



Blackall-Tambo
Regional Council

Exploring the past. Innovating the future.



Regional Economic Development Strategy

Blackall-Tambo Regional Council
ECONOMIC DEVELOPMENT STRATEGY Edition of 6 April 2011

Mayor's Message

The Blackall-Tambo Regional Council has prepared this Economic Development Strategy as a blueprint for its efforts to drive the economic future of our region.

The Strategy will evolve as various aspects of it are implemented: new information comes to hand and as issues and economic conditions change. So, it is a guide to the future, not a straightjacket.

Council felt such a Strategy was needed for a number of reasons. The first is that every organisation needs a plan for the future. Council has a Corporate Plan. This Strategy implements a key element of that Corporate Plan.

Economic statistics show that the Central West, not just Blackall-Tambo, has a serious problem with a slow but steady population decline, an ageing population and a lower than average standard of living as compared with the rest of the State. Council is determined to address these issues.

Also, the Blackall-Tambo Regional Council has developed this strategy as we realise that, while the Queensland and Commonwealth

Governments can help us do things, we have to work out what we want to do with our region. Brisbane and Canberra can't do that for us.

Finally, a whole range of countries in all continents are actively working to raise their standard of living and develop new industries and new markets. We can't stand still. Business as usual is not really an option. This Strategy outlines what Council plans to do, working with the key government and industry bodies as well as relevant businesses which can assist.

At the same time, while Council can provide leadership for the community, it can only encourage, support and assist. The community, both individuals and business owners, have to be active in working out where they want their community to go. No-one else can do this. Let's all work together to secure our future.



Executive Summary

The strategy development process has identified a range of areas that Council will address over time and in line with available resources. Other infrastructure needs will be identified over time.

The resources available will limit when the various issues below can be addressed. Partnerships with the private sector may allow some of these issues to be addressed more quickly.

The economic strategy will focus on:

- Assisting existing farm and non-farm businesses to grow and improve profitability and their capacity to employ more people.
- Assisting existing businesses obtain more business through mining activity in the region.
- Attracting new businesses linked to farming, tourism and mining activity in the region. A careful analysis of the role of incentives will be part of this approach.

This will be done through:

- Developing hard infrastructure to support business.
- Developing a range of soft infrastructure, such as training programs.
- Focused programs for the main industry sectors.



International trends suggest that the beef and sheep meat industries have good prospects, as does drive tourism. However, these trends also suggest that there will be growing international competition in these industries and that continuous improvement will be needed in all areas to maintain and grow markets.

The impact of mining exploration in the region and mining in adjacent regions is not clear as of April 2011. However, the experience of other regions of Queensland is that the impacts are likely to be significant. Significant demand for new infrastructure, rising real estate prices,

labour shortages and rising labour costs may be experienced.

Identified labour impacts of the mining industry, when linked with anticipated demographic change leading to fewer people of working age, suggest that retaining the existing population and attracting additional population will be a challenge. Government and business may well need to look for efficiencies from new technologies and management systems, especially arising from information and communications technologies and associated electronics technologies.

However, despite the above challenges, it is suggested that, if the potential opportunities are exploited with drive and energy, the Blackall-Tambo region can look forward to a strong positive future. There would appear to be little case for business as usual.



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1. INTRODUCTION

Key Issues Underpinning the Economic Development of the Region

A key issue relevant to economic, social and cultural development of Western Queensland for regions such as Blackall-Tambo that have low populations and are quite separate from larger centers is that:

- Quite new approaches are needed.
- What might be an identifiable and actionable business opportunity in a larger centre doesn't happen in Blackall or Tambo. Two reasons for this are:
 - Most small businesses in Blackall-Tambo are quite small, often lack business skills and have low retained earnings so that they lack sufficient capital to branch out.
 - The scale of the opportunity is low, perhaps too low to provide an adequate income.
- Public servants in Brisbane and Canberra:
 - Often lack knowledge of the issues faced in remote regions:
 - Are so busy with the complex problems they face on the coast they

don't have the time to put the thought into what is really such a small proportion of the population.

- People in Western Queensland thus have to identify and apply their own solutions in novel ways.

Setting the Scene

The Challenge for Blackall-Tambo (and other areas in the Central West) is that:

- The median weekly income in 2006 was \$402, against the Queensland figure of \$476, i.e. \$74 lower.
- It is likely that people can live on this lower income, as house repayments are on average \$800 a month lower and rent is on average \$135 a week lower.
- If real estate prices rose due to expansion linked to the mining industry, people may experience real hardship.
- For the median income for Blackall-Tambo to equal the Queensland figure, local businesses, and Council, would need to increase wages paid by approximately \$8 million a year.



- If mining companies within a reasonable driving distance are paying very high wages, this competition for labour may create real problems for local businesses and Council as people facing higher real estate prices and rents seek higher paying jobs.
- Environmental factors such as drought and floods often dictate the economy.
- Rural contractors struggle with seasonal work due to weather influences and market changes.
- There is a trend by rural workers to seek more secure employment conditions.
- Industry diversification with tourism is becoming a higher priority that contributes to sustaining the economy.
- Changing skill sets with aged care sector is growing to become a high employer of the region.
- Encouraging diversification and recognition from social sectors as contributors of economic wellbeing is difficult.

Other key economic statistics (See Appendix 3) are:

- The region has a markedly low level of people with formal qualifications.
- There are fewer younger people in the region, ie under 44 years old.
- There is lower unemployment than for Queensland as a whole.
- Significantly more people work in unskilled jobs than for Queensland as a whole.
- All of the 351 businesses in the region were classified as small businesses according to government criteria.
- A significant number of these small businesses (75%) had a turnover of less than \$500,000.
- The Socio-economic Index of Disadvantage for the region shows a significant percentage of the population as being disadvantaged.

There is thus a real need to assist in improving the skills base of the region and to foster the creation of higher skill jobs with higher pay.

This suggests that farm and non-farm businesses in the Blackall-Tambo region may need to look to increase their profitability through a mix of:

- Improved productivity,
- Increased sales, and
- Selling higher value goods and services.

The challenge for Council is to identify what it can do to assist this process. Assisting businesses to improve skills through training and workshops and assisting companies to use modern technologies will be a key role for Council.



Council however is very mindful of its obligation to responsibly manage its cash flow and debt position as it looks at the wide range of challenges for future years. These obligations however suggest that a business as usual approach is unlikely to allow these challenges to be met.

Strengths, Weaknesses, Opportunities and Threats

The Blackall – Tambo region has a range of strengths and faces a range of problems in the future, for example:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ● An adaptable and capable population ● Fertile land with good grazing ● Artesian water ● Minerals and coal seam gas ● Adjacent to the Surat and Bowen Basins ● Both towns on the Matilda Highway ● Sound national, regional and local governance and macro-economic policy ● Affordable housing ● Lifestyle attributes ● Minimal commuting time ● Access to most goods and service ● Regular air transport ● ADSL and wireless Broadband, in the towns 	<ul style="list-style-type: none"> ● Roads under threat from over-use ● Much commercial and social infrastructure is aging ● Distance from markets ● High fuel and freight costs ● Housing prices may rise due to mining growth ● Inflation from the mining boom leads to high interest rates ● Environmental influences such as floods and drought ● Lack of critical mass
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ● Information and communications technologies lead to new business opportunities and mitigates the distance from markets issue ● World demand for meat grows ● Networks of graziers selling meat to target markets ● World demand for gas rises ● New solar technologies make solar power more feasible ● New technologies make biofuels cheaper ● New transport technologies reduce transport costs ● Growth in adventure and nature tourism and those seeking experiences ● Recognition of and use of existing assets 	<ul style="list-style-type: none"> ● Growing beef and lamb production from Africa and South America ● Liquid fuel shortages and price rises ● Prolonged drought ● New jobs in mining areas draws population away ● Overuse of artesian water leads to restrictions ● Labor shortages from mining boom ● Higher local wage rates flowing from the mining boom ● Further Council amalgamations ● Fluctuating market trends ● Prolonged wet periods limiting business activity ● Potential closure of the Tambo Cypress mill due to harvest restrictions.

Demographic Change

The Commonwealth Government's report "Australia to 2050: future challenges, the 2010 intergenerational report" raises a wide range of issues flowing from anticipated demographic change. This demographic change is likely to include;

- Reduced number of children:
- Reduced numbers of people of normal working age:
- Increased numbers of people over 65:
- Slower population growth, assuming no change in immigration.

Likely impacts of this demographic change include:

- Significant cost pressures on government, as health and aged care costs rise:
- Reduced government tax revenue as fewer people are in the workforce:
- Changes within industry sectors e.g. mining:
- Carbon taxes on agriculture, which can create both challenges and opportunities

The direct effects on economic growth in Blackall – Tambo may be:

- Difficulties in retaining population as wages rise in cities and coastal areas due to competition for labour:
- Wages being driven up due to competition for labour:
- Companies and all levels of government needing to look for new ways to improve productivity as the supply of labour falls and the cost of labour rises.

Creating a Climate for Change

As with the rest of Australia, many areas of the economy and the political governance of this region need to be re-thought. It is unlikely that more of the same will work.

The Community Plan that Council is now required to develop will assist the community to take a 10 year view on where it wants to be in the future. A wide inclusive process for developing this Community Plan may be useful, including several workshops with visiting speakers to look at options for the future, for Councillors, staff, business owners and the general public.

The process for reviewing the Strategic Plan for the Remote Area Planning and Development Board (RAPAD) will assist Council to look at wider options for the future

Wider Cooperation

Council will look for options to work more collaboratively with:

- Remote Area Planning and Development Board (RAPAD):
- Outback Queensland Tourism Association (OQTA):
- Western Queensland Local Government Association:
- Regional natural resource management organisations e.g. Desert Channels Queensland.
- State Government Regional Managers Coordination Network:
- Regional Development Australia, a joint Queensland and Commonwealth Government group to provide strategic advice to government on regional issues.

This wider cooperation will be especially relevant in managing the complex challenges likely to come from mining exploration development over the next several decades

2. ECONOMIC SITUATION

The Blackall-Tambo region is a player in the world economy through its beef, lamb and wool exports, its tourism and its mining and gas potential. It is therefore suggested that a Regional Economic Development Strategy needs to take into consideration short, medium and long term international economic trends.

These trends have been summarised at the annual conference of one of Australia's leading analytical economics groups, the Australian Bureau of Agricultural and Research Economics, in March 2010, see Appendix 1.

The conclusions for Blackall -Tambo taken from the proceedings of this conference are:

- The world economy is recovering from the 2008 Global Financial Crisis, even though
- there are concerns over financial stability in a number of regions.
- There were however good prospects for growth in Australia's export markets in the short to medium term and that gearing for future growth is reasonable.
- Economic development will need to be thought through more thoroughly in the future and that traditional measures may not be sufficient.



- Even though there are strong markets for the kinds of goods and services produced by Australia, our companies will need to comprehensively address international competitiveness in an environment where our infrastructure also needs to be internationally competitive.
- There are good prospects for growth in meat exports but strong competition is expected from a number of countries and there are also growing environmental and animal welfare concerns.
- The demand for gas, both liquid natural gas and coal seam methane, was likely to rise leading to strong growth of these sectors in Australia.
- There is likely to be significant growth in exports of thermal and coking coal due to high demand in China and India.
- In tourism, Australia is losing some of its international competitiveness as our dollar stays high, airlines experience high fuel prices and a growing range of nations improve their tourism offer. The high Australian dollar also makes overseas travel by Australians attractive. At the same time, there is every indication that drive tourism is a growing domestic market segment. However, groups such as the Outback Queensland Tourism Association will need to develop a strong strategic approach and its members will need to work together effectively to present a unique and satisfying holistic holiday experience as well as having individual regions focus on their own attractions.



3. BEST PRACTICE REGIONAL DEVELOPMENT

The conclusions of groups such as the Australian Bureau of Transport and Regional Economics and the Organisation for Economic Cooperation and Development (OECD) on how to assist regions to grow are summarised in Appendix 2. The key conclusions of these studies are that a region needs to capitalise on its own specific competitive advantage and not rely on national transfers and subsidies and that other key issues were:

- Well integrated stable governance, particularly local government;
- A recognition that businesses were the key driver of economic development;
- Human and social capital capacity-building;
- The provision of essential infrastructure, that operates efficiently;
- The promotion of sustainable development;
- Taking a long term approach to developing a region.



4. INFRASTRUCTURE

4.1 Hard Infrastructure

Council plans to address a wide range of economic infrastructure over time, depending on its budget situation.

Infrastructure such as the Blackall Aquatic Centre has major community and economic benefits as it is also a tourist attraction.

The balance between community and economic outcomes for infrastructure will need to be monitored. This hard infrastructure will include:

Serviced residential and industrial land

- The lack of serviced residential and industrial land is seen as a barrier to growth.
- Council would find it difficult to fund this land development itself and the rate of likely sales may mean that property developers may find it unviable to develop this land alone.
- Council will look to develop new ways of partnering with the private sector to develop serviced land.
- Council will work with the Department of Planning and Infrastructure and the Department of Environment and Resource management on planning and property development issues.



Water supply and sewage upgrades

- Council will develop a long term plan for upgrades of water supply and sewage systems.
- Council will seek Commonwealth and State funding for these upgrades where possible.
- Council may need to consider water management issues at some future time to reduce water use and consequently sewage generation so as to reduce infrastructure costs.

Improved electricity supply

- Council will work with Ergon Energy in relation to upgrades of traditional electricity supply systems.
- Council will continue to work with businesses and households on energy conservation programs to both reduce the need for costly infrastructure to cope with short term peak demand surges and to reduce business operating costs.

Renewable Energy

- Council will look to partner with Ergon, other energy authorities and the private sector to explore new ways to use renewable energy to supplement traditional supply systems.
- In particular, Council will explore opportunities for bulk purchase of solar panels to assist in reducing load demands on the grid, and so hopefully reduce 'brownouts' and to assist households and businesses reduce power costs.

Blackall Saleyards

- Council recognises the economic benefits from the successful operation of the Blackall Saleyards.
- Council will look at options to place the Saleyards on a more commercial footing so that this facility can better meet the needs of the grazing industry.
- Council will consider commercial routes for re-development of the Saleyards as part of its obligation to responsibly manage its debt position.

Swimming Pools

- Council recognises the role the Blackall Aquatic Centre plays in attracting tourists, as well as providing a first class amenity for residents.
- A short and long term maintenance program will aim to maintain the quality of the Blackall Aquatic Centre.
- Options for adding a mineral spa at the Tambo swimming pool will be investigated.
- The value of the assets in both swimming pools means that Council will need to develop management strategies that integrate their commercial value in attracting tourists and their social amenity for residents.
- The benefits of both swimming pools will be linked to Council's Tourism Strategy.



Taxi

Council has obtained a taxi license and a fully equipped taxi through Queensland Government support.

The operation of this taxi will be on sound commercial principles, based on legal and financial advice, and will include an investigation into leasing the operation of the taxi service.

Transport Infrastructure

- Council will look to identify new economic opportunities arising from the Blackall airport
- Council recognises the critical nature of transport infrastructure and will look to work with the Queensland Department of Transport on regional transport planning.
- This liaison will include cooperation on the examination of rail transport of cattle commenced by Queensland Transport and Agforce in 2009.
- Council will consider how it can work with other Councils along the Landsborough Highway in developing a business case for the upgrading of this critical national highway.
- Council will cooperate with plans by the Commonwealth Government for a National Freight Strategy.
- Council will actively seek to include local transport companies in these planning processes in terms of new areas of opportunity.

National Broadband Network

- The National Broadband Network will be a key element of the infrastructure of the region.
- Council will cooperate with other Councils, the State Government and the Commonwealth to ensure the best possible service for residents and businesses.
- Council will explore options through workshops, seminars etc to assist residents and businesses make maximum opportunity from broadband internet services.

Digital TV Rebroadcasting

- Council will cooperate with the Commonwealth and television stations regarding funding Councils to re-broadcast digital TV services so that residents are not disadvantaged once the broadcasting of analogue services ceases.

Long term day care

- Council recognises the importance of quality long and short term childcare at both Blackall and Tambo as a key issue in assisting men and women gain employment.
- Council recognises that such day care needs to be on a commercial basis, linked with Government subsidies, and so looks to work with and support community groups where possible to provide quality childcare.



4.2 Soft Infrastructure

The role of soft infrastructure including training programs and business networks is seen as important in economic development. Council will work with a range of groups to develop relevant soft infrastructure, including:

Regional Development Australia

- Council seeks to work closely with Regional Development Australia as a way to work on region-wide issues and provide strategic advice to the Commonwealth and State Governments.

Business Groups/Chamber of Commerce

- Council recognises the value of business coming together to identify issues, work together and provide Council with informed positions on key issues affecting business.
- Accordingly, Council will assist the Tambo and Blackall business groups develop and consider amalgamation and greater cooperation.
- Council will seek to link these business groups with projects such as these strategies, the Tourism Opportunity Plan, energy efficiency project and small business workshops.
- Council will seek to link these business groups with the Desert Knowledge Australia business networks program.

Skills Development

- Council recognises that improved business skills and improved staff skills are a key way for businesses to better compete in the modern world. Accordingly, Council seeks to assist in the local delivery of a wide range of training programs.
- Regarding Small Business Skills, Council seeks to:
 - Work with DEEDI on local delivery of its small business workshops:
 - Promote sources of information on training through local newspapers such as The Grassland Whisperer and Barcoo Independent:
 - Cooperate in the development of software for workshop delivery, e.g. Elluminate, that will allow small business owners to do courses at home in their own time on their own computer.
- Council will look for ways to assist in the development of information technology skills, for the community in general and for small business, tourism and graziers in particular.
- Council will assist in the delivery of the marketing for tourism businesses courses developed by Tourism Queensland.
- Council will look to work with community groups and government on the wider skills development issues linking into mining and other emerging industries.
- Council will look to support the development of improved training infrastructure for Tambo and Blackall.
- Council will look to support mentoring support structures and networks to assist in skills transfer.
- Council will support Business Networks to allow idea sharing, motivation and inspiration.



Social Enterprise

The role of social enterprises will be explored as part of a wider economic development strategy. These enterprises include cooperatives and mutual associations that have a commercial outcome as a core aim. Examples of social enterprise that might be relevant in a Blackall-Tambo context are;

- Community banking, as with Bendigo Bank.
- Food Connect, a community shared agriculture business set up in Brisbane some years ago to assist small farmers market produce, see <http://www.foodconnect.com.au/>. Food Connect Brisbane now employs 32 people and markets 1000 cases of fruit and vegetables a week. The concept is being replicated in six extra sites around Australia.
- The Yackandandah Community Development Company. This formed in a small Victorian town to 'rescue' their local petrol station. A small group each put in \$1000 to keep the business going and later went to an unlisted public share float which raised \$412,000 to rebuild the petrol station. A hardware shop has also been established. Turnover of this business is now \$3.2M and it has 4.5 full time staff. See <http://www.yackandandah.com/ycdco//>.
- New generation cooperatives have been used in the USA by farmers to bring in outside investors to set up biofuels and other processing operations. See <http://www.rurdev.usda.gov/RBS/pub/RR177.pdf>, <http://www.manitoba.ca/agriculture/research/ardi/projects/98-093.html>.

Energy Conservation

- Council will promote the outcomes of the Ergon energy efficient audit program.
- Council will also implement the Sustainable Business Networks program, building on the Ergon program.
- Ways to assist the wider community in reducing energy use, with its resulting savings, will be explored. This will include promoting the Climate Smart Home program.

Libraries

- Council will explore how to use the libraries as information sources for the community and business, linked with internet access and the use of electronics technologies.

Wild Dogs

- Council recognises the economic and environmental significance of controlling the wild dog population.
- Council will therefore work with other groups including the Queensland Government's Q-Dog Committee to identify and implement best practise in wild dog control as a way of making best use of its resources in this area.
- Regional cooperation will be a key feature of Council's future program of wild dog control.

Pest Management

- Council will develop and implement a comprehensive Pest Management Strategy to control weed and feral animal pests in the region. Wider regional cooperation will be sought where possible.

Investment attraction facilitation

- Council will maintain a comprehensive database of infrastructure and existing businesses to facilitate inwards investment attraction.
- Council will liaise with mining and associated companies regarding inwards investment attraction.

Human and Social Capital Capacity-Building

- Council will support community groups as key contributors to the social and economic well-being of the region.
- Council will support local and regional events as recognised as contributors to tourism.
- Council will support community groups as contributors to tourism based products.
- Community facilities and resources will be supported as being major contributors to the social capital and ways to build the capacity of the community.
- Council will extend support to communities to build tourism based products such as arts based tourism packages.

5. GRAZING INDUSTRY

- Council recognises that the grazing industry is a key local industry.
- It is also recognised that the prosperity of the grazing industry is linked with sound natural resource management.
- Council will therefore liaise with relevant agencies regarding the Wild Rivers concept.
- Council will work with industry groups such as Agforce to:
 - assist graziers access Commonwealth and other funding to explore new ways of improving productivity and environmental management.
 - Explore how 'precision agriculture' and a range of new electronic technologies such as Global Satellite Systems Navigation (GSSN) and other new applications of information and communications technologies might give equivalent benefits to grazing that it has given to the cropping industries.
- Council will also assist individuals or groups of graziers in the preparation of grant applications for:
 - The Grazing Land Management course from QPIF;
 - MLA Edge Workshops;
 - The DERM , DAFF Climate Ready grants.
- A Grazing Industry Strategy will be developed to focus these efforts.



6. TOURISM

Council Tourism Strategy will focus on:

- Workshops and training programs to improve the skills of owners, managers and their staff.
- Better marketing of the region, as part of the Matilda Highway and Outback Queensland.
- Working with business to develop new ways to encourage tourists to spend longer in the region.
- This will include self-guided day tours, branding the Matilda Highway as comprising a number of 'trails', e.g. a nature trail, guided day tours and new 'bush experiences'. The significant aboriginal rock art in the region will hopefully play a large part of these plans.

Tourism projects to be explored include:

- Working with Tourism Queensland on the Tourism Opportunity Plan (TOP) project.
- Identifying a 'tourism signature' for both towns.
- Work with Tourism Queensland and DEEDI re assisting new tourism businesses.
- Develop 2-3 self guided tourism itineraries for each town.
- Develop and progressively improve a BTRC Tourism Brochure.
- An on-going program of upgrading the BTRC website and exploring other internet based marketing activities e.g. Facebook, YouTube.
- Lobby OQTA in relation to a whole of Matilda Highway marketing, to provide series of low cost attractions along the highway, including linking events so as to create a staged series of events from April

in the South to September in the North. Also link new events so as to be mutually supportive of existing events, eg just before or just after existing events so as to build patronage for both.

- Lobby OQTA to establish Matilda Highway as a:
 - Nature trail, including bird watching;
 - Sand green golf course trail;
 - Mineral spa trail;
 - Lawn bowls trail;
 - Art Trails / galleries;
 - Event Trail;
- Promote Blackall and Tambo as events venues:
 - Based on the Cultural Centre at Blackall for conferences and similar events;
 - Horse and other rural events such as the Campdraft National Finals;
 - Through developing a significant community event that grows to a major regional event;
 - Attraction of major meetings and conferences such as the Public Art Symposium staged in 2011.



- Encourage guided day tours to be established in both towns by building linkages between:
 - Existing tour operators in Charleville and Longreach;
 - Motel, hotel and caravan operators;
 - Other interested parties.
- Arts & Cultural tourism:
 - Work with the Bidjara people to develop tourism and cultural opportunities from the significant rock art in the region;
 - Facilitate the re-opening of the Ram Park facility;
 - Work with Blackall Cultural Association and Living Arts Centre to develop art based tourism packages including art retreat and residencies;
- Work with Barcoo Retirement Village to develop “Community Shed” and Art Gallery at the “Bushman’s” Hotel;
- Work towards growing collection of public art and development of a public art park along the Barcoo River Bank in Blackall;
- Work with Red Ridge (Interior Queensland) to support art and cultural activities.
- Address issues related to new ‘outback experiences’ including:
 - Public liability insurance;
 - Bush campsites on lagoons, billabongs;
 - Better utilization of land zoned as Reserves;
 - Farm stays and similar on property experiences.



7. MINING DEVELOPMENT

Council will work closely with the State Government and other Regional Councils so that it:

- Better understands the impacts of mining exploration and development in the wider region;
- Can work with local businesses and the local community to maximise economic and social benefits from this mining activity, including inwards investment attraction.

Waratah Coal

The company website, see <http://www.waratah-coal.com/galilee/GalileeBasinProject.php> claims that this thermal coal project will complete its Environmental Impact statement by June 2010, the full Feasibility Study by mid 2010 and start on-site project construction by late 2010. The first export coal shipment is planned for late 2012.

Hancock Coal

The Hancock Group has two large thermal coal projects in Central Queensland, see <http://hancockcoal.com.au/>. A report in the CQ News of 12 March 2010 spoke of a community engagement strategy and a draft EIS to be submitted in mid 2010. The company has sponsored the Alpha Swimming Team.

As of April 2011, details of the plans of these coal mine projects were not in the public domain. It is therefore not possible to gauge the impact of these mines on Blackall and Tambo. However, it is likely that there will at least be families living in these towns that will have members working in these mines or that some families seeking work in these mines will look to live in either Blackall or Tambo. The impact of these mines on the labour force and real estate values and demand may well be considerable. It is not possible to do more than speculate on the scale of purchases of goods and services by these mining companies and their contractors from Blackall and Tambo.

Mining Exploration

There is considerable exploration for coal and coal seam gas in the region. It is not possible to do more than speculate as to if and when any of these deposits will be commercially exploited.

The Blackall Coal project is based on a mining exploration lease covering 300 sub-blocks over an area of approximately 900 km² in the Eromanga Basin in Queensland. The tenement was granted to East Energy on 22 April 2008 for an initial period of five years. The area is 65 kilometres south of Blackall, 177 kilometres north-west of Charleville, and 81 kilometres west of Tambo. The company announced on 3 November 2009 that a more aggressive exploration program will commence. For more information see <http://www.eastenergy.com.au/operations.php>.

Lodestone Energy (see <http://www.lodestonenergy.com.au/>) has exploration tenure for coal and coal seam gas between Tambo and Augathella and commenced exploration drilling in late 2009. The company Tambo Oil and Gas Pty Ltd has a link with Lodestone. The Lodestone website states that "Lodestone envisages that early revenues from CSG at Tambo and small scale coal mining at Moreton will help fund an eventual large scale open cut coal mining operation at Tambo." This project is at the exploration stage as of April 2010.



8. COMMUNITY DEVELOPMENT

Blackall and Tambo have to be enjoyable places to live. Therefore, Economic Development will need to be supported by strong cultural, sport, youth, age, and other community development strategies.

The role of key community facilities such as aged care facilities, schools and hospitals in employment, training, local purchase of goods and services, investment and in retaining highly skilled professionals in the region is acknowledged.

9. Glossary and Abbreviations

- ABARE:** Australian Bureau of Agriculture and Resource Economics, the Australian government economic research unit on agriculture and the resources sector.
- DAFF:** the Commonwealth Department of Agriculture Fisheries and Forestry.
- DEEDI:** the Queensland Department of Employment, Economic Development and Innovation, the key Queensland Government economic development agency. This incorporates the former Departments of Primary Industries and Mines and Energy as well as State development.
- DERM:** Queensland Department of Environment and Resource Management. This incorporates the former Departments of Natural Resources and Water and the Environment Protection agency.
- MLA:** Meat and Livestock Australia, the industry association for the meat and livestock industries.
- OECD:** Organisation for Economic Cooperation and Development, one of the world leading research groups on economic development.
- OQTA:** Outback Queensland Tourism Association, the regional tourism association for outback Queensland.
- QPIF:** Queensland Primary Industries and Fisheries, part of DEEDI.
- RAPAD:** Remote Area Planning and Development Board, the regional economic development agency for the Central West.
- RDA:** Regional Development Australia, the group set up between the Commonwealth and the States to focus on strategic issues for regional development.

APPENDICES

Appendix 1

KEY ECONOMIC TRENDS

Introduction

An Economic Development Strategy needs to be developed in the context of the short to medium trends in the key economic sectors for that region.

The papers presented at the March 2010 Outlook Conference of the Australian Bureau of Agricultural and Resource Economics (ABARE) are a current analysis from a reputable agency of the trends in the markets for beef, lamb, coal and gas.

However, there is an issue with this ABARE analysis, as summed up in the title of the ABARE Conference Proceedings, Australian Commodities March 2010.

The issue is in the concept of commodities. This assumes that beef and lamb are an homogenous product with no market differentiation. This assumption is necessary for the kind of over-arching analysis done by ABARE.

However, it is suggested that markets are segmenting and differentiating rapidly in all consumer sectors and that there is a case for Australian beef and lamb producers moving up the value chain to compete with lower cost volume product from South America and other emerging markets. This would mean graziers selling animals to a specific end use customer rather than in an open auction in a saleyard.

Prospects for Economic Growth

The ABARE presenters suggested that:

- Australia could expect growth returning to of the order of 3.8% in 2010.
- However, the OECD members (mainly Europe, North America and Japan) could expect slower and uneven growth.
- Non-OECD growth, especially China, Chinese Taipei and India, could expect faster growth.
- However, risks to sustainable global growth remained. This risk flowed from a mix of high public and private debt. The public debt of selected nations in 2010 as a percentage of Gross Domestic Product was:

Australia	22.7%
USA	93.6%
Japan	227%
Korea	39.4%
India	85.9%
China	22.2%
Indonesia	31.2%

- Re the USA:
 - Growth had resumed
 - However considerable concerns remain, with high unemployment and a significant stock of unsold houses.
 - There was the need to balance short term economic stimulus with medium term budget consolidation.

- Re China:
 - There was strong growth and there had been no recession.
 - There was significant stimulus spending plus infrastructure spending.
 - There was some concern with the economy overheating with too strong growth leading to inflation.
- Re Japan and Korea:
 - Japan in particular had experienced a sharp contraction in 2008/09.
 - Recovery had been experienced from mid-2009.
 - Demand from China has stimulated exports.
 - Concerns remain over Japan's growth prospects due to weak productivity growth in services, high public debt and an ageing population.
 - Korea had good growth prospects.
- Re The European Union, it had:
 - A relatively modest recovery.
 - Problems with public debt, sluggish housing markets, weak investment and high unemployment.
 - Problems in countries such as Greece could affect recovery.

The conclusion drawn from the above is that there were reasonable prospects for growth in Australia's export markets in the short to medium term and that gearing for future growth is reasonable.

The Australian carried an article by Michael Stuchbury on 13 March 2010 that brought together some of the issues coming out of the World Economic Forum held at Davos in Switzerland. A speech by the Australian Treasurer Wayne Swan was quoted as saying that:

- An ageing population would place real pressure on Australia's health system, workforce participation and per capita economic growth.
- These demographic pressures would mean that nations could no longer rely on better education, the entry of women into the workforce and technological innovation to drive productivity growth.

These remarks are interpreted as meaning that economic development will need to be more thoroughly thought through than before.

Mr Swan, in the same article in The Australian cited a recent study by a US academic Professor Jack Goldstone, who had identified four key trends for the next 40 years:

- The developed share of global population will drop by 25 per cent;
- The workforce will age more in developed nations;
- Population growth will be concentrated in developing nations and;
- Rapid urbanisation will lead to most of the world's population living in cities for the first time.

Mr Swan's conclusions to the above were that Australia was well placed to supply goods and services into the growing parts of Asia. He noted the fivefold projected per capita growth in economic output in China, India and Indonesia.

However, Mr Swan's other remarks about the issues to be addressed in economic development can be taken to suggest that, while markets will exist for the kinds of goods and services Australia produces, we will have to deliver what those markets want in terms of quality and price to achieve sales.

Beef

ABARE suggested that:

- Relatively stable beef prices (around 280 cents per kg) could be expected in the short term, due to increased competition in the Japanese and Korean markets and the high Australian dollar.
- Renewed economic growth in Japan, Korea and Chinese Taipei may lead to increased demand for beef. However, Australia has to capture that market share.
- The US cattle herd had contracted over recent years but was rebuilding.
- Australian beef production is growing in northern Australia due to better grazing management, genetics and infrastructure.
- Future issues include:
 - Significant competition from US beef;
 - Growing competition from Brazil;
 - Growing environmental and animal welfare concerns.

Sheep meat

- There is strong international demand for lamb and mutton.
- Sheep meat returns are expected to remain favourable, at approx. 300 cents per kg.
- Sheep meat production had fallen in Australia and especially New Zealand, where sheep numbers fell over recent years by 20%.
- New Zealand is returning to the market and is a strong competitor.
- The high Australian dollar is again an issue for exporters.

The conclusions drawn regarding meat markets were that they were likely to grow but not significantly and that there would be major competition in export meat markets.

Meat and Livestock Australia (see <http://www.mla.com.au/default.htm>) report that Australian cattle producers and beef exporters can expect another year of subdued prices and lacklustre export demand – but the low-point in prices should have passed. Intelligence gathered at a major Middle East food trade show, Gulfood, reported that there is demand for a greater range of red meat cuts. However, another year of high prices and profitability is forecast for Australia's lamb producers, underpinned by strong overseas and domestic demand for the product.

Energy

ABARE's conclusions were that:

- Energy use in Australia was tipped to rise by 35% between 2007/08 and 2029/30.
- Gas use was tipped to rise by 50%, to 33% of total energy use.
- Renewable energy was predicted to rise from 5% to 8% of total energy.
- Electricity generation was predicted to change as follows:
 - Coal's contribution to fall from 72% of electricity production to 43%;
 - Gas' contribution to rise from 19 to 37%; and
 - Renewables contribution to rise from 7% to 19%, mainly via wind power.

The conclusion from the above and other media reports is that, while exploration of potential coal seam methane fields between Tambo and Augathella is likely to proceed, development may not occur for 10 years or more, while new developments on the North West Shelf in Western Australia and at Gladstone and surrounds are finished.

There is much debate on the role of renewable energy, especially on the role for subsidies for the development of solar, wind, tidal and geothermal power.

Coal

ABARE's conclusions were:

- For thermal coal, that used for power generation;
 - Prices and volumes are likely to rise due to sustained demand in Korea, Japan and Chinese Taipei, with future demand from China and India.
 - Competition is from Indonesia and Columbia at present with Mozambique and Mongolia in the medium term.
- For coking coal, for steel production;
 - Growth is likely as steel production rises rapidly in China and India, leading to significant export markets for coking coal.

Tourism

Tourism Australia is a statutory authority of the Australian Government, which promotes Australia as a tourism destination internationally and domestically and delivers research and forecasts for the sector. See <http://www.tourism.australia.com/>

The Tourism Forecasting Committee - **Forecast 2009 Issue 2**, Tourism Research Australia, Canberra concluded that:

“The Australian tourism industry was negatively affected by the global financial crisis in late 2008 and through 2009. The TFC estimate that total tourist consumption contracted 3.5% in real terms in 2009, which is the largest fall since the 3.9% fall in 2003 associated with the SARS outbreak and the start of the US invasion of Iraq. This decline was driven largely by the continued poor performance of domestic tourism, a modest downturn in international visitation, and a solid increase in Australian outbound travel.

This result could have been far worse. Global GDP fell sharply in 2009 (Consensus Economics estimates a 2% decline) with sharp falls in most leading European and Asian Economies (with the notable exceptions of China and

India). In addition, the rapid appreciation of the Australian dollar against the currencies of most of Australia’s leading source markets and sharp declines in worldwide consumer sentiment by mid-year presented a poor macro-economic backdrop for the Australian tourism industry.

It appears the worst of the world recession is over, but the residual overhang of high unemployment, losses in wealth, cautious lending and potentially fragile consumer sentiment will continue to constrain the pace of recovery. As a result, demand for travel to and within Australia is forecast to increase only moderately in 2010. Further, some of the competitive advantages enjoyed by Australia in 2009 are expected to diminish in 2010.

- A strong Australian currency in late 2009 and through 2010 will reduce Australia’s price competitiveness.
- The level of price discounting on Australian international routes is expected to unwind during 2010 as airlines seek to restore profitability.
- Higher oil prices will also multiply the disadvantage of longer haul destinations such as Australia, more so if fuel surcharges are re-imposed by international carriers.”

There is a problem with tourism statistics in that there are few reliable figures for drive tourism in regional Australia. Most of the figures are for coastal rather than regional Queensland and then focus mainly on hotels and motels, rather than on caravan and motor home travellers. The problem with statistics is compounded by the choice, for lifestyle and price reasons, of 'free camping' and so many are not using commercial campsites where their statistics could at least in principle be collected.

However, the Campervan and Motorhome Club of Australia reported at the Local Government Association Regional Development Conference in Cairns in February 2010 that;

- They are gaining some 700 new members a month.
- The average length of trip of their members is 157 days
- There are approx. 80,000 of their members on the road at any one time.
- They spend on average \$662 pw if staying in 'free' sites and \$730 pw if staying in commercial camp sites. This difference in local spending is thus not large.
- Caravan production has risen by 15% pa for each of the last five years.
- However, camp sites do not need to have complex facilities.

The above suggests real growth is likely in drive tourism. The challenge is to persuade these tourists to travel to Western Queensland in general and to stop over for more than one night in Blackall and Tambo.

However, it is suspected that, as the Outback Tourism sector is quite small as compared to the rest of the Australian tourism industry, and employs far fewer people and has much lower investment figures, this sector inevitably draws less attention than the other larger segments of the Australian, or even Queensland, industry.

The above conclusion, it is suggested, re-enforces the conclusion that the remote regions have to take the initiative in regional economic development, rather than waiting for Brisbane or Canberra to act. In tourism, this means that groups such as the Outback Queensland Tourism Association have to develop a strong strategic approach and its members need to work together effectively to present a unique and satisfying holistic holiday experience as well as having individual regions focus on their own attractions.

Appendix 2

RESEARCH INTO REGIONAL ECONOMIC DEVELOPMENT

The Australian and Queensland Governments have long had an interest in regional economic development, even if this interest has waxed and waned over the past few decades. This interest has resulted in several soundly based studies on key issues underlying regional economic development.

Probably the most important study is that done by the Commonwealth Bureau of Transport and Regional Economics. This group published in 2003 an analysis of the experience of governments in the European Union, the USA, Canada and New Zealand, entitled "Government Interventions in Pursuit of Regional Development: Learning from Experience." Key findings were:

- Determining the effectiveness of regional interventions is difficult, as there are few simple cause and effect relationships and the range of variables affecting the success of a region are many and varied.
- Attracting inwards investment through significant incentives often does not have long term benefits as large companies can move out as easily as they move in to a region.
- Many regions used sectoral strategies to focus on industry clustering, infrastructure and sought to encourage balanced external and internal investment. Facilitation of local businesses and inter-firm linkages through local capacity building and advisory services were cost effective. Enterprise zones have not been found to be effective.

- However, more recently, it has been accepted that regions as well as sectors compete internationally. Therefore promotion of local enterprises that capitalise on regional specific resources, know-how and locational advantages, are encouraged. Building human capital through management and vocational skills development is critical.
- The final conclusion of this study was that common themes across Australia and internationally on regional economic development were that successful policies delivered:
 - Well integrated stable governance, particularly local government;
 - A recognition that businesses were the key driver of economic development;
 - Human and social capital capacity-building;
 - The provision of essential infrastructure, that operates efficiently;
 - The promotion of sustainable development;
 - Taking a long term approach to developing a region.

The Organisation for Economic Cooperation and Development (OECD) published in December 2009 an analysis of the economic strengths of the various regions within OECD nations, "Regions Matter: Economic Recovery, Innovation and Sustainable Growth".

This OECD study found that:

- No policy approach fitted all regions; each region had to develop its own strengths.

- Growth opportunities did exist in all regions, it depended on how the region mobilises its assets.
- Differences between regions were greater than differences between countries.
- A region needs to capitalise on its own specific competitive advantage and not rely on national transfers and subsidies.
- How investments are made, regional assets used and synergies exploited can make the difference.
- Public investments need to prioritise on longer term impacts on productivity growth.
- 80% of the people at a key Los Angeles library were working from the library, not from home or an office, rather than using the library to borrow books and other materials;
- Up to a third of people do at least some work at home;
- Some companies in Los Angeles actually ask employees to work at home 2-3 days a week as the stress of travelling to work is measurable.

A paper given by Professor Ed Blakely at the Local Government Association Regional Development Conference in Cairns in February 2010 on 'Building Sustainable Regions' came to almost the same general conclusions as the Commonwealth study above. Professor Blakely's views are summed up on his website <http://www.blakelyglobal.net/home>.

Key points made on developing regions were:

- Build a local brain pool;
- Build creative networks of businesses;
- Good infrastructure;
- Good ambience and lifestyle;
- Good connectedness, via the internet, roads and air travel ;
- Good environmental management;
- Build a good reputation in key areas;
- Celebrate socio-ethnic diversity;
- Don't take local companies for granted.

Another key point made was that the nature of work is changing dramatically, for example:

The then Queensland Department of Primary Industries published a study in December 2003, "Why some towns thrive while others languish." The study was done in response to the real pressure being experienced by so many small towns in rural and regional Australia. Eight small Queensland towns participated in the study but the names of these towns were not included in the final report.

It is suggested that, while a wide range of factors were listed; the key issues with successful towns were that they tried harder and had a greater openness to change and new ideas. Local leadership was critical.

The conclusion drawn is similar to that drawn by a study done by the Commonwealth Department of Agriculture Fisheries and Food by Instate Pty Ltd in 2000 on why some food processors export and other don't. The key conclusion was that the successful exporters tried harder. There were many barriers faced by the successful companies but that effort and seeking assistance often led to solutions being found.

Appendix 3

BLACKALL – TAMBO REGION STATISTICS

From Queensland Regional Profiles,
Office of Economic and Statistical Research

30 March 2010

Population statistics

2003 2275 people
2008 2067 people, with 1167 in Blackall, 353 in Tambo and 547 on rural properties.

The region is experiencing a 1.1 % annual decline of population, while Queensland as a whole has a 2.1% annual increase. The population is predicted to fall slightly to 2052 by 2011 and then rise to 2205 by 2026.

The age range of the population was at 30 June 2008;

	BT	Queensland
0 – 14 years	18.1%	20.1%
15 – 24 years	10.6%	14.2%
25 – 44 years	24.4%	28.4%
45 – 64 years	30.5%	25.0%
Over 65 years	16.4%	12.3%

At the 2006 census, 50 people identified as indigenous.

People in the region move less often than the rest of the State, in 2006, 17% were at a different address than a year ago, as compared to 19.7% for Queensland.

One parent families were 10.7% of families as compared to 15.9% for Queensland.

Education

The levels of formal education were lower than for Queensland;

- 36.8% of those over 15 had completed Year 11 or 12 schooling, compared to 49.5% for Queensland
- 35% had a post-school qualification, compared to 50.4% for Queensland

Employment

Unemployment was low as at September 2009, with 2.6% unemployed as compared to Queensland with 4.9%.

The pattern of employment is quite different to the rest of Queensland, as follows:

	BT (%)	Qld (%)
Agriculture	32.6	3.4
Mining	1.0	1.7
Manufacturing	4.9	9.9
Construction	4.4	9.0
Public Administration	11.0	6.7
Health and Education	13.0	17.8
Professional and technical	0.9	5.6
Technical and trades	10.1	15.4
Managers	26.9	12.4
Labourers	23.0	11.9

That is, there are more people in lower skilled jobs than for the rest of Queensland.

Economic Activity

There were no residential building approvals for the calendar year 2009. The value of non-residential construction for 2009 was \$1.7M.

A Socio-Economic Index of Disadvantage was developed using data from the 2006 census. This links income, education, employment and dwellings with no motor vehicles. If the population for Queensland as a whole is broken up into quintiles (groups of 20%) then for Blackall – Tambo, there were:

- 74.7% in the bottom quintile (most disadvantaged)
- None in the next quintile
- 2.3% in the next quintile
- 7.2% in the next quintile
- 15.8% in the top quintile, most advantaged.

The income ranges of people link with this index;

	BT (%)	Qld (%)
Less than \$400 pw	46.5	39.7
\$400 to \$999pw	36.5	34.3
\$1000 to \$1,999 pw	7.9	13.3
More than \$2000 pw	2.2	2.9

A similar range of people with low incomes is seen with business turnover data, of a total of 351 businesses, all of which are classified as small businesses according to official classifications:

- 138 had a turnover of less than \$100,000
- 138 had a turnover between \$100,000 and \$500,000
- 48 had a turnover between \$500,000 and \$1M
- 27 had a turnover of over \$1M

Agricultural production was:

- Crops \$600,000
- Animals \$68.5M
- Animal products (wool) \$6M

Internet connections were 47.5% of households as compared to Queensland with 62.8%.



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