



REPORT

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# Darling Downs and South West Economic and Social Development Strategy

Prepared for Regional Development Australia Darling Downs and  
South West Inc.

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# 1. Introduction

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In December 2011, Regional Development Australia (RDA) Darling Downs (DD) and South West (SW) engaged Marsden Jacob Associates (MJA) to prepare a social and economic development strategy for the region.

The brief involves MJA working with Regional Development Australia DD and SW and communities to develop a roadmap of key actions to support economic and social development of the region.

The Strategy is motivated by potential impacts of the Murray Darling Basin (MDB) Plan on the region. However, recognising that the Proposed Basin Plan is only one factor impacting the region, it was considered that the strategy should target regional issues wider than the Basin Plan response.

The RFQ called for the strategy to include consideration of:

- existing infrastructure corridors and food producing regions that align with the National food plan, and how these areas need to be recognised if future predicted growth is to be achieved;
- the importance of infrastructure linkages to the Port of Brisbane and other end markets;
- how to best manage resource sector corridors in conjunction with food corridors;
- how to capture and distribute the benefits of the mining boom across the DD and SW region; and
- an approach to identifying opportunities that are currently untapped.

The project approach involves three major steps:

## Step 1: Current profile establishing the baseline

The starting point of the project has been to profile the region and establish the baseline social and economic state of the region.

## Step 2: Determining the impact of the MDB Plan on the region

This stage has involved assessing and harvesting from the existing research potential Basin Plan impacts for the region. The evaluation of the vulnerability of the region and associated impacts of the Proposed Basin Plan addresses the following:

- the region's dependency on water;
- how the region may be impacted by reduced water availability (sustainable diversion limits or SDLs) under the Proposed Basin Plan; and
- the resilience of the region to reduced water availability.

## Stage 3: Development of a Future Directions Statement and headline activities

At the consultation meeting on 8 February 2012, MJA and workshop participants identified and agreed that a RDA DD SW Future Directions Statement would be the key output of the project. The Future Directions Statement should:

- establish a framework and identify key areas of economic and social development for RDA DD and SW, community and industry to work together on to achieve a sustainable and prosperous future for the region. The Future Directions Statement will provide a way:
  - to focus and coordinate the efforts of RDA DD SW, National and State Government agencies, industry and communities in DD SW;
  - to share information amongst key stakeholders on how the region is changing; and
  - for the RDA to articulate how it will work together with stakeholders on key planning and policy initiatives affecting the DD and SW regions.
- include a series of headline initiatives that address the challenges and opportunities facing the DD and SW region.

At the meeting it was agreed that the Future Direction Statement would be developed through a collaborative process using a working group comprising the workshop participants (the FDS Working Group).

## 1.1 This report

This report delivers Step 1 and Step 2 of the project. The report:

- profiles the DD SW region and establishes the baseline social and economic state; and
- assesses the potential impact of the MDB Plan on the region.

The report also summarises key planning initiatives for the region by drawing on State, Regional and Community development planning documents.

## 2. The DD SW region

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This chapter profiles the DD SW region and establishes the baseline social and economic state. The chapter is supported by detailed social and economic data on each of the LGAs, drawn from the 2011 National Institute of Economic and Industry Research (NIEIR) *State of the Regions* report. The detailed LGA data is provided in the Annex to this draft report.

### 2.1 About the region

#### 2.1.1 Location, urban centres and locales

The Darling Downs and South West (DD-SW) region extends from the top of the Toowoomba Range, which is 120 km west of Brisbane, to the South Australian and New South Wales borders. The region comprises 23% of the total area of the Queensland, and 5.9% of Queensland's total population.

The region encapsulates ten local government areas (LGAs). These regions are markedly different from each other in terms of their size, growth, economic activities and social profiles.

Table 1 shows the region's population, broken down into LGAs, urban centres, localities and rural balances. It shows that LGAs in the Eastern region have significantly larger populations than the Western LGAs. Figure 1 shows that, in general, the DD SW LGAs with larger populations have also had the fastest rates of population growth over the past five years.

As noted in the RDA's *2011 Regional Roadmap*, the Darling Downs basin is home to some of Australia's best farming country and is heavily devoted to intensive agriculture. The southern area of the region includes the northern part of the Granite Belt, which is well known for its orchards and vegetable produce. The western area is more dry and pastoral and has been experiencing increasing resource development, especially through the Surat Basin area. Coal seam gas, coal, natural gas and oil are all being produced in increasing quantities. The far west of DD-SW is also host to an outback tourism industry.<sup>1</sup>

As a snapshot of the LGAs:

- Toowoomba is the largest city in Toowoomba LGA, with a population of 106,743 persons (2010p).<sup>2</sup> Toowoomba LGA has a large and diversified economy. In the 2006 Census, the most common industries of employment for persons aged 15 years and over in Toowoomba were School Education, Hospitals, Cafes, Restaurants and Takeaway Food Services, Tertiary Education and Meat and Meat Product Manufacturing. Toowoomba is strategically located, both because of its proximity to both Brisbane and coal seam gas and mining activities the Surat Basin.
- St George, situated in Balonne LGA, had a population of 2,527 persons in 2010. The town is agriculturally based (particularly irrigated cotton). St George has experienced structural adjustment due to a decade of drought and will also be affected by the Murray Darling Basin

<sup>1</sup> Growth Management Queensland (2011) *Queensland Infrastructure Plan: Building Tomorrow's Queensland*.

<sup>2</sup> The population estimates in this section are from Queensland Treasury's Office of Economic and Statistical Resource. 2010 estimates are preliminary.

Plan. St George has experienced several flood events since the breaking of the drought, which caused significant property damage but also heralded the potential for great harvests.<sup>3</sup>

- Cunnamulla is a small town on the Warrego River that has a population of 1,217 (2010p). Cunnamulla is the administrative centre for Paroo LGA. It has a very high proportion of Indigenous persons (39.9% of total person in the region), compared to 3.3% for Queensland. The largest employing industry in the town is Local Government Administration. Cunnamulla is situated near the junction of the Balonne and Mitchell Highways, and has solid post-war civic infrastructure.<sup>4</sup>
- Charleville had a population of 3,541 in 2010 and is the largest town in south west Queensland and Murweh LGA.<sup>5</sup> Significant employing industries include Meat and Meat Product Manufacturing, School Education, and Hospitals.<sup>6</sup> Charleville has relatively good transport links, with an airport serviced by both Qantas and Skytrans and the Westlander rail service completing twice-weekly return journeys between Brisbane and Charleville.
- Roma had a population of 6,524 in 2010 and is the largest town in the Maranoa region. Roma is the main centre for gas industry services in the Surat Basin region, which are expected to grow with the expansion of the coal seam gas industry.<sup>7</sup> Qantas flies to Roma airport which will soon receive a significant upgrade. The Southern Queensland Institute of TAFE campus in Roma was also recently upgraded. Roma boasts a significant east-west rail link and is strategically located on the intersection of the Warrego and Carnarvon Highways.
- Stanthorpe had a population of 4,707 in 2010 and is the second largest town in the Southern Downs LGA. Stanthorpe is in the Granite Belt region and is known for a cooler climate and suitable conditions for horticulture, including orchards and wineries. The climatic conditions in the area mean that production can occur year-round. However, the water supply has been identified as being at risk, if development continues at the current pace in the Southern Downs Region. School Education, Fruit and Tree Nut Growing and Cafes, Restaurant and Takeaway Food Services were the three largest employing industries in Stanthorpe at the time of the 2006 Census. The region is highly agriculturally productive and also has a successful tourism industry.
- Warwick is the largest town in Southern Downs LGA with a population of 14,117 (2010p). Warwick is situated on the Condamine River. Retail trade, Manufacturing and Health care are the largest employing industries. Warwick's economy is relatively more diversified than other areas in the region, with agriculture and manufacturing both contributing to the region's economy. The Cunningham and New England Highways both pass through the town.
- Dalby is the largest town in the Western Downs LGA with a population of 11,097 (2010p), and (along with Chinchilla) is becoming a secondary gas industry centre.<sup>8</sup> According to the 2006 Census, Dalby had a higher proportion of Indigenous persons (6.1%) than the Queensland average (3.3%). The most common industries of employment for persons aged 15 years and over usually resident in Dalby are School Education, Specialised Machinery and Equipment Manufacturing, Cafes, Restaurants and Takeaway Food Services, Local Government

<sup>3</sup> Balonne Shire Council (2012) *Balonne 2025 Community Plan*.

<sup>4</sup> <http://queenslandplaces.com.au/cunnamulla>

<sup>5</sup> <http://www.railaustralia.com.au/westlander.php>

<sup>6</sup> State of the Regions 2011-12, Murweh profile.

<sup>7</sup> Queensland Infrastructure Plan (2011).

<sup>8</sup> Ibid.

Administration and Supermarket and Grocery Stores.<sup>9</sup> In the mid-2000s, the Kogan Creek coal mine and power station, a grain ethanol plant and a new drive-in shopping centre were opened in Dalby.<sup>10</sup>

- Goondiwindi is the largest town in its LGA (which has the same name) with a population of 6,593 in 2010. Goondiwindi is situated on the Newell Highway on the northern side of the Macintyre River which forms the border between Queensland and New South Wales. Goondiwindi LGA is primarily an agricultural and pastoral area which produces cotton, grain, wool, poultry and pork. In the 2006 Census, the most common industries of employment for persons aged 15 years and over usually resident in Goondiwindi were School Education, Sheep, Beef Cattle and Grain Farming, Supermarket and Grocery Stores, Road Freight Transport and Local Government Administration. Goondiwindi town provides a variety of services to the rest of the LGA, including health, entertainment and education.

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<sup>9</sup> According to the 2006 Census.

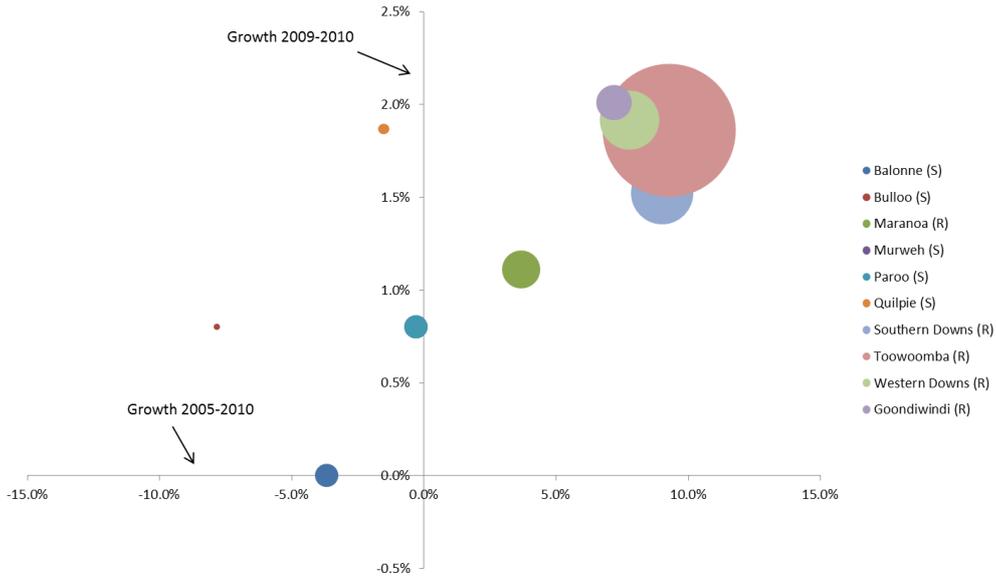
<sup>10</sup> <http://queenslandplaces.com.au/dalby>

**Table 1: Population of Darling Downs-South West**

Darling Downs South West 268,026 persons, 5.9% of Queensland's population									
10 Local Government Areas – name and population (number, 2010)									
Balonne	Bulloo	Goondiwindi	Maranoa	Murweh	Paroo	Quilpie	Southern Downs	Toowoomba	Western Downs
4,847	377	11,413	13,369	4,910	1,951	1,035	35,996	162,057	32,071
Main towns and localities and rural balance – names and populations (number, 2010p)									
St George	Thargomindah	Goondiwindi	Roma	Charleville	Cunnamulla	Quilpie	Warwick	Toowoomba	Dalby
2,527	204	6,593	6,524	3,541	1,217	601	14,117	106,743	11,097
Dirranbandi		Inglewood	Mitchell	Augathella			Stanthorpe	Highfields	Chinchilla
414		857	1,027	402			4,707	8,494	4,445
		Texas	Surat				Allora	Oakey	Miles
		734	462				1,038	3,964	1,259
			Injune				Killarney	Pittsworth	Jandowae
			374				857	2,839	837
			Wallumbilla				Other localities	Other urban centres and localities	Other localities
			298				604	14,775	1,528
Rural balance	Rural balance	Rural balance	Rural balance	Rural balance	Rural balance	Rural balance	Rural balance	Rural balance	Rural balance
1,906	173	3,229	4,684	967	734	434	14,673	25,242	12,905

Source: OESR Queensland Population estimates.

Figure 1: Population size and short and medium term change in LGAs



Source: OESR regional profiles, generated February 2012.

Urban centres

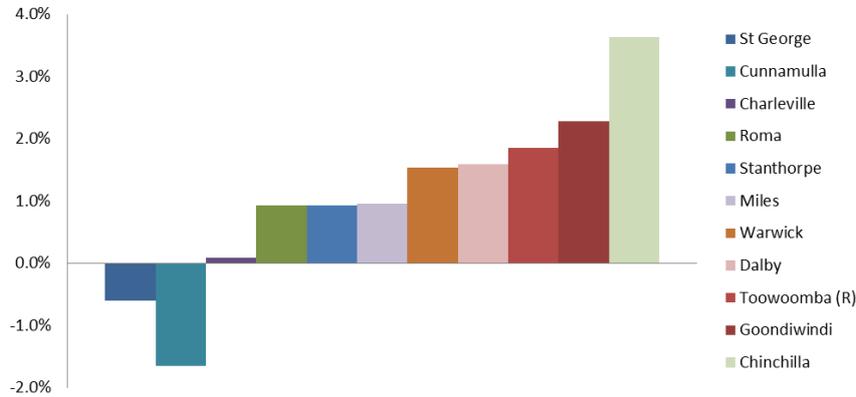
Most urban centres in DD SW with populations over 1,000 have experienced average annual growth in population between 2005 and 2010. The exceptions are St George and Cunnamulla, which have experienced average annual population declines. With the exception of Clifton, all of these have experienced positive average annual population growth over the five year period between 2005 and 2010.

Rural balance areas

‘Rural balance’ areas are areas classified by the Australian Bureau of Statistics as not being an ‘urban’ area. People living in rural balance live outside urban areas.

Trends in population change in rural balance areas in the DD-SW region highlight the diversity of the region. Over the past five years, rural balance areas in Bulloo, Balonne, Paroo and Quilpie have seen an average annual population decline of up to 1.5%. Rural balance areas in Goondiwindi, Maranoa and Murweh have seen small population growth. In contrast, ‘rural’ balance areas in the eastern part of the DD-SW region (Southern Downs, Toowoomba and Western Downs) have experienced much higher annual average population growth of between 1% and 2.5%.

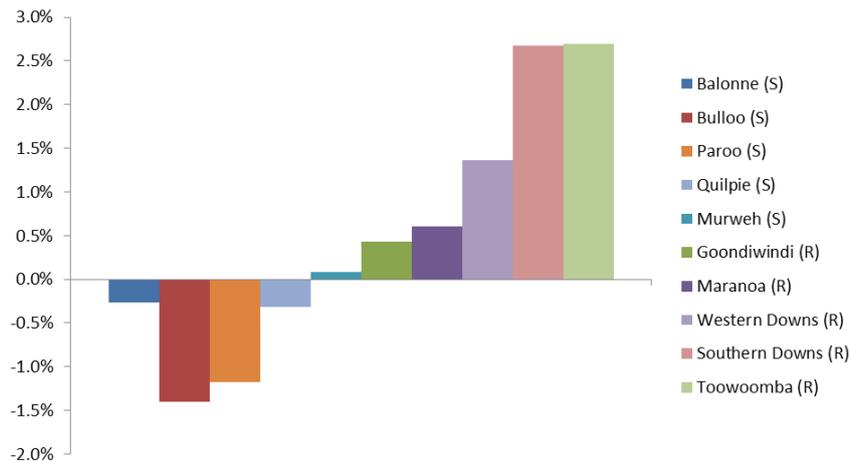
**Table 2: Population growth in urban centres with populations > 1,000 – average annual growth 2005-2010p**



Source: OESR, regional profiles.

Note: Toowoomba LGA as a whole is included as it incorporates a number of large urban centres with populations over 1,000.

**Table 3: Population growth in rural balance areas in Darling Downs-South West LGAs – average annual growth 2005-2010p**



Source: OESR regional profiles

### 2.1.2 Natural resources

Major rivers in the region include the Bullo River, Paroo River, Warrego River, Balonne and Condamine Rivers, Moonie River, and the Macintyre/Dumaresq Rivers. The Warrego, Paroo and Nebine river systems comprise part of the MDB headwaters, while the Condamine River is part of the northern catchment of the MDB. Also of significance is Cooper Creek in the Lake Eyre basin, a sub-basin of the Great Artesian Basin.

Major natural resources include the Surat Basin and the Cooper/Eromanga Basins. The Surat Basin is situated in central southern Queensland and central northern New South Wales. It contains rich coal deposits, gas fields and, more recently, significant reserves of coal seam gas and thermal coal have been discovered. The Cooper/Eromanga Basins are situated on the

Queensland and South Australian borders, and are known for gas, ethane, crude oil and gas liquids.

### 2.1.3 Infrastructure

Major existing highways in the region include the Warrego Highway, Gore Highway, Mitchell Highway, Great Inland Way, New England Highway, Newell Highway, Cunningham Highway and Adventure Way. The region has a range of transport links to New South Wales, the Northern Territory and South Australia, as well as to the Ports of Brisbane and Gladstone.

Warwick (and nearby Allora) and Charlton (an industrial area in Toowoomba) have been identified as strategic locations, providing opportunities for inter-modal links for rail and road distribution centres. As noted in the RDA *Regional Roadmap*, the region has the potential to develop major freight and logistics centres, with specialist skills in warehousing, distribution and material handling.

The Port of Brisbane is vitally important to the DD-SW region; it is the largest port in Queensland and the third largest in Australia. The Port has major road connections north, south and west. The Port of Brisbane has seven container berths (1,800m of quayline), which are leased and operated by two stevedores, as well as 700m of general-cargo wharves that can handle break-bulk cargo, containers, motor vehicles and other ro/ro cargo. Gladstone Port will become increasingly important to the region, particularly in relation to the CSG/LNG export industry.

Brisbane airport is the nearest commercial interstate and international flight airport. Toowoomba recently upgraded its airport for light aircraft, including charter operations. Qantas currently flies to Roma and Charleville. Skytrans flies to a number of regional airports twice per week.<sup>11</sup>

QR National provides freight movement services for the area, including beef, grain, sugar, lead and copper transport. The West Moreton Coal System transports coal between Dalby, Chinchilla, Toowoomba and the Port of Brisbane. The Westlander passenger rail services belonging to Queensland Rail travels between Charleville and Brisbane twice weekly.

The region has a telephone network service in most areas, and more populated centres have broadband or wireless internet access, as well as mobile telephone and internet services. Communities surrounding Toowoomba will be some of the first in less densely populated rural and regional areas set to receive access the National Broadband Network via NBN Co's high-speed fixed wireless service.<sup>12</sup>

### 2.1.4 Economy

*The Darling Downs South West is a diverse region, underpinned by food and fibre production alongside conventional oil and gas extraction. The region has a strong manufacturing base, as well as an outback tourism industry, particularly in the west.*<sup>13</sup>

Detailed estimates of LGA employment by sector are summarised in Table 4. Table 4 indicates several key facts about the structure of employment in the DD SW LGAs:

<sup>11</sup> It has been noted that the Skytrans scheduling is problematic, with passengers needing to stay in the region for only a few hours (to catch the same-day flight back), or to wait for 3-4 days for the next scheduled flight.

<sup>12</sup> <http://www.nbnco.com.au/our-network/maps/gld.html>

<sup>13</sup> Queensland Infrastructure Plan (2011).

- between 1991 and 2011 the working population has fallen in all regions other than Toowoomba and Western Downs. Regions such as Goondiwindi and Quilpie have seen their workforce decline by 30% or more over the past 20 years;
- with the exception of Toowoomba, all of the LGAs are *farming dependent* communities. The United States Department of Agriculture Economics Research Service (USBER) (Keller, 2000) classifies farming dependent communities as communities with either 15% or more of economic production value and / or employed residents worked in farm sector occupations. In the DD-SW region all of the LGAs other than Toowoomba have more than 15% of their labour force employed in the agricultural value chain. In regions like Bulloo, Goondiwindi, Paroo and Quilpie more than 30% of everyone working is employed directly or indirectly in agriculture;
- across all LGAs, the percentage of people working in agriculture has been falling consistently since 1991. This long term structural trend is consistent with the pattern of declining labour force involvement in agriculture now being seen across Australia;<sup>14</sup>
- in all LGAs, direct employment in mining is less than 10% of the total workforce.
- high income earners (defined as people earning more than \$100,000 per annum) are generally more concentrated in higher population growth areas of Toowoomba and Western Downs.

These employment concentrations and trends are important because they highlight the exposure of many of the DD-SW communities to changes in the agriculture sector and the fact that smaller communities are generally more agriculturally dependent.

The reliance on agriculture as a core regional economic driver has real implications for future economic growth. USBER (Keller, 2000) and the Australian Bureau of Transport (Houghton, 1997) have shown that communities that are not dependent on a single sector such as agriculture (so called 'diverse dependency communities') are:

- structurally different from smaller communities in terms of the people who live in the community, the jobs they perform, and the industries that operate. These structural differences have implications for the economic and social performance of these regions, their development, and community needs for various types of public programs. Diverse dependency communities are generally home to people with higher incomes, more educational qualifications, and more discretionary income;
- more likely to be resilient and better adapt to structural pressures and 'shocks' to a particular section of their economy. These diverse dependency communities are better able to adapt to pressures, and respond to opportunities, precisely because they are larger and non-specialised.

In general, weekly incomes in the DD-SW region are lower than for Queensland as a whole. At the time of the 2006 Census, 79.4% of people in the DD-SW region earned \$999 per week or less (including 43.9% earning \$400 or less). The proportion of the DD-SW region on these lower incomes was greater than for Queensland as a whole. The flip side of this is that Queensland has larger proportions of people earning higher incomes than in DD-SW (from \$1,000 to more than \$2,000 per week).<sup>15</sup>

<sup>14</sup> There has been a sustained increase in the use by horticultural farms of transient (backpacker) employment during peak harvesting periods.

<sup>15</sup> Ibid.

Table 4: LGA employment by sector, 1996-2011

	1991	1896	2001	2006	2011	Change 1991-2011
<b>Balonne</b>						
Total	2659	2516	2565	2275	2293	-14%
Agriculture %	40%	43%	44%	38%	38%	-5%
Mining %	0%	0%	0%	1%	1%	
High income %	1%	2%	2%	2%	1%	
<b>Bulloo</b>						
Total	234	221	199	185	196	-16%
Agriculture %	53%	53%	51%	42%	45%	-15%
Mining %	4%	3%	0%	4%	8%	
High income %	6%	0%	3%	0%	0%	
<b>Goondiwindi</b>						
Total	5065	5094	5041	5293	3597	-29%
Agriculture %	34%	37%	38%	30%	30%	-14%
Mining %	0%	0%	0%	1%	2%	
High income %	4%	3%	4%	5%	3%	
<b>Maranoa</b>						
Total	6125	5814	5943	6208	6214	1%
Agriculture %	28%	30%	32%	24%	24%	-16%
Mining %	2%	3%	2%	4%	8%	
High income %	3%	3%	3%	3%	2%	
<b>Murweh</b>						
Total	2756	2427	2379	2390	2567	-7%
Agriculture %	27%	25%	30%	21%	21%	-23%
Mining %	0%	0%	0%	0%	0%	
High income %	4%	4%	3%	3%	2%	
<b>Paroo</b>						
Total	814	759	659	637	705	-13%
Agriculture %	42%	37%	41%	35%	35%	-16%
Mining %	2%	2%	1%	2%	3%	
High income %	1%	1%	1%	1%	0%	
<b>Quilpie</b>						
Total	592	534	436	374	374	-37%
Agriculture %	43%	41%	48%	37%	36%	-17%
Mining %	3%	3%	1%	4%	7%	
High income %	2%	0%	1%	1%	1%	
<b>Southern Downs</b>						
Total	11075	11967	12580	14377	9487	-14%
Agriculture %	23%	22%	23%	17%	17%	-25%
Mining %	0%	0%	0%	1%	1%	
High income %	5%	4%	4%	4%	3%	
<b>Toowoomba</b>						
Total	51364	57328	61843	70773	79689	55%
Agriculture %	10%	11%	11%	8%	8%	-24%
Mining %	0%	0%	0%	1%	1%	
High income %	7%	7%	6%	7%	5%	
<b>Western Downs</b>						
Total	11815	11738	11288	12408	14733	25%
Agriculture %	33%	34%	35%	26%	26%	-19%
Mining %	0%	1%	1%	2%	3%	
High income %	4%	5%	4%	6%	4%	

Structural unemployment rates,<sup>16</sup> as measured by NIEIR, are notably higher across the DD-SW region in general than the Department of Education, Employment and Workplace Relations (DEEWR) estimates of unemployment. This indicates that there are a large number of people in the DD-SW region who are of working age but are permanently out of the workforce.<sup>17</sup> Structural unemployment rates are higher than 10% in Balonne, Bulloo, Paroo, and the Southern and Western Downs, and indicate significant unused labour force capacity in these regions.

**Table 5: Headline and structural unemployment in DD-SW 2006-11**

	2006	2007	2008	2009	2010	2011
<b>Balonne</b>						
Headline U/E Rate	4%	4%	4%	3%	4%	5%
NIEIR Structural U/E Rate	10%	9%	10%	10%	9%	11%
<b>Bulloo</b>						
Headline U/E Rate	0%	0%	1%	1%	1%	1%
NIEIR Structural U/E Rate	17%	18%	18%	10%	14%	16%
<b>Goondiwindi</b>						
Headline U/E Rate	4%	4%	3%	2%	2%	3%
NIEIR Structural U/E Rate	9%	8%	8%	8%	7%	8%
<b>Maranoa</b>						
Headline U/E Rate	2%	3%	2%	2%	2%	2%
NIEIR Structural U/E Rate	8%	8%	8%	7%	7%	7%
<b>Murweh</b>						
Headline U/E Rate	3%	3%	3%	3%	3%	4%
NIEIR Structural U/E Rate	8%	8%	8%	8%	8%	8%
<b>Paroo</b>						
Headline U/E Rate	7%	7%	6%	5%	6%	8%
NIEIR Structural U/E Rate	14%	16%	17%	16%	15%	16%
<b>Quilpie</b>						
Headline U/E Rate	2%	2%	2%	1%	1%	2%
NIEIR Structural U/E Rate	14%	14%	15%	9%	9%	9%
<b>Southern Downs</b>						
Headline U/E Rate	5%	5%	4%	3%	4%	5%
NIEIR Structural U/E Rate	11%	11%	11%	11%	12%	13%
<b>Toowoomba</b>						
Headline U/E Rate	4%	4%	3%	2%	3%	4%
NIEIR Structural U/E Rate	9%	9%	9%	9%	9%	9%
<b>Western Downs</b>						
Headline U/E Rate	4%	4%	3%	3%	3%	4%
NIEIR Structural U/E Rate	11%	10%	10%	10%	10%	10%

At the time of the 2006 Census, 54% of dwellings in the DD-SW region had connection to the internet, compared to 62.8% of Queensland. As already noted, communities surrounding Toowoomba will be some of the first to receive access to the NBN.

<sup>16</sup> Structural unemployment includes people who are of working age but are on government pensions or other allowances and are not seeking work.

<sup>17</sup> NIEIR (2011) State of the Regions 2011-12 and *ibid*.

## 2.2 Key issues for the region

Based on the preceding discussion, in this section we highlight some of the key issues for the DD-SW region.

### 2.2.1 A patchwork economy

Our evaluation suggests that the DD-SW has a ‘patchwork’ economy. We have identified three different economies in the region: large urban communities, mining boom communities, and shrinking communities. Communities in these three economies are facing different challenges and have different social and economic development opportunities available to them.

#### Large urban communities

Large urban communities, such as Toowoomba, have diversified economies. This means that they are not dependent on the success (nor entirely vulnerable to the failure) of a single industry such as agriculture. However, large urban communities have pressures of their own, such as growth management and pressures on social infrastructure, including schools and health services.

#### Mining boom regions

Mining boom regions in DD-SW include the Maranoa and Western Downs LGAs. These LGAs are located within the Surat Basin, which is experiencing increasing coal seam gas, coal, natural gas and oil production. Towns such as Dalby, Chinchilla, and Roma have been experiencing growth in population and fly-in-fly-out (FIFO) or drive-in-drive-out (DIDO) worker numbers, which is bringing both economic and social benefits and costs.

OESR have estimated that the resident population of the Surat Basin area will grow from 209,960 persons in 2011 to 301,910 by 2031. That represents an annual average growth rate of 1.8% (or 4,600 people).<sup>18</sup> The number of non-resident workers on shift (i.e. FIFO and DIDO workers) in the area is projected to grow from 2,540 in 2010 to a peak of 4,930 in 2014 before dropping back to 4,080 by 2017. The peak represents the intensive construction phase associated with CSG and coal projects in the Surat Basin.<sup>19</sup>

#### Shrinking communities

The Socio-Economic Indexes for Areas (SEIFA), a summary measure of the social and economic conditions of geographic areas across Australia, provide a useful basis for understanding the socio-economic position of communities. In 2006, a Socio-Economic Index of Disadvantage was produced, ranking geographical regions to reflect disadvantage in terms of social and economic conditions.

A higher proportion of people in the DD-SW region are considered “most disadvantaged” than for Queensland on average. Conversely, a much lower proportion of the people in DD-SW are considered “least disadvantaged”.

<sup>18</sup> OESR (2010) *Surat Basin Population Report, 2010*.

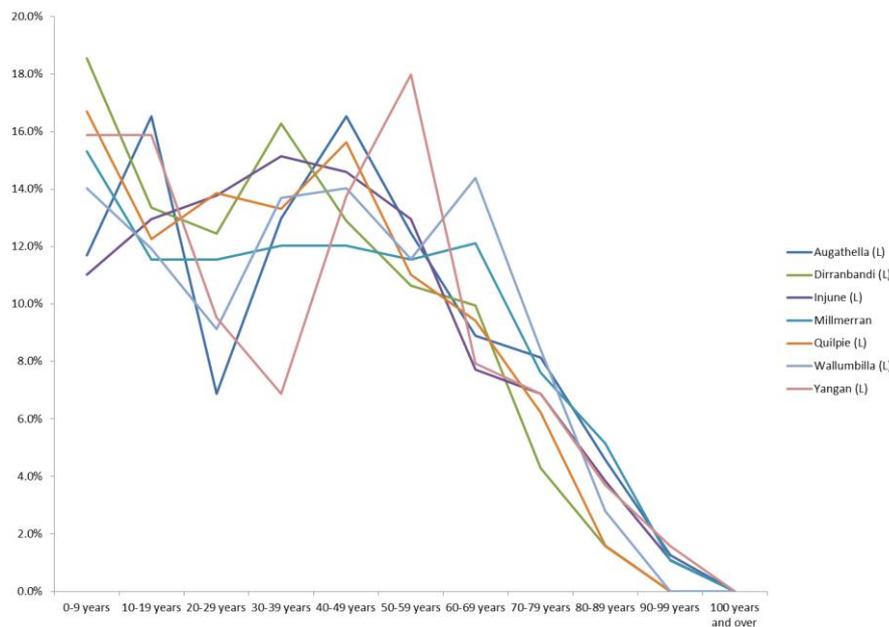
<sup>19</sup> Ibid.

Within the DD-SW region, smaller communities such as Paroo, Quilpie and Bulloo had much higher proportions of people in the two most disadvantaged quintiles. Toowoomba was the only community that had a proportion of people in the least disadvantaged quintile that was comparable to Queensland (18.3%, compared to 20% for Queensland).

Generally, smaller DD-SW communities that are agriculturally dependent are shrinking. Between 2001 and 2010, Dirranbandi has experienced population decline (from 609 persons in 2001 to 414 in 2010), largely due to prolonged drought experienced by the town.<sup>20</sup> Thargomindah, Augathella, Cunnamulla and Quilpie have all also experienced population decline over the same period. By contrast, small communities in resource rich LGAs, such as Wallumbilla in Maranoa LGA, have experienced population growth over the same period (growing from 256 persons in 2001 to 298 in 2010).

Smaller communities in DD-SW also, in many cases, have a hollowing out in the 25-39 age years (family formation years).<sup>21</sup> Table 6 below depicts this hollowing out, which is particularly pronounced in Yangan (Southern Downs), Augathella (Murweh) and Wallumbilla (Maranoa). Injune in Maranoa LGA is the only town shown that is not experiencing some degree of hollowing out in this age group.

**Table 6: Age profiles in small communities in Darling Downs-South West**



Source: ABS Census 2006

Population decline in small communities is difficult to avoid and is likely to continue. The lack of economic diversity results in limited employment opportunities which, in addition to a lack of educational opportunities, often compel people (particularly young people) to leave the region to seek education or employment. The best strategy for growing these communities is to maintain and develop value-added agriculture, building on the community’s existing strengths and comparative advantages.

<sup>20</sup> EBC, RMCG, MJA, EconSearch, Geoff McLeod, Tim Cummins, Guy Roth and David Corning (2011) *Community Impacts of the Guide to the proposed Murray Darling Basin Plan: Volume 6. Regional Analysis – Queensland*.

<sup>21</sup> Vital Places (2011) *Creating Liveable Regions*. See <http://www.youtube.com/watch?v=WRV2Vm3tbTE>.

### 2.2.2 Resolving potential conflicts between agriculture and mining

Resource extraction has the potential to bring great economic benefits to the DD-SW region. However, the competition for resources brings conflicts and challenges in various areas, such as land use, the sharing of transport corridors, competition for skilled workers and competition for suitable housing. As noted by the Queensland Infrastructure Plan:

*With strong resource growth comes pressure on the region's infrastructure networks.*

The RDA's *Regional Roadmap* notes that a key strategy for the region is to achieve a balance between the sustainable management of land and resource development activities. Similarly, the RDA plans to encourage and promote environmental strategies which focus on conservation and appropriate land use management.

Food security is an important issue for the DD-SW region, and is particularly relevant in discussions on resolving potential conflicts between agriculture and mining. As mining and resources development expands in the DD-SW region and beyond, food producers face increasing competition for land, transport, water, workforce and other resources. As noted earlier, the region contains nationally-significant food producing regions, like the Granite Belt, which experiences unique climatic conditions that allow for the year-round production of food.

### 2.2.3 Maximising returns to the region from mining

The State of the Regions (SOR) report is commissioned by the Australian Local Government Association from National Economics and provides an annual stock take of the economic performance of Australia's regions and their economic and employment opportunities.

The 2011-12 SOR report highlights mining boom issues.<sup>22</sup> Key points to note from the 2011-12 SOR include that while mining booms increase economic activity in a region, in many cases much of the benefit is not caught within the region itself. In fact, the SOR notes that mining can have a negative impact on communities. This can occur through the driving up of the exchange rate, which makes industries like agriculture less internationally competitive.

Mining production in current times is highly capital intensive, with the high wages being paid to relatively smaller workforces than during previous mining booms, primarily in compensation for working carefully with the valuable machinery used in modern mining operations.

The report also notes that many more productive members of the workforce, such as younger and more highly skilled persons, are pulled out of other sectors (e.g. agriculture) into the mining industry. The report further notes that mining activity particularly increases FIFO and DIDO workers, creating challenges for communities in the region through stressed infrastructure and services.

If managed, experience shows that mining can be positive for regional communities and can deliver cross-regional benefits. For example, as we showed earlier, the DD-SW region has a high structural unemployment rate in many of its communities. There are opportunities to skill-up those who are included in the structural unemployment measure to work in the mines. This will allow more revenue from mining to be captured within the region. There are also opportunities for local businesses to capture a greater share of the benefits, for example a boom in mining construction can have highly profitable flow-on effects to industries that have the capacity to supply construction materials and equipment.

<sup>22</sup> National Economics (2011) *State of the Regions Report 2011-12: Beyond the Mining Boom*.

Government can play a guiding hand in ensuring that regions receive the benefits of mining booms. Norway's oil and gas boom experience shows how this can happen. Norway's approach to capturing the benefits of its natural resources boom included seeking to create local capacity and education, with procurement policy aiming to build local supply chains, especially chains running backwards from oil and gas exploration, extraction and refinery industries. They did this through policies such as establishing a high level of direct government ownership in oil extraction, signing up large oil companies to local content targets and joint ventures, and also providing for the payment of royalties plus company tax (which on 'excess profits' could rise to 80%). Later Norway established a Sovereign Wealth Fund (SWF), which in the long term is designed to provide resources after Norway's oil runs out. The SWF has also been used to stabilise Norway's exchange rate in the short term.

The Royalties for the Regions policy in Western Australia is an Australian example of government attempts to increase the benefits of mining that are captured by regions (however, it is not clear how successful this approach has been thus far).

#### 2.2.4 The Basin Plan

The Water Act 2007 (Cth) and the MDB Plan seek to address water over-allocation in the Basin by reallocating water to the environment through Sustainable Diversion Limits (SDLs). SDLs will be achieved by Commonwealth buybacks and water efficiency infrastructure investment. The Government has clearly stated that there will not be forced water recovery from irrigators.

The Basin Plan involves water being reallocated from its current productive use in irrigation to environmental end uses. The costs to Basin communities of this reallocation largely arise because reducing water available to irrigated agriculture will reduce irrigated agriculture output. This output reduction will affect irrigated agricultural producers and have flow-on effects in nearby and often irrigation dependent communities.

The Basin's agricultural communities have been affected in the past by a range of social and economic developments and trends. In some Basin communities, the introduction of the Basin Plan may accelerate these trends, for example the trend of younger and more skilled members of the workforce leaving smaller towns and the stranding of community infrastructure as a result. In other communities, the phased implementation of the Basin Plan may have little perceptible impact on community social and economic development trends.

In parts of the Basin, environmental water recovery may also challenge community and investment confidence. Irrigated agriculture is a defining feature of many Basin communities (Drought Policy Review Social Panel 2008). Structural changes that are seen by community members as undermining community identity may contribute to a lack of confidence in the region's future. This lowering of confidence could have tangible impacts, such as slowing of investment rates. Where policy reforms act to depress community and investment confidence, Government-led structural reform initiatives can help build confidence for people living in the communities and give self-assurance to financial investment.

#### What does the Basin Plan involve?

Taking into account the water that has already been recovered in the Condamine-Balonne area (5 GL), the Murray Darling Basin Authority is proposing that a further 95 GL of surface water needs to be recovered over the next eight years to meet the environmental needs in the Condamine-Balonne catchment.

In the Border Rivers area, after accounting for water already recovered, the Authority is proposing that 8 GL still needs to be recovered to meet the catchment’s local environmental water needs. However, the authority is proposing that only 1 GL of this be recovered from Queensland, with the rest to be recovered from New South Wales. However, Queensland border towns in this region may be affected by the larger amounts that will need to be recovered downstream of the Border Rivers.

The scale of the economic and social shock of the Basin Plan to the region will be driven by the scale of buybacks and the approach used. The Draft MDB Plan indicates a target of 100 GL to be recovered for environmental flows. Table 7 indicates the progress in meeting the 100 GL target to date, further requirements per program and comments with respect to the key programs and key assumptions.

**Table 7: Water transfers to the Commonwealth to meet Draft MDB Plan targets**

Purchase program	Volume (GL)	Cumulative volume (GL)	Further requirement (GL)	Comments
<b>Current</b>				
Restoring the Balance (tender) & Agriculture infrastructure programs	4	4	96	Current volumes purchased to date.
Healthy Headwaters (infrastructure program)	11	15	85	Indicates water to be transferred to CEWH. Note WUE gains to irrigators should offset production impacts from transfers to CEWH.
<b>Future</b>				
Healthy Headwaters	27	42	58	Assumes balance of \$115 million for program is approved by Commonwealth and current cost-effectiveness is maintained.
Potential Restoring the Balance (tender)	58	100	0	Assumes balance of target is secured via tender.

Key points to note are:

- To date, only around 15% of the buyback target has been achieved, which is significantly less than progress than in most other MDB catchments.
- The majority of transfers to the Commonwealth Environmental Water Holder (CEWH) to date have been secured via the Healthy Headwaters water use efficiency (WUE) infrastructure program. However, it should be noted that the majority of WUE works are yet to be completed and transfers to the CEWH are yet to take place.
- The Healthy Headwaters program has the potential to secure around 40% of the target savings if previous costs are a good representation of future program cost-effectiveness.
- Because only 50% of the water savings under the Healthy Headwaters program are required to be transferred to the CEWH, the program is essentially neutral in terms of its impact on the irrigation consumptive pool.
- The Restoring the Balance tender program does not require sales proceeds to be reinvested into the maintenance of agricultural production levels. Hence the Restoring the Balance

tender program is likely to have greater direct negative impacts on irrigated agricultural production than the Healthy Headwaters program.

### Which regions are exposed? What are the MDBA estimates of impacts? What is the vulnerability of communities to these impacts?

Our analysis of the relative cost-effectiveness of water purchases indicates that buybacks and hence economic and social impacts are likely to be highly concentrated in the Lower Balonne (around St George and Dirranbandi). This is because the major environmental assets that the Australian Government wants to protect (i.e. Narran Lakes and the Balonne Floodplain) are effectively watered from the Lower Balonne. In addition, the likely cost of water purchases in the Lower Balonne is likely to be lower given the margins for the dominant water use (irrigated crops, usually cotton).

Consistently, the Authority notes that:<sup>23</sup>

*The majority of the water is likely to come from the lower Balonne downstream of St George, reflecting both the high level of water use in this region and the location of key environmental sites.*

The fact that the impacts are likely to be concentrated in the Lower Balonne should not be used as a trigger to broaden the geographic scope of water purchases. Such a strategy would simply impose a cost on the community with no offsetting gain in environmental benefits.

### Socioeconomic impact of the Basin Plan

There have been a number of economic studies undertaken that have used using various techniques and have been applied at different scales. The outcomes of those studies have generally shown that, at a Basin scale, the impacts are relatively minor, particularly in the longer term as Basin communities and industries have time to adjust.

### The Murray Darling Basin Authority's view

Economic modelling of the impacts of the Basin Plan on the Condamine-Balonne region by ABARES (2011d) for the MDBA suggest that under a 2,800 GL water recovery scenario, the gross value of production in the region will, in the long-term, be reduced by 6.6% or \$30.0 million per year. Modelling suggests cotton will be most impacted. The modelling also suggests that there will be (relatively smaller) reductions in cereal and hay production.

Analyses of community vulnerability for the MDBA have found that in the Condamine-Balonne, the social catchments of St George and Dirranbandi have relatively low capacity to adapt to reductions in water availability, due to relatively high debt levels, limited access to capital and limited commercial opportunities for diversification within agriculture. Communities in the east of the region (Toowoomba, Dalby, Warwick) have greater resilience and adaptive capacity, as their economies are more diversified and less reliant on irrigated agriculture.

### Impacts of buybacks to date

Buybacks under either policy initiative (Healthy Headwaters or Restoring the Balance) have been negligible to date and therefore the impacts have also been negligible. This is particularly the case as the bulk of the buybacks to date have been through the Healthy Headwaters program

<sup>23</sup> Murray Darling Basin Authority (2011) *The Draft Basin Plan: Catchment by Catchment*.

where construction funded by the program is still underway and transfers of water to the CEWH are yet to occur for most program participants.

#### MJA estimates of short-term impacts

The short-term impacts will be triggered by additional capital expenditure attributable to the Healthy Headwaters program (a positive impact) and losses in production (a negative impact) dictated by actual seasonal conditions and the pace of buybacks.

Previous economic assessments of the Healthy Headwaters program have found that the capital expenditure related to infrastructure upgrades in farms will provide significant short-term stimulus to the economy. However, because around 58% of the expenditure proposed is for capital equipment (e.g. centre pivots, pumps etc), much of the economic benefits will 'leak' from the local economy. The labour component of projects is approximately \$5.5 million which could trigger somewhere between 65-80 jobs for the short-term construction phase, some of which will be in the region for on-ground instillation and earthworks.<sup>24</sup> Care should also be undertaken to ensure that the level of construction activity attributable to Healthy Headwaters does not crowd out other regional activity and trigger cost increases in other sectors of the economy.

Short-term impacts on irrigated agricultural production will be virtually indistinguishable from the natural variability in production. However, impacts will be negative.

#### MJA estimates of longer-term impacts

Long-term impacts will emerge as the existing buyback programs are fully implemented and State-based amendments to water resource plans are finalised.

We have utilised the production modelling framework used by the Environment and Behaviour Consultants (EBC) Consortium in 2011 to assess the potential impacts of the Draft MDB Plan on irrigated production in the Condamine Balonne. In effect, we have back cast the reductions in water availability on the levels of production from the past 10 years. This provides an indication of the impacts over the longer term and through the typical variability of production over the climate cycle. Four scenarios have been modelled:

- Scenario 1: Business as usual. No policy initiatives at all.
- Scenario 2: Current purchases. The impacts of purchases under current contracts for the Restoring the Balance tenders and Healthy Headwaters.
- Scenario 3: Scenario 2 plus remainder of Healthy Headwaters budget allocated to future rounds and the remainder of the target met via Restoring the Balance tenders.
- Scenario 4: Scenario 2 plus the remainder of the target met via Restoring the Balance tenders.

The modelling uses the following assumptions:

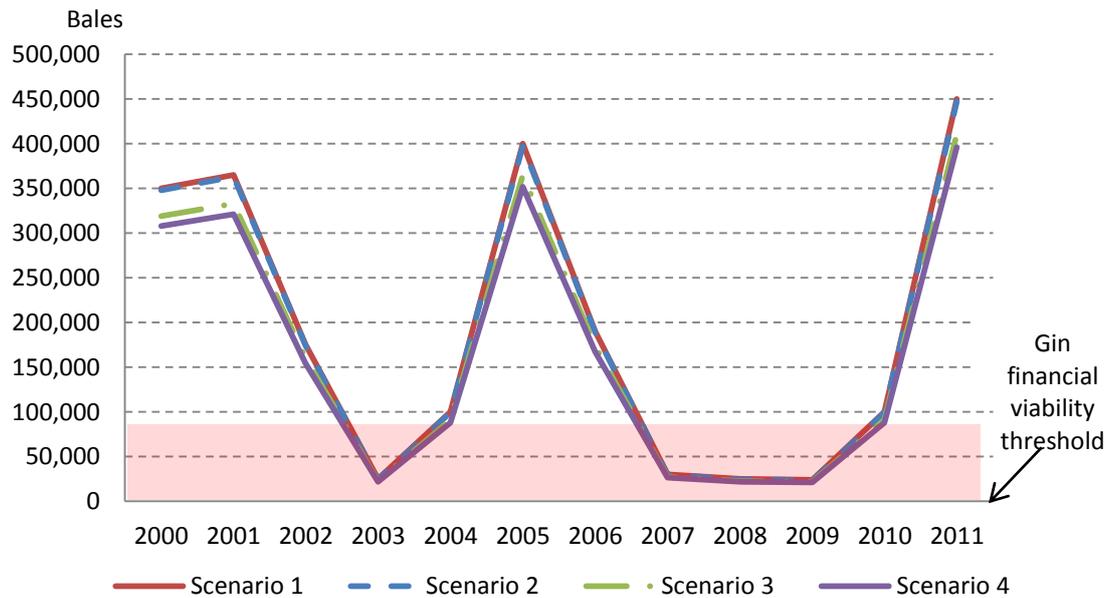
- Cotton is used as a default crop to measure impacts. As water is removed from the consumptive pool, the land reverts to dryland farming.
- As a general rule, the area of cotton produced is roughly in proportion to the volume of water available. Therefore, production fluctuates in line with water availability.

<sup>24</sup> MJA (2011) Socio-economic impact assessment of the Healthy Headwaters Program.

- Water secured by the CEWH via the Healthy Headwaters program does not reduce irrigation production as the water savings retained by irrigators offset the reductions in irrigation water available. This is consistent with the program design and technical assessments of successful proposals.
- Because of regulatory restrictions on water trading and due to the fact that the region is dominated by cotton, opportunities to mitigate impacts via strategies such as water trading are minimal.

The results of the modelling are shown in Figure 2.

**Figure 2: Water transfers to the Commonwealth to meet Draft MDB Plan targets: long-term impacts on cotton production**



Key points to note from the modelling include:

- The production and labour impact estimates are ‘no factor movement’ estimates. This means that irrigators cannot substitute water for other farm inputs. The practical implication of this assumption is that production and labour impacts are an upper limit ‘worst case’ scenario of agricultural losses stemming from the introduction of SDLs.
- There is significant ‘natural’ variability in production reflecting the high variability in water availability even without any policy intervention. Therefore, analysis of average impacts provides little insight for policy and planning.
- Impacts are likely to be highly concentrated in the Lower Balonne.
- ‘Worst case’ losses in potential production and employment attributable to scenarios were:
  - Scenario 2. Up to a maximum reduction in bales of 2,600 bales per annum depending on seasonal conditions. No material loss of jobs.
  - Scenario 3. Production losses between 2,000 and 40,000 bales per annum depending on season (average 16,000 over the period). Seasonal direct employment up to 20 less jobs depending on season (average 7 over the period).

- Scenario 4. Production losses between 3,000 and 55,000 bales per annum depending on season (average 22,000 over the period). Seasonal direct employment up to 25 less jobs depending on season (average 10 over the period).
- Overcapacity in milling is likely to trigger a closure of one of the mills in the region, although this is more a reflection of broader production trends and commercial viability than a response to the MDB Plan.
- Adjustment for farmers is relatively straightforward as they are being compensated through the programs.
- Irrigation input businesses are likely to see an increase in some business activities due to moves away from furrow irrigation as a result of the Healthy Headwaters program.
- The major long-term impact for the region is likely to be from a loss of employment, population and subsequent expenditure in the region across several sectors of the community.

## 3. Planning for the future

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### 3.1 Introduction

There are a significant number of economic and social development plans already in play in the DD-SW region. Some of these plans are focussed on supporting the mining boom, while others focus on local community development.

The DD-SW RDA Future Direction Statement should aim to compliment but not duplicate these plans. In this Chapter, we therefore summarise details about some of the more significant regional development plans and their headline activities.

The key plans we have drawn on are: *Queensland Infrastructure Plan: Building Tomorrow's Queensland* (2011); the *Surat Basin Future Directions Statement* (2011); the RDA's *2011 Darling Downs & South West – Regional Roadmap*; and the Community Plans of the ten DD-SW LGAs.

We have also mentioned a small number of projects that have been proposed by proponents in the region.

### 3.2 Significant projects are planned

Significant projects that are planned and will have a major impact on the region include:<sup>25</sup>

- Coal seam gas developments across the Surat Basin region.
- The Toowoomba Range Crossing/Warrego Highway, which the *Regional Roadmap* notes is an essential major project for the region.<sup>26</sup>
- The Surat Basin Rail, a joint venture between ATEC, Xstrata and QR National, which will provide a rail link between the Surat Basin and the Port of Gladstone.
- The Kogan Creek Solar Boost carbon reduction project, which is the world's largest solar integration with a coal-fired power station.
- Solar Dawn, which is a proposed project to build a 250 megawatt solar thermal gas hybrid plant close to Chinchilla. The Queensland Infrastructure Plan notes that the "project, when constructed, may see the region become home to one of the largest solar power stations in the world".<sup>27</sup>
- Roma Hospital emergency department upgrade and expansion.
- Toowoomba Hospital emergency department transit lounge and regional cancer care initiative.
- Widening of sections of the New England Highway.

<sup>25</sup> This project was finalised around the same time as the recent change of government in Queensland. It is not yet clear how these plans will be affected. Significant Liberal National Party (LNP) policies to note are the Royalties for the Regions – Roads to Resources, Resource Community Building Fund and Floodplain Security policies.

<sup>26</sup> The new LNP Government in Queensland has committed \$5 million for an update to the business case for the Second Range Crossing in Toowoomba.

<sup>27</sup> With the recent change of government in Queensland the future of State Government commitment for this project is uncertain. See <http://www.brisbanetimes.com.au/queensland/state-election-2012/state-cant-do-climate-doubleact-newman-20120328-1vy5r.html>

- Upgrade of the Toowoomba Airport. Toowoomba Regional Council recently updated the Toowoomba airport. The upgrade included extending and sealing the runway which allows the airport to accommodate larger aircraft.<sup>28</sup>

Headline activities of these plans are set out below.

### 3.2.1 Planning and developing infrastructure

Infrastructure is fundamentally important for the DD-SW region. As noted in the Queensland Infrastructure Plan, efficient infrastructure that connects people and places is at the heart of any healthy thriving economy. The Plan further notes that infrastructure investment drives competitiveness by increasing public and private sector productivity, reducing the costs of doing business, and diversifying the means of production as well as creating jobs.

The Surat Basin Future Directions Statement outlines key transport strategies by transport mode (e.g. road, rail & port, air, public transport, and active transport). Key activities include:

- the Toowoomba Range crossing, for which the Statement plans to complete the business case and seek federal funding;
- the Surat Basin Rail link to the Port of Gladstone;
- working with the federal government with planning for the Melbourne-Brisbane Inland Rail line; and
- developing a regional aviation strategy, including consideration of a larger regional airport.

Similarly, the Queensland Infrastructure Plan notes that, as the resource industry expands (particularly in the Surat Basin), the existing transport system will need to respond to increased traffic, with greater demand for road and air travel for the movement of people, freight and goods. The plan also flags numerous highway upgrades, noting that the Queensland Government will continue to seek federal funding for upgrades of these nationally important freight and passenger links.

Additional projects listed in the DD-SW 20 year project pipeline include:

- Regional Airport Development Scheme (Goondiwindi, Miles, Mitchell, Quilpie, Roma, Surat, Thargomindah);
- Toowoomba Transit Network;
- Toowoomba urban intersection safety improvements;
- Toowoomba to Oakey duplication (stages 1 and 2);
- New England Highway widen sections;
- New England Highway Accommodation Creek bridge upgrade;
- Carnarvon Highway (Mungindi – Rolleston) widen sections;
- Gore Highway upgrades (Toowoomba to Millmerran);
- Cunningham and New England Highways upgrades;
- Surat Basin road upgrades;
- Road maintenance, preservation, traffic operations and minor safety improvements;

<sup>28</sup> The RDA recently submitted a proposal for Toowoomba to become one of Queensland's FIFO hubs. See RDA DD-SW (2011) *Business Case for Development of an Industry Based Fly-in Fly-out Coordinator*.

- Natural Disaster Relief and Recovery arrangement works; and
- Local government road, drainage and bridge network program.

The Queensland Infrastructure Plan also indicates that a number of water and sewerage projects are in the 20-year pipeline for the DD-SW region.

Private parties within the region have also been developing significant projects. For example, the Trans Regional Amalgamated Infrastructure Network, or the TRAIN project as it is known, is a significant proposal to develop a set of freight transport and other infrastructure projects linking and supporting freight hubs. The business case for this project has now been finalised.

Another significant project proposed for the region is the Emu Swamp Dam proposed in the Southern Downs area. This dam would provide urban water as well as an irrigation supply for horticultural growers in the region. It has been estimated that a dam of approximately 18,000 ML will need to be built to deliver 1,780 ML per annum of irrigation water plus 1,500 ML per annum of urban water. A business case has been developed for this project.

An additional project proposed in the region is the East West Road and Rail Regional (EWRR) Intermodal Freight Hub Project. The EWRR project involves repairs to 9km of rail on the previously abandoned Allora Branch Railway Line (now privately-owned by Grain X Australia). The proponent plans to develop a 30-hectare freight handling facility adjacent to the line.

Many of the LGAs in the DD-SW region have noted in their most recent community plans that connecting infrastructure (roads, rails, airport) is particularly important to the future economic success of the region.

### 3.2.2 Building and maintaining liveable communities

Building and maintaining liveable communities encompasses a range of elements, such as health and education services, community infrastructure, and access to suitable and affordable housing. These and other issues contribute to the overall quality of life for people in the community and can impact on the numbers of people who decide to move into and out of a region.

As already noted, health services are an important part of building and maintaining liveable communities. As noted in the Queensland Infrastructure Plan:

*The vision for health services in Darling Downs South West is to provide the community with access to high quality health services that meet the needs of the region's growing and ageing population.*

Short-term measures in this regard include new and expanded health services in high growth areas, such as Toowoomba and Roma. Emergency departments in both Roma and Toowoomba will receive upgrades and expansions and a regional cancer centre will be established in Toowoomba. Efforts to improve access to mental health services will also be made.

Other relevant projects include the DD-SW Nation Building Social Housing Initiative and the Strengthening Non-Government Organisations initiative. Other projects in the project pipeline include ambulance, fire and police stations, National Parks infrastructure, a Dalby swimming pool and a cycling track in Toowoomba.

Many of the DD-SW LGAs' Community Plans reference the need to build and maintain liveable communities. They commit to strategies and action for moving these issues forward, such as the following two, adopted by Southern Downs Regional Council in their Community Plan:

- improving partnerships between local government, community providers, state agencies and funding bodies to support better health outcomes for the community; and
- advocating for an increase in service provision and facilities of public hospitals in the region.

### 3.2.3 Building economic resilience and capturing opportunities

It is important for DD-SW to strive to be an economically resilient region that can capture opportunities as they arise. Economic resilience is derived from economic diversity, which provides a cushion from shocks to a particular sector or industry (e.g. agriculture). A diverse economy is also more able to capture opportunities as they arise through tapping into the skills and knowledge of a wide variety of industries and professions and attracting investment.

The NBN offers ways of capturing opportunities in many facets of life for the DD-SW region. As noted in the Queensland Infrastructure Plan, the NBN:

*... has the potential to ease the tyranny of distance by having a significant positive impact on the delivery of health, education, community safety, emergency and other government services across the vast Darling Downs South West region.*

A number of actions aimed at building economic resilience and capturing opportunities are outlined in the Surat Basin Future Directions Statement, including:

- Centres of Enterprise Surat Energy Resources Province action plan;
- Centres of Enterprise Food Processing Plan;
- Expanding the region's food processing industry action plan to incorporate agriculture;
- Investigation of opportunities from the proposed Nathan Dam;
- Development of an 'investor-ready' agribusiness information package;
- Research Development and Extension for improved profitability and sustainability of the Surat Basin's leading agricultural industries, including beef, grains, pulses and cotton;
- Implementation of the 2020 Beef Plan;
- Exploration of opportunities for agricultural use of CSG water;
- Ensuring robust biosecurity systems through LGA Pest Management Plans and other biosecurity planning;
- Research and policy to optimise water allocation between alternative enterprises and improve the profitability risk profile of the farm business; and
- Assist further forestry development and investment in the region through the release of Queensland's Timber Plantation Strategy.

The FDS also identifies a number of other actions, including in resource industry development, land access, climate change and other economic development.

The Goondiwindi Community Plan 2012-2022 identifies a number of strategies for pursuing *diversified and innovative business sectors*. These include (among others):

- *Encourage local business innovation* through promoting business networks that encourage a supportive business culture and an attitude of entrepreneurship; and

- *Support the promotion and value-adding of local products* through encouraging the expansion of sales of local products across and outside the region and supporting local industry to explore value adding opportunities for local products.

### 3.2.4 Developing a skilled workforce

Nurturing a skilled workforce is important for the DD-SW region. As discussed in Section 2.2.3, matching skilled employees from within the region to the needs of the mining sector can improve the amount of revenue that DD-SW captures from the current mining boom (through reducing the need for FIFO/DIDO or imported labour). A skilled workforce will also assist the region to diversify its economy, including through activities such as value-adding in agriculture.

Relevant State Government projects in this area, as outlined in the Queensland Infrastructure Plan, include:

- The Trade Training Centres in Schools program;
- TAFE program;
- Clinical training facility at Toowoomba;
- Darling Downs–South Burnett clinical education network; and
- Independent school grants.

Actions identified in the Surat Basin Future Directions Statement include:

- Roma and Chinchilla Southern Queensland Institute of TAFE (SQIT) focusing on training for gas and oil industries;
- School-based traineeships in the energy sector;
- Support for the Mining Industry Skills Centre;
- Exploring Indigenous training strategies together with industry;
- Extensive training to address the broader range of skill needs in the community;
- Incorporating equitable skills development programs and employment opportunities for vulnerable groups as part of social impact assessment;
- An existing Targeting Skills Needs in Regions strategy funded by the Commonwealth that incorporates the Western Downs and Roma Regional Councils; and
- Implementing the Queensland Government Minerals and Energy High School program in a number of secondary schools.

The FDS also includes a number of employment actions, and actions for increasing workforce participation and providing relevant training to businesses and individuals.

The Balonne Community Plan notes the local government’s intention *to provide quality education and training options so that young people stay in the region and complete their education there, and so that skilled workers are available from within the region for local industry and services.*

Similarly, the Maranoa Community Plan 2020 outlines a vision in relation to developing a skilled workforce which is in harmony with the discussion outlined in the preceding paragraphs, stating:

*Underpinning our prosperous local economy is a local labour force which is highly skilled, educated and motivated to sustain our diverse and specialised industries and businesses. As a region, we are committed to ‘growing our own’ labour force,*

*providing local jobs for local people. We achieve this by supporting, educating and skilling our young people and training and up-skilling existing employees to fill local employment opportunities across a diverse range of industries, businesses and vocational occupations. Lifelong learning is encouraged and available to all community members.*

### 3.2.5 Sustaining regional environments

The DD-SW is a large and diverse region with a variety of biodiversity, ecosystem processes and production values included in its environment. Sustainable management of these natural assets is important to the region.

The Surat Basin Future Directions Statement outlines a number of actions in this area, including:

- The Great Artesian Basin Sustainability Initiative;
- Determine the impacts of CSG water extraction and disposal on surface and groundwater systems;
- Studies over the next two years followed by a co-investment program between government and irrigators on water use efficiency technologies;
- Biosecurity activities targeting management of pests and weeds;
- Actively enforce land management, rehabilitation and other environmental management requirements for mining and exploration activity; and
- Implementing ClimateSmart initiatives.

The Quilpie Community Plan 2021 similarly notes that *the natural environment and landscape is key to our lifestyle. We have valuable natural resources unique in many ways to our area. These include opals, oil and an abundance of artesian water.* Actions identified by the Quilpie Shire Council include:

- The exploration of alternative energy options and their community benefits;
- Valuing of the LGA's ecosystems; and
- Supporting the use of best practice environmental management through practice, education and awareness.

Quilpie has another interesting set of outcomes and priorities in the region relating to palaeontology, more specifically Quilpie Shire Council plans to:

- support and enhance the mission and work of the Outback Gondwana Foundation which is to *discover, preserve and display Outback Australia's dinosaur and fossil heritage, cultural heritage and natural history, in their native environment for the education and enjoyment of all.*

## 4. Bibliography

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