

Image: Australian mining  
equipment manufacturer Komatsu



## Program highlights Part A

# 1. Create an attractive investment environment

## Key strategies:

- Industry engagement, partnership and support (including whole-of-government case management)
- Strategic use of State Development Areas and land access and acquisition
- Foster increased growth and development of enterprises
- Gather economic intelligence to monitor industry demand drivers and implications
- Promote Queensland as a place to do business.

## Advance Queensland Industry Attraction Fund

The department implemented a suite of industry attraction services, including specialist case management and the \$105 million Advance Queensland Industry Attraction Fund (AQIAF), to encourage new, contestable projects to be established in Queensland.

Each project attracted to Queensland contributes to growth and greater diversity in the state's economy through increased investment, new supply chain opportunities and sustainable new jobs.

During 2017–18, six projects were attracted to the state through AQIAF. These projects will generate more than 530 jobs over five years and over \$180 million in capital expenditure.

### These included:

- the Qantas Boeing Dreamliner 787-9 base
- Boeing's unmanned aerial vehicle platform technology project which will further consolidate Queensland as a global leader in the aerospace industry
- Scottish craft brewers, Brew Dog, who will establish its first Australian brewery in Brisbane.

Including three projects announced last financial year under the AQIAF scheme, the nine projects have the potential to generate more than 640 new jobs and \$270 million in capital expenditure.

In addition to announced and committed projects, the department is working with companies to attract a further 31 projects which, if successful, have the potential to generate more than 3158 new jobs and over \$730 million in capital expenditure.

The department holds bank guarantees to provide financial assurance over arrangements held with third parties. As such, bank guarantees are held by the department to protect the State against non-performance by recipient of the Advance Queensland Industry Attraction Fund (AQIAF) (refer to Financial Statements note 28 for further details).

## Work of the Office of the Coordinator-General

### State Development Areas

State Development Areas (SDAs), declared under section 77 of the *State Development and Public Works Organisation Act 1971* (SDPWO Act), are clearly defined areas of land established by the Coordinator-General to facilitate development, promote economic development, and generate jobs.

The Coordinator-General is responsible for the planning, establishment and ongoing management of SDAs. The Coordinator-General assesses and decides all applications and requests in SDAs in accordance with the relevant approved development schemes.

The existing 10 SDAs comprise industrial hubs for large-scale, heavy industry at Abbot Point, Bromelton, Bundaberg, Gladstone, and Townsville, multi-user infrastructure corridors at Callide, Galilee Basin, Stanwell to Gladstone, and Surat Basin, and a major public infrastructure site known as the Lady Cilento Children's Hospital.

### Development assessment in SDAs

During 2017–18, the Coordinator-General approved 18 SDA applications and requests in the SDAs. These included a renewable energy facility, extractive industry, high impact industry, rail infrastructure, air services and utility installation, a warehouse, materials transport infrastructure and a waste management facility. Should these projects proceed, they will deliver an

anticipated \$57.1 million in capital expenditure, 159 construction jobs, and 87 operational jobs. This is in addition to the capital expenditure and job estimates associated with the projects which have been combined and are being progressed by the Coordinator-General as a prescribed project.

### **A new development scheme for the Bromelton State Development Area**

Declared in 2008, the 15,610-hectare Bromelton SDA is strategically located on the rail network about six kilometres west of Beaudesert. The Bromelton SDA offers potential for high-impact industries and bulk freight and logistics operations, with employment opportunities in the Beaudesert and southern Brisbane areas.

A new development scheme approved in December 2017 remains responsive to industrial development opportunities and protects corridors for planned infrastructure, such as the \$26 million water supply pipeline and the \$27.5 million Beaudesert town centre bypass.

The development scheme's six land use precincts ensure high-impact, difficult to locate, and rail-dependent industries are strategically located and buffered by other industrial and rural land uses.

### **A new development scheme for the Bundaberg State Development Area**

Declared in early 2017, the 6076-hectare Bundaberg SDA provides an opportunity for large-scale high-impact industry to co-locate with other industries near the Port of Bundaberg; one of Queensland's strategic ports providing shipping facilities for imports and exports of the Wide Bay Burnett Region. The Bundaberg SDA will also provide employment opportunities to a large workforce located 17 kilometres away in the city of Bundaberg.

The Bundaberg SDA development scheme, approved in December 2017, will boost industrial growth in the region. This is supported by the completion of the \$19.8 million gas pipeline to the Port of Bundaberg, the construction of the Knauf plasterboard manufacturing facility, and the \$30 million Pacific Tug proposal to establish a marine industry facility at the Bundaberg Port.

### **Land acquisition**

The Coordinator-General facilitates large-scale infrastructure projects that underpin Queensland's economic development. Where relevant, the Coordinator-General can compulsorily acquire the land on which these projects are to be built, using powers of the SDPWO Act and processes of the *Acquisition of Land Act 1967*.

The Coordinator-General has acquired land in the Townsville SDA from Glencore (Mount Isa Mines). The acquisition will support acceleration of the Townsville SDA, a key initiative of the Townsville City Deal, a 15-year commitment by the three levels of government. The land, located close to road and rail corridors and with access to the port, provides the state with control and opportunities to proactively support projects and enhance economic development in North Queensland.

### **Market-Led Proposals**

#### **Waterfront precinct**

Dexus proposes to transform Brisbane's Eagle Street Pier into a premium business and leisure destination through its Waterfront Precinct proposal.



Image: Port of Bundaberg

## Case study

# Accessing supply chain opportunities



**Rural enterprises are often at the mercy of resource cycles and climate trends. Accessing Queensland Government programs at the grass-roots level is helping them diversify to survive the tough times and flourish in the good times.**

In Wandoan, 400 kilometres north-west of Brisbane, W&R Contracting had been growing its industrial fencing company in parallel with the success of the surrounding oil and gas industry, but its clients were limited to major players such as Queensland Gas Corporation (QGC).

‘Although we were busy with oil and gas, these contracts can be cancelled tomorrow and we didn’t want to rely solely on them,’ explained office manager Megan Randall. ‘We wanted to learn how to tender and get business out of other sectors, but we needed to learn the tools.’

W&R Contracting was one of 25 companies invited to attend the department’s Accessing Supply Chain Opportunities program in Chinchilla, designed to help QGC’s local suppliers emerge stronger from the experience of working in the oil and gas sector.

The program identified regional opportunities and helped participants understand their target markets, what potential clients are looking for, and how to present their capabilities to them.

‘Before the program, we were a successful business, but no one knew about us,’ said Ms Randall. ‘Now, we’re out there and open to more opportunities in the rural sector as well as oil and gas. We’ve had new clients approach us, and we’ve picked up additional private work. It’s been a really great experience.’

Workshops through the Accessing Supply Chain Opportunities program are also being delivered in Roma, Miles, Dalby, Goondiwindi, St George, Cunnamulla, Thargomindah, Quilpie and Charleville.

Main Image: Shutterstock  
Image: W & R Contracting

The proposal is for a mixed-use precinct, including two new towers with the potential for commercial use, residential apartments, a hotel and retail spaces; up to 1.5 hectares of public and riverfront open space; and an improved Riverwalk section.

The proposal progressed to Stage 2: Detailed Proposal of the Market-Led Proposal Framework in March 2018. The Queensland Government, Dexus and Brisbane City Council are currently working together to consider the feasibility of the proposal, including the proposed closure of a section of Eagle Street.

### **Townsville transport hub**

SeaLink proposes to build two new ferry passenger vessels in Queensland and develop a new ferry terminal and integrated transport and tourism hub, known as The Strand Terminal, at the southern end of the existing Breakwater Terminal, within the Townsville City Waterfront Precinct Property Development Area.

SeaLink currently operates ferry services from Townsville to Magnetic and Palm Islands from the Breakwater Terminal. The proposal has the potential to transform this aging site into a thriving tourism precinct, and the new ferries will boost connections between Townsville and Magnetic and Palm Islands, within the Great Barrier Reef Marine Park.

The proposal reached Stage 2: Detailed Proposal of the Market-Led Proposal Framework in August 2017. SeaLink has partnered with Honeycombes Property Group for the terminal development and is working with the department, Port of Townsville Limited and the Townsville City Council to develop the detailed proposal.

### **Revised guidelines**

In July 2017, revised Market-Led Proposal Guidelines were published to further streamline processes and make the requirements clearer. The changes, which have been positively received, followed consultation with stakeholders, including industry, and a review of the experiences in other Australian jurisdictions. Queensland's Market-Led Proposal program data compares favourably with similar programs in other jurisdictions.

## **Whole-of-government plans and initiatives**

The department assisted with the following whole-of-government plans and agreements:

### **National Partnership Agreements and Project Agreements**

The department has the lead responsibility for delivering one National Partnership Agreement (NPA), and one Project Agreement (PA) with the Australian Government.

The aim of NPAs is to improve the capacity, resilience and infrastructure in communities, and to implement financial management frameworks that build the capacity and resilience of local governments. Additionally, they support the delivery of specified projects, facilitate reforms or reward those jurisdictions that deliver on nationally significant reforms. PAs are a simpler form of NPAs and are for low value and/or low risk projects. Both are typically time limited.

### **Regional Infrastructure Fund Stream 2 – Economic Infrastructure**

**North Queensland Resources Supply Chain** (\$1.66 million) delivered the following initiatives during 2017–18:

- design of the replacement and flood proofing of the Phillips Creek Bridge, intended to eliminate major delays to production for the coalfields north of Dysart
- design of an upgrade to Daunia Road to support heavy vehicle traffic in the Moranbah region
- an assessment of infrastructure to bring the Lansdown Industrial Precinct to market and establish Townsville as a key centre for industrial investment.

**Central Queensland Resources Supply Chain** (\$1.5 million):

- A range of projects have been completed including assessing the viability of transporting fuel inputs by rail to reduce road safety and congestion, evaluating upgrading the Clermont-Alpha Road, developing a water supply strategy for the Bowen and Galilee Basins, and investigating the viability of a common user airport for the Galilee Basin.

## Foreign investment activity

During 2017–18, a total of 195 foreign investment applications valued at \$43.665 billion were referred by the Foreign Investment Review Board to the department's Foreign Investment Secretariat.

Assessments mostly related to real estate, including agricultural, commercial and residential properties.

None of the foreign investment referrals were considered to have an adverse impact on Queensland.

## Future priorities

- Promote Queensland as a place to invest and do business through industry attraction facilitation services and Advance Queensland Industry Attraction Fund (AQIAF) assistance.
- Facilitate new private sector investment and projects, including supply chain development and access, to provide increased job opportunities.
- The Office of the Coordinator-General will continue to implement, where appropriate, the powers under the SDPWO Act by:
  - enabling access to and acquiring land and corridors required to support major projects, future economic development opportunities and for the provision of land for the conservation of the natural environment and public recreation
  - ensuring that project approval decisions and conditions are dealt with in a timely manner
  - giving direction of works, with respect to planning and delivery.

## 2. Facilitate a pipeline of strategic projects

### Key strategies:

- Facilitate and coordinate large-scale and complex projects
- Seek out private and public opportunities to feed the strategic/major projects pipeline
- Delivery of major public capital works
- Whole-of-government environmental impact assessment
- Best use of surplus government assets and land for economic and social outcomes
- Research and analysis to measure/maximise economic and financial impact/benefits.

## Coordinated project delivery

Under the SDPWO Act, 12 coordinated projects are progressing Environmental Impact Statements (EISs) worth a total capital value of around \$18.9 billion with potential to create around 31,700 construction and operational jobs. Seven are infrastructure projects.

The Coordinator-General declared a number of coordinated projects including the Six Mile Creek Dam Safety Upgrade project as a coordinated project requiring an impact assessment report (IAR).

The Coordinator-General also approved three projects and released EIS evaluation reports for the Townsville Port Expansion, Cairns Shipping Development and the Lindeman Great Barrier Reef Resort project.

### Project facilitation

There are 21 major projects being facilitated by the Coordinator-General including resource, tourism, and clean energy projects, such as Capricorn Copper, Amrun project, Kidston Solar and Pumped Storage Hydro Project, Santos Gas Field Development Project and QCoal's Byerwen Coal Mine. Of these, 15 are prescribed projects.

Coordinator-General facilitated projects have a combined capex of over \$32.5 billion, supporting over 30,000 jobs.

The Coordinator-General provides advice to proponents on approval pathways to fast track delivery and coordinate across government. The Coordinator-General uses his powers and ability to ensure critical project approvals are obtained on time and gets involved where coordination and facilitation is needed between agencies.

### Prescribed project

The Coordinator-General can use prescribed project powers under the *State Development and Public Works Organisation Act 1971* to assist proponents to overcome unreasonable delays in obtaining project approvals, with 15 prescribed projects declared. The Coordinator-General recommended extensions to seven projects and the declaration of three projects to the Minister for State Development:

- Daydream Island Repair and Refurbishment Project
- Hayman Island Project
- Hummock Hill Island Development.

### Major project facilitation

The department plays a key role in delivering the government's priorities of job creation, regional growth, encouraging innovation and delivering strategic infrastructure projects through facilitating private sector projects.

Departmental officers work across all three tiers of government to ensure private sector projects progress in a timely and coordinated manner and maximise economic benefits for Queensland.

During 2017–18, this tailored project facilitation service helped 18 projects, totalling \$3.2 billion in capital expenditure and approximately 5000 construction and operational jobs either commence construction or commit to construction by the end of the 2018 calendar year. Assistance includes, but is not limited to, activities such as identification and facilitation of regulatory approval processes, and assistance with project funding sources.

### Local content services

The department's local content services assisted local suppliers to win \$102.8 million worth of contracts on major project supply opportunities through facilitation and engagement with project proponents across Queensland.

This included the delivery of project information sessions, profile improvement sessions and defence capability workshops to 1587 attendees from 566 businesses. These workshops were delivered by Industry Capability Network and provided participants with insights into the requirements to be competitive in tender processes and to develop improved capability to bid for future government and private works.

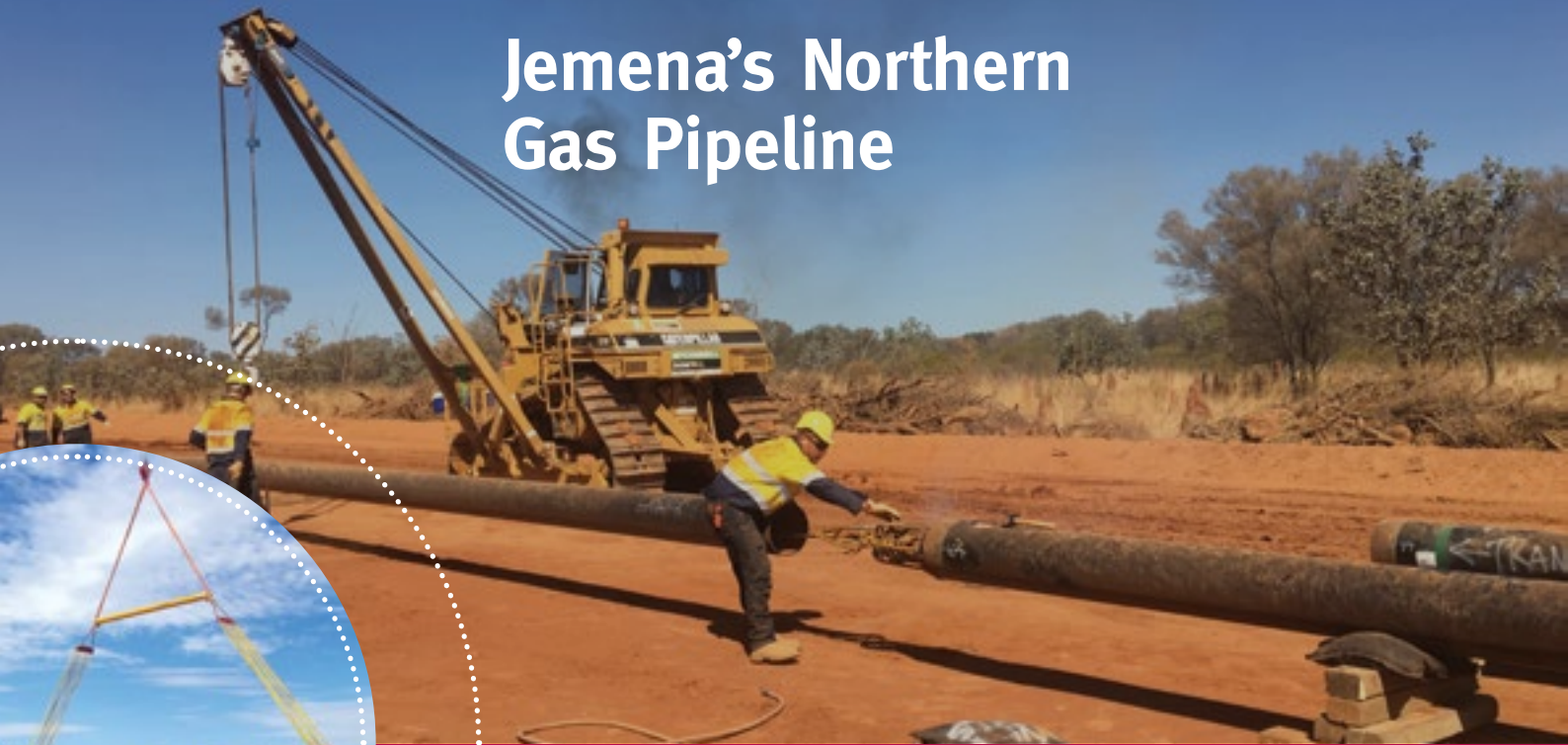
In addition, the department delivered 50 workshops to increase the knowledge and capabilities of 638 participants to enter supply chains for major projects and procurement opportunities.

### Brisbane Broncos Training, Administration and Community Facility

Construction of the new Brisbane Broncos Training, Administration and Community Facility at Red Hill, in Brisbane, was completed in November 2017. The facility was built on a portion of surplus government land opposite the Broncos' existing training facilities.

It includes a three-storey administration building with offices, sports medicine and training facilities for the Broncos Rugby League team, as well as a full-size training field. The development also includes a dedicated community room, pocket park and managed access to the training field and lecture theatre.

# Jemena's Northern Gas Pipeline



**The \$800 million Northern Gas Pipeline project is unlocking gas in the Northern Territory that will boost supply to Australia's east coast gas markets providing much-needed affordable feedstock to manufacturers and other industrial gas buyers.**

The 622-kilometre pipeline from Tennant Creek in the Northern Territory to Mount Isa in Queensland is being constructed by Jemena, a leading Australian energy company. The project has created 431 Queensland jobs, including 115 Indigenous jobs, and has provided many opportunities for suppliers in the region with 44 contracts awarded in the Mount Isa area alone, 17 of these being Indigenous contracts.

The Queensland Government strongly advocated for the project to come through Queensland, and the department's project facilitation support to Jemena assisted the company to secure land access and pipeline approvals during critical negotiations. Seventy per cent of the pipeline capacity is now contracted and in June 2018 Incitec Pivot announced that its major manufacturing facility in Brisbane will use the pipeline to secure gas for its operation that supports more than 400 jobs. The department's project facilitation team has helped secure significant economic development outcomes that will be felt right across Queensland and it continues to work with gas production and pipeline project proponents to boost the supply of gas to the domestic and international markets.

Images: Northern Gas Pipeline (Jemena)



## Successful delivery of the Commonwealth Games venues and village

The department successfully delivered three new competition venues for the Gold Coast 2018 Commonwealth Games (GC2018) and upgrades to a further seven venues. The projects were all completed within budget and well ahead of the Games.

The \$320 million investment into sport and community infrastructure for the Commonwealth Games supported more than 1000 jobs during design and construction.

The Commonwealth Games Village at the Parklands was the largest Games Village to date, providing accommodation and services to 6600 athletes and team officials during GC2018.

It became the catalyst project for the Parklands, a new master planned, mixed-use community development that will support jobs and provide homes to new residents and businesses as part of the 200-hectare Gold Coast Health and Knowledge Precinct.

## Brisbane International Cruise Terminal

The \$158 million Brisbane International Cruise Terminal project has successfully progressed through the government's market-led proposal process and is now in its delivery phase. The department is administering a development agreement for the project.

The new cruise terminal will cater for the new generation of mega cruise ships that are unable to access existing infrastructure upstream of the Gateway Bridge. The new terminal will support the expansion of the cruise ship market in Queensland, stimulating the economy and bringing more tourists to the state.

Over its two-year construction period, the project is expected to support an average of 245 jobs each year and, once operational, it is predicted to safeguard up to 1250 existing cruise industry jobs and add a further 49 jobs a year. The project is expected to be completed in 2020.

## The Kidston Project

The Coordinator-General is assisting Genex Power Limited's Kidston Project on the site of the former Kidston Gold Mine, north-west of Townsville.

The project is a prescribed project which enables the Coordinator-General to assist the proponent with timely decision-making on approvals and a critical infrastructure project that permits the Minister to register critical infrastructure easements over existing public utility easements.

The Kidston Project comprises two solar farms, a hydro-electric power plant and a transmission line between the Kidston Mine and Mount Fox that has the potential to meet all the peak power generation demands of north Queensland and some of central Queensland.

The project was the first project to sign an agreement under the state's *Solar 150* program.



Image: Commonwealth Games Village, the Parklands

## Case study

# The Gold Coast Health and Knowledge Precinct

**The Gold Coast Health and Knowledge Precinct, in Southport, is a catalyst project which will support 26,000 jobs, international investment and economic diversity.**

Previously home to the Gold Coast Commonwealth Games athletes' village, the 200-hectare site includes 1252 residences made up of one and two-bedroom apartments, and three-bedroom townhouses; more than 6000 square metres of retail facilities and over seven hectares of green and open space, including a community park and extensive landscaped areas.

More than \$5 billion in infrastructure development has been invested at the precinct, including the Gold Coast Light Rail. It also encompasses major employment centres such as the Gold Coast University Hospital, Gold Coast Private Hospital, and Griffith University.

As part of the Parklands Priority Development Area (PDA), the site is now dedicated to delivering a globally recognised health and knowledge community.

In May 2018, international agent Savills was appointed to work with Precinct partners to promote the project worldwide and attract health and knowledge businesses and investors. Negotiations are underway with businesses interested in creating linkages to the university and hospitals and wanting a lifestyle precinct for employees.

Around \$120 million of private sector investment is already anticipated. This includes Griffith University's new \$80 million project, which will see one of the world's most high-tech, three-dimensional printers installed in the Precinct. This 3D printer will be used to print specialist medical instruments which will advance to print body parts such as bones and organs for patients.

When fully developed, the Precinct will generate multi-billion dollar private sector investment and diversify the Gold Coast's economy.

Image: Gold Coast Health and Knowledge Precinct, artist's impression

Main image: Commonwealth Games Village, the Parklands, in Games mode

## Cairns Shipping Development Project

The Cairns Shipping Development Project aims to widen and deepen the existing Trinity Inlet shipping channel, upgrade wharf facilities, enhance vessel capacity and improve port efficiencies.

The project could create 195 direct construction jobs on average over the project's construction period and up to 1535 direct operational jobs on average per annum.

On 12 July 2017, the Coordinator-General released the revised draft EIS for public comment until 25 August 2017. On 27 February 2018, the Coordinator-General approved the Cairns Shipping Development Project, subject to conditions to protect the environment, and released his evaluation report.

## Townsville Port Expansion

The Townsville Port Expansion Project includes the deepening and widening of existing shipping channels, construction of six new berths and creation of a significant area of reclaimed port land.

The proposal would provide 174 direct jobs at the peak of construction and 180 permanent operational jobs.

In October and November 2016, additional information to the EIS was released for public comment. This followed a request by the Coordinator-General for additional information on key issues raised in submissions during public consultation on the draft EIS in 2013.

On 29 September 2017, the Coordinator-General approved the project to proceed, subject to conditions to manage environmental impacts.

## Six Mile Creek Dam Safety Upgrade Project

The Coordinator-General declared the \$85–\$90 million Six Mile Creek Dam Safety Upgrade project a coordinated project requiring an impact assessment report on 22 December 2017.

The project proposes to upgrade the existing Six Mile Creek Dam (Lake Macdonald) to meet performance requirements of the current Queensland dam safety framework, under the *Water Supply (Safety and Reliability) Act 2008*. The dam upgrade will include construction of a new spillway, new eastern and western embankments, and a new saddle dam, if required.

The project would generate employment for up to 100 workers during the construction phase. The proponent is currently preparing the draft Impact Assessment Report (IAR) to submit to the Coordinator-General.

## Future priorities

- Construction of the Brisbane International Cruise Ship Terminal building scheduled to commence in mid-2018. Operations to commence in April 2020.
- Continue to facilitate eight key private sector projects and accelerate project delivery which may contribute \$845 million in capital expenditure and over 1100 construction and 1100 operational jobs.
- Provide specialist facilitation to significant regional projects.

The Office of the Coordinator-General will:

- continue to use the powers under the SDPWO Act to facilitate the planning and delivery of major infrastructure projects and future economic development opportunities
- continue to investigate opportunities for additional SDAs in strategic locations to attract economic development in Queensland
- progress assessment and delivery of large-scale and complex infrastructure projects through the Coordinator-General's statutory powers and whole-of-government coordination
- continue to streamline processes and reduce assessment times.

### 3. Advance regional communities

#### Key strategies:

- Critical regional project facilitation (including access to Coordinator-General powers)
- Development of regional supply chains
- Support delivery of regional economic infrastructure
- Local collaborations to support regions
- Lead economic recovery following disaster events.

#### Jobs and Regional Growth Fund

Since 1 February 2017, the \$150 million Jobs and Regional Growth Fund (JRGF) has supported the creation of long-term operational jobs and capital investment in regional Queensland.

The state government recognises that the private sector is the key jobs generator. The JRGF is designed to incentivise regional private sector projects, investment and job creation. Proposals that support regional growth and job creation, at the same time as leveraging additional investment in the region, are encouraged.

The JRGF provides one-off financial assistance ranging from \$100,000 to more than \$10 million in either direct grants or relief of state charges (e.g. payroll tax, stamp duty) to proposals in regional areas experiencing high unemployment. JRGF assistance is available to all industry sectors including agriculture, resources, tourism, manufacturing and construction.

Five JRGF proposals were announced during 2017–18, including:

- **Swickers** to undertake a major abattoir expansion at Kingaroy and a piggery expansion project north-west of Dalby
- **Hawker Pacific** to expand its Cairns airport hangar space
- **JBS Australia** to employ and train up to 400 displaced abattoir workers in the Ipswich region
- **Dugalunji Aboriginal Corporation** to progress the commercialisation of a spinifex harvesting and processing project
- **Aquaworks** to establish a state-of-the-art bottling facility and expand production in Babinda.

Assistance to these proponents will create 600 operational jobs, and commitment of more than \$115 million in capital investment.

The JRGF is also supporting the government's election commitments including:

- a business case and capital investment for an export distribution centre pilot in regional Queensland
- the Sunshine Coast International Broadband Submarine Cable
- a feasibility study into a proposed \$2 billion lithium-ion battery factory in Townsville
- developing the Mackay Resources Centre of Excellence
- developing a solution to deliver sustainable energy for the Daintree Power Project
- progressing the establishment of new art facilities around the Townsville coast for the Museum of Underwater Art
- conducting a workshop and associated activities to investigate the potential for establishing a botanical garden at the Toowoomba Quarry Gardens
- continuing the Clermont Saleyards and Showgrounds Revitalisation Project
- decarbonising remote communities.

## Building our Regions

The Building our Regions (BoR) program is ensuring that the focus of economic growth is shared across the state.

The program is targeted at local governments, contributing to critical infrastructure projects that generate jobs, foster economic development and improve liveability in regional communities throughout Queensland.

The program has already allocated \$225 million to 174 critical infrastructure projects across the state. These range from water, waste and sewerage infrastructure to cultural, sport and recreation facilities, airport upgrades and flood mitigation projects. During construction, these projects will generate 1762 jobs and attract \$353.5 million in additional investment from councils and other organisations.

During 2017–18, a further \$70 million in BoR funding was made available under Round 4. Expressions of interest were called in April 2018, with a renewed focus on funding regionally significant economic infrastructure projects that will deliver sustainable economic outcomes for regional communities. Successful Round 4 projects are expected to commence construction by July 2019.

Of the 174 projects approved under BoR, a total of 53 are now complete, with 40 of these completed during 2017–18. These included:

- Aurukun Bulk Fuel Storage Facility
- Barcaldine Racecourse Upgrade
- Biloela CBD Drainage Improvements
- Birdsville Caravan Park Redevelopment
- Bromelton State Development Area Stage 1 Trunk Water main
- Bundaberg Sports and Community Centre – Stage 2
- Charleville Levee Bank Erosion Remediation
- Cherbourg Material Recovery Facility – Stage 2
- Cherbourg Material Recovery Facility Upgrade
- Chinchilla Potable Water Treatment Plant Upgrade – Stage 1
- Cloncurry Stormwater Drainage Upgrade – Stage 2
- Coen Landfill Leachate Infrastructure Upgrade
- Cooktown Airport Aviation Park
- Critical Sewer Upgrades – Weipa
- Cunnamulla Sewerage System Upgrade
- Cunnamulla Watermain Upgrade
- Dirranbandi Kerb and Channel Works – Kirby Street
- Enabling Aged Care in Mossman Far North Queensland
- Establishment of New Town Bore to Secure Water Supply – Charleville
- First Turkey Mountain Bike Reserve
- Ilfracombe Bore Water Supply Project
- Kuranda Suburban Water Security Project
- Lockhart River Fibre Optic Project
- Lockhart River Water Park
- Mackay Regional Sewage Pump Station Resilience Upgrades
- Major Infrastructure Upgrade of the Cloncurry Saleyards
- Mareeba Wastewater Treatment Plant Upgrade – Treatment Plant Works
- Moranbah Resource Recovery Centre Replacement Project
- New Water Reservoir – Georgetown
- Pormpuraaw Water Upgrades Project
- Revitalisation of the Collinsville Showground
- Rocky Point Fireflow Upgrade – Weipa
- Smithfield Street Revitalisation Project
- St George Kerb and Channel Works – Andrew Street
- St George Kerb and Channel Works – Murchison Street
- Tate River Crossing Upgrade
- Thargomindah Airport Terminal
- Tully Landfill Remediation Capping – Stage 2
- Warrego River Crossing Water Main Replacement
- Water Reticulation and Drainage for Industrial Estate – Richmond.

## Royalties for the Regions

The Royalties for the Regions infrastructure funding program has now ceased. As at 30 June 2018, 92 per cent of projects funded under this program were completed. The department is continuing to work closely with local governments to deliver and acquit the remaining projects funded through this program.

## North West Minerals Province

The department is leading the whole-of-government implementation of *A Strategic Blueprint for Queensland's North West Minerals Province*.

The blueprint contains a suite of actions designed to secure the long-term future of the region and its communities. This includes new funding of \$39 million over four years as part of the 2017–2018 State Budget for a range of short and medium-term actions under three strategic priorities that included:

1. facilitating continued resources sector development
2. diversifying the regional economy and creating employment opportunities
3. working with businesses and the community to deliver integrated and appropriate services.

Implementation of the blueprint actions is well underway and is overseen by an interdepartmental committee. A stakeholder advisory committee comprising representatives from industry, business, regional economic development groups, community leaders, local and federal government, plus traditional owners has been formed to assist in blueprint implementation and review. The department convened meetings of the stakeholder advisory committee in Mount Isa and Cloncurry during 2017–18 and will continue to hold quarterly meetings to facilitate further consultation and collaboration in the implementation of the blueprint.

The department has established a new multi-disciplinary blueprint implementation team in Mount Isa comprising representatives from the department, the Department of Communities, Disability Services and Seniors, and the Department of Aboriginal and Torres Strait Islander Partnerships.

## Economic Recovery Group

The Economic Recovery Group (ERG) provides strategic advice to the Queensland Government and relevant stakeholders on the 'economic impacts of a disaster event and the proposed response to advance economic recovery'.

The department chairs and supports the ERG, with membership drawn from relevant government agencies, mayors from impacted areas, and representatives from peak industry groups and businesses. Intelligence is gathered on immediate impacts, and response and recovery actions are developed and their implementation monitored.

Activation of the ERG was not required following the severe storm, cyclone and flood events in early 2018. The department, as secretariat for the ERG, led the coordination of key recovery tasks including:

- supporting local government capacity to deliver economic recovery tasks
- providing economic recovery support to primary producers and business
- supporting Natural Disaster Relief and Recovery Arrangements (NDRRA) activations for small businesses and primary producers.

The department has implemented lessons learnt from a review of the Severe Tropical Cyclone Debbie recovery response which will enhance departmental capability to respond to future events.

## Case study

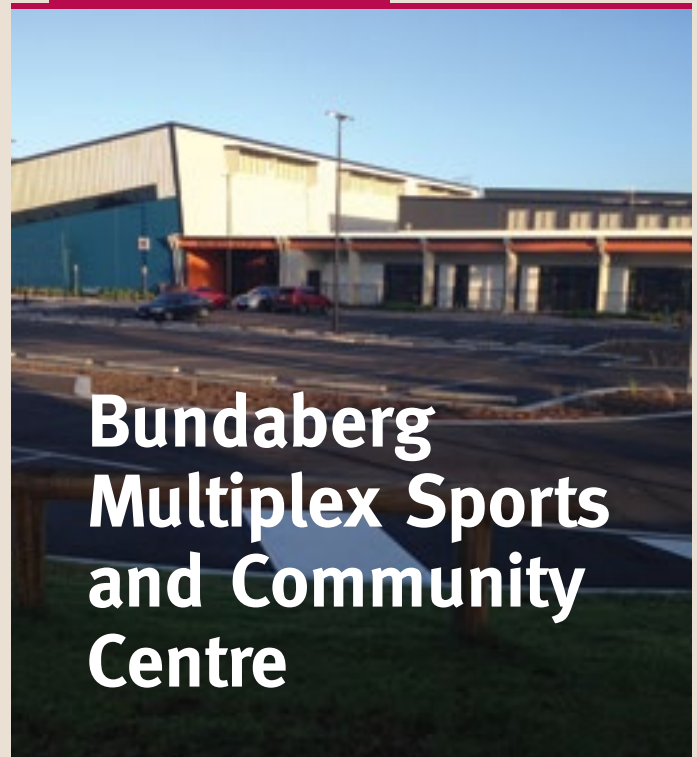
### Remote Area Boards

Remote Area Boards undertake crucial economic development projects in the most remote areas of the state. Under the 2016–18 program, \$1 million in funding was provided to five boards who undertook economy-building projects during 2017–18 including:

- South West Regional Economic Development:
  - a premium meat product supply project, quantifying the diverse range of products currently supplied within the region
- Mount Isa to Townsville Economic Development Zone:
  - an assessment of single wire earth return power
  - development of a new outback tourism route
  - a feasibility study for a transport and logistics facility
  - preliminary investigations for the development of a biofuel plant
- Central Western Queensland Remote Area Planning and Development Board:
  - a program supporting regional businesses to harness the full potential of the digital economy
- Gulf Savannah Development:
  - feasibility studies and detailed design for new digital infrastructure projects (fibre optic)
  - a digital tourism marketing project
  - an assessment of existing and future economic opportunities focused on marine and riverine-based operations in the Gulf.

### Bundaberg State Development Area and Port Infrastructure Project

The Bundaberg State Development Area and Port Infrastructure Project provides opportunities to create immediate and longer-term regional development benefits supporting the growth and expansion of the Port of Bundaberg and investment in the Bundaberg SDA.



## Bundaberg Multiplex Sports and Community Centre

**A \$5 million Building our Regions contribution to complete the \$12.6 million Bundaberg Multiplex Sports and Community Centre saw the project officially opened on 24 January 2018.**

This project added to facilities delivered through BoR Round 1, with a sports/civic hall, community function rooms, commercial kitchen, café, amenities and an impressive entry foyer and lobby.

Construction of the Multiplex Centre supported local contractors, suppliers and tradespeople and has generated further jobs through ongoing indirect tourism involvement.

The centre hosts numerous community events, business conferences, sporting competitions and provides a much-needed evacuation centre in times of crisis.

Image: Bundaberg Multiplex Sports and Community Centre

## Case study

The department's Wide Bay Burnett Regional Office is facilitating \$304 million worth of capital expenditure projects related to the Port of Bundaberg and the North Burnett region, with potential to generate 521 direct full-time equivalent jobs.

When completed, this project will be a catalyst for new economic development opportunities and jobs by securing investment in common-use and utilities infrastructure at the Port of Bundaberg and identifying a viable transport corridor for connectivity with the North Burnett. It will help maximise industrial land supply within the Bundaberg SDA and identify land and wharf development options.

### Lindeman Great Barrier Reef Resort project

On 28 March 2018, the Coordinator-General approved the Lindeman Great Barrier Reef Resort project—a \$583 million redevelopment and expansion of the Lindeman Island resort which closed after Cyclone Yasi in 2011.

The proponent, White Horse Australia Lindeman Pty Ltd, expects construction will start in 2019 with the resort operational by the end of 2020.

During construction the project will create 300 direct full-time equivalent jobs on average on Lindeman Island and up to 420 direct and indirect jobs in the Mackay region.

The resort is expected to generate \$100 million annually to the Mackay region's gross regional product and when operating, will create 300 direct full-time equivalent jobs on average on the island and up to 460 full-time equivalent direct and indirect jobs in the Mackay region.

### Tourism project facilitation

The Coordinator-General facilitates many tourism projects declared as prescribed projects under the SDPWO Act. During 2017–18, the Coordinator-General provided assistance on the following tourism projects:

- Daydream Island Resort and Spa: liaised with state agencies to ensure relevant approvals were obtained in a timely fashion. Declared on 21 September 2017



## Cherbourg Material Recovery Facility

**The Cherbourg Material Recovery Facility secured \$1.487 million across three BoR funding rounds. When completed, the facility's annual waste output capacity will increase from 250 tonnes to an estimated 3500 tonnes. This increase in the capacity to process recyclable material will significantly reduce the amount of waste going to landfill. Ultimately, it is hoped that this project will enable a recycling program across the South Burnett region.**

Stage 3 works include extending the operations shed and its supporting pad to accommodate all further development stages, undertaking associated drainage works, and installing a new automated paper and cardboard baling machine that will be integrated into the production line. The project has created new employment opportunities for the Cherbourg community.

Image: Andrew Beckett, Operational Manager at the MRF, looks on as earthworks begin for Stage 3



- Hayman Island: assisted in approvals relating to the management of the wallaby population and use of barge facilities during construction. Declared on 21 September 2017
- Shute Harbour Marina Development: assisted in finalising agreements with Whitsunday Regional Council while also liaising with state agencies in obtaining project approvals. Prescribed Project. Declaration extended 8 February 2018
- Hummock Hill Island: considered the use of step-in powers under the Act that would allow the Coordinator-General to assess and decide approvals for the project. Declared on 21 September 2017.

## The potential Cairns South State Development Area

An approximately 840-hectare site at Wrights Creek, to the south of the Cairns CBD, is under consideration as a potential SDA to cater for industrial development.

The potential Cairns South SDA was announced in July 2017 with public consultation occurring until August 2017.

SDA development schemes function in a similar way to a local government planning scheme by outlining the types of development which are regulated and the criteria which development is assessed against.

The potential SDA would provide approximately 340-hectares of land located away from urban areas for medium-high impact industry operating 24/7, such as intermodal and freight related development and advanced manufacturing.

The Coordinator-General is considering submissions made during the public consultation period. Should a Cairns South SDA be declared, a draft development scheme would be prepared for consultation.

## Government Champion Program – Aurukun

Through the Government Champion Program, the department has assisted the Director-General to coordinate improved government services and initiatives to deliver innovative, efficient, effective and integrated services to the Aurukun community.

Achievements included:

- \$2.1 million redevelopment of the Three Rivers Tavern into the Wo' Uw Ko' Alam Community Centre
- progressing construction of a barge ramp on the Archer River south of Aurukun which will reduce travel time to Southern Wik traditional homelands, open the area for potential economic benefits including small scale tourism operations, assist development of an Aboriginal and Torres Strait Islander cattle enterprise, the ranger program and opportunities to take full advantage of the Wathaniin Outstation.

## Social Impact Assessment and Fly-in Fly-out (FIFO)

The *Strong and Sustainable Resource Communities (SSRC) Act 2017* commenced on 30 March 2018. The Act ensures that residents of communities near large resource projects benefit from the construction and operation of those projects by:

- prohibiting 100 per cent fly-in-fly-out workforce arrangements on large operational resource projects
- preventing discrimination against locals in the future recruitment of workers through amendments to the *Anti-Discrimination Act 1991*
- making an enhanced social impact assessment (SIA) mandatory for large resource projects.

An initial list of 61 large resource projects and their nearby regional communities, along with an enhanced Social Impact Assessment guideline has been published on the Coordinator-General's website.

## Defence Industries Queensland

Defence Industries Queensland (DIQ) was actively involved during 2017–18 in all aspects of attracting Rheinmetall Defence Australia and the LAND 400 Phase 2 contract, worth \$5.2 billion, to Queensland.

Rheinmetall will build the new fleet of armoured combat reconnaissance vehicles in Queensland, contributing more than \$1 billion into the state's economy over the life of the project and delivering benefits to regional communities as well as in south-east Queensland. The Military Vehicle Centre of Excellence (MILVEHCOE) and its impact across

Queensland's supply chain will generate at least 450 full-time equivalent jobs in the first 10 years. These are the high-skilled, knowledge-based jobs of the future.

Other regional benefits arising from DIQ's activities during the year included:

- securing Queensland as the headquarters for the new \$101 million Defence Cooperative Research Centre for Trusted Autonomous Systems
- working with the Department of Defence to identify opportunities for investment associated with additional Singaporean army training at Shoalwater Bay and a site in North Queensland
- supporting the maritime sector and consulting widely to prepare and deliver the Queensland Superyacht Strategy 2018–2023 which aims for Queensland to be recognised as the key superyacht hub in the Asia-Pacific region within five years.

## KUR-World Integrated Eco-Resort

The KUR-World Integrated Eco-Resort is a coordinated project undertaking an Environmental Impact Statement (EIS) process under the SDPWO Act. The proponent is Reeve and Ocean Developments Pty Ltd.

Located around 20 kilometres north-west of Cairns, the proposal includes an integrated eco-resort with luxury hotel and residential accommodation, education and business facilities, rejuvenation, health and wellbeing facilities, and adventure and recreation facilities.

The project requires a capital investment of \$640 million and could create a peak construction workforce of 545 and up to 600 operational jobs.

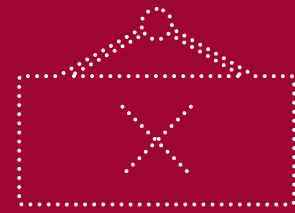
The community will be consulted on the draft EIS when it has been prepared by the proponent.

## Olive Downs Project

This Bowen Basin open cut mine could produce up to 14 million tonnes per annum of metallurgical coal for steel-making for more than 30 years.

Off-lease infrastructure includes an 18-kilometre rail spur to the Norwich Park Branch Railway, a water pipeline connecting to the Eungella pipeline network, an electricity transmission line and access roads.

## Case study



# Rapid response

**The 2017–18 financial year saw some significant business closures and retrenchments across the state including:**

- 370 employees retrenched from Ostwald Bros, Dalby
- 245 staff retrenched from Baiada (Steggles Chickens) in Ipswich and Wacol
- Churchill Abattoir in Ipswich closed, with 130 employees retrenched
- Woolworths facility in Ipswich closed, with over 400 employees retrenched.

The department led the state government's response with assistance under the Workers Transition Scheme for Ostwald Bros, Churchill Abattoir and Woolworths, and provided assistance to those retrenched at Baiada. The support provided by the department included:

- coordinating the assistance provided by government
- monitoring the progress on payment of all entitlements
- assisting retrenched employees
- advising of government training schemes to expand future employment opportunities
- assisting supply chain businesses affected by the closures
- organising jobs and training expos for retrenched employees.

Between 500 and 700 jobs may be required during construction and around 960 workers during operations of the mine at full development. The proponent, Pembroke Resources, is preparing the draft EIS which will be made available for public comment.

## China Stone Coal project

MacMines' China Stone Coal project is a coordinated project that proposes to develop a new \$6.7 billion greenfield, open-cut and underground thermal coal mine in the Galilee Basin to produce up to 38 million tonnes per annum of product coal.

The project is located directly north-west of the Carmichael Coal mine project, 300 kilometres west of Mackay.

The proponent estimates that the project would create a peak of approximately 3900 direct construction jobs and around 3400 direct jobs in year eight of operations.

The EIS process for the project is advanced, and the Coordinator-General is preparing his evaluation report.

## Aurukun Bauxite Project

The Aurukun resource on Western Cape York contains up to 480 million tonnes of bauxite. The government has entered into an agreement with Glencore granting rights to investigate and develop the Aurukun resource. As required, Glencore applied for a Mineral Development Licence (MDL) in January 2015, but the project was delayed by a series of court actions, that are now resolved. On 20 December 2017, MDL2001 was issued to Glencore by the Minister for Natural Resources, Mines and Energy.

During 2017–18, Glencore progressed its feasibility investigations, with the permission of the traditional owners. Activities included groundwater monitoring, ecology surveys, soil sampling, surveys of transshipping zones, and aerial surveys of the resource area. Glencore and the traditional owners have executed a Conduct and Compensation Deed, which sets a foundation for positive working relations and opportunities for the community.

During the next 12 months, Glencore has advised that it will progress environmental and technical studies relating to the feasibility investigations into up to two bauxite deposits within the Aurukun resource area.

## Land management activities undertaken by Juru Enterprises Ltd

Since 2016, the Aboriginal company Juru Enterprises Ltd (JEL) has been engaged to manage the 3332 hectares of land owned by the Coordinator-General within the Abbot Point SDA; which comprises 16,885 hectares and is located about 20 kilometres north-west of Bowen.

Activities include fire and pest (weeds and feral animals) management as well as land rehabilitation. The program also promotes capacity building, with a contractor engaged to train JEL employees on land management. The program has provided employment, improved business acumen and developed workforce capability through appropriately endorsed training.

## Yarrabilba Family, Children and Community Hub

In January 2018, the Premier announced a commitment of \$3.6 million capital funding for a Family, Children and Community Hub in the rapidly growing community of Yarrabilba, 20 kilometres south of Logan. The hub, which will be co-located with Yarrabilba State School, is due to commence operations in October 2018.

The department's Community Hubs and Partnerships program (CHaPs) is leading a cross-agency Project Steering Committee to collaboratively plan the delivery of a new service hub model relevant to growth areas across Queensland.

CHaPs negotiations have resulted in a new partnership between a range of state government agencies including Children's Health Queensland, Metro South Health, Communities, government and non-government schools, council and the developer to deliver this integrated services hub.



## Aura Community Hub

The Aura Community Hub opened in January 2018 following CHaPs facilitation of industry, local and state government collaborative services and infrastructure planning. The Community Hub project achieved a \$31 million bring-forward of investment to the Sunshine Coast community and delivers much-needed infrastructure and services in the Caloundra South Priority Development Area.

## Mary Valley Economic Development Strategy

Final surplus government properties in Mary Valley were returned to private and community ownership during 2017–18. The Mary Valley Economic Development Strategy was implemented to manage the disposal of properties originally purchased for the former Traveston Dam. A total of 534 land parcels were returned to private ownership during the six-year program.

## Glendower land disposal strategy

During 2017–18, the department started returning surplus government land near Beaudesert to private and community ownership. The land was originally purchased for the former Glendower Dam site and consists of approximately 2600 hectares (58 lots) of quality agricultural land.

Consultation with the Scenic Rim Regional Council, community users, agricultural and residential tenants identified the best divestment strategy. Returning the land to the community and unlocking private investment will deliver positive community outcomes, create jobs and drive economic growth.

## Future priorities

- CHaPs will develop a sustainable cross agency service, funding model and evaluation plan for integrated service hub models to maximise community outcomes and return on government investment in growth areas.

- In partnership with Queensland Treasury, the department is implementing the Advancing Our Cities and Regions (AOCR) Strategy. This is an innovative approach to renewing and repurposing surplus and underutilised state property to deliver economic, community and financial outcomes for Queenslanders.
- The Office of the Coordinator-General will:
  - progress implementation of the SSRC Act and SIAs
  - progress major project assessment and delivery and whole-of-government coordination
  - progress the potential Cairns South SDA towards declaration
  - continue to investigate opportunities for additional SDAs in strategic locations to attract economic development in Queensland.
- Defence Industries Queensland will contribute to regional communities by:
  - attracting and facilitating key projects and supply chain opportunities from the Australian Government's \$195 billion investment pipeline including the \$15 billion Phase 3 of LAND 400, SEA 1180 (Offshore Patrol Vessels) and AIR 6000 (Joint Strike Fighter)
  - implementing an industry development framework for LAND 400 Phase 2 to maximise local opportunities including supply chain, workforce development and technology innovation
  - leveraging the state's critical mass of systems development and integration capability by establishing a formal Command, Control, Communications, Computers, Intelligence, Surveillance, Reconnaissance and Electronic Warfare (C4ISREW) network
  - drawing expert advice from senior retired military figures and defence industry executives to identify and assist in delivery of new defence industry opportunities for business growth, and delivering defence supply chain logistics hubs in Townsville and Ipswich
  - supporting Queensland companies at the 2018 LandForces Exposition.

## Case study

# Bundaberg Hackathon

Bundaberg hosted Queensland's first industry-led adaptive technology Hackathon, supported by a \$50,000 sponsorship by the department. Community Lifestyle Support, a local agency, managed the Hackathon which ran from 23–26 October 2017. The event connected makers, designers, developers and engineers with people with disability to develop technological solutions for everyday challenges. The solutions designed during the event were then provided as free, open source files to the world-wide maker community, increasing the knowledge base and encouraging further innovation.

The Hackathon advanced the department's advanced manufacturing focus, giving designers and makers real-world examples of how innovative design and skilled manufacture can change a life, engage someone in the workforce, or enhance independence. The department hosted a business-to-business networking event at the Hackathon, connecting local industry and highlighting supply chain opportunities.

Image: Shutterstock



Image: Rheinmetall's Boxer CRV

## 4. Lead strategic development of priority industries

### Key strategies:

- Grow six new and existing industries via roadmaps
  - Advanced manufacturing
  - Aerospace
  - Biofutures
  - Biomedical
  - Defence industries
  - Mining equipment, technology and services
- Support traditional and transitioning industries
- Identify the next wave of priority/emerging industries.

### Advanced manufacturing

The manufacturing industry will continue to innovate and transform into the future, with investment in Queensland's sector concentrated on the opportunities of 'Industry 4.0'—the Fourth Industrial Revolution brought about by automation and data exchange in advanced manufacturing technologies.

These opportunities include supporting existing businesses to transition to advanced manufacturing, attracting new businesses to the state, leading to the expansion of existing industry supply chains and the creation of new supply chains, as well as increased export opportunities for Queensland manufacturing products through targeting niche and growing overseas markets.

During 2016–17, Queensland's manufacturing sector was the fifth largest contributor to the state's economy, generating \$19.2 billion.

As at the June quarter 2018, manufacturing was the state's sixth largest employing industry, with around 170,000 persons, and had an annual total commodity export value of \$15.8 billion.

### Made in Queensland

The \$40 million Made in Queensland program complements the *Queensland Advanced Manufacturing 10-Year Roadmap and Action Plan* launched on 14 December 2016.

Made in Queensland provides matched grants of between \$50,000 and \$2.5 million to small to medium enterprises (SMEs), for projects that enable them to become more internationally competitive, innovative and productive—upskilling and creating jobs and growing a vital part of the state's economy.

Since opening on 30 January 2017, 53 successful projects have been approved for funding of \$18.2 million under the program, boosting manufacturing skills and jobs from Goondiwindi to Cairns. These projects will support 2850 existing jobs and help create an estimated 532 highly skilled new jobs.

Companies who were awarded project grants included:

- **Pixie Ice Cream** to install automated wrapping and boxing equipment in its Toowoomba facility
- **Packer Leather** in Narangba to install an advanced manufacturing system and an automated batching system
- **Flemings Welding Services** in Roma to install state-of-the-art surface finishing equipment, which until then couldn't be completed locally.

Made in Queensland has confirmed that the state is a manufacturing powerhouse, with SMEs eager to implement new technologies, processes and systems to grow their businesses across the state's traditional industrial strengths (e.g. agriculture, food, mining) as well as emerging niches (e.g. pharmaceutical manufacture).

### Achievement highlights

- Assistive Devices Hackathons were held in Mackay, Toowoomba and Townsville in July 2017. Fifteen people with disability and a well-defined challenge worked with 44 makers, supported by manufacturing industry experts, to develop solutions to those challenges. The hackathons help to raise awareness among Queensland manufacturers about emerging opportunities in the area of assistive technology.
- Design in Manufacturing seminar series supported manufacturers to recognise the importance of design to their future competitiveness. Five (of nine) seminars were held in Mt Gravatt, Toowoomba, Crestmead, Maryborough and Geebung with approximately 90 manufacturers in attendance. Feedback from participating businesses has been positive.
- Women in Manufacturing series launched at Customs House in March 2018. The series, which also includes six regional events, is designed to support and promote women in manufacturing.
- Developed a careers video and brochure for high school students who are in year 10 and up to promote manufacturing as a career choice through the Gateway to Industry Schools Program for Manufacturing and Engineering.
- Queensland Hackerspaces Grant program provided seven grants of up to \$20,000 to establish new regional hackerspaces in Cairns, Maleny, Warana, Fortitude Valley, Kingston and two in Mackay. In addition, three hackerspaces located in Ipswich, Eagle Farm and Mudgeeraba each received up to \$10,000 to expand.

Image: Site of proposed KUR-World Eco-Resort

### Future priorities

- Deliver Made in Queensland program Round 2 grants during the latter half of 2018.
- Pursue industry opportunities in:
  - **Craft beer production:** Queensland is home to more than 13 per cent of Australia's 516 independent breweries and is the first state to instigate a craft brewing strategy to boost our globally award-winning independent craft brewing industry. The department is developing the strategy with the industry and key stakeholders to unlock the economic and wider benefits of this dynamic industry and to achieve future growth of six per cent per annum.
  - **Robotics and automation:** As part of an ongoing commitment to Industry 4.0, the government will build on Queensland's recognised national expertise in robotics to develop a robotics and automation strategy to foster the adoption of these new technologies by manufacturers and to encourage the development of a local robotics manufacturing capability.
  - **Skills and training:** drive the development of skills and capabilities that facilitate innovation, the adoption of new technologies, collaboration and adaptability to support the ongoing development of Queensland's advanced manufacturing sector.
  - **Manufacturing hubs:** The 2017 Queensland Made election commitment allocated \$30 million to establish manufacturing hubs in Cairns, Townsville and Rockhampton. The hubs will support regional manufacturers to become more productive, build local supply chain capability, support skills development and act as a focal point for driving regional manufacturing.



## Aerospace

Queensland has the highest aerospace and aviation product quality levels within the Asia-Pacific region and extensive capabilities in systems integration and support services.

Queensland's aerospace industries include aircraft manufacturing and repair businesses which generated around \$1.2 billion in revenue during 2015–16 and contributed \$565 million to Queensland's economic growth in the same period. The state's aircraft manufacturing and maintenance sector alone provides over 4200 jobs across more than 300 enterprises.

The department's commitment to working with the industry to grow this sector has supported businesses to build capabilities to compete and win significant contracts, strengthen industries, access the national and global defence markets and provide new employment opportunities.

### Achievement highlights

- Released the *Queensland Aerospace 10-Year Roadmap and Action Plan* on 17 June 2018.
- Secured the new \$101 million Defence Cooperative Research Centre for Trusted Autonomous Systems headquarters for Queensland.
- Supported current and future training needs by working with other agencies and private stakeholders to establish programs that provide pathways for careers in aerospace such as the Brisbane-based Aviation State High School and Aerospace Gateway to Industry Schools Program.
- Supported 10 Queensland companies at a key international Maintenance Repair and Overhaul Conference and Exhibition (MRO Asia-Pacific) from 31 October to 2 November 2017 in Singapore. This resulted in the generation of a reported 96 quality business leads and potential contracts worth more than \$1.75 million.
- Supported the 2017 UAV High School Airborne Delivery Challenge.

### Future priorities

- Establishing Queensland as an international hub for Unmanned Aerial Systems (UAS) and pursuing opportunities for innovative application of UAS technologies through collaboration with industry and research institutions.
- Identifying preferred sites for test, trial and evaluation of UAS.
- Capitalising on major international defence and civil aerospace projects such as the F-35 Joint Strike Fighter program.
- Working with industry to assist Queensland companies to target emerging capability areas such as niche manufacturing, training, MRO, UAS, hypersonic flight and space technologies.
- Promoting Queensland as one of Australia's leading aerospace and air defence destinations with industry partners at the Asia-Pacific region's most prestigious aviation, aerospace and air defence event—the biennial Avalon Airshow.

## Biofutures

Through the *Advance Queensland Biofutures 10-Year Roadmap and Action Plan* the government has invested \$19.73 million to position the state as an Asia-Pacific hub for the industrial biotechnology and bioproducts sector.

Three funding programs have delivered direct financial and supplementary support for 15 new biofutures projects across Queensland, including 10 potential new or expanded biorefineries. Collectively, these 15 projects represent approximately \$1.4 billion of investment and approximately 2504 new jobs throughout rural and regional Queensland should they all proceed.

Queensland's presence at major industrial biotechnology and bioproducts events has been highly effective in attracting interest from international companies and investors. These activities elevated the profile of Queensland as a biofutures investment destination and showcased Queensland's biofutures capabilities to an international audience.



### Achievement highlights

- Delivered three key funding programs—the Biofutures Acceleration Program, the Biofutures Commercialisation Program and the Biofutures Industry Development Fund to be delivered over three years— following their launch by the Premier in June 2016 in the Biofutures Roadmap.
- Led a delegation to the BIO World Congress on Industrial Biotechnology to Montreal, Canada in July 2017 to promote Queensland’s benefits as a biofutures investment destination to an industry-leading audience.
- Attracted international delegates to Queensland for the Australasian Bioenergy and Bioproducts Symposium (TABBS) in October 2017 to explore the opportunities tropical environments offer the bioeconomy.
- Put Queensland’s bioeconomy in the spotlight at the Global Bioeconomy Summit in Berlin during April 2018.

### Future priorities

Following on from the Biofutures Acceleration Program, a new funding offer will be released to the market in 2018–19 focused on proponents proposing to develop ‘waste to energy’ biorefinery projects in Queensland. Examples include:

- Queensland Biofuel Mandate to provide certainty for suppliers and the market.
- Targeted support for high priority projects that will achieve the objectives of the 10 Year Roadmap and Action Plan.
- Progressing advanced biofuels (US Navy and aviation) opportunities to provide a significant market for the outtakes and support a large regional refuelling facility.
- Policy support for waste to energy opportunities to reduce waste to landfill and develop Queensland’s circular economy.
- Presence at national and international bioeconomy and biotechnology forums which promote the industry in Queensland and provide networking and showcase opportunities.

### Biomedical

Queensland’s growing biomedical industry has an estimated gross value-added (GVA) of \$1.44 billion and employs approximately 9440 people across

## Case study

# Supporting businesses to access funding

**A key function of the department’s regional offices is to provide advice and support to local businesses to apply for key grant and funding programs, such as the Made in Queensland grant program.**

During 2017–18, the South East Queensland South office provided support to two businesses—Evolve Group and King Springworks—to apply for Made in Queensland grants for the purchase of innovative equipment. Support provided to these businesses included:

- meeting with the management teams to discuss the Made in Queensland grant program and their company’s project eligibility
- assisting the delivery of benchmarking (for King Springworks)
- facilitating discussions to assist the company in the development and refinement of their grant application prior to submission to maximise their chances of funding endorsement
- providing ongoing support and assistance.

As a result of the support provided by their local regional offices, both businesses were successful in each receiving a Made in Queensland grant which will help them expand and further develop their business.

the state. This is forecast to grow by up to \$2 billion GVA and 3000 new jobs in the next 10 years.

The \$4 million *Queensland Biomedical 10-Year Roadmap and Action Plan* sets out the state government's vision for the industry: that by 2027 Queensland will be a globally competitive Asia-Pacific biomedical hub. Key focus areas under the Roadmap include:

- supporting Queensland start-ups to prosper and successfully scale up
- supporting existing businesses to grow and attract new business to Queensland
- promoting capabilities to attract investment and facilitate alliances.

### Achievement highlights

- Launched the \$2 million Biomedical Assistance Fund which is providing 13 successful applicants with matched funding to progress their innovative technologies to a stage where they can attract follow-on funding from private and public sources. Supported projects include:
  - Arthritis Relief Plus, a Gold Coast-based enterprise developing 4Jointz®, a novel, patented and evidence-based over-the-counter cream for the growing osteoarthritis market worldwide offering millions of people an effective and safe solution from joint pain and stiffness
  - BiVACOR, developing an artificial heart controller which will form part of the world's first rotary total artificial heart
  - Cancure Limited, a cancer drug development company commercialising innovative new treatments for cancer arising from research at Griffith University.
- Delivered the Biomedical Launchpad program to a cohort of eight biomedical start-ups and emerging enterprises with hands-on practical assistance to help them test the market ahead of commercialising their biomedical products or services. Supported enterprises included:
  - Brisbane-based Blue Ocean Robotics which has an autonomous UV disinfection robot that improves hospital cleaning regimes
  - Cogniom, a Brisbane-based start-up currently developing a smart watch app called MedWatch to make it simpler and

more efficient for nurses to securely administer medications at the patient bedside

- StickyCell which is developing novel companion blood tests to assist medical staff to optimise therapies for patients with autoimmune diseases.
- Launched the Queensland Biomedical Voucher Program, enabling Queensland biomedical service suppliers to attract new customers to Queensland by providing up to 50 per cent of the fees they would charge a national or international client to develop its biomedical product.
- Support for Luina Bio, one of only two Australian contract leading biopharmaceutical manufacturers, with a \$405,000 Made in Queensland grant to continue global growth and create 15 new advanced manufacturing jobs through acquiring further cutting-edge equipment.

### Future priorities

- Continue to grow and strengthen Queensland's biomedical sector through implementing the *Queensland Biomedical 10-Year Roadmap and Action Plan*, with a focus on:
  - increasing connectivity of the sector with the development of a Queensland Biomedical Business Directory
  - identifying gaps and opportunities by undertaking a supply chain analysis
  - facilitating strong cohesion between key organisations to grow the Queensland biomedical industry to realise its potential and become major contributors to jobs and the economy.

### Defence industries

The *Queensland Defence Industries 10-Year Roadmap and Action Plan* and the *Queensland Aerospace 10-Year Roadmap and Action Plan* were both released. These roadmaps identify a number of successes to date and outline strategies to further grow these industries. One of these successes was the work across Queensland Government, industry and academic partners to secure Queensland as the headquarters for the new \$101 million Defence Cooperative Research Centre for Trusted Autonomous Systems.

## Case study

# Brewing a new industry



Like many of its peers in Queensland's independent brewing industry, Brisbane-based Ballistic Beer Co. in Salisbury has seen a meteoric rise from humble beginnings. From an idea first conceived by two friends in 2014, Ballistic opened in 2016 as a pilot operation based in a World War II-era shed. Today, it's a multiple-award-winning brewery employing more than 15 people and brewing 35,000 litres of beer a month. Most recently, Ballistic has expanded to a second wholly owned venue to enhance the reach and distribution of their product in a market where access to beer taps is key.

Founder and managing director David Kitchen attributes Ballistic's rapid success to both the quality of its product and the focus the brewer has put on developing a sense of community around their Salisbury operation, highlighting the potential for breweries to be positive players in their local areas.

Capitalising on an industry estimated to be worth \$62 million a year and a growing contributor to the state economy, the Queensland Craft Beer Strategy is the government's response to independent brewers' calls for support. In Kitchen's view, the strategy has potential to build commonality in planning between the industry and state and local councils, create opportunities for current and would-be brewers to train in the art and to tackle some small but highly beneficial changes that will unlock growth for the industry.

Most of all, Kitchen is optimistic about the future of Queensland's independent brewing industry. While smaller and less mature than the industries in other states, he points to Queensland breweries sweeping recent national awards and the rapid pace of growth as signs of the potential that exists.

Images: Ballistic Beer courtesy of Ballistic Beer Co



## Case study

Three senior strategic defence advisors were appointed including the Queensland Chief Defence Advisor, Lieutenant General Peter Leahy, AC (retired), along with Rear Admiral Simon Cullen AM (retired) and Air Vice Marshal Neil Hart, AM (retired).

The department supported over 40 Queensland companies at key national and international trade events, including the Pacific 17 International Maritime Exposition in Sydney, MRO Asia in Singapore, the New Zealand Defence Industry Association Forum in Wellington, resulting in the generation of a reported 380 quality business leads and potential contracts worth over \$9.3 million.

### LAND 400

On 14 March 2018, the Australian Government announced Rheinmetall Defence Australia (RDA) as the preferred tenderer for the \$5.2 billion LAND 400 Phase 2 contract to supply the next generation of combat reconnaissance vehicles to the Australian Army.

The department led an active campaign on behalf of the state government to secure a long-term partnership with Rheinmetall and attract the LAND 400 project to Queensland. In order to deliver the 211 combat reconnaissance vehicles under the LAND 400 Phase 2 contract, Rheinmetall is establishing its Australia-New Zealand headquarters and Military Vehicle Centre of Excellence (MILVEHCOE) in Ipswich. This will position Rheinmetall in the heart of the largest heavy vehicle manufacturing hub in Australia.

Attracting Rheinmetall to Queensland is an economic game-changer for the state's defence and advanced manufacturing industries. Rheinmetall expects the MILVEHCOE will generate more than 450 new jobs and contribute over \$1 billion to the economy in the first 10 years and create increased global export opportunities for local industry.

Rheinmetall is the largest supplier of military vehicles to the Australian Army, and the department will continue to work collaboratively to maximise the benefits to industry and the state's economy from having Rheinmetall headquartered in Queensland. The department will also use its expertise in the delivery of large scale infrastructure projects to oversee the construction of Rheinmetall's MILVEHCOE to ensure it is delivered on-time and on-budget. Watpac has been appointed as Managing Contractor to deliver

# Qantas Dreamliner base



**Qantas will establish a base for its four new Boeing 787 Dreamliners in Brisbane following a successful department-led coordinated proposal to the airline from the Queensland Government, Brisbane Airport Corporation, Brisbane Marketing and Tourism Australia, in competition with other locations.**

The Dreamliner is an ultra-long-distance aircraft capable of flying to destinations previously unserviceable as non-stop routes and has the ability to open up new gateways from Queensland to the heart of North America. Qantas expects the new base to create up to 120 new direct jobs and support up to 350 indirect jobs in the first five years of operations and secure tourism, employment and other economic benefits for years to come.

The new Dreamliner base is an example of government and commercial entities working together to secure jobs and economic opportunity for the state.

Image: Qantas Boeing 787 Dreamliner, courtesy of Qantas

the MILVEHCOE, and construction is expected to support an average of 300 jobs over two years.

### Future priorities

- Attract and facilitate key projects and supply chain opportunities from the Australian Government's \$195 billion investment pipeline for Australia Defence Force modernisation, including the \$15 billion Phase 3 of LAND 400, SEA 1180 (Offshore Patrol Vessels) and AIR 6000 (Joint Strike Fighter).
- Identify the preferred site/s for test, trial and evaluation of remotely piloted aerial systems.
- Promote Queensland defence and aerospace industry capability at the 2018 LandForces Exposition in South Australia and the 2019 Avalon International Airshow in Victoria.
- Deliver defence supply chain logistics hubs in Townsville and Ipswich.
- Commence construction of MILVEHCOE in late-2018.
- Phased practical completion of the MILVEHCOE from mid-2020.

## Mining Equipment, Technology and Services (METS)

Queensland's METS sector offers natural competitive advantages and strong growth potential as commodity demand is projected to double during the next 30 years. The state's METS sector employs around 20,000 people, generating \$7 billion in revenue and \$2.5 billion in value-add to the Queensland economy. By 2036, it is estimated that METS may contribute up to \$4.38 billion in value-add to Queensland's economy and support up to 28,400 jobs.

Queensland METS companies are world leaders in mine safety, mine rehabilitation and remediation processes and technologies, contract mine servicing, and are major exporters. More than 800 Queensland METS companies are currently operating across the energy and resources industry value chains.

The Queensland Government has invested \$7 million to drive the METS sector initiatives with a number of activities being delivered in partnership with METS Ignited, the Australian Government's Industry Growth Centre for METS.

## Case study



# Boeing autonomous systems project

**The department led the negotiation of a new project with Boeing Defence Australia under which it will undertake a three-year project in Queensland to develop new autonomous systems capability for the independent operation of unmanned vehicles, Boeing's largest autonomous systems development program outside of the United States.**

Boeing expects the project to create 131 highly technical jobs, including software and systems engineers. The project will also directly benefit Queensland SMEs that service the aerospace, advanced manufacturing, defence, and resources technology and services sectors.

The project aligns with the *Aerospace 10-Year Roadmap and Action Plan* vision and with the Advance Queensland agenda of innovation-led economic growth and the support provided by the Advance Queensland Industry Attraction Fund and Platform Technology Program was integral to securing the project to be undertaken in Queensland.

Image: TAE Aerospace engine test cell

## Achievement highlights

- Released the *Queensland METS 10-Year Roadmap and Action Plan* in July 2017.
- Successfully delivered a pilot export and investment readiness program to build the export capacity and capability of Queensland's SME METS companies.
- Completed a stocktake in October 2017 of available energy and resource testing facilities.
- Eight METS companies successfully completed the 12-week Late Stage METS Accelerator Pilot designed to accelerate commercialisation of new technologies.
- Launched the Pilot Bowen Basin Cluster Program in October 2017 to identify and facilitate the growth of METS clusters.
- Reached agreement in December 2017 between METS Ignited and the Coalition for Energy Efficient Comminution (CEEC) for CEEC to conduct research that supports the development of new energy-efficient solutions to the crushing and grinding challenges faced by hard rock-mining operations.

## Future priorities

- Facilitate collaboration and capability development across areas such as automation, social licence and environmental management through the Queensland Cluster Program.
- Establish the Centre for METS Business Innovation at QUT. The centre will deliver research and business tools that will improve growth in the sector including an innovation diagnostic tool and a business model benchmarking tool.
- Following the successful delivery of the Igniting METS Accelerator program in 2017 in partnership with METS Ignited, later-stage SMEs (scale-ups rather than start-ups) will again have the opportunity to seek to accelerate commercialisation of new technologies over a 12-week program.
- Extension of the Bowen Basin Cluster Program and the engagement of a cluster facilitator to work with the cluster and to identify opportunities in the region.
- Deliver an expanded export and investment readiness program throughout Queensland.

## Support traditional and transitioning industries

### Meatworks Industry Strategy

The department is consulting with major beef processors on challenges facing the sector to inform the development of a meatworks industry strategy which aims to protect jobs in the meatworks industry and upskill the workforce.

### The Queensland Superyacht Strategy 2018–2023

The *Queensland Superyacht Strategy 2018–2023* was released in May 2017. The strategy aims for Queensland to be recognised as the key superyacht hub in the Asia-Pacific region within five years.

## Identify the next wave of priority/emerging industries

### Engineering Construction and Resources Innovation Hub

In its second year of operation, the Engineering Construction and Resources Innovation Hub (ECRI Hub) accepted six technologically-advanced ideas into its Business Mentoring for Innovation (BM4i) program. It also provided 30 innovative companies with commercialisation assistance through industry networks, successfully introducing participants to investors, new customers, trial partners and collaboration opportunities.

### Future priorities

- Support innovation in the engineering, construction and resource sector through stage two of the Business Mentoring for Innovation Program to grow a vibrant, innovative community and drive international competitiveness and high-value, knowledge-based jobs.
- Provide specialist support for significant projects to facilitate enterprise development, local growth and job opportunities across the state.

## Targeted industry support and incentives

Queensland offers plentiful land, a wealth of resources, excellent and expanding infrastructure, a highly skilled workforce and attractive incentives for new and established businesses to make the state their home. The Queensland Government wants innovative and dynamic businesses to establish and expand in Queensland and is acting to make that a reality.

The department is actively engaging with companies, with the aim of encouraging the relocation and establishment of new projects, or reinvestment and expansion of existing operations in Queensland. In 2017–18 the department had six active programs that provided a suite of services to drive industry development. The details and criteria of each program is available on the department's website with program outcomes for 2017–18 summarised below:

- **Advance Queensland Industry Attraction Fund** is a \$105 million financial incentive program which seeks to bring innovative projects to Queensland and help them grow to drive job creation, regional growth, increased innovation and technology and supply chain development. Variable incentives totalling \$5.019 million were expended from this program in 2017–18 across six projects. These projects will generate more than 530 jobs over five years and over \$180 million in capital expenditure.

Successful projects announced in 2017–18 included:

- the Qantas Boeing Dreamliner 787-900 base
- Boeing's unmanned aerial vehicle platform technology project which will further consolidate Queensland as a global leader in the aerospace industry
- Scottish craft brewers, Brew Dog, who will establish its first Australian brewery in Brisbane.

- **Biomedical Assistance Fund (BAF)** is a \$2 million initiative that provides successful recipients with matching funding to allow progression of new biomedical products that will greatly enhance the possibility of attracting follow-on funding. Under the BAF, multiple innovative Queensland biomedical projects were awarded grants during 2017–18. Of the 13 grants approved, eight projects received a total of \$266,000 in 2017–18 to support products through the development phase to better place them to access public and private capital. Supported projects include:
  - Arthritis Relief Plus, a Gold Coast-based enterprise developing 4Jointz®, a novel, patented and evidence-based over-the-counter cream for the growing osteoarthritis market worldwide offering millions of people an effective and safe solution from joint pain and stiffness
  - BiVACOR, developing an artificial heart controller which will form part of the world's first rotary total artificial heart
  - Cancure Limited, a cancer drug development company commercialising innovative new treatments for cancer arising from research at Griffith University.

The funding will help biomedical enterprises progress these projects further through the product development phase.

- **Biofutures Acceleration Program (BAP)** aims to attract and support development of new or expanded commercial-scale biorefinery projects in Queensland. The state's foundations of a highly skilled workforce, abundant raw materials, integrated transport systems and proximity to the growing Asian markets makes it an ideal location to develop a biorefinery. Biofutures projects which have been supported by the \$4 million BAP within regional Queensland during 2017–18 included:
  - feasibility studies for MSF Sugar's potential \$60 million sugar-based biorefinery complex in Atherton
  - Utilitas's proposed waste to electricity and biocrude oil in Bundaberg
  - Mercurius's patented biofuel biorefinery in Gladstone

- Leaf Resources advancing plans to develop a bio-manufacturing hub in a sugar-cane producing region of Queensland.

Total expenditure in 2017–18 from BAP was \$354,000 on projects that will generate 80 jobs and capital expenditure of \$29 million.

- **Biofutures Industry Development Fund (BIDF)** is a repayable fund to help companies with new projects reach a point at which they can better access venture capital. This supports companies pursuing innovative industrial biotech and bioproducts projects and enhances Queensland’s reputation as a supportive investment location for the biofutures industry. Projects announced in 2017–18 include the Pentland Bioenergy project which was supported to progress a fully integrated biofuel production facility in Pentland, near Charters Towers.

From this program, repayable loan advances totalling \$1.619 million were made in 2017–18. The projects receiving loans aim to generate 950 construction jobs, 453 operational jobs and \$1.240 billion in capital expenditure over their lifetime.

- **Made in Queensland (MIQ)** is a \$40 million Queensland Government initiative supporting our manufacturing sector to become more internationally competitive and adopt innovative processes and technologies. The program is aimed at increasing jobs in Queensland manufacturing businesses and growing the state’s economy. MIQ aims to increase Queensland’s international competitiveness, productivity and innovation of SME manufacturers. During 2017–18, MIQ Round 1 approved funding to 53 projects including:

- Pixie Ice Cream to install automated wrapping and boxing equipment in its Toowoomba facility
- Packer Leather in Narangba to install an advanced manufacturing system and an automated batching system
- Flemings Welding Services in Roma to install state-of-the-art surface finishing equipment, which until then couldn’t be completed locally.

Of these, 36 projects received a total of \$4.621 million. This will generate 275 jobs and capital expenditure of \$21.8 million. Round 2 opened on 26 April 2018 and closed on 24 May 2018. A total of 115 expressions of interest have been received and were under assessment at year end.

- **Jobs and Regional Growth Fund (JRGF)** is a \$150 million fund that is part of the government’s broader Jobs and Regional Growth Package, targeted at growing regional economies and jobs for Queenslanders. The fund helps facilitate private sector projects which create employment and economic growth opportunities in regional areas outside south-east Queensland facing significant economic and employment challenges. In 2017–18, total expenditure from JRGF was \$705,000 for projects that will deliver 71 new jobs. A further \$13.21 million was committed to five contracted projects including:

- Swickers to undertake a major abattoir expansion at Kingaroy and a piggery expansion project north-west of Dalby
- Hawker Pacific to expand its Cairns airport hangar space
- JBS Australia to employ and train up to 400 displaced abattoir workers in the Ipswich region.