Townsville/Thuringowa

The Townsville/Thuringowa region contributes 7.1% to Gross State Product (GSP) and has recorded impressive economic growth in recent years, with a Gross Regional Product (GRP) increase from $10.2 billion in 2005 to $11.6 billion in 2006, which is a growth of 12.4%.

The region's economic strength comes from its diversified economy. Townsville/Thuringowa is the most populated centre in North Queensland and is the administrative centre for the region. Key industries include mineral processing, manufacturing, construction, agriculture, tourism and defence support.

In 2005-2006, the GRP for the Townsville region included:

9.7% in mineral processing: Mining and mineral processing contributed $2.86 billion to North Queensland's economy. North Queensland provides significant transport infrastructure and processing facilities to support the mining to market process.

8.4% in construction: Construction contributed almost $1 billion to North Queensland's economy. Construction levels remain strong, particularly as a support to the mining industry.

11.2% in government administration and defence: Administration and Defence industry output valued at $1.39 billion is a significant contributor to the region. North Queensland demonstrates a diversified skills and services base to support its growing communities.

15.2% in manufacturing: Queensland's manufacturing industry is a major economic contributor state-wide. The Queensland manufacturing industry generates over 10% of GSP or $14.91 billion in output, of which metals products are the second highest contributor.

Regional profile

Townsville/Thuringowa region offers a combination of advanced infrastructure, a skilled workforce and a positive economic environment ideal for a diverse range of industries and business endeavours. As the largest urban area outside South East Queensland, the Townsville/Thuringowa region is the focal point for the northern regional economy.

Townsville is an internationally recognised centre for the processing of base metals and value-adding minerals with three major mineral processing plants located in the area – Sun Metals’ zinc refinery, Xstrata’s copper refinery and the Queensland Nickel refinery.

Sun Metals’ zinc refinery, located on the Townsville State Development Area, processes approximately 400 000 tonnes of zinc concentrate, producing around 200 000 tonnes of zinc metal per year. Most is exported.

Xstrata’s copper refinery, located on the Townsville State Development Area processes copper anode from Mount Isa smelters. Annual capacity is around 280 000 tonnes of copper cathode, produced to 99.995% pure grade-A copper for export.

BHP Billiton’s Queensland Nickel refinery, located at Yabulu has an annual production capacity of approximately 23 000 tonnes. In March 2004, BHP Billiton approved a $450 million upgrade of the facility, due for completion in 2007. The project is expected to increase capacity by 40% and extend life of operation by 25 years.

Townsville is the major gateway port servicing the northern region. The Port of Townsville has a throughput of 10 million tonnes annually. Major exports are minerals (1.94 Mtpa), sugar (1.2 Mtpa), fertiliser (0.84 Mtpa), molasses (0.26 Mtpa), timber (0.18 Mtpa), general cargo (0.14 Mtpa), sulphuric acid (0.03 Mtpa), meat products and cattle (0.03 Mtpa). Major imports are nickel ore (3.3 Mtpa), oil (1 Mtpa), cement (0.47 Mtpa), zinc concentrate (0.23 Mtpa), sulphur (0.11 Mtpa), general cargo (0.09 Mtpa) and bulk fertiliser (0.08 Mtpa).

Townsville is also the major centre for education in North Queensland based on James Cook University. The university is of international standing, committed to excellence in teaching, research and scholarship with a clear tropical and regional focus.

Townsville is the administrative hub of North Queensland, home to numerous federal and state government departments. It is the site of Australia’s largest Army base (Lavarack Barracks), army amphibious operations (Ross Island Barracks) and Permanent and Reserve Air Force (RAAF Base Townsville).

Townsville’s well-developed infrastructure, along with economic strengths and a growing population, is highly attractive to entrepreneurial business investors.

Strategic objective – Townsville/Thuringowa

This strategic objective is focused on broadening the economic base of Townsville/Thuringowa by building on its proximity to the mineral wealth of the interior in particular the North West Minerals Province and its well established economic and social infrastructure to strengthen Townsville’s position as an international centre for base-metals processing and value-adding.

The Triangle commits to strengthen the Townsville/Thuringowa region as a diverse economic centre through maximising the development potential of its mineral processing industries and expansion of the Port of Townsville as the major gateway to the region.

Competitively-priced energy is critical to the future growth and development of industry in Townsville. The current disparity of energy costs between Townsville/Thuringowa and other regional locations is acting as a disincentive to future investment in mineral processing and value-adding industry development. The Queensland Government is committed to finding solutions in collaboration with energy providers, to a more competitively-priced energy supply (electricity and gas) to Townsville/Thuringowa and North Queensland, as a basis for attracting energy intensive industry to establish in the region.

The Port of Townsville is the third largest industrial port in Queensland after Gladstone and Brisbane. The Queensland Government recognises the importance of the Port of Townsville to the future development of industry in North-West and North Queensland. The Townsville Port Authority, in conjunction with the Department of Infrastructure and Queensland Transport, has developed a 25 year Master Plan to guide future expansion of the Port to cater for a significant increase in trade to and from the region. The Port of Townsville Master Plan outlines a staged development framework that supports a competitive and efficient port. Specific proposed developments of the Port of Townsville are shown on map 7. This Master Plan incorporates the Townsville City-Port Strategic Plan (see map 6) which seeks to protect the integrity of the Port and provide for an effective and sustainable interface between Townsville’s port area and the adjacent city area.

Adjacent to the Port of Townsville is the Townsville State Development Area (TSDA) which includes the Stuart Industrial Area and the proposed Townsville Port Eastern Access Road and Rail Corridor (see map 8). The TSDA has been declared a State development area to assist the Townsville region to achieve its potential as a major base metals processing centre through capturing value-adding opportunities from North-West and North Queensland mineral deposits. This area totals 4900 hectares and incorporates significant buffers from residential developments and sensitive environmental areas. Major industry currently located on the TSDA includes the Sun Metals zinc refinery, Xstrata copper refinery, Australian Meat Holdings abattoir, Pacific National’s Intermodal Freight Terminal and the Origin Mount Stuart power station. The Development Scheme for the TSDA specifies locations for the establishment of further large scale heavy industry, medium manufacturing industry and transport/port related industries. The TSDA is one of the locations under consideration by CHALCO as a site for an alumina refinery.

Critical to the Port of Townsville’s future development is the Townsville Port Road. The efficiency of road access to the Port has diminished because of traffic conflict,
congestion and noise in the urban road network. These problems will intensify as port traffic increases and as the community becomes less tolerant of a declining urban amenity.

The Townsville Port Road includes the Stuart Bypass and the Eastern Access Corridor. The Stuart Bypass will provide an alternative route linking the Flinders Highway to the Bruce Highway allowing heavy vehicles to bypass residential areas in Stuart and Wulguru. The Flinders Highway is a key service corridor for the minerals provinces to the west of Townsville, particularly the North West Minerals Province and the Charters Towers/Chilligoe minerals district closer to Townsville. The Bruce Highway is the main corridor linking Townsville to the sugar production and horticulture areas in the Burdekin region to the south. This linkage will also grow in significance should Bowen become established as a major industrial area, as it will need to draw on services from Townsville and the Port of Townsville at least in the short to medium term.

Both highways service the TSDA and existing industrial enterprises in the Stuart area. The Townsville Port Road will traverse the TSDA and will provide a dedicated access link from the Flinders and Bruce Highways to Benwell Road near the immediate approach to the Port. The Townsville Port Road would also serve as a port connection for the TSDA effectively creating an extension of the port precinct into the Stuart area (see map 8). Securing the funding for construction of the Townsville Port Road is a priority under the Northern Economic Triangle Infrastructure Plan.

Key regional strategies are:

- facilitate planning, infrastructure provision and development in the TSDA – 4900 (see map 5)
- develop the Port of Townsville Eastern Access Corridor with priority being given to construction of the Port of Townsville Access Road providing a direct link from the Bruce and Flinders Highway and the Townsville State Development Area to the Port (see map 8)
- protect the integrity of the Port of Townsville as the major gateway to North, North-West and Far North Queensland by adoption of the City-Port Strategic Plan (see map 6)
- ensure future development and efficient operation of the Port of Townsville by adoption and progressive implementation of the Port of Townsville Master Plan (see map 7)
- facilitate the provision and delivery of adequate and competitively-priced electricity and gas to Townsville to support industrial development and attract future investment
- develop the road and rail corridors between the Port of Townsville and Mount Isa in accordance with the Auslink Corridor Study to improve efficiency and increase transport capacity between these two centres
- plan for water supplies that would support future urban and industrial demands in the Townsville/Thuringowa area
- attract new investment and facilitate industry establishment particularly on the TSDA.
Map 5: Townsville State Development Area – precinct map
Map 6: Townsville City-Port Strategic Plan
Map 7: Port of Townsville Master Plan
Map 8: TSDA Federal and State controlled roads
Bowen

Bowen, located at the top of the Whitsunday Islands is well known for its horticultural products, coal export terminal, salt production and tourism and cattle industries. The Abbot Point bulk coal terminal services mining operations in the northern Bowen Basin and is capable of docking vessels up to 200 000 tonnes.

Bowen's economic contribution includes:

$250M per annum horticulture industry growing tomatoes (43 000 tpa), mangoes (2600 tpa), capsicums (22 000 tpa), sweet corn (6650 tpa) and beans

12 Mtpa coal exports through the Port of Abbot Point

$2.9M from tourism.

Sources: Mackay Whitsunday Regional Economic Development Corporation, Bowen Shire LGA Profile, December 2006 and Ports Corporation of Queensland.

Bowen is also home to significant fishing and aquaculture and cattle industries, the Cheetham Salt Works which produces 29 000 tonnes of salt annually and the Bowen Coke Works produces 44 000 tpa, most of which is railed for use by Xstrata at Mount Isa. The Port of Abbot Point is expanding export capacity to meet increasing world demand for coal.
Regional profile

Bowen is predominantly a rural centre but also has the potential for establishing mineral processing and related manufacturing industries at land adjacent to the Port of Abbot Point. There is strong support within the Bowen community for industrial development that would boost the local economy.

Bowen holds a strategic advantage through the availability of suitable land for industry, a deep water port and there are plans for the provision of additional water supplies. Bowen is also situated close to coal and coal seam gas deposits in the northern Bowen Basin. The Port of Abbot Point coal terminal is currently being expanded under Stage 2 to 21 Mtpa and planning has also been completed for incremental expansion to 50 Mtpa. Additional stages are dependent on the construction of the Northern Missing Link railway connecting the Goonyella rail system with the Newlands rail system and upon future market demand. Bowen is one of the locations under consideration by CHALCO as a site for an alumina refinery.

Strategic objective – Bowen

This strategic objective is focused on strategic planning and encouraging the necessary infrastructure development to establish Bowen as a major new industrial precinct for large-scale industries including chemicals production, minerals refining and metals smelting. There is opportunity to develop a greenfield site, adjacent to Port of Abbot Point, which is well removed from residential development.

A number of strategic planning studies have been undertaken to plan for this development.

An Industrial Land Concept Plan and Infrastructure Plan (pre-feasibility study) has been completed which has identified 5258 hectares of land adjacent to the Port of Abbot Point as suitable for further investigation of heavy industry including buffers and another 665 hectares in three areas, as being potentially suitable for a residue storage facility (see map 9). This area is located approximately 13 kilometres north of Bowen and is not constrained by urban development. Detailed engineering and environmental studies will be undertaken to ensure best practice is applied in the development of this area. Any industry wishing to locate in the area will also be required to undertake an environmental impact statement and obtain all relevant federal and state government approvals.

If a heavy industry industrial precinct is established on these lands at Abbot Point the need may arise to further develop the Port as a multi-cargo import/export port. Abbot Point already has significant advantages for such a port. It is located well away from population centres so nuisance, dust and noise are minimal. Abbot Point is one of the few places on the Queensland coast where deep water comes close to land and large tracts of the adjacent land are flat and undeveloped. Importantly the proposed harbour can be readily developed to accommodate cape-sized vessels (up to 200 000 DWT), which is a significant benefit over most other Queensland ports which can only handle panamax vessels (72 000 DWT or less). The Ports Corporation of Queensland (PCQ) has developed sheltered harbour options with the potential development in stages to meet future needs as required. This work is in its early stages with further work being required to establish viability.

To be successful the industrial area will need to be adequately serviced with a full range of infrastructure. The proposed industrial precinct is serviced by road and rail, being located adjacent to the Bruce Highway, the North Coast Rail Line and Newlands coal railway. Plans are also in place to connect the area with upgraded electricity supply, however, to attract large scale industry, further investigation will need to be undertaken to develop a competitively-priced energy supply to the precinct.

SunWater is currently developing the Water for Bowen Project which could supply up to 60 000 Mlpa of water from the Burdekin River to the Bowen area to support the local horticulture industry and provide water for industry, via a new 130 kilometre channel and pipeline system.
Industrial development would also provide the stimulus for the upgrade of Bowen Airport and establishment of air services to Bowen.

Also key to industry development will be a strengthening of the Bowen community to support new industry to the region. Housing and community infrastructure will need to be provided to make the area attractive for future growth. Attention will also need to be given to skills development and the development of service industries.

Key regional strategies are:

- establish, facilitate planning, infrastructure provision and development of a new State development area at Bowen/Abbot Point – where land has been identified as being suitable for major industry precinct (see map 9)
- identify, secure and develop infrastructure corridors to connect the proposed State development area with the Port of Abbot Point
- progressively expand the capacity of the coal terminal at Abbot Point through completion of stage 2 expansion plans and proceed to additional stages subject to market demand and development of the Northern Missing Link rail connection
- plan and undertake developments, as dictated by market circumstances, for the development of the Port of Abbot Point as a multi-cargo trade port to service the proposed State development area and the broader region
- facilitate the provision and delivery of adequate and competitively-priced electricity and gas to Bowen to support industrial development and attract future investment (see map 10)
- plan for water supplies that would support future urban and industrial development and expansion of the horticultural sector in the Bowen region
- develop the road and rail corridors between Bowen and Townsville to improve efficiency and increase transport capacity between the economic centres of the Triangle
- attract new investment and facilitate industry establishment particularly on the proposed State development area
- identify and develop mechanisms to supply the skills (particularly at start up of new industry) that will support growth of Bowen and attract new investment
- identify and undertake planning to supply the urban infrastructure necessary to support population growth at Bowen.
Map 9: Port of Abbot Point and proposed adjacent industrial precinct

Map 10: Planned power reinforcement projects 2007 - 2011