

TOWNSVILLE

CITY DEAL

ANNUAL PROGRESS REPORT

2019



Australian Government



City of
Townsville



Queensland
Government

○ Foreword

This is the third Annual Progress Report of the Townsville City Deal, which was signed by the Australian Government, Queensland Government and Townsville City Council in December 2016.

The Townsville City Deal is a 15-year commitment to support the economic prosperity of Townsville. This shared city-wide vision is enhancing liveability, supporting the long-term growth of local businesses, and revitalising development – particularly in the city centre and on the waterfront.

The 2019 year began on a challenging note, with an unprecedented monsoonal event over North Queensland resulting in the biggest floods experienced by Townsville on record. Thousands of properties and critical infrastructure sustained damage, but governments, businesses and the community are working together and showing incredible dedication and resilience as the city gets back on track.

Despite these challenges, Australia's first City Deal continued to deliver transformative outcomes for Townsville in 2019 – building industry and workforce development opportunities, better connecting people and places, and activating industry and export growth.

A number of the City Deal's commitments were completed throughout 2019. These results highlight the benefits of a genuine collaboration between the three levels of government and local community, and the significant outcomes that can be delivered through this approach.

Key achievements in 2019 included:

- Finalisation of a business case assessment for Stage 2 of the Houghton Pipeline and confirmation of full funding for construction to deliver a continuous water supply pipeline, in conjunction with Stage 1, from the Burdekin River to the Ross River Dam.
- Commencement of preliminary work on the Port of Townsville Channel Upgrade project, with the first truckloads of rock delivered of at least 600,000 tonnes required to build the seawall for land reclamation.
- Opening of the Townsville City Bus Hub, coinciding with the introduction of a new network-wide bus timetable to encourage more people to use public transport and travel to the CBD.
- Substantive completion of the North Queensland Stadium, with roof trusses hoisted into place, seating installed for 25,000 fans, and the all-important hallowed turf being grown and mown on track for the 2020 NRL season.

The 2019 Annual Report provides further details on these achievements and progress of all 16 commitments under the City Deal throughout calendar year 2019.

Further information about the Townsville City Deal is available at www.infrastructure.gov.au/cities/city-deals.





An aerial photograph of Townsville, Queensland, showing the city's layout, the waterfront, and the North Queensland Stadium under construction. Two green circular callouts with white borders point to specific locations: one to the stadium and another to the central business district (CBD).

◦ Townsville City Deal At a glance

North Queensland Stadium **\$293.5M**

Over 2000 jobs created, with at least 80% local subcontractors and 6.6% Indigenous workforce, to deliver a world-class stadium precinct and reinvigorate the CBD and waterfront areas.

Townsville City Bus Hub **\$4.0M**

\$4M provided by the Queensland Government for a purpose-built central bus station in the heart of the CBD.



Port of
Townsville
Channel Upgrade

\$193.5M

Up to 120 jobs created to upgrade the capacity of the Townsville channel to allow access by larger ships.

Townsville
Eastern Access Rail
Corridor

\$10.0M

\$5M each provided by the Australian and Queensland Government to preserve the TEARC for future construction as justified by economic conditions and Port activity.

Haughton Pipeline
Stages 1 and 2

\$410.0M

Including \$215M from the Queensland Government for Stage 1 and \$195M from the Australian Government for Stage 2 to provide long-term water security.

Key achievements throughout 2019

North Queensland Stadium

- ✓ Construction from 33% complete at end of 2018 to 98% complete at end of 2019
- ✓ A total of 121 apprentices inducted and 1,110,374 construction hours completed

Haughton Pipeline

- ✓ 30km of pipe laid for Stage 1
- ✓ Australian Government funding of \$195 million confirmed for Stage 2

Port of Townsville Channel Upgrade

- ✓ Funding agreement signed with the Australian Government
- ✓ On track to deliver at least 600,000 tonnes of core and armour to construct the seawall by 2020.

Townsville City Bus Hub

- ✓ Delivered

Full details of achievements throughout 2019 are at pages 8-10 *Monitoring Progress*.

Strategic investment for Townsville

Additional targeted investments are also making a difference to the liveability and economic prosperity of Townsville:

Water Security



\$10M provided by the Queensland Government for a Water Smart Package to reduce water use and maximise the benefits of the new Haughton Pipeline.

Education and Training



\$82,500 provided through the Queensland Education and Training Partnership Fund, with combined matched funding of \$82,500 from Townsville City Council and Study Townsville, for projects to develop Townsville's global education and training reputation.

Total funding for the Townsville City Deal

\$942.6M

◦ Economic Indicators for Townsville

The success of the Townsville City Deal is monitored through a suite of indicators that measure employment, economic activity and amenity.

While unemployment remains higher in Townsville than the national average, the overall unemployment rate continues to trend down. New private investment has slowed over the past twelve months, but trade through the Port of Townsville remains strong. Encouragingly, the number of overnight visitors to Townsville increased markedly in 2018-19, with an associated large rise in tourism expenditure.

The tracking of these metrics provides an indication of the health of Townsville's economy, progress against 2016 baseline figures, and where investments may need to be tailored to reflect emerging economic trends. This ongoing assessment is complemented by the monitoring of progress on individual commitments, in line with the Implementation Plan.

Not all of the indicators have improved since the previous annual report and it is likely there will be ongoing variations from year to year. The City Deal is a 15-year plan for sustainable economic improvement, and the most important analysis will be to see positive trends emerge over the lifespan of the Deal.

Further data for Townsville and other cities across Australia is available through the National Cities Performance Framework on the Australian Government's Smart Cities website: <<https://smart-cities.dashboard.gov.au>>.



Townsville Economic Data



Gross Regional Product^{1,2}

(per capita GRP)

	2016	2017	2018	2019 ³
	\$57,194	\$65,029	\$71,650	\$72,760



Unemployment rate

	2016	2017	2018	2019
Townsville ⁴	11.3%	8.5%	8.5%	8.0%
Youth ⁴	19.4%	19.5%	17.3%	18.5%
Indigenous ⁶	24.8%	n/a	n/a	n/a



Jobs⁴

	2016	2017	2018	2019
Employed residents	94,600	104,700⁵	108,000	108,500



New private investment^{1,7}

	2016	2017	2018	2019
Value of residential and non-residential building approvals	\$607m	\$570m	\$671m⁵	\$482m



Trade through port^{1,8}

	2016	2017	2018	2019
Total throughput (tonnes p.a.)	9.2m	6.9m	6.8m	7.0m



Tourism industry investment and attraction^{1,9}

	2016	2017	2018	2019
Overnight visitors	1.329m	1.228m	1.284m⁵	1.585m
Tourism expenditure	\$986.3m	\$861.4m	\$832.2m⁵	\$945.4m



Community perceptions of amenity¹⁰

	2016
Community perceptions of amenity	3.34 out of 5

1. Financial year to June.
2. Remplan and Townsville Enterprise.
3. Six months to December only.
4. ABS 6291.0.55.001 – Labour Force, Australia, Detailed – Electronic Delivery. Data is a calendar year monthly average. Data is for the Townsville SA4.
5. Figure revised to reflect data not available at the time of the previous annual report.
6. 2016 Census. Next available data 2021 Census. Data is for the Townsville SA4.
7. ABS 8731.0 – Building Approvals, Australia. Data is for the Townsville SA3.
8. Port of Townsville – Annual Trade Statistics.
9. Tourism Research Australia (International and National Visitors Survey). Data is for the Townsville SA4.
10. Townsville City Council. No updated data available at time of print.

Monitoring Progress

Capital of North Queensland	
North Queensland Stadium	
Commitment:	Deliver the North Queensland Stadium in time for the start of the 2020 National Rugby League Premiership Season.
Progress:	On schedule, with 98% complete as at 19 December 2019. The Stadium will be ready for a Community Open Day on 22 February 2020, the Sir Elton John concert on 29 February 2020 and the North Queensland Cowboys' first game of the 2020 NRL Premiership Season on 13 March 2020.
Townsville Entertainment and Convention Centre	
Commitment:	Refine the business case for the entertainment and convention centre, identify available financing and funding options, and work with potential partners on the delivery of the entertainment centre and broader precinct.
Progress:	Based on the findings of the strategic business case for the Townsville, Entertainment and Exhibition Centre, Townsville City Council is progressing a preliminary business case (options analysis) for a concert hall and arts precinct.
International Education and Training Destination	
Commitment:	Develop Townsville's global reputation as a world-class destination for education, edutourism, training and research.
Progress:	The 'Study Townsville China Market Activation Project' and the 'Townsville North Queensland Edutourism Consortium Project - Expanding markets in Australia's capital for transformational learning', are being funded under the Queensland International Education & Training Partnership Fund. The Queensland International Education and Training Summit will be hosted in Townsville in June 2020.
Cooperative Research Centre for Developing Northern Australia (CRCNA)	
Commitment:	Work with the board of the CRCNA to establish an early funding round for projects, create a work stream focused on strengthening the role of our northern cities and regions as global leaders in agriculture, food and tropical health and gateways to the Asian economy, and work with stakeholders to identify a location for its headquarters in Townsville.
Progress:	The CRCNA has established its headquarters in Townsville and released its first open funding call in October 2017. To date, the CRCNA has committed \$16 million towards 50 industry-led projects that are expected to leverage participant cash and in-kind contributions exceeding \$46 million in total value.
Innovative and Connected City	
Development Corporation for Townsville	
Commitment:	Establish a Development Corporation to negotiate acquisition and development of land to lead the revitalisation of Townsville.
Progress:	This commitment is on hold pending the outcomes of the 'Queensland Crime and Corruption Commission (CCC) investigation into the use of controlled entities and beneficial enterprises by local governments' report. Townsville City Council is actively exploring other approaches to ensure development is encouraged and incentivised.
Health and Knowledge Development Strategy	
Commitment:	The Queensland Government and Townsville City Council will work with key stakeholders to deliver development that supports the health and knowledge sectors of the Townsville economy.
Progress:	A draft Directions Paper has been developed by the Queensland Government following extensive consultation with industry, academic institutions and all levels of government, including workshops with key stakeholder consultation groups and individual consultation with health and knowledge subject matter experts.
Public Transport Solutions	
Commitment:	Investigate demand responsive innovative public transport initiatives that increase liveability and accessibility. Design and construct a new purpose-built bus facility in the Townsville CBD and investigate demand responsive transport initiatives for Townsville.
Progress:	Townsville City Bus Station was opened in May 2019. The CBD Bus Hub will improve public transport to and from the city, provide better pedestrian access to the city heart and link the new North Queensland Stadium. The Queensland Government is working to finalise a Transport Mobility Strategy and investigate suitable models and potential locations for Demand Responsive Transport services to enhance accessibility where traditional public transport services are not viable.
Smart City Strategy	
Commitment:	Townsville City Council will plan, conduct and implement a Smart City Strategy to maximise the use of digital connectivity to provide greater public value for services, improved service delivery, and stronger economic conditions for local employment.

Progress:	Launched in 2018, significant progress has been made towards implementation of the projects outlined in the Strategy, including the launch of the “Townsville Dashboard”, which provides a single landing page where the community can access relevant information, and the incorporation of “Smart Precinct NQ” with a \$1.5 million commitment from the Townsville City Council to support the creation and attraction of high growth business and investment.
Port City	
Port channel upgrade	
Commitment:	City Deal partners will work with the Port of Townsville Limited (PoTL) to finalise the Business Case for submission to Queensland Shareholding Ministers which should clearly outline the direct and indirect benefits of widening the existing navigational channels, with a goal of ensuring growth of trade and maximising the efficiency of existing port infrastructure.
Progress:	Work on the \$193.5 million channel upgrade has continued in 2019, with project completion scheduled for 2023. The project is funded by the Australian Government (\$75 million), Queensland Government (\$75 million) and PoTL (\$43.5 million). Overall, the project is anticipated to create about 120 full time equivalent (FTE) jobs in Townsville and support 245 FTE jobs in Queensland. PoTL is continuing to recruit personnel and engage contractors to deliver the project.
Industry Powerhouse for the North	
Townsville Eastern Access Rail Corridor (TEARC)	
Commitment:	Delivery of a business case for the TEARC which proposes an alternative rail route to the Port of Townsville.
Progress:	The Australian and Queensland Governments have each committed \$5 million to preserve the corridor for possible future construction. In 2019, the Queensland Government has been progressing with further assessments to facilitate future preservation of the corridor.
Townsville Industrial Development Board (TIDB)	
Commitment:	Establish the TIDB to lead investment attraction, market engagement and coordinate case management for potential investors including working to secure priority industrial sites to attract freight and port-related businesses and services to Townsville's industrial areas, including the State Development Area.
Progress:	The TIDB has continued to meet quarterly to identify opportunities to support industrial development in the Townsville Southern Industrial Corridor (which includes the SDA). In November 2019, a Hydrogen Industry Working Group was established under the board to determine if the global hydrogen industry could be leveraged to attract industrial development projects to the Corridor.
Acceleration of the State Development Area (SDA)	
Commitment:	Develop a business case for the acceleration of the SDA in consultation with the TIDB.
Progress:	In 2019, the Queensland Government finalised negotiations with a preferred proponent to develop 320ha of land in the SDA which is expected to commence in 2020.
Woodstock intersection upgrade	
Commitment:	Investigate the upgrade to the Flinders Highway/Woodstock-Giru Road intersection to enable access to, and the development of the Woodstock industrial and export estate.
Progress:	The Queensland Government has made a \$5 million Flinders Highway – Woodstock – Giru Road intersection funding commitment.
Defence Hub	
Defence industry consultation	
Commitment:	Strengthening of formal consultation between representatives of the Department of Defence, Defence Industries Queensland and a new Townsville City Council Defence Liaison Officer.
Progress:	The Townsville City Council Defence Engagement Officer has been appointed, with regular and systematic consultation established between representatives of the Department of Defence, Defence Jobs Queensland and the Townsville City Council. This is complemented by the supply chain development work undertaken through the Queensland Government's Defence Industry Hub – Townsville.
Enabling Infrastructure	
Townsville water security, supply and use strategy	
Commitment:	Appoint an intergovernmental taskforce to investigate short, medium and long-term solutions to water security for Townsville, considering investment in water supply infrastructure and management of demand.
Progress:	The Townsville Water Security Taskforce delivered its final report on 30 October 2018.
Managing energy costs and boost energy productivity	
Commitment:	Deliver a program of energy efficiency measures to reduce peak energy demands across Townsville.

Monitoring Progress

Progress:	Pilot projects and key strategic priorities have been identified and drafted for inclusion in the Energy Strategy. The pilot projects highlight innovative ways to manage energy consumption and costs. The Energy Strategy Working Group will engage in further industry and government consultation with the strategy to be finalised by May 2020.
Future Opportunities (only future opportunities showing progress throughout 2019 are reported)	
Townsville Workforce Development Plan	
Future Opportunity:	Investigate the future demand and skill requirements of existing and emerging Townsville industries, identify opportunities to leverage government investment, and work with key partners to implement.
Progress:	In late 2019, Jobs Queensland held a workshop with representatives from the three levels of government to finalise the Townsville Workforce Development Plan 2020–2025. The plan is supported by the Townsville City Council and expected to be released in early 2020.
Smart solutions for Townsville city and suburbs	
Future Opportunity:	Work collaboratively with local business, innovators and community leaders to develop proposals to: leverage existing funding programs to utilise open data and fast-track innovative and technological solutions; leverage digital infrastructure to improve the social and economic opportunities for Townsville; and unlock the economic potential for local innovation or research, business, innovators and community leaders to sell services domestically and globally.
Progress:	The North Queensland Regional Data Centre (NQRDC) is a key initiative of Townsville's Smart City Strategy. The Queensland Government has committed \$350,000 to connect the NQRDC to the National Broadband Network Point of Interconnect through QCN Fibre – this will allow more service providers to access QCN Fibre's competitive backhaul.
Urban renewal and revitalisation	
Future Opportunity:	Redevelop Government land and explore opportunities to partner with the residential development sector to deliver a range and mix of social and affordable housing types across the city to improve social and economic participation opportunities in Townsville.
Progress:	A total of 26 new social housing dwellings are scheduled to commence construction in 2019–20 financial year. A further six affordable homes commenced construction in the Oonoonba Priority Development Area. Following the flooding event in 2019, \$7.5 million has been contributed for the recovery and maintenance of the social housing portfolio in the Townsville region.
Defence investment pipeline	
Future Opportunity:	Early local business engagement for the pipeline of Defence proposals.
Progress:	Finalised in January 2020, the Townsville City Council's North Queensland Regional Defence Strategy reinforces Townsville/North Queensland's role as a preferred location for Armed Forces training globally and Defence's Joint Forward Mounting Base in the North.
Review and deliver preferred water supply solutions	
Future Opportunity:	Consider funding and implementation for priority water supply solutions to promote long-term water security.
Progress:	<p>Delivery of Townsville City Council's water security solution project supported with Queensland Government funding of \$225 million is progressing with:</p> <ul style="list-style-type: none"> • The Haughton Pipeline Stage 1 project on track to be delivered by March 2020. • The Recycled Water Re-Use Scheme under construction and commencing on 1 July 2020. • The Water Smart Package concluding in December 2019 with nearly 22,000 households accessing the Package delivering 164,000 water-saving products and services to residents. <p>In July 2019, following the completion of a Business Case, the Australian Government committed \$195 million to fully fund construction of Stage 2 of the Haughton Pipeline. The project will commence in Q1 of 2020 and will take approximately 30 months to complete.</p>
Renewable energy innovation	
Future Opportunity:	Establish Townsville as a leader in renewable energy innovation, technology and investment to increase energy resilience and provide capacity for future growth and investment.
Progress:	Sun Metals is the second largest single site electricity user in the National Electricity Market (NEM) in Queensland. The refinery is committed to reducing energy costs through innovation in operations and investment in renewables and transformative technologies. Sun Metals has invested in pursuing the feasibility of a different way of interacting with the NEM. This innovation is based on establishing an Integrated Industrial Energy Resource (IIER) which will be a model for other sites across Australia. The IIER approach brings together load demand management, renewables generation and storage on the Sun Metals refinery site. The market operator AEMO and Network Transmission Provider Powerlink have agreed to be active partners in this integrated industrial resource project.

Next Steps

Over the next 12 months, the Australian Government, Queensland Government and Townsville City Council will continue to work collaboratively to deliver outcomes under the Townsville City Deal.

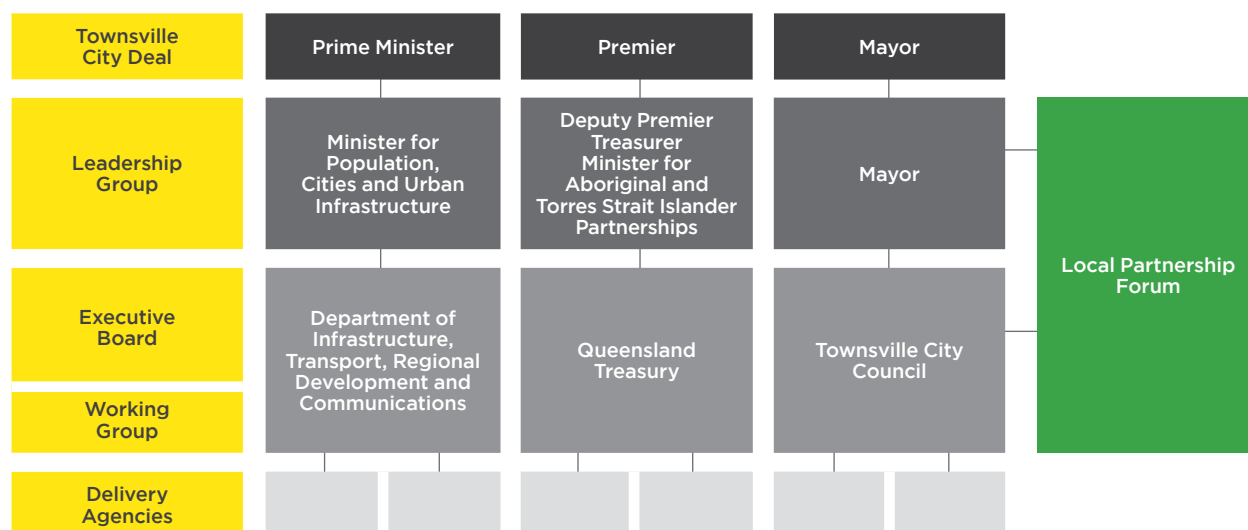
Additionally, in 2020, City Deal partners will conduct a formal review of the first three years of the Deal – as committed at the signing of the Deal in December 2016.

The review will evaluate and assess the success of the City Deal as a whole, and will inform priorities for the Deal and next steps by the three levels of government. The review will also consider the appropriateness of the Deal's economic indicators and may make recommendations for new or additional indicators to better track the health of the Townsville economy and the performance of the City Deal.

The formal review will complement this 2019 Annual Report and, once released, should be read in conjunction with previous Annual Reports to provide a complete picture of progress since the signing of the City Deal.

Townsville City Deal

Governance Framework



Timeline



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Progress Report

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