



Smart Cities Plan

TOWNSVILLE

City Deal

Annual Progress Report
March 2018



Australian Government



Queensland Government



THE CITY DEAL

is delivering for Townsville

This is the first Annual Progress Report under the Townsville City Deal, which was signed by the Commonwealth Government, the Queensland Government and Townsville City Council in December 2016.

The City Deal is a 15 year commitment. In its first year of implementation, **the City Deal is already delivering for Townsville.**

Key achievements since signing of the Townsville City Deal include:

- commencement of construction on the \$250 million North Queensland Stadium
- delivery of an interim report on securing Townsville's water supply providing recommendations and options, some of which are being implemented by Townsville City Council following a \$225 million commitment by the Queensland Government
- finalisation of the Port Channel Capacity Upgrade project business case and environmental approvals, and commitment of \$75 million in funding by the Queensland Government
- completion of the Townsville Eastern Access Rail Corridor business case for consideration by the Queensland Government.

Across the board, the City Deal is helping to **create more local jobs** and **attract more investment** to Townsville:

- around 2,000 people will be employed during stadium construction and local firms are already getting trade packages
- local renewable energy projects, partly financed by the Commonwealth Government's Clean Energy Finance Corporation, are creating over 200 construction jobs in the region
- the Cooperative Research Centre for Developing Northern Australia, headquartered at Hermit Park, has started to recruit staff and will support \$75 million in Commonwealth-funded research activities across Northern Australia over the next 10 years
- the Development Corporation for Townsville will encourage local property and infrastructure investment through engagement with the private sector
- local industry will have more opportunities to participate in major Defence infrastructure projects as part of a pilot program, which will include the \$24 million Townsville Field Training Area Mid-Term Refresh.



NEXT STEPS

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

Capital of North Queensland

- more work packages for the North Queensland Stadium to be released and awarded to Townsville-based businesses, creating local employment opportunities
- preliminary evaluation of the Townsville Entertainment, Exhibition and Convention Centre

Innovative and Connected City

- establishment of the Townsville Industrial Development Board
- finalise a Smart City Strategy for Townsville

Port City

- progressing the Port Channel Capacity Upgrade Project

Industry Powerhouse for the North

- consideration of the detailed business case for the Townsville Eastern Access Rail Corridor
- acquisition of land to accelerate the Townsville State Development Area

Enabling Infrastructure

- building the duplicate Haughton to Ross River Dam pipeline, implementing the Community Water Transition Package and preparation of the Townsville Water Security Taskforce Final Report due in September 2018
- an energy strategy to prioritise short, medium and long term measures including on ground projects and possible financing mechanisms



Image: Courtesy of Ben Vos Productions



FOCUS ON

North Queensland Stadium

From the outset, the North Queensland Stadium project has delivered local jobs and development opportunities for local industry. The appointment of the design team in December 2016 included nine specialist consultancies with offices in Townsville, ensuring local employment and placing the region's know-how at the heart of the design process.

The commitment to provide jobs and support the local skill base was also evident in the announcement on 1 May 2017 of Watpac as the Managing Contractor.

Watpac was appointed on the back of almost 20 years operating in Townsville and a strong local engagement plan that targets 80 percent of the hours spent building the stadium to be done by residents and 80 percent of the project's value to be spent on local subcontractors and suppliers.

To date, 25 trade packages have been let, with 23 of these packages being awarded to contractors with long established offices in Townsville. The project is already fulfilling its potential as a catalyst for urban regeneration and attracting investment to the region. Townsville City Council has received a number of development proposals for the land adjacent to the stadium site.

The stadium is scheduled to be ready for the start of the 2020 National Rugby League season.

(For more information see North Queensland Stadium commitment on page 12).

Below: First turning of the sod for the Stadium, from left to right: Cowboys Chairman Laurence Lancini, then Assistant Minister for Cities and Digital Transformation Angus Taylor, Queensland Premier Annastacia Palaszczuk, Townsville City Mayor Cr Jenny Hill and former Australian Rugby League Commission Chairman John Grant.



FOCUS ON

Townsville Water Security Taskforce

Providing Townsville with water security has been one of the top-priority commitments in the City Deal. In March 2017, the Townsville Water Security Taskforce was established to investigate short, medium and long-term solutions for water security.

Including the Taskforce under the City Deal brought together technical and policy expertise from all three levels of government. Following extensive community consultation, technical reviews and Taskforce deliberations, the Chair of the Taskforce delivered his Interim Report on 30 June 2017.

The Interim Report outlined a series of recommendations and options, including the building of a duplicate pipeline from Haughton Pump Station to Ross River Dam to secure long-term water supplies for Townsville, and the inclusion of solar energy panels to reduce water pumping costs.

The Interim Report also recommended a number of short term infrastructure and non-infrastructure measures that will deliver significant water security benefits including leakage detection, bulk water meters, fit-for-purpose water reuse, a water-wise efficiency program, and review of existing water pricing arrangements.



Left: 2017 Members of the Townsville Water Security Taskforce, including (L-R) Adam Sincock, Commonwealth Government Department of Agriculture and Water Resources, Adele Young, Townsville City Council, Independent Chair Brad Webb, Paul Simshauser, Queensland Government (former) Department of Energy and Water Supply.

Following this work under the City Deal, the Queensland Government committed \$225 million to implement the findings of the Townsville Water Security Taskforce, which includes \$215 million to build the duplicate pipeline and \$10 million to deliver a Community Water Transition Package. The Transition Package will consist of local water efficiency programs and new devices and technologies that will support Townsville residents and businesses to save water. Townsville City Council is now progressing a number of the recommendations in the Interim Report, including building the Haughton pipeline duplication and delivering the Transition Package.

The Interim Report did not make any longer-term recommendations (out to 50+ years) on regional water security. This is because a number of separate Commonwealth-funded feasibility studies, to identify possible bulk water sources to boost the region's agricultural productivity, as well as, aiding Townsville's long-term water security, are due for completion in April 2018. The Taskforce identified that any further infrastructure works and their timing should be subject to future water demand, water savings, population growth and water-using industries coming on line. The Taskforce Final Report is due in September 2018, once the technical studies are complete.

For further information about the Townsville Water Security Taskforce please visit <https://www.watersecuritytownsville.org.au/>.

(For more information see Townsville water security, supply and use strategy commitment on page 26).

“This crucial infrastructure will guarantee Townsville’s future water supply and be a major job-creating project for the city.”

Mayor Jenny Hill

Townsville City Council 26/10/2017 Townsville Bulletin



ECONOMIC INDICATORS

for Townsville

The Townsville City Deal aims to stimulate the creation of local jobs, but it's recognised that some projects and initiatives will take time to mature and have a measurable impact on the economy.

The positive influence of the City Deal is already starting to show, with key projects such as the North Queensland Stadium increasing local employment, despite the region's economy experiencing significant structural change.

The Townsville City Deal includes seven indicators to track employment, economic activity and amenity.

Some baseline indicator figures have been revised since the City Deal was published in December 2016. The revisions ensure the most up-to-date data, consistent data sets and methodology are being used, to ensure more accurate monitoring of progress across the life of the City Deal. The earlier baseline figures are still available in the Townsville City Deal document available at <https://cities.infrastructure.gov.au/townsville-city-deal>.

Further data available for Townsville and other cities across Australia is also available in the National Cities Performance Framework, on the Commonwealth Government's [Smart Cities website](#). This includes an online dashboard showing data for a range of indicators which was released in late 2017.



Tracking Townsville's performance

GROSS REGIONAL PRODUCT

(per capita GRP)


Baseline data (2016): : Latest data (2017)¹:

\$57,194 : \$65,029

UNEMPLOYMENT RATE


Baseline data (2016)⁴: : Latest data (2017)⁵:

(Townsville)	11.2%	8.5%
(Youth)	19.5%	19.4%
(Indigenous)	24.8%	—

TOURISM INDUSTRY INVESTMENT & ATTRACTION


Baseline (2016): : Latest data (2017)⁸:

Overnight visitors (p.a.) **1.047m : 1.228m**

Tourism expenditure (p.a.) **\$995m : \$1,065m**

JOBS


Baseline data (2016)²: : Latest data (2017)³:

95,000 : 105,100
employed residents : employed residents

NEW PRIVATE INVESTMENT



financial year

Baseline data (2016): : Latest data (2017)⁶:

\$600m : \$526m

TRADE THROUGH PORT



tonnes p.a.

Baseline data (2016): : Latest data (2017)⁷:

9.2m : 6.9m

COMMUNITY PERCEPTIONS OF AMENITY


Baseline data (2015)⁹:

3.34 OUT OF 5

¹ Townsville Enterprise Economic Development website <http://www.economyprofile.com.au/townsvillenorthqueensland/industries/gross-regional-product>

² The single monthly average published as the baseline in the City Deal has been replaced with a 12-month average to December 2016 from ABS 6291.0.55.001.

³ Labour Force Survey — ABS 6291.0.55.001, 12 month average to December 2017 (Australian Bureau of Statistics)

⁴ Townsville unemployment — the single monthly average published as the baseline in the City Deal has been replaced with a 12-month average to December 2016 from ABS 6291.0.55.001.

Youth unemployment — the baseline has been revised so it is based on the same data set and calculation methodology as the overall Townsville unemployment indicator.

Indigenous unemployment — the baseline has been replaced with 2016 Census data.

⁵ Townsville: Labour Force Survey — ABS 6291.0.55.001, 12 month average to December 2017 (Australian Bureau of Statistics)
Youth: Labour Force Survey — ABS 6291.0.55.001, 12 month average to December 2017
Indigenous: The next census is due in 2021

⁶ Value of residential and non-residential building approvals — ABS 8731.0, December 2017 (Australian Bureau of Statistics)

⁷ Townsville Port Throughput — Annual report 2016/17 (Port of Townsville Limited)

⁸ Tourism Research Australia, Regional Tourism Supply Profile 2016–2017 (Northern Region)

⁹ Townsville City Council 2015 biennial Community Survey (Townsville City Council). No updated data available.



OTHER ACTIVITIES IN TOWNSVILLE

related to the Townsville City Deal

The City Deal has created and catalysed economic opportunities for Townsville. In the last year, Townsville City Council has been actively pursuing economic development, planning and reform. This work has included aggressively pursuing inbound investment opportunities in Townsville by engagement with the private sector both domestically and internationally.

One of the biggest opportunities Council is pursuing includes a Lithium Ion battery plant which would be a game changer for Townsville. In April 2017, an exclusive Memorandum of Understanding was signed with a consortium led by Boston Energy and Innovation to investigate the financial viability of building a 15GWH battery manufacturing plant in Townsville.

In mid-2017, Townsville City Council commissioned a report as part of its agenda to transform Townsville and reactivate the city. The report, known as the Townsville 2020 Masterplan, reviewed the existing CBD and Priority Development Area with a view to providing an updated Master Plan to reinvigorate the Town Centre. The report recommended a number of projects including a new saltwater lagoon on the Strand, a luxury hotel development near the new North Queensland Stadium, an Indigenous Art and Cultural precinct and new concert hall.

Townsville 2020 re-affirmed projects already being pursued under the City Deal framework including the entertainment and exhibition precinct adjacent to the stadium site, and the centre for excellence and rehabilitation including a new training field for the North Queensland Cowboys Rugby League team.

Since the release of the report, Townsville City Council has been actively engaging with potential private sector partners on a range of the identified projects. For example, in August 2017, a Memorandum of Understanding was signed with Focus Pacific to exclusively negotiate on its proposal to build a seven storey 4.5 star, 175 bed hotel to be run by a Hilton subsidiary in the Townsville CBD stadium precinct. Townsville City Council will continue to engage with potential private sector partners on the full range of projects, in conjunction with the commitments under the City Deal, to facilitate renewal and growth for Townsville.

Following the signing of the City Deal, the Queensland Government has continued to support jobs growth in Townsville and complement the commitments made under the City Deal.

Queensland Government supporting job-creating projects in Townsville

\$45 MILLION
for job-creating local government led infrastructure projects

486 LOCAL JOBS AND \$210 MILLION
for major capital works such as Townsville Port Berth 4 upgrade and Bruce Highway widening

47 JOBS AND \$16.3 MILLION
for Significant Regional Infrastructure projects like Townsville Hospital Paediatric Ward Stage 1 and 2

82 JOBS AND \$35 MILLION
for projects like the Riverway Drive duplication

235 JOBS AND \$26.2 MILLION
for critical infrastructure projects such as the Airport Industrial Water Main, Southern Sewerage Main and Cleveland Bay Sewage Treatment Plant

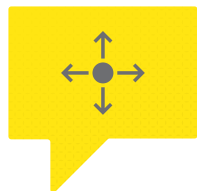
Townsville is positioned to benefit from a number of additional investments by the **Commonwealth Government** which will support the objectives of the City Deal:

\$24 MILLION IN ADDITIONAL FUNDING FOR GREAT BARRIER REEF MARINE PARK AUTHORITY,
which will help to support the operation of the Authority's award winning National Education Centre for the Great Barrier Reef, ReefHQ Aquarium. The Aquarium is a popular tourist destination and is recognised nationally and internationally as a centre of excellence in environmental education;

\$1 BILLION TO BE INVESTED IN THE TOWNSVILLE REGION FROM 2016–2026,
including for increased Defence training facilities, under the Australia-Singapore Military Training Agreement;

\$9.5 MILLION TO SUPPORT NRL COWBOYS HOUSE
which opened in Townsville in March 2017 and will provide significant benefits to Aboriginal and Torres Strait Islander families across North Queensland.





MONITORING

progress

Framework of the Townsville City Deal

Under the Townsville City Deal, specific milestones were agreed for each commitment. Since signing the City Deal, all parties have been working together to deliver these milestones. This section provides an update on the status of each of the 16 commitments.

Vision	Grow the economy of Townsville by supporting the city to be, by 2030: <ul style="list-style-type: none"> • the economic gateway to Asia and Northern Australia • a prosperous and lifestyle rich city for its community and visitors • a global leader in tropical and marine research and innovation 					
Objectives	1. Revitalise Townsville, particularly the CBD and Waterfront PDA areas 2. Activate industry and export growth 3. Support long term growth of local businesses 4. Enhance liveability 5. Improve planning, coordination and governance					
Initiatives	Capital of North Queensland	Innovative and Connected City	Port City	Industry Powerhouse for the North	Defence Hub	Enabling Infrastructure
Commitments	North Queensland Stadium	Development Corporation for Townsville	Channel capacity upgrade	Townsville eastern access rail corridor (TEARC)	Defence industry consultation	Townsville water security, supply and use strategy
	Townsville entertainment and convention centre	Health and knowledge development strategy		Townsville Industrial Development Board		Managing energy cost and boost energy productivity
	International education and training destination	Public transport solutions		Acceleration of the State Development Area (SDA)		
	CRC for Developing Northern Australia	Smart City Strategy		Woodstock intersection upgrade		
Future Opportunities	Townsville workforce development plan	Smart solutions for Townsville city and suburbs	Port expansion	Maximise export opportunities	Defence investment pipeline	Review and deliver preferred water supply solutions
		Urban renewal and revitalisation		Supply chain prioritisation		Renewable energy innovation
Governance	Local partnerships for better Governance					



Individual Commitments

Capital of North Queensland

North Queensland Stadium

Commitment	To deliver the North Queensland Stadium in time for the start of the 2020 National Rugby League season. This project will be a catalyst for revitalisation of the Townsville CBD and Waterfront PDA, support jobs growth and skills development in the construction, services, tourism, retail, commercial and hospitality industries, and deliver high quality public spaces and urban regeneration.
Responsibilities	Led by the Queensland Government in collaboration with Townsville City Council and the Commonwealth.
Delivered Milestones	<p>Q2 2017 — Managing contractor appointed.</p> <p>Q3 2017 — Early works on site commenced.</p>
Progress to date	<p>The North Queensland Stadium project is already delivering jobs and opportunities for local businesses and industry. Construction has commenced on the \$250 million project with the first turning of the sod on 18 August 2017. The appointment of the design team in December 2016 included nine specialist consultancies with offices in Townsville, ensuring local employment and placing the region's know-how at the heart of the design process.</p> <p>On 1 May 2017, Watpac was announced as the Managing Contractor and is now implementing a plan that targets at least 80% of hours spent building the stadium to be by locals and at least 80% of the value of the project to be spent on local subcontractors and suppliers.</p> <p>On 2 June 2017, 80 trade packages were released by Watpac for expressions of interest and packages are in the process of being awarded to contractors.</p> <p>As of 9 March 2018, 25 trade packages have been let, with 23 of these packages being awarded to contractors with long established offices in Townsville.</p>
Next Milestones	<p>Q1 2018 — Main stadium build commences.</p> <p>Q1 2020 — Project completion.</p>
Next steps	Over the next 12 months more work packages will be awarded and new work packages released providing further opportunities for local employment. The main stadium build is due for commencement in early 2018.



Image: Courtesy of Ben Vos Productions

Capital of North Queensland

Townsville entertainment and convention centre

Commitment	<p>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.</p> <p>The delivery of the project will reinforce the Townsville CBD and Waterfront Priority Development Area as an attractive destination, promote tourism and events attraction, create additional jobs and skills in the service industry and boost opportunities for Indigenous workers and businesses.</p>
Responsibilities	Led by Townsville City Council, in cooperation with the Queensland and Commonwealth Governments.
Delivered Milestones	Nil (no milestones scheduled for delivery until 2018).
Progress to date	In July 2017, Townsville City Council secured funding under the Queensland Government's Maturing Infrastructure Pipeline Program to undertake a preliminary evaluation of what is now being referred to as the Townsville Exhibition, Entertainment and Convention Centre.
Next Milestones	Q2 2018 – Preliminary evaluation completed.
Next steps	The preliminary evaluation will aim to consider the best way to achieve a multipurpose facility that will cater for ongoing community needs, and is able to attract a range of entertainment and sporting events, as well as host meetings, conferences and conventions. The preliminary evaluation is due for completion by mid-2018.



Image: Courtesy of Ben Vos Productions

Capital of North Queensland

International education and training destination

Commitment	Develop Townsville's global reputation as a world-class destination for education, edu-tourism, training and research. Work with Townsville Enterprise Limited and local education, training and research and tourism stakeholders.
Responsibilities	Led by the Queensland Government in collaboration with Townsville City Council, Townsville Enterprise Limited and education, training, research and tourism stakeholders.
Delivered Milestones	<p>Q1 2017 — Pilot round of funding for Queensland International Education and Training (QIET) Partnership Fund.</p> <p>Q3 2017 — Round One of funding for QIET Partnership Fund.</p>
Progress to date	<p>The Queensland Government has funded \$82,500 towards pilot round projects from the QIET Partnership Fund. This combined with industry co-contributions of \$164,500 will enable the delivery of two new projects to grow the IET sector in Townsville.</p> <p>Project 1: Destination of excellence and best practice for edu-tourism. This project is designed to develop a strategic approach to growing the edu-tourism market in Townsville and includes development of a strategic plan, marketing collateral and market activation. The strategic edu-tourism plan has been finalised, collateral production is underway and market activation was commenced with a sales mission to Singapore undertaken on 24 January 2018.</p> <p>Project 2: Study Townsville International Education Growth Strategy. This project is designed to develop a new plan to promote Townsville as an education destination and increase the number of international students in the region. The strategy will activate emergent opportunities in the Chinese market.</p> <p>An industry workshop was held on 23 June 2017 with over 30 local stakeholders participating including James Cook University, Townsville City Council, Central Queensland University, public and private schools, and other education and training providers. Trade and Investment Queensland has made additional investment in opening a Townsville Office and appointing a senior IET officer.</p> <p>A professional development workshop and joint meeting between Study Townsville and Trade and Investment Queensland was conducted on 7 March 2018.</p>
Next Milestones	Q1 2018 — Round Two of funding for QIET Partnership Fund.
Next steps	<p>The Study Townsville Consortium Group will develop a joint marketing strategy to promote Townsville's unique selling points for Chinese students and identify specific targets for growth.</p> <p>Consideration of Expressions of interest received for the QIET Partnership Fund 2017/2018 Round Two which close 28 March 2018.</p>



Capital of North Queensland

Cooperative Research Centre for Developing Northern Australia

Commitment	Work with the board of the Cooperative Research Centre (CRC) for Developing Northern Australia 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.
Responsibilities	Led by the Commonwealth Government, CRC for Developing Northern Australia.
Delivered Milestones	<p>Q1 2017 – Announcement of CRC Board.</p> <p>Q1 2017 – Early funding round established.</p> <p>Q3 2017 – Headquarters for CRC established in Hermit Park, Townsville.</p>
Progress to date	<p>The CRC for Developing Northern Australia has established its headquarters in Townsville and has commenced discussions with potential members to develop its Strategic Research Plan.</p> <p>The outcomes of the CRC for Developing Northern Australia project funding round, administered by the Commonwealth Department of Industry, Innovation and Science, were announced on 17 October 2017. James Cook University is involved in four of the announced projects.</p>
Next Milestones	Q2 2018 and ongoing – Regular reporting of CRC outcomes to City Deal partners to commence.
Next steps	Progress on the CRC's work, including Townsville-related outcomes, will be reported in future annual progress reports.



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. The Development Corporation will encourage property and infrastructure investment, ensure ongoing engagement with industry and private sectors to attract investment and help create an attractive urban environment, supported by high quality open spaces.
Responsibilities	Led by Townsville City Council in consultation with the Queensland Government.
Delivered Milestones	<p>Q2 2017 – Established Terms of Reference for the Development Corporation and its board, including membership.</p> <p>Q1 2018 – Expression of Interest issued for Board members.</p>
Progress to date	At its meeting on 27 June 2017, Townsville City Council approved the creation of a Development Corporation. The enterprise body has been created to generate new projects and investment and unlock the potential of prime council owned land in the Townsville Priority Development Area and other strategic areas to stimulate investment, construction and jobs.
Next Milestones	<p>Q1 2018 – Formulation of a pipeline of potential development projects that the Development Corporation could pursue in conjunction with the private sector.</p> <p>Q2 2018 – Formal establishment of the Development Corporation and its Board once initial projects have been committed by Council.</p>
Next steps	Development Corporation to be formed and steer property and infrastructure investment towards revitalisation of a range of sites within the CBD and Waterfront PDA through ongoing engagement with private sector.



Image: Courtesy of Ben Vos Productions

Innovative and Connected City

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. The project will focus upon strategic smart precincts across the city, including the key anchors of the CBD and James Cook University's Douglas Campus. These key locations will be supported by digital connectivity, smart technology, public transport and housing choice, and will capitalise upon opportunities offered by the North Queensland Stadium and a potential sports science facility, new private hospitals, and health tourism. This project will investigate opportunities to co-locate health and knowledge employment hubs with residential accommodation and public transport routes in key locations across the city.
Responsibilities	Led by the Queensland Government in cooperation with Townsville City Council, James Cook University, Central Queensland University, Townsville and Mater Hospitals, and other key stakeholders.
Delivered Milestones	Q2 2017 – The governance arrangements and framework for collaboration were finalised with the establishment of the Townsville Health and Knowledge Strategy Steering Group.
Progress to date	The Queensland Government has established an initial Steering Group with Townsville City Council and the universities. The Steering Group first met on 24 July 2017 to agree on the scope and key work to be addressed in the development of the strategy that will guide the government and private sectors in delivering on the potential of Townsville's health and knowledge precincts. Work has commenced on the framework of a Health and Knowledge Development Strategy including consultation with Townsville City Council and the universities in late 2017.
Next Milestones	Q1 2018 – Broaden the Steering Group membership to include other key health and knowledge stakeholders and commence collaborative preparation of the Health and Knowledge Development Strategy. Q2 2018 – Finalise the Health and Knowledge Development Strategy including a series of actions and collaborative opportunities.
Next steps	The Steering Group will finalise the draft Health and Knowledge Strategy and identify a series of actions and collaboration opportunities.



Image: Courtesy of Ben Vos Productions

Innovative and Connected City

Public Transport Solutions

Commitment	<p>Investigate demand responsive innovative public transport initiatives that increase liveability and accessibility.</p> <p>Design and construct a new purpose-built bus facility in the Townsville CBD and investigate demand response transport initiatives for Townsville.</p>
Responsibilities	<p>Led by the Queensland Government in collaboration with Townsville City Council. This commitment will involve investigations into demand responsive transport with other key stakeholders and to identify the best way to connect communities with existing public transport networks and key attractors such as the CBD, James Cook University and other business, health and educational precincts. Townsville City Council are responsible for the design and delivery of the Townsville City Bus Station.</p>
Delivered Milestones	<p>Nil (no milestones scheduled for delivery until 2018).</p>
Progress to date	<p>The Queensland Government has commenced early feasibility planning as part of Demand Responsive Transport investigations.</p> <p>The Queensland Government is providing \$4 million in funding for the Townsville City Bus Station which is being project managed by Townsville City Council. Detailed design for the Townsville City Bus Station commenced in August 2017 and the required demolition works on the Ogden Street site were completed in September 2017.</p> <p>The bus station has the potential to be a catalyst for CBD activation and provide a public transport connection within walking distance of the new North Queensland Stadium.</p>
Next Milestones	<p>Q1 2018 — Commencement of feasibility planning for a potential Demand Responsive Transport Model trial.</p> <p>Q4 2018 — Open Townsville City Bus Station.</p>
Next steps	<p>The Queensland Government will engage with Townsville City Council to progress the demand responsive transport investigations.</p> <p>Townsville City Bus Station early stage construction phases will commence on the Ogden Street site and the adjoining area.</p>



Innovative and Connected City

Smart City Strategy

Commitment	<p>Townsville 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.</p> <p>Townsville will provide a City Dashboard to encourage deep community engagement through transparency and accountability. It will openly share targets, goals and current reporting such as service delivery, air quality, business investments and jobs being created.</p>
Responsibilities	Led by Townsville City Council and working with the Queensland Government to identify opportunities for funding and delivering smart city projects in the Townsville area.
Delivered Milestones	Q2 2017 – Explore funding for several initiatives from the Smart Cities and Suburbs Program.
Progress to date	Townsville City Council is working with leaders in this field to develop a Smart City Strategy for Townsville. The development of the strategy is progressing well. An important component of the Strategy's development will be broad engagement with stakeholders across the community and business sectors. This work should be undertaken in the second quarter of 2018.
Next Milestones	<p>Q2 2018 – A comprehensive Smart City Strategy for Townsville will be developed prioritising initiatives and funding/financing streams.</p> <p>Q2 2018 – City Dashboard finalised.</p>
Next steps	Once engagement has been completed, the Smart City Strategy for Townsville will be finalised and work will commence on its implementation.



Port City

Port Channel Capacity Upgrade

Commitment	<p>We will work with the Port of Townsville Limited 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 to ensuring growth of trade and maximising the efficiency of existing port infrastructure.</p> <p>Finalisation of the Business Case will also require an articulation of the impact of international shipping trends on the sustainability of the Port of Townsville, and how the channel capacity upgrade could contribute to improving the efficiency of freight movement in and out of North Queensland.</p>
Responsibilities	Led by the Queensland Government through the Port of Townsville Limited.
Delivered Milestones	<p>Q4 2017 – Finalisation of business case and partial funding commitment from the Queensland Government.</p> <p>Q1 2018 – Commonwealth approval of the Environmental Impact Assessment (EIS).</p>
Progress to date	<p>On 2 May 2017, the Port of Townsville Limited submitted the business case and for the Channel Capacity Upgrade Project for Queensland Government Shareholding Ministers' consideration. In June 2017, the Queensland Government announced funding of \$75 million as a down payment towards the project (subject to finalisation of the business case and EIS), which will boost trade, create 120 full-time jobs and support more jobs through industry.</p> <p>The Port Channel Capacity Upgrade is the first stage of the Port of Townsville Port Expansion Project. On 29 September 2017, the Queensland Coordinator-General provided State environmental approval for the Port Expansion Project. On 27 October 2017, the Queensland Shareholding Ministers approved the business case and affirmed support for the project.</p> <p>The Commonwealth Government approved the EIS on 5 February 2018.</p>
Next Milestones	Q1 2018 – The Queensland Government to commence discussions with the Commonwealth and the Port of Townsville Limited concerning funding and/or financing considerations.
Next steps	The Queensland Government will work with the Port of Townsville Limited and the Commonwealth Government to progress funding and finance considerations.



Industry Powerhouse for the North

Townsville Eastern Access Rail Corridor (TEARC)

Commitment	<p>Delivery of a business case for the TEARC which proposes an alternative rail route to the Port of Townsville.</p> <p>Undertake work to identify innovative financing and value capture opportunities, and the wider economic benefits, related to the TEARC, acceleration of the SDA, and expansion of the Port. The delivery of the TEARC project will enhance regional development and economic growth through industrial investment attraction, allow for the development of additional jobs growth and skills, support trade and investment through the Port of Townsville and broaden industry development through enhanced supply chain opportunities.</p>
Responsibilities	<p>The TEARC business case was led by the Queensland Government in collaboration with the Commonwealth Government.</p> <p>The Commonwealth is leading on the broader innovative financing work, working closely with the Queensland Government and Townsville City Council.</p>
Delivered Milestones	<p>Q4 2017 – Completion of the TEARC Business Case.</p>
Progress to date	<p>Building Queensland and the Queensland Government consulted with Townsville City Council, the Port of Townsville Limited, Townsville Enterprise Limited and other key local stakeholders through meetings and a series of community information sessions. Building Queensland completed the detailed business case for the TEARC in late 2017.</p> <p>Separate to the TEARC business case, the Commonwealth has been working with the Queensland Government and the Townsville City Council to explore innovative financing opportunities to maximise investment in Townsville. This includes unlocking financing for complementary projects that might be harder to fund in isolation. A workshop was held in Townsville in August 2017 to explore links between major projects (particularly the TEARC, Port expansion and SDA) and opportunities for growth in industrial development. This work is ongoing.</p>
Next Milestones	<p>Q1/Q2 2018 – The Queensland and Commonwealth Governments to consider the business case.</p> <p>Q1 2018 and ongoing – Commonwealth Government to continue working with the Queensland Government and Townsville City on identifying innovative financing and value capture opportunities.</p>
Next steps	<p>The Queensland Government will work with the Commonwealth Government to consider the business case findings and recommendations.</p>



Image: Courtesy of Ben Vos Productions

Industry Powerhouse for the North

Townsville Industrial Development Board (TIDB)

Commitment	<p>Establish the Townsville Industrial Development Board (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.</p> <p>The project will enhance regional development and economic growth, deliver new jobs and skills, support trade and investment through the Port of Townsville and allow for broader industry development through enhanced supply chain opportunities.</p>
Responsibilities	Led by the Queensland Government in collaboration with Townsville City Council and in consultation with business and industry stakeholders.
Delivered Milestones	Q2 2017 – Consulted key stakeholders on the TIDB's structure and membership. Business case completed and funding for purchase of land in the SDA secured by Office of the Coordinator-General (Queensland).
Progress to date	During Q2 2017, the Queensland Government consulted with Townsville City Council and key regional stakeholders on the structure, membership, roles and responsibilities of the TIDB in promoting, facilitating and enabling investment in Townsville's industrial areas.
Next Milestones	Q1 2018 – Establishment of TIDB, appointment of TIDB members and first meeting.
Next steps	The Queensland Government is in the process of confirming arrangements for the TIDB's establishment, membership with the first meeting planned for Q1 2018. Further consideration will be given to the final role and function of the TIDB, including its role in the negotiated acquisition of land together with other measures to unlock priority industrial sites during City Deal implementation.



Image: Courtesy of Ben Vos Productions

Industry Powerhouse for the North

Acceleration of the State Development Area (SDA)

Commitment	Develop a business case for the acceleration of the SDA in consultation with the Townsville Industrial Development Board. This will build on existing work between the Queensland Government and Townsville City Council to identify opportunities to accelerate the SDA.
Responsibilities	Led by the Queensland Government in collaboration with the Townsville City Council.
Delivered Milestones	Q2 2017 – Business case completed and funding for purchase of land in the SDA secured by the Queensland Government.
Progress to date	<p>During Q2 2017, the Queensland Government completed the business case and approved funding towards the purchase of land to attract suitable industry investment and accelerate development in the Townsville SDA.</p> <p>The Queensland Government has engaged with key stakeholders and is now negotiating to purchase land in the SDA. Once land is acquired, the Queensland Government will work with key stakeholders (including the Townsville Industrial Development Board) to facilitate industrial and port related development opportunities in the SDA.</p>
Next Milestones	Q1 2018 and ongoing – The Queensland Government will work with the Townsville Industrial Development Board and key stakeholders to actively seek and convert industrial development opportunities within the SDA.
Next steps	Following land acquisition, the Queensland Government will work with a diverse range of port, rail and road dependent industries to explore opportunities for new development in the SDA, including manufacturing, minerals processing, freight, logistics and bulk storage.



Industry Powerhouse for the North

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. Consider the ongoing business case, feasibility and master planning being progressed by Townsville City Council to detail the rationale for investment.
Responsibilities	Led by the Queensland Government in collaboration with Townsville City Council.
Delivered Milestones	Q2 2017 – Completion of Woodstock Industrial and Export Estate Masterplan.
Progress to date	In Q2 2017, the Queensland Government in partnership with Townsville City Council completed the Lansdown Opportunities Assessment Masterplan and Infrastructure Strategy (the masterplan). The Queensland Government is now progressing the findings of the masterplan as they relate to access to the state-controlled road network, in seeking to establish the safest and most efficient access location between the Lansdown Industrial Estate and the Flinders Highway.
Next Milestones	<p>Q1 2018 – Call Tender for the preparation of the Project Proposal and Options Analysis to consider access to Lansdown Industrial Precinct.</p> <p>Q4 2018 – Preparation of Project Proposal and Options Analysis to consider access to Lansdown Industrial Precinct.</p>
Next steps	The Queensland Government will develop a Project Proposal and Options Analysis to progress the findings of the masterplan, in seeking to establish the safest and most efficient access location/s between the Lansdown Industrial Estate and the Flinders Highway.



Image: Courtesy of Department of Defence

Defence Hub

Defence industry consultation

Commitment	<p>Strengthening of formal consultation between representatives of the Department of Defence, Defence Industries Queensland and a new Townsville City Council Defence Liaison Officer. Leverage existing support delivered by locally-based AusIndustry (supported by the Centre for Defence Industry Capability) and Queensland Government programs to build a diversified and sustainable local industry.</p> <p>These consultative opportunities for local industry will promote greater jobs growth, job skilling for the local labour sector and long-term opportunities and support to local businesses.</p>
Responsibilities	Collaboration between the Commonwealth Government, the Queensland Government and Townsville City Council.
Delivered Milestones	Q2 2017 – Establish Townsville Defence Working Group.
Progress to date	<p>Engagement between the Commonwealth Department of Defence, the Queensland Government and the Townsville City Council has commenced. All parties are committed to identifying and making publicly available opportunities to enhance commercial relationships with the Defence sector in the Townsville region. Constructive relationships were established during initial consultations held in Townsville on 2 August 2017.</p> <p>Local industry will have more opportunities to participate in major Defence infrastructure projects as part of a new pilot program. The pilot will require tenderers bidding for major capital facilities projects to state clearly how they have engaged with local industry in providing their tendered solution, and how local industry will specifically be involved in delivering the work packages that underpin the project. The pilot program will include the \$24 million Townsville Field Training Area Mid-Term Refresh.</p> <p>The first formal Townsville Defence Working Group meeting was held in November 2017. In addition the Queensland Government is in the process of creating a North Queensland Defence Advisory Board. Consultations are underway to look at opportunities for how that Board can link with the Townsville Defence Working Group.</p>
Next Milestones	<p>Q1 2018 – Establish operating arrangements for Defence industry engagement with local Townsville businesses.</p> <p>Q4 2018 – Appointment of Townsville City Council Defence Liaison Officer.</p>
Next steps	An engagement forum with industry stakeholders in Townsville will be held before the end of second quarter of 2018.



Enabling Infrastructure

Townsville water security, supply and use strategy

Commitment	<p>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.</p> <p>The Taskforce will build on existing studies and research to identify a series of preferred options to improve Townsville's water security. These will include options to improve the security of water supply and amend water service standards and pricing. This will be complemented by local water efficiency programs and new technologies that will support Townsville residents and businesses to save water.</p> <p>The approach will ensure a sustainable, secure long-term water supply for Townsville and increase the region's capacity to support future population and industry growth.</p>
Responsibilities	<p>Collaboration between Townsville City Council, the Commonwealth Government and the Queensland Government.</p>
Delivered Milestones	<p>Q1 2017 — Establishment of Townsville Water Security Taskforce.</p> <p>Q2 2017 — Delivery of interim report to the Prime Minister and Premier of Queensland.</p>
Progress to date	<p>The Townsville Water Security Taskforce was announced on 11 March 2017. The Taskforce is independently chaired by Townsville businessman Mr Brad Webb. The Taskforce delivered its Interim Report on 30 June 2017. The Interim Report provides a list of short and medium term recommendations and long term options to three levels of Government following a process of consultation, technical reviews and deliberations.</p> <p>The Queensland Government committed \$225 million to implement the findings of the Taskforce, which includes \$215 million to build the duplicate pipeline and \$10 million to deliver a Community Water Transition Package.</p>
Next Milestones	<p>Q3 2018 — Delivery of final report to the Prime Minister and the Premier of Queensland.</p>
Next steps	<p>The Taskforce's Final Report is due to be submitted to the Prime Minister and the Premier of Queensland in September 2018, once further technical studies are completed.</p>



Image: Genex Power

Enabling Infrastructure

Managing energy costs and boost energy productivity

Commitment	<p>Deliver a program of energy efficiency measures to reduce peak energy demands across Townsville. This will be done through investigating opportunities to finance a range of sustainable energy and water efficiency measures. Potential measures could include upgrades of commercial buildings across the city, smart water solutions and a cooling district within the CBD. These investments will have potential to catalyse new jobs in smart water solutions, energy efficiency and renewable technologies while reducing energy demand. We will work together to reduce energy consumption.</p> <p>These projects will improve the quality and comfort of commercial building stock, improve energy resilience, increase trade and investment, and allow Townsville to become a leader in energy efficiency and renewable energies.</p>
Responsibilities	Led by Townsville City Council in consultation with the Queensland and Commonwealth Governments (e.g. Clean Energy Finance Corporation).
Delivered Milestones	Nil (no milestones scheduled for delivery until 2018).
Progress to date	<p>In October 2017 Townsville City Council met with Queensland Government officers to discuss opportunities to align the proposed Energy Strategy with existing energy efficiency initiatives and the Queensland Government's Powering North Queensland Plan.</p> <p>The Clean Energy Finance Corporation has a Townsville presence and has confirmed financing for two major investments in renewable energy in the region — the Kidston Renewable Energy Hub and the Ross River Solar Farm near Townsville.</p>
Next Milestones	Q2 2018 — Identify energy efficiency priorities with key stakeholders.
Next steps	Townsville City Council in consultation with relevant stakeholders will develop an energy strategy which will prioritise short, medium and long term measures. Townsville City Council will then commence discussions with partners to look for opportunities to finance a range of sustainable energy projects.



FUTURE opportunities

Progress is also being made on a number of the future opportunities identified in the City Deal.

Townsville Workforce Development Plan

On 22 September 2017, Jobs Queensland partnered with Townsville City Council to host a workshop with local business and industry leaders in Townsville to gather information and gain valuable insights on Townsville's jobs and skills requirements. Jobs Queensland continued to engage with stakeholders throughout the second half of 2017 to understand the workforce planning and development needs in the region. This consultation process will ensure the final product delivers the most value for the region.

Urban renewal and revitalisation

Through the Queensland Government's 10 year Housing Construction Jobs Program, \$52 million is being invested over 5 years to 2021-22 for the delivery of 137 dwellings in the Townsville area.

The Housing Construction Jobs Program encourages partnerships with the private, non-for-profit, and public sectors to deliver jobs and drive economic growth at a local level, ensuring better social and affordable housing outcomes. It's an opportunity to leverage investment to deliver more for Queensland and the local Townsville community. As part of the program, a recent Expression of Interest process called for development-ready sites from industry and targeted urban renewal through a range of developments to deliver additional social and affordable housing.

Port of Townsville – Port expansion

On 29 September 2017, the Queensland Government announced its approval of the State Environmental Impact Statement for the port expansion project and the Commonwealth Government approved the EIS on 5 February 2018.

The \$1.64 billion port expansion is proposed to be delivered in stages as required by demand and would involve four key elements:

- progressive channel capacity upgrade and widening – capital dredging to widen and deepen the existing Sea and Platypus Channels and an expanded harbour basin
- establishing a 152 hectare reclamation area
- construction of four kilometres of rock revetments and potentially a new 700 metre western breakwater
- construction of six new berths.

Stage one of the Port Expansion is the Channel Capacity Upgrade Project. In June 2017, the Queensland Government provided \$75 million funding towards the project. The parties are currently exploring all financing and funding considerations.

Review and deliver preferred water supply solutions

Townsville City Council is now progressing a number of recommendations in the Townsville Water Security Taskforce Interim Report including the build of the Haughton to Ross River Dam pipeline duplication, and development of the Community Water Transition Package to help Townsville reduce water usage. The Queensland Government has committed \$225 million to implement the findings of the Taskforce, which includes \$215 million to build the duplicate pipeline and \$10 million to deliver a Community Water Transition Package.



ENGAGING

the local community

The Local Partnership Forum has been established under the Townsville City Deal to ensure Townsville stakeholders are engaged throughout the implementation process.

This will provide a critical perspective to the Townsville City Deal Executive Board on whether the City Deal is delivering on its vision and outcomes. All three tiers of government are represented on the Executive Board which has responsibility for coordinating the ongoing implementation, reporting and evaluation of the City Deal.

The Forum will:

- provide local knowledge and insight on issues arising in the Townsville region
- act as an active conduit between the community and the Executive Board
- champion the City Deal within the wider business community
- identify opportunities to harness or attract private sector investment to complement City Deal investments
- identify emerging opportunities to improve the impact of investments under the City Deal, in line with its vision.

The Local Partnership Forum will meet biannually in advance of the Executive Board meetings. In addition to the Forum, each commitment under the City Deal is providing opportunities for active engagement and input by all relevant stakeholders. Having both avenues ensures that stakeholders can provide real-time input as individual projects progress, but also provide strategic input on the broader direction of City Deal and how it is tracking.

Below: Some of Local Partnership Forum attendees (from left to right) — Lewis Ramsay, Kevin Gill, Pat Brady, Debbie Rains, Allan Lane, Stephen Budd, Andrew Wallace, James Ruprai, Professor Steven Moston and Marnie Wettenhall.





ENGAGING

the local community

The membership of the Local Partnership Forum is as follows:

Mr Lewis Ramsay
Chair, Ramsay Group

Mr Andrew Wallace
Director, Northern Consulting Engineers

Mr Kevin Gill
Chief Operating Officer, Townsville Airport Limited

Mr Patrick Brady
Chair, Mater Health Services North Queensland
Executive Director, Premise

Ms Patricia O'Callaghan
Chief Executive Officer, Townsville Enterprise Limited

Ms Raneë Crosby
Chief Executive Officer, Port of Townsville

Prof Sandra Harding
Vice Chancellor, James Cook University

Mr Tony Mooney
Board Chair, Townsville Hospital and Health Service

Ms Kari Arbouin
Associate Vice Chancellor, Central Queensland University

Mr Stephen Motti
Chair, Townsville Chapter, Property Council

Mr Allan Lane
Water for Townsville Action Group

Ms Debbie Rains
President, Townsville Chamber of Commerce

The first meeting of the Local Partnership Forum was held in Townsville on 22 September 2017 to provide Forum members with an update on implementation of the City Deal as it approached its first full year of operation. The Forum also discussed the path ahead and priorities for implementation over the coming 12 months.

The Deputy Mayor of Townsville, Cr Les Walker, attended the first meeting on behalf of the Mayor to hear directly from stakeholders on how they felt it was delivering for Townsville and what areas they wished City Deal partners to focus on going forward. This input was provided to Executive Board members at their meeting in Townsville on 28 September 2017.

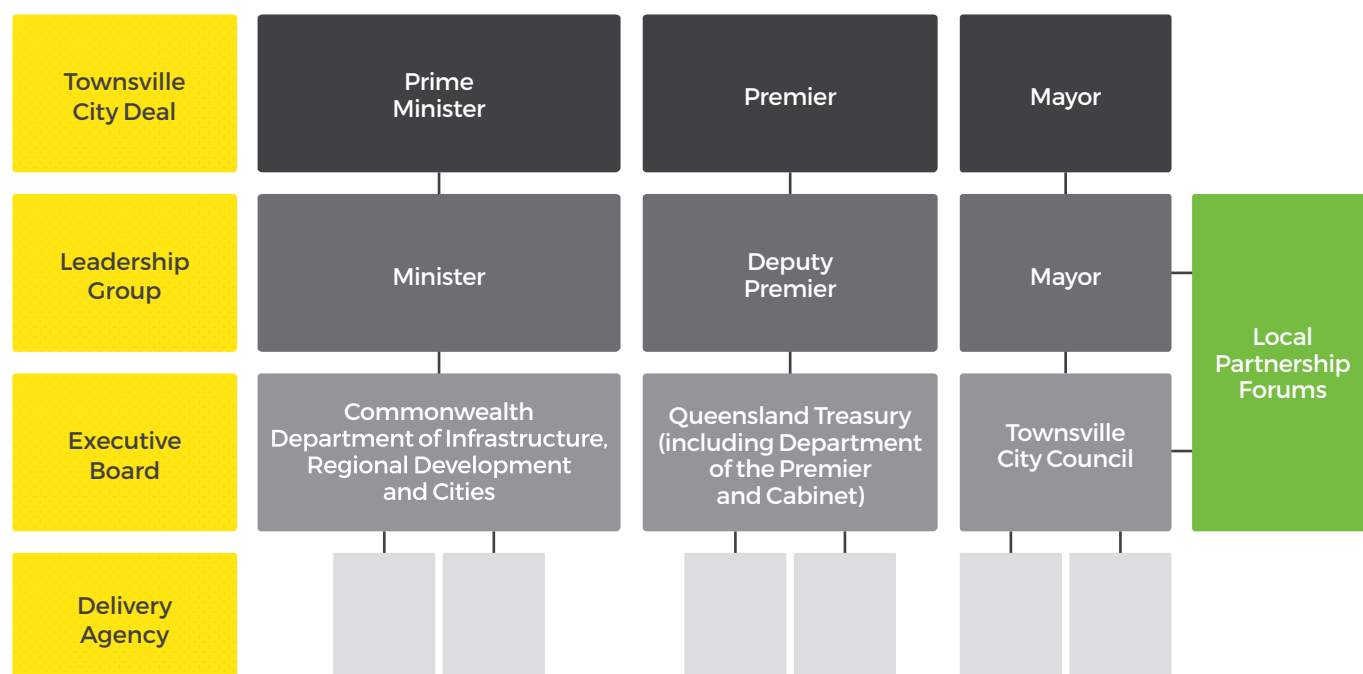
The first Forum was also held in conjunction with a workshop with Jobs Queensland as a first step in development of a Townsville Workforce Development Plan, which is one of the identified Future Opportunities of the City Deal. This workshop provided the opportunity for the Forum members to have direct input into the scoping of the project as it commenced.

Forum members were also provided with the opportunity to review the draft of this report and provide comments prior to its public release.



TOWNSVILLE CITY DEAL

Governance Framework



Timeline – Townsville City Deal





Smart Cities Plan

TOWNSVILLE

City Deal



Smart Cities Plan

For more information visit:

<https://cities.infrastructure.gov.au/townsville-city-deal>

<http://dsdmip.qld.gov.au/infrastructure/federal-and-state-cooperation.html>

<https://www.townsville.qld.gov.au/about-townsville/business-and-economy/townsville-city-deal>