



Growing the Gladstone Region

Report and Recommendations to Inform the Gladstone Region Economic Development Strategy 2021-2025, A Framework for Promoting Prosperity

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Executive Summary

A Framework for Promoting Prosperity

This report, *Growing the Gladstone Region: Report and Recommendations to Inform the Gladstone Region Economic Development Strategy 2021-2025, A Framework for Promoting Prosperity*, informs Gladstone Regional Council's five-year plan to support the vibrancy, diversity, resilience and sustainability of the communities of the Gladstone Region. An evidenced-based report, it informs and guides the Gladstone Region towards economic prosperity in the context of a dynamic and transforming broader economic landscape.

Built on partnerships and alliances between Gladstone Regional Council, government agencies, regional development bodies, statutory bodies, key asset managers, major industry, local businesses and the community, *Growing the Gladstone Region* delivers a clear and achievable plan of action that is focussed on business retention and expansion; investment attraction (of both people and industry); economic growth and development; and employment creation.

Strategic Context: A Transitioning Economy

Underpinning Council's economic development objective is a commitment to strategically plan for the Gladstone Region to prosper over the long-term. By virtue of its industrial structure and dynamics, the Gladstone Regional economy has strong connections to world markets. In preparing for prosperity, it is recognised that, in a transitioning economic landscape, a more diversified energy mix, which reduces an over-reliance on a single or a few primary energy sources, will drive future economic activity.

As a region which has long relied on heavy industry to steer economic development, global economic changes will have a direct and lasting impact on the way the Gladstone Region 'does business'. Rather than posing a threat, economic transition in the context of a shifting global energy mix, can be embraced by leveraging and capitalising on the Gladstone Region's comparative and competitive advantages. These key advantages include its strategic location in Central Queensland, its wealth of industrial land, its well-established heavy industry, strong supply chains, construction capacity, a skilled workforce and an appealing lifestyle offer.

Informed by a well-developed understanding of the region's economic structure, dynamics and potential, *Growing the Gladstone Region* is designed to support the region's resilience, competitiveness and collective capacity to attract investment, nurture innovation and entrepreneurship and provide the foundations for the jobs of the future.

Gladstone Regional Council's Commitment to Promoting Prosperity

At the organisational level, *Growing the Gladstone Region* articulates Gladstone Regional Council's commitment to promoting, facilitating and co-ordinating economic development activities, through its economic development charter.

Guided by its charter, Council's commitment to promoting prosperity is warranted by the anticipated return on investment in strategic planning and the resourcing and implementation of economic development priorities, to Council and the communities it serves.

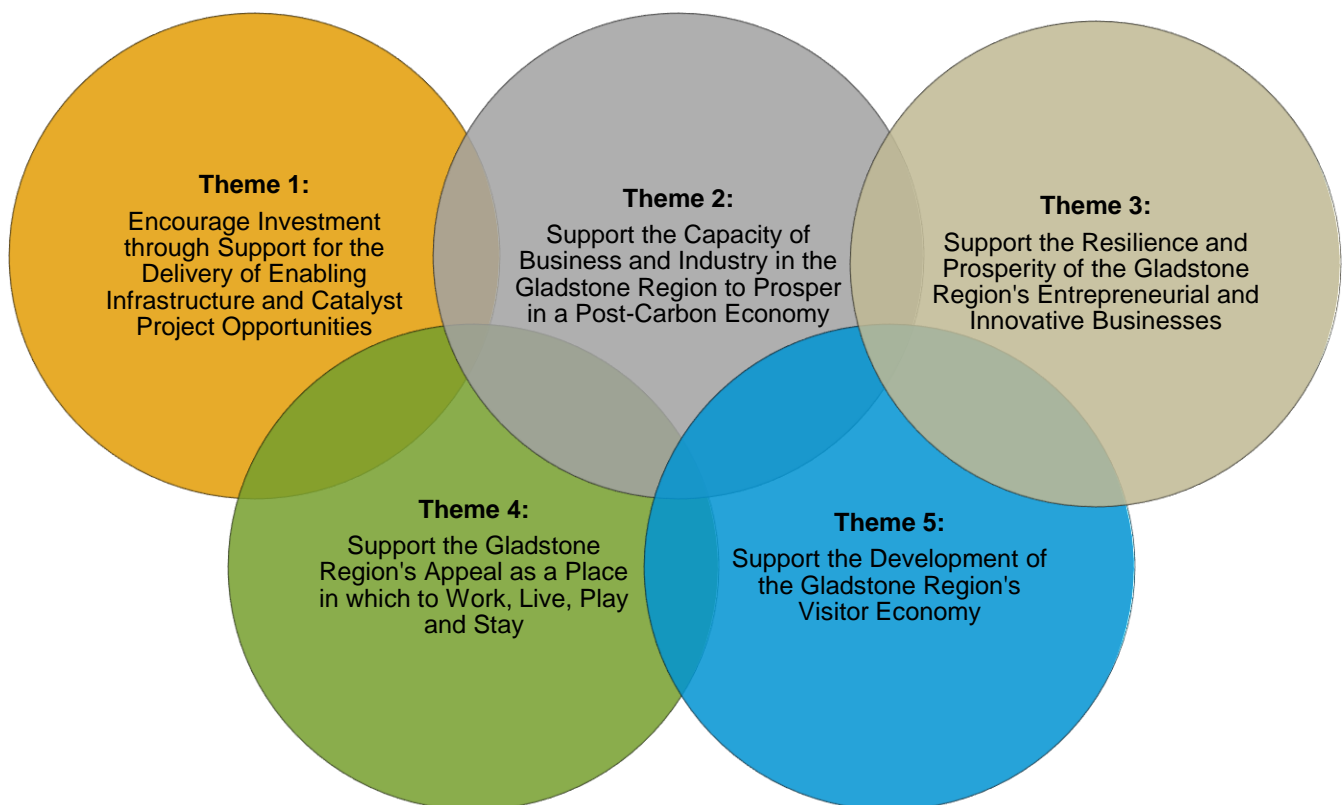
Gladstone Regional Council's Economic Development Charter

Gladstone Regional Council promotes prosperity through advocacy, collaboration, strategic planning and smart asset management, strengthening the region's appeal as a place in which to work, live, play and stay.

Opportunities for Action

Guided by Council's economic development charter and informed by extensive research, consultation and analysis, opportunities for action are presented across five themes, as illustrated below.

Growing the Gladstone Region: Economic Development Themes



Economic Development Implementation Priorities

Having regard for the anticipated benefits (in a broad sense) and Council's capacity, either as the lead or in a support role, to pursue each identified opportunity, *Growing the Gladstone Region* identifies those priority opportunities that are earmarked for action subject to the availability of Council resources and a commitment to implementation. These priorities, which will be considered by Council and subject to review and assessment on an annual basis, are as follows.

Theme 1: Encourage Investment through Support for the Delivery of Enabling Infrastructure and Catalyst Project Opportunities

- 1.1 Support the development of supply chain mapping and enhancement strategies - through the CSIRO Transit Study - to address key regional freight tasks and infrastructure shortfalls to position Gladstone as a strategic logistics hub.
- 1.2 Identify and articulate the Gladstone Region's transport infrastructure priorities - including the Gladstone Heavy Vehicle Transport Corridor (and Port Access Road Stage 2) to inform lobbying for improvements in the network and to inform grant-funding applications.
- 1.3 Continue to progress research and investigations to inform a collaborative approach to advocacy and lobbying on behalf of the Gladstone Region to secure the Inland Rail connection to the Port of Gladstone.
- 1.4 Continually liaise with State and Federal Government funding agencies and monitor grants programs to ensure that business cases for priority community infrastructure projects are at the ready when project funding opportunities arise.

Theme 2: Support the Capacity of Business and Industry in the Gladstone Region to Prosper in a Post-Carbon Economy

- 2.1 Collaborate with relevant stakeholders to prepare a *Gladstone Region Hydrogen Industry Development Strategy* to guide the establishment and growth of the Gladstone Region's Hydrogen Ecosystem.
- 2.2 Develop a *Gladstone Region Transition Economy Strategy*, to address opportunities and impacts associated with the evolving global energy mix and establish a whole-of-Council policy and planning position on renewable energy production in the Gladstone Region.
- 2.3 Promote the Gladstone Region as a Manufacturing Hub, to help existing and prospective local manufacturers develop their skills and expertise in modern manufacturing.
- 2.4 Collaborate on the development of a *Gladstone Region Future Employment Review*. The review would identify emerging growth industries, socio-demographic forecasts, the future of work, the estimated demand for the 'jobs of the future' and the region's future workforce needs and training priorities to be advocated for.

Theme 3: Support the Resilience and Prosperity of the Gladstone Region's Innovative and Entrepreneurial Businesses

- 3.1 Continue to facilitate an enabling environment for micro-business and small business growth and development in the Gladstone Region.
- 3.2 Undertake regular reviews of Council's online information portal with a view to ensuring the most up-to-date information, including information on the local economy; business regulations; and government grant opportunities and support services is readily available.

- 3.3 Support innovation driven entrepreneurship, which diversifies the regional economy through the backbone organisation *Gladstone Connects* in its capacity to facilitate connections between the region's key stakeholders, to encourage collaborative approaches to R&D and innovation.

Theme 4: Support the Gladstone Region's Appeal as a Place in Which to Work, Live, Play and Stay

- 4.1 Undertake a needs, opportunities and options analysis to develop the Gladstone Region as an Age Friendly Community including the likely nature, scale and timing of market need for services and new facilities.
- 4.2 Activate advocacy strategies to enhance the appeal of the Gladstone Region as a destination to invest, live and learn in. Focus on Gladstone's regional city lifestyle and diversity of living choices, supported by local employment opportunities and options for education and training, health and housing.
- 4.3 Produce and promote in key markets a regularly updated *Invest in the Gladstone Region* Prospectus.

Theme 5: Support the Development of the Gladstone Region's Visitor Economy

- 5.1 Continue to support the implementation of existing plans and strategies designed to address matters concerning critical visitor economy infrastructure.
- 5.2 Support the strategic and coordinated approach to events planning and promotion including festivals, sporting, food-based, recreational fishing and other events.
- 5.3 Explore opportunities to tap into tourism growth markets such as walking, running and mountain biking trails.
- 5.4 Liaise on an ongoing basis with State and Federal funding agencies and monitor tourism industry grants programs. Ensure that business cases for priority tourism projects are at the ready.

Some of these opportunities are focused on catalyst project planning and development initiatives while others concentrate on strategic program implementation. In a number of cases, the identified priorities seek to build on or continue initiatives already in place.

Promoting Prosperity to Deliver the Community's Return on Investment

Defined by a well-considered plan of action, *Growing the Gladstone Region* is designed to help facilitate, support and promote the retention and growth of the region's existing population; business retention and expansion; investment attraction (both people and industry); visitor attraction; delivery of enabling infrastructure to facilitate economic activity; industry growth and development; and the continuing development of a skilled workforce and local jobs.

Realising these objectives will serve to make the communities of the Gladstone Region more resilient. An increase in population will support local service delivery, attract government funding and support stable, or even higher property prices. A growing population will also serve to retain existing businesses and attract new investment as confidence in the region continues to grow.

New investment will generate more opportunities for employment, creating a multiplier effect of more people, more investment and more jobs in the region, along with wages growth and an increase in consumer spending.

Increased investment and expenditure will lead to further economic growth and development. That means more rates for Council and taxation revenue the State and Federal governments, which in turn leads to a virtuous cycle of more investment and expenditure in the Gladstone Region economy.

Simply put, this is Gladstone Regional Council's (and the community's) return on investment in a strategic, informed and targeted approach to economic development promotion and facilitation.

Monitoring Implementation Progress

Growing the Gladstone Region has been prepared in the context of the role of economic development in Gladstone Regional Council's broader program of work and strategic objectives, and wider regional priorities. Council will monitor the implementation progress in order to realise priority opportunities for action.

Set performance measures have been established using a range of indicators, including both 'output' indicators and 'outcome' measures. Outcome measures refer to broad economic development outcomes at the regional level, such as industry output (gross regional product), business establishments growth and jobs.

Output indicators on the other hand, include, for example, levels of business confidence, community satisfaction, the number of investment enquiries and progress on / completion of those opportunities that have been prioritised and resourced for action.

Strategic objectives will be monitored through the following methods and sources:

- Business surveys;
- Customer satisfaction surveys; and
- Subscription to regularly updated and tailored data sources (REMPPLAN Community and REMPLAN Economy).

The set performance measures will be reported within the performance monitoring on the implementation of the Economic Development Strategy. Initiatives set out in *Growing the Gladstone Region* will be monitored, assessed and reviewed annually by Council, with an update anticipated in five years.

1. Introduction

1.1 Purpose and Objectives

This report, *Growing the Gladstone Region: Report and Recommendations to Inform the Gladstone Region Economic Development Strategy 2021-2025, A Framework for Promoting Prosperity*, informs Gladstone Regional Council's five-year plan to support the vibrancy, diversity, resilience and sustainability of the communities of the Gladstone Region. An evidenced-based report, it informs and guides the Gladstone Region towards economic prosperity in the context of a dynamic and transforming broader economic landscape.

In light of the COVID-19 global pandemic which continues to affect cities and regions throughout Australia and around the world, the need to understand the economic impacts on local business and industry and to develop appropriate responses to help promote and support regional economic development is more important than ever before. Equally important is a need to plan for the Gladstone Region to prosper over the long-term in the context of a dynamic and transforming international economic landscape and specifically, the world's evolving energy mix and transition towards a post-carbon economy.

Informed by a well-developed understanding of the region's economic structure, dynamics and potential, *Growing the Gladstone Region* is designed to support regional economic resilience, competitiveness and a collective capacity to attract investment, nurture innovation and entrepreneurship and provide the foundations for the jobs of the future.

In preparing this report, Gladstone Regional Council engaged with a diversity of stakeholders via a series of targeted consultations, workshops and the administration of a community survey. The consultations have been instrumental in helping to guide Council's efforts to promote prosperity throughout the Gladstone Region.

Informing Prosperity: The Community Engagement Process

Targeted Consultations (August-November 2020): Around 25 stakeholders were engaged as part of targeted consultations, including representatives of the Gladstone Region's business and industry, peak industry bodies, statutory bodies, government agencies and regional development organisations. This informed a greater understanding of key economic development themes and aspirations for the future of the regional economy.

Economic Development Community Survey (October-November 2020): Council administered a community survey, which was made available online as well as at workshops and pop-ups throughout the Gladstone Region. A total of 130 respondents participated in the survey, with the results revealing community perceptions of economic challenges and strengths in the Gladstone Region.

Workshops (November 2020): Four workshops were held - in Gladstone, Calliope, Agnes Water and Rosedale - to inform residents about the Economic Development Strategy and to gain a better understanding of area-specific challenges and opportunities for prosperity.

1.2 Strategic Context and Desired Regional Outcomes

Located approximately 500 kilometres north of Brisbane in Central Queensland and spanning 10,489 square kilometres, the Gladstone Region encompasses a vast landscape, including extensive coastline and country, the regional centre of Gladstone, a diversity of rural townships and smaller settlements, local businesses and major globally-oriented industry.

With a gross regional product (GRP) of \$5.6 billion, the Gladstone Region is home to 3,700 businesses and around 29,000 jobs. Defined by the strength and depth of its industrial capabilities, the region's main industries include manufacturing and minerals processing, transport and logistics, construction, retail, education, health services and a diversity of professional, technical and other services.

Gladstone Regional Council is committed to providing the foundations for prosperity by working within its remit as a local government authority, and in partnership with other key agents of change to strike a balance between lifestyle and economic opportunity for the region's 63,000 residents.

Figure 1. The Gladstone Region



1.3 Regional in Focus with a Global Frame of Reference

By virtue of its industrial structure and dynamics, the Gladstone Regional economy has strong connections to world markets. *Growing the Gladstone Region* is regional in scope with a global frame of reference. It embraces and responds to the constantly-evolving economic landscape, where a more diversified industry and energy mix and a reduced reliance on a few primary sources of wealth will drive future national and international economic activity.

As a region which has long relied on heavy industry centred on minerals processing and related activities to steer economic development, global economic changes will have a direct and lasting impact on the way the Gladstone Region 'does business'. Rather than posing a threat, economic transition can be embraced by leveraging and capitalising on the Gladstone Region's comparative and competitive advantages. These key advantages include the region's strategic location in Central Queensland, its wealth of industrial land, its long-established industrial capabilities and construction capacity, a vibrant local business sector, strong national and global supply chains, a skilled workforce, an attractive regional lifestyle offer and broad appeal as a visitor destination.

1.4 Leveraging Collaborative Pathways to Prosperity

Growing the Gladstone Region articulates and promotes a partnership approach between Council and other stakeholders in government, the non-government sector, the community and industry. Council acknowledges and embraces the Gladstone Region's broader policy and planning framework and regional development priorities as articulated in key policy documents. Using the information presented in this report, Council responds to the many issues, challenges and opportunities raised by the region's residents and business communities, which were captured through the consultation process undertaken to inform *Growing the Gladstone Region*.

Informing Prosperity: Economic Development Survey - Strengths and Challenges

According to the Economic Development Survey administered during October and November 2020:

The Gladstone Region's natural environment, port infrastructure and major industry were considered key regional strengths. Tourism opportunities arising from the region's diverse environmental assets featured as a strong opportunity, along with the need to balance social, economic and environmental outcomes. While recognising the region's industry as a strength, survey respondents also highlighted the need to diversify the economy, supporting other sectors, skilling the local workforce and addressing the region's economic transition.

Health and community services and facilities, the retail sector, job availability and the capability of small and medium-sized businesses are some of the major challenges identified by survey respondents. Health services, or a lack thereof, were consistently identified as a barrier for attracting and retaining skilled workers, as well as retaining the region's ageing population.

Survey respondents also identified the need to **support small and medium-sized businesses and the retail sector**, to incentivise them to continue operating and to attract retail dollars to the Gladstone Region that would otherwise be spent elsewhere.

1.5 Strategic Alignment

Gladstone Regional Council is the custodian of *Growing the Gladstone Region*, working collaboratively with other regional stakeholders to realise greater economic diversity, resilience and prosperity. Within the organisation, *Growing the Gladstone Region* is a whole-of-Council document.

Council's economic development support activities, as guided by this report, align with the organisation's broader program of work and strategic objectives as articulated in Council's Corporate Plan 2021-2026, its Delivery Program and its Operational Plan.

The Corporate Plan sets the direction for the communities of the Gladstone Region and Council decision-making. It articulates a vision for the region by providing a strategic framework to support Council's commitment to a dynamic, resilient and diverse future through to 2026. Promoting regional prosperity through support for the region's transition and role as a driver of economic growth, coupled with enhanced liveability and greater visitation to the region are key outcomes under the Corporate Plan's 'Resilient Economy' theme.

Gladstone Regional Council is committed to playing its part in supporting the region's economic development with a number of initiatives to support and promote economic diversification and resilience. *Growing the Gladstone Region* and the identified opportunities for action are designed to help realise these important objectives, for the benefit of all communities of the Gladstone Region.

Growing the Gladstone Region also aligns with the region's key strategic planning documents including Council's Planning Scheme, the Community Development Strategy 2021-2025, the Gladstone Region Visitor Economy Strategy, the Gladstone Regional Events Strategy, Jump Start Our City Heart, the Gladstone Region Recreational Vehicle Strategy, Gladstone Region Business Tourism Action Plan 2025, the Gladstone Region Arts and Cultural Development Plan and others.

This strategic alignment reinforces the practicalities of *Growing the Gladstone Region* and Council's commitment to effective implementation.

1.6 A Focus on the Enablers of Economic Development

'Economic development' is about the continuous improvement in the Gladstone Region's level of income and capital (wealth) and the distribution of that wealth (through expenditure and jobs) to the communities of the region.

Measured by levels of investment, income generation and employment, the Gladstone Region's economic development is also defined by improvements in education, skills, health, culture, community wellbeing, 'place' and the environment.

Characterised by the mutually-reinforcing connection between community, culture, environment and the economy, economic development is essentially about improving quality of life, or to capture the concept more succinctly, it is about 'prosperity'.

Figure 2. 'Economic Development' Broadly Defined

Source: SC Lennon & Associates

While business and industry drives economic growth and development, government agencies and authorities, including Councils, directly influence the enabling environment for prosperity. The enablers of economic development refer to the services, infrastructure and support mechanisms required to facilitate positive change. At the local government level, they include:

- Local roads.
- Developable residential, commercial and industrial land.
- The form and function of the Gladstone city centre, its rural villages and smaller settlements.
- Community services and facilities including sporting, cultural and recreational facilities.

At the regional level and beyond, the enablers of economic development include those attributes which Gladstone Regional Council is not solely responsible for, but which it can help influence through its economic partnerships and advocacy efforts including, for example:

- Regional transport and communications infrastructure.
- Power and water.
- Health care and social assistance services.
- Education infrastructure and workforce skills.
- Research and innovation infrastructure, including facilities, resources and services used by researchers, educators and industry to conduct research and foster business innovation.

A focus on how Council can effectively influence the enablers of economic development underpins *Growing the Gladstone Region* as a key document informing a visionary, yet practical and outcomes-oriented economic development strategy.

Informing Prosperity: Economic Development Survey - Council's Role as an 'Enabler'

According to the Economic Development Survey administered during October and November 2020:

Advocating / engaging with State and Federal Governments on key issues and sourcing State and Federal funding for major projects are key roles of Council as an enabler of economic development. This includes attracting investment, supporting small and medium-sized businesses (including retailers), facilitating access to relevant grants and advocating for better health care.

Provision of local social services and facilities and supporting small businesses were also highlighted as key roles of Council as an enabler of local and regional economic development. This includes Council support for community-led initiatives.

Promotion of sport, recreation and cultural projects that attract visitors and which service the needs of the local population were also identified as an important role of Council.

Infrastructure investment, particularly in community facilities and local roads, was also identified as a way for Council to help support local businesses and attract investment.

1.7 Promoting Prosperity: Council's (and the Community's) Return on Investment

Defined by a well-considered plan of action, *Growing the Gladstone Region* presents findings and recommendations which are designed to guide Council in its efforts to help facilitate, support and promote:

- The retention and growth of the region's existing population;
- Business retention and expansion;
- Investment attraction (both people and industry);
- Visitor attraction (in support of the *Gladstone Region Visitor Economy Strategy 2025*);
- Delivery of enabling infrastructure to facilitate economic activity;
- Industry growth and development; and
- The continuing development of a skilled workforce and local jobs.

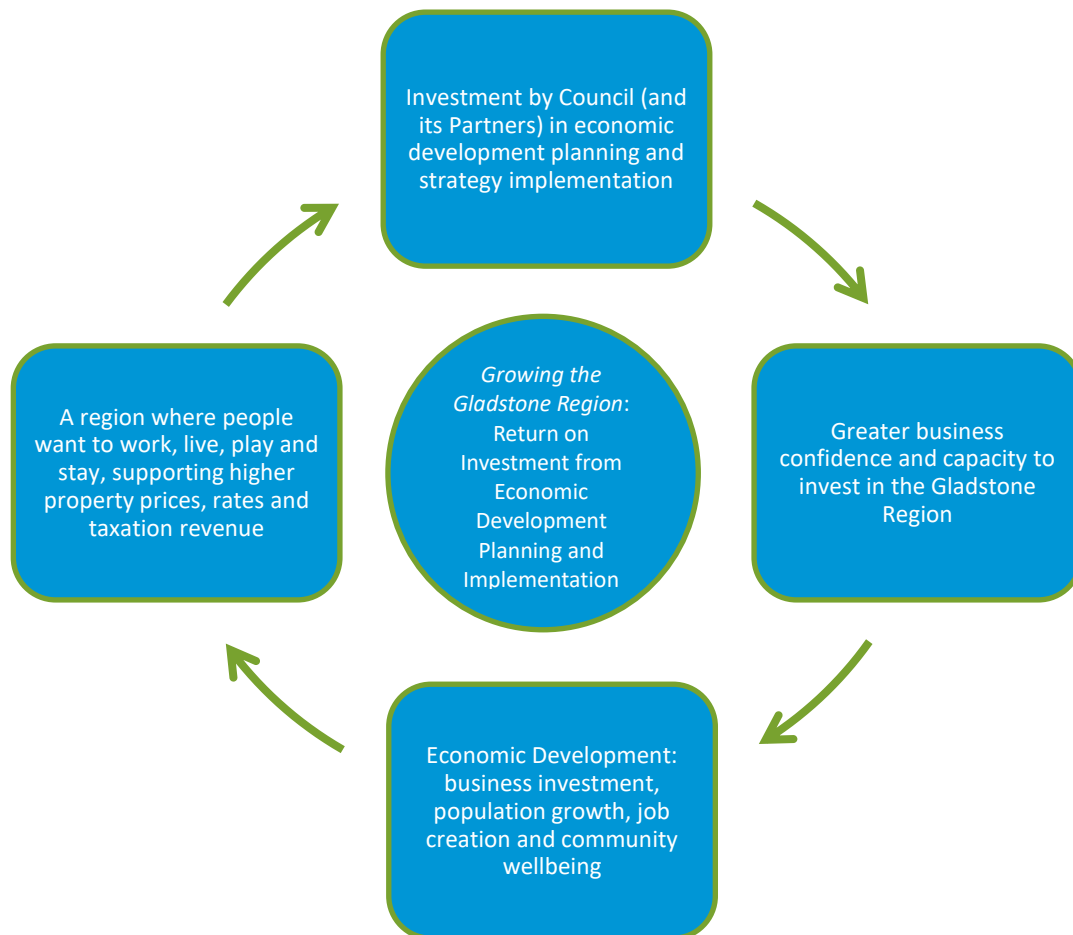
Realising these objectives will serve to make the communities of the Gladstone Region more resilient. An increase in population will support local service delivery, attract government funding and support stable, or even higher property prices. A growing population will also serve to retain existing businesses and attract new investment as confidence in the region continues to grow.

New investment will generate more opportunities for employment, creating a multiplier effect of more people, more investment and more jobs, along with wages growth and an increase in consumer spending. Increased investment and expenditure leads to further economic growth and development.

That means more rates for Council and taxation revenue the State and Federal governments, which in turn leads to a virtuous cycle of more investment and expenditure in the Gladstone Region economy.

Simply put, this virtuous cycle of economic development represents what is Gladstone Regional Council's (and the community's) return on investment in a strategic, informed and targeted approach to economic development promotion and facilitation.

Figure 3. Return on Investment: The Virtuous Cycle of Economic Development



Source: SC Lennon & Associates

2. Informing Regional Prosperity

2.1 The Immediate Challenge of COVID-19

According to the Reserve Bank of Australia (RBA), the current outlook for the Australian and global economies is being driven by the COVID-19 pandemic. The necessary social distancing restrictions and other containment measures that has been put in place to control the virus in Australia's cities and regions, has resulted in a significant contraction in economic activity.

At a local level, these unprecedented social and economic impacts mean the need to articulate and guide Gladstone Regional Council's role in supporting, promoting and facilitating economic development is perhaps more important than ever before.

The Australian Bureau of Statistics (September 2, 2020) reported that Australia's Gross Domestic Product (GDP) fell 7.0 per cent in the June quarter 2020, the largest quarterly fall on record, with commensurate increases in unemployment levels expected. At the time of writing, the latest available unemployment figures from the Australian Labour Force Survey (December quarter 2020) revealed the Gladstone Region's unemployment rate was 7.4%, compared to 7.7% in the September quarter and 8.2% in the June quarter, suggesting the region's economy may already be heading towards recovery.

The broader economic outlook will be shaped by the extent to which activity and the labour market continues to be affected by social distancing and other containment restrictions. Other factors that will be important are the responses of households and businesses to changes in the economic environment, and the effectiveness of policy support, including at the local government level.

According to IBISWorld (July 2020), while Australia has been relatively successful in containing COVID-19, supply chain disruptions, and ongoing global travel and tourism restrictions could continue to hinder economic activity. Those industries that are expected to be most adversely affected by the aftermath of COVID-19 include manufacturing, mining, agriculture, some store-based retailing and the tourism sector.

Nevertheless, COVID has also delivered new opportunities in, for example, manufacturing, some services, particularly those focussed on online methods of delivery and in domestic tourism, as people search for opportunities to replace international travel.

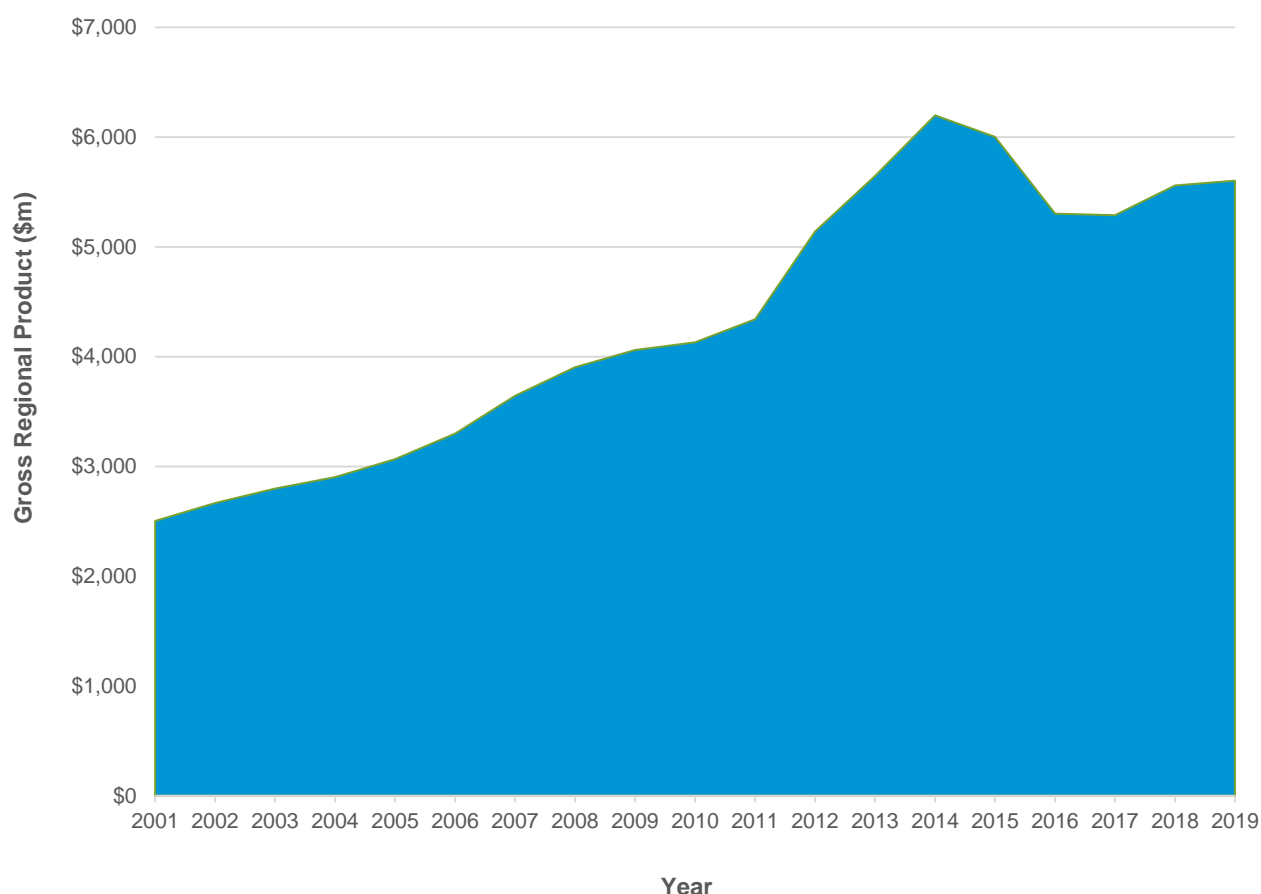
It is plausible that the economic disruption caused by the pandemic will have some long-lasting effects, not only because it will take some time to restore workforces and re-establish businesses but also because it could also affect mindsets and the behaviours of consumers and businesses. This could result in broader structural economic changes over the long-term.

2.2 The Long-Term: Capitalising on Comparative and Competitive Advantage

Economic development is about capitalising on comparative and competitive advantage. The Gladstone Region's comparative advantage, as highlighted during the community consultations, stems from its geography, the natural environment, amenity and location, its population and the availability of its natural resources. Businesses can use the Gladstone Region's comparative advantage to build a competitive advantage, which is developed through a combination of factors such as knowledge, human and financial resources, skills, entrepreneurship and the ability to innovate.

The Gladstone Region has a strong and diverse economy built on the region's industrial capabilities and its natural assets. Over the ten-year period to 2019, the Gladstone Region's GRP showed a steady increase, with a sharp uplift between 2011 and 2015 as a result of the LNG and associated investments made in the region.

Figure 4. Gross Regional Product (\$m), Gladstone Region, 2001-2019



Source: economy.id and NIEIR with interpretations by SC Lennon & Associates

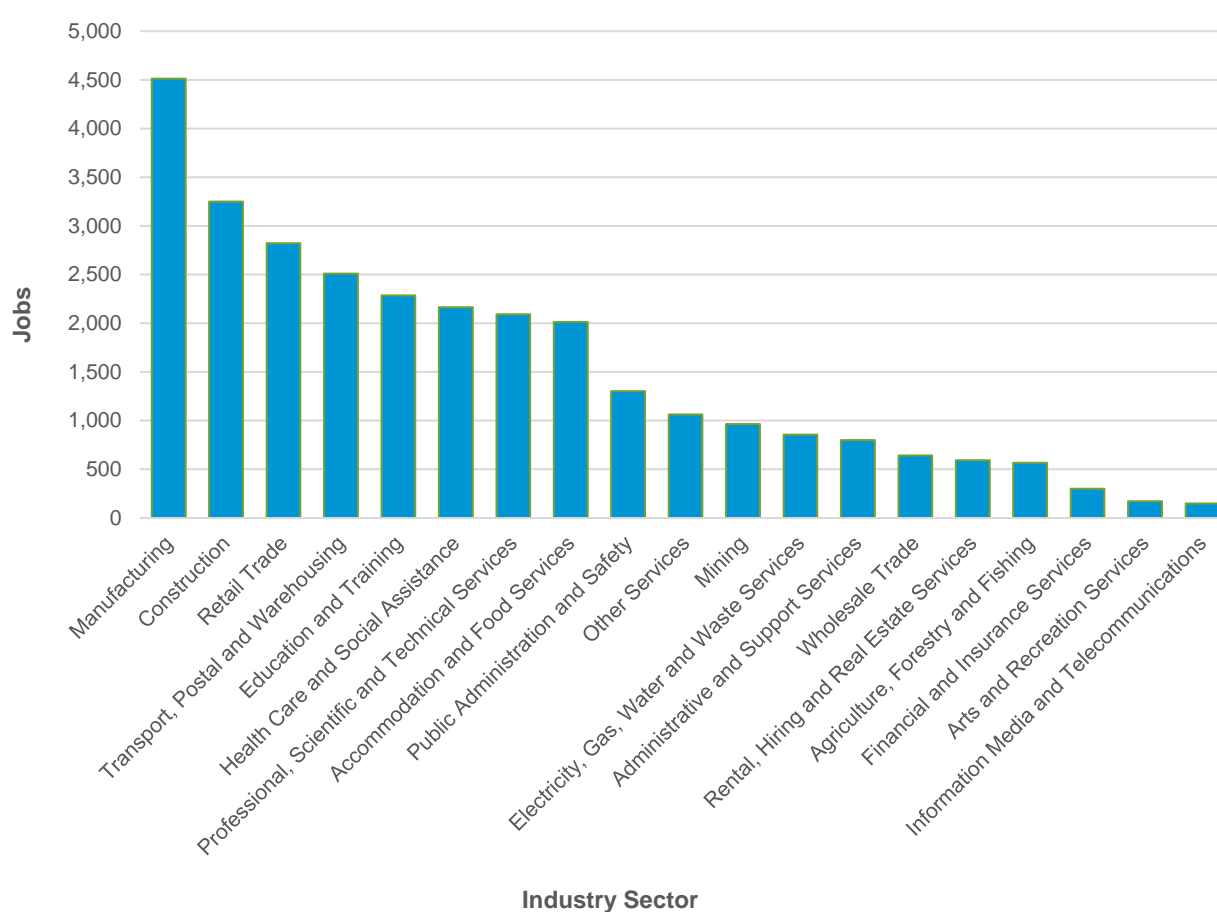
The Gladstone Region's key industries include manufacturing and minerals processing, transport and logistics, construction, retail, education, health services and a diversity of professional, technical and other services. The region is also home to a small but growing agricultural sector, with emerging opportunities in food production and agribusiness.

Manufacturing accounts for the largest share of employment in the Gladstone Region (4,513 jobs or 16% of the total) followed by construction, retail trade and transport, postal and warehousing. The largest manufacturing sub-sectors include metal and metal product manufacturing. Other local manufacturing industries include chemical and chemical product manufacturing activities and non-metallic mineral product manufacturing.

The significance of the Gladstone Region's manufacturing industry as a provider of local jobs is illustrated in the comparative representation of employment by industry against the Queensland average. Manufacturing accounts for 16% of jobs in the Gladstone Region compared to a State-wide average of 7%.

As well as being the largest provider of jobs locally, the Gladstone Region's manufacturing sector accounts for 13% (\$647 million) of local industry value-added. The largest contributor to industry value-added however, is the Gladstone Region's mining sector, or more specifically, its oil and gas extraction industry. Contributing almost one-quarter of the region's industry value-added (\$1.175 billion), the value oil and gas extraction highlights the importance of the resources sector to the local economy.

Figure 5. Employment By Industry, Gladstone Region, 2018/19



Source: economy.id and NIEIR with interpretations by SC Lennon & Associates

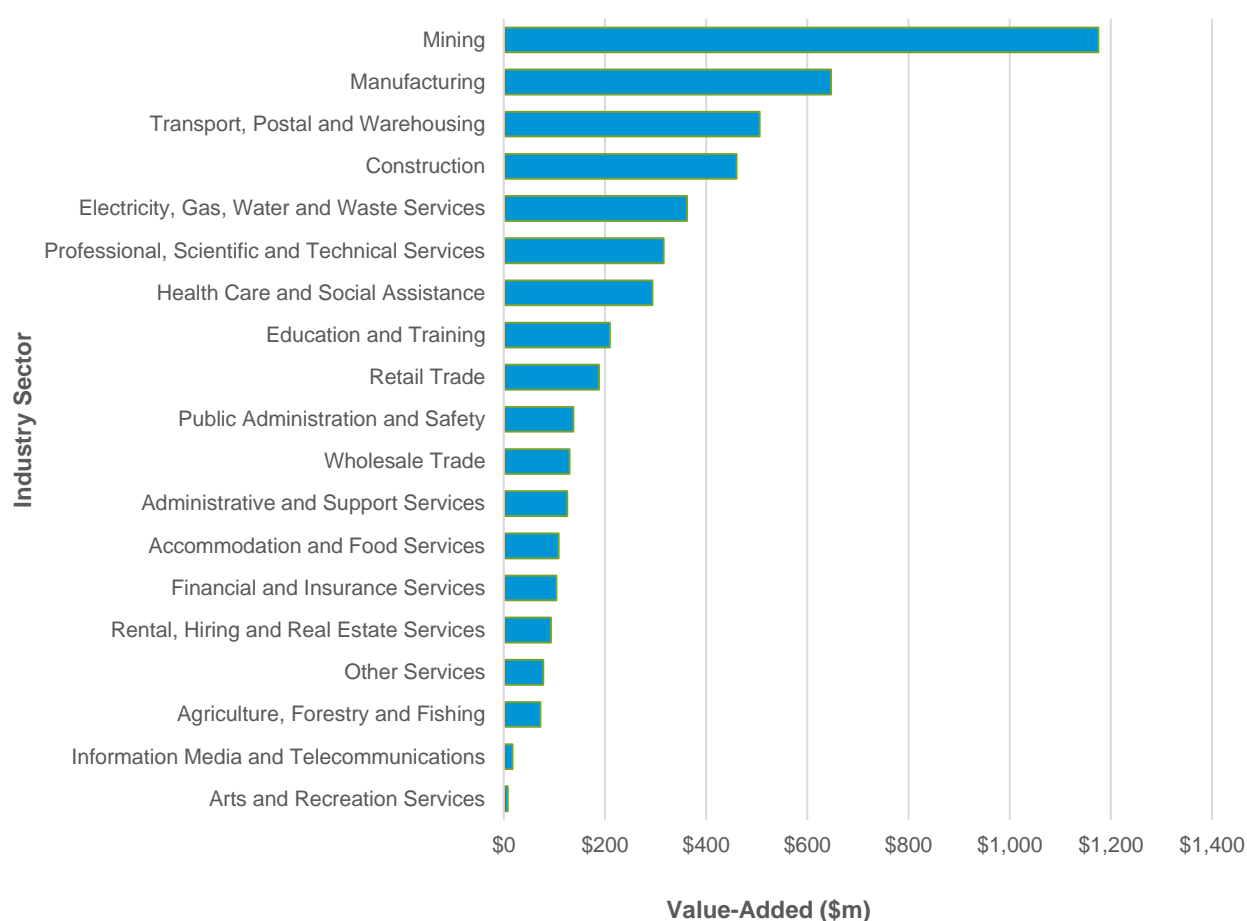
The role of the transport industry as a local employer and contributor to regional economic activity is also evident in the data, with the sector accounting for 9% of jobs throughout the Gladstone Region, which is slightly above the State-wide average of 5%. Other industries which have a higher proportional representation of jobs in the Gladstone Region compared to the Queensland average include construction, professional, scientific and technical services, electricity, gas, water and waste services, and mining / oil and gas extraction.

The Gladstone Region has 27,000 hectares of State Development Area (GSDA) adjacent to the Port of Gladstone, making the region a proven strategic location for future growth and is a key area of national and State economic development.

The GSDA has connections to major rail networks and Australia's national highway. The GSDA is home to Rio Tinto's alumina refinery; Orica's chemical manufacturing complex; Cleanaway's waste management and recycling facility; Cement Australia; Queensland Energy Resources (QER); Australia Pacific LNG; Santos Gladstone LNG; Queensland Curtis LNG; and Southern Oil's northern oil refinery.

The Gladstone Power Station is Queensland's largest power station, with six coal powered steam turbines generating a maximum of 1,680 MW of electricity. The biggest user of coal in the region, the Power Station offers flexibility for production in that it can be ramped-up and ramped-down relatively quickly. This bodes well for the role the Power Station could play in transitioning to a future new energy mix.

Figure 6. Value-Added By Industry, Gladstone Region, 2018/19



Source: economy.id and NIEIR with interpretations by SC Lennon & Associates

The Port of Gladstone is a key strategic asset underpinning economic success and an integral part of the Gladstone Region's economic future. Positioned in a natural deep water harbour, the Port of Gladstone, which is Queensland's largest and premier multi-commodity port, is also the most developable port in Australia, with capacity to grow its throughput from 125 Mt per annum to 300 Mt per annum.

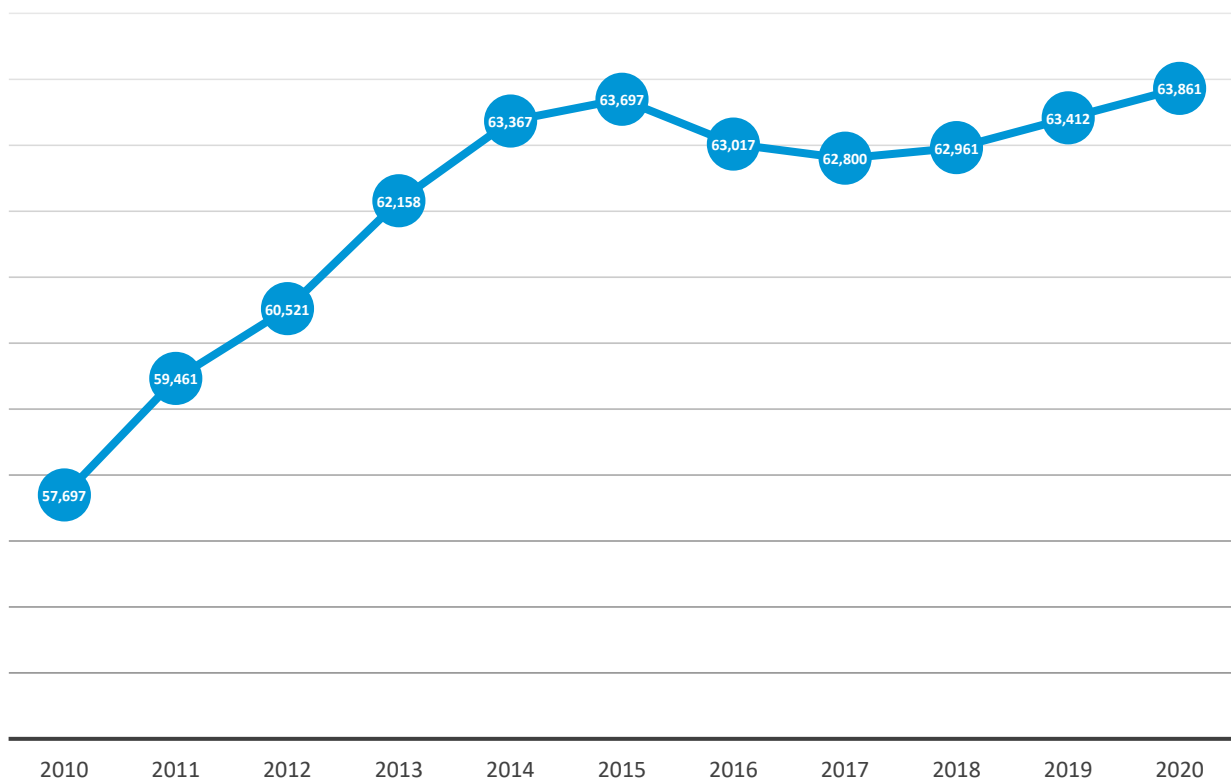
Opportunities for economic development flow directly from the Port of Gladstone, including the creation of a heavy vehicle access route from the hinterland to the port of Gladstone as well as the Inland Rail connection to Gladstone, which, if realised, will be a game-changer for the region's economic development.

The Gladstone Region's 'driver' industries of manufacturing and minerals processing are its largest exporters by value. Oil and gas extraction accounts for 38% of the region's exports worth \$2.9 billion, while manufacturing accounts for another 38% of the region's export value. This is followed by the transport, postal and warehousing sector which accounts for 9% of the Gladstone Region's exports (\$718 million). The region's wealth of natural assets (beaches/coastline, proximity to the Southern Great Barrier Reef and the hinterland) underpin its appeal as a place to live, to work and to visit.

These assets and the region's amenity support the potential to grow key visitor markets focused on nature-based, conservation-based and outdoor adventure activities. Gladstone's proximity to the Southern Great Barrier Reef is a major asset which can be further leveraged to advance the region's economic diversification.

The Gladstone Region's population has increased steadily over the past decade at just over 1% per annum and, according to the Queensland Government's medium-series projections, is forecast to grow to 72,935 by 2036. The median age of the Gladstone Region's population is 35 compared to 37 for Queensland and 38 for Australia. Compared to the Queensland average, the Gladstone Region has a higher proportion of people in the younger age groups (0 to 17 years) and a lower proportion of people in the older age groups (60+ years).

Figure 7. Population, Gladstone Region, 2010-2020



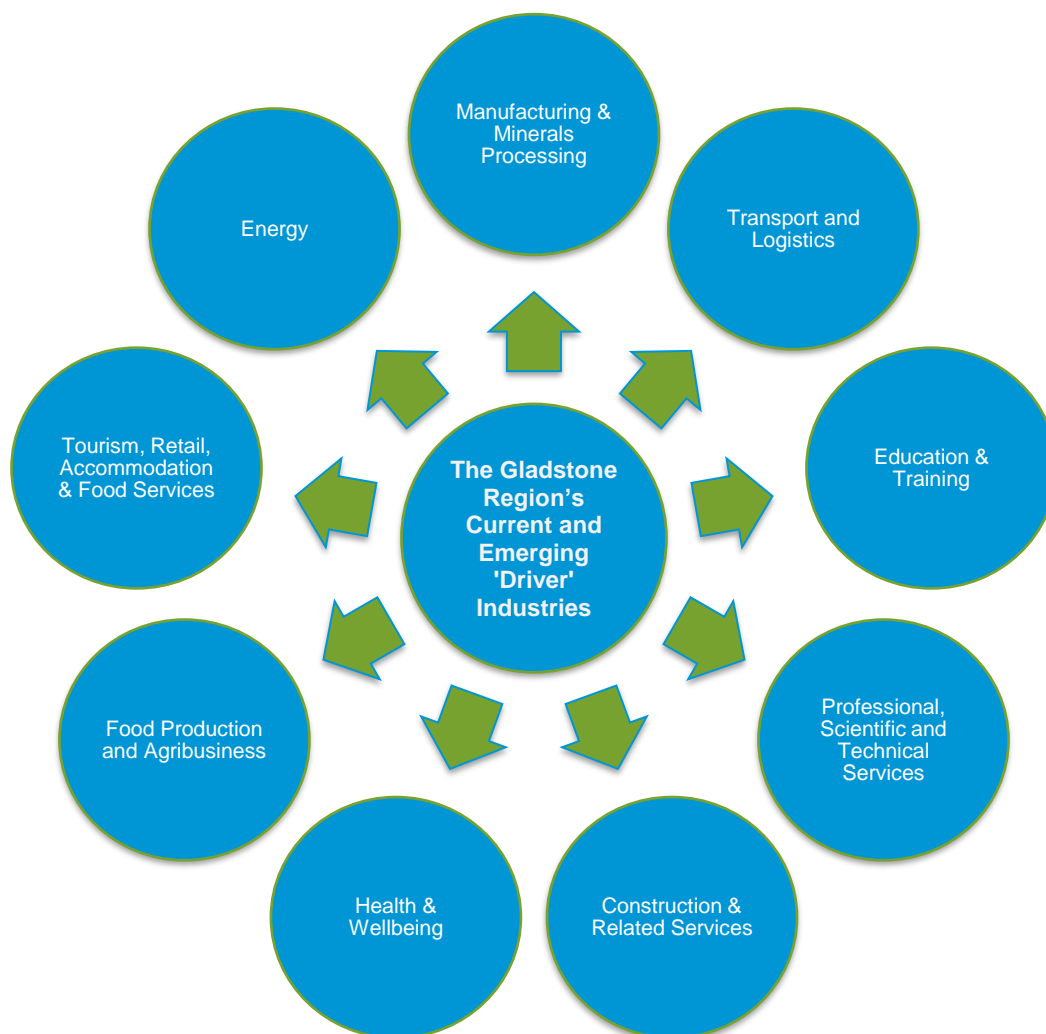
Source: http://stat.data.abs.gov.au/Index.aspx?DataSetCode=ABS_ERP_LGA2020 with interpretations by SC Lennon & Associates

As well as its appeal as a visitor destination, the Gladstone Region is a friendly and welcoming place with a diversity of communities which each have a strong sense of place. The Gladstone Region's workforce is supported by significant community assets including parklands, shopping facilities, a marina, sporting, recreational and cultural facilities.

The Gladstone Region is an appealing location for working, learning and living, with the education and training sector and the health care and social assistance sectors both providing for a large share of the region's jobs, as do the professional, scientific and technical services sector and the accommodation and food services sector. Gladstone's climate is moderate with warm wet summers and cool dry winters. The harmonious co-location of Gladstone's heavy industry and a pristine natural environment is a significant and perhaps under-sold competitive advantage.

The region's continued economic development will be underpinned by innovation and value-creation in the area's traditional economic mainstays of manufacturing and minerals processing; related opportunities in the transport and logistics sector; new investments in industries such as health care, research and education; tourism and related industries including sport and recreation, retail and the accommodation and food services sector; and opportunities to attract and grow knowledge-intensive activity in the professional, scientific and technical services sectors.

Figure 8. The Gladstone Region's Current and Emerging Economic Drivers



3. A Blueprint for Regional Prosperity

3.1 Gladstone Regional Council's Commitment to Supporting and Promoting Economic Development

Growing the Gladstone Region presents themes and actions which reflect stakeholder views on the region's key issues, challenges and opportunities for economic development. At the organisational level, it articulates Council's commitment to promoting, facilitating and co-ordinating economic development activities, by:

- Supporting economic development in the context of a **dynamic and transforming global economic landscape** and specifically, the world's evolving energy mix and transition towards a post-carbon economy.
- Supporting economic development by promoting the Gladstone Region's economic drivers, specifically, in its **smart and innovative manufacturing sector** and its **dynamic and globally-responsive resource-driven** industries.
- Supporting the Gladstone Region's capacity to accommodate **business innovation and entrepreneurship**, and **employment growth** across a diversity of industry sectors.
- Addressing the Gladstone Region's **land, housing and essential infrastructure and services priorities** in support of economic prosperity.
- Supporting the development of a **skilled workforce** and **dynamic and innovative small to medium-sized business sector**.
- Using **place-based projects and programs** to enhance Gladstone's role as a regional service centre and the form and function of the region's other towns and villages.
- Supporting the continued development of a **vibrant regional visitor economy**.

Gladstone Regional Council's economic development charter articulates its commitment to promoting, facilitating and co-ordinating economic development support initiatives.

Gladstone Regional Council's Economic Development Charter

Gladstone Regional Council promotes prosperity through advocacy, collaboration, strategic planning and smart asset management, strengthening the region's appeal as a place in which to work, live, play and stay.

3.2 Council's 'Core' Economic Development Support Activity Areas

While business and industry will continue to drive future prosperity, Gladstone Regional Council recognises that it has a vital role to play in the leadership, organisation, delivery and promotion of economic development.

Guided by its economic development charter, Council is committed to creating the conditions for more effective economic partnerships and enabling innovation and entrepreneurship, through four core areas of economic development activity.

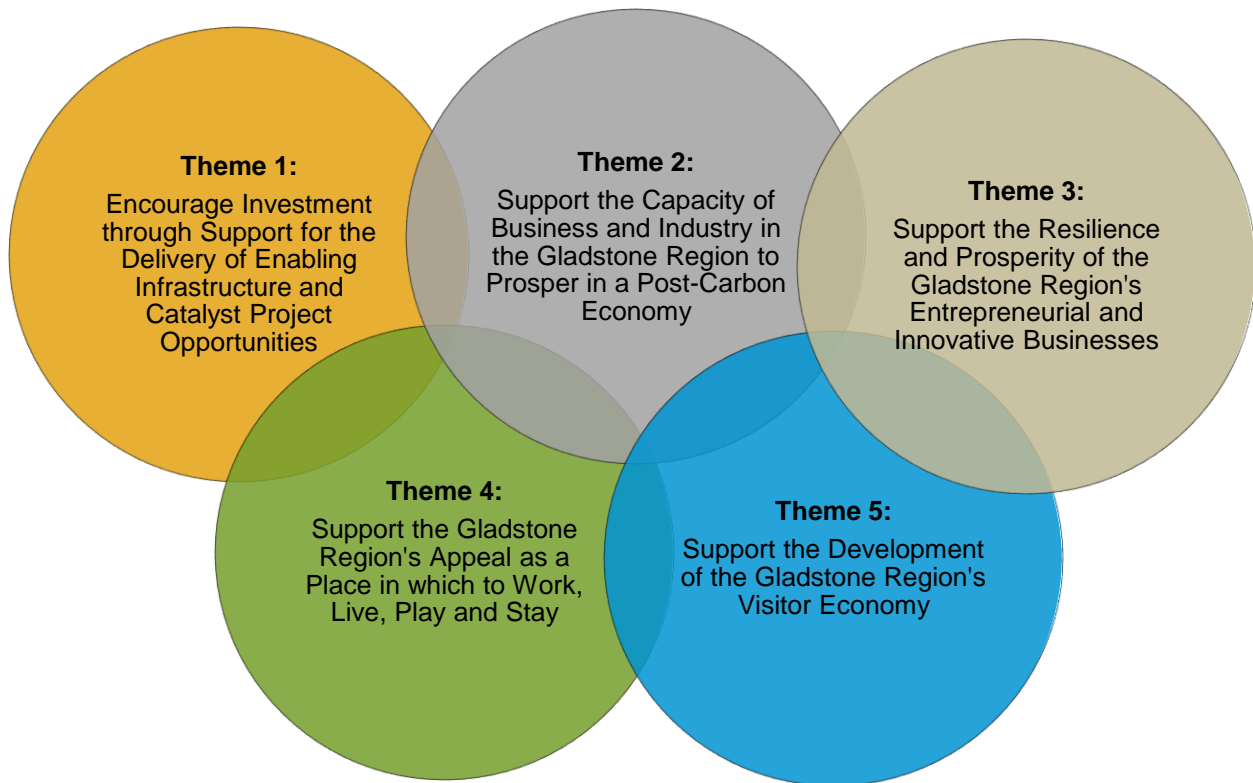
Council's 'core' economic development support activities include:

1. **Preparing for Prosperity - Research and Information Brokerage, Planning and Place Management:** Council will continue to take the initiative in establishing and nurturing effective economic partnerships and enabling industry innovation and entrepreneurship, particularly through networking, facilitation and information sharing on a diversity of matters, effectively working as a local 'solutions broker'.
2. **Enabling Prosperity - Infrastructure and Service Provision:** Council will continue to plan for and provide those critical infrastructure items that fall under its remit and advocate for those items that fall outside of its direct control.
3. **Supporting Prosperity - Investment Attraction and Business Support:** Council will continue to help facilitate private sector investment by promoting what the City has to offer prospective investors, including potential new residents. It will also continue to liaise with business and industry, representative organisations, peak industry bodies and education and training providers to network ideas and articulate workforce planning priorities that need to be addressed.
4. **Promoting Prosperity - Economic Development Advocacy and Partnerships:** Council will continue to work to provide a unifying voice for local communities and for local businesses across all sectors of the economy when lobbying State and Federal Governments on key industry or infrastructure issues. Nurturing and promoting positive collaborative partnerships will form an essential ingredient of the Gladstone Region's economic success.

These four 'core' economic development support activities provide a framework for Gladstone Regional Council, as a lead and in partnership with other organisations, to plan for the economy of the future.

3.3 Growing the Gladstone Region: Economic Development Themes

The opportunities for action presented herein, are informed by the findings of the research, consultation and analysis undertaken to inform the preparation of this strategy, together with Council's economic development charter. Prioritising where Council's resources can best be directed for the purpose of facilitating and promoting economic development is a key consideration of *Growing the Gladstone Region*, which contains five overarching themes, as illustrated below.

Figure 9. Growing the Gladstone Region: Economic Development Themes

A suite of opportunities, informed by the research, consultation and analysis, are presented under the five economic development themes. Within each of the five themes, the individual opportunities are further categorised into Gladstone Regional Council's economic development support and facilitation activities described above.

Each theme includes:

- **Strategic Objective** – this is a statement setting out what the target outcome is for that theme.
- **Rationale** – this is a narrative providing a logical basis for the opportunities identified.
- **Opportunities for Action** – these are the opportunities to be considered and pursued over time in order to realise the stated strategic objective.

A total of 37 individual opportunities for action have been identified as prospective initiatives (pending the determination of priorities and the availability of resources), to help diversify and grow the Gladstone regional economy. Some opportunities address catalyst project planning and development initiatives while others are focused on strategic program implementation initiatives that can be addressed as part of the Gladstone Region's collaborative economic development planning and facilitation functions in a strategic and informed manner.

4. Delivering Prosperity: Opportunities for Action

Theme 1: Encourage Investment through Support for the Delivery of Enabling Infrastructure and Catalyst Project Opportunities

Strategic Objective

Support investment in enabling infrastructure to build resilience and secure the region's future as a driver of economic growth underpinned by a diversity of industries that are connected to the world.

Rationale

Strategic infrastructure underpins economic activity and is fundamental to a prosperous regional economy. It includes transport infrastructure, power and water, communications and a diversity of serviced and well-located industrial land.

The Gladstone Region has 27,000 hectares of land designated for large-scale industrial development adjacent to the Port of Gladstone. The Gladstone State Development Area (GSDA) has connections to major rail networks and Australia's national highway.

The GSDA is responsive to emerging industrial development opportunities and can accommodate large-scale, large-footprint industrial development, industry requiring access to strategic port logistics and maritime facilities, port-related activities, materials transportation infrastructure and utility and service infrastructure, as well as gas transportation and other compatible infrastructure. Land use can be regulated by the Office of the Co-Ordinator-General.



Image source: Gladstone Regional Council

Port of Gladstone

Opportunities for economic development flow directly from one of Gladstone's key assets in the Port of Gladstone. Positioned in a natural deep water harbour, the Port of Gladstone, which is Queensland's largest and premier multi-commodity port, is also the most developable port in Australia, with capacity to grow its throughput from 125 Mt to 300 Mt per annum.

The Port can grow its capacity to take containerised freight, something the Gladstone Ports Corporation is working to address as part of its 50-year Plan. To complement planning and development at the Port, the Gladstone Region's long-term prosperity requires investment in the necessary road and rail transport infrastructure required to facilitate future industrial development.

Land-based access to and from the Port is currently constrained by limited road capacity. For example, components for wind turbines cannot be transported from the Port because of road and bridge limitations. Access to the Port is heavily-reliant on Council-owned roads, a number of which traverse residential areas.

Development of the Gladstone Heavy Vehicle Transport Corridor - including Port Access Road Stage 2, coupled with a connection to the Inland Rail terminating in Gladstone (see below), would be a game-changer for the region's economic development. It would allow Type 1 Road Train access to reduce logistics costs and time, benefiting business and industry (including the agricultural sector), with improved levels of safety and reductions in truck movements and greenhouse gas emissions.

Improved freight movements to and from Gladstone Port via better road access will open up a diversity of opportunities for industrial development such as the capacity to move containerised agricultural commodities for export. This could support a place for Gladstone as an integral component of the Northern Australia Food Bowl. Opportunities to make more effective use of the Gladstone Region's water resources to support high-value cropping can also be explored.

Inland Rail

Inland Rail is a 1,700km freight rail line that will connect Melbourne and Brisbane via regional Victoria, New South Wales, and Queensland. It is a once-in-a-generation project connecting regional Australia to domestic and international markets and is expected to complete the backbone of the national freight network. What will be the largest freight rail infrastructure project in Australia, the Inland Rail is expected to be operational by 2025.

A study has been undertaken to assess the opportunity to connect the Inland Rail to the Port of Gladstone via Toowoomba, which presents an opportunity to develop as an inter-modal freight hub for South East Queensland. This would allow freight to be transported by road from Toowoomba to Brisbane via the new Second Range Crossing, and to be transported by rail to Gladstone via the Inland Rail (and then on to export markets through the Port of Gladstone).

The Port of Gladstone presents a cost-effective Inland Rail option and could be constructed in a relatively short timeframe. It would also provide a catalyst for industrial development in and around the Port of Gladstone, including in the GSDA.

Any business case for the Inland Rail should not be exclusive of a particular port option but be driven to establish a fully integrated, efficient and cost-effective east coast supply chain that will improve the regional economies along the rail network and be a strategic asset for Queensland and the national

economy. Using the necessary studies as an evidence base, a collaborative approach to economic development advocacy and lobbying on behalf of the Gladstone Region, to secure the Inland Rail connection to the Port of Gladstone, is a priority for the region's long-term economic development.

Continued development of alternative (renewable) energy sources need to be investigated for their potential in the Gladstone Region. This includes opportunities for decentralised energy generation. The Gladstone Power Station presents an opportunity to re-calibrate to accommodate new industries as part of a new energy mix, such as green hydrogen.

Hydrogen

Australia has potential to become a world leader in hydrogen production and exports. The Commonwealth Government has announced the National Hydrogen Strategy (NHS), with a funding package focused on growing an innovative, safe and competitive hydrogen industry in Australia.

The NHS supports National Energy Resources Australia (NERA) to lead the establishment of a National Hydrogen Cluster to help grow capabilities and drive industry collaboration across the hydrogen value chain and ensure that Australian companies are well placed to supply new technology, products and services to domestic and international markets. Developing regional clusters around key hydrogen projects and infrastructure hubs or in regions that will service those hubs will help to enhance local cohesion and capability in the hydrogen value chain.

The Queensland Government has adopted the Queensland Hydrogen Industry Strategy 2019-2024. The Strategy will play a significant role in meeting the State's zero emissions target by 2050.



Image source: Shutterstock

Opportunities for Action

Preparing for Prosperity: Research and Information Brokerage, Planning and Place Management

- 1.1 Support the development of supply chain mapping and enhancement strategies - through the CSIRO Transit Study - to address key regional freight tasks and infrastructure shortfalls to position Gladstone as a strategic logistics hub.
- 1.2 Identify and articulate the Gladstone Region's transport infrastructure priorities - including the Gladstone Heavy Vehicle Transport Corridor (and Port Access Road Stage 2) to inform lobbying for improvements in the network and to inform grant-funding applications.

Promoting Prosperity: Economic Development Advocacy and Partnerships

- 1.3 Continue to progress research and investigations to inform a collaborative approach to advocacy and lobbying on behalf of the Gladstone Region to secure the Inland Rail connection to the Port of Gladstone.
- 1.4 Continually liaise with State and Federal Government funding agencies and monitor grants programs to ensure that business cases for priority community infrastructure projects are at the ready when project funding opportunities arise.

Enabling Prosperity: Infrastructure and Service Provision

- 1.5 Continue to support the work of Gladstone Ports Corporation to finalise and implement its 50-year Plan for the Port of Gladstone.



Image source: Shutterstock

Theme 2: Support the Capacity of Business and Industry in the Gladstone Region to Prosper in a Post-Carbon Economy

Strategic Objective

Promote economic development through initiatives that support knowledge-intensive modern manufacturing, sustainable energy production, transport and logistics and related new industrial activity.

Rationale

The Gladstone Region's economy is evolving in line with national and global trends, away from 'old economy' industries based on traditional manually-intensive forms of production, to modern knowledge-intensive industries.

The region's continued prosperity will be driven by innovation and value-creation in its traditional economic mainstays of manufacturing and minerals processing; related opportunities in the transport and logistics sector; new investments in health care, research and education; tourism and related industries; and opportunities to attract and grow knowledge-intensive activity in renewable energy and modern manufacturing.

By virtue of its industrial structure and dynamics, the Gladstone Regional economy has strong connections to world markets. Preparing for prosperity in a transitioning economic landscape means planning for a more diversified industry and energy mix to help 'future-proof' the economy and the security of employment for the region's businesses and residents.

With the Queensland Government adopting a 50% Renewable Energy and 2050 Net Zero Emissions target, it is timely to identify what a future energy mix will mean for the Gladstone Region's economic structure and dynamics in a 'post-carbon economy'.

The Gladstone Region's industrial capabilities and infrastructure assets means it is well-placed to be at the centre of Australia's opportunity to become a world leader in hydrogen production and exports. Establishing the Gladstone Hydrogen Technology Cluster is an important early step to progress this 'transition-based' economic opportunity for the region.

The Gladstone Region's industry capabilities can also be capitalised upon to diversify and grow in key sectors such as modern manufacturing. The Australian Government's *Modern Manufacturing Strategy* is designed to support initiatives to see Australia "recognised worldwide as a high-quality and sustainable manufacturing nation that helps to deliver a strong, modern and resilient economy". A new manufacturing hub, which has been established in Gladstone, is set to strengthen the region's manufacturing sector, boost private sector investment and create more jobs local jobs.

Central to the needs of business and industry is a skilled and adaptable workforce. Access to skilled labour is influenced by the availability of education and training, levels of workforce participation and the mobility and flexibility of labour. The Gladstone Region's youth needs access to education and training services and facilities with the programs and the infrastructure in place to support their employment aspirations and the requirements of local business and industry.

The development of a skilled and adaptable workforce is critical to the future success of the Gladstone Region's traditional industry strengths in transport, construction and minerals processing, as well as new and emerging 'knowledge-based' industry sectors like modern manufacturing, mining equipment, technology and services (METS), research and education and professional services.

Recognising the need to identify and plan for new industrial development opportunities – such as hydrogen, biofutures, renewables and others - as Australia's economy transitions to a post-carbon economy over the next 30 years - dictates the need to engage in workforce planning initiatives at a local level. Planning for the economy of the future in the Gladstone Region is required to identify and address skills gaps and to design skills-based education and training to meet future needs.

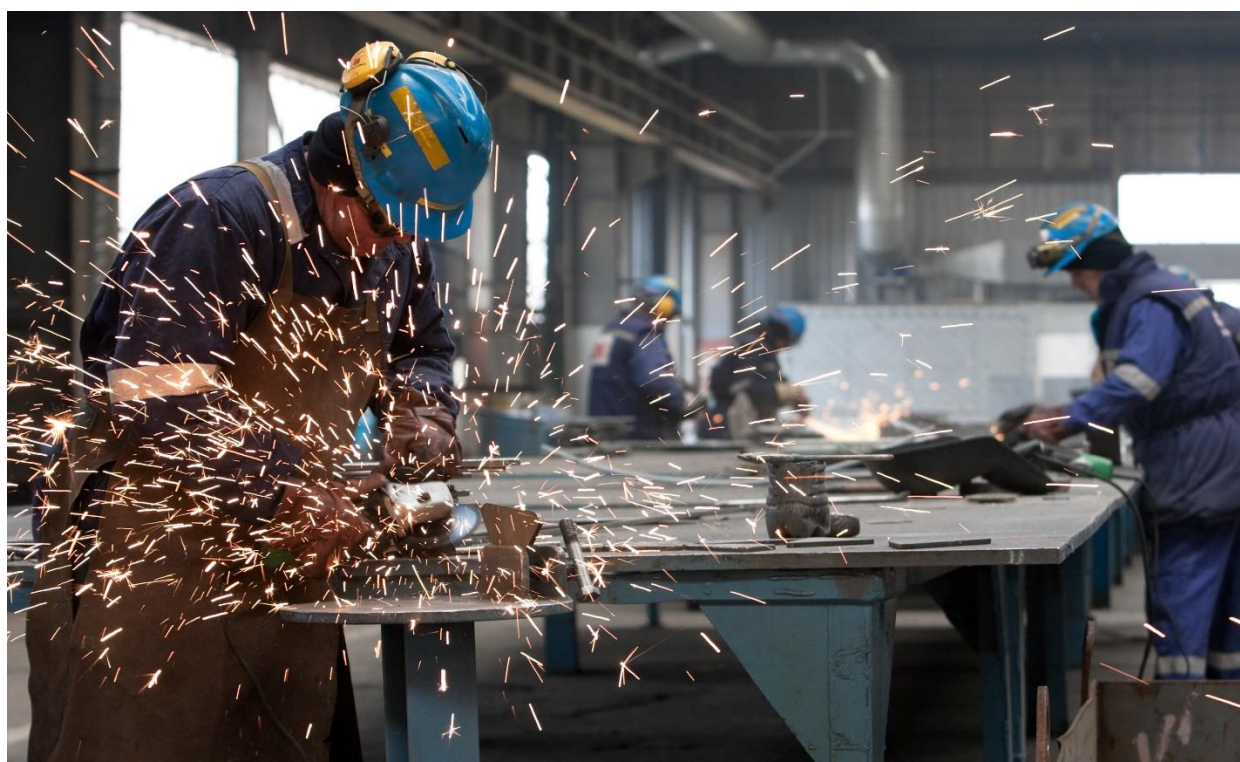


Image source: Unsplash

The Gladstone Region has the potential to develop into a recognised centre of excellence in skills training in new and emerging industries which build on exiting capabilities. This includes, for example, modern manufacturing as well as key scientific and technical services such as the environmental services. With the presence of CQ University in Gladstone, and the strong links these institutions have with the region's industries, 'education and innovation' is a critical enabler of future prosperity.

Gladstone Regional Council has a key role to play in helping to determine and articulate what the region's economic transition and its long-term economic future might look like, and how it can best be facilitated. By being pro-active now, the Gladstone Region will be well-placed to position itself as transitioning from a carbon-based economy to a knowledge-driven, low-carbon world leader.

Opportunities for Action

Preparing for Prosperity: Research and Information Brokerage, Planning and Place Management

- 2.1 Collaborate with relevant stakeholders to prepare a *Gladstone Region Hydrogen Industry Development Strategy* to guide the establishment and growth of the Gladstone Region's Hydrogen Ecosystem.
- 2.2 Develop a *Gladstone Region Transition Economy Strategy*, to address opportunities and impacts associated with the evolving global energy mix and establish a whole-of-Council policy and planning position on renewable energy production in the Gladstone Region.
- 2.3 Promote the Gladstone Region as a Manufacturing Hub, to help existing and prospective local manufacturers develop their skills and expertise in modern manufacturing.
- 2.4 Collaborate on the development of a *Gladstone Region Future Employment Review*. The review would identify emerging growth industries, socio-demographic forecasts, the future of work, the estimated demand for the 'jobs of the future' and the region's future workforce needs and training priorities to be advocated for.
- 2.5 Explore opportunities for new business activity and employment in 'next economy' industries such as minerals processing, minerals recycling and agricultural and mining equipment manufacturing.
- 2.6 Continue to support initiatives being led by regional development bodies and industry networking groups involving producers (farmers), agri-businesses, government, community groups, researchers, and other stakeholders who are progressing opportunities for agricultural industry development in the Gladstone Region.
- 2.7 Investigate new industry opportunities and the capacity for commercial development at and around Gladstone Airport, including call centre / contact centre operations, data centre operations and back-office functions for large professional services companies.

Theme 3: Support the Resilience and Prosperity of the Gladstone Region's Innovative and Entrepreneurial Businesses

Strategic Objective

Support the capacity of industry, education and training providers and other stakeholders to enhance the skills base to deliver the jobs of the future and support the region's micro and small-to-medium sized enterprises.

Rationale

Complementing its large industrial base, the Gladstone Region has a diversity of small to medium sized enterprises. Of the region's 3,715 businesses, approximately two-thirds (62%) are non-employing businesses and another 36% have between 1 and 19 employees. This is indicative of a large number of micro and home-based businesses distributed throughout the region.

While business and industry drives economic activity and employment creation, Gladstone Regional Council has a vital role to play in the leadership, organisation, delivery and promotion of economic development. Council promotes a 'can-do' attitude to support local business and industry entrepreneurship and innovation, consistent with the community's values and a collective desire for balanced and sustainable development.

As an information-broker or 'concierge', Council is well-positioned to facilitate new business investment with readily-available information on the status of the regional economy, industry trends and prospects and locations for investment, including the availability of commercial and industrial land to assist with the crucial decision of site selection.

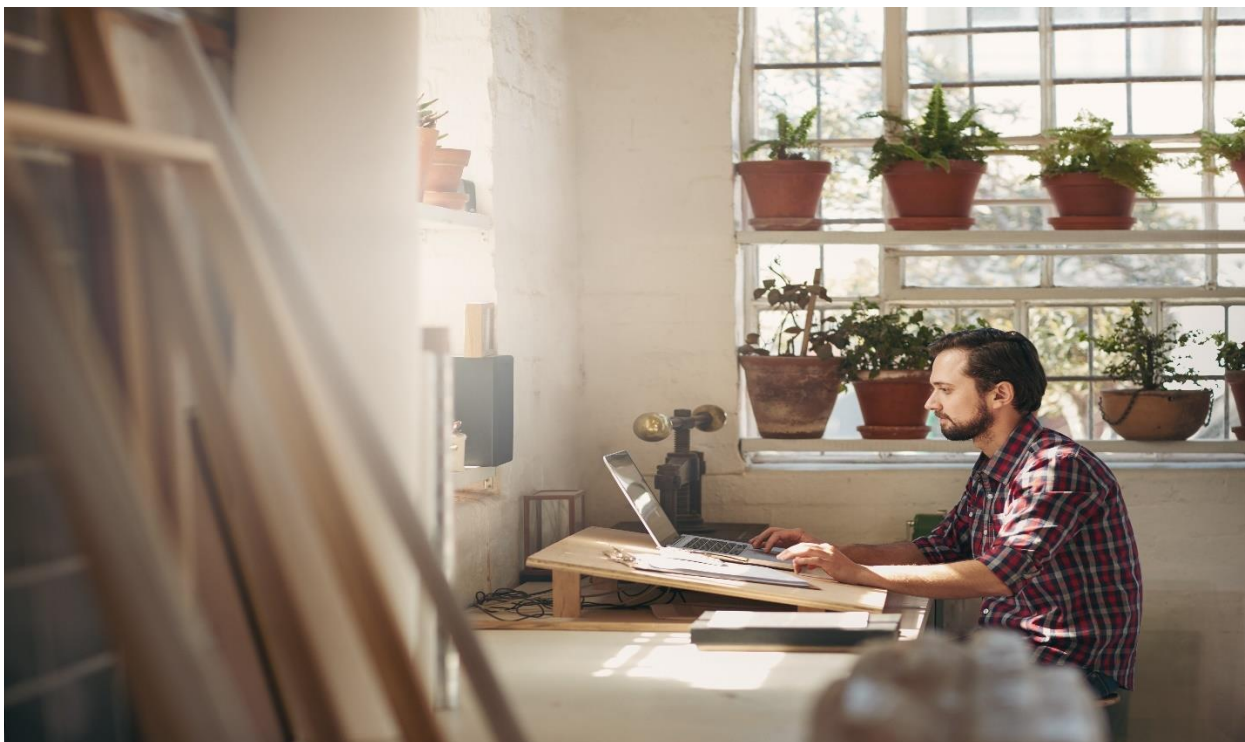


Image source: Unsplash

The process of economic development in local government is underpinned by collaboration and partnerships and it typically involves working with businesses, other tiers of government and intra-organisationally. Working with the region's key industry and agency stakeholders, Gladstone Regional Council has a strategic focus on initiatives which support and promote innovation and entrepreneurship through the development of industry connections with education and training institutions, as well as business capacity and capability building in new and emerging industries.

Gladstone Regional Council is often a first point of contact for the local business community as well as prospective new businesses and investors, meaning it has a role to play in informing businesses of State and Federal Government business assistance programs on offer. Council takes a pro-active approach in supporting local business and employment growth by ensuring a supportive and enabling regulatory environment and through local infrastructure provision and supply chain support to help diversify the region's economic base.

Opportunities for Action

Preparing for Prosperity: Research and Information Brokerage, Planning and Place Management

- 3.1 Continue to facilitate an enabling environment for micro-business and small business growth and development in the Gladstone Region.
- 3.2 Undertake regular reviews of Council's online information portal with a view to ensuring the most up-to-date information, including information on the local economy; business regulations; and government grant opportunities and support services is readily available.

Encouraging Prosperity: Investment Attraction and Business Support

- 3.3 Support innovation driven entrepreneurship, which diversifies the regional economy through the backbone organisation *Gladstone Connects* in its capacity to facilitate connections between the region's key stakeholders, to encourage collaborative approaches to R&D and innovation.
- 3.4 Continue to promote the business support initiatives of representative organisations including the Gladstone Engineering Alliance, the Gladstone Industry Leadership Group, the Gladstone Chamber of Commerce and Industry, Start-Up Gladstone, Gladstone Area Promotion and Development Ltd (GAPDL), Discovery Coast Tourism and Commerce and others.
- 3.5 Promote information on and encourage access to State and Federal Government programs which are designed to grow the capacity of new and developing micro and small businesses. Provide information and referrals to business development and mentoring services that are available.
- 3.6 Support the Gladstone Region's First Nations businesses by promoting government programs designed to enhance local business capacity and skills.
- 3.7 Explore existing local content / local buy programs in operation in the region with a view to elevate Council's support for and promotion of local procurement objectives.

Theme 4: Support the Gladstone Region's Appeal as a Place in Which to Work, Live, Play and Stay

Strategic Objective

Support the region's appeal as a location for living, learning and investing, for a diversity of residents who value a regional city lifestyle.

Rationale

A region's population is one of its most important resources because it provides the local workforce and plays a key role in determining the attractiveness of living in a region. Population change is a significant factor underpinning the long-term prosperity of the Gladstone Region in terms of economic and social sustainability.

While Gladstone's average annual rate of population growth has been positive over the past ten years, the region is still subject to peaks and troughs associated with economic booms and downturns. This impacts property prices which move with the 'booms' and 'busts', and during the peak periods housing affordability is compromised.



Image source: Gladstone Regional Council

Investment attraction requires a strategic and targeted approach to attract business owners and, perhaps more importantly, their families to want to live and work in the region. Housing diversity and affordability are crucial elements in regional migration decisions, especially for family migration but also for all household types. Equally important, is the availability of the right mix of education and training, health, housing and other essential services to support the evolving needs of the region's existing population.

Like a lot of regions throughout Australia, the Gladstone Region has suffered from the effects of its youth leaving the area to work or study elsewhere. The region has also experienced a high rate of older residents leaving to retire elsewhere, due in large part to a lack of appropriate housing, health care and aged care facilities.

This compromises people's capacity to 'age in place' and points to the need to investigate and plan for a diversity of housing options for the region's older residents. Council is committed to a region-wide approach to meeting the lifestyle needs and expectations of both existing residents and prospective new residents.

In an increasingly competitive global economy, access to knowledge and innovation are central to the abilities of businesses to deliver new cost savings or to add value through product differentiation. As a result, highly skilled 'knowledge workers' - people who are paid to solve problems and generate opportunity and wealth through the creation of new ideas - have become the new drivers of economic prosperity. Attracting and retaining these workers, and the occupations and industries they are engaged with, is a central tenet of *Growing the Gladstone Region*.

Together with quality physical infrastructure, community infrastructure is a fundamental enabler of economic development for the role it plays in facilitating social and economic interaction and exchange. This includes cultural, recreational, leisure and entertainment facilities and services including, for example, libraries, galleries, parks and gardens.

Gladstone Regional Council is committed to maintaining a standard of infrastructure and services that supports and enhances the liveability of the region's towns and villages. This includes its recreation, leisure and entertainment facilities, its cultural facilities, the quality of its streetscapes and its community services and facilities.

Investment in and promotion of these assets is central to supporting the appeal of the Gladstone Region as a location for business investment, learning, employment and living. Gladstone Regional Council will continue to promote what the region has to offer as a lifestyle location and, importantly, it will back this up with investment in projects and programs to deliver quality infrastructure and support services to local businesses and residents.

Council's place-based modes of service delivery provide it with the tools to align economic development objectives and activities with the organisation's broader program of work and strategic objectives in the interests of the communities of the region.

Opportunities for Action

Preparing for Prosperity: Research and Information Brokerage, Planning and Place Management

- 4.1 Undertake a needs, opportunities and options analysis to develop the Gladstone Region as an Age Friendly Community including the likely nature, scale and timing of market need for services and new facilities.

Promoting Prosperity: Economic Development Advocacy and Partnerships

- 4.2 Activate advocacy strategies to enhance the appeal of the Gladstone Region as a destination to invest, live and learn in. Focus on Gladstone's regional city lifestyle and diversity of living choices, supported by local employment opportunities and options for education and training, health and housing.

Encouraging Prosperity: Investment Attraction and Business Support

- 4.3 Produce and promote in key markets a regularly updated *Invest in the Gladstone Region* Prospectus.
- 4.4 Investigate interest from retail traders in the region's commercial centres to participate in facilitated 'retail inspiration' workshops and similar events with leading experts / guest speakers to promote best-practice visual merchandising, branding and customer service to support the vitality and growth of the region's retail sector.
- 4.5 In collaboration with key government and industry stakeholders, establish an investment enquiry protocol for the Gladstone Region, articulating roles, responsibilities and processes for managing and registering investment enquiries.

Enabling Prosperity: Infrastructure and Service Provision

- 4.6 Partner with State and Federal Government agencies and service providers to ensure high-quality digital connectivity is provided to all communities of the Gladstone Region.
- 4.7 Develop partnerships with local communities to facilitate sustainable town centre place activation; identify key project opportunities that could form the catalyst for local community-Council partnerships.

Theme 5: Support the Development of the Gladstone Region's Visitor Economy

Strategic Objective

Support delivery of the Gladstone Region Visitor Economy Strategy 2025, to position the region as a vibrant visitor destination offering a diversity of natural, cultural, recreation, leisure, entertainment and events-based experiences.

Rationale

Australia's tourism sector has been growing strongly in recent years, and while the COVID-19 pandemic will impact on tourism movements to and within Australia in the short-term, over the medium to longer-term, growth prospects remain positive. Industry research body IBISWorld reports that domestic tourism is already beginning to start back up, with tourism businesses expected to rely heavily on domestic leisure travellers over the next few years.

Strategies to grow the Gladstone Region's visitor economy provide a viable avenue for further diversifying the region's economic base in a sustainable manner. Gladstone Regional Council has already invested in a strategic approach to tourism promotion and destination management through its partnership with Gladstone Area Promotion and Development Limited (GAPDL) and has produced a Visitor Economy Strategy (November 2019), a Business Tourism Action Plan (October 2019) and a Recreational Vehicle Strategy (November 2019). *Growing the Gladstone Region* supports the implementation of these strategies through the identification of opportunities that support a range of initiatives designed to grow a vibrant regional visitor economy.



Image source: Tourism and Events Queensland

In support of existing strategies, there are opportunities to further develop the Gladstone Region's visitor economy through continued investment in marketing and promotion (the Gladstone tourism destination brand), as well as through the provision of support services and enabling infrastructure. In order to capture new markets and develop the region's tourism sector in a balanced and sustainable manner, a continued commitment to destination management is required.

Investment in private and public infrastructure will continue to be an integral component to growing the visitor economy for the Gladstone Region. Investment by all levels of government in high quality and innovative nature-based, sports, arts, cultural and tourism infrastructure will not only grow visitation, but will also help spur private sector investment. Improvements in tourism infrastructure at key locations will help deliver a better experience for both visitors and local residents.

There is an opportunity to explore one-of-a-kind signature experiences with supporting infrastructure to grow the Gladstone Region's visitor economy. This includes, for example, attractions and events, as well as visitor services including transport and infrastructure to elevate the visitor experience.

The Boyne to Burnett Inland Rail Trail is a proposal to develop a 270km rail corridor for locals and tourists (for walking, running, cycling and horse riding), from Taragoola through the Boyne Valley, on to Monto, Eidsvold, Mundubbera and south through Gayndah. This would make it the longest rail trail in Australia.

The proposed rail trail contains six consecutive tunnels and there are a number of attractions along the way (e.g. old gold mine, copper mine, pubs and camping) that could be leveraged and integrated with the trail. Opportunities to encourage rail trail users to stop and spend money along the way need to be explored. A feasibility study has been prepared and government funding has been received to prepare a Rail Trail Concept Plan. Industrial tourism and cultural tourism present further opportunities to diversify the Gladstone Region's tourism offer.

Transport connections (e.g. public shuttle bus services) between Gladstone Airport, the Gladstone CBD and the Gladstone Marina (for tours to Heron Island for example) are inadequate and need to be addressed. Connections between Gladstone Airport and Agnes Water / 1770 also need to be addressed.

RV tourism represents a significant visitor market for the Gladstone Region however, it is reported that facilities such as dump points are lacking and need to be addressed. New transport technologies also need to be considered and accommodated (e.g. electric vehicle charging stations).

There is a recognised opportunity to build capability and capacity to grow the Gladstone Region's visitor economy and further develop its reputation as a tourism-friendly destination. This will require continuing existing efforts to build the capacity of the region's tourism industry operators, Council, strategic partners and local communities.

Opportunities for Action

Preparing for Prosperity: Research and Information Brokerage, Planning and Place Management

- 5.1 Continue to support the implementation of existing plans and strategies designed to address matters concerning critical visitor economy infrastructure.
- 5.2 Support the strategic and coordinated approach to events planning and promotion including festivals, sporting, food-based, recreational fishing and other events.
- 5.3 Explore opportunities to tap into tourism growth markets such as walking, running and mountain biking trails.
- 5.4 Liaise on an ongoing basis with State and Federal funding agencies and monitor tourism industry grants programs. Ensure that business cases for priority tourism projects are at the ready.
- 5.5 Provide support to confirm the scope of a Boyne to Burnett Inland Rail Trail Concept Plan.
- 5.6 Explore opportunities for unique cultural tourism experiences in the Gladstone Region and develop strategies to engage local community stakeholders to help grow the industry.

Encouraging Prosperity: Investment Attraction and Business Support

- 5.7 Support GAPDL in its work to develop a regional recreational fishing strategy and business case to attract stakeholder funding to progress the concept.
- 5.8 Support the efforts of industry stakeholders to promote local fishing events as a catalyst opportunity to grow a multi-million dollar recreational fishing industry in the Gladstone Region.
- 5.9 Promote, via Gladstone Regional Council's web site, State and Federal Government business assistance and training programs available for micro to small business operators in the visitor economy.

Enabling Prosperity: Infrastructure and Service Provision

- 5.10 Review public transport connections between Gladstone Airport, the Gladstone CBD and the Gladstone Marina and between Gladstone Airport and Agnes Water / 1770 with a view to identifying critical services gaps.

Promoting Prosperity: Economic Development Advocacy and Partnerships

- 5.11 Continue to participate in and promote Gladstone Regional Council's involvement in regional tourism promotional forums.

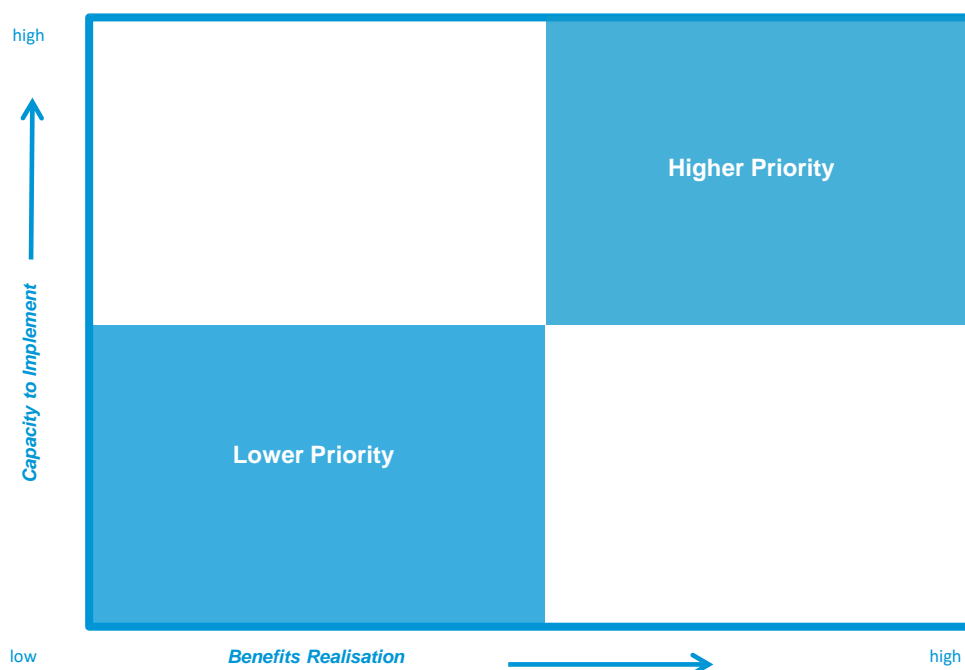
5. Implementation Framework

5.1 Informing Priorities

To ensure effective implementation, the opportunities for action presented in this strategy are to be prioritised, with commitment to implementation subject to available resources.

The prioritisation of opportunities is guided by two broad sets of assessment criteria – **benefits realisation** and **capacity to implement**. Each is explained in turn below.

Figure 10. Economic Opportunity Assessment Matrix



Source: SC Lennon & Associates

Benefits Realisation:

- What **benefits** will the opportunity deliver to the Gladstone Region's residents and businesses if realised?
 - Will it bring more business investment to the Gladstone Region and its constituent towns and villages, and is it the sort of investment we want?
 - Does it build on the region's existing industry profile, capabilities and competitive advantages?
 - Will it help to create more jobs in key and emerging industry sectors such as manufacturing, transport and logistics, health, education and the visitor economy?
 - Will it help to reduce leakages and retain and re-circulate more income in the regional economy?
 - Are there other potential impacts (e.g. social, environmental, cultural) to consider?

Capacity to Implement:

- What is Gladstone Regional Council's **capacity to implement** the project or activity?
 - Is it consistent with Council's strategic objectives as articulated in its Corporate Plan?
 - Is it consistent with the community's vision and values?
 - Is it consistent with Council's land use planning and policy objectives?
 - Does Council have the organisational capacity to implement the project?
 - Does Council have the financial resources and the human resources?
 - Is the necessary support infrastructure available (or can it be realistically built/accessed?)
 - Implementation - who is best placed to drive the opportunity? Is it Gladstone Regional Council as the lead, as a partner or is it the responsibility of other organisations with support from Council?

Implementation priorities are identified through the application of these broad set of assessment criteria, determining to what extent the opportunity in question concerned is a priority.

5.2 Priority Opportunities for Action

Having regard for the anticipated benefits (in a broad sense) and Council's capacity, either as the lead or in a support role, to pursue each opportunity, *Growing the Gladstone Region* identifies priority opportunities for action. These are the opportunities that are earmarked for action subject to the availability of Council resources and a commitment to implementation.

In brief, the priorities, which will be considered by Council and subject to review and assessment on an annual basis, are:

Theme 1: Encourage Investment through Support for the Delivery of Enabling Infrastructure and Catalyst Project Opportunities

- 1.1 Support the development of supply chain mapping and enhancement strategies - through the CSIRO Transit Study - to address key regional freight tasks and infrastructure shortfalls to position Gladstone as a strategic logistics hub.
- 1.2 Identify and articulate the Gladstone Region's transport infrastructure priorities - including the Gladstone Heavy Vehicle Transport Corridor (and Port Access Road Stage 2) to inform lobbying for improvements in the network and to inform grant-funding applications.
- 1.3 Continue to progress research and investigations to inform a collaborative approach to advocacy and lobbying on behalf of the Gladstone Region to secure the Inland Rail connection to the Port of Gladstone.
- 1.4 Continually liaise with State and Federal Government funding agencies and monitor grants programs to ensure that business cases for priority community infrastructure projects are at the ready when project funding opportunities arise.

Theme 2: Support the Capacity of Business and Industry in the Gladstone Region to Prosper in a Post-Carbon Economy

- 2.1 Collaborate with relevant stakeholders to prepare a *Gladstone Region Hydrogen Industry Development Strategy* to guide the establishment and growth of the Gladstone Region's Hydrogen Ecosystem.
- 2.2 Develop a *Gladstone Region Transition Economy Strategy*, to address opportunities and impacts associated with the evolving global energy mix and establish a whole-of-Council policy and planning position on renewable energy production in the Gladstone Region.
- 2.3 Promote the Gladstone Region as a Manufacturing Hub, to help existing and prospective local manufacturers develop their skills and expertise in modern manufacturing.
- 2.4 Collaborate on the development of a *Gladstone Region Future Employment Review*. The review would identify emerging growth industries, socio-demographic forecasts, the future of work, the estimated demand for the 'jobs of the future' and the region's future workforce needs and training priorities to be advocated for.

Theme 3: Support the Resilience and Prosperity of the Gladstone Region's Innovative and Entrepreneurial Businesses

- 3.1 Continue to facilitate an enabling environment for micro-business and small business growth and development in the Gladstone Region.
- 3.2 Undertake regular reviews of Council's online information portal with a view to ensuring the most up-to-date information, including information on the local economy; business regulations; and government grant opportunities and support services is readily available.
- 3.3 Support innovation driven entrepreneurship, which diversifies the regional economy through the backbone organisation *Gladstone Connects* in its capacity to facilitate connections between the region's key stakeholders, to encourage collaborative approaches to R&D and innovation.

Theme 4: Support the Gladstone Region's Appeal as a Place in Which to Work, Live, Play and Stay

- 4.1 Undertake a needs, opportunities and options analysis to develop the Gladstone Region as an Age Friendly Community including the likely nature, scale and timing of market need for services and new facilities.
- 4.2 Activate advocacy strategies to enhance the appeal of the Gladstone Region as a destination to invest, live and learn in. Focus on Gladstone's regional city lifestyle and diversity of living choices, supported by local employment opportunities and options for education and training, health and housing.
- 4.3 Produce and promote in key markets a regularly updated *Invest in the Gladstone Region Prospectus*.

Theme 5: Support the Development of the Gladstone Region's Visitor Economy

- 5.1 Continue to support the implementation of existing plans and strategies designed to address matters concerning critical visitor economy infrastructure.
- 5.2 Support the strategic and coordinated approach to events planning and promotion including festivals, sporting, food-based, recreational fishing and other events.
- 5.3 Explore opportunities to tap into tourism growth markets such as walking, running and mountain biking trails.
- 5.4 Liaise on an ongoing basis with State and Federal funding agencies and monitor tourism industry grants programs. Ensure that business cases for priority tourism projects are at the ready.

Some of these opportunities are focused on catalyst project planning and development initiatives while others concentrate on strategic program implementation. In a number of cases, the identified priorities seek to build on or continue initiatives already in place.

5.3 Monitoring Implementation Progress

Growing the Gladstone Region has been prepared in the context of the role of economic development in Gladstone Regional Council's broader program of work and strategic objectives, and wider regional priorities. Council will monitor the implementation progress in order to realise priority opportunities for action.

Set performance measures have been established using a range of indicators, including both 'output' indicators and 'outcome' measures. Outcome measures refer to broad economic development outcomes at the regional level, such as industry output (gross regional product), business establishments growth and jobs.

Output indicators on the other hand, include, for example, levels of business confidence, community satisfaction, the number of investment enquiries and progress on / completion of those opportunities that have been prioritised and resourced for action.

Strategic objectives will be monitored through the following methods and sources:

- Business surveys;
- Customer satisfaction surveys; and
- Subscription to regularly updated and tailored data sources (REMPAN Community and REMPLAN Economy).

The set performance measures will be reported within the performance monitoring on the implementation of the Economic Development Strategy. Initiatives set out in *Growing the Gladstone Region* will be monitored, assessed and reviewed annually by Council, with an update anticipated in five years.

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