

STRATEGIC DIRECTIONS

The Central Queensland Regional Economic Development Strategy Inception Study



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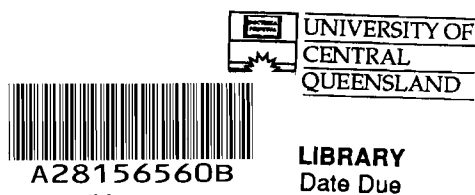
**EXECUTIVE
SUMMARY**

February 1993

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THE CENTRAL QUEENSLAND REGIONAL ECONOMIC DEVELOPMENT STRATEGY INCEPTION STUDY

EXECUTIVE SUMMARY



Disclaimer: The information and recommendations contained in this Report do not represent the opinions and attitudes of the Queensland State Government and interested parties should conduct their own evaluations and draw their own conclusions.

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1. INTRODUCTION

Strategic Directions, the Final Report on the Central Queensland Regional Economic Development Strategy Inception Study, of which this is the Executive Summary, integrates the main findings of nine Background Reports which, together, document the findings of this major Study into a single document. However, those seeking detail on the sources of the various policy directions arising from this Study should refer to these Background Reports.

The outcomes of the Study derive from extensive consultation with sub-regional development organisations, small businesses, large private sector companies, local government authorities (LGAs), regional representatives of State Government departments, executives of public enterprises and statutory authorities, trade unions, professional and community organisations and a cross-section of individuals across the Central Queensland (CQ) Region.

The Study provides the Queensland Government with reliable and up-to-date CQ community-based input for policy development purposes, as well as providing valuable insights into ways of enhancing the delivery of regional services and programs.

2. BACKGROUND

In late 1991, separate submissions from the University of Central Queensland (UCQ) and the Capricorn Tourism and Development Organisation (CTDO) to the Department of Business, Industry and Regional Development (DBIRD), under the Regional Economic Development (RED) Program, were successful in attracting funding assistance to conduct a Central Queensland Regional Economic Development Strategy Inception Study.

DBIRD provided funding of \$30,000 which had to be matched by UCQ, while CTDO was obliged to provide 'in kind' assistance with the Study to the value of \$5,000.

The University was assigned responsibility for the management and execution of the Study which was scheduled for completion before the end of 1992.

3. STUDY OBJECTIVES

The prime objective of this Study was to provide strategic direction for the future economic development of the CQ Region, defined as DBIRD-Central, incorporating the Australian Bureau of Statistics (ABS) Statistical Division of Mackay, Fitzroy and Central West, plus Miriam Vale Shire from the Wide Bay-Burnett Statistical Division.

Sub-objectives, as stated in Section 3.3 of the Grant Application, were:

- (i) to provide a reasonably accurate picture of the present state of development of the CQ economy, viz a comprehensive statistical profile by sub-region and LGA;
- (ii) on the basis of an analysis of the relevant time series data (trend analysis), to isolate key determinants of growth and potential lead sectors and industries;
- (iii) to present middle-range (5 year) projections on the basis of the above trend analysis and information on major new investment initiatives; and
- (iv) to provide justification for the future commissioning of a comprehensive economic development plan/strategy for the Region that will build on the analysis and strategic directions provided by this Inception Study.

4. MODUS OPERANDI

The Central Queensland Regional Economic Development Strategy Inception Study was carried out using a consultative approach, recognising that different sub-regions and small areas have different aspirations and perceived priorities.

Local and sub-regional communities supplied the prime directional inputs for the Study.

Regular consultation took place with key players, representative bodies and other interested parties, and feedback was provided at each stage of the Study's development.

A 'bottom up' consultative approach was adopted to ensure broad-based community support for, and ownership in, the strategy that would emerge and thus enhance its prospects of success.

5. STATE ECONOMIC DEVELOPMENT POLICY CONTEXT

Queensland - Leading State, issued in April 1992, provides a clear statement of the philosophy underpinning the State's current economic development policy.

The main tenets of that philosophy are:

- (1) the adoption of 'a consistent, coherent policy of *market enhancement*. This policy recognises, above all else, that the private sector is the engine for sustainable economic growth and the role of government is to provide a competitive, stable environment in which the business sector can operate efficiently with minimal Government interference' (Foreword); and
- (2) within an open, consultative participatory planning framework, developing 'a set of policies that are achievable and sustainable and which recognise the limits of a State Government's area of influence and the impact of national and international factors' (Foreword).

The iterative consultation process, involving 'business, unions and the wider community' that has been adopted is continuous in the sense that it goes beyond the policy development stage and recognises that 'successful implementation of the *Leading State* strategies will require a full working partnership of these groups with the State Government' (Foreword).

6. STUDY AREA

The definition of the CQ Region adopted for the purpose of this Study is the region covered by DBIRD-Central, comprising the ABS Statistical Divisions of Mackay, Fitzroy and Central West, *plus* Miriam Vale Shire from the Wide Bay-Burnett Statistical Division. (See Report cover.)

This Region incorporates five sub-regions or economic zones, as follows:

- (i) Rockhampton Area (Sub-Region 1), consisting of Rockhampton City and the Shires of Banana, Fitzroy, Livingstone and Mount Morgan.

The relevant Regional Development Organisation for these five LGAs is the CTDO based in Rockhampton, while Rockhampton & District Promotion & Development Association Inc (RDPDA), also Rockhampton-based, shares responsibility for the development needs of Rockhampton City and the closely aligned Fitzroy and Mount Morgan Shires. Rockhampton Area is part of the Fitzroy Statistical Division.

- (ii) Gladstone Area (Sub-Region 2) comprises the City of Gladstone, Calliope Shire and Miriam Vale Shire.

The regional development interests of these three LGAs are the responsibility of the Gladstone Area Promotion and Development Limited (GAPD) which is based in Gladstone. The City of Gladstone and Calliope Shire are part of Fitzroy Statistical Division,

whilst Miriam Vale Shire is part of the Wide Bay-Burnett Statistical Division.

- (iii) The Central Highlands Region (Sub-Region 3) consists of the five Shires of Bauhinia, Duaringa, Emerald, Jericho and Peak Downs, which have united under the recently formed Central Highlands Promotions and Development Organisation Inc (CHPDO), based in Emerald.

All five LGAs comprising the Central Highlands Region are part of the Fitzroy Statistical Division.

- (iv) The Mackay Area (Sub-Region 4), which coincides with the ABS Mackay Statistical Division, covers Mackay City and the Shires of Belyando, Broadsound, Mirani, Nebo, Pioneer, Sarina and Whitsunday; that is, eight LGAs in all.

Mackay Regional Development Bureau Inc (MRDB), based in Mackay, represents these eight LGAs.

- (v) The Central West Region (Sub-Region 5) is identical to the ABS Central West Statistical Division. It consists of the Shires of Aramac, Barcaldine, Barcoo, Blackall, Boulia, Diamantina, Ilfracombe, Isisford, Longreach, Tambo and Winton; that is, eleven LGAs in all.

The vast area covered by these eleven LGAs is represented by the recently formed Remote Area Planning and Development Board (RAPDB), based in Longreach.

So, the target area for this Study consists of 32 Shires, covers a total area of 564,539 square kilometres (sq km); that is, 32.7% of the total area of Queensland; and, at the August 1991 Census, had a total population of 298,732, which amounted to approximately 10% of the State's population.

7. STUDY REPORTING

This Study is reported as follows:

1. A Final Report titled 'Strategic Directions', which summarises the findings of the Study's nine Background Reports.
2. An Executive Summary titled 'Strategic Directions'.

3. Background Report No. 1 (BR.1), *Statistical Profiles: Central Queensland Region, Sub-Regions and Local Government Areas (Councils and Shires)*.
4. Background Report No. 2 (BR.2), *Future Search Workshop Summaries: Central Highlands and Central West*.
5. Background Report No. 3 (BR.3), *Central Queensland Needs and Opportunities (Attitudinal) Survey Report*.
6. Background Report No. 4 (BR.4), *Private Sector Stakeholder Survey Report*.
7. Background Report No. 5 (BR.5), *Central Queensland Public Sector Regional Chief Executive Officer Survey Report*.
8. Background Report No. 6 (BR.6), *Study Consultative Committee Workshop Report*.
9. Background Report No. 7 (BR.7), *Study Public Workshop Report*.
10. Background Report No. 8 (BR.8), *Manufacturers and Specialist Service Providers Survey Report*.
11. Background Report No. 9 (BR.9), *Miriam Vale Regional Economic Development Strategy Study Report*.

8. PRESENT POPULATION AND FUTURE PROJECTIONS

It is widely acknowledged that the CQ Region as defined has a particularly rich resource base. It is a vast Region, covering 564,539 sq km; that is, approximately one-third of the State's area. Straddling the Tropic of Capricorn, it is bounded by the Great Barrier Reef to the east and the Northern Territory border to the west; it stretches from the top of Whitsunday Shire in the north to the bottom of Miriam Vale Shire in the south.

At the August 1991 Census, the Region contained one-tenth of the State's population, with the heaviest concentrations in the coastal centres of Rockhampton, Gladstone and Mackay, but becoming increasingly sparse with distance westward from the coast.

As one would expect, the quality of service and infrastructure provision diminishes with distance westward from the major coastal centres and the tyranny of distance and comparative isolation tend to take their toll, both economically and socially.

On an ABS Statistical Division basis, Table 1 provides details of LGA areas and their respective populations at the 1986 and 1991 Census dates, as well as changes in population between 1986 and 1991 and population projections to the year 2006.

TABLE 1 - POPULATION AND POPULATION PROJECTIONS BY LOCAL GOVERNMENT AREA

Local Government Area	Area 1991	Population 30 June 1986	Population 6-Aug 1991	Population % Change 1986-91	Population Projection 1996	Population Projection 2001	Population Projection 2006	Projected Increase 1991-2006	Projected % Change 1991-2006
FITZROY STAT. DIVN									
Banana Shire	15726	16988	14256	-15.59	17739	18319	18960	4704	33.00
Bauhinia Shire	24558	2654	2565	-3.35	2360	2363	2368	-197	-7.68
Calliope Shire	5875	9720	11100	14.20	12658	14465	16537	5437	48.98
Duaringa Shire	17946	10499	10256	-2.31	11001	11472	12046	1790	17.45
Emerald Shire	10230	9462	10662	12.68	11049	12390	13829	3167	29.70
Fitzroy Shire	5761	6406	8050	25.66	9726	11872	14121	6071	75.42
Gladstone City	128	22792	24205	6.20	23759	24536	25557	1352	5.59
Jericho Shire	21717	1105	1120	1.36	974	951	932	-188	-16.79
Livingstone Shire	11150	15886	19341	21.75	19737	21922	24100	4759	24.61
Mount Morgan Shire	505	3108	3093	-0.48	3157	3156	3154	61	1.97
Peak Downs Shire	8096	3209	3957	23.31	4620	4840	5012	1055	26.66
Rockhampton City	187	56742	59418	4.72	64694	67878	69514	10096	16.99
TOTAL	121879	158471	168023	6.03	181474	194164	206130	38107	22.68
CENTRAL-WEST STAT. DIVN									
Aramac Shire	23232	1097	833	-24.07	1032	1019	1007	174	20.89
Barcardine Shire	8430	1779	1813	1.91	1766	1729	1705	-108	-5.96
Barcoo Shire	61901	566	550	-2.83	437	426	411	-139	-25.27
Blackall Shire	16304	2070	2043	-1.30	2057	2014	1972	-71	-3.48
Boulia Shire	61176	583	580	-0.51	527	514	504	-76	-13.10
Diamantina Shire	94690	302	339	12.25	230	222	212	-127	-37.46
Illiacombe Shire	6566	327	342	4.59	315	309	305	-37	-10.82
Isisford Shire	10528	465	445	-4.30	314	294	289	-156	-35.06
Longreach Shire	23517	3871	4368	12.84	4293	4392	4447	79	1.81
Tambo Shire	10308	704	621	-11.79	620	626	635	14	2.25
Winton Shire	53820	1986	1878	-5.44	1675	1636	1602	-276	-14.70
TOTAL	370472	13750	13812	0.45	13266	13181	13089	-723	-5.23
MACKAY STAT. DIVN									
Belyando Shire	30078	11362	11080	-2.48	13168	14126	15218	4138	37.35
Broadsound Shire	18307	8419	8476	0.68	10126	10627	10999	2523	29.77
Mackay City	34	22199	23044	3.81	23326	23670	23838	794	3.45
Mirani Shire	3292	4854	4626	-4.70	5052	5129	5200	574	12.41
Nebo Shire	10033	2352	2632	11.90	2474	2528	2604	-28	-1.06
Pioneer Shire	2764	36084	40616	12.56	43845	48019	52053	11437	28.16
Sarina Shire	1327	7537	8073	7.11	9378	10576	11782	3709	45.94
Whitsunday Shire (e)	2644	11581	15216	31.39	16094	19724	23564	8348	54.86
TOTAL	68479	104388	113763	8.98	123463	134399	145258	31495	27.68
Miriam Vale Shire	3709	2017	3134	55.38	2859	3150	3260	126	4.02
TOTAL CENTRAL QUEENSLAND	564539	278626	298732	7.22	321062	344894	367737	69005	23.10
TOTAL QUEENSLAND	1727000	2624595	2978631	13.49	3284226	3591154	3889420	910789	30.58

TABLE 1 (cont) - POPULATION AND POPULATION PROJECTIONS BY LOCAL GOVERNMENT AREA

	Area 1991	Population 30 June 1986	Population 6-Aug 1991	Population Projection 1996	Population Projection 2001	Population Projection 2006	Projected Increase 1991-2006
	sq km						
% OF CENTRAL QUEENSLAND							
FITZROY STAT. DIVN	21.59	56.88	56.25	56.52	56.30	56.05	55.22
CENTRAL-WEST STAT. DIVN	65.62	4.93	4.62	4.13	3.82	3.56	-1.05
MACKAY STAT. DIVN	12.13	37.47	38.08	38.45	38.97	39.50	45.64
Miriam Vale Shire	0.66	0.72	1.05	0.89	0.91	0.89	0.18
CENTRAL QUEENSLAND % OF QUEENSLAND							
	32.69	10.62	10.03	9.78	9.60	9.45	7.58

Source: ABS - 1991 Census of Population and Housing; Population Projections - Queensland Department of Housing and Local Government ("Medium" Population Projections Used)

Compared with an increase of 13.5% for the State between 1986 and 1991, the CQ Region recorded an increase of only 7.2%. Over this period, thirteen out of the 32 LGAs that comprise the CQ Region experienced population declines, seven of them in the Central West Statistical Division which experienced an overall population growth rate of only 0.45%.

Gladstone City, with an increase of 6.2%, experienced the highest population growth rate of the three main coastal centres, but adjacent Calliope and Miriam Vale Shires recorded growth rates of 14.2% and 55.4% respectively.

Rockhampton City had a population growth rate of only 4.7%, while adjacent Fitzroy and Livingstone Shires recorded growth rates of 25.7% and 21.8% respectively.

Similarly, Mackay City's population grew by only 3.8% over this period, while adjacent Pioneer Shire experienced an increase of 12.6%.

Between 1991 and 2006 the projected increase of population for the CQ Region is only 23%, compared with 30.6% for the State as a whole. Furthermore, some twelve LGAs are projected to experience population declines over this period, with nine of these (out of the Central West's total of eleven) located in the Central West Statistical Division, which is projected to lose 723 persons, or 5.2% of its present population of 13,812 persons.

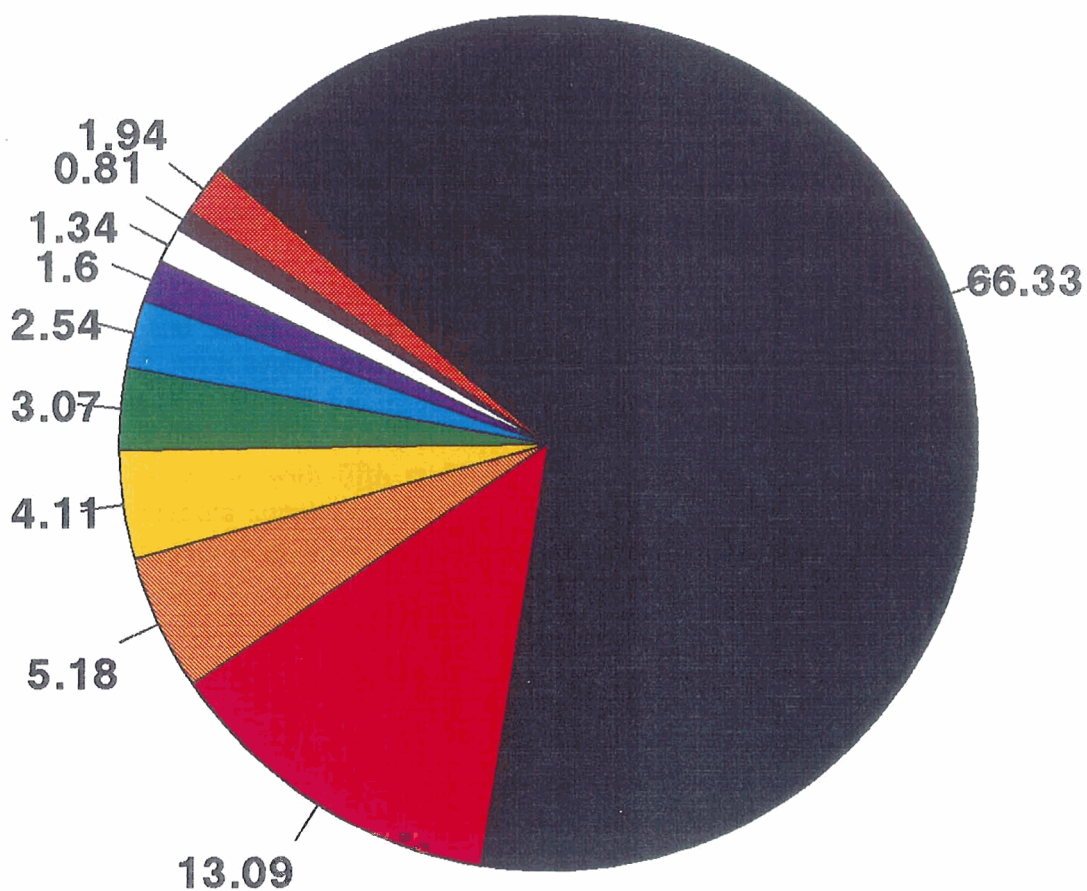
Both the recent population trends and the projections issue a warning and raise the question: 'Is this comparatively low population growth rate, including the projected future trend, related to economic instability or decline, leading to a lack of business and job opportunities, or are there other economic and/or sociological factors at work that render the CQ Region less attractive than, say, Southeast Queensland?'

9. CQ VALUE OF COMMODITY PRODUCTION: OVERVIEW

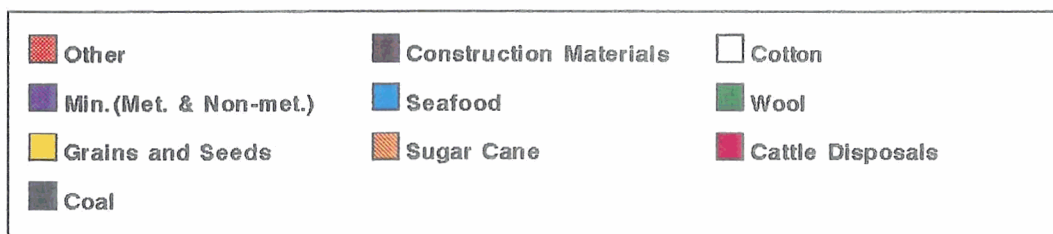
Figure 1 shows that, in terms of 1990-91 value of commodity production, coal is clearly dominant, with a massive 66.3% share. Cattle Disposals (the beef industry), often perceived as the CQ Region's major industry, holds a 13.9% share, followed by sugar (5.2%), grain (4.1%), wool (3.1%), seafood (2.5%), metallic and non-metallic minerals (1.6%), Other (which includes dairy produce, timber, fruit and vegetables) (1.9%), cotton (1.3%) and construction materials (which include limestone, crushed and broken stone and other quarry materials) (0.8%).

The imbalance in this commodity mix is evident from the fact that coal accounts for approximately two-thirds of Central Queensland's commodity production value. Significantly, CQ coal production accounts for 80% of the State's total and 87% of Queensland's coal exports.

**FIGURE 1: ESTIMATED VALUE OF CQ PRIMARY PRODUCTION
1990-91 (\$'000)**



Percent



Other: Dairying (0.39%), Pig Disposals (0.31%), Fruit (0.23%), Sheep & Lamb Disposals (0.22%), Other (0.79%)

Coal is clearly Central Queensland's 'flagship' industry and, on the basis of industry projections and the number of new projects coming on line, it is poised to increase its dominance to between 72% and 75% of total CQ commodity production value by 1997.

Central Queensland's second major industry, beef production, is also a major export income earner with some 60% of Australian beef being sold to overseas buyers.

Sugar, Central Queensland's third ranked commodity in terms of production value, is again a major export commodity item, with some 78% of total production being exported.

Grains and seeds, the fourth ranked industry category, is likewise strongly export-oriented, with approximately 30% of Australian wheat production sold on export markets.

Likewise wool, with fifth ranking, is produced predominantly for export purposes, with Australia supplying 32% of the world's raw wool in 1990-91, with an export value in excess of \$3 billion. Seafood, ranked sixth, has a well-established export market. The bulk of cotton and other minerals, ranked seventh and eighth respectively, is exported.

The picture that emerges is that the CQ Region is a massive contributor to the Queensland and Australian economies in terms of export-earnings it generates - a contribution that is most valuable given Australia's persistent Balance of Payments problems and high foreign debt with its associated burdensome debt servicing problems from current Gross Domestic Product (GDP).

However, all of the top export-oriented production categories shown in Figure 1 are capital intensive, as either no processing of these commodities occurs in the Region (coal and wool), or only primary stage processing takes place. The commodity export orientation means that Central Queensland misses out on the high value-adding processing stages and thereby forfeits export income and business and job opportunities.

A great deal of emphasis is currently being placed on adding value to these staple CQ export commodities as a means of creating more business and job opportunities.

The message is clear for Central Queensland as it is for Australia: value-adding, wherever it is economically feasible, must be encouraged and systematically developed.

10. COMMODITY RESOURCE BASE BY SUB-REGION

The purpose of providing an outline of the commodity resource base of each sub-region is to provide a factual context within which to assess:

- (i) the elements of the regional development strategies identified by the communities of each sub-region;
- (ii) the facts and insights gleaned from the various background studies that are relevant to each sub-region; and
- (iii) the recent trend and future prospects analysis of Central Queensland's seven main commodity-based industries separately analysed in-depth in this Section.

10.1 ROCKHAMPTON AREA: SUB-REGION 1

Rockhampton is the major service centre of Central Queensland. Figure 2 shows that coal accounts for 65.5% of the total value of commodity production for the Rockhampton Sub-Region.

The beef industry ranks second, with a 19.6% share.

Third ranked is grain and seeds, with 4.8% of the total.

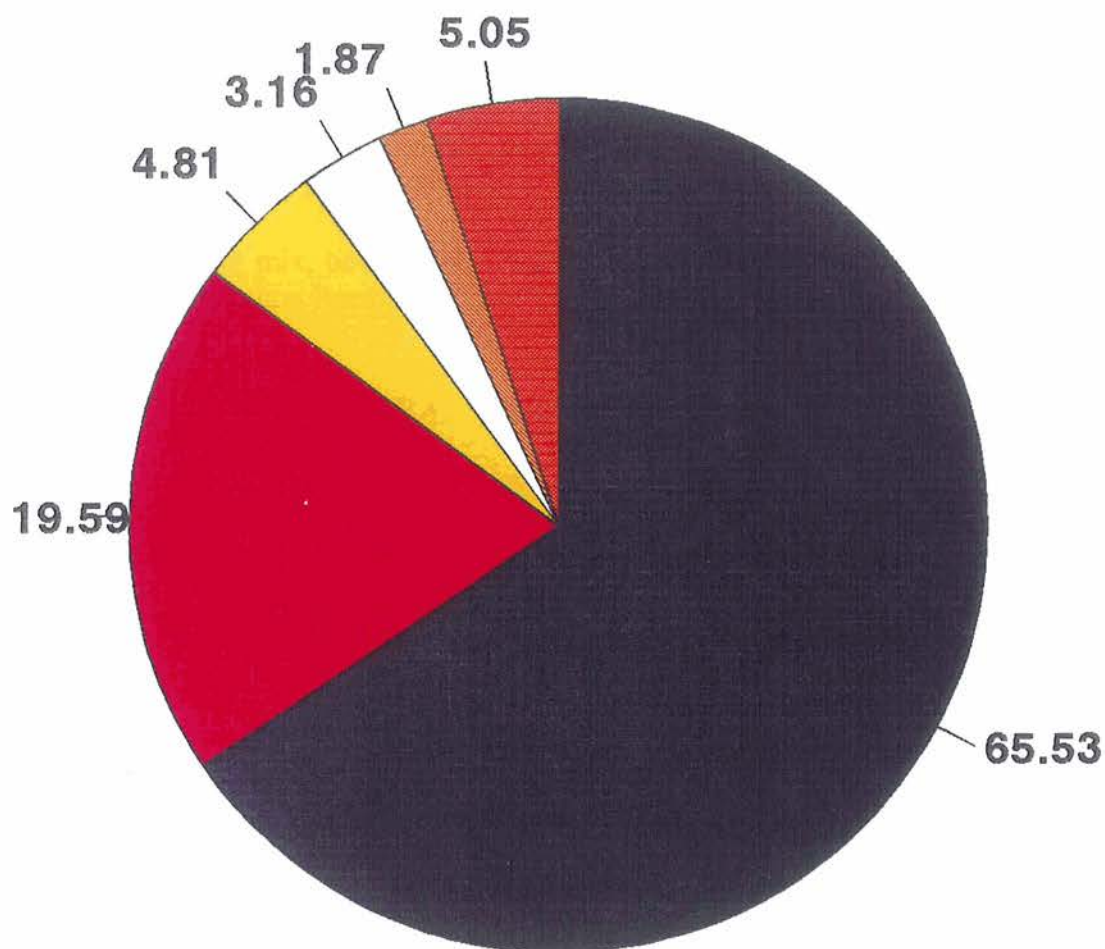
Next in order of importance are cotton (3.2%) and pig disposals (1.9%). The 'Other' category, accounting for 5.1% of the total, includes fruit (1.18%), lucerne and other fodder crops (1.16%), egg production (0.72%), vegetables (0.53%) and miscellaneous (1.46%).

Although commodity production is fairly diversified, two commodities, coal and beef, account for 85% of total commodity production value for the sub-region.







10.2 GLADSTONE AREA: SUB-REGION 2

Gladstone, endowed with a magnificent natural deep-water harbour, is Central Queensland's major port and industrial centre. Its major strengths lie in its heavy industrial base and excellent bulk commodity handling port facilities. The Gladstone Area has well-developed and expanding manufacturing and service sectors.

FIGURE 2: ESTIMATED VALUE OF ROCKHAMPTON AREA PRIMARY COMMODITY PRODUCTION
1990-91 (\$'000)



Percent

 *Other	 Pig disposals
 Cotton	 Grains and seeds
 Cattle disposals	 Coal - Value at mine

*Other: Fruit(1.18%), Lucerne & other fodder crops(1.16%), Dairying(0.85%), Egg prod.(0.72%), Vegetables(0.53%), Misc.(0.61%)

Figure 3 shows that cattle disposals clearly dominates the agricultural commodity base, with 63.4% of total value of commodity production in 1990-91.

Dairying gets second highest ranking, with 12.5% of the total.

Next in order of importance are fruit (mainly paw paws) (8.3%), pig production (6.2%), vegetables (4.2%) and 'Other', including poultry and eggs, (5.4%).

Again, two major commodities dominate, with cattle disposals and dairying together accounting for 75.5% of total commodity production value.

The commodity mix, however, is diversified and is significantly different from that of the Rockhampton Area, indicating strong complementarity.

10.3 THE CENTRAL HIGHLANDS AREA: SUB-REGION 3

This traditionally cattle grazing and grain growing area is extremely rich in high quality coal reserves. Figure 4 demonstrates that coal, with 73.6% of total value of commodity production, dwarfs other commodity production activities, of which there are comparatively very few.

Cattle disposals ranks second, with 14.1%, and grain and seed production third, with 8.7%.

Cotton grown in the Emerald area accounts for 3.3% of the total. Minor crops accounting for the remaining 0.3% include peanuts (0.12%), hay (0.07%) and fruit and vegetables (0.04%).

Again, two commodity dominance is clearly evident, with the coal and beef industries accounting for approximately 88% of total commodity production value.

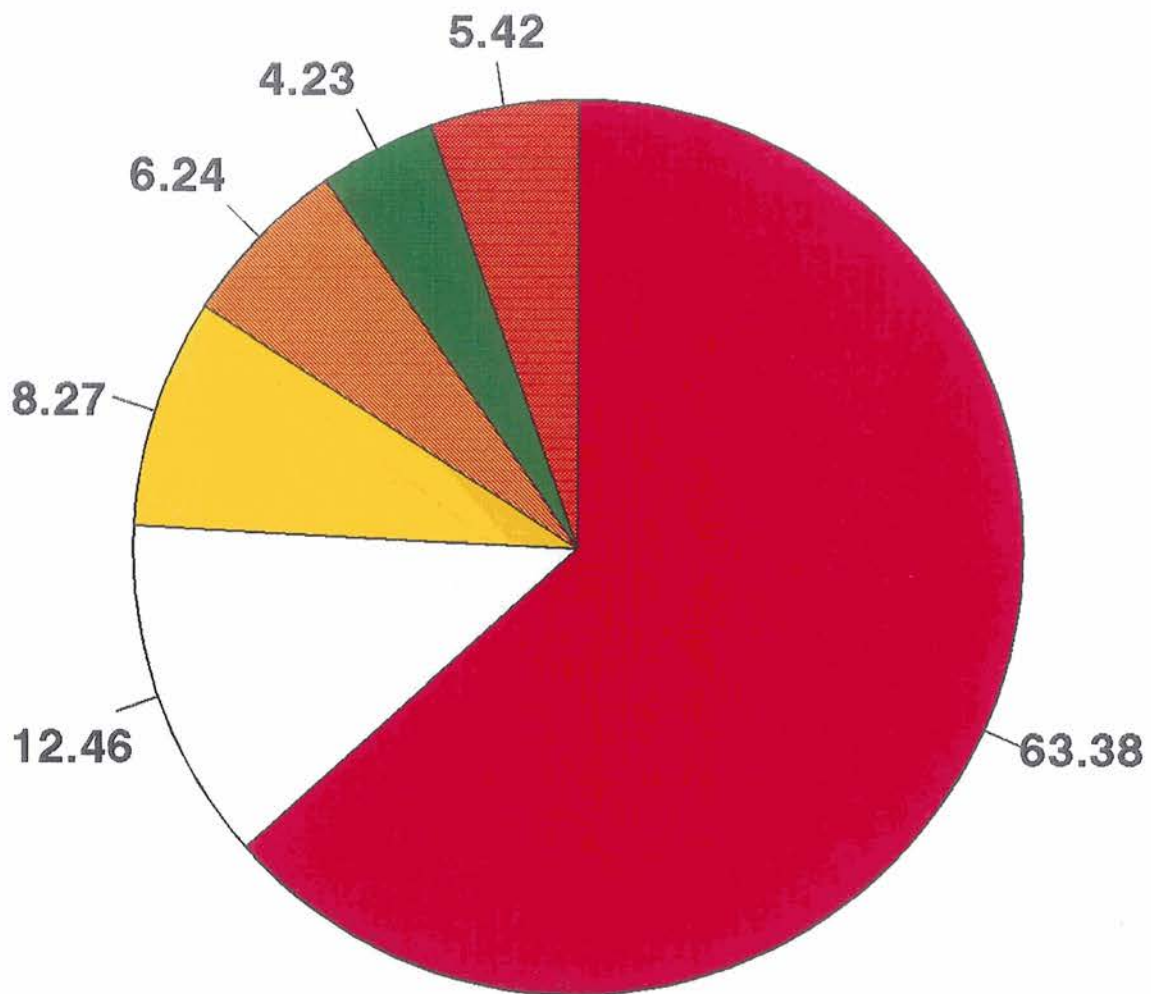
10.4 MACKAY AREA: SUB-REGION 4

Mackay has traditionally been a sugar growing region (coastal) with the cattle industry being traditionally important in the hinterland. Coal production now swamps all other commodity production activities with a massive 79.3% of the total value of commodity production, as depicted in Figure 5.

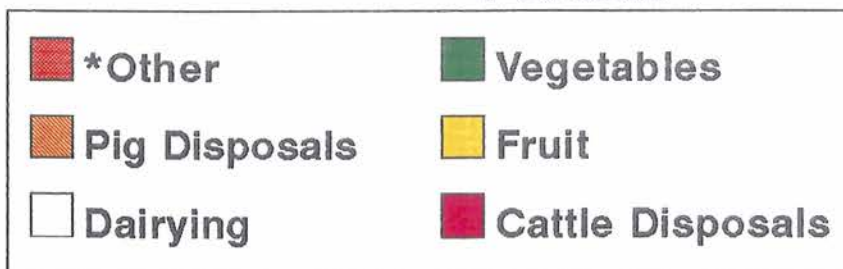
Next in order of importance is sugar, with 11% of the total. The beef industry accounts for 6.9% and the grain and seeds industry only 2.2% of the total. The residual, 0.6%, is made up of dairying (0.34%), egg production (0.07%), pig production (0.04%) and vegetable production (0.04%).

Once again two commodities, this time coal and sugar, together account for 90.3% of total commodity production value.

FIGURE 3: ESTIMATED VALUE OF GLADSTONE AREA PRIMARY COMMODITY PRODUCTION
1990-91 (\$'000)

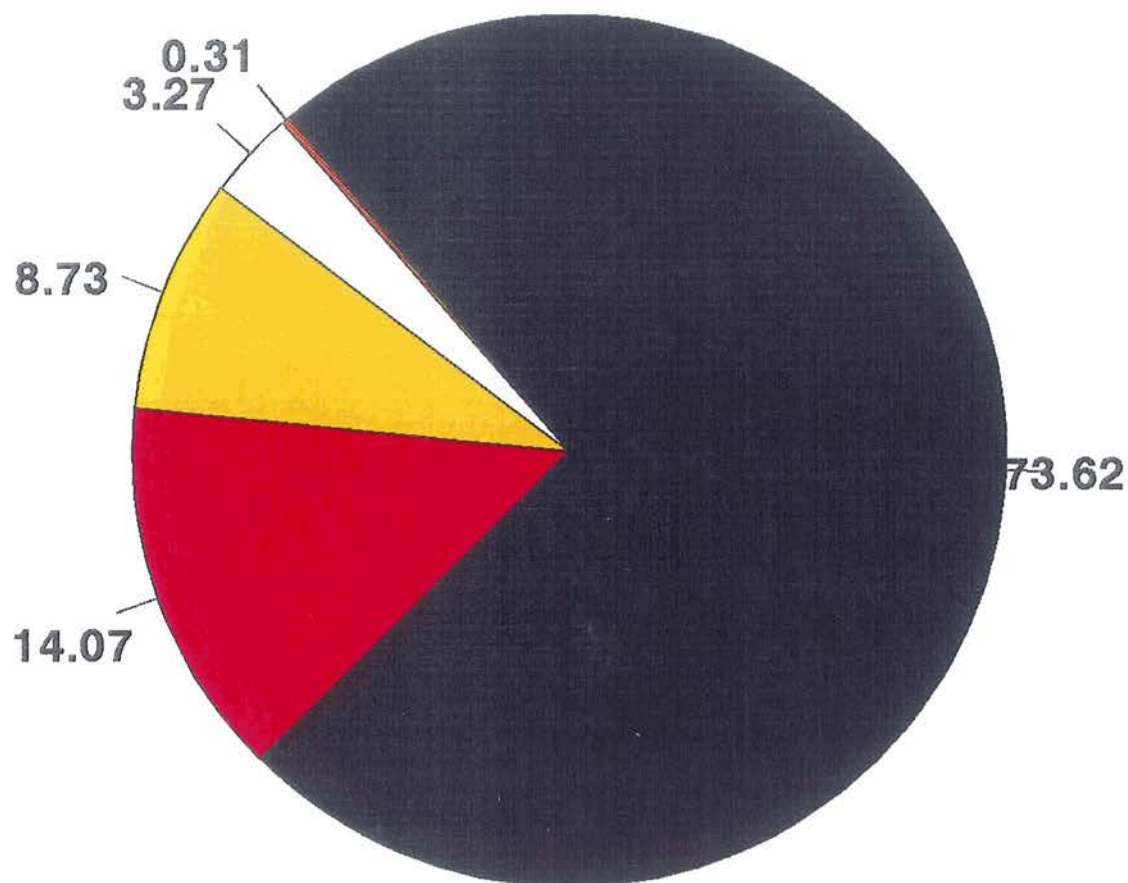


Percent

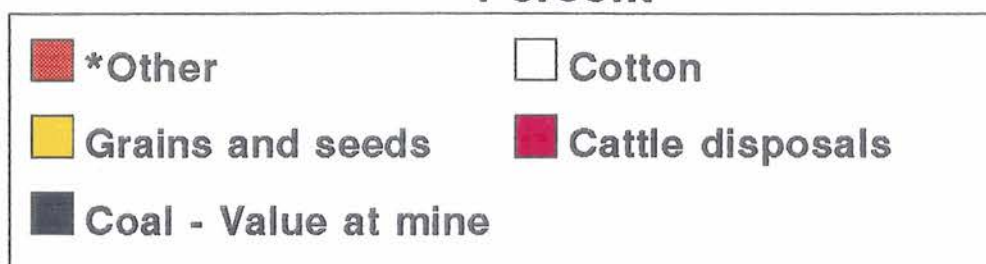


* Other: Nurseries(3%), Cultivated Turf(1.6%), Lucerne and other fodder crops(0.75%), Misc.(0.07%)

FIGURE 4: ESTIMATED VALUE OF CENTRAL HIGHLANDS AREA PRIMARY COMMODITY PRODUCTION
1990-91 (\$'000)

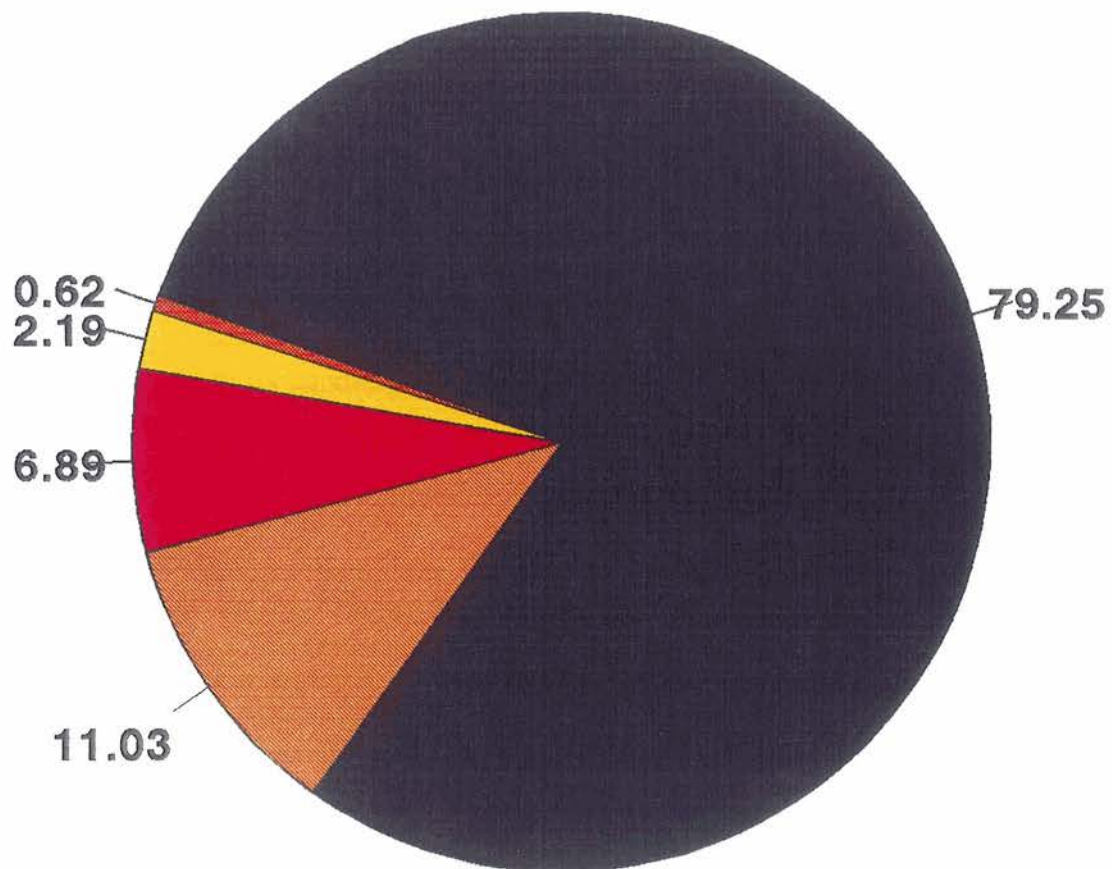


Percent



* Other: Peanuts(0.12%), Lucerne and other fodder crops (0.07%), Vegetables(0.04%)
Misc.(0.08%)

FIGURE 5: ESTIMATED VALUE OF MACKAY AREA PRIMARY COMMODITY PRODUCTION
1990-91 (\$'000)



Percent

 *Other	 Grains and Seeds
 Cattle disposals	 Sugar
 Coal - Value at mine	

* Other: Dairying(0.34%), Egg prod.(0.07%), Pig disposals(0.04%), Vegetables(0.04%), Misc.(0.13%)

10.5 THE CENTRAL WEST AREA: SUB-REGION 5

Traditionally, the Central West has been a major wool and beef producer and so it remains today, as clearly shown in Figure 6.

Wool, with 49.8% of total commodity production value, and beef, with 46.4%, are the only two significant commodities produced in the Central West Sub-Region.

Here is a classic dual economy in terms of commodity production with the virtual complete absence of diversification or value-adding in the primary commodity production sphere.

10.6 SUMMARY POINTS

Three of the five sub-regions are heavily dependent on coal production - Mackay (79.3%), Central Highlands (73.6%) and Rockhampton (65.5%). The Gladstone and Central West Sub-Regions have no stake in coal production, but Gladstone has a major role in its handling for export.

To date there has been virtually no value-adding in this, Central Queensland's major industry, but the Yarraboldy Briquette development could change this.

Beef dominates the Gladstone Sub-Region's primary production base, with 63.4% of the total. In the Central West Sub-Region, beef production, with 46.4% of the total, is only 3.4% below the value of wool production. In terms of value of beef production as a percentage of total value of primary commodity production, the Rockhampton Sub-Region has 19.6%, the Central Highlands 14.1% and Mackay 11.0%. So the beef industry is important across the whole Region.

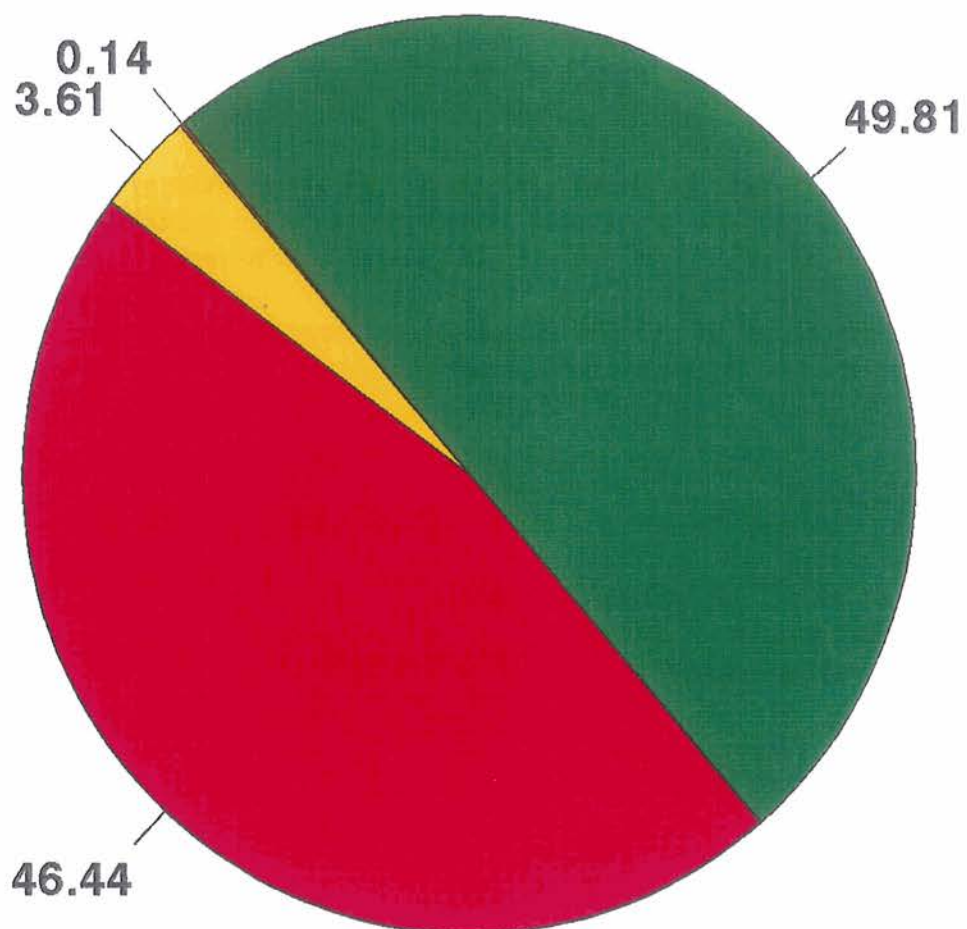
Although considerable meat processing already takes place in the Rockhampton and Mackay Sub-Regions, potential opportunities have been identified for an expansion of this activity through setting up small-scale operations in rural centres in the Central Highlands and the Central West.

Only the Mackay Sub-Region is involved in sugar production, milling and refining. Sugar constitutes 11.3% of the Mackay Sub-Region's value of primary commodity production and 5.2% of that of Central Queensland, giving it third highest ranking.

The potential for additional value-adding within the sugar industry is being actively explored, but the base for value-adding is relatively small.

Grain and seed production, Central Queensland's fourth highest ranked primary commodity group in terms of value of production with 4.1% of the total, is confined to the Central Highlands (8.7%), Rockhampton (4.8%) and Mackay (2.2%) Sub-Regions.

FIGURE 6: ESTIMATED VALUE OF CENTRAL WEST PRIMARY COMMODITY PRODUCTION
1990-91 (\$'000)



Percent



* Other: Dairying(0.1%), Lucerne and other fodder crops(0.03%), Misc.(0.01%)
Misc.(0.13%)

Limited value-adding to wheat takes place in Rockhampton.

And, finally, wool production, with 3.1% of Central Queensland's total in value of commodity production terms, is confined solely to the Central West Sub-Region, where it accounts for nearly 50% of the total.

Potential opportunities for value-adding in the form of small-scale scouring and top making operations have been identified in the Central West and the feasibility of these operations is currently under investigation.

The five key primary commodity industries, which together comprise 93% of Central Queensland's value of commodity production, are critical to the future economic development of the CQ Region.

Each of these five key industries is evaluated in terms of recent production and market trends and future prospects within a global context, as each has a major export focus. (Refer Final Report, pp. 45-114.)

11. STRATEGIC RECOMMENDATIONS

The Study identifies a range of potential opportunities for the future economic development of the CQ Region, as well as pinpointing some drawbacks that, in a strategic sense, must be addressed if the Region is to progress as envisaged by its constituent communities.

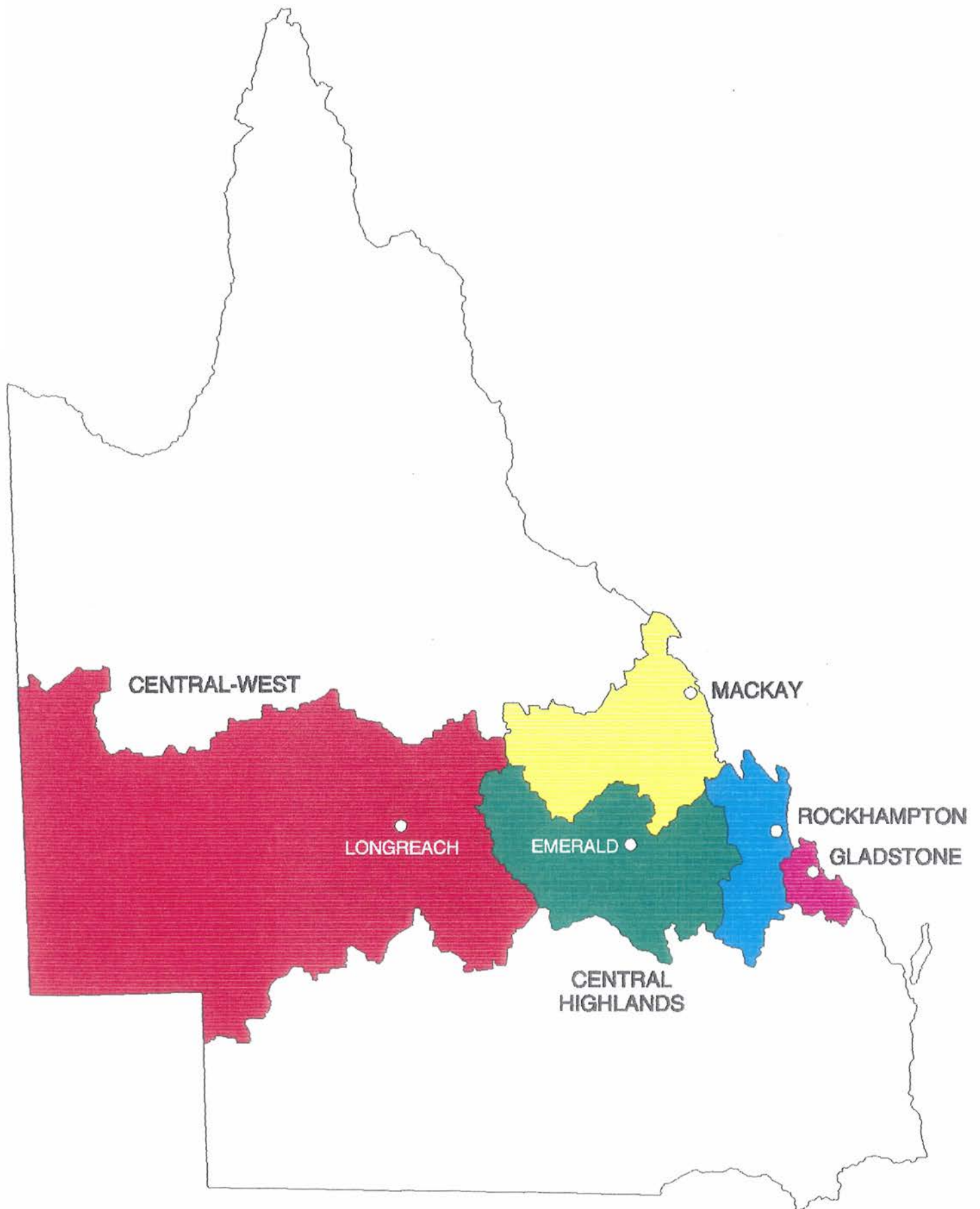
Section 8 of the Final Study Report contains all the detailed recommendations that have been derived from this Study.

Twenty of the more significant recommendations are:

Structural and Organisational

1. The CQ Region should be delineated to cover all of Fitzroy, Mackay and Central West ABS Statistical Divisions and the northern segment (Bundaberg Area) of the Wide Bay-Burnett Statistical Divisions (Figure 7).
2. The State Government should commission a Study to ascertain how to most effectively implement a total government approach to regional economic development.
3. The ABS should be requested to publish the statistics contained in the Queensland Year Book on a Super-Region basis, viz Southern Queensland, Central Queensland as defined in Recommendation 1, and Northern Queensland.

Figure 7: PROPOSED CQ SUPER-REGION



4. The State Government should be requested to produce a separate budget-related paper dedicated exclusively to the CQ Region as defined in Recommendation 1 (similar to the 1992 budget-related paper No. 9 on North Queensland).
5. The CQ Region as defined for this Study should target a population growth rate over the period 1991 to 2006 equal to that projected for the State as a whole; that is, an increase of approximately 30% over the fifteen year period to yield an absolute increase of 89,620 persons.
6. By the end of 1993, in line with the present total government approach to regional service delivery, a series of Position Papers with an exclusive CQ focus should be prepared on the following topics:
 - . Population and Workforce Issues
 - . Extractive and Mineral Resources
 - . Agricultural Resources
 - . Water Resource Management
 - . Residential Land Requirements
 - . Industrial and Commercial Land Requirements
 - . Transport Infrastructure Needs
 - . Coordination of Service Delivery
 - . Solid Waste Disposal/Treatment
 - . Rivers and Coastal Management
 - . Nature Conservation
 - . Open Space and Recreation
 - . Tourism Promotion and Development
 - . Industry Location
 - . Rural Residential
 - . Alternative Land Usage
 - . Flood Mitigation Strategies
 - . Ecologically Sustainable Development Issues
 - . Water Treatment (BR.6)

Energy

7. A multi-source energy plan to the year 2010 should be drawn up for the entire State with projected CQ supply and usage by demand category shown separately.
8. Natural gas supply should be extended to Mackay to facilitate the economic growth and industrial integration of the CQ Region.

Transport

9. Rail electrification should be extended to Mackay to improve freight and passenger services and promote tourism and the commercial/industrial integration of the CQ Region.
10. A Study should be conducted to develop a coordinated, multi-modal transport/freight forwarding network for the Region, including transportation hubs at Barcaldine, Emerald, Mackay, Rockhampton and Gladstone.

Water

11. In order to cope with the ubiquitous water shortage problem, there is a need for a multi-purpose water storage and utilisation management strategy. As this is well beyond the resources of the individual Shires, a total government approach that addresses industrial (including irrigation), commercial, tourism, recreational and domestic needs within an integrated planning framework is required.
12. Details of water resource planning, including supply, storage and projected Catchment needs, should be made available to RDOs on a sub-regional and LGA basis and demand projections for various usages (industrial, commercial, domestic, irrigation, recreational) should be published on a quarterly basis.

Agrifood

13. Food producers and processors should combine to form an integrated Agri-food industry.
14. The fast growing economies of Northeast Asia (and, to a lesser extent, Southeast Asia) offer Central Queensland tremendous prospects as a quality brand (the Clean and Green Label) buyer of processed foodstuffs. As a matter of urgency, the results of any research that has been conducted on these markets should be conveyed to CQ growers within a strategic planning, action-oriented context.
15. Information on overseas consumer Agri-food requirements acquired by Australian and Queensland trade missions or overseas offices should be made available to leading CQ development bodies and export agencies for dissemination to potential suppliers and producers.
16. There is a need to commence negotiations now within the Agri-food sector with a view to advantageously pooling the resources of the separate industries (veal, beef, grain, lamb, mutton, kangaroo, game, seafood,

aquaculture products, fruit, vegetables and dairy products) if a 'big push' is to be mounted to gain a foothold in the fast-growing Northeast (and to a lesser extent, Southeast) Asian markets. Popularising the 'Clean and Green' label and embracing the National Farmers' Federation (NFF) Agri-food Industries Strategy may be important ingredients for success.

17. There is strong potential in the Central West for the development of a kangaroo meat industry with a potentially lucrative market in the Peoples' Republic of China. This needs to be well researched, including the establishment of by-product outlets.

Tourism

18. Develop a Region-wide strategy for tourism promotion with the primary emphasis on the domestic market. Investigating discounted air charter arrangement possibilities and packaging and promoting the attractions of the Region has to be well-researched, carefully planned and supported by finely pitched promotions to selected market segments.
19. The Central Queensland Super-Region should be packaged and promoted as a distinctive, unified spatial entity. The main attractions of all five sub-regions (natural and created) should be given equal coverage in a CQ promotional brochure. Tastefully designed coloured maps for each sub-region and the CQ Super-Region should be produced.

Minerals

20. The overwhelming dependence of the CQ economy on coal production is a major concern from a regional economic development standpoint, given the international pressure that is being mounted on the reduction of Greenhouse gas emissions. There is a need to plan now for diversification and the development of major replacement activities as export demand for coking and thermal coal is projected to taper off after 2005.