

Friday January 29, 2019

The Hon Michael Sukkar MP  
Assistant Treasurer, Minister for Housing, and  
Minister for Homelessness, Social and Community Housing  
PO Box 6022  
House of Representatives  
Parliament House  
Canberra ACT 2600  
via email - [prebudgetsubs@treasury.gov.au](mailto:prebudgetsubs@treasury.gov.au)

Dear Minister Sukkar,

Please find attached the pre-budget submission from the Greater Whitsunday region inclusive of the Mackay, Isaac and Whitsunday local government areas.

Request for funding has been categorised across three key areas: **Vital Infrastructure; Supporting Key Industries and Enabling Future Growth.**

As you know, the Greater Whitsunday region is one of Australia's powerhouse economies and is driven by the mining, METS, agriculture and tourism sectors. As a region of just over 170,000 people, Greater Whitsunday generates some \$43B in gross revenue for the Australian economy.

COVID-19 has impacted parts of our region significantly – particularly the tourism sector of Mackay and Whitsunday and I refer to the individual submissions of Mackay Tourism Limited and Tourism Whitsundays, both of which provide a compelling case for additional funding.

Greater Whitsunday Alliance would also like to raise the issue of Insurance Affordability in Northern Australia and the immediate action the Commonwealth needs to take to address this.

The message from the Greater Whitsunday region is simple: invest in Mackay Isaac and Whitsunday so that we lead the economic response for Queensland and Australia.

If you have any further questions, please do not hesitate to contact me.

Yours faithfully,  
GREATER WHITSUNDAY ALLIANCE

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# TRANSFORMATION REGION

MACKAY  
ISAAC  
WHITSUNDAY



2021-2022  
**PRE-BUDGET  
SUBMISSION**

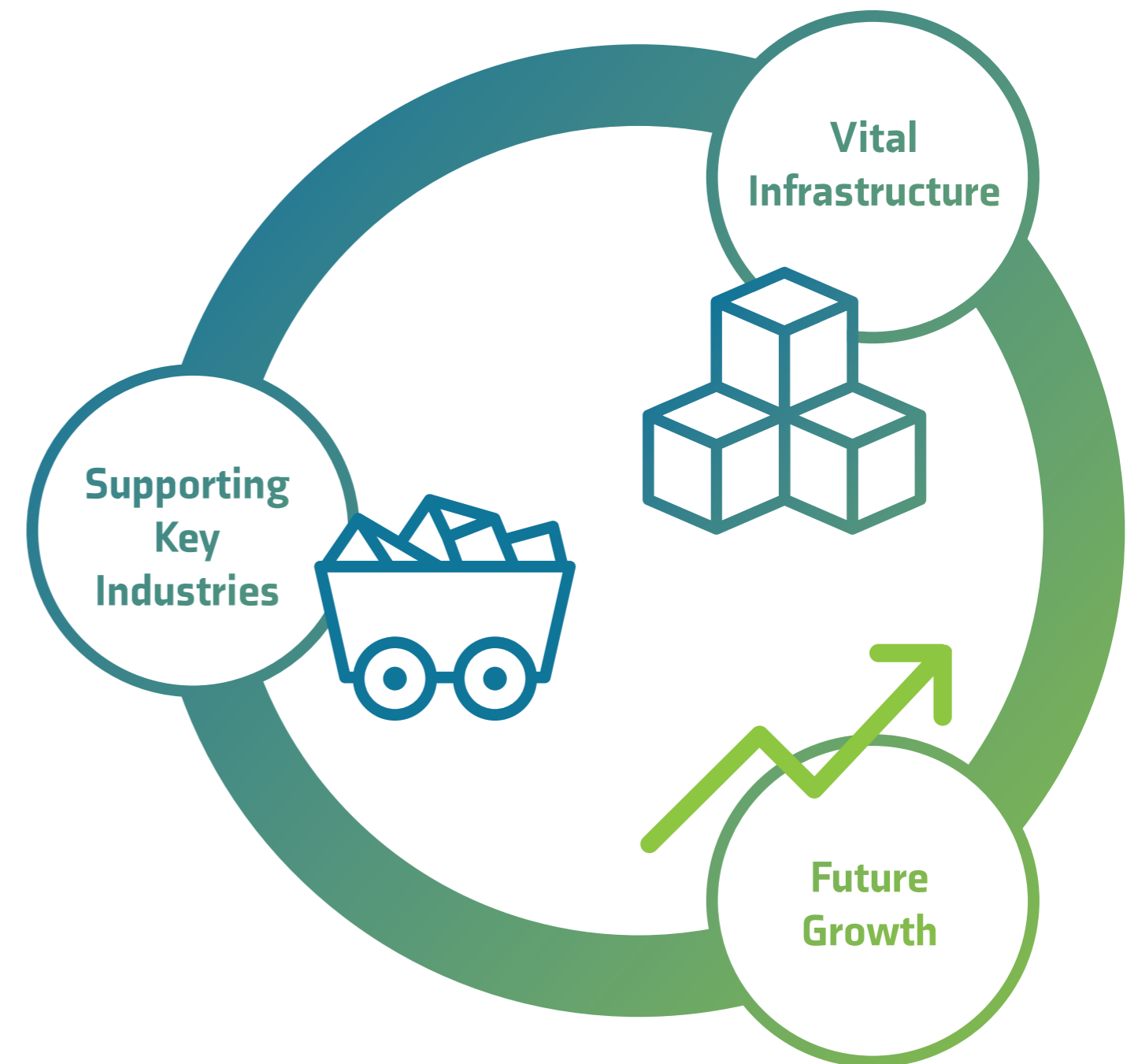
Greater Whitsunday, including the local government areas of Mackay, Isaac and Whitsunday, is one of the true economic powerhouse regions in Australia. Our economy is driven by the mining, METS, agriculture and tourism sectors. As a region of just over 170,000 people, Greater Whitsunday contributes more than \$24B in Gross Regional Product and generates some \$43B in gross revenue.

Mining and METS is by far the largest contributor to our regional economy, however the global environment is changing and to ensure Greater Whitsunday remains a prosperous region, further investment is required in catalytic projects to support ongoing economic growth and sustainability; supplement industry and private sector investment and, ultimately, create jobs.



**The message from the Transformation Region is simple: invest in the Greater Whitsunday region so that we lead the economic response for Queensland and Australia.**

The targeted focus areas for funding have been separated into three key areas:





# Vital Infrastructure

Vital infrastructure isn't just a title. It's the foundational base needed to keep the wheels of the Greater Whitsunday's economy moving and the community supported.

## Mackay Waterfront PDA - Riverside Link



The Mackay Waterfront PDA aims to build upon the area's exceptional natural, cultural and heritage assets to support Mackay as a destination of choice to live, work, invest, do business, study and holiday.

### Location

Mackay

### Regional Impact

The Waterfront PDA (across five precincts) will:

- boost and support investment confidence across the region
- improve the region's liveability and create active and engaging places for people
- create jobs, diversify the economy and increase business and prosperity
- contribute to the region's character, identity and community connections
- enhance regional tourism and tourism investment opportunities
- complement and support the region's places, facilities, attractions, features, offerings and activities

**Investment Required**  
\$4.5M.

### Project Status

Shovel ready.

## Bowen River Scheme

Bowen River Utilities is working with the North Queensland community to deliver the Urannah Dam, the Collinsville Irrigation Precinct and the Bowen Renewable Energy Hub, that combined will provide water, food and energy security for North Queensland.

The Bowen River Scheme has been refined in detailed design and now includes:

### 1. URANNAH WATER SCHEME - a deep and reliable water source

- Up to 970,000 megalitre dam delivering an annual yield of up to 100,000 megalitres.
- A new pipeline to Moranbah that delivers reliable water under the current providers pricing.
- A new pipeline corridor to Peter Faust Dam to future proof the Whitsunday regional water supply.

### 2. COLLINSVILLE IRRIGATION SCHEME - globally unique single operator precinct of food production

- 9,000 hectares of high value crops in partnership with landholders.
- A master-planned approach to nutrient management and sediment runoff that is best practice protection for the Great Barrier Reef.
- Crops that meet the future demand of domestic and international food trends in the area, with a low risk of severe weather.

### 3. BOWEN RENEWABLE ENERGYHUB - large firming power for North and Central Queensland

- Two pumped hydro schemes with a generation capacity of 1.4GW and eight hours of storage.
- Provide firm green power to over 50,000 Queensland households.
- Will help reach the Queensland Government's 50 percent renewable target by 2030.

The project represents a \$2.9 billion investment in Queensland and requires the support of the local community and all levels of government.



#### Location

Whitsunday

#### Regional Impact

With 1,200 construction jobs, 650 ongoing jobs and the ability to unlock the potential of 70 local projects that require water, the Bowen River Scheme could transform the economies of the Greater Whitsunday region and broader North Queensland.

#### Investment Required

Bowen River Utilities and GW3 call on the Federal Government to provide the following support to ensure jobs and economic growth for the Greater Whitsunday region and Queensland:

- \$120 million from the National Water Infrastructure Development Fund
- \$20 million from ARENA
- \$1.2 billion from the Northern Australia Infrastructure Fund

#### Project Status

The Urannah Project has completed its business case and is currently undertaking consultation with key stakeholders. The draft Terms of Reference advertising closes on 29 January 2021 and Bowen River Utilities will be lodging a draft Environmental Impact Statement for public consultation in February 2021.





# Supporting Key Industries

Agriculture, mining and METS and tourism are pillars of the Greater Whitsunday regional economy. Support for these sectors provides the Commonwealth with excellent return on investment.

## Pioneer Valley Mountain Bike Project – Stage One

The Pioneer Valley Mountain Bike Project ultimately comprises of a 100km network of single direction mountain bike trail spanning from Eungella to Finch Hatton in the Pioneer Valley, with Stage One delivering the trail head infrastructure and associated Finch Hatton tracks.

The 27 trails will navigate through Australia's longest stretch of lush subtropical rainforest in the Eungella National Park and Crediton State Forest, and will provide visitors with over three days of world-class riding experiences.

### Location

Mackay

### Regional Impact

Ultimately, the Pioneer Valley Mountain Bike Project will create 10 FTE jobs during construction and offer 110 ongoing jobs. This project is estimated to attract 31,000 unique visitors per year. This project aligns to the Queensland Government's 2018 Queensland Mountain Bike Strategy.

**Investment Required**  
\$8M.

### Project Status

Shovel ready.



## Isaac Trail Network



There is an opportunity to develop a series of trails leading from Mackay and Whitsunday Council areas through to the Isaac region and further onto neighbouring regional councils. The trails would highlight historic, tourism and industry features of the region including indigenous culture, gold fields and the serenity of natural lakes and dams, like Lake Elphinstone and Theresa Creek Dam.

An example trail would be from Eungella to Nebo to enable visitors to make a convenient one to three day journey to experience the existing tourism product in Eungella, augmented by Eungella Dam, the bygone goldmining era at Mt Britton, explorers trail of discovery of the region from the inland rather than by sea, the heritage and rural town appeal of Nebo and on to the range of geological attractions and emerging Isaac outback experiences. Further trails to be considered in the development of the Master Plan.

### Location

Isaac, Mackay and Whitsunday

### Regional Impact

The Isaac Trail Network has the potential to connect seamlessly to the Pioneer Valley Mountain Bike Trail Project and provide an additional adventure tourism offering in the Mackay Isaac Whitsunday region.

**Investment Required:**  
\$150,000 for development of a master plan.

### Project Status

Investment needed for master plan.

## Whitsunday Mountain Bike Trails Program



The Whitsunday Mountain Bike Trails Program aims to deliver nature-based experiences for domestic and international visitors to the region.

This project will deliver a track upgrade, signage and a shelter/water station at the Great Walk (Conway Circuit).

### Location

Whitsunday

### Regional Impact

The Whitsunday Trails project will create 10 FTE jobs during construction and offer 34 ongoing jobs.

This project is estimated to attract 13,200 unique visitors per year.

Whitsunday Trails links to the Pioneer Valley Mountain Bike Trail and provides a complete regional offering to effectively attract adventure tourists to the Mackay Isaac Whitsunday region.

**Investment Required**  
\$1.8M.

### Project Status

Shovel ready.



## Mine Safety Rescue Centre

To ensure the response to a mine emergency is swift and that training opportunities evolve, it is important the existing Mine Safety Rescue Centre is moved from Dysart to Moranbah.

### Location

Isaac, Mackay and Whitsunday

### Regional Impact

Relocating the facility by Queensland Mines Rescue will allow for a fully fledged mines safety research and training facility with an opportunity to further export mining safety and rescue expertise to the world. It is envisaged the facility will also feature a CQUniversity campus link, with the mining engineering and social innovation course curriculum.

**Investment Required**  
\$50,000 for concept development.

### Project Status

Investment needed for concept development.





# Enabling Future Growth

Greater Whitsunday is committed to creating sustainable, prosperous communities which attract and retain growing populations. Focusing on cost of living; insurance affordability and education skills and training are key components in creating prosperous futures.

## AgTech Hub

To ensure the regional sector continues to grow and respond to an evolving climate, we are seeking to transform and expand its cropping and agriculture biofutures products, services and markets via a diversified agribusiness sector and supply chain.

To support this, greater emphasis needs to be placed on research, development and engagement of the sector through a regional AgTech Hub.

The AgTech Hub will be a home for:

- Collaborative partnerships
- Agribusiness education and research



### Location

Isaac, Mackay and Whitsunday

### Regional Impact

The Mackay Isaac Whitsunday region contributes a gross value total of \$1.393B to the Queensland and Australian economy, equating to 9.9% and 2.3% of Queensland and Australia's gross value for rural production (Source ABS: 2018).

Growing this contribution further will rely on a renewed focus on research and development.

### Investment Required

\$200,000 for feasibility and business case development.

### Project Status

Investment needed for feasibility and business case development.

# Insurance Affordability

The issue of insurance affordability in the Greater Whitsunday region is shaping up as a major inhibitor to future economic growth and prosperity.

Between 2007-08 and 2018-19, average home insurance premiums have increased by 178% in northern Australia, compared to a 52% increase in the rest of Australia over the same period. Home and contents insurance, strata insurance and business insurance premiums have all increased markedly in northern Australia as compared to our southern counterparts.

This situation is unsustainable and adds to the cost of living burden of residents in the Greater Whitsunday region, potentially deterring new business and industry investment.

## Action Required

GW3 strongly recommends that the Commonwealth actions the recommendations contained in the ACCC Northern Australia Insurance Inquiry Final Report as a matter of urgency. Whilst these recommendations go some way to improving the current situation, GW3 also urges the Commonwealth to consider the following actions:

### Soft competition

The final report clearly identifies that, in part, soft competition is also leading to unaffordability. It is unreasonable to expect that insurance premiums will decrease in an environment of soft competition with only eight insurers providing the vast majority of home, contents and strata insurance in northern Australia. Recommendation 7.1 does not go far enough in addressing this problem.

**GW3 recommends** the Commonwealth expand its thinking around the soft competition issue and take steps to mandate that insurance underwriters must hold a minimum percentage of premiums across northern Australia post codes.

### Addressing immediate affordability concerns

Abolishing stamp duty on home, contents and insurance products will have an immediate impact on reducing premiums in north Queensland jurisdictions. Recommendation 3.1 will require the support of the Commonwealth to influence the decision making of three separate state governments.

**GW3 recommends** that the Commonwealth use its influence to pressure state governments to remove the stamp duty component of home, contents and strata insurance products. Previous attempts to engage with the Queensland State Government on this issue has been met with resistance, with a spokesperson stating that "insurance affordability is a Commonwealth issue."

### Direct subsidies over other measures

The report recommends that if governments want to provide immediate relief to consumers facing acute affordability pressures, they consider direct subsidies over other measures. This recommendation does not take into consideration the fact that the high cost of insurance premiums acts as a barrier for northern Australia in attracting new business and industry investment and is not a sustainable proposition long-term.

**GW3 recommends** that the Commonwealth reconsiders its position on the establishment of a reinsurance pool and we refer to the Allianz submission to the Northern Australia Insurance Inquiry as evidence of this. Allianz's submission states "...the solution that would be most impactful in driving down premiums is a Government supported reinsurance facility to reduce the cost to insurers of reinsurance". The Allianz submission further states, "Some insurers avoid northern Australia or are highly selective about the risks they will underwrite due to their limited appetite for exposure to cyclone risk. A reinsurance facility that substantially reduced insurers' exposure to cyclone risk would have a commensurate increase in the level of market participation and competition in northern Australia".



**GREATER WHITSUNDAY ALLIANCE**  
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