

CEO Update

We are almost a quarter of the way through 2008 with Easter just around the corner. The year seems to be ramping up for a big one with issues such as the Base Hospital, the Showgrounds, and improved Transport Infrastructure, just to name a few, still firmly on the agenda. It was great to hear that the Stadium funding proposal will go before Parliament on the 12th of May, with a final decision being made that day. Approval of the Federal funding will mean that we can finally move forward on this project. Well done to our new Federal Member James Bidgood for progressing the issue, and everyone else who has been involved.

After receiving 625mm of rain in one day, Mackay was declared a disaster zone in February. Other areas of the region were also significantly affected, with the Whitsundays experiencing flash flooding in January. The focus of the floods centred particularly on lost coal revenue in the Hinterland, however, the agricultural industry was also affected with stock lost in the recent downpours. The floods have caused major interruptions to businesses across the region, and significant loss for residents. Transport and regional connectivity have been particularly difficult, creating a major impact on businesses. It has been great to see how well the community has rallied around the flood victims, with major local efforts across the region contributing to the recovery process. There is still a lot of work to be done, but a large number of businesses are back up and running.

BMA contributed \$50,000 to the flood efforts to assist non-for-profit community and sporting organisations. The selection process is underway and will be announced in the next couple of weeks.

REDC is assisting BMA with the administration of the grants.

The State Government conducted a survey in conjunction with REDC and Commerce Qld on the impacts of the flood in order ascertain what the long term effects would be and what role Government needed to play. The survey results will be submitted to Cabinet.

Minister Desley Boyle, who is the Minister for Tourism, Regional Development & Industry spent two days in our region in March. It was the Minister's first visit to our region under her new portfolio, and the visit gave us a great opportunity to showcase our assets, and discuss our challenges. The Minister expressed her support for regional issues, and she certainly has a good knowledge of regional challenges as she is the Member for Cairns.



The Energy audit for the region has now been completed, along with the joint North Queensland study we commissioned in conjunction with Townsville Enterprise (TEL) and MITEZ. We presented the study findings to Minister Geoff Wilson in February as a strong case for a baseload power station in North Queensland to deliver more cost competitive energy. A summary of the study findings is provided in this edition of the newsletter.



Council elections are also looming, with REDC's Chairman Darryl Camilleri throwing his hat in the ring for the Mackay Regional Council. The elections this year are drawing a strong field, and REDC looks forward to working with all three of the new Councils across the region.

A public forum on the Base Hospital was scheduled for February however the regional flooding saw it postponed while efforts were redirected to the most critical issues. The forum will be rescheduled, and it is important that the region shows the Health Minister how strongly the community supports this issue.

I encourage industry to show their united support by taking part in the forum. The hospital issue is not just a community issue, as the flow on effects to industry are significant. They include such costs as staff downtime caused by families having to travel to obtain basic medical services, difficulty in attracting staff due to substandard medical facilities often requiring a premium to be paid to secure employees, and issues such as this. Let us all show a united voice in delivering our case to Government.

Project Update— Freight Transport Study

Stage One of the Economics of Freight Transport Study commenced in the first week of February. Synergies Economic Consulting have been appointed to conduct Stage One, scheduled to be completed in early April.

Stage One of the study involves two components:

- A review of reports and plans
- A survey of freight transport stakeholders.

Completion of Stage One will result in the identification of regional demand drivers, major freight corridors and freight flows and potential infrastructure gaps into the future. Detailed scoping for the remainder of the study will also be completed at this time.

REDC's partners for the Economics of Freight Transport Study include the Department of Tourism, Regional Development and Industry, Mackay Port Authority and Mackay City Council. The project Steering Committee involves representatives from those organisations as well as Qld Rail, Qld Transport, Main Roads, Ports Corp Qld, Hastings Deering and Belyando Shire Council.

Member Profile— The MAC Services Group Ltd

The MAC – Defining Culture & Tourism in the Hinterland

The MAC Services Group Ltd has recently announced the appointment of Margaret Cameron as its new Culture and Tourism Manager. Margaret was previously with MAIN, and has taken up the role to develop The MAC Tourist Village in Nebo.

The MAC is well known in the region, having built quality accommodation for the mining industry, with facilities in Nebo, Dysart, Middlemount, Moranbah, and Coppabella. It is now the MAC's vision to see the township of Nebo develop through a new cultural tourism product. Here you can journey back in time through the photographs in The Pioneer Tracks of Queensland Gallery or spend an hour or two

browsing the unique mural collection portraying some of our more colourful past.

Future growth of the Nebo venture will include a centre for education, a learning program, artist in residence, evolution gardens, further murals, cabin and caravan accommodation, and a small shopping village.

The MAC Services Group has been a long term member of REDC, and this type of project certainly adds to both the economic base, and diversity, of the region.

For more information on the project you can contact Margaret Cameron on 0437 893 197.



REDS Update

REDS discussion groups identified project ideas relating to Regional Environment and Agribusiness, Workforce and Lifestyle, Prosperous Relationships and Investment Attraction. The ideas are currently being fleshed out and discussion group members will have an opportunity to review the draft proposals before they are presented to the REDC board for consideration at the end of the month.

Did you know.....?

- Mike Goldman, host of Big Brother Friday Night Games, has purchased a unit off the plan at Tempo, the newest beachfront development at Bucasia Beach?
- On average a super yacht will spend \$10,000 per night in the local economy whilst they are in port?

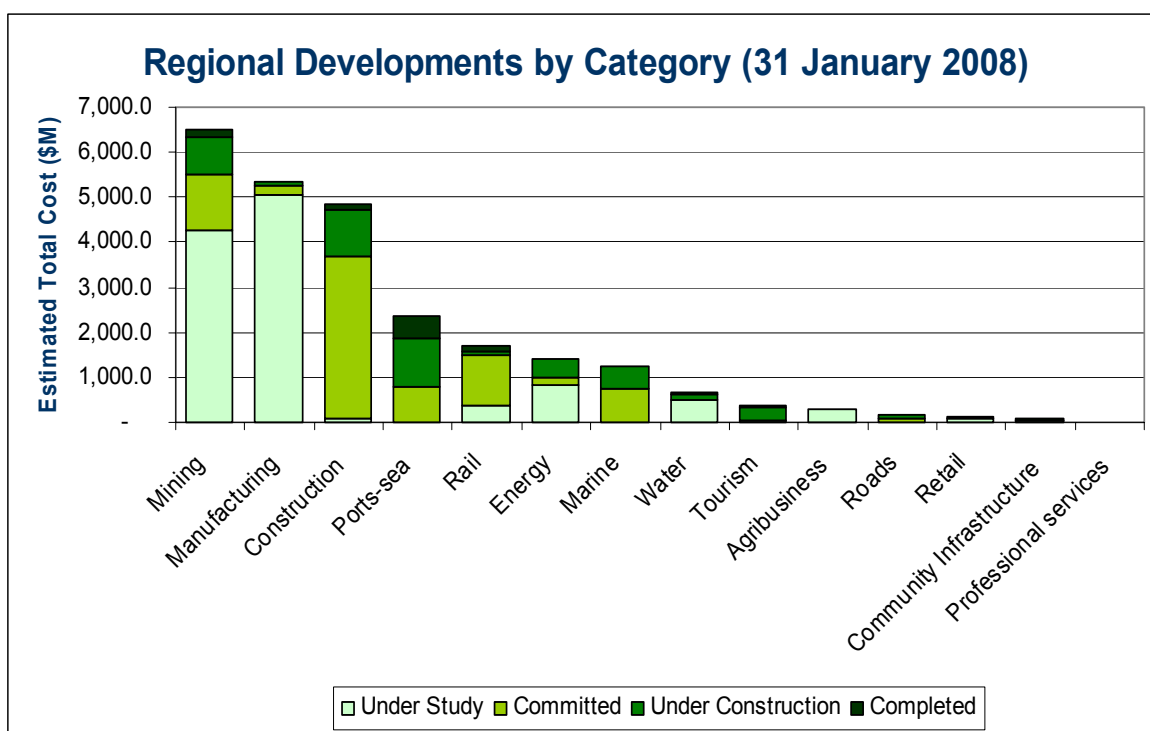


- The Regional Development Register was updated in February with over \$25 billion in projects considered or underway in the region. Access the register at www.mwredc.org.au to see what sort of projects are in the pipeline.



Interesting Statistics

Current and future development in the region continues to be led by investment in mining, but significant potential exists for manufacturing with the proposed State Development Area at Abbot Point. Residential construction projects underway and committed are also worthy of note.



Project Update— Energy Audit

REDC, in conjunction with Townsville Enterprise and MITEZ (Mt Isa Townsville Economic Zone) undertook a project to demonstrate the need for a baseload powerstation in North Queensland in the next few years.

Customers in NQ pay more for electricity than in other parts of Qld due to the proportionately large marginal loss factors (MLFs) charged under the National Electricity Market rules to address transmission loss factors. At the present time, large industrial projects have a disincentive to locate in NQ because of unfavorable MLFs relative to the Central Qld area.

A good example is Chalco. Currently Chalco is making a decision on where to locate and two options are Bowen and Gladstone. Based on estimated energy needs for Chalco the cost differential of locating in Bowen rather than Gladstone is \$5m per annum more. This is a significant cost and one that would be seriously considered in any decision making



process.

In order to attract investment in our region, it is imperative that our energy costs are competitive. One solution to this problem is to build a baseload powerstation in NQ and therefore reduce the MLFs. The baseload powerstation need not be coal powered, and renewable energy sources are something we are looking at.

Without a change in the National Electricity Market rules or new baseload power generation in NQ, the energy price differential between North and Central Queensland will continue to widen. In order to make our case we need to look at what new power users/developments will be coming onto the grid in the next few years. Mt Isa is currently not connected to the grid, and there is opportunity to connect Mount Isa to a new generator in NQ. This would provide additional load needed to attract a generator and reduce the price of energy, stimulating further development in NQ.

Local Talent Heads Up Super Yacht Project



The Mackay Whitsunday Super Yacht Group (MWSYG) has recently appointed Kelly Stannard to oversee the development of the Super Yacht Cluster (for us “non-boaties”, a super

yacht by definition is over 23 metres in length with price tags of \$125 million commonly attached). The aim of the cluster is to increase the number of boats visiting Australia, and in particular, the Great Barrier Reef, Whitsundays and Mackay. This project is supported by the State Government as well as the private sector, including local marinas. Investors in the project believe that the region has huge potential as a super yacht destination.

Whilst Kelly has spent the past eight years working with super yachts in overseas destinations, we are pleased to welcome her home and see this

project driven by a local. Kelly is keen to use her experience and knowledge of the super yacht industry to develop strong, sustainable infrastructure to support the industry. This type of initiative is important to our region as it supports the diversification of our economy.

Kelly is working in conjunction with the Whitsunday Development Corporation.

For more information contact Kelly Stannard:

Phone: 07 4946 1877

Email:

superyachts@whitsundaydevelopment.com.au

We're on the Wrong List!

We may always strive to appear on worldwide lists somewhere in the top 50, however Mackay's entry into 46th spot on the top 50 most unaffordable locations is not one list that we aspire to be, or stay on. The Fourth Annual Demographia International Housing Affordability Survey revealed this statistic when they compared the median house price with the median

household income.

This is a serious issue for our region, especially in terms of attracting people to the region. Being on a list that aligns our affordability to places such as New York, London, and Los Angeles is concerning. In saying that, the statistics should highlight the importance of underpinning these high

property costs with expected social infrastructure. Liveability factors in the region need to be considered in order to sustain our property market. People will not continue to pay high prices in areas where social infrastructure is substandard, they will move to capital cities, and then watch our property market drop.

Learn to Export

If exporting is something you have been thinking about doing, but have no idea whether you are ready or where you start, then the FREE seminar on the 26th of March could be a great first step. Exporting not only diversifies your target markets, but it also contributes positively to our economy. The

government is very keen to see more businesses engaging in export and assistance is provided.

The Department of Tourism, Regional Development & Industry (formerly State Development) are holding the introductory event for the “Get Export Smart” programme and the Windmill Function

Centre on the 26th of March from 7am to 8.30am with breakfast provided. The presentation will overview the question “Is exporting for you?”.

For more information please contact Di Anstee on 4967 1099 or on diane.anstee@qld.gov.au

REDC Membership

For information on how to become a member of REDC, contact Narelle Pearse at n.pearse@mwredc.org.au or 07 4953 2655.

Regional Strength

BCE Inc. gains Queensland State Government Funding for 'Ultimate' Strategy Blueprint

Bowen Collinsville Enterprise (BCE) has been successful in gaining funds to produce the "ultimate" blueprint for the region's future economic strategy. The funding has been approved by Local Government Minister Warren Pitt.

BCE project manager Martin Homisan said the money would allow for the long awaited update of the original Economic Development Strategy for Bowen Shire, 1998 by Gibson Associates.

"It will enable a thorough analysis, review and new planning of what is shaping up to become an ultimate 'Blueprint for Prosperity' not only for Bowen but for the whole Bowen / Whitsunday region.

This project will include public workshops and extensive consultation with local businesses and councils as well as local and regional organisations. It is intended that the new strategy may include co-operation with a project currently undertaken by the CSIRO in the Whitsunday Shire in order to reflect the reality of councils' amalgamation in March this year.

Key elements of the new strategy:

- Community wellbeing and prosperity as result of regional economic development
- Social, economic and environmental drivers of new developments and projects
- Strategies for the future how to maximise benefit of future development for local existing businesses and support establishment of new ones.



Developments new to the Regional Development Register

- Massland's Alfred St 5 star hotel; mixed use Bowen Range Estate Q; and industrial estates Industry East Q and Mackay Q.
- The mixed development 'Eaglewood', under study in the Whitsundays
- Mackay Central, combined office and retail space
- Tempo Lifestyles, Bucasia Beach Resort and Spa
- Evolve Property Group's Mackay Gateway Business Park
- A number of advanced coal mining projects
- Hook Island Wilderness Resort Redevelopment
- The proposed Australia Resort and Hotel in Bowen

Refurbishing Your Office?

If you are thinking about refurbishing your office, then you should consider incorporating an environmental aspect. **ecoBiz Office** is an EPA partnership programme helping Queensland building owners and tenants to retrofit or refurbish building or part buildings to improve their environmental performance.

The focus is on improving energy and water efficiencies which not only helps the environment, but can also improve your bottom line in terms of sustainable cost savings. Rebates between \$1,000 and \$60,000 are available, and preference is given to applicants located outside the south east corner.

For more information visit www.epa.qld.gov.au

Regional Strength

Board Profiles

Name: David Phillips
Current Position: General Manager — Mackay Tourism Ltd
Sector/Organisation Represented: Tourism Industry



What do you think the key to a united voice for the region is:

- Maturity of industry leaders to recognise they are complementary and need to inter-relate their interests and ambitions
- The willingness of elected leaders to invite, listen and accept the input and recommendations of industry sector leaders
- A well-resourced mechanism to research and facilitate this communication and present it in the right quarters, professionally



Name: Raelene Phillips
Current Position: Regional Manager - Commerce Queensland (Mackay & Central Coast)
Sector/Organisation Represented: Small Business

What do you think the key to a united voice for the region is:

- All industry organisations working together for the same purpose
- Industry sectors identifying areas/issues of concern and making a united voice to implement solutions
- Effective communication between all industry sectors, including all levels of Government and organisations
- Assisting other organisations in projects that effect the total region whether it be in the areas of promotion or just communication of ideas
- Having representatives that are keen to work for the benefit of the region as a whole

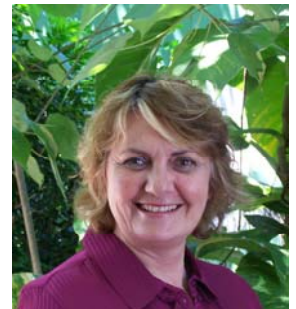
Name: Di Rollo
Current Position: Executive Officer — Mackay Region ACC Inc
Sector/Organisation Represented: Federal Government Sector

What do you think the key to a united voice for the region is:

Mackay region is in need of a united voice to articulate our economic, social, environmental and cultural status to state and federal government, industry and the international arena. A strong united voice would enable our region's strengths, weaknesses, opportunities and threats to be communicated in a consistent manner in order to attract investment in economic and social development across the region.

I see the following as the key to a united voice for the Mackay Region:

- Acknowledgement and acceptance of the region's boundaries. (Mackay Statistical Division i.e. Isaac, Whitsunday and Mackay Regional Councils)
- Adopt a Regional Brand / Identity to enhance unity and recognition
- Common vision for sustainable growth and development that is accepted and adopted throughout the region
- Accepted regional development strategy that is responsive to the region's needs
- Recognised leadership group (endorsed by Regional Councils, Government, industry, community organisations) to speak on behalf of all sectors regarding issues of regional significance.
- Preparedness of all sectors to work with leadership group enabling group to lobby on region's behalf.
- Leadership group to be recognised by government and industry outside the region as representing the region



A united voice can only be achieved if we, in our region, are prepared to see ourselves as one and adopt a united approach. We need to have a consistent message for our state and national leaders.