

ROCKHAMPTON REGION

# Economic Development Strategy Summary Report

PREPARED FOR ROCKHAMPTON REGIONAL COUNCIL







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## FOREWORD



We need a map to achieve our vision for growth and economic prosperity. The Rockhampton Region Economic Development Strategy plays an essential part in this mapping process.

We must take a proactive role in positioning and preparing the Region to benefit from future opportunities and to create our own. Shifting our dependency from opportunistic economic development and creating a reinvigorated approach is an important first step toward long-term success.

Big projects are exciting, and we should continue to strive for them, but we also need to be more deliberate and structured in our long-term approach, building on what we have, building what we should already have, and building what we want to have. This Strategy will enable us to do this.

Through its implementation, Council intends to provide the best possible environment in which industry thrives, opportunity abounds and businesses are able to prosper, creating wealth and employment opportunities for our region.

We know we have a great community, but we want it to be even better, and the envy of our competitors. We want to seize opportunities and strengthen our economic diversity so upcoming generations choose to settle in our Region.

In 2014 I convened an Economic Development team who have worked in conjunction with the RPS Group to design an Economic Development Strategy that will create the Rockhampton Region of the future.

Developed through a process of industry engagement and community consultation, matching what we already know against our aspirations and contemporary thinking about economic opportunities, we now have a tool that enables us to approach the future with greater confidence.

I pledge that Council will work energetically with the State and Federal Governments, businesses, the wider community and other lead agencies to complete the actions set out in our Economic Development Strategy.

A handwritten signature in black ink, appearing to read 'Margaret Strelow'. The signature is fluid and cursive, with a long horizontal stroke at the end.

**Margaret Strelow**  
MAYOR

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We know we have a great community, but we want it to be even better, we want to seize opportunities and strengthen our economic diversity.

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## INTRODUCTION

The Rockhampton Region has a resilient and stable economy, generating quality employment and business opportunities. It is recognised nationally as the beef capital of Australia, supporting wider agricultural production in Central Queensland. It is also home to a critical mass of residents attracted to the Region by high quality secondary and tertiary education, public and private tertiary hospitals, and allied health.

The Rockhampton Region is blessed with an incomparable range of economic opportunities. The central location of Rockhampton on major intra and interstate freight and transport infrastructure, its proximity to major mining and resource development activity and its large customer base and labour force all have the potential to drive the growth and prosperity of Rockhampton's business and residential community.

However, the Rockhampton Region's economic potential is currently not being realised. The Region is characterised by:

- A high unemployment rate;
- A workforce with a below average skills profile; and an economy dominated by public sectors (like health, education and public administration);
- Below average and slowing economic activity per resident; and
- A deficit of leadership capacity in the wider community despite high levels of social engagement and volunteering.

Most importantly, Rockhampton lacks a large, dynamic and entrepreneurial business community, with below average numbers of local businesses and slow business formation

and growth rates. Rockhampton's current role as the capital of Central Queensland is premised on its economic strength and to maintain this role, the Region must facilitate and drive robust growth in private investment, business establishment and jobs creation.

### ROCKHAMPTON'S NEED FOR AN ECONOMIC DEVELOPMENT STRATEGY

The economic development of a region is critical for maintaining and enhancing prosperity and quality of life of residents. Rising costs of living and increased competition and economic, social and environmental pressures drive the need for regional economies to grow, expand and diversify.

The continued prosperity and quality life of residents in Rockhampton is contingent on the implementation of effective actions and initiatives to help guide and manage the development of the regional economy in the long-term. This requires the establishment of a practical and evidence-based framework to inform and guide investment activities by public, private and community sectors and stakeholders. This framework is traditionally enshrined in an Economic Development Strategy.

The primary purpose of Rockhampton Region Economic Development Strategy is help guide the actions, initiatives, policies and investment by the Rockhampton community over the next 5 years. This Strategy looks beyond Council and is designed to help inform all public and private sector stakeholders, as well as potential new residents, business and investments, on the future potential and direction of the Rockhampton Region.





## ROCKHAMPTON VISION

The future of the Rockhampton economy will be determined by the interplay between current and emerging global megatrends and the region's drivers, characteristics and capacity for growth. Based on this the vision for the Rockhampton economy is:

Rockhampton is recognised globally as the economic heart of Central Queensland. It is home to a critical mass of residents, high quality services and facilities and a dynamic and prosperous economy driven by entrepreneurial and innovative businesses, strategic investment and international exports.

### THIS VISION IS COMPRISED OF A SERIES OF DISCRETE ELEMENTS:

- **ROCKHAMPTON IS RECOGNISED GLOBALLY AS THE ECONOMIC HEART OF CENTRAL QUEENSLAND** – Rockhampton is recognised across Australia and around the world as the principal hub of economic activity in Central Queensland. It is the destination of choice for new businesses and investment due to its robust economy and diverse economic and commercial opportunities.
- **IT IS HOME TO A CRITICAL MASS OF RESIDENTS** – The population of Rockhampton is large and diverse. The size of the population base provides businesses with a large skilled labour force and a prosperous customer base. It supports the viability of higher order community services and facilities and is characterised by a growing number of new residents from around the world.
- **HIGH QUALITY SERVICES AND FACILITIES** Rockhampton continues to be home to a diverse service sector supported by major tertiary education, health, government and communities facilities that service Rockhampton region and broader Central Queensland.
- **PROSPEROUS ECONOMY** – the Rockhampton economy generates prosperity for businesses and community. It is characterised by strong employment generation, profitable businesses and industry, high and rising incomes.
- **DRIVEN BY ENTREPRENEURIAL AND INNOVATIVE BUSINESSES** – the economic success of Rockhampton is founded in its

dynamic businesses which are characterised by a culture of entrepreneurship, innovation, research and development and a general willingness to pursue new ideas and opportunities.

- **STRATEGIC INVESTMENT AND INTERNATIONAL EXPORTS** – the development of business and industry is facilitated by strategic investment in critical infrastructure, projects and facilities which allow the comparative advantages of the Rockhampton Region to be realised. This includes greater engagement by Rockhampton businesses with national and international markets, producing high quality goods and services to trade with the rest of the world.

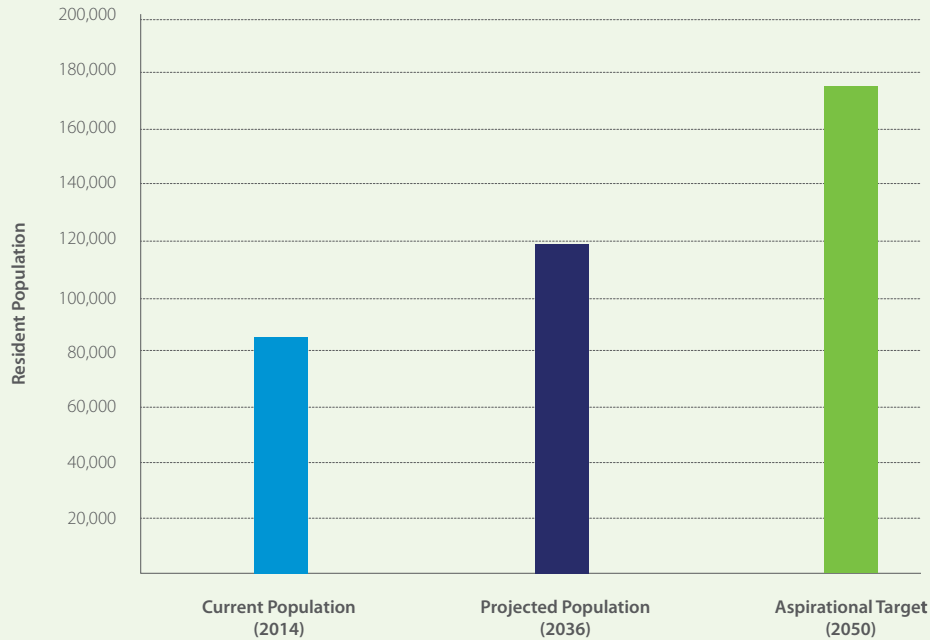
Achieving each element of this vision is critical to ensuring the economic, social and environmental potential of the Rockhampton region is realised with appropriate public and private investment.

### ASPIRATIONAL POPULATION TARGETS

The Rockhampton Region is characterised by a critical mass of residents. Such a critical mass is essential to realising the economic, social and environmental potential of the Region. Current State Government population projections indicate that the population of Rockhampton will continue to grow in line with historical averages to 2036, to reach around 118,000. However, if the Rockhampton economy is to reach its full potential, a larger population, customer base and labour force will be required. **Assuming only a moderate acceleration in growth, Rockhampton's population could reach 130,000 by 2036 and 175,000 by 2050.**



1 Population Projections and Targets for Rockhampton



Reaching the population target will drive demand for a wide range of services and facilities in the Region. This will include new dwellings, education, community, health, retail, commercial, and sport and recreation facilities. However, it is important to recognise that Rockhampton's role as the "economic heart" of Central Queensland will mean the Region will require an even greater level and diversity of facilities and services, to meet the need of the wider service population.

2 What Does 175,000 Residents Mean for Rockhampton?

	EMPLOYMENT <b>95,000 jobs</b>		RESIDENTIAL DWELLINGS <b>75,000</b>
	TAFES & UNIVERSITIES <b>1 TAFE 1 University</b>		BUSINESSES <b>20,000</b>
	GPS & DENTISTS <b>180</b>		PRIVATE & PUBLIC HOSPITAL BEDS <b>200</b>
	RETAIL FLOORSPACE <b>385,000 sqm</b>		COMMERCIAL OFFICE FLOORSPACE <b>70,000 sqm</b>
	REGIONAL & DISTRICT SPORTING COMPLEXES <b>4</b>		REGIONAL PERFORMING ARTS CENTRES <b>2-3</b>
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## REGIONAL OVERVIEW

### GEOGRAPHY AND HISTORY

The Rockhampton Region – defined as the Rockhampton Local Government Area – is located on the Tropic of Capricorn in Central Queensland, approximately 600 kilometres north of Brisbane. Covering an area of 6,560 square kilometres, the Rockhampton Region is characterised by a subtropical climate with warm, wet summer months and moderate winters.

The Rockhampton Regional Local Government Area was established through the amalgamation of the City of Rockhampton, Shire of Fitzroy and Shire of Mount Morgan in 2008. The Shire of Livingstone was also amalgamated into the Rockhampton Local Government Area, however residents opted for de-amalgamation in 2013 and it was restored as an separate council in 2014.

### ROCKHAMPTON AND CENTRAL QUEENSLAND

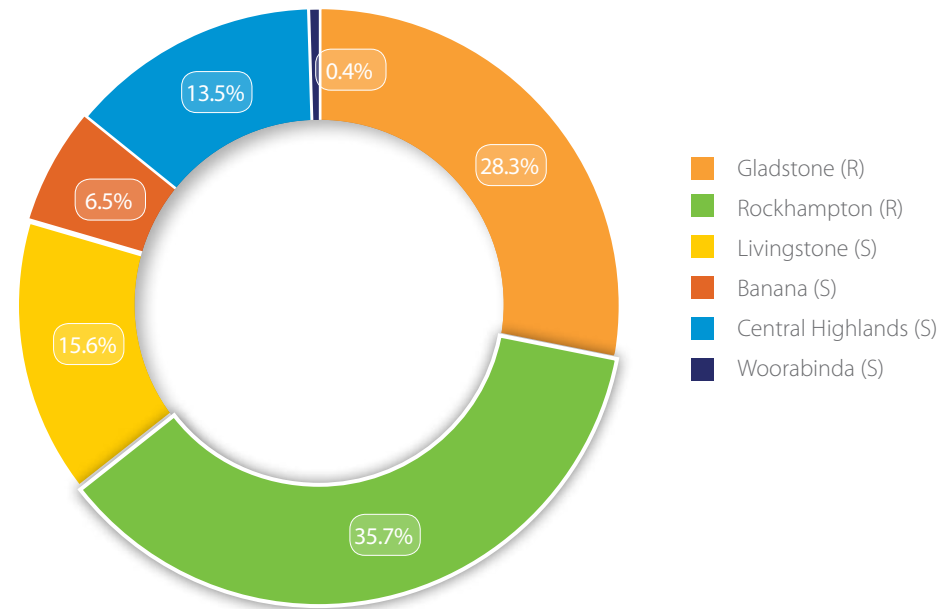
Rockhampton is the capital of Central Queensland. As such, the economic success and prosperity of Rockhampton is invariably linked to the growth and development of the wider region. Central Queensland covers over 117,500 square kilometres in area, or almost 7.0% of Queensland's total land area. Central Queensland was home to 233,747 people as of June 2014. The Rockhampton LGA is home to the largest share of these residents, with 35.7% of the Central Queensland population calling Rockhampton home. This was followed by the Gladstone LGA with 28.3% of the population and the Central Highlands LGA with 15.6%.

### COMMUNITY

Rockhampton was home to 83,439 residents in 2014. Population growth rates have been moderate over the past decade, in line with national averages. This population is projected to reach 86,624 residents in 2016, growing to over 100,000 residents by 2026 and 118,000 residents in 2036. This will represent an additional 33,000 residents calling Rockhampton home by 2036.

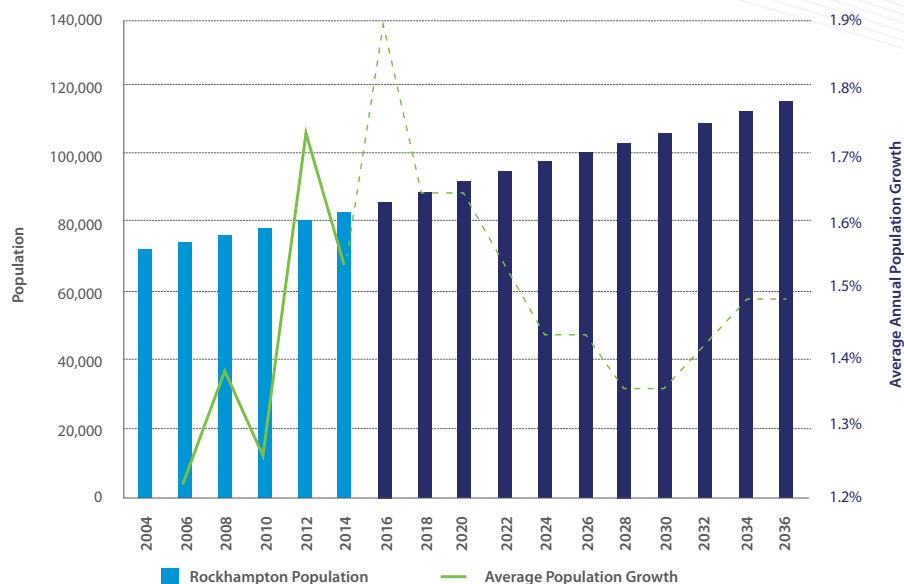
The economic success and prosperity of Rockhampton is invariably linked to the growth and development of the wider region.

3 Central Queensland Population Distribution by Local Government Area, 2014<sup>1</sup>





4 Historic and Projected Population, Rockhampton<sup>2</sup>



The Rockhampton Region is home to a number of major settlements and townships, with the city of Rockhampton the largest and most prominent. It is not only the principal service centre in the local area but also in Central Queensland, possessing the highest concentration and most diverse range of retail, health, education and Government services.

Gracemere is a residential and industrial satellite community to the south east of Rockhampton City. Located on the Capricorn Highway, Gracemere has been the focus of considerable new residential development in recent years, with supporting retail and commercial floor space. The location also offers strong road infrastructure access and is home to a growing transport and logistics cluster.

Mount Morgan is another notable settlement in the Rockhampton Region. The historic township, founded in 1882 with the discovery of gold, is currently home to about 2,500 residents. Mount Morgan's economy has undergone a transition

and now leverages its extensive heritage and historical assets to offer a unique tourism experience to visitors to Central Queensland.

**Rockhampton possesses the highest concentration and most diverse range of retail, health, education and Government services in the local area.**

**MOUNT MORGAN MINE**

Established in 1882, the Mount Morgan Mine was developed by a syndicate of notable individuals in Queensland and world history, who drew upon the wealth of the mine to help establish British Petroleum through Middle East oil discoveries and establish the Walter and Eliza Hall Institute of Medical Research (Walter Hall was a syndicate member).

The syndicate became the Mount Morgan Gold Mining Company in 1886 and operated as an underground mine. The Company established extensive infrastructure and facilities to accompany the mine, including laboratories, brickworks (and supporting clay excavations), foundry, power house, and workshops. The Company operated until 1927 when fire forced the Company into liquidation. By this time, however, Mount Morgan Mine had become one of the most productive gold mines in the world.

In the following year, Mount Morgan Limited was formed and shifted production to open cut methods. This was accompanied by significant modernisation of facilities and infrastructure. The mine continued to operate until 1981, when its ore body was exhausted, though it continued to process tailings from previous mining activity as well as output from other mines until 1990. Over the course of its life, Mount Morgan Mine produced approximately 262 tonnes of gold, 37 tonnes of silver and 387,000 tonnes of copper.

Now, the Mount Morgan Mine is the principal tourist attraction of the town. Structures such as the Main Stack, Gold Stores and General Office remain. Additionally, the excavation of clay to support the brickworks of the Mine revealed fossilised dinosaur footprints inside the cavern. The Fireclay Cavern contains over 300 footprints of the plesiosaur and is incorporated as part of the tours of the mine site.



**ECONOMY**

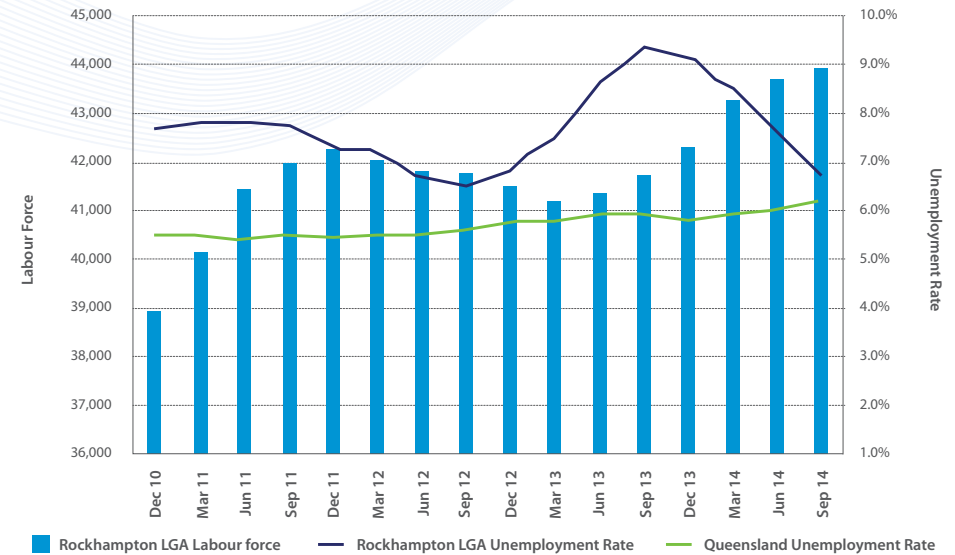
Rockhampton's unemployment rate remains above that of Queensland, as it has for some time. This primarily reflects Rockhampton's role as a major service centre in Central Queensland, with the availability of a range of Government social services, as well as supporting public tertiary health services, attracting a higher proportion of people who are unemployed.

There were almost 33,400 jobs in Rockhampton in 2011. The largest employing industry is Healthcare and Social Assistance, followed by Retail Trade and Education and Training. These three industries are population-serving sectors, highlighting Rockhampton's role servicing both local and regional residents as well as communities across Central Queensland.

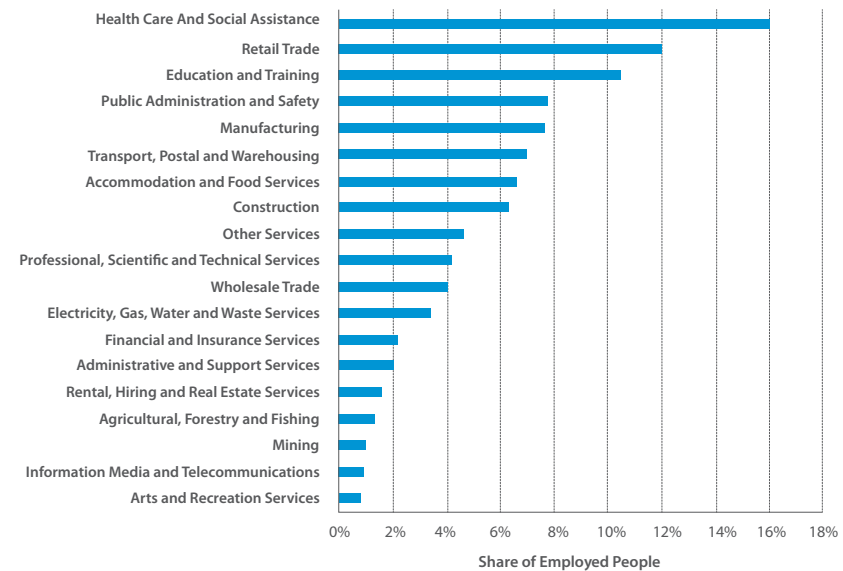
Furthermore, the Public Administration and Safety, Manufacturing and Transport, Postal and Warehousing industries each generate major employment opportunities within Rockhampton. This indicates a moderate degree of economic diversification. In contrast, the Mining, Information, Media and Telecommunications and Arts and Recreation Service industries were among the lowest employing sectors within Rockhampton.

As at 30 June 2014, the Rockhampton economy had a Gross Regional Product of \$4.85 billion. This represents the total wealth generated by businesses, organisations and individuals working in the Rockhampton Region. The Rockhampton Region economy experienced strong and steady growth between 2003 and 2009. However, the onset of the Global Financial Crisis saw GRP decline marginally in 2010 and 2011, before recovering strongly in 2012. More recently, Rockhampton's economic growth has been broadly flat, with growth in 2013 offset by a decline in 2014.

**5** Labour Force and Unemployment Rate, Rockhampton LGA, 2010 to 2014

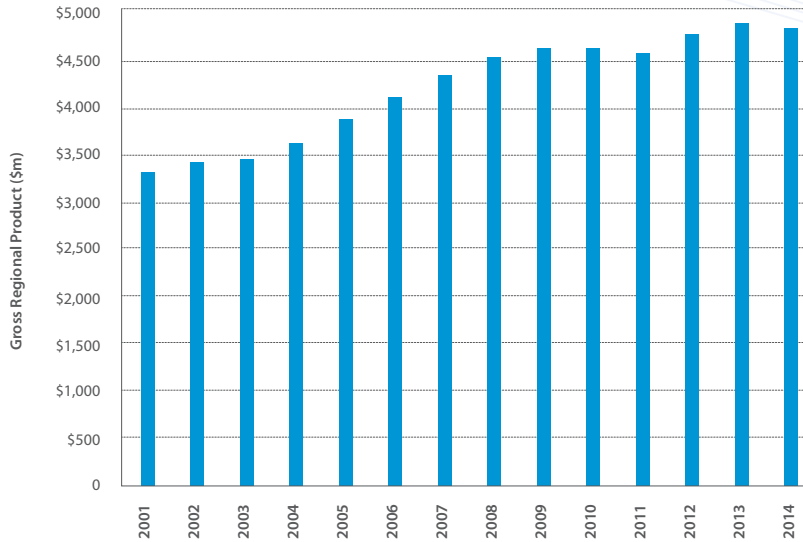


**6** Employment by Industry by Place of Work, Rockhampton LGA, 2011<sup>3</sup>

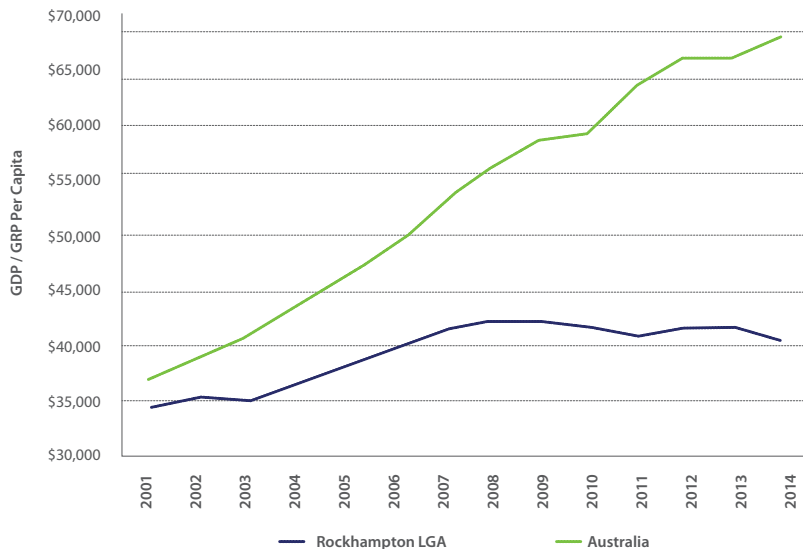




7 Gross Regional Product, Rockhampton Region, 2001 to 2014



8 Gross Product per capital, Rockhampton Region and Australia, 2001 to 2014



The Rockhampton economy has diverged from Australia's broader growth profile over the past 15 years. A review of gross product per person reveals that while Australia has seen an almost doubling in the size of the economy per resident since 2001, Rockhampton has experience only 15% growth. **A review of gross product per person reveals that while Australia has almost doubled the size of the economy per resident since 2001; Rockhampton has experienced only a 15% growth.** This slower economic growth profile in Rockhampton during this period partly reflects the lack of exposure in the Rockhampton economy to mining-related economic growth in Australia over the past

decade, coupled with comparatively strong population growth.

It also reflects a historical lack of coordinated effort and investment in developing the Rockhampton economy. Strong regional economic growth requires a continuous integrated focus on the importance of economic development and how a region can leverage its comparative advantages and competitiveness to drive prosperity. This raises serious concerns regarding the sustainability of the quality of living of Rockhampton residents and future generations if Rockhampton continues to fall further and further behind the rest of the country.

**COAL AND LNG IN CENTRAL QUEENSLAND**

Queensland's position as the largest seaborne exporter of black coal in the world, and an emerging LNG exporter, is primarily due to extensive mineral and energy resources in Central Queensland. Coal was discovered in the region as early as 1845 and the region has since gone on to produce 40% of the State's coal production. The Bowen Basin is the region's and State's primary coal mining region, with production transported by rail to the Port of Gladstone, Hay Point and Abbot Point Ports for export. Japan, China and other East Asian markets represent the primary destination for the region's coal exports.

More recently, energy production has shifted in the region to include Liquid Natural Gas (LNG) extracted from coal seams across the region. This LNG (also commonly referred to as Coal Seam Gas or CSG) has been the focus of considerable investment in recent years, with major production and export facilities

under construction in Gladstone (primarily on Curtis Island). This includes plant and terminals for Australia Pacific LNG, Gladstone LNG and Queensland Curtis LNG projects as well as many thousand kilometres of pipelines across the region, connecting gas wells with liquefaction and export facilities.

Late 2014 and early 2015 saw global market conditions for both coal and LNG change. Reduced demand from China for both thermal and metallurgical coal, a sharp decline in oil prices (to which LNG spot prices are closely linked) and the growth of US shale oil and gas production has resulted in spot prices for these commodities fall in recent quarters. However, the size and scale of energy reserves in Central Queensland and the existing critical mass of coal and LNG production suggests that these sectors are expected to continue to generate supply chain opportunities for regional communities in the medium term.

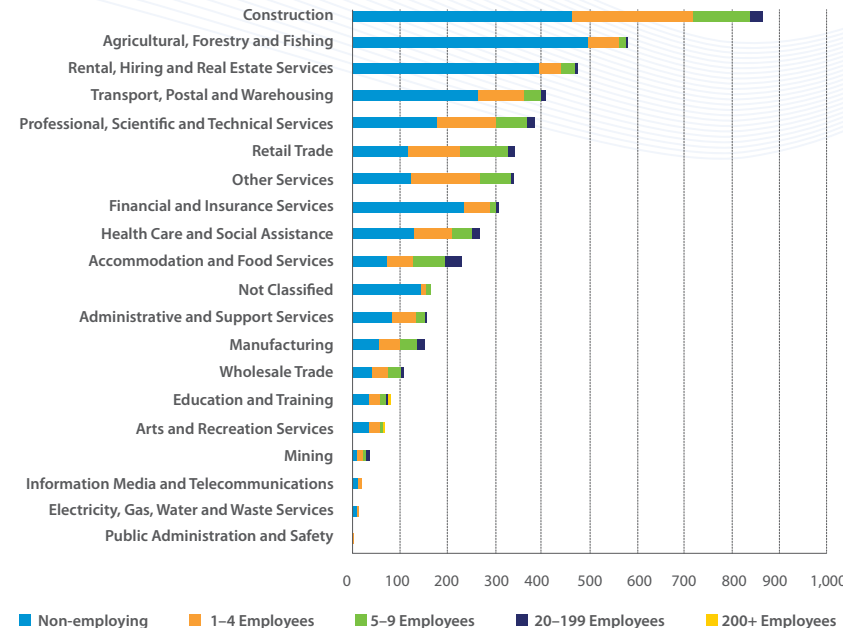
**BUSINESS**

While the public sector plays a particularly important role in employment generation in Rockhampton, the majority of jobs growth in Australia is created by private sector businesses. Business growth and development has been flat in recent years. In 2013, approximately 58% of businesses were non-employing businesses.

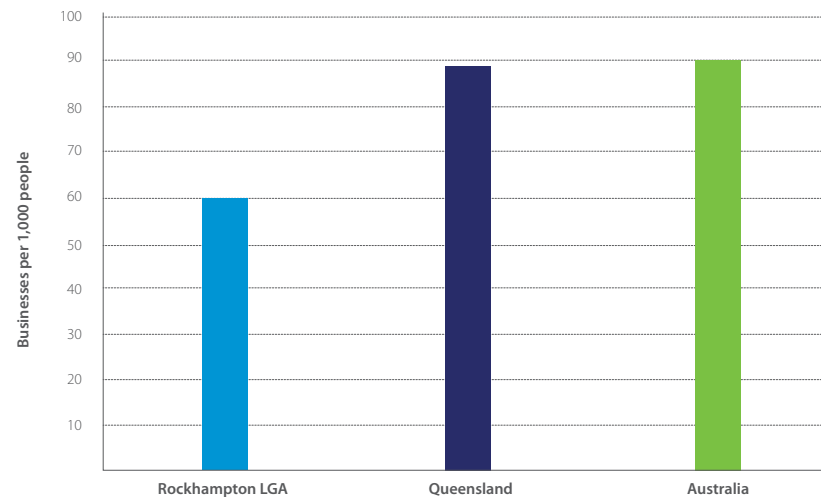
The industries with the largest number of businesses within Rockhampton are Construction and Agriculture. Transport, Postal and Warehouse sector features more prominently in terms of business registrations than employment, reflecting a higher proportion of non-employing and micro-businesses.

An area of concern to the Rockhampton economy is its low business intensity. This is measured as the ratio of the number of locally registered businesses per 1,000 residents. In 2013, this ratio was well below State and national averages. Considering the importance of Rockhampton in the Central Queensland economy, its critical mass of workers and consumers and strategic economic assets, the size of the Region's business community is far below its potential.

9 Businesses by Industry Classification, Rockhampton, 2013<sup>5</sup>



10 Businesses per 1,000 residents, Rockhampton, Queensland and Australia, 2013



**AGRICULTURE PRODUCTION IN THE ROCKHAMPTON REGION**

Rockhampton is the beef capital in Australia. It is the major service and processing centre within the Fitzroy National Resource Management (NRM) region, which is home to one of the largest concentrations of beef capital in the country. In 2012/13, there were almost 3 million head of cattle in the NRM region, or some 23.4% of the State herd. Rockhampton's role is in processing and supply chain support to regional beef producers, and includes significant local abattoir capacity run by JBS Australia and Teys Australia. Beef products produced in Rockhampton are exported across the world.

Outside of livestock production and processing, the Rockhampton Region has a number of significant emerging agricultural opportunities. The potential to increase local coarse grain production for use in regional feedlots is significant, with previous analysis identifying the potential need for over ten (10) 15,000 herd feedlots to accommodate Central Queensland growing livestock production capacity.

Similarly, the strategic location of the Fitzroy River, as well as other major water bodies and rivers in Central Queensland, underpins the potential for more intensive horticultural production. Horticulture is viewed as the fastest growing segment in food production globally, owing to rapidly growing populations in India and China and impacts on water security and availability in those countries. Common horticultural crops include market vegetables, citrus fruits and tropical orchard fruits (such as lychees, guava, mangoes and avocados) and plantation fruits (such as bananas, kiwi fruit, passionfruit and pineapples).



## REGIONAL AND GLOBAL INFLUENCES

The world is changing. Global shifts in demographics, resources, the environment, movement and communication are transforming the way we live, work and interact with one another. Established economic systems, governance models and business processes need to evolve and adapt to this changing global environment to ensure future growth and prosperity.

These global shifts or “megatrends” are relevant to all communities and regions in Australia, including Rockhampton. The Rockhampton Region is exposed to the global economy, through food and mineral exports, while the impacts of climate change will present challenges but also opportunities for the region.

Global megatrends that will influence the trajectory of the Rockhampton economy over the next thirty years have been analysed in this Economic Development Strategy, including:

- Asian Population Growth;
- Global Food Consumption;
- Mineral Resource and Energy Investment;
- Climate Change;
- Affordability and Cost Living;
- Population Ageing;
- Broadband and the Digital Age; and
- Defence and Security

These trends and their relevance to the Rockhampton economy are summarised.

### 1 Regional and Global Influences which Influence the Rockhampton Economy

Driver	Driver Description	Relevance to Rockhampton
<b>Asian Population Growth</b>	<p>Estimates from the United Nations are for a rapid increase in the size of the middle class in Asia over the coming decades, with population in Asia expected to grow from around 4.3 billion people in 2013, to over 5.1 billion by 2050. Most of Asia's population, in fact the world's population, is shared amongst the world's two most populous countries, China and India. In 2013, both China and India accounted for 61.4% of Asia's population and this is projected to remain relatively stable until 2050 (58.2%).</p> <p>Queensland's population is also expected to experience rapid growth (by Australian standards) over the next 20 years, reaching 7.1 million people by 2036, an increase of over 50% compared to current population levels.</p> <p>Although a lot of this growth is expected to occur within south east Queensland, the current push to decentralise Queensland's population away from the south east corner of the State and into regional areas should see an increase in regional centres such as Townsville, Cairns, Mackay and Rockhampton.</p>	<b>High</b>
<b>Global Food Demand</b>	<p>Global food production will need to increase by 60% by 2050 to meet projected demand levels. At the same time, global food production is projected to grow at only 1.7% per annum over the next 10 years, as a combination of increased resource competition from biofuel sectors and increased environmental protections constrain production. Demand is already outpacing supply in international markets, with food price volatility increasing dramatically since 2006 and prices trending upwards from 2000 lows, after decades of real food price declines resulting from increased productivity.</p> <p>This increase in food demand will also be characterised by an increasing shift to high protein foods. This includes both aquatic and terrestrial protein-based food commodities such as livestock production and export. Recent and near term Free Trade Agreements with countries such as South Korea and China are also expected to drive demand for livestock. This will build upon existing major markets for Australia, including Indonesia and Japan.</p>	<b>High</b>
<b>Mineral Resource and Energy Investment</b>	<p>The industrialisation of Developing Countries, particularly in Asia is expected to drive a structural increase in demand for a range of resources. This includes iron ore and other minerals as well as energy commodities such as coal and LNG. Queensland has a globally significant resource endowment, particularly in energy commodities. These resources have been the focus of considerable investment and development over the past two decades, with major coal deposits being developed in Bowen and Surat Basins and major coal seam gas-based LNG projects commencing export in 2015/16.</p> <p>Rockhampton is strategically located in close proximity to Queensland major mining and resource regions and operations. This provides the opportunity for local businesses to integrate into resource supply chains, both in construction and operational phases. However, current exposure by Rockhampton to the mining sector is limited. The most recent resource investment cycle has entered a decline, following the completion of construction of a large pipeline of major resource projects as well as low spot prices across a wide range of commodities (including coal, iron ore and oil). This decrease in resource construction opens up the longer term operational phase for many of these developments within Central Queensland.</p>	<b>High</b>
<b>Climate Change</b>	<p>The average global surface temperature has risen around 0.8°C since 1850 and will rise further in the coming decades as a result of emissions that have already occurred. For Australia, this is likely to involve substantial environmental change, where both natural and agricultural production systems face significant change due to the combined effects of higher temperatures and a general reduction in rainfall across much of the nation. These environmental changes also increase the risks from bushfires and other extreme weather, particularly in coastal and rural regions. Since 1990 to 2011, Australia's net emissions (carbon dioxide equivalent) increased by 32.2%, growing annually at a rate of 1.3%.</p>	<b>Moderate</b>



Driver	Driver Description	Relevance to Rockhampton
<b>Affordability and Cost of Living</b>	Asian and Australian cities have continued to move up the cost of living scale over the last few years. This has been offsetting traditionally more costly European locations. In particular, the cost of living in Australian cities have been rising very quickly up the rankings as economic growth has supported inflation and currency swings to make them more costly. Currently, two of Australia's cities (Sydney and Melbourne) are ranked in the top five most expensive cities to live, where ten years ago there were no Australian cities among the 50 most expensive cities. In June 2013, the Consumer Price Index for housing was one of the highest in Australia (106.0), higher than that for all groups (102.8).	<b>Moderate</b>
<b>Ageing Population</b>	The population of Australia is ageing. Approximately 3 million people in Australia were aged 65 years and over in 2011 representing over one in eight Australians. This was an increase of 27.6% over the last decade with an annual average growth rate of 2.5%. Looking forward, the number of people aged 65 years and over is projected to increase by 83.6% over the next two decades with an annual average growth rate of 3.1%.	<b>High</b>
<b>Broadband and the Digital Age</b>	Technology has played a central role in enabling the globalisation of markets mainly by increasing the reach and speed of communication while also assisting to reduce costs, which have eased the flow of goods, capital, people and information across borders. These macro trends have profound life and business changing effects as they are able to transform businesses to better tailor their products and services to meet their customers' needs (i.e. increasing mass customisation). This has made Australian businesses become more responsive to change, have faster speeds of transactions (i.e. maturity of Australian financial markets), cheaper and more convenient as well as making better use of scarce resources in the process.	<b>High</b>
<b>Defence and Security</b>	<p>An increasingly globalised and interconnected world does raise issues regarding national security. Recent Defence White Papers have identified a number of interrelated factors that may influence Australia's strategic security outlook in the coming decades. These include:</p> <ul style="list-style-type: none"> <li>• The importance of the Indo-Pacific in global security</li> <li>• Enhanced regionalism and cooperation in South East</li> <li>• The relationship between the United States of America and China</li> <li>• Potential conflict hotspots in North and South East Asia</li> <li>• Regional military modernisation</li> <li>• Terrorism</li> <li>• Climate change impacts and resource security</li> <li>• Cyber warfare</li> </ul> <p>Of particular note in the Defence White Papers is the fact that the economic importance of northern Australia and offshore resources has increased and this must be considered in defence planning.</p>	<b>High</b>



## REGIONAL CAPACITY FOR GROWTH

The growth and development of the Rockhampton economy in the long-term will depend on its capacity to use its unique attributes and characteristics to leverage emerging global megatrends. It is therefore important to investigate the prospects for Rockhampton through the prism of its economic, social and physical attributes and performance within a regional and global context.

An assessment of Rockhampton’s capacity for growth has been undertaken using the “Four Cs Assessment” approach for regional economic development. The four “Cs” approach provides the critical analysis required to identify and understand the strength and direction of each region’s economy. The four “Cs” are:

**CAPITAL** – human capital, particularly skills and education;

**COMMUNITIES** – economically, environmentally and socially sustainable communities and population growth;

**CONNECTIONS** – access to international, national and regional markets; and

**COMPETITIVENESS** – business competitiveness.

### HUMAN CAPITAL

Human capital refers to the skill, knowledge and experience possessed by an individual or population and is viewed in terms of the value people contribute to the development and growth of communities and organisations. It is a fundamental input to economic activity and crucial to regional competitiveness and resilience.

The availability of a highly skilled and educated workforce enables businesses and organisations to respond to changing environments, address challenges and pursue commercial opportunities. Conversely, a lack of access to appropriate

human capital can constrain the growth of local enterprises and discourage new business creation.

It is imperative that a region support the development of its human capital. This support not only provides for existing economic needs, but also allows the region to prepare for the future. Increasing a region’s knowledge capacity and skill set can provide a stimulus for substantial economic and socio-economic shifts.

### Key issues include:

- Strong adult, female and indigenous workforce participation;
- Below average Year 12 completion and post school qualification levels; and
- High “learning or earning” rates among young adults, suggesting young people are bypassing post-school education and training for unskilled jobs.

### SUSTAINABLE COMMUNITIES

Sustainability is the capacity to endure. A sustainable community is one that has diversity and resilience. It does not rely on one industry alone but leverages from the economy’s mix of industries, human capital quality, its natural assets and comparative advantage to become competitive and buoyant. Sustainable communities are inclusive, accessible, healthy and safe with access to a range of employment, housing, cultural, educational and recreational opportunities. In essence, a sustainable community is a place where people want to live and work, now and into the future. The objectives of sustainable communities can be grouped under three key areas:

- Economic sustainability;
- Community vibrancy and diversity; and
- Health and educational access.

## 2 Human Capacity Indicators, Rockhampton

Area of Focus	Indicator	Rockhampton	Nation
<b>Workforce Participation</b>	Adult Participation Rate	66.8%	65.6%
	Adult Female Participation Rate	60.5%	59.2%
	Aboriginal Adult Participation Rate	58.3%	53.3%
<b>Skills</b>	Year 12 Qualified	42.2%	46.1%
	University Qualified	13.9%	22.8%
	Technical Qualified	30.6%	31.6%
<b>Education and Training Outcomes</b>	English Proficiency	98.9%	92.0%
	Year 12 Completions	70.7%	75.3%
	Learning or Earning	89.8%	80.1%

### CQUINIVERSITY

Rockhampton is home to the main campus of Central Queensland University or CQUiversity. First established as Queensland Institute of Technology (Capricornia) in 1967, the passing of legislation in 1971 gave the institution full autonomy from the Department of Education. After operating as the Capricornia Institute of Advanced Technology for two decades, CQUiversity gained full university status in 1992.

Since then CQUiversity has expanded and now has campuses in Bundaberg, Emerald, Gladstone City, Gladstone Marina, Mackay Ooralea, Mackay City and Noosa, as well as delivery sites in other regions in Queensland and Western Australia locations. Along with four international campuses in Brisbane, Gold Coast, Melbourne and Sydney, CQUiversity has one of the most expansive geographical spreads of any tertiary education institution in Australia.

CQU has had many claims to fame over its fifty plus year history. It was the first university to introduce a Bachelor of Science externally

in 1974, pioneering remote and distance university education models that now feature prominently in Australia. This has continued with CQUiversity becoming the first to offer a fully online Bachelor of Laws in 2011. It was also the first university to have a female Vice-Chancellor.

CQUiversity hosts a range of research institutes including the Appleton Institute for Behavioural Science, Learning and Teaching Education Research Centre, Institute for Health and Social Science Research and the Institute for Resource Industries and Sustainability. Much of the research undertaken by these institutes and other research centres focus on improving the quality of life and prosperity of residents and industry in Central Queensland.

In 2010, CQUiversity announced its intention to become Queensland’s first “dual sector” university with the merger with Central Queensland Institute of TAFE. As at July 2014, the merger was complete and CQUiversity now presents the most diverse and comprehensive tertiary education and training offering in Queensland.

**3** Human Capacity Indicators, Rockhampton

Area of Focus	Indicator	Rockhampton	Nation
<b>Economic Sustainability</b>	Businesses (per 1000 residents)	60	90
	Unemployment	6.7%	5.2%
	Economic Diversification	0.87	0.57
	Welfare Dependent Families	14.5%	9.8%
<b>Community Vibrancy and Diversity</b>	Regional Index of Retail Prices	99.1	100.0
	Leadership Capacity	25.3%	34.9%
	Volunteer Activity	19.7%	17.7%
	Aged Residents (65+)	13.7%	14.2%
<b>Health and Educational Access</b>	Family Households	62.9%	71.5%
	Access to Hospital Services (per capita)	0.03	0.11
	Access to GP Services (per capita)	88.9	112.4
	Adult Health	5.6%	4.7%
	Access to Allied Health Services	12.1%	11.0%
	Child Development Vulnerability	31.4%	23.6%
	Distance to Medical Facility	5.1km	38.9km
Distance to Primary Education Services	3.6km	24km	
Distance to Secondary Education Services	30.9km	23.3km	

**Key issues include:**

- Very low numbers of businesses per 1,000 residents, particularly for a major regional economic centre;
- Above average unemployment rate;
- High levels of welfare dependency;
- Cost of living comparable with national averages;
- Significant community leadership deficit;
- Active culture of volunteering;
- Balanced age profile; and
- Strong access to tertiary health facilities and services.

**ROCKHAMPTON BASE HOSPITAL EXPANSION**

The Rockhampton Hospital is the main referral centre for Central Queensland and is building on its services to the region. It offers a full range of specialist services, catering the growing needs of the Rockhampton and Central Queensland communities.

In recent years, the Rockhampton Base Hospital has been the focus of considerable investment and expansion. In 2014, construction of a \$160 million seven-storey ward block was completed. This expansion includes the Central Queensland Regional Integrated Cancer Service which expands on cancer treatment service options that can now be delivered in the Region. A critical care service is expected to be opened in 2015, which will meet the needs of cancer centre patients.

The regional servicing nature of the Hospital has been enhanced through the opening of a new helipad which enables better transport of trauma patients. This has complemented the recent opening of an extended emergency care unit which has improved access for patients who require short-term care, but not admission to a ward bed. This has helped to improve the efficiency and performance of the hospital, maximising its benefit to the community.







### CONNECTIVITY

Access and connection with global markets is critical to the growth of business, employment, incomes and the broader economy. Trade with other locations within the state, nation and around the world is the most effective way for a region to exploit its comparative advantages and competitiveness to generate prosperity for local residents. Access to markets comprises both physical access, including through efficient transport infrastructure, as well as business relationships and networks including trading partners, clients and labour. Improving access to markets broadens trade, allows competitive

industries to grow and can increase the availability of goods and services.

#### Key issues include:

- Above average broadband connections but poor mobile coverage and low internet connectivity;
- Low share of residents born overseas;
- Strong airport accessibility and usage; and
- Robust freight infrastructure access and capacity across ports, road and rail assets.

#### 4 Connectivity Indicators, Rockhampton

Area of Focus	Indicator	Rockhampton	Nation
<b>Digital Connectivity</b>	Broadband Connections	66.1%	62.5%
	Mobile Coverage	73.0%	80.0%
	Mobile Internet	4.50	
	Internet Connectivity	73.3%	79.0%
<b>Movement of People</b>	Airport RPT Usage (per capita)	8.61	6.3
	Overseas Born Residents	9.4%	30.2%
<b>Freight Infrastructure Access &amp; Capacity</b>	International Merchandise Exports (per capita)	7.7km	79.7km
	Port Access	43.7km	141.6km
	Road Infrastructure	1.4km	19.4km
	Rail Infrastructure	10.6km	35.6km

**COMPETITIVENESS**

Countries, regions, communities and organisations must become more competitive if they are to maintain their economic position and respond to challenges such as perceived productivity gaps, competition for mobile investment, rapid adoption of new technology and electronic commerce.

The Organisation for Economic Co-Operation and Development (OECD) defines a competitive region as one that can attract and maintain successful firms and maintain or increase standards of living for the region’s inhabitants. This means that skilled labour and investment will gravitate away from uncompetitive regions towards more competitive ones.

The competitiveness of a region can be readily assessed through the application of Porter’s Diamond Model of Competitive Advantage. Developed by Michael Porter in his book, *The Competitive Advantage of Nations*, the Diamond Model represents a form of economic SWOT analysis. The Diamond Model was originally developed to analyse competitiveness at a national level but has since been widely applied to regions and industry clusters.

The results of the competitiveness assessment for Rockhampton are outlined in this table.

**5 Business Competitiveness Summary, Rockhampton**

	Advantages	Challenges
<b>Factor Conditions</b>	<ul style="list-style-type: none"> <li>• Central location within regional Queensland</li> <li>• Subtropical climate</li> <li>• Central position within major agricultural region</li> <li>• Secure water supplies</li> <li>• Critical mass of skilled labour</li> <li>• Strategically located along major north south and west transport and freight infrastructure</li> <li>• Affordable cost of living for residents and businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Vulnerability to extreme weather events</li> <li>• Non-coastal location and associated loss of amenity</li> <li>• Location along a large regional flood plain</li> </ul>
<b>Demand Conditions</b>	<ul style="list-style-type: none"> <li>• Critical mass of residential population</li> <li>• Younger age profile</li> <li>• Proximity to major mining regions and associated potential supply chain links</li> <li>• Critical mass of retail expenditure and service demand</li> <li>• Strong supply and demand for tertiary health and education services</li> <li>• Major service centre for large regional livestock production</li> <li>• Presence of large regional airport providing connectivity</li> </ul>	<ul style="list-style-type: none"> <li>• Above average unemployment rate</li> <li>• Lack of small businesses and associated local procurement demand</li> <li>• Lower educational attainment</li> </ul>
<b>Related &amp; Supporting Industries</b>	<ul style="list-style-type: none"> <li>• Established role as the principal activity centre for Central Queensland</li> <li>• Agricultural supply chain established service capacity</li> <li>• Strength in transport, logistics and manufacturing/maintenance</li> </ul>	<ul style="list-style-type: none"> <li>• Limited and constrained mining supply chain service capacity at present</li> <li>• Limited small business participation in major procurement and supply chain projects</li> <li>• Significant obstacles to prospective industrial businesses locating within the Region</li> <li>• Local planning and approvals frame work that constrains new business investment and expansion</li> <li>• Planning framework in industrial areas lacks clarity and consistency which undermines investment by industrial businesses</li> <li>• Lack of small business creation and dynamism</li> <li>• Poor entrepreneurial culture within the Region</li> </ul>
<b>Firm Strategy, Structure &amp; Rivalry</b>	<ul style="list-style-type: none"> <li>• Established foundation industries in health, education and agriculture</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of small business creation and dynamism, below average rate of small business creation</li> <li>• Lack of business collaboration to secure major procurements</li> <li>• Limited business competition in certain sectors undermining customer choice</li> <li>• Poor entrepreneurial culture within the Region</li> </ul>
<b>Innovation</b>	<ul style="list-style-type: none"> <li>• Presence of large tertiary education provider</li> <li>• Presence of large tertiary public and private hospitals providers</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of small business support and incubation</li> <li>• Poor entrepreneurial culture and lack of support for business innovation and entrepreneurship within the community</li> <li>• Lack of industry and research collaboration</li> <li>• Lack of small business establishment and growth that constrains business innovation</li> </ul>



## SUMMARY OF CHALLENGES AND ADVANTAGES

The future growth and development of Rockhampton will need to leverage the Region's comparative advantages in human capital and community capacity, existing or nascent connections to national and global economies and its business and industry competitiveness. Based on the evidence within this Strategy, four key challenges and five comparative advantages were identified.

### CHALLENGES



### ADVANTAGES



11 Rockhampton Challenges and Advantages

#### CHALLENGES

**UNEMPLOYMENT RATES AND EMPLOYMENT GENERATION** – to reinforce Rockhampton's primacy in the Central Queensland economy and promote the Region as a residential destination of choice, strong employment growth is required. The Region already possesses a high labour force participation rate, but unemployment levels are high and employment growth has been strongest in public sector industries such as health and education or in construction activity linked to mining.

**SMALL BUSINESS CREATION AND DEVELOPMENT** – the small business community in the Rockhampton Region is too small, particularly given the potential of the economy. Rockhampton ranks poorly in terms of the number of businesses per 1000 residents against benchmark regions, while business numbers have been growing at a third of the rate of population growth in recent years.

**POST SCHOOL QUALIFICATIONS AND LABOUR FORCE SKILLS** – secondary school completion and post-school qualification rates in the

Rockhampton Region are below national and benchmark region averages.

**COMMUNITY LEADERSHIP AND CULTURE** – the culture of Rockhampton needs to be more supportive of new business establishment, innovation and industry development. This is reflected in below average levels of leadership capacity in the broader community, particularly in the development of the Rockhampton economy.

#### COMPARATIVE ADVANTAGES

**AGRICULTURE AND VALUE ADDING** – Agriculture value add is the process of taking the primary produced good, including live cattle, fruits and vegetables and processing these goods. Agricultural production requires several key supply chain industries, including transportation and manufacturing. Rockhampton's relative accessibility to major agricultural markets in the south and international export ports, affords Rockhampton a comparative advantage in agricultural transportation, processing and manufacturing.

**POPULATION CRITICAL MASS** – Having a critical mass of population is essential for the sustainability of a regional area. A critical mass of population results in a greater diversity and depth of skills within the labour force, and complements and enhances the viability and availability of tertiary services (including health care, tertiary education and large retail centres). This also helps to diversify the economy, by supporting the establishment and growth of large population serving and professional services sectors.

**CENTRAL LOCATION** – The Region's location is key to future growth opportunities. Rockhampton is strategically positioned within Central Queensland with direct access to three different highways, rail lines, and port facilities all within, or in close proximity, to the city. These attributes are not only attractive to sectors such as agriculture, mining, tourism, defence and manufacturing sectors, but will also help to support the growth of a transport and logistics hub in Rockhampton.

**TERTIARY SERVICES SECTOR** – Rockhampton has a large and extensive services sector, including tertiary health and education. At present, one in four people employed within the Rockhampton LGA are employed in either the health care and social services or education and training industries. With growth and ageing of Central Queensland's population over the next 20 years, Rockhampton's tertiary service sector will become even more important and critical to the community in the future.

**PROXIMITY TO MINING ACTIVITY** – Rockhampton is located within close proximity to the Bowen and Galilee Basins within Central Queensland. Coal and natural gas basins have been the focus of considerable investment and resource development, driving employment and incomes in a number of regional centres. Rockhampton has a significant advantage in being situated where it is and servicing the mining activity within Central Queensland.

# ECONOMIC DEVELOPMENT FRAMEWORK

## DIFFERENT APPROACHES TO ECONOMIC DEVELOPMENT

Growing and developing the Rockhampton economy into the future to achieve the vision and aspirational population target, requires a comprehensive, consolidated and integrated approach to the growth and development of the region.

There are a range of ways to foster and promote the growth of a regional economy and community. Different initiatives generally fall into three broad categories:

- **ENABLING INITIATIVES** – investment in activities, infrastructure, facilities and services that catalyse and enable the private sector and the community to grow and prosper in a region;
- **VALUE ADDING** – building upon and adding value to the strengths of the foundational industry to deepen regional economic activity. This can include physical value adding to raw materials, increased capture of upstream supply chains expenditure in the region or innovative use of existing infrastructure and economic capacity.
- **DIVERSIFICATION** – broadening of the economic base of a region through the promotion, fostering and growth of new industries and businesses. These businesses are generally separate from the value adding activities associated with the foundational industries, drawing upon the region’s competitive advantages, innovation, research and entrepreneurship to drive new business and industry growth.

These three approaches to growth and development require different levels of intervention from Government and stakeholders, but also provide different scales of benefits and impacts. Enabling investments are the most passive of the approaches. They are critical to de-constrain business investment and community development, but do not necessarily directly generate substantial new activity and benefits. In contrast, diversification actions have the largest impact, supporting the creation and development of new industries and sectors. However, such actions require significant up-front investment and intervention to foster.

These approaches can be pursued individually but are most effective when implemented in concert. By pursuing enabling, value adding and diversifying activities and investments, the challenges facing the Rockhampton economy realising its potential in the long-term can be addressed, leveraging the Region’s comparative advantages to capture new economic and commercial opportunities.

### ECONOMIC DEVELOPMENT – A WHOLE-OF-COMMUNITY RESPONSIBILITY

The Rockhampton Region Economic Development Strategy is not simply a strategy for Government; it is a holistic economic development strategy that requires buy-in and investment by all aspects of the Rockhampton community.

All members of the Rockhampton Region community have an important role to play to implement this Strategy. This will be achieved through collective and coordinated actions and investment in a broad range of projects that will stimulate, incentivise and facilitate the growth and development of the Rockhampton economy, for the benefit of local residents and businesses.

12 Spectrum of Approaches to Regional Growth and Development



A diverse range of stakeholders have been identified as having the potential to positively contribute to the realisation of the economic Vision for the Rockhampton Region and the implementation and delivery of a diverse range of innovative and transformational projects. These include:

- Federal Government
- Regional Development Australia Fitzroy and Central West
- State Government
- Rockhampton Regional Council
- Resource Industry Group
- Local Businesses
- Capricorn Enterprise
- Capricornia Chamber of Commerce and Industry
- Other Industry Groups and Associations
- Domestic and International Investors
- Not-For-Profit and Community Groups
- Residents and the General Community

**This Strategy is a holistic economic development strategy that requires buy-in and investment by all aspects of the Rockhampton community.**



**ECONOMIC DEVELOPMENT PROGRAMS**

Analysis and evidence in this Strategy has supported the identification of six broad Economic Development Programs required to drive the growth and diversification of the Rockhampton Region. These Programs represent the broad areas of focus for the economic development activities and investment of the community. The profiles of each Economic Development Program for the Rockhampton Region are outlined in the following tables.

<b>Agriculture and Food Industry Growth and Diversification</b>	
<b>Program Purpose</b>	This Program covers actions designed to grow, diversify and develop food production in the Rockhampton Region. It seeks to enhance Rockhampton's profile as a good producing region of national and global significance and the source of quality food products and supporting services and industries.
<b>Program Scope</b>	<ul style="list-style-type: none"> <li>• Improvements to regional infrastructure supporting agricultural operations and connectivity</li> <li>• Value adding and investment attraction initiatives</li> <li>• Regional food branding and agriculture industry coordination</li> </ul>
<b>Relevant Challenges and Advantages</b>	This Program seeks to build upon the role of Agriculture as a foundational industry and sector of the Rockhampton economy by increasing value adding, product diversity and exports. This will help to generate employment opportunities for Rockhampton residents, generate new business opportunities and leverage Rockhampton's strategic position in Central Queensland.
<b>Potential Opportunities</b>	<ul style="list-style-type: none"> <li>• Regional Power Distribution Infrastructure Upgrades</li> <li>• Agriculture Value Adding Initiatives</li> <li>• Fitzroy River Basin Agriculture Diversification Program</li> <li>• Fitzroy River Food Precincts</li> <li>• Regional Food Brand &amp; Council</li> <li>• Regional Telecommunication System Upgrades</li> </ul>
<b>Key Stakeholders</b>	<ul style="list-style-type: none"> <li>• Ergon Energy</li> <li>• Department of Agriculture</li> <li>• Local Abattoirs</li> <li>• Local and Regional Farmers</li> <li>• Domestic and International Investors</li> <li>• Capricornia CCI</li> <li>• Council</li> <li>• Telstra</li> <li>• NBN Co</li> <li>• Federal Government</li> </ul>

## Branding and Marketing

<b>Program Purpose</b>	This Program seeks to enhance the profile of the Rockhampton Region as a location of choice for people to “live, work and play” and for business to establish and grow. It promotes and encourages growth of the Rockhampton profile and greater awareness of its comparative advantages and investment and economic development opportunities.	
<b>Program Scope</b>	<ul style="list-style-type: none"> <li>• Marketing and branding material development</li> <li>• Online tools and systems for capturing and communicating opportunities</li> <li>• Formal community and industry groups for collaboration, advocacy and promotion</li> </ul>	
<b>Relevant Challenges and Advantages</b>	This Program recognises that Rockhampton’s profile outside of the Region, particularly in global markets, is limited to its links to beef production and export. Diversifying and growing the Rockhampton economy, and generating new employment and business opportunities, will require greater investment in emerging and established sectors such as transport and logistics, horticulture, health care, defence and tourism.	
<b>Potential Opportunities</b>	<ul style="list-style-type: none"> <li>• Ageing in Rockhampton Industry Group</li> <li>• Austrade Engagement and Support</li> <li>• Business Convention and Conference Attraction</li> <li>• Business Interest and Investment Opportunity Tracker</li> <li>• Central Queensland Defence Working Group</li> <li>• Indigenous Tourism Asset Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Industry-Specific Economic Profiles/Investment Prospectuses</li> <li>• Rockhampton e-Portal</li> <li>• Rockhampton Events Calendar and Growth Strategy</li> <li>• Youth Attraction &amp; Retention Plan</li> <li>• General tourism</li> <li>• Quality of Life</li> </ul>
<b>Key Stakeholders</b>	<ul style="list-style-type: none"> <li>• Queensland Health</li> <li>• Mater</li> <li>• Aged Care Providers</li> <li>• Capricornia CCI</li> <li>• Council</li> <li>• Austrade</li> <li>• Tourism Queensland</li> <li>• Capricorn Enterprise</li> </ul>	<ul style="list-style-type: none"> <li>• Rockhampton Airport</li> <li>• Local Hotel Operators</li> <li>• Dreamtime Cultural Centre</li> <li>• Department of State Development</li> <li>• CQU</li> <li>• Local Abattoirs</li> <li>• Gracemere Industrial Area</li> <li>• Local Business Leaders</li> </ul>



## Education and Skills

<b>Program Purpose</b>	This Program seeks to improve the skills base of the Rockhampton population to improve the attractiveness of the regional workforce to new and emerging sectors while providing socio-economic, prosperity and quality of life benefits to residents from improved educational outcomes.	
<b>Program Scope</b>	<ul style="list-style-type: none"> <li>• Investigation and promotion of non-traditional education and qualification pathways, particularly for adult workers (including life long learning initiatives )</li> <li>• Establishment of multi-faceted education brand for Rockhampton</li> <li>• Increasing industry and education institution integration and collaboration</li> <li>• Leveraging opportunities arising from integration of tertiary health and education offerings</li> <li>• Increasing the interstate and international character of Rockhampton's student population</li> </ul>	
<b>Relevant Challenges and Advantages</b>	This Program recognises that the future strength of the Rockhampton economy will depend on the skills of its residents and workers. Rockhampton has a below average skills base. This raises serious concerns regarding the sustainability of prosperity for these workers and for the economy as a whole. Greater diversity and depth of skills is also required to support the establishment of new businesses and sectors. This will require new technologies and innovative processes to be leveraged.	
<b>Potential Opportunities</b>	<ul style="list-style-type: none"> <li>• Applied Medical Research and Training Opportunities</li> <li>• "Education Rockhampton" Brand</li> <li>• Integrated medical school at CQU</li> <li>• International Student Scholarship</li> <li>• Online Learning Portals</li> <li>• Recognition of Prior Learning</li> <li>• Student Industry and Business Placement Program</li> </ul>	
<b>Key Stakeholders</b>	<ul style="list-style-type: none"> <li>• CQUniversity</li> <li>• Queensland Health</li> <li>• Mater</li> <li>• Federal Government</li> <li>• Local and Regional Primary and Secondary Schools</li> <li>• Education Queensland</li> </ul>	<ul style="list-style-type: none"> <li>• Council</li> <li>• Austrade</li> <li>• Capricornia CCI</li> <li>• Department of Education and Training</li> <li>• Registered Training Organisations</li> <li>• Major Local and Regional Employers</li> </ul>





<b>Small Business Development</b>			
<b>Program Purpose</b>	This Program will drive the establishment, growth and development of small businesses in the Rockhampton Region. It recognises the importance of a dynamic and entrepreneurial small business sector in driving income growth and job creation in the Region. The Small Business Development Program seeks to promote collaboration, innovation, technology adoption, growth acceleration and major project supply chain integration.		
<b>Program Scope</b>	<ul style="list-style-type: none"> <li>Investigating potential major redevelopment locations and precincts in Rockhampton</li> <li>Promoting greater business collaboration</li> <li>Encouraging new and innovative ways of working and doing business</li> </ul>	<ul style="list-style-type: none"> <li>Facilitating take up and use of new technologies and systems</li> <li>Encourage accelerated business growth and development through access to early access to finance, capital and business mentoring</li> <li>Promoting a culture in Rockhampton that acknowledges and rewards business excellence</li> </ul>	<ul style="list-style-type: none"> <li>Promoting integration of small businesses into major project and industry supply chains</li> <li>Identify small business opportunities and seek to capitalise on these</li> </ul>
<b>Relevant Challenges and Advantages</b>	<p>Small business development is fundamental to the growth of the Rockhampton economy. Small businesses are the primary employment generator in Australia and operate across all industries and sectors of the economy. Supporting the establishment and nurturing the growth of small businesses is key to realising the potential of Rockhampton's strategic economic assets and comparative advantages and driving a change in the culture of the Rockhampton community to one that embraces and celebrates innovation and entrepreneurship.</p> <p>Small business development in Rockhampton is mediocre, with rates of business creation and operation well below State and national averages. As major employment generators, the growth of Rockhampton's small business sector is key to improving the access of Rockhampton workers to quality jobs.</p>		
<b>Potential Opportunities</b>	<ul style="list-style-type: none"> <li>Co-Working Space</li> <li>Mount Morgan Heritage Tourism Strategy</li> <li>NBN Rollout and Utilisation Plan</li> <li>Online Business Capability Register</li> </ul>	<ul style="list-style-type: none"> <li>Rockhampton Business Angels</li> <li>Small Business Accelerator Program</li> <li>Small Business Awards</li> </ul>	<ul style="list-style-type: none"> <li>Small Business Incubator</li> <li>Small Business Micro-Grants</li> <li>Small Business Networking Events Series</li> </ul>
<b>Key Stakeholders</b>	<ul style="list-style-type: none"> <li>Major Private Developers</li> <li>Council</li> <li>CBD Landholders</li> <li>Major CBD Tenants</li> <li>Capricornia CCI</li> <li>Local and Regional Small Business Community</li> <li>Tourism Queensland</li> </ul>	<ul style="list-style-type: none"> <li>Rockhampton Heritage Village</li> <li>Mount Morgan Guided Tours</li> <li>Federal Government</li> <li>Resource Industry Group</li> <li>Major Retailers and Shopping Centre Owners</li> <li>Major Rockhampton Business Owners</li> </ul>	<ul style="list-style-type: none"> <li>Retired business owners with capacity to serve as mentors</li> <li>Australian Association of Angel Investors</li> <li>Department of State Development</li> <li>iLab</li> <li>Small Business Solutions Queensland</li> <li>Industry Associations and Group</li> </ul>

<b>Urban Rejuvenation</b>	
<b>Program Purpose</b>	This Program will seek to increase the amenity, accessibility and competitiveness of the Rockhampton Urban Area. The program focuses on the redevelopment and modernisation of the City, making the central business district a more attractive urban environment for both residents and businesses.
<b>Program Scope</b>	<ul style="list-style-type: none"> <li>• Enhancing the quality of Rockhampton’s built form and urban environment to maximise its attractiveness to skilled workers</li> <li>• Increase the emphasis placed on Rockhampton’s urban environment, and enhance the existing offerings</li> <li>• Redevelopment of strategic sites</li> <li>• Developing the CBD into an area where families and visitors of Rockhampton want to visit</li> </ul>
<b>Relevant Challenges and Advantages</b>	<p>Urban Rejuvenation and creating an attractive urban environment is essential for regional cities to assist in the attraction of residents from outside of the area. The first impressions of the urban infrastructure within Rockhampton, especially the CBD, are of a tired and slightly run down city. Some shop fronts and areas have been modernised, however a significant proportion are old and in need of major upgrade or redevelopment.</p> <p>Rockhampton has the potential to develop into the main hub within Central Queensland; by leveraging the Fitzroy River to open up the foreshore. Redevelopment of the CBD is essential for attracting employment to the region, particularly young creatives.</p>
<b>Potential Opportunities</b>	<ul style="list-style-type: none"> <li>• AURIZON Rail Yard Urban Redevelopment</li> <li>• Botanical and Kershaw Gardens Redevelopment Master Plans</li> <li>• CBD Redevelopment Master Plan</li> <li>• Fitzroy River Foreshore Development</li> <li>• Streetscape Beautification</li> </ul>
<b>Key Stakeholders</b>	<ul style="list-style-type: none"> <li>• Major Private Developers</li> <li>• Council</li> <li>• CBD Landholders</li> <li>• Major CBD Tenants</li> <li>• Major Private Landholders and Developers</li> </ul>



## Transport, Logistics and Manufacturing Promotion

<p><b>Program Purpose</b></p>	<p>This Program seeks to establish Rockhampton as the principal transport and logistics hub in regional Queensland; leveraging its strategic location relative to major Queensland centres as well as agricultural, tourism and mining regions. It seeks to optimise the performance and accelerate the growth of key industrial precincts, integrate businesses into mining and major project supply chains and be a location of choice for growing defence activity.</p>	
<p><b>Program Scope</b></p>	<ul style="list-style-type: none"> <li>• Improving recognition (through signage and branding) of major industrial areas and precincts</li> <li>• Enhancing the responsiveness and flexibility of planning and zoning regulations to support quality industrial development</li> <li>• Identifying and capturing supply chain opportunities for major industries and infrastructure</li> <li>• Investigating and promoting opportunities to increase defence and military equipment and personnel in Rockhampton</li> <li>• Promoting investment in critical transport assets and infrastructure, including freight transport infrastructure and the Rockhampton Airport</li> </ul>	
<p><b>Relevant Challenges and Advantages</b></p>	<p>Transport, logistics and manufacturing sectors are underrepresented in the Rockhampton economy, despite the comparative advantage of the region in these sectors. Similarly, the Rockhampton economy currently has limited exposure to the mining sector, despite the proximity of Rockhampton to major resource development activities in the Bowen Basin and Central Queensland generally. However, Rockhampton already has exposure to Australian and US Defence operations because of its proximity to Shoalwater Bay Military training Area. The development of all of these sectors is critical to driving the growth and diversification of the Rockhampton economy and generating new job opportunities for local residents and workers.</p>	
<p><b>Potential Opportunities</b></p>	<ul style="list-style-type: none"> <li>• Armoured Cavalry Regiment Relocation</li> <li>• Government Lazy Lands Audit</li> <li>• Gracemere Industrial Area Planning and Approvals Implication Review</li> <li>• Gracemere Industrial Area Signage Plan</li> <li>• Made in Rockhampton Campaign</li> <li>• Major Project Supply Chain Mapping</li> <li>• Military Equipment and Supply Storage Capacity</li> <li>• National Transport and Logistics Business Hub</li> <li>• Resources Industry Group</li> <li>• Rockhampton Airport Expansion Feasibility Assessment</li> <li>• Rockhampton Airport Military Precinct</li> <li>• Strategic Freight Transport Network Upgrades</li> </ul>	
<p><b>Key Stakeholders</b></p>	<ul style="list-style-type: none"> <li>• Australian Defence Force</li> <li>• Federal Department of Defence</li> <li>• Defence Industries Queensland</li> <li>• Federal Government</li> <li>• Council</li> <li>• Department of State Development</li> <li>• Gracemere Industrial Area</li> <li>• Department of Transport and Main Roads</li> <li>• Capricornia CCI</li> <li>• Resources Industry Group</li> <li>• Major Mining Companies</li> <li>• Local and Regional Businesses</li> <li>• Rockhampton Airport</li> <li>• Major Airlines</li> <li>• Tourist Accommodation Operators</li> </ul>	







### MEASURES OF SUCCESS

The following Measures of Success have been identified for tracking the implementation of the Economic Development Strategy.

#### The Rockhampton Region will have the following characteristics in 2050:

- A residential population of 175,000
- Net positive youth retention rates
- Unemployment rates below that of the State average
- Median household income 10% higher than the national average
- Secondary school completion rates above State and National averages
- Post-School tertiary qualification levels above National average
- 120 locally registered businesses per 1,000 residents
- Establishment of a permanent US and/or Australian Defence base
- \$500 million in overseas investment in Rockhampton agriculture, horticulture and/or food processing
- Global recognition (through media coverage) of Rockhampton food brands;
- Tripling of attendance at Rockhampton events
- Doubling of passenger throughput through the Rockhampton Regional Airport
- Above average shares of tertiary students coming from interstate or international locations
- Gross Regional Product per Capital equal to Australian average
- Community leadership capacity above Australian averages

These Measures of Success will be tracked annually by the Rockhampton Regional Council and will form the critical input into the Rockhampton Region Economic Development Strategy Scorecard.

**ECONOMIC DEVELOPMENT STRATEGY SCORECARD**

To track the measures of success of the Strategy and analyse the results, a Scorecard is required. This Scorecard is designed to capture and present the evidence of the growth, development and transformation of the Rockhampton Region and the progress made towards achieving the Vision of the Strategy.

Key data and indicators from publicly available data sources and information collated by the Rockhampton Regional Council will be captured, with the current performance of the Region against the Measures of Success analysed.

The Scorecard will outline the most recent measure/data captured for each of the Measures of Success, as well as the targets for 2050 established in this Strategy.

The performance of the Region, and of the implementation of the Strategy can be assessed in a number of ways:

1. Traffic Light based assessment of the progress made to date to the achievement of the 2050 Target;
2. Direction analysis, showing whether the indicator has improved or worsened
3. Qualitative commentary explaining the factors that have influenced the region's performance to date and its direction.

The Scorecard will be completed annually as part of Council's Strategy review process and form a core output for tracking the progress of the Strategy's implementation and success.

**NEED FOR AN IMPLEMENTATION PLAN**

This Strategy provides the evidence-base, vision and framework for the successful development of a dynamic, prosperous and diversified Rockhampton economy into the future. However, achieving the vision will require a coordinated investment and effort by all stakeholders in the community.

A practical and applied Implementation Plan is needed to identify specific actions and investments required to achieve the goals and objectives of the Economic Development Strategy. This Plan, developed by Council, will build upon and expand the Economic Development Programs and Potential Opportunities outlined in this Strategy, focusing on defining and profiling specific and targeted projects for delivery by Council and other critical stakeholders.

A key focus of the Implementation Plan will be making potential economic development initiatives "investment ready" – whether that be investment by Government or by the private sector. This will include the preparation of investment prospectuses and business cases for securing capital funding as well as identifying potential in-kind support and contributions.

The Rockhampton Economic Development Strategy Implementation Plan will become a core input into Council decision making, guide the investment decisions of other stakeholders and establish the practical elements of the collaborative, innovative and dynamic Rockhampton economy envisaged in this Strategy.

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**This Strategy provides the evidence-base, vision and framework for the successful development of a dynamic, prosperous and diversified Rockhampton economy into the future.**

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<sup>1</sup> ABS (2015), Regional Population Growth, Australia 2013-14, Australian Bureau of Statistics, Canberra.

<sup>2</sup> ABS (2015), Regional Population Growth, Australia 2013-14, Australian Bureau of Statistics, Canberra., Queensland Government Statistician's Office (2014), Projected Population (medium series), by five-year age group by Local Government Area, 2011 to 2036, Queensland Government, Brisbane

<sup>3</sup> ABS (2012), 2011 Census of Population and Housing, Cat. No. 2001.0, Australian Bureau of Statistics, Canberra

<sup>4</sup> ID (2014) Gross Regional Product estimates on economy.id, compiled from microsimulation estimates produced by the National Institute of Economic and Industry Research

<sup>5</sup> ABS (2015), Counts of Australian Businesses, including Entries and Exits, June 2010 to June 2014, Australian Bureau of Statistics, Canberra





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