

TOWNSVILLE

CITY DEAL

2018 Annual Progress Report

Published April 2019



Australian Government





2018 ANNUAL PROGRESS REPORT

This is the second 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 that aims to support a prosperous economic future for Townsville. It will position Townsville as a vibrant, liveable and innovative city in Northern Australia.

After just two years, Australia's first City Deal has already delivered transformative outcomes for Townsville, giving people more reasons to visit and do business in the city.

Key achievements under the City Deal in 2018 have included:

- Launch of the Townsville Smart City Plan – *Smart Townsville*.
- Commencement of construction on Stage 1 of the Haughton Pipeline, delivery of the Final Report of the Townsville Water Security Taskforce, and funding secured for Stage 2 of the Haughton Pipeline subject to the outcomes of a business case assessment.
- Funding confirmed for the Port of Townsville Channel Capacity Upgrade, giving construction of the \$193 million project the green light.

- Establishment of the Townsville Industrial Development Board and acceleration of the State Development Area to explore opportunities for new industrial development.
- Funding confirmed for the preservation of the Townsville Eastern Access Railway Corridor.

This Report provides further details on these achievements and progress of all 16 commitments under the City Deal throughout 2018. It can be read in conjunction with the first Annual Report to provide a complete picture of progress since the signing of the City Deal.

The Report highlights the benefits of a genuine collaboration between the three levels of government and the local community, and the significant outcomes that can be delivered through this approach.

On a sombre note, 2019 began with a large monsoonal weather system over North Queensland, which resulted in the biggest floods experienced by Townsville on record. Thousands of properties and critical infrastructure sustained damage. The North Queensland and statewide impact has been significant, and economic recovery will take time and require a dedicated coordinated effort. The continuing delivery of the Townsville City Deal will have a vital role in supporting Townsville's local enterprise and industry to get back on track as soon as possible.

Further information about the Townsville City Deal is available at citydeals.infrastructure.gov.au.



ENGAGING

the Local Community



The unprecedented rainfall event impacting Townsville this January/February has been felt by every facet of the community. The City Deal will continue to play a critical role in not only facilitating the economic recovery of the community, but in achieving long-term sustainable economic outcomes.

During 2018 the City Deal has achieved some significant milestones, with the community seeing:

- The North Queensland Stadium really starting to take shape as the construction continues to provide local jobs.
- The finalisation and launch of *Smart Townsville*, a community-led partnership to maximise digital connectivity and improve services.
- Commitment of the final \$75 million required for the Port of Townsville Channel Capacity Upgrade – the

first stage in the development of a sustainable port that improves the efficiency of freight moving in and out of North Queensland.

- The acquisition of land within the State Development Area and the inaugural meeting of the Townsville Industrial Development Board – leading attraction of industries to Townsville to further develop the freight and port-related businesses.
- Progression of the Cooperative Research Centre for Development in Northern Australia (CRCNA) – after establishing an office in Townsville, the CRCNA has commenced funding a number of industry-driven projects which will create local jobs.
- Delivery of the City Bus Station – construction is well underway with the Bus Station set to open in the first half of 2019.
- Appointment of a Defence Sector Strategy Advisor by Townsville City Council – maximising both opportunities for local businesses to work with Defence and lobbying for additional Defence services from Townsville.
- Commitment of funding for Stage 2 of the new water pipeline subject to the outcomes of a business case – which will provide long term water security for Townsville.

More is yet to come, and the Local Partnership Forum looks forward to working closely with the Townsville City Deal Executive Board to ensure the community's expectations and requirements are key drivers of future initiatives.

Lewis Ramsay

Chair – Local Partnership Forum



FOCUS ON

North Queensland Stadium

The North Queensland Stadium continues to deliver for the people of Townsville. Jointly funded by the Queensland Government and Australian Government, with support from Townsville City Council, the project has progressed significantly in 2018, with over 33 percent of the construction completed since the main stadium build commenced on 1 May 2018.

So far, 42 of the project's 52 trade packages have been awarded to local businesses and over 99 percent of the 381,884 construction work hours have been completed by local workers. There are 42 apprentices and trainees currently working on the project, including eight Aboriginal and Torres Strait Islander employees. The total Aboriginal and Torres Strait Islander construction workforce participation rate is above 15 percent and over 60,000 of the training hours were completed by Aboriginal and Torres Strait Islander employees. Expected to support 750 FTE jobs during the design and construction phases, the skills and expertise gained by these local workers will benefit Townsville beyond the stadium's completion ahead of the start of the 2020 National Rugby League Premiership Season.

The Stadium's architecture has a distinctly local flavour with a horseshoe cantilever roof inspired by Queensland's iconic pandanus palm, and designed to account for the city's tropical climate and the risk of cyclones. The design was a deliberate effort on the part of architects and engineers to fit in with Townsville's unique landscape and casual, relaxed lifestyle.

“It's wonderful to see the Stadium coming out of the ground [and] providing even more jobs for local residents [through] the use of local workers on local projects using local suppliers.”

Annastacia Palaszczuk MP, Premier of Queensland,
Townsville Bulletin, 8 December 2018

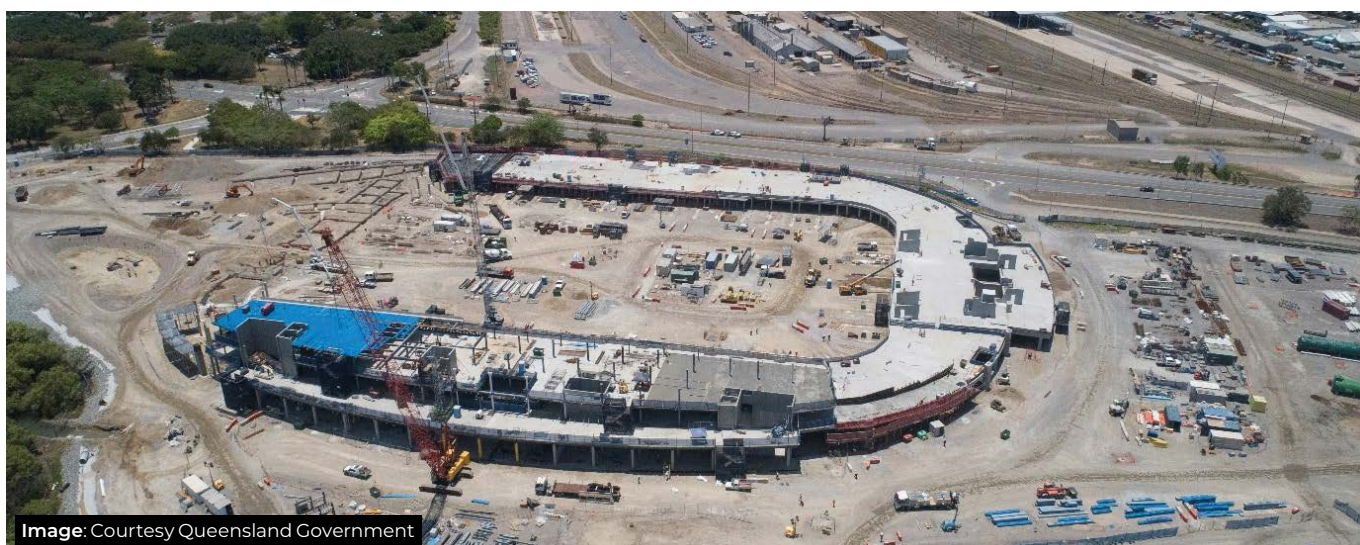


Image: Courtesy Queensland Government

Smart Townsville

Townsville City Council has delivered on a key commitment in the City Deal by planning and commencing implementation of *Smart Townsville* – a community-led partnership to deliver a Smart City.

After engagement with industry leaders, community groups, businesses and academia, the *Smart Townsville* strategy was launched in November 2018.

Smart Townsville incorporates the principles of a Smart City. Working through the Local Partnership Forum, Council plans to deliver key projects within five core pillars:

1. Delivering an open and engaged Council.
2. Implementing a citizen-centric Council.
3. Facilitating entrepreneurship and economic activation.
4. Focus on place-making and liveability.
5. Delivering best practice infrastructure and asset management.

Smart Townsville includes the delivery of a City Dashboard providing community-facing data supporting continual conversations, collaborations and active partnerships. The City Dashboard will directly align with the requests and requirements derived from residents and the business community. It also means that interactions with Council will be much simpler and more convenient.

“*[Smart Townsville]* will attract investments to the city and create jobs for locals in new industries. [It] is focused on real challenges facing residents – we want to improve on our North Queensland lifestyle and be a leader in innovation.

Cr Jenny Hill, Mayor of Townsville,
Media release, 24 October 2018

Through Council's Smart Precinct NQ, Council will stimulate the creation of jobs in innovation, technology and business incubation. The Precinct will provide a centre to support businesses and entrepreneurs to prototype, test and scale innovative business models.

Smart Townsville will attract new employment and diversify the local economy by building on natural advantages, embracing digital solutions, supporting local start-ups and developing an appropriately skilled workforce. It also establishes mechanisms to attract and grow business, stimulate the economy and improve the value proposition of the area for people looking for new opportunities.

This partnership will contribute towards a stronger community, job creation and will propel the city forward, transitioning to a more knowledge-based industry.

Turbocharging industrial development

In 2018, the Queensland Government established the Townsville Industrial Development Board and tasked it with attracting and facilitating development in Townsville's medium and heavy industrial precincts, and guiding their long-term growth.

The Board, whose members have a proven track-record of championing regional economic growth, includes representatives from the private sector, Council and government.

The Board held its inaugural meeting on 25 September 2018 and will focus its efforts on developing Townsville's Southern Industrial Corridor. The corridor contains three large industrial precincts: the Port of Townsville, the Townsville State Development Area (SDA) and the Woodstock Industrial Precinct. These precincts are linked by the Flinders rail and road corridor, are connected to gas, water and power infrastructure, and have direct access to the Port of Townsville and the Bruce Highway. These key features are a clear demonstration of Townsville's potential for industrial development opportunities.

Assisting the Board in its efforts to ramp up industrial development in Townsville, the Queensland Government acquired 810 hectares within the SDA. An Expression of Interest for the purchase and development of land located along the Port access road, into a medium to large scale industrial complex, closed in December 2018. Additionally, changes were proposed to the SDA's development scheme that will result in a simpler, clearer framework to deliver growth and development. The draft scheme was open for public comment from November to December 2018.

Townsville Water Security Taskforce

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

The Taskforce delivered an Interim Report on 30 June 2017, which made several short and medium term recommendations for immediate action and suggested a number of long term options. These recommendations covered both infrastructure and non-infrastructure strategies for improving Townsville's water security.

The Queensland Government subsequently committed \$225 million to implement the main findings of the Taskforce. With this funding, Townsville City Council is now leading the delivery of the \$215 million Stage 1 Houghton Pipeline (currently under construction) and the \$10 million Water Smart Package (formerly the Community Water Transition Support Package), as well as other infrastructure solutions recommended by the Taskforce, such as a recycled water re-use scheme.

The Taskforce delivered its Final Report on 30 October 2018, which considered updated information from recent studies into long-term water security options, levels of service modelling, and residual risks and emerging opportunities.

The Australian Government has now committed up to \$5 million to undertake a business case for Stage 2 of the Houghton Pipeline, and subject to the findings of the business case, up to \$195 million to fund this project.

“This is a project for generations... [It] is about actually looking into the future and supporting the future of North Queensland.”

The Hon Scott Morrison MP, Prime Minister
Media conference, 8 November 2018



Image: Courtesy Townsville City Council



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. 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.

Key City Deal commitments such as the North Queensland Stadium and the Haughton Pipeline project are clearly having a positive impact on the economy with improvements in jobs and youth unemployment rates. There has also been noticeable improvement in new private investment, with an

increase of over \$70 million in the value of residential and non-residential building approvals for the year.

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/all-cities/overview>.



Image: Courtesy Port of Townsville Limited

GROSS REGIONAL PRODUCT^{1,2}

(per capita GRP)



2016:	2017:	2018:
\$57,194	\$65,029	\$71,650

UNEMPLOYMENT RATE



	2016:	2017:	2018:
Townsville ^{3,4}	11.3% ⁵	8.5% ⁵	8.5%
Youth ^{3,4}	19.4% ⁵	19.5% ⁵	17.3%
Indigenous ⁶	24.8% ⁷	n.a	n.a

TOURISM INDUSTRY INVESTMENT & ATTRACTION^{1,8}



	2016:	2017:	2018:
Overnight visitors	1.329m ⁹	1.228m	1.278m
Tourism expenditure	\$986.3m ⁹	\$861.4m ⁹	\$835.0m

JOBS^{3,4}



2016:	2017:	2018:
94,600	104,800 ⁵	108,000

employed residents

NEW PRIVATE INVESTMENT^{1,10}



2016:	2017:	2018:
\$607m ¹¹	\$570m ¹¹	\$641m

TRADE THROUGH PORT^{1,12}

(tonnes p.a.)



2016:	2017:	2018:
9.2m	6.9m	6.8m

COMMUNITY PERCEPTIONS OF AMENITY¹³



2016:

3.34 OUT OF 5

1 Financial year to June.

2 Remplan and Townsville Enterprise: <https://www.economyprofile.com.au/townsvillenorthqueensland/industries/gross-regional-product>.

3 Labour Force Survey – ABS 6291.0.55.001. Data is for the Townsville SA4, which includes the Townsville, Charters Towers, Burdekin, Hinchinbrook and Palm Island Local Government Areas.

4 Calendar year to December (monthly average).

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 Figure revised to correct rounding.

8 Tourism Research Australia (International and National Visitors Survey). Data is for the Townsville SA4.

9 Figures revised for accuracy and consistency. 2016 figures previously reflected 2014/15 data and have been updated to reflect 2015/16 data. 2017 data has been revised by Tourism Research Australia.

10 Value of residential and non-residential building approvals – ABS 8731.0. Data is for the Townsville SA3.

11 Figure revised for accuracy.

12 Port of Townsville – Annual Trade Statistics.

13 No updated data available at time of print. Survey is expected to be conducted again in 2019.



OTHER ACTIVITIES IN TOWNSVILLE

The City Deal continues to stimulate a growing confidence in the economic opportunities for Townsville. In the last 12 months, generating sustainable economic growth has been a key focus of City Deal partners, enabling the continuing development of long term ongoing local jobs.

Townsville City Council has pursued private sector investment into the city, from both domestic and international markets. Townsville City Council continues to work with the Queensland Government's commitment of \$3.1 million and Imperium3 – an international joint venture led by Boston Energy and Innovation, Magnis Resources and Charge CCCV LLC – to deliver a feasibility study for a \$2 billion 15GWh lithium ion battery plant at the new Woodstock Industrial Precinct (also known as Lansdown Industrial Estate). This project has the potential to provide up to 1000 direct jobs in the manufacturing facility, an additional 1000 jobs in the direct support businesses, and up to 5000 new jobs in the downstream equipment manufacturing sectors.

Implementation of the *Townsville 2020 Master Plan*, which provides a clear vision for the city, is well underway. The Master Plan includes proposed projects that will attract more people to the city, such as the new saltwater lagoon on The Strand, adventure tourism and lighting spectaculars on Castle Hill, creation of outdoor recreation opportunities on Mount Louisa and Central Park, and a new kids water play facility at Riverway.

Construction begins in early 2019 on the precinct around the North Queensland Stadium, which includes opportunities for a high-end hotel, training field, Centre of Excellence, and a waterfront promenade connecting the new stadium, through Central Park, to the CBD. Construction of the promenade will be completed ahead of the commencement of the 2020 NRL Premiership Season and opening of the North Queensland Stadium.

Townsville City Council continues its progress in the Waterfront Priority Development Area by releasing an Open Call for a Project Partner to masterplan and develop the North Rail Yards. To generate urban renewal and local jobs, Council will partner with the private sector to revitalise and redevelop the North Rail Yards site with the potential for residential, commercial, new public open spaces and walkways.

Other key projects advanced in 2018 that contribute to activation of the city through enhancement of lifestyle or creation of local jobs include the Mater Hospital expansion, the new Australian Taxation Office building, the Castle Town Shopping Centre extension and the Elliott Springs Residential Subdivision.

The Queensland Government continues to support jobs growth in Townsville and complement the commitments made under the City Deal. Following a successful trade mission to South Korea in 2018, the Sun Metals Corporation parent company Korea Zinc announced that they will be proceeding with a \$300 million expansion of their Townsville zinc refinery. This will increase the capacity of the existing plant from 220,000 tonnes per year to 270,000 tonnes per year and will create 350 construction jobs and 100 ongoing positions when completed.

As Townsville and north Queensland recovers from the catastrophic floods, a continuing priority and focus in 2019 will be on ongoing efforts to support the local community and help facilitate business, industry and regional economic recovery and renewal.

Throughout 2018, **Townsville City Council** continued to play its role in fostering jobs growth in the City, including over 100 apprentices and trainees, by funding, in conjunction with State and Commonwealth partners, and delivering multiple projects.

\$15.9m
285 jobs
CBD Utilities
Upgrade

\$17m
Cleveland Bay
Water Re-Use
and Purification
Facility

\$6.7m
Herveys Range
Waste Facility

\$6.3m
Smart Water
Meters

\$4.5m
Southern Suburbs
Pressure Main

\$3.9m
Stuart
Waste Facilities
works

The **Queensland Government** has committed over \$123 million to projects that complement the City Deal over the 2018/19 financial year.

\$26m
to
redevelop,
refurbish
and expand
the Pimlico
TAFE

\$35.8m
for
job-creating
local
infrastructure
and Townsville
City Council
projects

\$18.6m
for
Townsville
Berth 4
cranes and cargo
terminal
area
upgrade

\$10m
to establish
an advanced
manufacturing
hub in
Townsville

\$7.9m
towards
the
Townsville
Hospital
Expansion
and a
new MRI
machine

\$6.3m
towards
development
in the
Oonooaba
Priority
Development
Area

\$6.3m
towards the
new North
Shore State
School

\$6.2m
to local
employers
under
the Back
to Work
program

\$3.7m
towards the
Townsville
Courthouse
expansion

\$3.1m
towards the
feasibility
study for the
proposed
lithium-ion
battery
factory

Townsville is also benefiting from additional **Australian Government** investments to support the City Deal objectives.

\$411.4m
towards the Haughton River
Floodplain Upgrade under the
Australian Government's 2013/14 to 2027/28
Bruce Highway Upgrade Program
(with the Queensland Government
committing \$102.9 million)

up to **\$54m**
to the Hells Gates Dam and Big Rocks
Weir project, including \$24 million to
fully fund a detailed business case for
the proposed project and, subject to
the outcomes of the business case,
\$30 million to co-fund the construction
of Big Rocks Weir.

\$24.7m
towards 11 projects in the Townsville
region since 2013 through regional
programs such as the National
Stronger Regions Fund, Building
Better Regions Fund and the
Community Development Grants



NEXT STEPS

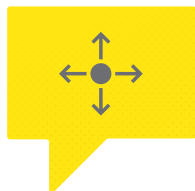
Over the next 12 months, the Australian Government, Queensland Government and Townsville City Council will continue to work collaboratively to deliver outcomes under the Townsville City Deal, including:

- Continue construction of the North Queensland Stadium in time for the opening of the 2020 National Rugby League Premiership Season.
- Finalise the Townsville Health and Knowledge Development Strategy.

- Complete construction of the new Townsville City Bus Station.
- Finalise funding arrangements between the Australian Government, Queensland Government and the Port of Townsville Limited for the Port of Townsville Channel Capacity Upgrade project and commence construction works.
- Review land requirements and environmental considerations for work to preserve the Townsville Eastern Access Rail Corridor.
- Continue to implement Townsville City Council's three-point water security solution.
- Finalise a business case for Stage 2 of the Haughton Pipeline and, subject to its findings, commence preparatory construction work.

Also in 2019, City Deal partners will initiate a formal review of the first three years of implementation as committed under the Townsville City Deal. The review will reconsider priorities and next steps for the City Deal.





MONITORING PROGRESS



Image: Courtesy Townsville City Council

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 Premiership Season. This project will be a catalyst for revitalising 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 Australian Government.

Progress to Date:

The main stadium build commenced on 1 May 2018, and 33 percent of the construction is now complete (as at 14 January 2019).

The North Queensland Stadium continues to deliver jobs and opportunities for local businesses and industry with over 99 percent of construction hours completed by local subcontractors. In addition, 42 of the 52 trade packages released so far have been let to locals and the total number of Aboriginal and Torres Strait Islander construction employees represents 15.9 percent of the total workforce, exceeding the target of 6.6 percent that was set for the project.

Next Steps:

Construction will continue through 2019, and is on schedule to be finished in time for the 2020 NRL Premiership Season.

The Queensland Government will also work with Townsville City Council and key stakeholders to identify strategies and further opportunities to attract major events to the North Queensland Stadium beyond NRL Premiership games.

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 Aboriginal and Torres Strait Islander workers and businesses.</p>
Responsibilities:	Led by Townsville City Council in cooperation with the Queensland and Australian Governments.
Progress to Date:	An early stage assessment of the Townsville Entertainment and Exhibition Centre, funded under the Queensland Government's Maturing Infrastructure Pipeline Program, was completed in October 2018. The assessment examined the short, medium and long-term needs of an events facility and confirmed the need for a new entertainment and exhibition precinct to be developed in Townsville and the project proceed to business case stage.
Next Steps:	Identify and assess potential sources of funding to deliver a project business case.
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.
Progress to Date:	<p>The Queensland International Education and Training (QIET) Advisory Group met in Townsville on 22 February 2018.</p> <p>Completed projects funded under the QIET Partnership Fund have so far included:</p> <p>Project 1: Destination of excellence and best practice for edu-tourism. This consortium of education and tourism providers finalised a suite of marketing material including a promotional video. Two trade missions to Singapore were undertaken and in September 2018 the project delivered its first study tour program, hosting a Singaporean school group in Townsville.</p> <p>Project 2: Study Townsville International Education Growth Strategy has been completed. The consortium also delivered a focused China Market Activation Plan in June 2018.</p> <p>Project 3: The St Patricks Aquaculture Project completed the development of new marketing material and a digital campaign targeting the high school student market in Papua New Guinea.</p> <p>The QIET Partnership Fund 2018/19 Round 1 was finalised on 1 November 2018 and included successful funding for three new Townsville based projects:</p> <p>Project 4: Study Townsville China Market Activation Plan – this project will deliver the first year of the China market action plan to increase the number of Chinese students studying in Townsville.</p> <p>Project 5: The <i>Expanding markets in Australia's capital for transformational learning</i> project, to be managed by the edu-tourism consortium, will seek to attract new study tour groups to North Queensland through targeted marketing activity to US Alumni networks and US Zoo & Aquarium membership travel programs.</p> <p>Project 6: The Study Townsville Regional Brand Activation project will activate the new Study Queensland brand and positioning framework in partnership with the Townsville region through a suite of materials that identify the unique attributes of the region for international students.</p>

Capital of North Queensland	
Next Steps:	<p>Study Queensland will work in partnership with Study Townsville and the Townsville Edu-tourism Consortium to deliver the newly funded projects highlighted above.</p> <p>From January 2019, Study Townsville will appoint a project officer to deliver the China activation strategy. This project officer will be housed in the newly opened Townsville City Council Future Cities Office.</p> <p>A joint Study Townsville/Study Queensland brand workshop will be held in Townsville in March 2019.</p> <p>Q1 2019: 2018/19 Round Two of funding for the QIET Partnership Fund.</p> <p>Q3 2019: 2019/20 Round One of funding for the QIET Partnership Fund.</p>
CRC for Developing Northern Australia	
Commitment:	Work with the board of the Cooperative Research Centre for Developing Northern Australia (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.
Responsibilities:	Led by the Commonwealth Government through the CRCNA.
Progress to Date:	<p>Since its first open funding call in October 2017, the CRCNA has committed \$13 million towards 40 industry-led projects that are expected to leverage participant cash and in-kind contributions exceeding \$32.5 million in total value. These projects will see research being conducted in the agriculture and food (including aquaculture), northern health service delivery and Traditional Owner-led business development sectors. The CRCNA is currently working with more than 30 Queensland-based project participants.</p> <p>In Townsville, Townsville Enterprise Limited and the North Queensland Regional Organisation of Councils have identified the need for collective industry action on transforming North Queensland's agriculture, production, infrastructure and export sectors to meet existing and future international market demands. A consultant has been engaged to investigate how the region is currently positioned within its capacity to supply and export internationally to ensure producers within the North Queensland region are well informed to maximise production opportunities and meet future international agricultural demand. The findings of this report are expected to inform a long-term regional investment strategy and multi-industry agreement.</p> <p>The CRCNA has its head office in Townsville and has also opened offices in Broome and Darwin.</p> <p>Q1 2018: CRCNA commits \$508,182 towards two projects valued at \$1.6 million.</p> <p>Q2 2018: CRCNA commits \$1.5 million towards six projects valued at \$5.59 million.</p> <p>Q3 2018: CRCNA commits \$1.6 million towards six projects valued at \$4.2 million.</p> <p>Q4 2018: Announced outcome of second open funding call with seven projects securing \$4.3 million in CRCNA funding.</p>
Next Steps:	<p>From Q1 2019 onwards the CRCNA will confirm contracted projects from the second open funding call.</p> <p>In addition to projects funded through open funding calls, the CRCNA is progressing work to deliver key research outcomes that support the Northern Development Ministerial Forum in identifying solutions to overcome barriers to development and investment.</p> <p>The outcomes of these studies, together with the outcomes of several industry situational analysis studies (rice, forestry, beef, cropping, aquaculture, health, infrastructure and communication sectors), will form the basis of the CRCNA's first State of the North report due in 2019/20.</p>

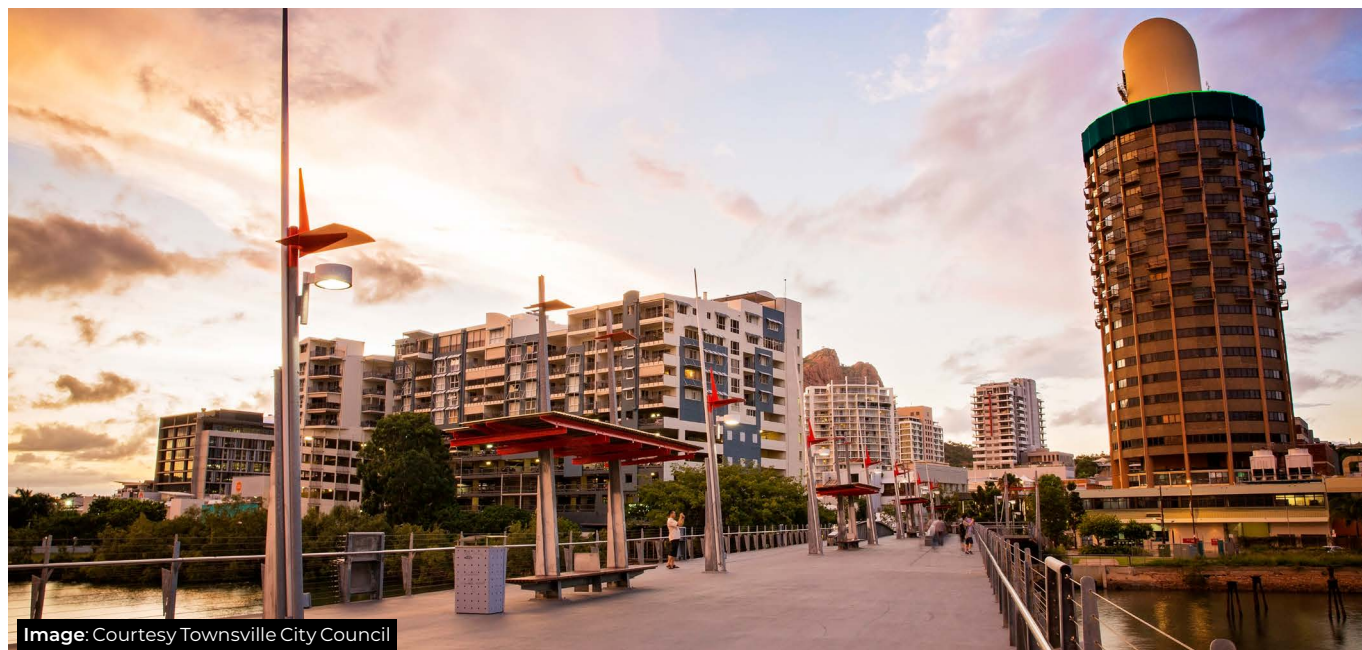


Image: Courtesy Townsville City Council

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.

Progress to Date:

In early 2018, an Expression of Interest was issued for Board Members following the establishment of the Development Corporation and its Terms of Reference in 2017.

Before progressing this commitment further, Townsville City Council is awaiting the outcomes of the Queensland Government's consideration of a review by the Queensland Crime and Corruption Commission (CCC) into the use of controlled entities and beneficial enterprises by local governments. This will allow Townsville City Council to examine potential impacts on the beneficial enterprise concept previously endorsed by Council to ensure it remains the best approach for the establishment of the Development Corporation, and that it is consistent with the Queensland Government's response to the CCC's recommendations.

Next Steps:

Townsville City Council will assess the potential impacts of the Queensland Government's response to the CCC's recommendation when available.

In the interim, Council will continue to work with all levels of government to facilitate ongoing investment in the region.

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 Hospital and Health Service, Mater Hospitals, and other key stakeholders.

Progress to Date:

Following establishment of an initial steering group, it was agreed to undertake a strategic economic analysis to ensure that the Townsville Health and Knowledge Development Strategy is informed by the full spectrum of health and knowledge opportunities across Townsville.

A draft economic analysis was completed in December 2018.

Next Steps:

The Queensland Government will undertake targeted consultation on the draft economic analysis with key stakeholders in Q1 2019.

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.

Responsibilities:

Led by the Queensland Government in collaboration with Townsville City Council. This commitment will involve investigations into demand responsive transport (DRT) 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 is responsible for the design and delivery of the Townsville City Bus Station.

Progress to Date:

The Queensland Government is continuing feasibility planning as part of DRT investigations and will use detailed operational data from the Logan trial combined with the outcomes of other transport studies, to finalise its feasibility investigation for Townsville. The Queensland Government has also commenced the Townsville Mobility Study to inform options for improved passenger transport in Townsville.

The Queensland Government is providing \$4 million in funding for the Townsville City Bus Station which is being delivered by Townsville City Council. Construction commenced in August 2018 and is due to be completed in the first half of 2019, weather and construction conditions permitting.

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.

Next Steps:

The Queensland Government will work with Townsville City Council to finalise the Townsville Mobility Study in 2019. The Study will provide a framework for assessing the strategic role, merits and feasibility of DRT in Townsville.

The Townsville City Bus Station is expected to open in Q2 2019.

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.

Townsville City Council 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.

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.

Progress to Date:

In November 2018, Townsville City Council launched its Smart City Strategy, *Smart Townsville*. After a series of workshops with industry leaders and the community, *Smart Townsville* was developed incorporating the principles of a Smart City. Working through the Local Partnership Forum, Council will focus on the delivery of key projects within five core pillars:

1. Delivering an open and engaged Council
2. Implementing a citizen centric Council
3. Facilitating innovation, entrepreneurship and economic activation
4. Focusing on placemaking and liveability
5. Delivering best practice infrastructure and asset management

Smart Townsville includes the development of a City Dashboard as well as supporting Industry 4.0 activation through the delivery of the Townsville Data Centre.

Next Steps:

Q1 2019: Continue with the implementation of the works under the five core pillars within the *Smart Townsville* strategy, including the launch of the City Dashboard.



Image: Courtesy Port of Townsville Limited

Port City

Port Channel Capacity Upgrade

Commitment:	<p>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 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:	<p>Led by the Queensland Government through PoTL, who will deliver the project.</p>
Progress to Date:	<p>The Australian Government approved the environmental impact statement for the \$193 million project on 5 February 2018 and, on 3 September 2018, announced a financial contribution of \$75 million (matching the Queensland Government's contribution). The remaining \$43 million will be contributed by PoTL.</p> <p>Site preparatory works, including the establishment of site facilities, are complete. Several tenders are progressing and the tender for dredging works will be released soon. Engineering reports are under review. Environmental monitoring works are progressing.</p> <p>The Port Channel Capacity Upgrade is the first stage of the \$1.64 billion Port of Townsville Port Expansion Project.</p>
Next Steps:	<p>Continue community and stakeholder engagement, project procurement activities and environmental baseline programs to inform management of construction and dredging works.</p> <p>Q2 2019: Commence rock wall construction works after finalising agreements for sourcing and supply of rock for reclamation works.</p> <p>Q2 2020: Commence dredging works, with all of the capital dredge material removed beneficially reused at the Port Reclamation Area to create more land for the Port's future developments.</p>



Image: Courtesy Townsville City Council

Industry Powerhouse for the North

Townsville Eastern Access Rail Corridor

Commitment:	Delivery of a business case for the Townsville Eastern Access Railway Corridor (TEARC) which proposes an alternative rail route to the Port of Townsville. 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.
Responsibilities:	<p>The TEARC business case was led by the Queensland Government in collaboration with the Australian Government.</p> <p>The Australian Government is leading the broader innovative financing work, working closely with the Queensland Government and Townsville City Council.</p>
Progress to Date:	<p>The Building Queensland Business Case for the project, completed in 2017, recommended that the TEARC should be preserved so that the project can be delivered in the future when sufficient demand is generated through the Port of Townsville.</p> <p>A \$10 million project, jointly funded by the Australian and Queensland Governments, will deliver the preservation of the TEARC. This will include gazetting the corridor, meeting environmental obligations and the possible acquisition of land. The Queensland Government has awarded a contract to review the land requirements subsequent to the Business Case, and is developing a project brief for procurement of an environmental review.</p>
Next Steps:	<p>Q2 2019: Review land requirements and procure consultant to review environmental factors/implications.</p> <p>Future: Progress with preservation of the TEARC, dependant on land requirements.</p>

Townsville Industrial Development Board

Commitment:	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. 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.
Responsibilities:	Led by the Queensland Government in collaboration with Townsville City Council and in consultation with business and industry stakeholders.

Industry Powerhouse for the North	
Progress to Date:	The inaugural meeting of the TIDB was held on 25 September 2018. The Board consists of senior Queensland Government representatives responsible for the regulation of key industrial land parcels, private sector directors with experience in commercial law, planning, infrastructure, logistics and engineering, and senior Council representatives. Board members have a proven track record in project delivery and a commitment to developing the Townsville region.
Next Steps:	The Board will be setting its priorities by the end of 2018. The focus of the Board will be on Townsville's Southern Industrial Corridor consisting of significant industrial land parcels at the Port of Townsville, Townsville State Development Area and the Woodstock Industrial Precinct. The Board will meet quarterly in 2019.
Acceleration of the State Development Area	
Commitment:	Develop a business case for the acceleration of the State Development Area (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.
Progress to Date:	In June 2018, the Queensland Government acquired 810 hectares of land in the Townsville SDA. The Queensland Government is now working with key stakeholders (including the Townsville Industrial Development Board) to facilitate industrial and port related development opportunities in the SDA. In October 2018, the Queensland Government released an expression of interest to accelerate development of approximately 310 hectares of land in the Townsville SDA. The Queensland Government is now working 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.
Next Steps:	Q1 2019 and ongoing: The Queensland Government will continue to work with the TIDB and key stakeholders to actively seek and convert industrial development opportunities within the SDA.
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.
Progress to Date:	In December 2018, the Queensland Government finalised a Project Proposal and Options Analysis that establishes the safest and most efficient access location between the Woodstock Industrial Precinct (also known as Lansdown Industrial Estate) and the Flinders Highway. The Project Proposal and Options Analysis builds on the Lansdown Opportunities Assessment Masterplan and Infrastructure Strategy, completed in 2017. The Townsville City Council continued to develop a separate masterplan for the Woodstock Industrial Precinct to inform planning scheme amendments.
Next Steps:	Townsville City Council will complete the land use masterplan, and associated planning scheme amendments, for the Woodstock Industrial Precinct.



Image: Courtesy Department of Defence

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. 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. 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.

Responsibilities: Collaboration between the Australian Government, the Queensland Government and Townsville City Council.

Progress to Date: Townsville City Council appointed a senior official to lead the attraction of defence industries to Townsville.

The Townsville City Deal Defence Working Group (the Working Group) continued to support positive relationships with all stakeholders and considered Australian Government procurement issues and governance arrangements with the recently established North and South Queensland Defence Advisory Boards and Queensland Ministerial Advisory Council on Defence Industry and Jobs.

The North Queensland Defence Advisory Board (NQDAB), established by the Queensland Government in September 2018, will provide advice to the Queensland Government on building North Queensland's industry capacity and will work to grow the defence industry sector in Northern Queensland through identifying supply chain gaps and opportunities for suppliers.

The Working Group aims to promote the capabilities of Townsville businesses, and work with them to maximise their potential to participate in defence industry projects. To this end, the Working Group will coordinate with the NQDAB to identify opportunities for local businesses to access North Queensland's defence industry supply chain.

Next Steps: The Working Group will continue to work with relevant Australian and Queensland Government defence consultative bodies, including the Queensland Government's Defence Supply Chain Hub—Townsville and the Australian Government's Centre for Defence Industry Capability.

As a related initiative, Townsville City Council will create the Townsville Defence Sector Forum to establish a local consultative framework and provide strategic input and guidance in the identification and development of Townsville Defence and Defence Industry capability.

Another related initiative is a \$5 million commitment by Queensland Government to support Townsville with the development of a defence supply chain hub for Northern Queensland. Funding to be expended over 2018–19 to 2021. The operating model for the hub is being developed in consultation with industry stakeholders.



Image: Courtesy Townsville City Council

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.

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.

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.

Responsibilities:

Collaboration between Townsville City Council, the Australian Government and the Queensland Government.

Progress to Date:

The Townsville Water Security Taskforce delivered its Final Report on 30 October 2018. The Final Report endorsed the recommendations of the Interim Report and noted that bringing forward Stage 2 of the Haughton Pipeline may save an estimated \$55 million in capital costs if Stage 2 were to be delivered concurrently with Stage 1.

The Final Report also concluded that progressing either the Hells Gate Dam or the Burdekin Falls Dam Raising projects in the longer term, subject to outcomes of business cases and environmental approvals, would be consistent with the Taskforce's strategy for underpinning Townsville's long-term bulk water supply.

On 4 November 2018, the Australian Government committed up to \$5 million for a business case for Stage 2 and up to \$195 million to fully fund Stage 2 subject to the findings of the business case. The business case will, amongst other things, assess whether the estimated cost savings identified by the Final Report are realistic and achievable.

The Taskforce has now completed its work as described in the Terms of Reference.

Enabling Infrastructure

Next Steps:

Implementation work on projects and recommendations will continue to be led by Townsville City Council, in conjunction with support from the Australian and Queensland Governments.

Townsville City Council is progressing delivery of its three-point water security solution with \$225 million funding support from the Queensland Government. All three projects are on track for delivery.

Q1 2019: Australian Government will finalise the procurement to deliver a business case for Stage 2 of the Haughton Pipeline

Q1 2019: Implementation of the Water Smart Package

Q4 2019: Completion of Stage 1 of the Haughton Pipeline Project

Q2 2020: Completion of the water recycling and re-use scheme

Managing Energy Cost and Boost Energy Productivity

Commitment:

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.

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.

Responsibilities:

Led by Townsville City Council in consultation with the Queensland Government and Australian Government (e.g. Clean Energy Finance Corporation).

Progress to Date:

Townsville City Council has continued to assess the requirements of businesses, including opportunities to increase energy resilience and the potential to integrate renewable energy sources into commercial processes.

In late 2018, pilot projects were identified for inclusion into the Energy Strategy.

Next Steps:

First half 2019: Townsville City Council will consult with the Clean Energy Finance Corporation and businesses regarding the draft Energy Strategy.

Q2 2019: Finalise the Energy Strategy.



FUTURE

opportunities

Progress also continues to be made on a number of the Future Opportunities identified in the City Deal.

Townsville Workforce Development Plan

During 2018, the Queensland Government, through Jobs Queensland, continued to engage with local stakeholders to progress the development of the Townsville Workforce Development Plan, including:

- Delivery of an employment forum in partnership with the Department of Jobs and Small Business and the Townsville Chamber of Commerce.
- Hosting an industry breakfast to discuss labour market information and workforce planning issues now and into the future.
- Delivery of the Anticipating Future Skills workshop, providing the region with research findings for three alternative future scenarios.

A regional workforce demand and supply analysis was developed to inform the project direction and phased delivery of the workforce development plan was confirmed with Townsville City Council. The first phase was the delivery of the Townsville Workforce Environmental Scan which focuses on six key industries: manufacturing; professional, scientific and technical services; health and social assistance; education and training; transport and logistics; and mining. Phase two is the delivery of the workforce development plan in June 2019.

Jobs Queensland also delivered the Townsville North Queensland Regional Tourism Workforce Plan, developed in collaboration with industry and reflecting the Queensland Tourism Workforce Plan 2018–20.

Urban renewal and revitalisation

In 2018, contracts were awarded for the commencement of 69 new social housing homes in the Townsville Region and construction commenced on 46 affordable housing dwellings in the Oonoonba Priority Development Area.

In addition, a further 18 new social housing dwellings and 22 affordable homes are intended for commencement over the next twelve months. The Queensland Government and Townsville City Council continue to collaborate on a range of planning and design matters to influence the forward pipeline of work and to improve understanding of the local need for affordable housing.

The Queensland Government will deliver the capital program under the Housing Construction Jobs Program (commencements to completions) and undertake investment planning to identify priorities and opportunities for 2018/19 and 2019/20 (including new supply of social housing under the Housing Construction Jobs Program, and opportunities for precinct renewal through revitalisation of existing social housing dwellings).

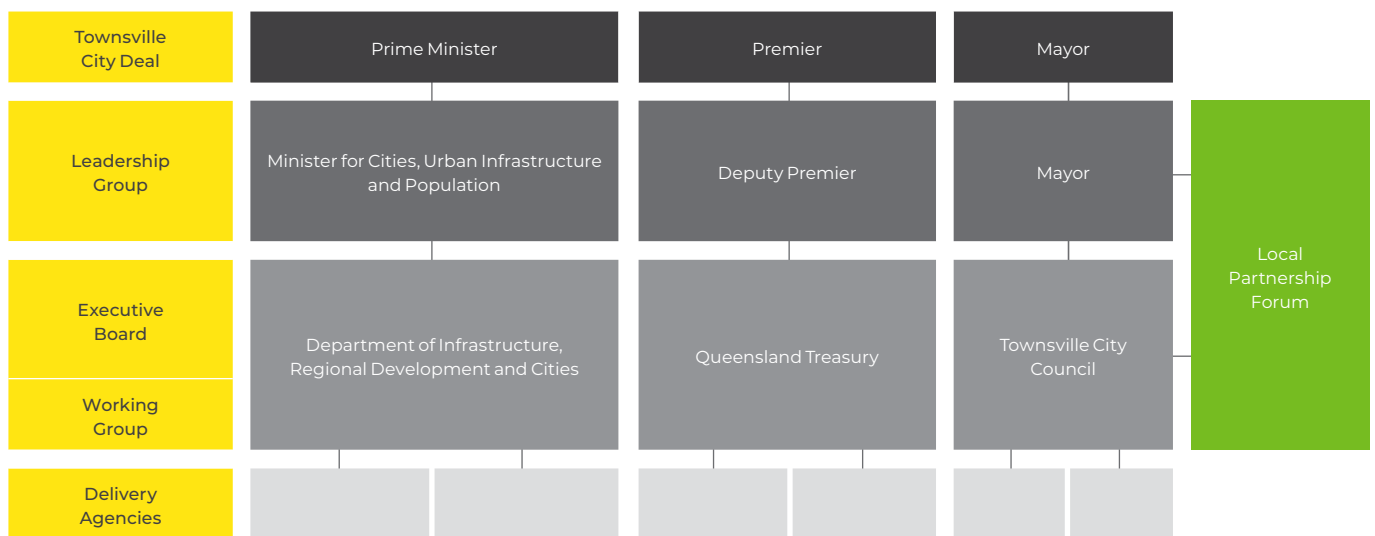
Review and deliver preferred water supply solutions

Townsville City Council is progressing a number of recommendations from the Townsville Water Security Taskforce's Interim and Final Reports under its three-point water security solution with \$225 million of funding support from the Queensland Government. The Australian Government is undertaking the business case to progress Stage 2 of the Haughton pipeline. The three-point water security solution includes building the Haughton to Ross River Dam pipeline duplication by the end of 2019, the Water Smart Package to help Townsville reduce water usage, and the recycled water reuse scheme to provide recycled water to major irrigation and industrial customers in Townsville.



TOWNSVILLE CITY DEAL

Governance Framework



Timeline



TOWNSVILLE

CITY DEAL

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