

**Submission from Rockhampton City Council
to the
Productivity Commission
on
Transitioning Regional Economies**

Rockhampton Regional Council is a Queensland local authority located at 272 Bolsover Street, Rockhampton. Rockhampton is positioned on the Fitzroy River, 45km from the Queensland coastline at Yeppoon and 700km north of Brisbane..

Rockhampton was first settled in 1853 and the Region has provided many of the goods and services used in the mines and on the farms in Central Queensland.

As part of its regional service role, Rockhampton has since the time of its first settlement been intimately involved with the resources sector.

Bowen Basin

In the 1960s the Queensland Government took the initial steps to open the Bowen Basin to widespread coal mining.

As part of this initiative the Queensland Government sought to open two ports through which Bowen Basin coal could be exported. Considerable competition developed between Gladstone and Port Alma, Rockhampton's port, as to which should be selected as the southern coal terminal.

Following the selection of Gladstone as the southern coal terminal, Rockhampton continued as the major service centre for Central Queensland and as the base for a great deal of beef industry activity, but with a significantly reduced involvement with the coal sector.

Rockhampton Reconsiders

This situation continued for 30 years by which time the Rockhampton business community came to realise how many opportunities it was missing out on as a result of their lack of engagement with the coal sector.

In the mid-1990s the Federal Government funded Office of Labour Market Adjustment contracted Brisbane-based consultants Gibson Associates to come up with a strategic way forward to increase Rockhampton's contribution to the CQ coal mining supply chain. This resulted in John Spence-Thomas compiling the "Coal Mining Supply Strategy for Rockhampton" in 1996.

At the request of the Department of State Development, Gibson Associates evaluated the strategy and recommended various improvements in 2000.

Mining Growth Project

In 2004 Rockhampton Mayor Cr Margaret Strelow visited Mackay and witnessed firsthand the impact the coal boom was having on that City. This resulted in Council adopting a Mining Growth Project which had two immediate aims, the development of a 10 year strategic plan and publication of the “Coal Country Advertiser” to promote services available in Rockhampton.

Gracemere Industrial Area

In 2011 following submissions from Gracemere industrial businesses, Council and the Rockhampton business community the Queensland Government decided to construct a \$50 million vehicle overpass over the Blackwater Rail Line and the Capricorn Highway in the vicinity of Malchi, 5km west of Gracemere.

After the 2012 local government elections Council re-commenced its Mining Growth Project with a particular focus on developing the Gracemere Industrial Area as an industrial precinct between Gracemere and the Stanwell Power Station.

Council updated its town plan to permit land on the eastern side of the overpass to be used for medium and high intensity industrial purposes. Over the next four years it spent \$20 million providing road, water and sewerage services for the GIA.

This resulted in the GIA growing consistently in spite of the coal turndown which had its first impacts in 2012.

21st Century Service Provider

As a result of its central location to the Bowen, Galilee and Surat Basins, by 2010 Rockhampton had become the second largest provider of goods and services to the Bowen Basin coal mining operations, behind Mackay.

The Region has a diversified economy with important contributions from the following sectors other than mining:

- Agriculture
- Education & training
- Health & social assistance
- Manufacturing (beef abattoirs)
- Retail
- Defence
- Power generation
- Tourism & events
- Transport & logistics

The Queensland Government has a strong presence in the Rockhampton Region led by its involvement in education and health.

Coal Downturn Impact

The Bowen Basin coal downturn started to impact the Rockhampton Region by 2012.

Initially, the Region's diverse economy provided an effective buffer and impacts from the downturn, which had become very apparent in some of the nearby local authorities, were limited.

By 2014, the impacts of the coal downturn were starting to be more widely felt and that obviously began to include the Rockhampton Region.

Central Queensland media have run a succession of headlines and stories about job losses at Rockhampton resources service work sites such as Hastings Deering, QMAG and Aurizon.

The closure of the Cockatoo Coal mine at Baralaba in early 2016 had particularly severe impacts on the Rockhampton Region's economy as many of the staff lived in Gracemere.

Workforce changes at BMA's Saraji Mine was another alteration which was particularly hard felt by the Rockhampton Region with many Rockhampton-based staff being replaced by others from Townsville.

The lack of air flights from Central Western Queensland and the Bowen Basin to Rockhampton maximised the impact of the coal industry downturn for the Rockhampton Region. This lack of flights to Rockhampton was especially strongly felt by the Region's boarding schools which found it more difficult to complete with offerings from South and North Queensland.

The Rockhampton Region downturn has been documented as impacting in the following areas:

- Population growth
- Gross regional product
- Number of new jobs
- Unemployment rates
- House values
- Unit values
- House rents
- Unit rents
- Number of empty houses

Nine diagrams, which highlight the impact of the coal downturn on the Rockhampton Region, are included as part of this submission.

Advance Rockhampton Economic Action Plan

On 27 October 2015 Council adopted an Economic Development Strategy prepared in conjunction with RPS Australia.

In 2016 Council endorsed the Advance Rockhampton Economic Action Plan 2016-20 which was prepared by Empower Economics as a growth plan to expand the Rockhampton Region's economy through the undertaking of 10 strategic opportunities which would result in it being less reliant on the mining sector. A copy of this Action Plan is attached to this submission.

Road Infrastructure

Road infrastructure which provides vehicular access to the Central Highlands and Central Western Queensland is particularly important to the Rockhampton Region in its role as the principal service centre for Central Queensland.

The Capricorn Highway is particularly important in this regard and its condition, especially west of Emerald, is of vital importance to the Rockhampton Region. The Burnett Highway between Rockhampton and Biloela, May Downs Road and the Fitzroy Developmental Road from Dingo to Mt Flora are others which are important to the Rockhampton Region in its undertaking its regional service role.

Request to Productivity Commission

As a result of these impacts, Council requests the Productivity Commission to seek the following actions from the Federal and Queensland Governments:

- a) Assist Council attain the 10 strategic opportunities outlined in the Advance Rockhampton Economic Action Plan , one result of which will be to diversify the Rockhampton Region's economy;
- b) Reduce the complexity and time of gaining mining project approvals, while preserving consideration of stakeholders' interests;
- c) Reduce the time of making government decisions regarding mining projects;
- d) Help diversify the mining industry supply chain;
- e) Upgrade the Capricorn Highway, especially west of Emerald, as one of the main access routes to the Bowen and Galilee Basins;
- f) Upgrade the Rockhampton-Biloela road system to improve access to the Callide/Dawson Valleys; and
- g) Upgrade the May Downs Road to improve access to areas in the centre of the Bowen Basin.