is preparing a generic Cumulative Growth Management Framework that can be used in any region confronting these challenges. The Framework will focus on processes to assess cumulative impacts and mechanisms to implement the outcomes of the Environmental Impact Statement (EIS) process. The Framework will also consider the issue of industry contributions to cumulative impacts of growth, and negotiations with relevant stakeholders will be undertaken as part of the Framework development process.

The Surat Basin Future Directions Statement will inform the development of the Framework, through capturing issues and potential responses, as well as lessons about collaboration and coordination and communicating this advice to the governance groups associated with the Framework.

There are many other examples of coordination and partnership already underway.

- Maranoa Regional Council is working to increase the amount of affordable housing in the region through the Rural Housing Service Centre, in collaboration with the Queensland Government.
- Establishment of the Land Access Working Group.
- The Liquid Natural Gas (LNG) Industry Unit is collaborating across Government on development in the LNG industry through implementation on the LNG Blueprint.
- Regular updates from the Queensland Government to provide regional councils with advice on mining and petroleum activity in order for them to better plan road, rail and air infrastructure and better manage demands on sewerage and water needs.
- A joint Department of Employment, Economic Development and Innovation – Industry Development (Resources, Energy and Manufacturing) and Department of Environment and Resource Management office in Roma, focusing on information dissemination, compliance and enforcement activities.
- A joint Department of Employment, Economic Development and Innovation and Department of Infrastructure and Planning initiative on the provision of future regionally significant industrial lands within the Surat Basin.
- A Department of Employment, Economic Development and Innovation – Industry Development (Resources, Energy and Manufacturing) Community Liaison Officer, to assist in providing landowners with better information and a network of contacts with other Government agencies regarding issues associated with resource exploration and development.
- The Government is developing networks, building relationships with industry and supporting organisations such as the Surat Basin Corporation to foster regional development.

Enhanced coordination

In addition to the existing mechanisms mentioned above, the Future Directions Statement will involve the following coordination mechanisms:

- A Steering Committee to provide high level direction and resolution of cross-agency matters arising from the Future Directions Statement. The Committee will also raise issues to and seek support from the Federal Government through inter-governmental channels such as the Council of Australian Governments, Regional Development Council and various National Taskforces such as the National Resource Sector Employment Taskforce. The Steering Committee will include the

following Queensland Government agencies: Employment, Economic Development and Innovation; Infrastructure and Planning; Environment and Resource Management; Transport and Main Roads; Treasury Commercial Division and Communities. There will also be representation from local governments in the region and the Federal Government. External members will include major employers and union representatives. Additional members will be identified and included as the Future Directions Statement is implemented.

- Working groups around each of the key elements of the Future Directions Statement, including key government and non-government stakeholders, will develop and implement responses to issues.
- Coordination Team led by the Department of Employment, Economic Development and Innovation and Department of Infrastructure and Planning to coordinate State Government activity associated with the Future Directions Statement, act as a coordination point for communications between relevant groups and liaise with senior agency representatives on key issues. It will support and coordinate the Future Directions Statement's working groups.
- A Surat Basin Regional Development Forum will occur in March 2010 to develop a detailed implementation plan in partnership with stakeholders.
- Regular review of the Future Directions Statement and associated governance structures to ensure it remains flexible and responsive to the rapid evolution of the region.

The Future Directions Statement will be implemented across Government and in collaboration with regional stakeholders. The partnership approach to implementation of the Future Directions Statement features:

- shared commitment by all stakeholders to achieving a prosperous and sustainable Surat Basin
- recognition that responsibility and decision-making remains with each stakeholder, including all levels of government, industry and community
- improved coordination and collaboration on decision-making
- fostering cooperative working relationships with the Federal Government
- expectation that all stakeholders will contribute resources to delivering the Future Directions Statement and recognition that the Future Directions Statement will provide a more informed approach to the allocation of resources by the Queensland Government and other stakeholders
- liaising with key Queensland Government initiatives in the surrounding regions that influence the development of the Surat Basin, for example in Gladstone
- recognition that actions and roles of stakeholders will evolve over time
- improved information sharing to achieve a shared understanding of the regional development issues for Surat Basin.

Coordination with the Federal Government

The high level Surat Basin Regional Development Steering Committee will communicate with and foster cooperative relationships with key committees, groups and taskforces in the Federal Government.

At the regional level the newly formed Darling Downs and Southwest Regional Development Australia Committee will be a key mechanism to champion and coordinate regional issues and priorities to the Federal Government. Their role can also include coordinating and collaborating with stakeholders for project planning and other activities.

The Committees are charged with developing a 'Roadmap of Regional Development Priorities' and this will be an opportunity to raise issues and priorities in the Future Directions Statement that are the responsibility of the Federal Government.

An important outcome from the Surat Basin Regional Development Forum in March 2010 will be identifying Federal Government programs and groups that can support the projects and initiatives developed for action under the Future Directions Statement.

Individual Government agencies and local governments will also have established linkages with Federal programs and Groups, which will help leverage resources for the Surat Basin region. Some examples are the Inter-governmental Agreement Murray-Darling Basin Reform and Joint Queensland/Commonwealth Natural Resource Management Steering Committee overseeing the development and implementation of the National Action Plan for Salinity and Water Quality and the Natural Heritage Trust in Queensland.

Coordination with Local Government

Local governments are also planning for their economic future. Local government initiatives are part of the overall planning and development environment that must be considered by the Future Directions Statement Coordination group. An example is the recently released Maranoa Regional Council Economic Development Strategy.

The Maranoa Regional Council Economic Development Strategy contains a five year direction to grow the local economy.

Key strategies are grouped by seven themes:

- attracting and encouraging new business
- supporting and assisting current business
- expanding the local market
- promotion, marketing and event attraction
- utilising natural resources
- best uses for existing facilities, land and resources
- building community capacity.

This local government strategy complements the region-wide approach for the Surat Basin Future Directions Statement.

Resources

The key initiatives and future projects identified in the Future Directions Statement are based on current agencies' resources. However, the collaborative approach to funding may lead to increased access from other funding sources, for example:

- Through the SRC initiative – Local governments in resource communities, including the Surat Basin, have identified projects for funding consideration under this initiative.
- Priorities identified in the Future Directions Statement can guide consideration of projects.
- Commonwealth funding programs, particularly through the Regional Development Australia roadmap.
- Resource development proponents interested in supporting community project initiatives, can increase the impact of their investment by aligning with the Future Directions Statement.

Relationship with regional planning

The regional planning process is one of the most significant Government activities for regional development. It plays a key role in helping Queensland communities meet the challenges associated with rapid growth, population change and the increasing demand for public services at a local level. The Sustainable Planning Act 2009 provides a framework for coordinating and integrating planning at the regional level to seek ecological sustainability.

In late 2006, the State Government commenced an accelerated regional planning program, which included:

- developing and implementing a consistent and contemporary framework for effective regional planning across Queensland
- accelerating implementation of the existing regional plans
- delivering regional plans in rural Queensland.

As part of this process, the Maranoa-Balonne Regional Plan was developed, covering the western part of the Surat Basin region. One of the major initiatives of the Future Directions Statement is to undertake further work to ensure the entire region is covered by an effective Regional Planning Framework.

The Future Directions Statement will provide an overview of regional development issues such as planning, infrastructure provision, economic development, government services and regional liveability. This approach takes a broader perspective than the statutory requirements of the regional planning process.

The Future Directions Statement will provide guidance to development of the Surat Basin region and help inform the development of a Statutory Regional Plan for the Darling Downs in the long term and review of the Maranoa-Balonne Regional Plan. The key outputs that will be developed under the framework and delivered by October 2010 are:

- regional vision
- strategic directions
- regional land use patterns.

Surat Basin region

About the region

The Surat Basin region, in Southern Queensland, covers the local government areas of Toowoomba, Western Downs and Maranoa, with strong linkages through Banana to Gladstone. A map showing the major towns is below. Toowoomba is a major regional city, offering a high level of education, health and other services. Dalby and Roma are the other major regional centres, with a number of other smaller communities such as Miles and Chinchilla spread throughout the region. The region is close to South East Queensland and the Wide Bay Burnett regions – Roma is 475 km from Brisbane and 500km from Maryborough, while Dalby is 200km from Brisbane and 300km from Maryborough. Development in the region also has the potential to impact on a broader area, including northern New South Wales and beyond.



Source: Compiled by the Department of Employment, Economic Development and Innovation 2009

People

The estimated resident population of the Surat Basin region in June 2008 was around 199,000 people, which was largely concentrated in Toowoomba Regional Council (155,000). The remaining population was distributed between Western Downs Regional Council (31,000) and Maranoa Regional Council (13,000).

Population projections indicate that the Surat Basin's resident population may increase by between 47,100 (medium series) and 63,400 (high series) from 2008 to 2021. Almost 90 per cent of this projected growth is likely to occur in Toowoomba Regional Council area, with Western Downs Regional Council area receiving most of the remaining growth. Council and company activity to attract workers and their families to the region may lead to permanent resident populations higher than current projections, which are due for revision in 2010.

Table 1. Medium and high series population projections for Surat Basin, 2008 series.

Reformed LGA	ERP, 30 June 2001	ERP, 30 June 2008	Projected population (medium series)			Total population change, 2008-21
			2011	2016	2021	
Western Downs (R)	29,277	30,869	31,620	33,037	34,477	3,608
Maranoa (R)	12,610	13,145	13,521	13,918	14,438	1,293
Toowoomba (R)	137,593	155,124	166,289	181,154	197,340	42,216
Surat Basin total	179,480	199,138	211,430	228,109	246,255	47,117

Reformed LGA	ERP, 30 June 2001	ERP, 30 June 2008	Projected population (high series)			Total population change, 2008-21
			2011	2016	2021	
Western Downs (R)	29,277	30,869	32,445	35,011	37,679	6,810
Maranoa (R)	12,610	13,145	13,808	14,594	15,457	2,312
Toowoomba (R)	137,593	155,124	169,291	188,265	209,415	54,291
Surat Basin total	179,480	199,138	215,544	237,870	262,551	63,413

Source: PIFU, 2008 population projections. (ERP) – estimated resident population.

With the expected resource developments, the region is also anticipated to have a large number of non-resident workers, with a potential peak as high as 4,900 persons between 2011-2012, of which approximately 3,200 persons could be based in Western Downs Regional Council region area.

Rapid growth has led to a tight labour market in the region. However, education levels in the region are lower than the Queensland average, with fewer achieving year 11 or 12 or a higher qualification. At the time of the 2006 Census, health care and social assistance was the largest industry of employment for Surat Basin usual residents (12.9 per cent). Other industries with relatively large numbers of employed persons included Retail Trade and Education and Training.

In parts of the region, persons of Aboriginal or Torres Strait Islander origin form a significantly higher percentage of the population than the Queensland average (3.3 per cent), making up 7.4 per cent of the population of Maranoa Regional Council. In contrast, the region has a lower percentage of population who stated they were born overseas, with 8.0 per cent of the total population compared to 17.9 per cent for Queensland.

The region also has a higher proportion of people in the most disadvantaged category (24.7 per cent), and fewer in the least disadvantaged category (14.8 per cent), compared to Queensland (20 per cent for both). The Socio-Economic Index of Disadvantage focuses on low-income earners, relatively lower education attainment, high unemployment and dwellings without motor vehicles.

Regional environment

This area straddles three bioregions, the Southern Brigalow Belt, the Mulga Lands and a small portion of the South East Queensland Bioregion. As such it contains a range of landscapes and vegetation communities from dense softwood scrubs to open native grasslands.

Whilst much of the region has been extensively cleared for agriculture, with highly productive soils in the east, the region still contains significant areas of remnant native vegetation. These areas provide important habitat for a range of native flora and fauna. Significant species include the Yakka Skink, Brigalow Scaly Foot legless lizard, Dunmall's Snake, Ooline and Shiny-leafed Iron Bark.

National Parks and State Forests are spread across the region and incorporate important examples of the region's biodiversity. The state forest areas, such as Barakula and Dunmore State Forests, provide cypress pine as well as habitat for a number of rare and threatened species in the region. Well known protected areas in the region include Bunya Mountains National Park and Chesterton Range National Park. Other important natural areas in the region are protected as voluntary nature refuges over areas of freehold land.

The Surat Basin area takes in five major inland catchments including the Moonie, Brisbane, Condamine-Culgoa, Border and Burnett rivers. The major rivers of the Condamine and the Balonne

form part of the headwaters of the Murray-Darling river system. The region also contains a number of significant non-riverine wetland areas including the nationally important Gums Lagoon and Lake Broadwater.

The average annual rainfall ranges from 944mm at Toowoomba, to 606.8mm at Dalby and 559mm at Roma. The groundwater resources of the region are significant and extensively developed. They comprise aquifers of the Great Artesian Basin, including the Walloon Coal Measures as well as fractured and alluvial systems. Groundwater supports a range of water supply purposes including irrigation, urban, commercial, industrial, aquaculture, stock and domestic.

Rapid growth: Opportunities and challenges

Growth projections based on a medium-level scenario for potential resource development in the Surat Basin include:

- production of coal and CSG is expected to increase ten-fold by 2031 from current levels
- Gross Regional Product will double by 2031 to approximately \$9.3 billion as a result of this activity, with the most rapid increase occurring between 2014 and 2018
- employment in the area is projected to increase by an additional 12,500 full time equivalent positions in the same timeframe, in addition to potential job growth from other sectors outside of resource development and its associated industries. (AEC Report 2008)
- population growth is projected to increase by 44 per cent between 2006 and 2031 (PIFU 2008 medium series projections).

Key impacts

As well as economic opportunities, this rapid and unpredictable growth presents a number of challenges. Lessons learned from the Bowen Basin indicate that rapid expansion of mining resulted in significant environmental, social and economic impacts on local communities. These impacts occurred both in the Bowen Basin region and the broader region encompassing the coastal communities of Mackay, Rockhampton and Gladstone. Mining activity had an increasingly cumulative effect on the region.

- Significant pressure on social infrastructure such as:
 - housing affordability and availability
 - education facilities
 - social support services such as child care, health care including mental health, domestic violence and youth justice services
 - community facilities including sport and recreation.
- Significant increased pressure on community members that are socially excluded or at risk of social exclusion.
- Impacts on amenity from increased development.
- Changes in community dynamics due to dominance of single men and shift workers.
- Significant pressure on economic infrastructure such as:
 - roads – both State and local government controlled
 - rail infrastructure and rolling stock
 - power supplies
 - water supplies
 - waste treatment.
- Decrease in land availability, and conflicts between different land uses.
- Appropriate provision for and location of industrial lands to meet regional industrial development needs.
- Road safety impacts from increase in heavy and over-dimensional road traffic, and fatigued drive-in drive-out workers.
- Skills and labour shortages, for mining and agri-food operations, as well as other businesses.

The pattern of development in the Surat Basin will differ from the Bowen Basin due to the unpredictable nature of its growth, the presence of established communities, the more dispersed nature of gas developments compared with coal mining, and the significant cropping and other agricultural enterprises in the region. However, it is likely that without proactive and comprehensive action, many of the same impacts will be felt in the Surat Basin.

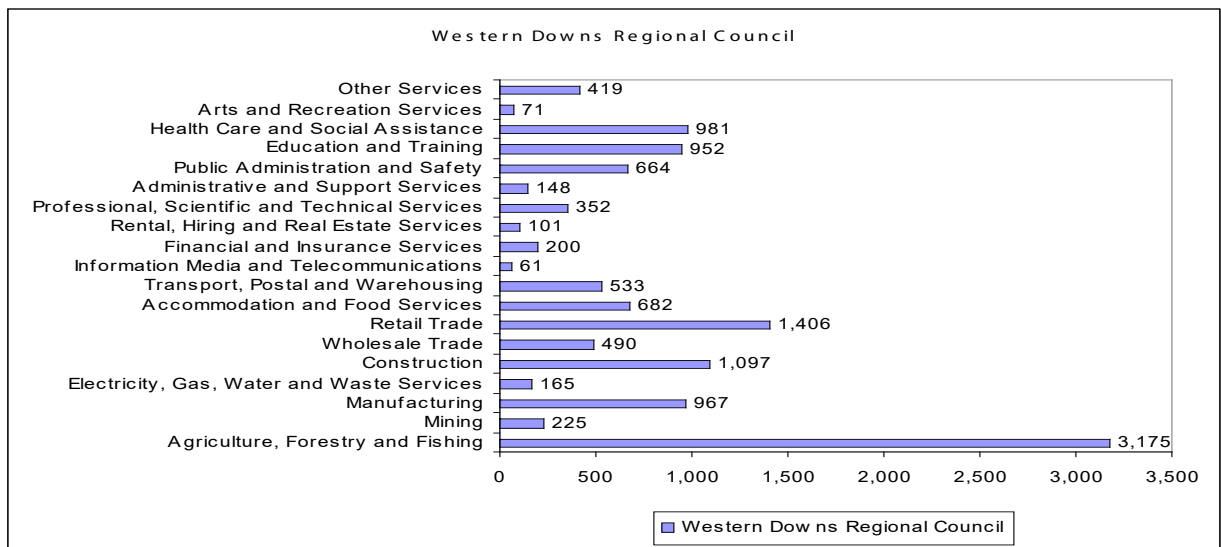
Industry and employment

The two key sectors in the region are the expanding energy industry and the well-established agriculture and food production sector. Both of these sectors make substantial contributions to the State and local economies, are major regional employers and key export contributors. These two sectors are underpinned by the region's significant reserves of energy resources, as well as soil and climate highly suited to diverse agricultural production including beef, field crops (including grains, cotton and pulses) and wool. As well as energy and agricultural production, other industries in the region include metal and machinery manufacturing, fibre composites, food and wine processing and education and training. The region's sustainable future depends on balanced development of the economy over the long term.

Rapid growth has led to a tight labour market in the region, with a current unemployment rate of 2.1 per cent in the Darling Downs-South West region, which largely represents the Surat Basin. However, education levels in the region are lower than the Queensland average, with fewer achieving year 11 or 12 or a higher qualification. At the time of the 2006 Census, Retail Trade was the largest industry of employment for Surat Basin usual residents. Other industries with relatively large numbers of employed persons included agriculture, forestry and fishing, and health care and social assistance. The highest specialisation ratios in the region occurred in the industries of agriculture, forestry and fishing, education and training and electricity, gas, water and waste services.

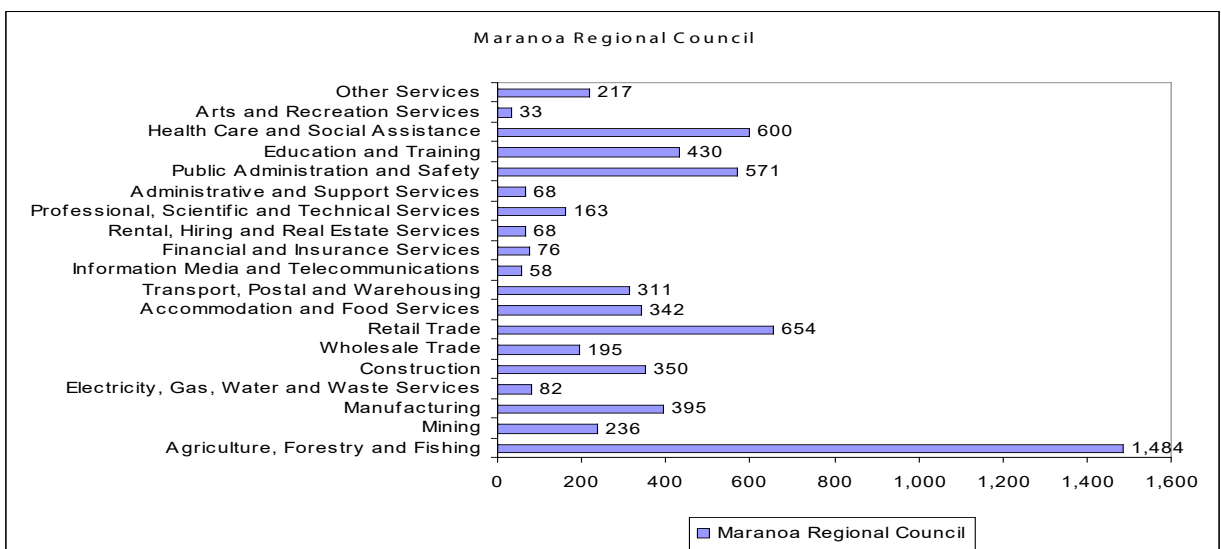
Figures 2 – 6 show employment by industry for the local government areas of Western Downs, Maranoa, Toowoomba, Banana and Gladstone.

Figure 2 Employment by Industry – Western Downs Regional Council (2006)



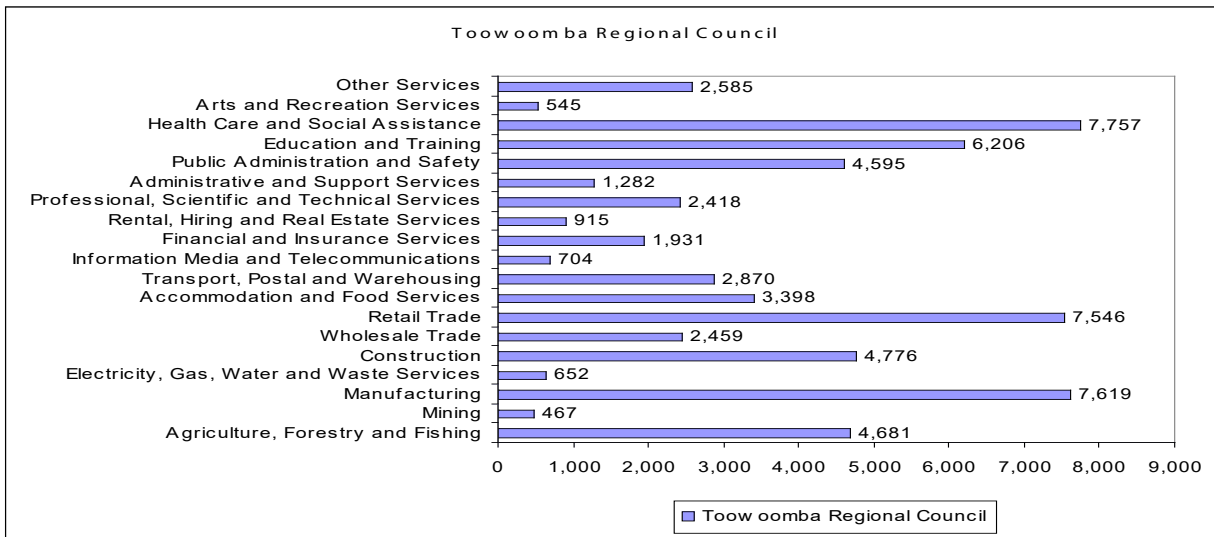
Source: Australian Bureau of Statistics, Census of Population and Housing, 2006, Basic Community Profile – B42

Figure 3 Employment by Industry – Maranoa Regional Council (2006)



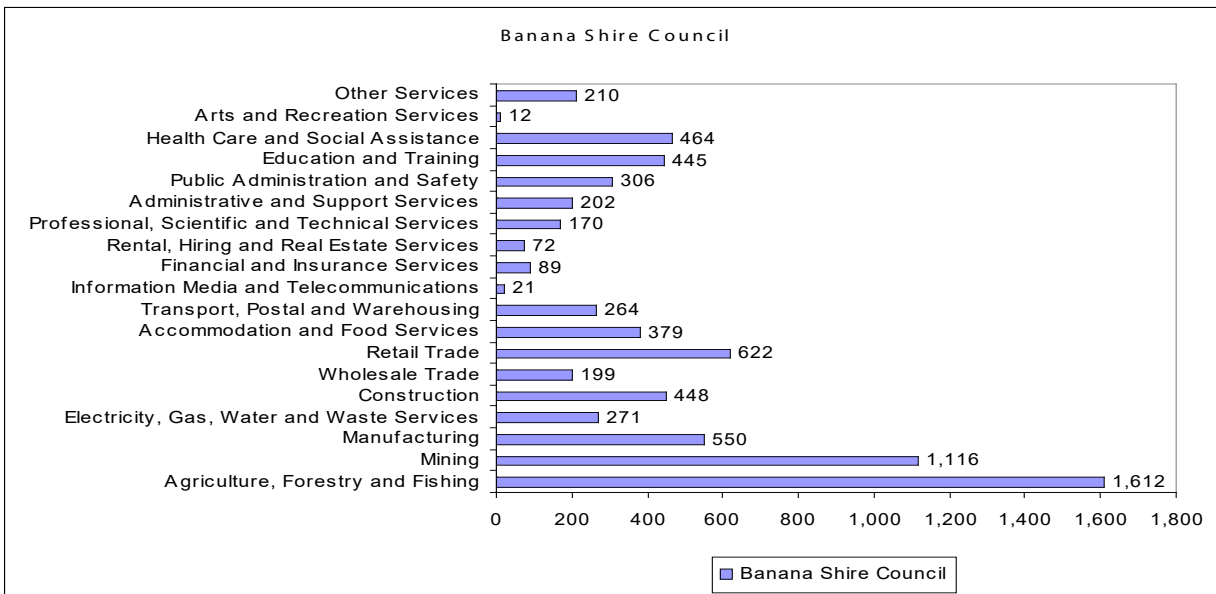
Source: Australian Bureau of Statistics, Census of Population and Housing, 2006, Basic Community Profile – B42

Figure 4 Employment by Industry – Toowoomba Regional Council (2006)



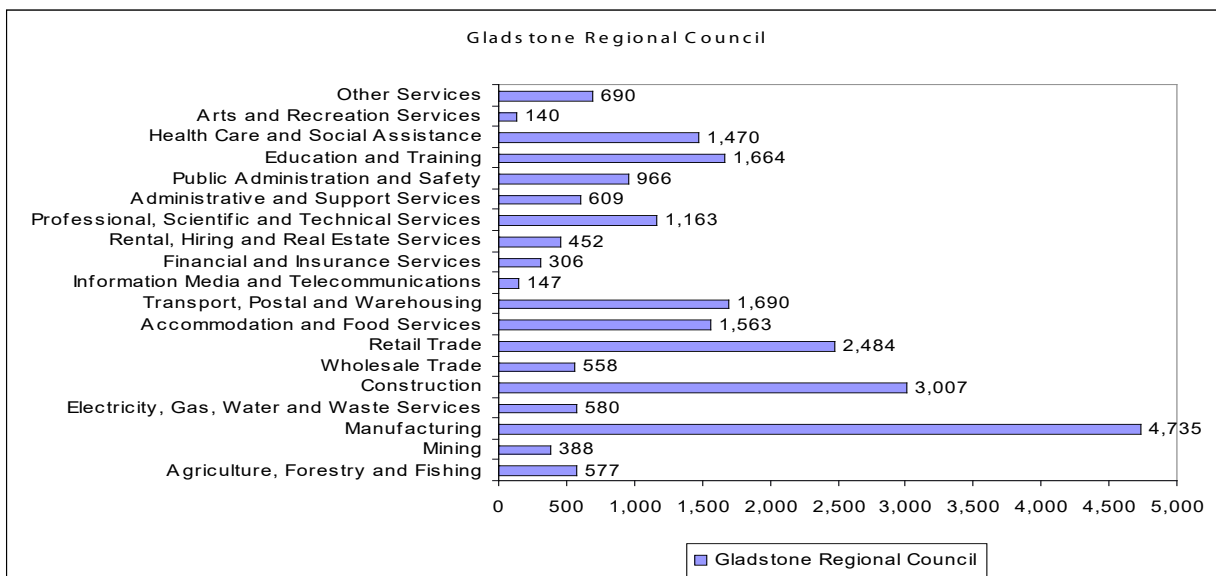
Source: Australian Bureau of Statistics, Census of Population and Housing, 2006, Basic Community Profile – B42

Figure 5 Employment by Industry – Banana Shire Council (2006)



Source: Australian Bureau of Statistics, Census of Population and Housing, 2006, Basic Community Profile – B42

Figure 6 Employment by Industry – Gladstone Regional Council (2006)



Source: Australian Bureau of Statistics, Census of Population and Housing, 2006, Basic Community Profile – B42

Expected growth in the region is likely to create significant flow-on employment outside the energy supply chain. This employment is likely to occur mostly in the key sectors of electricity, gas and water; finance and insurance; transport and storage; manufacturing and construction. The occupational groupings of intermediate production and transport workers, and tradespersons and related workers are expected to be the major skill requirements.

Key regional sector – Energy resources and production

The Surat Basin region has the majority of the State's known CSG reserves and significant accessible thermal coal reserves. There are also crude oil and natural gas reserves in the Region. The coal resource has the potential to be used in a variety of different ways, including extraction of CSG, underground coal gasification, and mining of the coal itself.

Coal

- The region contains large resources of high volatile thermal coal that occur in a number of relatively shallow deposits suitable for open cut mining. The coal is highly suitable for electricity generation and two major mine-mouth coal fired power stations have been commissioned in Queensland since 2002, at Millmerran in 2002 and Kogan Creek 2007.
- Other developed coal mines in the region include New Acland and Wilkie Creek, while the Cameby Downs Mine is under construction.
- Several other coal projects targeting the export market are in the planning phase, the most advanced being the large Wandoan Coal Project. The project would comprise a number of open-cut coal mines, with an estimated mine life in excess of 30 years, producing approximately 30 million tonnes per annum of run-of-mine thermal coal. This project depends upon construction of the Surat Basin rail link to enable haulage of the coal to the Port of Gladstone.
- According to figures collated by Industry Development – Resource, Energy and Manufacturing for 2007-08, the four operating coal mines in the Surat Energy Resources Province, Commodore, New Acland, Wilkie Creek and Kogan Creek, produced a total of 12.12 million tonnes of saleable coal during that year.
- A total of 6.19 million tonnes of coal was delivered to the Millmerran, Kogan Creek and Swanbank coal-fired power stations from the Commodore, Kogan Creek and New Acland mines and an additional 0.40 million tonnes were supplied to other domestic users.
- In 2007-08, a total of 5.23 million tonnes, with a sales value of more than \$350 million (free-on-board), were exported from the New Acland and Wilkie Creek mines through the Port of Brisbane to customers in Chile, Japan, Korea, Taiwan and USA.
- At 30 June 2009 these four mines were recorded as providing total of 694 direct jobs that included 532 employees and 162 contractors.

Coal Seam Gas

- Gas present in deeper underground coal seams is obtained by reducing the pressure in the seam through the extraction of CSG water. This CSG is largely methane.
- CSG exploration has accelerated in recent years, driven by increasing domestic demand for gas-fired power and the potential for Liquefied Natural Gas (LNG) exports.
- A major factor has been the Queensland Gas Scheme, which requires 13 per cent of the power sold by electricity retailers in Queensland to be sourced from gas-fired generation. Building on the success of this scheme, the Government introduced amendments via the *Clean Energy Act 2008* on 29 April 2008, increasing the mandatory target to 15 per cent in 2010, and creating the power to allow further increases up to 18 per cent.
- In 2000, when the Scheme was announced, CSG was supplying around 2 Petajoules (PJ) of gas a year – less than 5 per cent of Queensland's gas requirements. By 2008 CSG was supplying around 85 per cent of Queensland's gas.
- In 2008-09 fiscal year approximately 151 PJ of CSG was produced in Queensland.
- As at 30 June 2009 2P (proved and probable) CSG reserves total were 18 289 PJ. (Refer Figure 7 showing CSG production in the Bowen and Surat Basins).

Figure 7 CSG production

Annual CSG production — Bowen and Surat Basins



Liquefied Natural Gas

- There is some uncertainty about the timing and scale of LNG industry development in Queensland, but eight export LNG plant proposals have been announced involving Australian and international companies. A number of proponents aim to reach their Final Investment Decision on their projects in 2010.
- Global demand for LNG is likely to increase, due to growing demand for energy and the lower emissions profile of gas compared to coal.
- The LNG industry is dominated by global players who assess the profitability of alternative projects around the world. Currently Qatar and Nigeria dominate production of LNG, while in Australia there are major projects in Western Australia (Gorgon and Pluto projects) and Darwin (ConocoPhillips).
- CSG also provides scope as a component of value added products, such as nitrogen fertilisers and a range of other chemicals.

Underground Coal Gasification

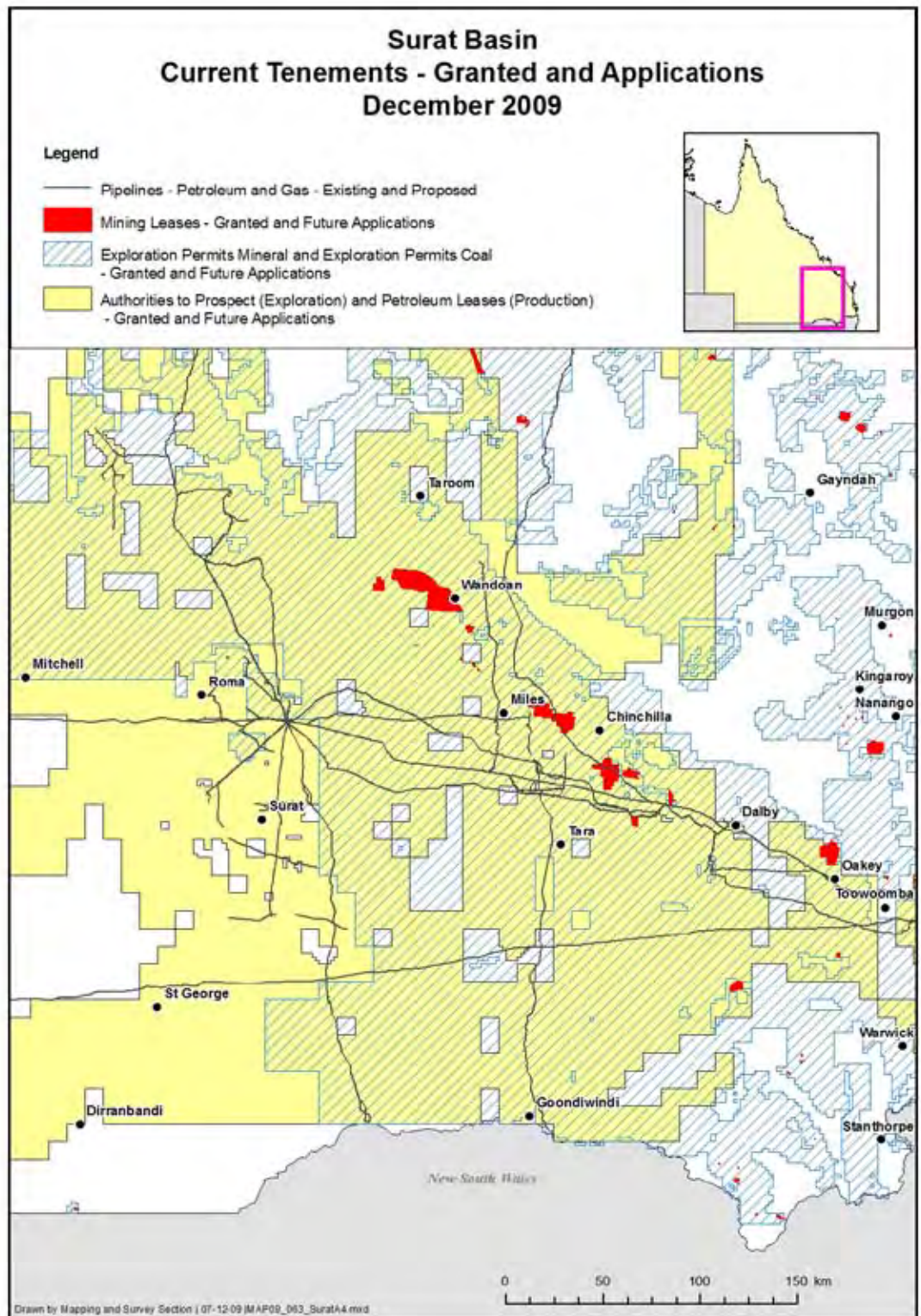
- Underground Coal Gasification (UCG) is a developing technology, currently being piloted in the region. The coal is ignited underground in a controlled burn and the extracted hot gases are processed to produce liquid hydrocarbons such as low sulphur diesel fuel, and chemicals. Alternatively, the gas may be combusted to generate electricity.
- Three pilot projects will be assessed over coming years, to determine the future viability of a prospective UCG industry in Queensland, with this pilot phase due for completion by the end of 2012.

Energy production supply chain

- Development of both coal mining and CSG production to supply new power generation facilities around the towns of Millmerran, Chinchilla, Dalby and Roma have created opportunities for local business. A number of other coal and gas-fired power stations are proposed for the region.
- Value adding opportunities, beyond the extraction of the coal or gas include gas to liquids, coal to liquids, fertiliser, ammonium nitrate, and alternative fuels.
- There may also be potential to use CSG water in a range of applications, including emerging technologies for algae cultivation to capture carbon dioxide and generate renewable diesel.
- Supply chain opportunities include: engineering and construction; environmental and business services; manufacturing; scientific research; road, rail and air transport and logistics; education and training; accommodation and hospitality; and health services. There is considerable potential to attract international and interstate business clusters to the region.
- Field developments including gas field drilling, earth moving and workcamp construction, and long term service and maintenance contracts provide the best supply chain opportunities for local companies in the short term.

Figure 8 shows current and potential resource development activities for exploration, mining and production in the Surat Basin.

Figure 8 Surat Basin current and potential future mining and exploration activity



Map legend:

Yellow areas – current and proposed tenements for prospecting and production for petroleum and gas that have been granted or applied for under the Petroleum and Gas (Production and Safety) Act 2004.

Blue hatched areas – current and future applications for mineral and coal exploration permits.

Red areas – Mining Leases, either granted or under application, under the Mineral Resources Act 1989. Most leases shown are for open cut coal mining.

Lines – current or proposed oil or gas pipelines. Most of the pipelines shown between Roma and Dalby are for the transportation of CSG.

Outlook and challenges

- The policy response to climate change is likely to have a major impact on the demand for energy resources. Global demand for LNG is likely to increase, due to its lower emissions profile compared to coal, while the demand for thermal coal may decline.
- The development of future coal-fired power stations in the region will require commercialisation of currently unproven carbon capture and storage technologies. As well as servicing export markets, the gas reserves provide potential for reducing Australia's high emissions profile.
- The region also holds potential for hybrid renewable systems, making use of the region's solar, geothermal and wind resources.
- The development of the region's energy resources will require major investment in infrastructure such as pipelines, rail and roads. There is likely to be a significant flow-on effect to other sectors, particularly construction, transport and logistics.
- Large-scale manufacturing facilities of products such as nitrogen fertiliser could use CSG as a feedstock, but will require adequate transport capacity to ports to be viable.
- Water produced during CSG extraction provides a potential resource for the region, but also presents issues for treatment and management.

Key regional sector – Agriculture, food processing and associated agribusinesses

The region has a strong existing agriculture and food processing sector. The region is favourable for agriculture and food production due to good access to domestic and international markets, access to large numbers of livestock bred within the region as well as other parts of the State, local saleyards including the State's largest selling centre at Roma, and good access to road transport and value-adding facilities. The major agricultural field crop products include wheat, barley, sorghum, sunflower, soy beans and cotton. Livestock production is primarily beef, but includes wool, meat sheep, pork and poultry products. Intensive livestock industries are concentrated in the region and based around local feed grain supply and proximity to markets.

Current industry

- The total value of agricultural production in the Surat Basin in 2005–06 was \$1.58 billion, 18.2 per cent of the total value of agricultural production in Queensland.
- Livestock slaughtering accounted for \$985.3 million or 62.3 per cent of the region's total value of agricultural production, and livestock products were valued at \$118.9 million.
- Field crops accounted for \$478.3 million or 30.2 per cent of the regions total value of agricultural production.
- The region produced 11.5 per cent of the total value of field crops in Queensland, and 23.9 per cent and 28.6 per cent of the total value of Queensland livestock slaughtering and livestock products respectively.
- There are also a growing number of niche and boutique producers including wineries, small herb processors, confectionary manufacturers, and organic foods, particularly chicken and grains.
- Mill-gate production in the forestry sector, principally in the cypress pine processing sector, totalled approximately \$50 million in 2005-06.
- In addition to the direct economic contribution of the agriculture and food processing industries, the sector supports upstream and downstream industries including agricultural inputs (e.g. fertilisers, logistical services), food wholesale and retail, and food services (e.g. catering, restaurants and cafes).

Outlook and challenges

- Demand for agriculture and food products is set to grow strongly in coming decades as populations and markets expand. The sector has remained resilient through prolonged drought, and has demonstrated its ability to withstand short-term volatility and generate increasing wealth over the longer term.
- Feed grains from the Surat region are becoming increasingly important to the Queensland economy, reflecting rising commodity prices and the changing consumption pattern of developing countries towards a diet higher in protein from animal sources.
- Recent global trends placing pressure on international grains supply are likely to continue and have heightened the importance of the cropping industries in the Surat Basin region, particularly the grains, pulses and cotton industries.
- Increased world demand for feed grains resulting from rising ethanol demand is presenting both

opportunities and challenges for different parts of the sector.

- Feedlots are increasing, with the region having most of the State's large specialist cattle feedlot capacity. Growing international and domestic demand for grain-fed beef is driving this trend.
- The traditional use of sheep for wool is shifting to favour sheep meat products, including live exports. The region has the potential to supply increased sheep meat outputs to the domestic and local market.
- The poultry industry is also growing in some parts of the region as producers transfer from South-East Queensland.
- Production in the forestry sector is expected to remain relatively stable, but changes in state-owned lands tenure and management is expected to result in industry restructuring and changes in the location of centres of sawmilling activity.
- There is an increasing need for Research Development and Extension for improved profitability and sustainability of the Surat Basin's leading agricultural industries, including beef, grains, pulses and cotton.
- Climate change is a major challenge for the sector. Recent predictions by the Queensland Office of Climate Change indicate that the region will experience higher temperatures, increased evaporation, and decreased rainfall in the coming decades. As a result, adaptation and mitigation strategies are needed.
- Increased government and community emphasis on environmental sustainability places pressure on producers to adapt best practices.
- Increasingly, new agricultural ventures based on delivering a range of environmental services will supplement economic returns from traditional activities.
- The expanding mining and energy industry will cause competition for land, water and infrastructure.
- Workforce shortages will be exacerbated by inability to compete with mining /energy sector wage packages.
- Opportunities for synergies with the energy sector include the potential for irrigated agriculture using CSG water, and benefits from improved transport networks (particularly roads).

Resolving conflicts between agriculture and mining

The Government is actively addressing conflict between the two key sectors for the region, agriculture and mining. It is important that we strike the right balance between these industries, and explore opportunities for synergies, in order to achieve maximum overall community benefit. Agricultural land resources are important to Queensland. They support economic growth in regional areas, they provide a resource base for growing food in the context of increasing world food demand and they are finite in nature.

The Queensland Government is committed to the sustainable development of Queensland's land resources, including managing competing land uses to ensure balanced outcomes.

Loss of Queensland's highest value agricultural land has the potential to reduce the state's future capacity to grow crops with associated economic, environmental and social implications. Intensified land use competition for agricultural land, particularly in relation to mining development, has highlighted shortcomings in the current planning framework to conserve agricultural land.

The government is committed to addressing this gap to ensure that the state's interest in agricultural land is given due consideration in land use planning and development decisions.

A discussion paper on the Government's proposed new policy and planning framework for Strategic Cropping Land is available from the Department of Infrastructure and Planning.

Government will consult with stakeholders throughout development of the new framework.

In addition the Department of Employment, Economic Development and Innovation – Industry Development (Resources, Energy and Manufacturing) is working with key resource and agricultural sector stakeholders through the Land Access Working Group (LAWG) to develop collaborative solutions to land access issues.

The relationship between resource companies and landholders is a complex and difficult issue in the Surat Basin.

The work of the LAWG seeks to inform landholders of both their rights and obligations. A Land Access Policy Framework is currently under development, including a single Land Access Code of Conduct relating to mining, petroleum and gas activities on private land and standard conduct and compensation agreements to simplify negotiations. The Policy Framework also considers the adequacy of the current legislative frameworks and makes recommendations in relation to improvements.

Other activities to improve relationships between explorers, rural landholders and the Queensland Government include:

- publication of factsheets regarding the relevant statutory frameworks, and land access rights and obligations
- an Industry Development (Resources, Energy and Manufacturing) community liaison officer has been employed to work directly with stakeholders in the Surat Basin
- A Toowoomba-based qualified legal resource is providing legal aid advice to landholders on land access issues.

Other sectors

Other sectors in the region including speciality manufacturing, education and tourism have the potential to grow in importance to the region's economy.

- The metal and machinery manufacturing sector provides support to the agriculture sector as well as export markets in foundry, fabrication and assembly activities. The region's manufacturing firms have a long history of supplying agricultural products and services. New opportunities may arise in components for the gas industry and long term service and maintenance contracts, providing diversification for existing firms and the basis for investment attraction.
- The region also has strengths in the niche sector of fibre composites. This emerging industry sector has capabilities in research and development, manufacturing and exports for the civil construction, aviation, aerospace, marine and automotive sectors. Research and development in fibre composites is making Toowoomba a hub for new building and construction products.
- The region also has recognised expertise in distance education, specialty training and technical skills education, notably in business, science, education and engineering.
- Toowoomba is a leading regional and inter-regional centre for delivery of high standard education and training services.
- The region has potential to develop a more significant tourism industry, based on food, wine, mining and outback tourism.

Climate change and the Surat Basin region

Climate change will have a major influence on the Surat Basin region. The prevalence of emissions-intensive export industries means the region will face long-term challenges as it adapts to the introduction of a carbon price under the Commonwealth's proposed Carbon Pollution Reduction Scheme, as well as global action to mitigate emissions. There are also new economic opportunities as a carbon price supports growth in markets for CSG and renewable energy. The region will also need to prepare for the long-term physical impacts of climate change which cannot be avoided. This may have particular implications for agriculture and water use in the Surat.

Planning for growth

The region will meet the challenges of growth through effective regional and local planning that directs the scale, type, location and connectivity of development.

Planning is central to managing development and to building sustainable and liveable communities, both at a regional and a local level. Development in the region will be uneven and irregular, which creates uncertainty about the cumulative impacts on towns, businesses and infrastructure. Without a strategic approach to planning, the benefits of development cannot be fully utilised and the cumulative impacts will not be addressed. Successfully planning for growth will require a flexible and responsive approach, established around a series of desired outcomes and associated strategies.

Key issues

- The region falls within two regional plan areas (the existing Maranoa-Balonne Regional Plan and proposed Darling Downs Regional Plan).
- The region does not have a comprehensive framework to integrate different types of planning, such as land use and natural resource management.
- Planning frameworks will need to be able to assess and respond to cumulative impacts and temporary workforces.
- There is a shortage of timely information on new developments for planning decisions.
- The pace of development will place a strain on the planning resources of local government.
- Land use conflicts may arise between mining developments and other uses.

Current investment

Information and data

Fundamental to planning for infrastructure and service delivery and managing sustainable development in the Surat Basin will be access to population and other key statistical data.

The Office of Economic and Statistical Research (OESR) is the Government's Lead Agency for provision of statistical information to the government. The OESR has a number of key activities currently underway that will support planning and actions in the Future Directions Statement.

Current activities

- Preparation of updated resident population projections for Queensland Statistical Divisions and Local Government Areas (LGA) in 2010. Work on this project is under way, with the release of LGA-level results planned for early 2011.
- Continued refinement of OESR's projection model for assessing cumulative growth in the non-resident worker populations of LGAs in the Surat Basin. This model will be kept updated with workforce information on existing and planned resource projects obtained through surveys of mining companies and accommodation providers, as well as other sources.
- Monitoring of non-resident workforces in the Surat Basin, including the Surat Basin population report baseline study in 2008.
- Development and release of demographic and workforce studies for the Surat Basin in early 2010.
- Development of household projections, population and housing factsheets, land use monitoring, regional profiles and other targeted research relating to resource communities.
- Preparation of regional employment projections and detailed industry tables consistent with ABS Input-Output tables.

Planning

Across Government, specific planning, policy development and related research is already underway. A major regional planning exercise has led to the development of the Maranoa-Balonne Regional Plan. This plan starts to address some of the land use conflict issues associated with the rapid growth in the Surat Basin and will guide land use and development in the western part of the region.

Government has also started development of a policy regarding the development decisions and use of the State's best agricultural land. This will provide greater clarity for potential investors in the mining and agricultural sectors, and will also address land use conflicts. Other examples of planning activity include:

- Health Service Plan for the South West Health Services District
- Local disaster management planning
- Research into the numbers of temporary residents in the region, and estimations of the full-time equivalent population in the Surat Basin.

Future activities

Planning for the Surat Basin will identify key environmental, economic, social and cultural values, the implications of anticipated growth and establish a framework for a sustainable future responding to community needs. The development of a Regional Planning Framework and associated preferred settlement pattern will inform regional and local planning decisions, and direct the form, scale, type, location and connectivity of development. It will also inform future regional plans for the Darling Downs and Maranoa-Balonne. Key activities are:

- Implementation of the Maranoa-Balonne Regional Plan (The Maranoa-Balonne Regional Plan covers the Maranoa Regional Council and the Balonne Shire Council). The area covered by this Future Directions Statement includes the Maranoa portion of the Maranoa-Balonne Regional Plan, but also includes the Toowoomba Regional Council, Western Downs Regional Council and part of the Banana Shire:
 - Review of the plan to align with planning across the broader region.
- Development of Regional Planning Framework covering the Surat Basin region
 - Undertake Land Use Study
 - Determine likely land demands (e.g. industrial land) in the region to inform the Preferred Settlement Pattern.
- Coordination of different planning mechanisms (regional planning, town planning, natural resource planning).
- Investigate the opportunities and constraints for State land to contribute to the preferred settlement pattern.
- Investigating declaration of Urban Development Area within the region.
- New local Planning Schemes in the next 2 to 5 years.
- Improving knowledge of proposed projects and changes in population:
 - improve tracking of developments within the region to inform planning, including establishment of a projects database, covering both major and minor projects
 - monitor changes in permanent and temporary residents, and develop model to inform community planning
 - improving communication flows and consultation with local government as part of resource development decision making processes.
- Developing the Cumulative Growth Management Framework for resource communities across Queensland.

Headline

Determine the preferred settlement pattern for the Surat Basin region, to guide regional planning and service delivery.

Develop a Regional Planning Framework covering the Surat Basin region. The key outputs that will be developed under the framework are:

- regional vision
- strategic directions
- regional land use patterns.

Planning and developing infrastructure

The needs of communities and industry will be serviced by appropriately located infrastructure.

Infrastructure, such as roads, rail, and telecommunications, enables communities and industry to grow. The rapid development of the resource industry and population will place strain on existing infrastructure, and require a comprehensive response with shared responsibility between government and industry. Investment in infrastructure also needs to be strategic in nature, capable of benefiting multiple sectors over time.

Social infrastructure, such as hospitals, child care centres, education and sporting facilities, is discussed under the 'Building and Maintaining Liveable Communities' theme.

Key issues

The region's infrastructure is facing increased demand combined with rising maintenance costs and funding constraints.

Transport

- Increased demand on the capacity of regional transport infrastructure, including road and rail
 - Strong demand on the rail system for export coal movements, while rapid traffic growth to support industry inputs and services as well as movements of workers and families
 - Competition between agricultural and mining uses for transport, and increasing dependency for the agriculture sector on road transport
 - Impact of over-mass and over-dimensional vehicles and increased heavy vehicle traffic and rail movements on road pavements, the safety of other road users and community amenity
 - Cumulative impacts on the roads network both within and beyond the region on account of major projects
 - Existing EIS process may not completely capture the impact on regional transport networks.
- Need for Federal funding to upgrade key roads in the region.
- Need for catalytic infrastructure, such as Surat Basin Rail, rail south Wandoan, the Western Rail Line, inland N-S rail line, intermodal transfer facilities and port infrastructure to facilitate developments.

Energy

- Increased demand on electricity and power infrastructure.
- Availability of gas for the expanding domestic market.

Land

- Increased demand for appropriately sized and located industrial land.
- Land use conflict between the agriculture and energy sectors.

Water

- Increased and competing demands on water supply for new urban and industrial development, mining and rural industries.
- Severe limitations on water resources in the Murray – Darling Basin and the Great Artesian Basin.

Extractive resources

- Increased demand for hardrock, sand and other extractive resources to support infrastructure development.

Telecommunications

- Inadequate telecommunications infrastructure, including mobile and broadband internet, for the growing population, temporary residents and business connectivity.

Coordination and long-term planning

- Delivery of a high volume of infrastructure requires effective coordination.

Current investment

The Queensland Government is delivering infrastructure to support growth and to enhance the liveability of the Surat Basin region, with projects including major public and industry infrastructure covering road, rail, energy, industrial land, water and telecommunications.

Transport – Road

The Queensland Government has made significant commitment to rehabilitating and upgrading roads and bridges in the Surat Basin, with 20 major projects to be completed in the Surat Basin and surrounding region over the next five years. Further transport infrastructure investigations and planning are ongoing for the region. Current and recent significant strategic transport (mainly road) planning work includes:

- Brisbane – Darwin Corridor Strategy (includes the Warrego Highway) (completed)
- Melbourne – Brisbane Corridor Strategy (includes Gore Highway) (completed)
- Mungindi – St George – Roma – Emerald Route Strategy (completed)
- Goondiwindi – Miles – Rockhampton Route Strategy (completed)
- Gladstone – Rolleston Route Strategy
- Warwick – Toowoomba – Kingaroy – Rockhampton Route Strategy
- Toowoomba PT and Freight Study (including Charlton integrated transfer facility)
- Toowoomba Strategy Road Network plan (soon to commence)
- Eastern Darling Downs Integrated Regional Transport Plan (IRTP) (to be updated)
- Border region IRTP.

Various other road planning projects in the Toowoomba area including detailed planning for the Toowoomba Bypass.

The following are examples of current road transport projects:

- replacing the bridge and approaches at Wilkie Creek and Oaky Creek, replacing bridges at Wieambilla Creek, Kogan Creek and Ashall Creek, constructing a bridge and approaches over the Barwon River
- widening and overlaying sections of the Oakey-Cooyar Road
- repairing and strengthening sections of the Moonie Highway near Dalby
- widening, repairing and strengthening sections of the Leichhardt Highway
- upgrading the Warrego Highway from Mitchell towards Roma to allow Type 2 Road Train access
- paving and sealing sections on the Roma-Taroom Road
- widening and sealing sections, constructing a bridge and approaches, and reconstructing a section of the Carnarvon Highway
- completing widening of a bridge at Angellala Creek, widening and sealing sections of the Warrego Highway
- widening and sealing a section of Wallumbilla South Road
- pilot tunnel for second Toowoomba range crossing
- safety improvements on Chinchilla-Tara Road and Warra – Kogan Road under the Safer Roads Sooner Program.

Transport – Rail

- The Surat Basin Rail Project, comprising a new rail link starting on the Western Railway System near the township of Wandoan, and joining to the existing Moura Railway System near the township of Banana, is currently under investigation. The Surat Basin Railway Joint Venture is currently in bankability phase, in which environmental investigations, engineering and design work, access pricing and financing preparations will be concluded. The State is also working to progress preparation of concession documentation and planning to preserve and acquire the rail corridor as agreed under the Development Agreement. This new \$1 billion plus rail connection will enable the Surat Basin coal and other regional freight to be exported through Gladstone.
- QR will also investigate potential upgrades to the Moura system and Western line south and east of Wandoan.

Energy

- Upgrades to the high-voltage electricity transmission network, including new substations, station connections, and measures to address thermal and voltage stability limitations (Powerlink).
- Upgrade of electricity distribution network, including reinforcement of supply to regional towns, replacement of aged infrastructure, and augmentation of network (Ergon).

- Stanwell has entered into a Gas Development Alliance Agreement with Blue Energy relating to the development and production of CSG from either of two tenements located near Spring Gully.
- Investigations into the potential for an Integrated Gasification Combined Cycle power plant with the potential for Carbon Capture and Storage based in Wandoan.

Industrial land and infrastructure corridor

- Early stage investigation of requirements for appropriately sized and located industrial land.
- Identification of a multi-user infrastructure corridor between the Callide and Gladstone State Development Area.

Extractive resources

- Investigation of the availability of significant regional extractive resources to supply emerging infrastructure development.

Water

- Investigation of proposed Nathan Dam, including scoping of a potential Nathan Dam agricultural precinct.
- Development of policy for CSG Water, to facilitate its beneficial use.
- Water demand study.
- Implementation of water resource plans.
- Development of State Water Grid Concept Plan.

Telecommunications

- The Queensland Government is working with the National Broadband Network Company to address effective and earliest delivery of broadband in Queensland.

Coordination

- The Coordinator-General has a coordination and decision-making role regarding approval and conditioning for declared Significant Projects.
- The Government has set up the Coal Infrastructure Taskforce to ensure adequate infrastructure for coal industry development.
- Coal industry development will be guided by the Coal Infrastructure Program of Actions 2008 and the Government's medium to long term coal infrastructure strategic planning.

Future activities

Transport

The road system requires further funding for the safe and efficient movement of people and commodities within the region. Various rail investments are also required. Future activities include:

- Completion of various transport planning activities currently in progress (see above).
- Conduct a Regional Transport Investigation and subsequently develop a Regional Transport Strategy covering various transport modes as well as alternative or complementary non-infrastructure solutions to transport.
- A strategic road network plan for the Toowoomba area incorporating strategic road studies in relation to New England Highway near Toowoomba, the Oakey – Cooyar Road and links to the Toowoomba Bypass.
- Various detailed road link planning including Warrego Highway (Toowoomba – Oakey).
- Implement major road infrastructure projects already programmed over the next five years in the Roads Implementation Program, including various rehabilitation and widening and bridge works.
- Improve road infrastructure and other transport facilities by delivering projects funded via the SRC initiative, and other funding sources.
- Advocate to the federal government the need to build and upgrade major federally funded infrastructure such as the Warrego Highway and the Toowoomba Bypass.
- Ensure recognition of cumulative road system impacts of many major development projects in the EIS process, not simply specific localised project impacts.
- Continue facilitation and assessment of other major transport projects such as the Surat Basin Rail Project and investigation of other potential upgrades to the Moura system and the Western line south and east of Wandoan.
- Eastern Downs IRTP (revision/update).

Planning and programming in relation to these activities shall be linked to the Regional Transport Investigation and prioritised in accordance with a subsequent Regional Transport Strategy.

Water

- Facilitating development of proposed Nathan Dam, subject to obtaining necessary regulatory approvals.
- Undertaking water resource planning.
- Developing regional water supply strategy to address water needs over the next 50 years, including managing the impact of climate change on supply and demand.
- Scoping opportunities for the beneficial use of CSG water.

Energy

- Renewable energy:
 - Renewable energy resource mapping, including assessment of sources of geothermal energy
 - Identification of Renewable Energy Zones
 - Investigation of multiple small-scale solar thermal plants.
- Implementing Government policy on gas availability for domestic market.
- Investigating electricity transmission infrastructure needs for new generation, LNG compression and mines, including matching of investment timeframes with EIS and planning timeframes.
- Implementing the Queensland Energy Management Plan.

Land

- Planning for sufficient and suitable industrial land:
 - CSG Industrial Supply Chain Survey
 - Industrial Land Demand Study
 - Industrial Land Suitability Study.
- Securing multi-user infrastructure corridor for underground gas pipelines.
- Investigate the opportunities and constraints for State land to contribute to the preferred settlement pattern.

Extractive resources

- Identifying and protecting significant regional extractive resources (hard rock and sand).

Telecommunications

- Identifying opportunities to expand radio network for Queensland Ambulance Service South Western region, through use of common facilities with Government and industry.
- Identifying communications blackspots.
- Ensuring Government infrastructure has allowance for broadband infrastructure.

Coordination

- Implementing governance arrangements for infrastructure planning and monitoring.

Headline

Conduct a Regional Transport Investigation and develop a Regional Transport Strategy covering various transport modes as well as alternative or complementary non-infrastructure solutions to transport. This analysis and strategy will guide planning for spatially efficient development patterns. It is envisaged that subsequently more detailed transport planning will follow this strategic level analysis and strategy formulation during 2011 and 2012.

Building and maintaining liveable communities

The region will have a range of liveable communities, with adequate community infrastructure and services to meet the needs of residents and visitors.

Growth in the population living and working in the region will increase the demand on community infrastructure and services such as housing, health and services to marginalised communities and those with mental health concerns. Lifestyle and amenity can be affected by increased resource development.

The Queensland Government, through the Environmental Impact Assessment process and the regulatory requirements regarding dust and noise under the Environmental Protection Act 1994, manages individual project impacts on lifestyle and amenity. However, there is potential for the cumulative impact of resource development to affect lifestyle and amenity.

The Queensland Government is therefore committed to improving knowledge to better inform policy deliberations and mitigation approaches for the cumulative impacts of resource development on amenity and lifestyle. The newly formed multi-stakeholder group established in the Moranbah community focusing on resource development impacts on liveability and well-being, and the Surat Basin Local Leadership Group and the Partnership Group under the SRC Policy are potential sources of information. Findings from the consultation for the Social Infrastructure Strategic Plan for Gladstone can also inform social infrastructure considerations.

Maintaining liveable communities is important to attracting and retaining workers to become residents, with flow-on benefits for economic resilience and community vibrancy. The current and proposed activities of the Queensland Government also aim to address the increased demand on community infrastructure and services.

Key issues

Housing

- Increased overall demand in an already strained housing market, resulting in high rents and property prices and reduced affordability.
- Changing housing needs, including single living quarters and rental accommodation.
- Difficulty in attracting housing investment due to uncertainty about timing and scale of development.
- Need to have suitable zoned and serviced land for new housing.

Services

- Increased pressure on local medical, dental, mental health and social services, already under strain.
- Increased demand on community facilities such as child care, schools, libraries, sport and recreation facilities.
- Increased demand on police and emergency services.
- Impact on local government services such as sewage and roads from short term work camps.
- Lack of coordination between Government and industry response to service demand.

Community wellbeing and quality of life

- Cumulative impacts of dust, noise and vibration can have an impact on community amenity.
- Changes to social structure, including increased number of newcomers, and drive-in drive-out and fly-in fly-out workers.
- Limited sporting and recreational activities, including limited access to broadband internet and television services, limits potential to attract and retain workers.
- Potential increase in crime.
- Pressure on capacity of non-government organisations to deliver community services.

Current investment

Social Impact Assessment

Under the SRC Policy, major project proponents now need to include Social Impact Assessments in their Environmental Impact Statements (EIS). This is helping government better understand and

manage the impact on communities, as well as the environment, of new developments. The Government is currently working to improve consistency and quality of Social Impact Management Plans.

Housing

- Government employee housing development is underway in Roma, Mitchell and Injune.
- An 'in principle offer' for unallocated state land in Wandoan is under investigation.

Services

Health

The Government delivers a range of programs and services to meet the growing and changing demand for health services in the Surat Basin, and as part of the Queensland Government's priority to improve the health of Queenslanders, for example, in the South West Health Service District (SWHSD).

- The Roma Hospital is the largest acute facility in the SWHSD and provides a range of public health services including medical, maternity, pharmacy, radiography, pathology, physiotherapy, occupational therapy, social work, podiatry, speech therapy, counselling and oral health. In addition a Flying Specialist Service consisting of a surgeon, obstetrician and gynaecologist, and anaesthetist is based at Roma and provides services to rural and remote locations.
- There are also hospitals at Injune, Surat, and Mitchell and an outpatients Clinic at Wallumbilla.
- A wide range of community health services including child and family health, alcohol tobacco and other drugs, young people's support program, Aboriginal health, sexual health, mobile women's service, community aged care, chronic disease management, mental health and allied health are provided across the Surat Basin through a Primary Health Care Unit located at Roma.
- The SWHSD provides outreach services to the smaller centres on a regular basis through visiting clinics to communities of the Surat Basin.
- Queensland Health is working to enhance the mix of services to better meet local community needs at Mitchell through the Multipurpose Health Service Model.

Examples of other current activities include:

- Xstrata Coal and Queensland Health Partnership in Wandoan, with a \$750,000 investment by Xstrata into improving health infrastructure in Wandoan over 3 years.
- A \$11 million emergency department and maternity unit were opened in Dalby in late 2008.
- Development of doctors' surgeries at Injune and Mungindi Hospitals.
- A health working group has been established by the SRC Partnership Group.

Education and training

Child care and kindergartens

- Creation of six new services providing 270 kindergarten places in Roma and Darling Downs Education District.
- Trialling a mobile kindergarten in Surat and Injune.

Schools

- There are 56 primary and 7 secondary state schools in the Surat Basin, with additional schools available in Toowoomba.

Vocational Training and Tertiary education

- The Southern Queensland Institute of TAFE offers a broad range of programs covering wider business and industry skill needs from Toowoomba, Chinchilla, Dalby and Roma.
- A new facility is being developed at Roma that will focus on serving the energy and resources sectors.
- Secondary schools, TAFE and the Australian Agricultural College Corporation work collaboratively to facilitate youth training.
- The University of Southern Queensland provides technical and professional education and opportunity for research and innovation.

Access to government services

- Smart Service Queensland provides easier access to government services through the government website and integrated contact centre and service counters.
- Nine Queensland Government Agent Program (QGAP) government services counters currently operate within the Surat Basin Region.

Community wellbeing and quality of life

Community safety

Safety and security in communities is an important component of liveability. Government activity includes requiring project proponents to incorporate community safety issues into their EIS, working with industry in relation to mining safety, and maintaining and improving emergency and policing services.

Examples of activity include:

- Close liaison between Queensland Ambulance and SANTOS Ltd regarding activities on well sites and the pipeline locations.
- Petroleum and gas inspectorate to ensure mining safety
- Expansion of services, including:
 - approval of an additional Queensland Fire and Rescue officer for Roma
 - allocation of an additional Police officer position to Chinchilla
 - allocation of an Indigenous Police Liaison Officer position to the Dalby District
 - provision of Domestic and Family Violence Service in Roma and Toowoomba.

Social and cultural wellbeing

A key to fostering social and cultural wellbeing is to understand the nature of impact and change in the community arising from resource development. Key activities include:

- Improved identification, assessment, mitigation, and ongoing monitoring and management of social impacts as part of environmental impact assessment processes.
- Funding of research investigations such as the CSIRO social impact study and the best practice sustainable mitigation strategies.
- Funding of non-government organisations to provide community services.
- Social cohesion:
 - Funding of a Local Area Multicultural Programs officer in Dalby
 - Welcoming of new residents by local government
 - Delivery of services to Indigenous and Torres Strait Islander community members.

Future activities

Social Impact Management

- Development of guidelines and templates for Social Impact Management Plans and social infrastructure requirements.
- Development of legislative amendments to require the development and implementation of Social Impact Management Plans as part of project approval processes.
- Coordination of human services – Research paper on Coordinated Humans Services Investment in Greenfield Sites that will include a draft technical framework.

Housing

- Development of Major Projects Housing Policy.
- Development of a resource town housing affordability strategy.
- Development of guidelines for the type, quality and location of temporary accommodation.
- Further development of the affordable housing models for local governments through the SRC Housing Group.
- Expansion of Government employee housing in region.

Services

Health

- Identification of health service priorities, needs and demands in the South West Health Service District of the Surat Basin.
- Deliver health service initiatives in collaboration with other stakeholders.

Education

- Planning locations for extra kindergarten services.

Coordination and engagement

- Establishing a local leadership group (under the SRC policy) in the Surat Basin.
- An expansion of QGAP service counters within the region will assist with easier access to government services, with two further counters to open in the Surat Basin region by May 2010.

Community wellbeing and quality of life

Community safety

- Ensure sufficient training, equipment and other facilities are provided for regional fire and ambulance services.
- Liaise with gas companies to provide information to all emergency services on the location of workforces.

Headline

Develop a resource town housing affordability strategy, to improve availability of quality affordable land and housing outcomes.

Develop guidelines to improve consistency and quality of Social Impact Management Plans to better understanding of social infrastructure requirements and respond to local needs.

Building economic resilience and capturing opportunities

The regional economy will be strong and diverse, able to meet local needs, attract investment and respond to significant opportunities.

Resource development in the Surat Basin presents considerable economic opportunity for the region and for Queensland. A strong, resilient economy has diversity, taking advantage of immediate opportunities, while maintaining and building existing competitive sectors. Resilience requires both targeted and broad approaches, maximising the benefit from energy developments, and attracting investment and resources to support and expand existing and new industries.

Agriculture will remain important to the region during and beyond development of the energy sector. Maximising the economic potential of agriculture on a sustainable basis provides stability. Other sectors, such as tourism, are well placed to build on growth. Targeting sectors such as energy, tourism, agriculture and education provides economic linkages across the region and focuses resources.

Building local economies is also important to maintaining viable and vibrant communities. All local businesses form these local economies and strong growth will add to and remove stressors. Small businesses in particular may face challenges adjusting to the growth.

Key issues

- Maintaining the balance between the region's two leading industries, energy and agriculture.
- The uneven and irregular development of the energy industry will create pressures across the business community.
- Local firms may not have the scale or systems to access supply chain opportunities.
- Increased impact of global supply chains and pre-assembled modules, on the potential for local industry opportunities.
- Increased demand for strategically placed and located industrial lands.
- Land use conflicts between energy and food and fibre production.
- Increased competition for resources, such as staff.
- Constraints on agriculture due to water availability and price.
- Managing the impact of climate change, including the introduction of carbon pricing and the development of lower-carbon industries.

Current investment

Energy and Energy Supply Chain Industry Development

- Centres of Enterprise Surat Energy Resources Province action plan, including:
 - supporting the development of an internationally competitive manufacturing and related services sector in the region
 - increasing business take-up of new technologies
 - determining the locational and infrastructure requirements of the supply chain providers
 - attracting new businesses to address supply chain gaps and create local employment.

Agriculture, Food and Associated Industry Development

- Centres of Enterprise Food Processing Plan, including increasing business competitiveness, attracting investment, and improving collaboration.
- Investigation of opportunities from the proposed Nathan Dam, including scoping of a potential agricultural precinct and development of an 'investor-ready' agribusiness information package.
- Research Development and Extension for improved profitability and sustainability of the Surat Basin's leading agricultural industries, including beef, grains, pulses and cotton.
- Implementation of the 2020 Beef Plan.
- Exploration of opportunities for agricultural use of CSG water.
- Ensuring robust biosecurity systems through Local Government Area Pest Management Plans and other Biosecurity planning.

- Research and policy to optimise water allocation between alternative enterprises and improve the profitability–risk profile of the farm business.

Resource industry development

- Releasing land for petroleum and geothermal exploration in the Surat Basin.
- Implementation of the LNG Blueprint.

Other economic development

- Maximising business opportunities and jobs for regional manufacturing supply chains from agriculture, mining, LNG and associated major projects by expanding the role of Industry Capability Network (ICN) in the region.
- Engagement with potential investors for new projects in the energy supply chain and related industries.
- Engagement with potential investors of new projects in the use of coal for a wide range of energy and other products, as they could form the basis for a potentially new core industry in the Surat Basin.

Land access

- Improving relationships between explorers, rural landholders and the Queensland Government through the Land Access Working Group.

Climate change

- Nomination of the Wandoan Intergrated Gasification Combined Cycle (IGCC) demonstration project for consideration under the Commonwealth’s Carbon Capture and Storage Flagships Program.
- The Carbon Geostorage Initiative, with release of the Queensland Carbon Dioxide Geological Storage Atlas and GIS.
- Renewable energy – Mapping of areas of strategic importance to the state, including solar and wind, and presentation of data through an online mapping tool.

Innovation

- Offering businesses access to the Queensland-wide Innovation Network (Q-WIN) program, Innovation Coaching, Innovation Toolbox, Research and Development Forums and Technology Clinics.
- The Capital Raising Pipeline programs assist researchers and innovative businesses to bring their products to market.
- Research Development and Extension for improved profitability and sustainability of the region’s leading agricultural industries, including beef, sheep and goats, feed grains and fodder, grain, pulses and cotton, and intensive animal industries.

Future activities

A comprehensive Economic Development Strategy will be developed, including:

- Implementing a cross-regional industry development action plan for energy developments and their supply chain, from exploration to export.
- Expanding the region’s food processing industry action plan to incorporate agriculture.
- Supporting the region’s manufacturing sector, through:
 - expanding the support for the development of an internationally competitive manufacturing and related services sector in the region, including actions under the Jobs First, Queensland Made Means Queensland Jobs initiative
 - supporting the development of manufacturing and related services sector precincts or hubs.
- Attracting investment to address gaps in the local supply chain and take advantage of the region’s growth potential.
- Provide specialist support services through economic development activities, export support services, and specialist services for supply chain development through ICN.
- Provide support to local business and industry through delivery of whole of government programs.

Other economic development activities

- Extending coverage of the Queensland Regional Development Initiative to include the region.
- Continued development and implementation of the Land Access Policy Framework to improve systems relating to the access of private land for resource exploration and development.

- Increasing preparedness of business to cope with impacts of climate change through the ClimateSmart Business Service and the Sustainable Manufacturing web service.
- Renewable energy:
 - developing a Solar Atlas of Queensland
 - investigating the creation of a pilot Renewable Energy Zone in the Surat Basin region
 - encouraging the creation of multiple small-scale solar thermal plants.
- Assist further forestry development and investment in the region through the release of Queensland's Timber Plantation Strategy.
- Form a SCG Water Initiative working committee to include key stakeholders from Research, Industry and Economic Development Agencies to develop collaborative projects that will demonstrate value from the SCG Water within the Surat Basin.
- Conducting investigations into long-term, 'post-boom' economic challenges and needs of the region.
- Conducting investigations into medium to longer term uses of coal for a wide range of energy and other products, as these activities could potentially generate another major core industry development within the Surat Basin.

Headline

Develop an Economic Strategy for the Surat Basin region, focusing on:

- delivering industry action plans to drive growth in the region's priority sectors of energy and agriculture, and food processing
- building capacity in local businesses and industry to improve economic resilience
- attracting investment to take advantage of the region's growth potential.

Continue development and implementation of the Land Access Policy Framework to address land access issues between agricultural and resource sector stakeholders.

Developing a skilled workforce

The region will provide diverse employment opportunities and meet the need for skilled labour through training local residents and attracting and retaining new workers to the region.

Employment in the region is already strong, with a diverse range of employment opportunities in the agricultural, mining, energy and service sectors. The development of the region's energy resources will change the type of work and the number of workers required in the region, resulting in both greater employment opportunities and new challenges. There will be an increased need to train local residents and to attract and retain new workers to the region. This increased labour market competition will also impact on surrounding regions.

The size and composition of the workforce will not be constant, as skill and labour needs will vary markedly at different points of development. It is therefore important to develop a flexible workforce able to respond to anticipated peaks in demand. Developing a skilled workforce requires knowledge of existing and emerging skill needs, the capacity of business to attract and retain workers, and the need to ensure equitable access to training facilities and services.

Key issues

- Shortage of appropriate skilled and unskilled labour.
- Identified need to increase knowledge of existing and emerging skill needs, including uncertainty about timing and pace of development.
- Need to provide relevant and timely training in the region.
- Attracting and retaining skilled staff.
- Develop a flexible workforce able to respond to anticipated peaks in demand.

Current investment

Training

- Roma TAFE focussing on training for gas and oil industries.
- School-based traineeships in the energy sector.
- Support for the Mining Industry Skills Centre.
- Exploring Indigenous training strategies together with industry.
- Extensive training to address broader range of skill needs in the community.
- Incorporating equitable skills development programs and employment opportunities for vulnerable groups, as part of social impact assessment.
- An existing Targeting Skills Needs in Regions strategy funded by the Commonwealth that incorporates the Western Downs and Roma Regional Councils.
- Implementing the Queensland Government Minerals and Energy High School program in a number of secondary schools across the Surat Basin. The program offers education and training options for students interested in careers in the CSG sector and is a partnership amongst TAFE, four energy companies, the Queensland Resources Council and schools.

Employment

- Working with regional stakeholders to assess skills and labour needs and plan for the development of targeted employment and skilling programs in the Surat and surrounding regions to meet skills and labour needs and increase employment opportunities for unemployed and disadvantaged jobseekers.
- Scoping opportunities for Indigenous employment and business development, in line with the Indigenous Employment Policy.
- Participation in the National Resource Sector Employment Taskforce.

Future activities

In partnership with regional stakeholders, the Queensland Government will develop a comprehensive and coordinated Workforce Development Plan for the region. This will include elements such as:

Assess and coordinate the demand for skills and labour for the region

- Quantify labour and skill demands, identify gaps in meeting this demand, and develop appropriate intervention strategies in partnership with key stakeholders.
- Request support from Federal Government for LNG industry in Queensland, including appointment of a Major Project Employment Co-ordinator.
- Establish Working Group for Workforce Development for the CSG/LNG industry incorporating broader regional concerns.
- Implement a Skills Formation Strategy for the statewide CSG/LNG sector, in partnership with Energy Skills Queensland and supported by Manufacturing Skills Queensland and Construction Skills Queensland.
- The Associate Director-General, Skills Queensland, Department of Education and Training is a representative for Queensland on the National Resource Sector Employment Taskforce. Queensland representation will ensure that the needs of the Surat Basin and associated resource projects are included in the key activities of the Taskforce.

Provide relevant training to businesses and individuals

- Establish a working group with coal, oil and gas companies, peak regional bodies and government to provide training for small and medium sized enterprises in the region to gain the skills needed to become part of the supply chain.
- Implement training activities as recommended by the Skills Formation Strategies.

Increase workforce participation

- Develop co-ordinated and targeted employment and training programs through Skilling Queenslanders for Work both locally and in surrounding areas.
- Work with CSG/LNG proponents to develop Indigenous Workforce Strategies.
- Deliver industry training to prospective employees from the local Aboriginal and Torres Strait Islander communities.
- Develop ways to help enable employees to work across industries in the Basin.
- Pilot the Workplace Partnership and Productivity Project with a regional firm.

Expanding training facilities in the region

- New training centre planned at Roma focused on Oil and Gas sector with particular emphasis on green skills and training for sustainable development.
- The expansion of the Queensland Minerals and Energy Academy to include possibly ten schools in the Surat energy region, with potential for partnerships with the existing Five Agribusiness Gateway schools in the region.
- Review the strategic direction of the Australian Agricultural College Corporation – Dalby campus, including planning to expand services into a broader range of industries.

Attract and retain workers to the region

- Build upon existing strategies to attract and retain workers, including targeted promotion of the region, welcome activities for new residents, and activities to build connections with existing residents.
- Promote the work opportunities and lifestyle of the region to intending international and interstate migrants via the Work Live Play website and a DVD.

Headline

Develop a coordinated Workforce Development Plan in partnership with regional stakeholders to address skills and labour needs for the region.

Sustaining regional environments

The biodiversity, ecosystem processes and production values of the region's environments will be sustainably managed.

The expansion of mining, drilling and exploration activity across the region will impact on the region's natural environment and agricultural areas. However, this activity will also provide considerable investment into the region which can be used to help manage and improve the state of the regional environment.

The Queensland Government is strongly committed to ensuring sustainable resource management practices. It does this by developing policies and programs, undertaking research and working collaboratively with industry, landholders and community to meet the challenge of climate change, to protect and conserve the natural environment, secure future water supply and manage land resources sustainably.

Regional Natural Resource Management (NRM) Plans for both the regional bodies over the Surat Basin (Queensland Murray Darling Committee and Condamine Alliance) help direct investment into priority NRM issues from community-based funding. The Plans have proven to be an effective way to aid NRM planning for best practice across all sectors, given the fact that they were developed with an exhaustive consultation process which included input from industry (including mining), conservation, community, local government, Queensland Government and the Australian Government. Funding to the regional bodies has, until recently, been directed according to the priorities set out under these Plans. This investment is now increasingly guided by Australian and State Government priorities.

In the context of the issues in the Surat Basin, Regional NRM Plans outline regional resource condition targets, which include:

- maintaining soil condition
- maintaining productivity of high value soils
- no net loss of native vegetation
- maintaining and restoring the region's rivers and waterways to a healthy state
- developing best Current Recommended Practice for a range of industries.

Challenges in the region are headlined by competition with mining and other resource extraction activities, but also include the impacts of a transient population which will be largely unaware of NRM issues in the region (e.g. the spread of weed seed via increased traffic from mining activities).

Key issues

- Protecting catchments and natural waters from degradation and inappropriate use including maintaining aquifers, minimising salinisation, protecting water courses, protecting future water access and protect riparian areas.
- Ensuring the sustainable management of land including:
 - avoiding conflict on strategic cropping land between farming and incompatible land uses, including mining and urban development and possibly carbon plantations
 - managing access, protection and rehabilitation of land by energy industry
 - minimising and reversing agricultural land degradation
 - protecting endangered native vegetation.
- Monitoring and assessing the cumulative impacts from multiple developments.
- Mitigating the impact of irregular climatic and weather conditions, including water shortages associated with shifting climate patterns.

Current investment

Regulation and compliance

- A joint Department of Employment, Economic Development and Innovation (Resources, Energy and Manufacturing) and Department of Environment and Resource Management office in Roma was set up in May 2009, with a focus on communication, as well as compliance and enforcement.
- Through the EIS process, the Government has systems to consider and place conditions on mining, petroleum and gas, and other major projects.

- Environmental protection legislation helps to protect landholdings from environmental harm through licensing arrangements for development projects and regular oversight of environmental performance of industrial, mining and petroleum and gas activities.

Water

- Great Artesian Basin Sustainability Initiative.
- Implementing water resource plans and resource operations plans in the catchments of the Condamine and Balonne Rivers.
- Initiated an amendment to the Water Resource (Condamine and Balonne) Plan 2004 to include groundwater in the Central Condamine Alluvium area.
- Commonwealth Environmental Water Holder is purchasing and managing environmental water.
- Implementing water use efficiency initiative as part of the Queensland Murray Darling Basin (QMDB) Healthy Headwaters Program.
- Study to develop an understanding of the irrigation industry and its current uptake of water use efficiency technologies across the QMDB.
- Environment Flows Assessment Program and the identification of flow dependent ecological assets.

Land

- Development of a planning framework to better consider the values of strategic cropping land in development decisions.
- Investigating land management issues, including advanced techniques for managing subsoil constraints, and Acid Sulfate Soils Risk Assessment.
- Biosecurity activities targeting management of pests and weeds.
- Fostering best management practice – sustainable farm practices through research, development and extension.

Climate change

- Implementing ClimateSmart initiatives.

Natural Resource Management

- In 2008-09, the Queensland Government invested \$825,000 in Condamine Alliance and another \$825,000 in the Queensland Murray Darling Committee to deliver agreed and prioritised NRM outcomes. These two regions cover the Surat Basin.

Future activities

Water

CSG Water

- Determine impacts of CSG water extraction and disposal on surface and groundwater systems.
- Finalise CSG water policy and work closely with industry to facilitate beneficial use of this water, and waste stream following treatment.

Recover water for ecosystems

- Investigate and implement water use efficiency technologies for irrigators.
- Identify links between flow management and environmental assets.
- Water management and conservation:
 - studies over the next two years followed by a co-investment program between government and irrigators on water use efficiency technologies
 - the Murray Darling Basin Authority and Department of Environment and Resource Management developing a Basin Plan including Sustainable Diversion Limits for taking and requirements for the next generation of water resource planning in the QMDB
 - Great Artesian Basin Sustainability Initiative – Stage 3.

Land

- Further develop a new policy and planning framework that gives greater consideration to development decisions regarding the State's strategic cropping land.
- Actively enforce land management, rehabilitation and other environmental management requirements for mining and exploration activity.

- Develop regional environmental priorities framework, in collaboration with Natural Resource Management organisations, to direct investment from industry, government and community organisations.
- Changes to Land Access policy framework to include the mitigation of the risk and impact associated with pests and diseases.

Climate change

- Investing in research to inform improved response to managing impacts of climate change on the natural environment.
- Further investigate carbon offset and green investment options.

Headline

Develop a policy and planning framework to manage strategic cropping land.

Continue to implement CSG water management policy initiatives which aim to reduce the potential environmental impacts of CSG water management, provide LNG project proponents with greater certainty and facilitate beneficial use of CSG water.

Implementation and review

This Future Directions Statement will be implemented across Government and in collaboration with regional stakeholders. Headline initiatives will be the initial focus for implementation. As a first step, a Surat Basin Regional Development Forum will occur in March 2010 to develop a detailed implementation plan in partnership with stakeholders.

The implementation plan will focus on the key elements of the Future Directions Statement. Implementation planning around each element will be led by a Surat Basin Future Directions Statement Working Group including government and non-government stakeholders.

Implementation will include further developing linkages with Government initiatives in the surrounding region, such as Gladstone.

As key pieces of information such as settlement patterns become available, further forums will be held to consider the implications for the direction of the Future Directions Statement and build a more comprehensive picture of the region's progress. This will further inform decisions on next steps. Release of the Cumulative Growth Management Framework in late 2010 will provide an opportunity to assess implementation of the Future Directions Statement against the framework to ensure alignment of government effort.

The Future Directions Statement implementation plan will be updated regularly to ensure that it remains flexible and responsive to the rapid evolution of the region, and that it effectively integrates with, and informs, the development of new initiatives.

Appendix 1 – Links to other policy initiatives

Q2

Q2 is the policy framework of the Queensland Government in the lead up to the year 2020. It sets various goals to ensure that by 2020 Queensland is stronger, greener, smarter, healthier and fairer. These strategic aims are strongly aligned with the Future Directions Statement.

Sustainable Resource Communities

The Sustainable Resource Communities policy was launched in August 2008 to respond to the challenges that come with accelerated growth in communities affected by resource development. It is designed to assess the impact of new industries on communities for example, the challenges faced by a town at the centre of a mining boom. The aim of this policy is to improve liveability by addressing problems of regional planning, housing, health and education.

A high level Partnership Group with local government and industry representatives focuses on issues and responses in the key areas of regional planning and coordination, housing, health and education. A Local Leadership Group comprising local government, industry, community groups and the Queensland Government, focuses on regional planning issues and key projects that address cumulative or regional issues arising from resource development.

The policy applies directly to managing the expected growth in the Surat Basin. The funding pool available for this policy can be directly channelled into strengthening communities in the Surat and surrounding regions.

Blueprint for Queensland's LNG Industry

The Blueprint for Queensland's LNG Industry sets out the government's key initiatives which are designed to facilitate the establishment of a viable LNG industry. It outlines how the Queensland Government will further work with the industry and local communities to ensure that any development of an LNG industry is progressed in a way that benefits all Queenslanders.

The Blueprint seeks to support new jobs; inform communities of this emerging industry; improve consultation with industry; manage the water produced from LNG production and protect groundwater resources; maintain Queensland's domestic gas supply; establish a fair royalty regime; manage cumulative impacts on communities; local business benefits; assess and manage the environmental impacts.

The Blueprint is the key policy and regulatory document of the Queensland Government regarding this emerging industry, which is driving considerable growth in the Surat Basin. The Blueprint provides a complementary sectoral focus to this regional development strategy.

Maranoa-Balonne Regional Plan

The Maranoa-Balonne Regional Plan will guide land use and development in the region over the next two decades. In the process it will help sustain the region's communities, strengthen its economy and protect its environment. It is a statutory plan that must be followed by state agencies and local governments in their planning and when assessing development.

The plan is part of the state government's Blueprint for the Bush program, which seeks to build sustainable, liveable and prosperous rural communities. A five-year implementation strategy for the plan will be developed by the Regional Coordination Committee with the involvement of all three levels of government, non government, the private sector and the community.

The Regional Plan will govern areas of the Surat Basin and planning and development in the region will need to abide by its statutes.

Land Access Working Group

The Land Access Working Group (LAWG) was established to foster improved relationships between resource companies, rural landholders and the Queensland Government and to develop collaborative solutions to land access issues.

The Department of Employment, Economic Development and Innovation (Resources, Energy and Manufacturing) in consultation with the LAWG is currently developing the Land Access Policy Framework including a single Land Access Code of Conduct relating to mining, petroleum and gas activities on private land and standard conduct and compensation agreements to simplify negotiations. The Policy Framework also considers the adequacy of the current legislative frameworks and makes recommendations in relation to improvements.

The relationship between resource companies and landholders is a complex and difficult issue in the Surat Basin. The work of the LAWG seeks to inform landholders of both their rights and obligations.

A policy framework for consideration of strategic cropping land

A discussion paper on the Government's proposed new policy and planning framework for Strategic Cropping Land is available from the Department of Infrastructure and Planning. Government will consult with stakeholders throughout development of the new framework.

The Queensland Government is committed to the sustainable development of Queensland's land resources, including managing competing land uses to ensure balanced outcomes. Loss of Queensland's highest value agricultural land has the potential to reduce the state's future capacity to grow crops with associated economic, environmental and social implications.

Intensified land use competition for agricultural land, particularly in relation to mining development, has highlighted shortcomings in the current planning framework to conserve agricultural land. The government is committed to addressing this gap to ensure that the state's interest in agricultural land is given due consideration in land use planning and development decisions.

Queensland Government CSG Water Management Policy

The Queensland Government Coal Seam Gas Water Management Policy provides guidelines to industry on how to deal with the large amounts of saline water which are produced through the extraction of CSG.

The policy outcome will affect both the LNG and CSG industry. Evaporative ponds are no longer an acceptable way of disposing of CSG water which means that industry must either inject waste water into the earth or treat the water for usage. The final decision on this policy will likely place greater responsibility on industry to allow for greater beneficial use of CSG water.

Coal Infrastructure plan and program of actions

The Queensland Coal Infrastructure Strategic Plan will provide a medium to long-term plan for the provision of infrastructure required to meet the needs of the Queensland coal industry over the next 20 years. The plan will:

- determine coal demand and production forecasts
- identify individual and regional coal infrastructure requirements
- determine development triggers
- estimate staging of infrastructure provision across regions.

The plan will be informed by an extensive consultation process with stakeholders including government departments, infrastructure owners and operators, individual coal mining companies and industry peak bodies.

The Coal Infrastructure Program of Actions details all coal-related infrastructure; transport (port and rail), water, energy, skills and social infrastructure. The value of committed and planned infrastructure under the program was \$19.3 billion in 2008. The Queensland Government's commitment is approximately \$15.6 billion, with the remaining commitments coming from private infrastructure providers and the coal industry. Many of the projects will benefit the Surat and surrounding regions.

Queensland Renewable Energy Plan

The Queensland Renewable Energy Plan is a comprehensive economic and industry development strategy aimed at accelerating the expansion of the renewable energy sector in Queensland. The Plan's objective is to accelerate the deployment of renewable energy infrastructure, attract investment to build a smart green collar based industry and engage the community in the opportunities and benefits of clean energy. A key goal of the Plan is to attract a 20 per cent share of investment under the expanded national Renewable Energy Target. Successful implementation of the Plan will leverage up to \$3.5 billion in new investment and create up to 3,500 new jobs in the renewable energy sector. The Plan includes a suite of initiatives such as the Queensland Solar Hot Water Program that aims to substantially increase the installation of affordable solar hot water systems in Queensland. Other initiatives include regulatory reform, renewable energy jobs policy and resource mapping to support deployment in the areas of quality solar thermal, wind and geothermal resources.

Regional Development Australia

12 Regional Development Australia (RDA) committees are being established across the Queensland with members drawn from business, industry, community and local government. The committees will provide advice to all levels of government about the issues facing each region and work towards responding to these challenges. Advice from RDA will provide further weight to discussions with the Commonwealth on rural and regional Queensland.

The Darling Downs and South West RDA committee will include members drawn from the Surat Basin and surrounding region. These representatives will be able to feed advice to all three levels of government about challenges faced in the region. It is planned that the committee will begin its work by producing a 'Roadmap of Regional Development Priorities' which will map out the priorities of the committee. Once the Roadmap is developed, the RDA committee will have a championing, coordination or supporting role in progressing regional priorities. The committees and their staff may coordinate and collaborate with stakeholders and project sponsors on project planning and other activities.

Centres of Enterprise

The Centres of Enterprise initiative works to build the economic strength of Queensland's regions. By focusing on each region's unique strengths and key opportunities, our regions will become known worldwide for their innovation and expertise. The State Government has named six Queensland regions as Centres of Enterprise, which then develop industry action plans for targeted sectors. The Significant Regional Projects Fund provides a mechanism to fund activities within the action plans.

Queensland Regional Development Initiative

The Queensland Government provides funding to regional economic development organisations under a contestable model. Under the scheme, project proposals will be submitted and assessed before any funding is awarded. Projects which address issues faced in the Surat Basin and surrounding regions could be prioritised under this scheme.

Local Industry Policy

The Local Industry Policy is aimed at giving full, fair, and reasonable opportunity for Queensland business to participate in major projects. In the context of the Surat Basin the policy seeks to provide local business and industry with the opportunity to benefit from the economic opportunities of resource development in their region.

Industry Location Scheme (ILS)

The Industry Location Scheme is the Queensland Government's policy on the provision of industrial land under the Industrial Development Act, 1963, as amended. Through the ILS, the Industrial Land Analysis and Planning (ILAP) Unit within the Department of Infrastructure and Planning, is charged with implementing land and economic planning for industry development throughout the state. The ILAP Unit's role is to ensure that there is sufficient industrial land available and appropriately designated to meet the Queensland Government's strategic need for projected population growth and economic activity.

National Resource Sector Employment Taskforce

The Taskforce includes representation from state and territory governments, the resource sector, Skills Australia, and representatives from university, vocational education and the group training sector. It will work with these key stakeholders to develop a workforce plan that delivers skilled labour to meet project construction and timetables across Australia. Queensland representation will ensure that the needs of the Surat Basin and associated resource projects are included in these key activities. It will examine the current pipeline of skilled construction workers that will be needed and the areas where additional skills focus will be required. It will also examine what strategies need to be pursued to create jobs in supporting industries such as logistics, transport, maintenance and hospitality. This approach will aim to maximise the benefits for local businesses and jobs, including for Indigenous Australians.

Intergovernmental Agreement (IGA) Murray Darling Basin Reform

The IGA provides for the establishment of co-operative, efficient and effective planning and management arrangements for the Basin's water and other natural resources, and will enable the social, environmental and economic values of the Murray-Darling Basin to be protected into the future.

As the Queensland Government is a signatory of the IGA it needs to adhere to the principles set out by the Murray-Darling Basin Authority on matters such as water flows.

Activity in Gladstone

Activities undertaken by government to facilitate the LNG industry are:

- extension of the Gladstone State Development Area to include part of Curtis Island as an LNG precinct
- planning a dedicated pipeline corridor between Gladstone and the Callide Range.
- draft Port of Gladstone Western Basin Master Plan. A final Master Plan is expected to be released in March 2010.

The pipeline and Port represent infrastructure which is essential to the implementation of the LNG industry in the Surat Basin. The outcome of the consultation about both the port and the pipeline will significantly affect industry development in the Surat Basin.

Department of **Employment, Economic Development and Innovation**
1300 363 711 (Interstate callers • 07 3001 6359)
www.deedi.qld.gov.au