CENTRAL QUEENSLAND REGIONAL ECONOMIC DEVELOPMENT STRATEGY INCEPTION STUDY

BACKGROUND REPORT NO. 3:

CENTRAL QUEENSLAND NEEDS AND OPPORTUNITIES (ATTITUDINAL) SURVEY REPORT

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February 1993

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EXECUTIVE SUMMARY

Survey responses confirm that minerals, including coal, constitute Central Queensland's (CQ's) most important asset, with crops and livestock (agriculture) ranked second. (See Table 1.)

The isolation of the Region from domestic and overseas markets, as well as from major centres within Australia, is considered the main impediment to its future economic development with high costs, including transport costs, a close second. (See Table 2.)

The mining industry was clearly ranked as the CQ industry offering the best development opportunities. Crops and livestock was ranked second. (See Table 3.)

The two areas singled out as demanding change or improvement if economic development was to proceed at a desirable pace were improved transport infrastructure and the adoption of a systematic and integrated approach to regional economic development. (See Table 4.)

New business and industrial opportunities were thought most likely to occur in the area of food and fibre processing (value-adding), which ranked clearly ahead of mineral processing, the next contender. (See Table 5.)

Likewise, new value-adding/export opportunities were perceived to be greatest in the same two general activity areas and in the same order. (See Table 6.)

In general, it was agreed that committed involvement in value-adding to Central Queensland's main commodity items was the direction to follow, while heavier emphasis on tourism development and promotion was considered to be a sound back-up regional development activity. (See Table 7.)

The survey established that key players across the CQ Region were well informed and had a good understanding of the development needs and opportunities of the Region.

It also established that there was a confident and very positive outlook and an eagerness to participate in setting strategic directions for the future economic development of the CQ Region.

1.0 INTRODUCTION

As part of the consultative/information gathering process involved in the Central Queensland Regional Economic Development Strategy Inception Study, a Needs and Opportunities (Attitudinal) Survey was conducted in June/July 1992 to canvass the views of a representative sample of Central Queensland (CQ) residents in relation to the perceived strengths and drawbacks of the CQ Region, and to put forward some broad parameters upon which to develop a future economic development strategy for the Region.

Questionnaires were distributed to a cross-section of CQ residents throughout the five sub-regions or economic zones that comprise the CQ Region, viz the Rockhampton Area, the Gladstone Area, the Mackay Area, the Central Highlands Area and the Central West Area.

Respondents were requested to indicate and provide rankings (See Appendix 2) of what they understood to be the most important assets of the Region, the most significant impediments to growth and the industries which, in their view, offer the greatest opportunities for the future development of Central Queensland. They were also invited to identify what changes or improvements were required to remove the barriers to economic expansion, and what new business/industrial opportunities and value-adding/export opportunities exist in the Region. Finally, participants were asked to indicate, in fairly broad terms, what direction the future development of the CQ Region should follow. (See Appendix 3 for Questionnaire.)

The responses to the individual questions fall within the following ten main categories:

- Minerals (including coal)
- Energy supply
- Crops and livestock
- Mineral processing
- Food and fibre processing
- Infrastructure and services
- Value-adding
- Natural resources
- Human resources
- Regional planning

A number of other categories were also identified. (See Appendix 2 for definitions of the above categories.)

Survey responses from all five sub-regions were consolidated and an overall summary of the survey's findings developed for the CQ Region as a whole.

2.0 ASSETS OF CENTRAL QUEENSLAND

Respondents were asked to indicate what they considered to be the most important assets of the CQ Region in terms of providing a firm basis for economic development (Q.1).

Table 1 provides a summary of the responses to this question by asset category/sub-category for the five sub-regions.

Respondents indicated that, in broad terms, the prime assets of the CQ economy could be ranked as follows:

1. Minerals (296 points)
2. Crops and livestock (154 points)
3. Infrastructure (89 points)
4. Natural resources (79 points)
5. Human resources (61 points)
6. Tourism (38 points)
7. Other (see Table 1 for details) (25 points)

2.1 Minerals (including coal)

Respondents tended to aggregate mining output rather than identify particular mineral commodities. Coal, Central Queensland's major export commodity, was clearly flagged (122 points), while comments would indicate that magnesite, nickel, cobalt and limestone are also important mineral assets to the Region. Coal was correctly identified by all five sub-regions as the primary CQ mineral commodity as well as the major export dollar earner.

2.2 Crops and livestock

The second highest rated asset (164 points) was 'Crops and Livestock', covering the main commodities that make up the traditional resource base of the CQ Region. Beef, which was individually identified by all five sub-regions, was considered to be the most important agricultural asset in the Region (47 points). The other major agricultural commodities identified were grain, wool, horticulture, sugar and cotton.

2.3 Transport infrastructure

Transport infrastructure (89 points) was ranked third highest. The existing road, rail, air and sea transport network was considered to constitute an important asset that facilitated regional development. Gladstone's deep water port was singled out as a most valuable asset to the Region.

TABLE 1 : Central Queensland's Most Important Assets

Category	Sub-Category	Rockhampton		Gladstone		Mackay		Central Highlands		Central West		Total CQ	
		Score	% Sub-Category Response	Score	% Sub-Category Response	Score	% Sub-Category Response	Score	% Sub-Category Response	Score	% Sub-Category Response	CQ Score	%
1. Minerals													
	General	56	34	55	33	20	12	28	17	6	4	165	100
	Coal	32	26	45	37	25	20	18	15	2	2	122	100
	Gems	-	-	-	-	-	-	6	67	3	33	9	100
	TOTAL	88	30	100	34	45	15	52	18	11	4	296	100
2. Crops and Livestock													
	General	20	50	9	23	3	8	6	15	2	5	40	100
	Beef	11	23	8	17	11	23	10	21	7	15	47	100
	Grain	-	-	-	-	16	53	14	47	-	-	30	100
	Wool	-	-	-	-	-	-	-	-	16	100	16	100
	Horticulture	6	40	6	40	-	-	3	20	-	-	15	100
	Sugar	-	-	-	-	10	100	-	-	-	-	10	100
	Cotton	-	-	-	-	-	-	6	100	-	-	6	100
	TOTAL	37	23	23	14	40	24	39	24	25	15	164	100
3. Transport Infrastructure													
	General	3	16	3	16	4	21	3	16	6	32	19	100
	Transport	10	25	6	15	6	15	10	25	8	20	40	100
	Deep Water Port	11	37	16	53	-	-	-	-	3	10	30	100
	TOTAL	25	28	25	28	10	11	13	15	17	19	89	100
4. Natural Resources													
	General	3	27	5	45	-	-	3	27			11	100
	Water	11	35	-	-	6	19	8	26	6	19	31	100
	Soil Fertility	-	-	5	18	15	54	5	18	3	11	28	100
	Climate	3	33	-	-	3	33	3	33	-	-	9	100
	TOTAL	17	22	10	13	24	30	19	24	9	11	79	100
5. Human Resources													
	TOTAL	26	43	13	21	12	20	7	11	3	5	61	100
6. Tourism													
	TOTAL	17	45	5	13	9	24	2	5	5	13	38	100
7. Other VIZ													
	Energy	-	-	6	67	3	33	-	-	-	-	9	100
	Positive Outlook	7	100	-	-	-	-	-	-	-	-	7	100
	Lifestyle	-	-	-	-	-	-	6	67	3	33	9	100
	TOTAL	7	28	6	24	3	12	6	24	3	12	25	100

2.4 Natural resources

Water and soil fertility were ranked fourth, being considered the most important natural resources of the Region. Water was nominated by all sub-regions except Gladstone. Soil fertility was nominated by all sub-regions, except Rockhampton.

2.5 Human resources

This asset category covering education levels, skills and resourcefulness received fifth ranking (61 points).

2.6 Tourism

All five sub-regions held the view that tourism is important to the Region (38 points). Presumably, as a tourist attractor the Region has rich natural endowments as well as developed attractions. However, it received only sixth ranking.

2.7 Others

Other assets which were nominated were energy sources, a positive outlook and a great lifestyle.

3.0 IMPEDIMENTS TO ECONOMIC DEVELOPMENT

Survey participants were asked to indicate what they consider to be the most significant impediments to economic development throughout the CQ Region (Q.2).

Table 2 provides a summary of the responses to this question categorised by impediment type for each of the five sub-regions.

Respondents provided the following ranking of major impediments to the economic development of the CQ Region:

- Isolation (109 points)
- High costs (mainly transport costs) (97 points)
- Poor planning and promotion (64 points)
- Inadequate infrastructure/services (64 points)
- Lack of water (64 points)
- Lack of finance (43 points)
- Lack of government incentives (20 points)
- Parochial attitudes (18 points)

TABLE 2 : Significant Impediments To The Economic Development Of The CQ Region.

Category	Sub-Category	Rockhampton		Gladstone		Mackay		Central Highlands		Central West		Total CQ	
		Score	% Sub-Category Response	Score	% Sub-Category Response	Score	% Sub-Category Response	Score	% Sub-Category Response	Score	% Sub-Category Response	CQ Score	%
1. Isolation													
	Distance - Domestic Markets	15	37	3	7	3	7	8	20	12	29	41	100
	Distance - Foreign Markets	14	41	6	18	5	15	3	9	6	18	34	100
	Distance - Major Centres	12	35	4	-	6	18	5	15	7	21	34	100
	TOTAL	41	38	13	12	14	13	16	15	25	23	109	100
2. High Costs													
	General	27	46	8	14	6	10	10	17	8	14	59	100
	Transport	3	10	3	10	11	35	7	23	7	23	31	100
	Taxes and Charges	-	-	7	-	-	-	-	-	-	-	7	100
	TOTAL	30	31	18	19	17	18	17	18	15	15	97	100
3. Poor Planning and Promotion													
	TOTAL	34	53	10	16	11	16	6	9	4	6	64	100
4. Inadequate Infrastructure/Services													
	General	-	-	-	-	-	-	3	20	12	80	15	100
	Road Transport	3	12	-	-	8	32	8	32	6	24	25	100
	Rail Transport	-	-	-	-	3	50	3	50	-	-	6	100
	Container Port Facilities	6	40	4	27	5	33	-	-	-	-	15	100
	Air Transport	-	-	-	-	-	-	3	100	-	-	3	100
	TOTAL	9	14	4	6	16	25	17	27	18	28	64	100
5. Lack of Water													
	TOTAL	14	22	-	-	32	50	10	16	8	13	64	100
6. Lack of Proper Finance Management													
	TOTAL	9	21	11	26	11	26	5	12	7	15	43	100
7. Lack of Government Incentives													
	TOTAL	3	15	-	-	8	40	3	15	6	30	20	100
8. Anti-Progress Attitude (Parochial Mindsets)													
	TOTAL	9	50	3	17	-	-	3	17	3	17	18	100

3.1 Isolation

Isolation (109 points) was rated as the greatest single impediment. Distance from overseas markets and domestic markets was identified by all five sub-regions as the greatest impediment to economic development. The distance from major centres and sources of inputs were also identified as significant barriers. Clearly, isolation is closely related to transport costs. (See 2.2)

3.2 High costs (including transport costs)

High costs (97 points) was ranked as the second most important impediment. High transport costs are related to distance, and isolation was ranked as the number one impediment. (See 2.1) High transport costs were considered to be a major impost that is impeding economic expansion (31 points). All five sub-regions expressed the view that high transport costs, an intermediate cost of production, were holding back development. Gladstone respondents expressed the view that high government taxes and charges are impeding economic growth.

3.3 Planning and promotion

Poor planning and promotion (64 points) was ranked equal third. The need to develop an overall strategic plan for the Region, which integrates existing sub-regions and sectors, was identified by all sub-regions. Rockhampton and Mackay respondents expressed the view that poor promotion and exposure of the Region has impeded the economic development of the Region. Good promotion was needed to ensure the expansion of existing industries and to attract new businesses/industries into the Region. All five sub-regions acknowledged that there was little evidence of systematic planning and that the promotion of the CQ Region left a lot to be desired.

3.4 Natural resources

The lack of water (64 points), ranked equal third, was identified by the Central West, Rockhampton, Central Highlands and Mackay Sub-Regions as a major impediment to the economic development of the CQ Region.

3.5 Inadequate infrastructure and services

All five sub-regions considered present transport infrastructure to be inadequate. A number of Rockhampton respondents commented that the Region requires an international standard airport facility. Poor roads were identified by the Central Highlands, Mackay and the Central West, while the Central Highlands held the view that poor air services are a significant impediment to regional economic development. Mackay respondents took the view that a container port facility is required to facilitate the economic development of the Mackay Area.

3.6 Lack of proper water management

Apart from the Gladstone Area, whose water needs are considered to be adequately catered for by the Awoonga Dam, the other four sub-regions, particularly the Mackay Area, were concerned about the problem of inadequate water supply to support population growth and industrial expansion.

3.7 Lack of finance

Lack of finance and venture capital was considered by all sub-regions to be a major barrier to economic expansionary activity.

3.8 Lack of government incentives

All sub-regions except Gladstone Area raised this issue. It was not clear from responses what kind of incentives would be regarded as satisfactory or to what extent respondents were aware of the range of business incentives that are presently offered.

3.9 Anti-progress attitude (parochial mindsets)

All sub-regions except Gladstone raised this issue, which is related to a reluctance to adopt modern business and management practices and to think in terms of a global economy.

4.0 INDUSTRY OPPORTUNITIES

Survey participants were asked to indicate what industries would, in their view, provide the greatest opportunities for the economic development of the CQ Region (Q.3).

Table 3 summarises the responses to this question by industry type and sub-category, and by sub-region.

Respondents ranked the industrial/commercial activities which offer the greatest opportunity for the economic development of the CQ Region as follows:

TABLE 3 : CQ Industries With The Greatest Development Opportunities.

Category	Sub-Category	Rockhampton		Gladstone		Mackay		Central Highlands		Central West		Total CQ	
		Score	% Sub-Category Response	Score	% Sub-Category Response	Score	% Sub-Category Response	Score	% Sub-Category Response	Score	% Sub-Category Response	CQ Score	%
1. Mining													
	General	88	53	46	28	21	13	9	5	3	2	167	100
	Coal	14	17	10	12	40	49	17	21	-	-	81	100
	Gemstones	-	-	-	-	-	-	3	50	3	50	6	100
	TOTAL	102	40	56	22	61	24	29	11	6	2	254	100
2. Crops and Livestock													
	General	25	50	4	8	11	22	7	14	3	6	50	100
	Beef	11	26	-	-	15	36	11	26	5	12	42	100
	Grain	-	-	-	-	16	62	10	-	-	-	26	100
	Horticulture	13	50	-	-	3	12	7	27	3	12	26	100
	Sugar	-	-	-	-	16	100	-	-	-	-	16	100
	Wool	-	-	-	-	-	-	-	-	10	100	10	100
	Cotton	-	-	-	-	-	-	3	100	-	-	3	100
	TOTAL	49	28	4	2	61	35	38	22	21	12	173	100
3. Tourism													
	TOTAL	29	40	5	7	18	25	11	15	9	13	72	100
4. Value-Adding													
	General	18	100	-	-	-	-	-	-	-	-	18	100
	Industrial Development	18	72	5	20	-	-	-	-	2	8	25	100
	Light Engineering	9	50	9	50	-	-	-	-	-	-	18	100
	TOTAL	45	74	14	23	-	-	-	-	2	3	61	100
5. Energy													
	General	-	-	-	-	-	-	3	100	-	-	3	100
	Coal	3	12	5	20	8	32	6	24	3	12	25	100
	Methane Gas	-	-	-	-	3	100	-	-	-	-	3	100
	TOTAL	3	10	5	16	11	35	9	29	3	10	31	100
6. Port Development													
	TOTAL	3	43	4	57	-	-	-	-	-	-	7	100

- Mining (including coal) (254 points)
- Crops and livestock (173 points)
- Tourism (72 points)
- Value-adding (61 points)
- Energy (17 points)
- Port development (7 points)

4.1 Mining (including coal)

All five sub-regions held the view that the mining industry (254 points) offers the greatest potential for economic development. The expansion of mining activity, including coal, magnesite, nickel, mineral sands and the diversification into second and third stage value-adding, is considered to be the underlying strength of the CQ economy at this stage of its development.

4.2 Crops and livestock

Crops and livestock was ranked second with 173 points.

The beef industry (42 points) and the grain industry (26 points) were ranked as first and second respectively in this category. Expansion of the horticulture industry was identified by all sub-regions, except Gladstone, as having growth potential. Mackay respondents considered that the sugar industry offers considerable scope for the economic development in that sub-region, whilst the Central Highlands considered that the cotton industry has considerable development opportunities to offer.

4.3 Tourism

The tourism industry, with 72 points, was ranked third.

All five sub-regions considered that tourism has an important contribution to make to the growth and expansion of the CQ economy.

4.4 Value-adding

Industrial development (that is, a widening and deepening of the industrial base) is considered by Rockhampton, Gladstone and the Central West as the major means of job creation and enhancing the prosperity of the respective sub-regions (25 points). Rockhampton and Gladstone respondents identified the expansion and further development of light engineering industries as a useful strategic direction to take. Other manufacturing-based industries identified by respondents as being strategically important were smelting, refining and extrusion of light metal alloys.

4.5 Energy supply

Because of its importance in electricity generation, coal was viewed as having strong development potential as an energy source. The Mackay Sub-Region considered that the production of methane gas and the further extension of the gas pipeline both have significant roles to play in facilitating the economic growth of that area.

4.6 Port development

Gladstone and Rockhampton respondents identified the development of the Gladstone port facility, including the provision of container shipment facilities, as necessary to support the rapid economic growth of the Region with its strong export orientation.

5.0 DESIRED CHANGES AND IMPROVEMENTS

Survey respondents were asked to specify what changes they considered necessary in order to ensure that the maximum advantage is gained from the Region's proven economic development potential (Q.4).

Table 4 provides a summary of responses to this question categorised by types of changes perceived to be necessary, and by sub-region.

Respondents indicated that the changes (or new initiatives) which offer the greatest opportunity for the development of the CQ economy, in order of significance, are:

- Improved infrastructure (165 points)
- Regional economic development and planning (136 points)
- Provision of incentives to attract potential investors (111 points)
- Effective promotion of the Region (60 points)
- Attitudinal change (58 points)
- Water resource development/management (52 points)

5.1 Improved infrastructure

The perceived importance of transport in particular resulted in this prime ranking (165 points).

The upgrading of transport facilities (road, rail and air), identified by all sub-regions, was considered to be the most important infrastructural change needed. In particular, the Central Highlands, Mackay and the Central West Sub-Regions expressed the view that roads need to be improved, while Mackay, the Central Highlands and the Central West considered that rail facilities need to be improved.

TABLE 4 : Changes Or Improvements Required To Facilitate The Economic Development Of CQ.

Category	Sub-Category	Rockhampton		Gladstone		Mackay		Central Highlands		Central West		Total CQ	
		Score	% Sub-Category Response	Score	% Sub-Category Response	Score	% Sub-Category Response	Score	% Sub-Category Response	Score	% Sub-Category Response	CQ Score	%
1. Improve Infrastructure													
	General	6	11	5	9	11	20	24	44	9	16	55	100
	Road	-	-	-	-	13	37	17	49	5	14	35	100
	Container Port	3	9	10	31	13	41	6	19	-	-	32	100
	Rail	-	-	-	-	13	54	9	38	2	8	24	
	Air	3	16	-	-	7	37	9	47			19	
	TOTAL	12	7	15	9	57	35	65	39	16	10	165	100
2. Regional Economic Development & Planning													
	General	34	85	-	-	-	-	6	15	-	-	40	100
	Unified Approach	45	79	7	12	-	-	5	9	-	-	57	100
	Form CQ Regional Development Body	25	100	-	-	-	-	-	-	-	-	25	100
	Greater Community Involvement	7	50	7	50	-	-	-	-	-	-	14	100
	TOTAL	111	82	14	10	-	-	11	8	-	-	136	100
3. Provide Greater Incentives													
	General	13	30	14	32	7	16	4	9	6	14	44	100
	Reduce Taxes & Charges	9	22	-	-	5	12	12	29	15	37	41	100
	Facilitate Export Activities	10	38	8	31	3	12	3	12	2	8	26	100
	TOTAL	32	29	22	20	15	14	19	17	23	21	111	100
4. Promotion of The Region													
	General	30	71	-	-	7	17	5	12	-	-	42	100
	Promote Value-Adding Industries	8	73	-	-	-	-	-	-	3	27	11	100
	Market Investment Opportunities	-	-	-	-	-	-	4	57	3	43	7	100
	TOTAL	38	63	-	-	7	-	9	15	6	10	60	100
5. Attitudinal Change													
	Break Down Parochialism	29	73	11	28	-	-	-	-	-	-	40	100
	Create Export Culture	5	28	8	44	5	28	-	-	-	-	18	100
	TOTAL	34	59	19	33	5	9	-	-	-	-	58	100
6. Water Resource Development/Management													
	TOTAL	9	17	-	-	35	67	5	10	3	6	52	100

The development of a container port facility at Gladstone was considered important by Rockhampton, Gladstone and Central Highlands respondents, whereas Mackay respondents perceived a need for such a facility at Mackay.

5.2 Development planning

With second ranking, there is a clear perception that in the past development planning has not received sufficient attention (136 points).

The three major prerequisites identified for the development of a regional strategic plan were the establishment of regional development boards, greater community involvement and a more unified approach to strategic planning. In particular, approaching planning from a unified community consultative basis was considered by all five sub-regions as a necessary prerequisite for effective regional economic development planning. Rockhampton was the only sub-region to identify the formation of a community-driven Region-wide development board as necessary to ensure that Central Queensland maximises its development potential. Other components of the planning process which were identified were the involvement of industry, government agencies and higher education institutions.

Holistic promotion of the Region, the promotion of investment opportunities and the potential for the development of value-adding industries were recognised as necessary if the CQ Region is to maximise its development potential.

5.3 Provision of greater incentives

Ranked third was the need for a reduction in government taxes and charges (111 points), which was identified by all five sub-regions, and considered the major incentive required to attract new investors to the Region. All five sub-regions indicated that they favoured the introduction of incentives which assisted export-oriented industries. Such concessions could take the form of tax relief or a reduction in freight charges. It was not clear that respondents were fully aware of the export incentives (Federal and State) that presently exist.

5.4 Effective promotion of the Region

There was a general concern expressed by respondents from all sub-regions except Gladstone that better promotion of investment opportunities was needed (60 points).

5.5 Attitudinal change

Rockhampton and Gladstone respondents held the view that parochial attitudes need to be broken down if the Region is to maximise its development potential.

Gladstone and Mackay respondents held the view that the community and business in general have to foster the development of an export culture which emphasises product and service quality and reliability (58 points).

5.6 Water resource development/management

Mackay respondents in particular showed concern over inadequate water supply, management and conservation (52 points).

6.0 NEW BUSINESS AND INDUSTRIAL OPPORTUNITIES

Survey participants were asked to nominate what new business/industrial opportunities were emerging in Central Queensland (Q.5).

Table 5 provides a summary of identified business/industrial opportunities classified by type and by sub-region.

Respondents indicated that the greatest potential for business/industrial opportunities, in order of importance, were in the areas of:

- Food and natural fibre processing (175 points)
- Mineral processing (98 points)
- Tourism (70 points)
- Energy supply (38 points)

6.1 Food and fibre processing

Food and natural fibre processing, with 175 points, was given prime ranking.

Value-adding to sugar, which was identified by Mackay respondents, was considered to be the major food and fibre processing industry with new business/industrial potential for that sub-region.

Expanding meat processing activities were considered an important potential opportunity area by Rockhampton, Mackay and Central Highlands respondents. Rockhampton and Central West respondents considered that the processing of hides has great potential.

Other food and fibre processing opportunities identified include grain processing, the establishment of new cereal industries and value-adding to forest products. Central West respondents considered that the development of a textile and clothing industry near the source of raw material supply has potential.

TABLE 5 : New Business/Industrial Opportunities In The CQ Region.

Category	Sub-Category	Rockhampton		Gladstone		Mackay		Central Highlands		Central West		Total CQ	
		Score	% Sub-Category Response	Score	% Sub-Category Response	Score	% Sub-Category Response	Score	% Sub-Category Response	Score	% Sub-Category Response	CQ Score	%
1. Food and Fibre Processing (Value-Adding)													
	General	34	47	16	22	11	15	5	7	6	8	72	100
	Sugar	-	-	-	-	38	100	-	-	-	-	38	100
	Meat	10	29	-	-	13	37	6	17	6	17	35	100
	Skins (Tannery)	8	73	-	-	-	-	-	-	3	27	11	100
	Grain	7	70	-	-	-	-	3	30	-	-	10	100
	Textile & Clothing	-	-	-	-	-	-	-	-	5	100	5	100
	Wood Pulp Mill	-	-	-	-	4	100	-	-	-	-	4	100
	TOTAL	59	34	16	9	66	38	14	8	20	11	175	100
2. Mineral Processing													
	General	47	49	26	27	-	-	19	20	3	3	95	100
	Coal Value-Adding	-	-	-	-	-	-	3	100	-	-	3	100
	TOTAL	47	48	26	27	-	-	22	22	3	3	98	100
3. Tourism													
	TOTAL	34	49	13	19	15	21	5	7	3	4	70	100
4. Energy													
	General	-	-	-	-	5	100	-	-	-	-	5	100
	Gas (incl Methane)	-	-	5	19	11	42	10	38	-	-	26	100
	Ethanol (Sugar By-Product)	-	-	-	-	7	100	-	-	-	-	7	100
	TOTAL	-	-	5	13	23	61	10	26	-	-	38	100

6.2 Mineral processing

Mineral processing, with 98 points, was ranked second.

The development of light metal industries, specialist steel production plants and new metal manufacturing industries were considered to have considerable industrial development potential. Coal value-adding was identified as an opportunity by the Central Highlands Sub-Region.

6.3 Tourism industry development

All sub-regions, excepting the Rockhampton Area, recognised that the tourism industry could provide new business and investment opportunities. It was given third ranking, with 70 points.

6.4 Energy supply

Gladstone, Mackay and Central Highlands respondents held the view that natural gas and the extension of the gas pipeline offers great opportunities for business development. A number of new innovative methods of producing energy were identified as having industrial potential. The major opportunity identified by the Mackay Sub-Region was ethanol production using sugar by-products.

7.0 NEW VALUE-ADDING/EXPORT OPPORTUNITIES

Survey respondents were asked to list what new value-adding/export opportunities they perceive as being available to the CQ Region (Q.6).

Table 6 summarises responses to this question and provides a classification of new value-adding/export opportunities by type and by sub-region.

Respondents ranked the new value-adding/export opportunities with the greatest potential as follows:

- Food and fibre processing (175 points)
- Mineral processing (109 points)
- Energy supply (45 points)
- Chemicals (21 points)
- Tourism (16 points)

TABLE 6 : New CQ Value-Adding/Export Opportunities

Category	Sub-Category	Rockhampton		Gladstone		Mackay		Central Highlands		Central West		Total CQ	
		Score	% Sub-Category Response	Score	% Sub-Category Response	Score	% Sub-Category Response	Score	% Sub-Category Response	Score	% Sub-Category Response	CQ Score	%
1. Food and Fibre Processing													
	General	-	-	-	-	-	-	2	100	-	-	2	100
	Meat	22	36	7	11	7	11	12	20	13	21	61	100
	Fruit	22	52	4	10	16	38	-	-	-	-	42	100
	Grain	12	32	6	16	4	11	16	42	-	-	38	100
	Sugar	-	-	-	-	32	100	-	-	-	-	32	100
	Vegetables	10	36	4	14	14	50	-	-	-	-	28	100
	Skins (Tannery)	11	58	-	-	8	42	-	-	-	-	19	100
	Wool	-	-	-	-	7	41	-	-	10	59	17	100
	Cotton	14	93	-	-	-	-	-	-	1	7	15	100
	Seafood	12	100	-	-	-	-	-	-	-	-	12	100
	Kangaroo & Feral Animals	-	-	-	-	-	-	-	-	4	100	4	100
	Aquaculture	-	-	-	-	-	-	4	100	-	-	4	100
	Wine	-	-	-	-	-	-	3	100	-	-	3	100
	TOTAL	103	59	21	12	88		37	21	28	16	175	100
2. Mineral Processing													
	General	56	60	32	34	-		3	3	3	3	94	100
	Aluminium Extrusion	-	-	7	100	-		-	-	-	-	7	100
	Steel Manufacturing	-	-	5	100	-	-	-	-	-	-	5	100
	Gems	-	-	-	-	-	-	-	-	3	100	3	100
	TOTAL	56	51	44	40	0	-	3	3	6	6	109	100
3. Energy	(Coke Processing)												
	TOTAL	18	40	10	22	11	24	6	13	-		45	100
4. Chemicals													
	TOTAL	-	-	18	86	-	-	3	14	-	-	21	100
5. Tourism													
	TOTAL	14	88	-	-	-	-	2	13	-	-	16	100

7.1 Food and fibre processing

This category of potential value-adding/export expansion was given a clear top ranking (175 points).

The major food groups which were identified were meat processing, fruit processing, grain processing, sugar processing and vegetable processing. Others include tanning, wool processing, cotton processing and seafood processing.

All five sub-regions commented that export opportunities exist for the production, processing and packaging of meat. Rockhampton, Gladstone and Mackay respondents indicated that fruit and vegetables could be either dried or canned. Other food and fibre processing industries which were identified include processing of grain, sugar refinement, seafood processing, wine production, cotton ginning, aquaculture and the development of game meat industries, such as kangaroo and emu production and processing.

7.2 Mineral processing

Mineral processing was ranked second with 109 points.

Gladstone respondents expressed the view that aluminium extrusion had potential. Central West respondents noted that gem processing could be developed as a labour-intensive industry that adds value to the raw product.

7.3 Energy supply

The processing of coal/coke was identified by all sub-regions except the Central West as a major energy source which could be further exploited.

7.4 Chemicals

Other potential value-adding and export opportunities which were identified include fertiliser production and development of a major chemical industry.

7.5 Tourism

Only Rockhampton and Central Highlands respondents identified value-adding opportunities in relation to tourism.

8.0 FUTURE DIRECTION OF ECONOMIC DEVELOPMENT

Survey participants were asked to indicate what they consider to be the general direction the future economic development of Central Queensland should take (Q.7).

Table 7 provides a classification of identified future development directions by type and by sub-region.

Respondents indicated that the key activities upon which the future economic development of Central Queensland should be based, in order of priority, are:

- Value-adding (161 points)
- Tourism (90 points)
- Regional development planning (65 points)
- Improvement of infrastructure and service delivery (43 points)
- Development of human resources (26 points)
- Provision of incentives
- Promotion of positive CQ image

8.1 Value-adding

All five sub-regions held the view that downline processing of minerals, natural fibres and food products offers the greatest value-adding potential for the CQ Region. Rockhampton, Mackay and Gladstone respondents held the view that building a diversified industrial base was the direction in which the economic development of the Region should proceed. This activity was given a clear priority ranking with 161 points.

8.2 Tourism

All sub-regions expressed the view that the opportunities to expand tourism have not been fully explored and that the tourism industry has a key role to play in the future. There was a firm directive that a new approach to tourism promotion had to be taken if Central Queensland's market share was to increase. This activity was ranked second, with 90 points.

8.3 Regional development planning

All five sub-regions held the view that, to-date, development and growth of the Region has occurred on a piecemeal basis, and that the future direction of the CQ economy will require regional economic development planning. Such an approach must take stock of the present position of primary, secondary and tertiary industries, and the existing social and economic infrastructure. Future expected

TABLE 7 : Future Development Directions of the CQ Region

Category	Sub-Category	Rockhampton		Gladstone		Mackay		Central Highlands		Central West		Total CQ	
		Score	% Sub-Category Response	Score	% Sub-Category Response	Score	% Sub-Category Response	Score	% Sub-Category Response	Score	% Sub-Category Response	CQ Score	%
1. Value Adding													
	Downline Processing	51	41	25	20	35	28	9	7	5	4	125	100
	Industrial Development	24	67	9	25	-	-	3	8	-	-	36	100
	TOTAL	75	208	34	-	35	22	12	7	5	3	161	100
2. Tourism													
	TOTAL	56	62	7	8	17	19	7	8	3	3	90	100
3. Regional Development Planning													
	TOTAL	30	46	7	11	18	28	7	11	3	5	65	100
4. Improve Infrastructure and Services													
	Transport	13	48	10	37	-	-	4	15	-	-	27	100
	Road	-	-	5	50	-	-	3	30	2	20	10	100
	Rail	-	-	6	100	-	-	-	-	-	-	6	100
	TOTAL	13	30	21	49	-	-	7	16	2	5	43	100
5. Development of Human Resources													
	Education	11	52	8	38	-		-	-	2	10	21	
	Managerial & Marketing Skills	-	-	-	-	-		5	1.00	-	-	5	
	TOTAL	11	42	8	31	-	-	5	19	2	8	26	100
6. Provision of Incentives													
	General	-	-	-	-	4	25	-	-	12	75	16	
	Taxation	-	-	-	-	-	-	-	-	8	100	8	
	TOTAL	-	-	-	-	4	17	-	-	20	83	24	100
7. Promote CQ Image													
	TOTAL	11	48	6	-	-	-	3	13	3	13	23	100

trends and factors which may restrain economic growth and development need to be identified and solutions developed to overcome these obstacles. This activity received third highest ranking, with 65 points.

All five sub-regions held the view that a Region-wide plan of action is needed to maximise the opportunities provided by the area's natural resources.

8.4 Improvement of infrastructure and service delivery

Improvement in infrastructure and services is seen as a prerequisite for the economic development of the CQ Region. The state of roads was identified by Gladstone, Central Highlands and Central West respondents as inadequate to service the expected economic expansion of the Region. Gladstone respondents indicated that passenger rail services need to be upgraded.

8.5 Development of human resources

There was a strong recognition that tertiary education provision was a strong growth industry and that high levels of expertise were necessary in order to realise Central Queensland's full potential.

8.6 Provision of incentives

Mackay and Central West respondents took a firm stance on the need for a reduction in government taxes and charges to provide a stimulus to business investment. Such incentives were needed to escape the recession.

8.7 Promotion of positive CQ image

There was a conviction, particularly strong in Rockhampton, that building a confident, outgoing CQ image was a prerequisite to building a stronger and more resilient export-based CQ economy.

APPENDIX 1: DEFINITIONS

Crops and livestock

All livestock and crop production. Major commodities include beef, wool, grain, sugar, cotton and horticulture. Does not include processing of the raw commodity.

Mining and Energy

- **Mining**

  All raw minerals including coal. Major commodities include coal, magnesite, nickel, cobalt and limestone. The mining of gems is also included. Does not include processing and value-adding to the raw commodity.

- **Energy**

  Natural gas, oil and oil shale and energy by-products from crops such as sugar. Energy production includes coal processing.

Food and fibre processing

Processing of raw agricultural products, as well as further value-adding such as packaging. Includes meat processing, cotton ginning, wool scouring and the canning and drying of fruits and vegetables.

Mineral processing

Activities which add value to raw minerals. Includes industries such as metal refining, smelting, aluminium extrusion and steel manufacturing.

Value-adding

Encapsulates all responses which did not specify the commodity to which value-adding pertains. Includes downline processing, industrial development and general manufacturing.

Infrastructure and services

All road, rail, air and sea transport, including container port facilities and social infrastructure, as well as services provided by government.

Natural resources

Soil, water and climate.

Human resources

Activities such as education and training that add value to human resources.

Tourism

All activities which seek to increase tourism. Includes development of facilities, provision of access roads, marketing and promotion.

Provision of incentives

All suggestions to encourage potential investors into the Region and ways to alleviate the high costs associated with developing and maintaining a business.

Planning

Encapsulates all comments on economic development planning. Also includes all references to promotion of the Region as one offering good investment opportunities.

APPENDIX 2: SURVEY DESIGN/RESPONSE/POINTS SYSTEM

A questionnaire containing seven key questions relating to the future economic development of the CQ economy was developed. (See Appendix 3.)

The purpose of the survey was to get a feel for what a representative cross-section of the CQ community perceived as the strengths, weaknesses, challenges and opportunities of the Region in regional economic development terms.

Using *Oz on Disc*, a stratified random sample of all five sub-regions was surveyed by means of a mailed questionnaire with a reply paid envelope attached.

The sample selected, response rates and percentage responses for the Region as a whole and its five component sub-regions are shown below.

	Sample	Responses	% Responses
Rockhampton	80	34	42.5
Gladstone	40	14	35.0
Mackay	40	17	42.5
Central Highlands	20	8	40.0
Central West	20	6	30.0
TOTAL	200	79	39.5

The average response rate of 39.5% is considered satisfactory for this kind of survey, whose purpose was, primarily, to identify perceived needs and opportunities.

Even though respondents' views on the CQ Region as a whole were sought, it is evident from the analysis that, in the majority of cases, respondents interpreted the survey as applying to their particular sub-region or locality.

The points system used to obtain priority rankings was as follows:

- Each respondent could *spend* a maximum of six points.
- A prime ranking (the most important) was 'worth' three points; a second ranking two points; a third ranking one point.
- Respondents were requested to 'spend' the full six points.
- All six points could be spent by giving two prime rankings or any combination using no more than six points.

APPENDIX 3

CENTRAL QUEENSLAND REGIONAL ECONOMIC DEVELOPMENT STRATEGY INCEPTION STUDY

NEEDS AND OPPORTUNITIES (ATTITUDINAL) SURVEY

Dear Respondent,

Your cooperation in answering the following questions regarding the economic development of the Central Queensland Region is most appreciated. This is an excellent opportunity for you to participate in setting the future economic direction for this resource-rich Region.

We are asking you to rank your preferences using the following points scoring system:

You are allocated six points to 'spend'. We suggest that you 'spend' the full six points in a manner that reflects your priorities, but there is some flexibility in how you can allocate these points.

First choices inserted under (a) are allocated three (3) points, second choices inserted under (b), two (2) points, and third choices under (c), one (1) point.

You may allocate your full six points to (a), giving equal rating to two primary preferences, or may choose any combination that, in your view, reflects your priorities.

The information gained from this survey will be used in the design of in-depth interviews structured around the key issues raised.

The results of the overall Study will be publicised widely.

Thank you for your cooperation.

Liam Ryan
<u>Project Manager</u>

Enc

1. What resources do you consider to be the most important assets of the Central Queensland Region in terms of future economic development?

   (a) ____

   (b) ____

   (c) ____

2. What, in your view, are the most significant impediments or barriers to the future economic development of the Central Queensland Region?

   (a) ____

   (b) ____

   (c) ____

3. In your view, what industries provide the greatest opportunities for the future economic development of the Central Queensland Region?

   (a) ____

   (b) ____

   (c) ____

4. In your view, what changes/improvements to the Central Queensland Region are needed to ensure that the maximum advantage is gained from its proven economic development potential? (Please list at least three changes/improvements in order of perceived importance.)

   (a) ____

   (b) ____

   (c) ____

5. In your view, what new business/industrial opportunities currently exist or are emerging in Central Queensland? (Please nominate at least three business/ industrial opportunities in order of perceived importance.)

   (a) ______________________________

   (b) ______________________________

   (c) ______________________________

6. What new value-adding/export opportunities do you perceive as available to the Central Queensland Region? (Please list three value-adding/export opportunities in order of perceived importance.)

   (a) ______________________________

   (b) ______________________________

   (c) ______________________________

7. In your view, what general direction should the future economic development of the Central Queensland Region take? (Please list three aspects of this general direction.)

   (a) ______________________________

   (b) ______________________________

   (c) ______________________________

8. What is the nature of your interest in the Central Queensland Region? (e.g. resident, resident and investor, resident and primary producer, etc.) Please try to be as explicit as possible.)

   ____

   ____

9. In what part of Central Queensland does your interest primarily lie? (use City, Shire, town or postcode)

____

Optional

Should we wish to make follow-up contact, please provide us with your name, address and telephone or fax number.

Name: ....

Address: ....

....

Telephone No: ....

Fax No.: ....

Thanks again for your cooperation.