

Mackay City offers a diverse range of natural attractions amongst a cosmopolitan atmosphere and is situated at the mouth of the Pioneer River, 400 kilometres north of the Tropic of Capricorn and 803 kilometres north of Brisbane.

The region offers a range of tourist activities and is home to a number of desirable tourist destinations such as Brampton, Keswick, St Bees and Lindeman islands.

Mackay City is the largest sugar producing area in Australia and boasts a number of sugar mills, one of only four sugar refineries in Australia, and the largest bulk sugar terminal in the world. There are also significant employment opportunities in the engineering and mining support industry service industries.

Mackay City will amalgamate with Sarina and Mirani Shires at the next local government election in March 2008 to form the Mackay Regional Council.

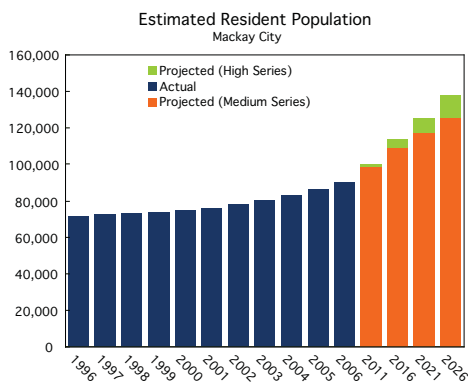


Population

There were an estimated 90,303 persons living in Mackay City in 2006, 4.2% more than in 2005. Mackay City accounted for 56.5% of the Mackay Whitsunday Region population in 2006.

Between 2006 and 2026, the population of Mackay City is projected to increase at an average annual rate 1.7% to 125,613 persons by 2026. This translates to an extra 1,766 persons in Mackay City each year between 2006 and 2026.

However, if current high growth experienced by the Mackay Whitsunday Region continues over the next 20 years, Mackay City is expected to experience a higher growth rate of 2.1% per annum to 138,139 persons by 2026.



Source: ABS 3218.0, QDLGP Population Projections 2006, AECgroup

Employment

Mackay City's trend labour force was 44,586 persons in the March Quarter 2007, 0.6% less than the March Quarter 2006. The trend employed (43,192 persons) and unemployed (1,460

persons) also experienced annual declines of 0.1% and 5.5%, respectively in the March Quarter 2007, compared to one year ago.

Declines in labour force and employment were likely due to the winding back of coal mining production in the region and the completion of a number of significant infrastructure developments. Employment is expected to be buoyed in the short term with mining production returning to normal levels and a number of significant investment projects set to commence.

Trend Employment Indicators, Mackay City

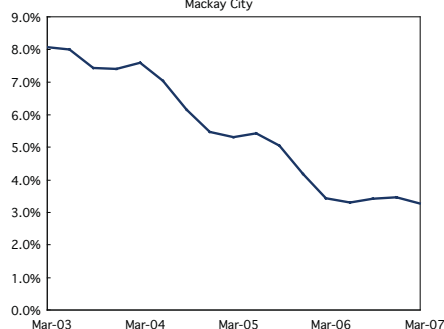
| | Mar Qtr 2007 | % Change on Mar Qtr 2006 |
|---------------------------|--------------|--------------------------|
| Labour Force (no.) | 44,586 | -0.6% |
| Employed (no.) | 43,192 | -0.1% |
| Unemployed (no.) | 1,460 | -5.5% |
| Unemployment Rate (%) (a) | 3.3% | -0.2% |

Note: (a) The change in the unemployment rate is in percentage point terms. This data is derived through trending the unsmoothed series from DEWR.

Source: DEWR Small Area Labour Market Surveys, AECgroup

The trend unemployment rate in Mackay City steadied at 3.3% in the March Quarter 2007, 0.2 percentage points lower than the trend unemployment rate recorded one year ago.

Trend Unemployment Rate Mackay City



Source: DEWR Small Area Labour Market Surveys, AECgroup

Housing

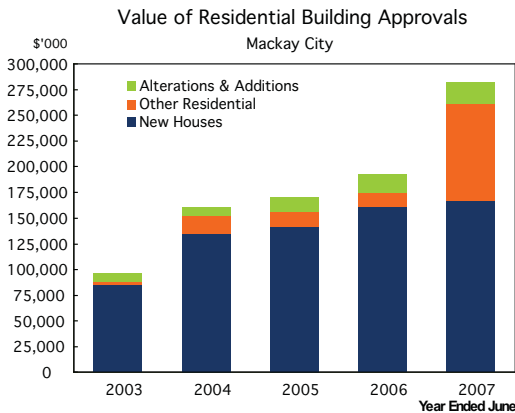
Mackay City recorded 927 residential building approvals in the year ended June 2007, 18.8% more than the previous year. Growth in residential approval numbers was attributable to significant growth in other dwelling approvals of 268.4% to 280 approvals. This offsets declines in new house approvals of 8.1% (647 new house approvals) in the year ended June 2007.

Building Approvals, Mackay City

| | Year Ended JUN 07 | % change on Year Ended JUN 06 |
|--------------------------|-------------------|-------------------------------|
| Number | | |
| New Houses | 647 | -8.1% |
| Other Dwellings | 280 | 268.4% |
| Total Residential | 927 | 18.8% |
| Value (\$'000) | | |
| New Houses | 167,436 | 3.7% |
| Other Dwellings | 93,492 | 590.5% |
| Alterations & Additions | 21,322 | 19.0% |
| Total Residential | 282,250 | 46.3% |
| Non-Residential | 102,432 | 41.7% |
| Total Building | 384,681 | 45.1% |

Note: Other dwellings includes flats, units and apartments. Source: ABS 8731.0

In line with a rise in residential building approvals, the value of residential building approvals grew by 46.3% in annual terms to \$282.3 million in the year ended June 2007



Source: ABS 8731.0

Meanwhile, the value of non-residential building activity was \$102.4 million in the year ended June 2007, 41.7% more than one year ago.

Industry

Agriculture

The sugar industry has traditionally been the largest industry for both the region and Mackay City. While other industries have grown in importance in Mackay, sugar continues to be a major economic driver.

In 2006, there was an estimated 6,340,000 tonnes of cane crushed at the Mackay Sugar Mill, accounting for 65.0% of sugar production in the Mackay Whitsunday Region.

Tourism

Tourism is a vibrant industry in Mackay, boasting the popular tourism destinations of Brampton, Keswick, St Bees and Lindeman Islands. In the year ended March 2007, there were a total of 295,610 guest arrivals to Mackay City and spending a total of 698,389 visitor nights. The total accommodation turnover was \$53.2 million, 31.1% more than in the year ended March 2006 driven by the increases in guest arrivals and visitor nights of 2.3% and 14.9%, respectively.

Major Projects

Mackay integrated waste management programs and Water Recycling Scheme- Construction of a \$21 million facility to recover material from processing recyclables, transfer station to compact waste and provision for resource recovery and green waste processing will increase the recycling capabilities and waste processing volume significantly in the region. Also, \$150 million will be spent on the construction of the Mackay water recycling facility, which will enable the city to recycle approximately 90% of Mackay's wastewater.

East Point – Eastpoint Mackay Pty Ltd has created an integrated development comprised of hotel accommodation, apartments, resort villas, retirement community, shopping, a cultural centre, and residential lots. The estimated cost is \$250 million and completion is expected for 2010.

Ocean Isles- A \$100 million beachside and lakeside development on a total of 7.7 hectares and comprising a mixture of apartments, villas, boutique retail/office space and residential lots.

The Beach- Pacific Coast and Noon Breeze Developments are currently constructing the first stage of a four stage \$200 million development. The first stage comprises 33 lot subdivisions and two residential and resort style buildings.

Industrial Precinct - A 42.2 hectare multi million dollar site in South Mackay will house one of the largest industrial developments in Mackay's southern gateway and will be developed in a number of stages with lots starting from 2,000 square metres.

Expansion of the Northern Beaches Central Shopping Centre - A \$20 million project to expand the sub-regional retail and commercial complex to 6,400 square metres to service the rapidly growing northern beaches suburbs of Mackay.

Mackay Convention Centre Precinct - Mackay City Council have announced the new \$30 million, purpose built meeting auditorium with a capacity to seat 1,800 theatre style or 900 for a dinner function adjacent to the Mackay Entertainment Centre. Cox Raynor, architects of the Brisbane Convention and Exhibition Centre, has been commissioned to design the space.

Jagabara Championship Golf Course - A \$25 million golf course designed by Karrie Webb is to be constructed as a part of the proposed \$100 million expansion plan for the Laguna Whitsunday's facility.

Shoal Point Waters - A \$50 million project that involves the development of a small tourism precinct with commercial facilities, high density and low density residential developments.

Lanai Apartments - Features 88 luxury apartments in a resort setting with views of the Pioneer River. Estimated cost of the development is \$45 million.

Rivage - A 10-storey, \$35 million apartment building, comprising a ground floor café and 57 apartments overlooking parkland and views over the Pioneer River.

Bluewater Lagoon Regional Aquatic Centre - The Mackay City Council has committed \$15 million for construction of a new, lagoon-style Aquatic Centre. The project will be included as part of the \$32 million Bluewater Trail development comprising development of the Pioneer Promenade, Bluewater Quay public open space, roofed market structure and board walks.

Fusion Apartments - ATK Real Estate has committed to the construction of a 28 luxury apartment complex located on the Pioneer River.

Latitude Apartments - A \$20 million development by Innovation Design and Development comprising commercial/retail areas and 54 accommodation units in a nine storey tower.

Residential Estate Projects - Morvale Pty Ltd has committed \$60 million to the development of the Glenella Residential Estate. Meanwhile, Glenrowan Residential industrial estate is currently under construction comprising 340 lots to be built in stages and providing a relaxed country lifestyle with modern conveniences. The Morvale Pty Ltd residential estates have a combined construction cost of \$87 million.

Mackay Marina Expansion - Mackay Marina Pty Ltd will expand the existing Mackay Marina facilities to provide an additional 150 yacht berths over the next two years. The project has an estimated cost of \$14 million.

For More Information

Mackay City Council

Phone: (07) 4968 4444

Web: www.mackay.qld.gov.au

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Prepared by:

AECgroup

Phone: (07) 3831 0577

Web: www.aecgrouppltd.com