

ECONOMIC DEVELOPMENT PLAN 2018-2022

MCKINLAY SHIRE COUNCIL
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EXECUTIVE SUMMARY

INTRODUCTION

McKinlay Shire Council has engaged AEC Group Pty Ltd (AEC) to develop this 5-year Economic Development Plan (EDP) for 2018 to 2022.

The aim of the EDP is to provide opportunities that value-add and build resilience in the Shire's three core economic pillars – cattle, tourism and mining, as well as identify new opportunities and strategies to improve the economic sustainability of the Shire.

The EDP will highlight the resources needed to create a sustainable and competitive community that can respond effectively to changes in demographics, the economy, workforce, technology and climate. It will identify the collaboration and partnerships needed to support a whole-of-Council and community vision for economic development and constructive steps to achieve positive economic development outcomes.

SITUATION ANALYSIS

The McKinlay region has experienced recent population decline. While there is a high level of uncertainty regarding the most recent population estimates, arresting the fall in population will be critical to supporting economic development and the McKinlay Shire community going forward.

The McKinlay Shire features three core industry sectors:

- **Agriculture:** McKinlay is a major grazing centre, predominantly beef cattle with some sheep
- **Mining:** McKinlay hosts significant mining operations including the Eloise Copper Mine and the South 32 Cannington (lead and silver) Mine. The region also possesses significant resources which may be viable for future development, including vanadium, oil shale and geothermal energy generation
- **Tourism:** McKinlay is a well-known outback tourism destination, with attractions including the multi award winning 'At the Creek' Visitor Information Centre, significant Recreational Vehicle (RV) campground, numerous historical and nature based offerings and a full events calendar including the famous 'Dirt N Dust' Festival.

The major industries within the Shire are highly susceptible to changing trends in production and consumption, and therefore there is a need to ensure these sectors are understood as the market and the economy evolve.

ECONOMIC DEVELOPMENT PLAN

McKinlay's Strategic Intent is to be...

"...a connected and vibrant outback community supporting sustainable growth"

Strategic Direction

In response to the challenges and opportunities identified for the region the following strategic direction priorities have been developed. Each of these are closely linked to the strategic intent of the EDP, and have been supported by thorough engagement with local stakeholders.

There are five strategic direction priorities under which a detailed action plan has been developed, these include:

- Population attraction/retention
- Tourism and natural assets
- ICT and digital connectivity
- Transport road, rail and airport
- Resilience and sustainability of the local economy.

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1. INTRODUCTION

1.1 BACKGROUND

The McKinlay Shire Local Government Area (LGA) is located in the Outback region of Queensland, approximately 650 kilometres west of Townsville and 250 kilometres east of Mount Isa. The Shire's main industries are cattle, tourism and mining. Other industries such as retail, transport, construction and other key services rely on these main industries for their own sustainability.

McKinlay Shire has a population of approximately 1,000 people and comprises four main towns, including Julia Creek, Kynuna, McKinlay and Nelia. There are two active mines in the Shire (Cannington and Eloise) which are staffed primarily by a fly-in, fly-out workforce.

McKinlay Shire has a number of different infrastructure projects either underway or recently completed that have the potential to influence economic opportunities going forward. The Shire has also identified a range of strengths, weaknesses, opportunities and threats, all of which need to be explored further as part of the development of this Economic Development Plan (EDP).

1.2 PURPOSE OF THE STUDY

McKinlay Shire Council has engaged AEC Group Pty Ltd (AEC) to develop a 5-year EDP from 2018 to 2022.

The EDP will strategise new opportunities that value-add and build resilience in the three pillars – cattle, tourism and mining. The EDP will also identify new opportunities and strategies to improve the economic sustainability of the Shire. A key outcome of the EDP is a shared vision for the McKinlay and broader regional communities, and a key ingredient to achieve this is detailed and extensive community engagement.

Overall the EDP will highlight the resources needed to create a sustainable and competitive community that can respond effectively to changes in demographics, workforce, technology and climate. It will identify the collaboration and partnerships needed to support a whole-of-Council and community vision for economic development and constructive steps to achieve outcomes.

1.3 PROJECT PROCESS

Research & Analysis	Stakeholder Engagement	Strategy Development
<ul style="list-style-type: none"> Analyse local economic strengths to identify economic opportunities Analyse relevant socio-economic data Apply AEC's economic development tools to further analyse economic opportunities Identify and analyse trends and influencing factors 	<ul style="list-style-type: none"> Engaging with key stakeholders to inform and ensure involvement Engagement to be undertaken through a mix of workshops and one-on-one interviews Engagement guided by the learnings from the research analysis Used to identify new and emerging opportunities 	<ul style="list-style-type: none"> Develop the structure of the strategy and clearly communicate the opportunities Develop vision, game changers, strategic priorities, action plan, KPIs and resources required Present the strategy to Council for consideration and feedback, and amend accordingly before finalisation

Source: AEC

2. REGIONAL OVERVIEW

A summary of the key factors influencing the current economic climate in the McKinlay LGA is provided in the following sections. A more detailed overview is provided in Appendices A-C.

For comparative purposes, McKinlay has been compared to the following surrounding LGAs (which together with McKinlay are henceforth referred to as the North West Queensland region):

- Burke
- Carpentaria
- Cloncurry
- Flinders
- Mount Isa
- Quilpie
- Richmond
- Winton.

2.1 POPULATION AND DEMOGRAPHICS

McKinlay LGA's population grew to 1,047 in 2016, equating to an average annual growth rate of 1.3% over the last decade. Despite overall growth over the past ten years, population growth has been negative since 2013, driven by the resources sector downturn and severe drought in the key beef cattle industry. McKinlay's population projections suggest stability (averaging 0.1% growth to 2036) and ensuring stability or growth over decline will be key for the regions long run sustainability and vitality.

McKinlay features a strongly male demographic, comprising 59.7% of the total population. On average, male residents are slightly younger than females at an average age of 36.5 years compared to 36.7 years.

The most common household type in McKinlay in 2016 was one family households with only family members present, which formed 38.6% of all households in the area. This proportion was higher than that of Burke (21.3%), Carpentaria (32.6%) and Winton (35.5%) but lower than all other comparison regions. The average number of persons per household in McKinlay in 2016 was 2.4.

2.2 ECONOMY

The McKinlay LGA economy grew strongly between 2006-07 and 2011-12, peaking at Gross Regional Product (GRP) of \$460.1 million. Following the resources sector downturn and severe drought impacting the grazing sector, GRP declined nearly 18% to \$378.1 million in 2014-15. Over 2015-16 the economy partially recovered, expanding by 2.2% to \$386.2 million.

McKinlay's economic performance between 2006-07 and 2015-16 was stronger than Burke, Cloncurry and Mount Isa and lower than all other comparison regions (which all had positive average annual growth rates).

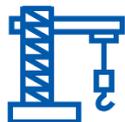
There was a total of 1,269 persons working in McKinlay in 2016 (by place of work). The industries which provided the most jobs in McKinlay in 2016 were:



Mining (48.9% of total jobs): McKinlay hosts significant mining operations (Eloise Copper Mine, South 32 Cannington (lead and silver) Mine) as well as significant resources for future extraction, including vanadium, oil shale and geothermal energy generation (MSC, 2017).



Agriculture, Forestry and Fishing (18.6%): The region is a major grazing centre, predominantly beef cattle and sheep.



Construction (8.7%): The construction sector predominately services the regional mining industry in addition to transport infrastructure.



Public Administration and Safety (4.6%): Public administration (including Council) is a significant employment sector servicing the local community.



Accommodation and Food Services (4.4%): McKinlay is a well known outback tourism destination, with attractions including the multi award winning 'At the Creek' Visitor Information Centre, numerous historical and nature based offerings and the famous Dirt N Dust Festival.

The McKinlay LGA labour force has contracted sharply since 2015, falling over 25% to 579 persons in the March Quarter 2017. Over the same time, the number of persons unemployed in McKinlay has expanded by 45.1%. As a result, over the past five years, the unemployment rate in McKinlay has increased by 2.1 percentage points to 4.8%.

In spite of the challenging labour market conditions, McKinlay's unemployment rate remains significantly below the North West Queensland average of 8.2%.

2.3 INFLUENCING FACTORS AND TRENDS

Key macroeconomic factors and trends impacting McKinlay Shire over the coming five years include:

- **Australian Exchange Rates:** The price of agricultural and resource commodities in global markets are traditionally traded in US dollars. Therefore, fluctuations in exchange rates influences the competitiveness of trade exposed industries in the McKinlay LGA. If the Australian dollar declines as it has done recently, it is likely to have a positive impact on export and tourism focused businesses
- **The Asian Century:** Economies and populations in developing nations in Asia are growing rapidly. The continual growth of the middle-class across Asia is expected to present an increasing array of opportunities for Australia, specifically through an increase in demand for our goods and services
- **Changing Production Trends:** Jobs growth in production-based industries, such as broad macro factors largely drive agriculture, manufacturing and mining, including global/ national demand, commodity cycles and terms of trade. However, these industries and the environments in which they will prosper are changing. Australia is transitioning towards higher levels of services-based activities, with many production-based industries struggling to remain cost competitive in international markets
- **Changing Consumptions Trends:** Consumer expenditure is increasingly trending towards households reducing debt, paying down mortgages and embracing the 'sharing economy' to optimise assets by leveraging digital networks to allow collaborative consumption as well as online retailing
- **The Changing Nature of Agriculture:** Shifts in consumer demand, changes in government policies, technological advances and innovation, emerging environmental concerns, and a continued decline in the sector's terms of trade have had major implications on restructuring and adjustments of agribusiness value and processing chains. Farms are now fewer but larger than in the previous decades, and this trend will continue. With this comes corporate investment where operations can often extend across several countries to mitigate risk. Local and regional agricultural markets are also being increasingly interwoven with global demand and supply dynamics

- **Food Security:** With the world's population forecast to reach 8 billion by 2030, interest in the region's agricultural potential is likely to increase over the coming years. Further trade and investment interest in the region from Asia is a possibility, where food security is an increasing concern with world food prices having doubled over the past decade
- **Evolving Workforce Needs:** A growing proportion of workers around the world are choosing to work from home, as technological advancements have made working from home a more viable option for both employees and employers. Home based work has the potential to reduce commuter loads each day, reducing transport infrastructure and public transport requirements, though places a higher reliance on access to quality ICT infrastructure. At the same time, Information Communications Technology (ICT) connectivity is important for home based workers, and ready access to major long-distance transport infrastructure can be an important factor
- **Non-Resident Mining Workforce:** The resource sector requires employees to work in geographically isolated areas. In the past, mining companies have sourced workers from a mixture of residents and Fly In – Fly Out (FIFO) and Drive In - Drive Out (DIDO) non-resident workers. There is now, however, a movement away from this workforce structure with an increased proportion of FIFO and DIDO workers being sourced. This change is primarily in response to resourcing issues encountered during the recent mining boom as well as the impacts on housing demand and cost of living arising from rapid growth in the local workforce to meet project demands
- **Emerging Technologies and Innovation:** Continually evolving technology will play a major role in shaping the development of Australia over the coming 30 years. Rapidly evolving energy, communications, and transportation technologies will boost economic activity. It also has the potential to revolutionise education and training delivery. Mobile internet, automation of knowledge work, machine based learning, cloud technology, advanced robotics and autonomous vehicles, next generation genomics, energy storage, 3D printing, advanced materials and renewable energy are just some of the known technologies that will change the face of how we do business and live into the future
- **Aging Population:** Both McKinlay Shire's and Australia's populations are aging. An aging population has implications for future demand for services such as hospitals and other forms of health and aged care, and the availability of labour to support industry/business growth. This is a key consideration for many rural/remote areas, with significant implications for elderly family members who are forced to move away from support networks and the broader community in order to obtain the required levels of care.

See Appendix B for a detailed analysis of key influencing factors and trends.

2.4 COMPETITIVE ASSESSMENT

Statistical analysis of the competitive position of the McKinlay Shire economy including Location Quotients (LQs), cluster mapping and import/export analysis is provided in Appendix C. Key outcomes from the analysis include:

- **LQs/Cluster Mapping,** McKinlay has very strong labour specialisations in the industries of:
 - Mining (LQ = 28.3, Queensland industry growth expectation to 2026 1.0% per annum)
 - Agriculture, forestry and fishing (LQ = 7.1, Queensland industry growth expectation -0.5% per annum)
 - Other key sectors such as those related to tourism feature a solid growth outlook but are underrepresented (on a share of employment basis) within McKinlay Shire.
- **Import/Export Analysis:**
 - McKinlay imported an estimated \$522.8 million worth of goods and services in 2014-15. As is often the case in a rural/remote area, McKinlay imports a high amount of professional, scientific and technical services, but also key inputs into its mining and agricultural sectors including petroleum and coal product manufacturing and basic chemical manufacturing.

- McKinlay Shire exported an estimated \$871.2 million worth of exports in 2014-15. Key exports from McKinlay align with the key sectors of the economy including other agriculture, non ferrous metal ore mining and poultry and livestock.

3. STAKEHOLDER CONSULTATION

As part of the delivery of the McKinlay Shire EDP, three two-hour workshops and a series of one-on-one engagement activities (both face-to-face) and via telephone were undertaken in order to capture key stakeholder input into the EDP.

A total of 35 participants were engaged through the consultation process, including:

- 8 participants that attended the Julia Creek community workshop (4th September 5:30 - 7:30pm)
- 7 participants that attended the McKinlay Shire Council workshop (5th September 10:00am - 12:00pm)
- 6 participants that attended the McKinlay community workshop (6th September 10:00am – 12:00pm)
- 14 participants engaged in one on one meetings and telephone consultations.

A summary of the consultation outcomes is presented below, refer to the McKinlay Shire EDP Consultation Outcomes Report for more detailed analysis of stakeholder input.

3.1 AGENDA

The consultation sessions provided a forum for participants to provide input into the directions of the study via the following lines of enquiry:

- Identifying the economic development opportunities and constraints that exist in McKinlay, including opportunity areas and specific projects/initiatives.
- Identifying the key priorities, actions and next steps for the economic development of the region.

The agenda for each consultation session included:

- Introductions/ overview of sessions (5 minutes)
- Study context, purpose, process (5 minutes)
- Project background and context (5 minutes)
- Review of situation analysis and key macroeconomic trends (30 mins)
- Opportunities and priorities identification (30 minutes)
- Priorities and actions (10 minutes)
- Next Steps (5 minutes)
- Final questions and close (30 mins).

Inputs from participants were captured in the facilitator notes and are presented in the following sections.

3.2 OPPORTUNITIES AND CONSTRAINTS

Opportunities and constraints were considered with participants across the consultation sessions and are summarized in Table 3.1.

Opportunities identified revolved around:

- **Increasing agricultural production, diversity and value adding**, including intensification of and diversification of livestock production, irrigated cropping and value add manufacturing opportunities

- **Leveraging Julia Creek's existing strength and brand in the tourism sector**, including through expanded accommodation offerings and greater participation by the private sector
- **Maximising the local benefits from regional mining operations**, including working with the established Cannington Mine to support local employment and skills development as well as facilitating development of new resource operations with a focus on capturing local content
- **Capturing the benefits made available through new digital and energy technology**, with significant economic development and community benefits identified through digital connectivity including automation and efficiencies in agriculture, online health care, resources exploration and online business opportunities

The constraints which were expressed also varied, but with some coalescence around the following key themes:

- **Insufficient population to support expansion and core services**, including in the agricultural sector and to fully capture current and upcoming opportunities in the mining and tourism sectors
- **Cost and regulatory barriers to economic growth opportunities**, in particular, accessing new water allocations, and policy barriers which compound the tyranny of distance experienced within McKinlay Shire
- **The limited capacity of existing transport, energy, and ICT/digital infrastructure** to support growth across sectors, population attraction/retention and global competitiveness
- **Limited access to day care and education services beyond primary/middle schooling**, which was seen as a major barrier to population attraction and retention and long term growth.

Table 3.1. Summary of Economic Development Opportunities by Sector/Area (All Consultation Sessions)

Sector/Area	Opportunities	Constraints
1. Agriculture, forestry and fishing	<p>Existing activities and initiatives in the sector:</p> <ul style="list-style-type: none"> • Availability of new irrigation allocations and Great Artesian Basin (GAB) water supply provides the opportunity to mitigate drought (to an extent) and intensity production into areas with greater potential returns and economic development outcomes: <ul style="list-style-type: none"> ○ Potential to return some production to sheep or goats (greater options to control dingoes through dogs, fencing now on the table) ○ Horticulture ○ Forage hay/cereal crops/sorghum ○ Cotton • Potential to consider some forms of aquaculture such as redclaw • McKinlay is considered well placed geographically to support irrigation: <ul style="list-style-type: none"> ○ Downstream with lower environmental impacts ○ Relatively reliable ○ Easier to store/control • Potential to support new production technology through ICT: <ul style="list-style-type: none"> ○ Drones ○ Surveillance ○ Driverless tractors • Potential to sustain economic activity through the monsoon season through upgrades to key station roads and bridges (consultation with landholders critical) • Strong market outlook for the beef sector which may be leveraged where production conditions are favourable. Live export to Asia is seen as a key ongoing growth area • Market opportunities to process prickly acacia (wood, smoking, etc.) • Trial growing of new crop options using GAB water • Option to move into high value niches (e.g. organic produce) 	<ul style="list-style-type: none"> • Risks to GAB supply through fracking • Industry scale to support value adding (abattoir, cotton gin, etc.) • Road access during the monsoon season • Susceptibility to drought (1 in seven years drought, 1 in 30 years major drought) • Upfront costs to establishing irrigation (water allocations, on farm capex, initial crop risks) • Cost of Great Artesian Basin allocations compared to established irrigation regions (Burdekin, Lockyer Valley) • Red tape and process to acquire new water allocations • Potential for salinity associated with GAB water (can be managed) • Management/control of prickly acacia
2. Mining	<ul style="list-style-type: none"> • Potential for new operations to establish (e.g. vanadium) with reasonable projected mine life and desire for local integration/employment • Cannington has recently extended its projected mine life to around 10 years (2027): <ul style="list-style-type: none"> ○ Opportunities to increase local first hiring policies (where possible), particularly around casual/project work ○ Continuation of the South 32 community fund 	<ul style="list-style-type: none"> • Population and labour force: Current population size of the region limits the potential to support mining operations • Location of existing operations has McKinlay competing with the larger Cloncurry Shire for flow on expenditure from mine workers • High energy and transport costs constrain further development
3. Electricity, gas, water and waste services	<ul style="list-style-type: none"> • Potential opportunities in both large scale renewable generation and station scale (solar cells) could increase operating competitiveness 	<ul style="list-style-type: none"> • High costs and poor reliability at the end of the National Electricity Market (NEM)

Sector/Area	Opportunities	Constraints
4. Transport, postal and warehousing	<ul style="list-style-type: none"> • Improve main access points to stations (key roads and bridges) to increase access during the summer monsoon • Improve sealed road access for the mining, tourism, and agricultural sectors • Seek funding for upgrades to key transport links (network approach): <ul style="list-style-type: none"> ○ Beef roads (Burke & Wills Development Rd, upgrade to sealed double lane connection to Normanton) ○ Gilliat Rd – McKinlay ○ Taldora • Rail load out facility • Continue to maximise local content in key transport works (roads, airport upgrade) 	<ul style="list-style-type: none"> • The tyranny of distance is a major constraint hindering the competitiveness of McKinlay Shire: <ul style="list-style-type: none"> ○ McKinlay postcode needs to be maintained for subsidised flights Mount Isa – Brisbane ○ Rail subsidy ceases just 5km outside of Julia Creek township ○ Access constraints to stations during the monsoon limit employment and stall economic activity ○ Competitive roads funding program in relation to beef roads and in general a shortage of funds to go around
5. Tourism	<ul style="list-style-type: none"> • Strong existing tourism brand in Julia Creek • Potential to highlight business cases to entice private development interest (e.g. accommodation, tours, food and beverage, farm stay experiences) • Base tourism infrastructure well established • Development of the Recreational Vehicle (RV) Friendly Rest Area is a key method to capture higher spending ‘young caravan/camper’ markets <ul style="list-style-type: none"> ○ Council management of the Rest Area will limit conflicts of interest with free camping events • Improving key transport links to increase access to the broader McKinlay Shire • Upgrade of the water tower as a key tourist attraction • Council-led tours have proved successful • Develop and create a signature food experience for the region • Deliver a virtual or augmented reality (VR-AR) experience at Combo Waterhole • Support new and existing farmstay experiences 	<ul style="list-style-type: none"> • Limited private investment and a heavy reliance on Council to drive tourism outcomes • High insurance costs for farm based experiences are potentially prohibitive • Constrained access to the broader Shire • High costs of goods and services
6. ICT	<ul style="list-style-type: none"> • Potential for improved services, business opportunities: <ul style="list-style-type: none"> ○ Tele-Health (particularly for pre-diagnosis) ○ Agriculture: <ul style="list-style-type: none"> ▪ Drones ▪ Surveillance ▪ Driverless tractors • Small business operations • Mining and exploration • Recent connection of mobile service tower to McKinlay • Potential to acquire funding for fixed line services • Flat geography means the region could be connected by relatively few towers 	<ul style="list-style-type: none"> • Big difference in connectivity between Julia Creek and the rest of the Shire • Upload speeds the major constraint for business/station owners • Reliability and maintenance/repair times constrain opportunities • Connectivity issues with NBN Sky Muster satellite services (expected to improve) • Connectivity a key issue for population/workforce attraction (staying connected with the coast) • NBN fibre not being provided to Julia Creek a significant constraint moving forward
7. Defence	<ul style="list-style-type: none"> • Potential for an increased defence presence in McKinlay (e.g. drones, training, trial sites, etc.) 	<ul style="list-style-type: none"> • Defence decisions difficult to influence
8. Education	<ul style="list-style-type: none"> • School is well supported by an active P & C • Middle school option available • Potential to develop a ‘education and business hub’ at the medical centre, provide a space for online, degrees, study/examination, business development and community activities and access to technology (e.g. 3D printer, etc.) • Trend towards micro-degrees opens the potential for more local residents to access higher education services 	<ul style="list-style-type: none"> • Lack of high school facilities limits population/workforce attraction/retention • Funding limitations given the size of the school (34 students) mean there is limited funding for guidance counselors, maintenance/upkeep etc. • Any further significant reduction in student numbers would hurt the viability of the school; another 15+ students would also help tremendously • Funding availability for operational requirements and infrastructure

Sector/Area	Opportunities	Constraints
	<ul style="list-style-type: none"> • Early years education services: potential for development of early years hub to allow for care of children below 15 months and formalised care for children after school and during holidays • Significant core of residents with education skills in the Shire 	<p>development</p>
<p>9. Population Attraction and Retention</p>	<ul style="list-style-type: none"> • Improved family friendly accommodation • Changes to zone allowance (remove FIFO and rebase to truly rural/remote regions) • Advocacy for improved flight/rail subsidies reflecting the cost/ limited services of the region • Maximise the share of local employment in new and existing mine operations • Julia Creek has a solid trade skills base to leverage • Future housing estate ready and services connected to service future demand • Lifestyle infrastructure such as a recreational lake to support local amenity • Focus on newer Council staff accommodation to support skill attraction/retention • The community pool is currently an under utilised asset which could be enhanced. New water park facilities to improve numbers will be open before Christmas 2017 	<ul style="list-style-type: none"> • Declining population a key constraint to maintaining basic services • Current government support (subsidised flights Mount Isa-Brisbane, rail subsidies, zone allowances) • Housing/rental costs (approx. \$250/week) and primarily older stock • Cost of connectivity to the coast limits the Shire's attractiveness • Limited day care availability, particularly for <15-month olds
<p>10. Health/Aged Care</p>	<ul style="list-style-type: none"> • Opportunity to develop a range of health worker accommodation within the Julia Creek township: <ul style="list-style-type: none"> ○ Would need to be developed by Council and leased to QLD health ○ Developing accommodation suitable for couples/families (as opposed to the current on site shared units) would improve longer term retention and community development ○ Opportunity to tie into the new hospital development (soon to commence) • Improved ICT connectivity would enable resources to be better applied through tele-health, particularly to reduce treatment times and pre-diagnosis to confirm whether resources are required in person • Potential opportunity to support a genuine aged care facility to keep the elderly throughout the Mid West closer to home/family 	<ul style="list-style-type: none"> • Limited population base to support health and aged care services • Poor ICT connectivity (outside of Julia Creek township) limits the effectiveness of tele-health options

Source: AEC

3.3 REGIONAL PRIORITIES

At each of the consultation workshops participants were presented with a series of flash cards highlighting potential regional issues/opportunities as highlighted in the table below. Participants were asked to indicate their top three priorities (in no particular order), with results across each of the workshops presented in the table below. Responses varied somewhat across the workshops though there was a general consensus that population attraction/ retention was the major current priority for McKinlay Shire.

Table 3.2. Regional Priority Areas

Area	Julia Creek Community Workshop	Council Workshop	McKinlay Community Workshop	Total
Population attraction/retention	6	4	3	13
Tourism and natural assets	6	1	2	9
ICT & digital connectivity	6	1		7
Transport road, rail and airport	3	2		5
Resilience and sustainability of the local economy	2	3		5
Community health	1		3	4
Digital disruption and technological change	2	1		3
Productivity		1	1	2
Environmental sustainability			2	2
Local cost of living	2			2
Aging population			2	2
Equality and equity	1			1
Protection of environmental resources			1	1
Community cohesion	1			1
Access to funding			1	1
Social isolation			1	1
Housing affordability, availability, and delivery		1		1
Natural resource quality and availability		1		1
Public places and spaces			1	1
Utilities			1	1
Changing nature of the workplace				0
Exposure to global economic trends				0
Community infrastructure and services				0
Clarity of regional advocacy priorities				0
Cultural & leisure facilities and activities				0
Responsiveness to community needs				0
Ownership of delivery				0
Availability of appropriately skilled workforce				0
Characteristic and balance of the community				0
Educational attainment				0
Employment and availability of local opportunities				0
Total	30	15	18	63

Source: AEC

4. ECONOMIC DEVELOPMENT PLAN

4.1 STRATEGIC INTENT

McKinlay's Strategic Intent is to be...

“...a connected and vibrant outback community supporting sustainable growth.”

4.2 GAME CHANGERS

The EDP has identified three opportunity areas which have the potential to be 'game changers' which could fundamentally transform the structure, future direction, and outlook for McKinlay Shire.

The potential McKinlay 'game changers' include:

- Agricultural intensification and diversification
- New mine development
- Major tourism growth.

Each of these opportunity areas are considered in further detail below.

Agricultural Intensification and Diversification

Substantial opportunities exist to develop and diversify McKinlay's agricultural production. The Shire has extensive highly fertile black soils and a range of opportunities could be enabled through irrigation from the GAB and Flinders River. These opportunities extend to irrigated broadacre cropping and horticulture as well as diversified livestock production (sheep, goats) and transition to higher value cattle fattening and finishing.

Intensification will also help to support the establishment of value add processing as well as a general increase in agricultural support activities. New technologies such as farm drones, automated irrigation and driverless tractors and a strong global demand outlook further support the potential for the evolution of McKinlay's agricultural sector.

While significant barriers currently exist such as water storage and on farm infrastructure costs and access to water allocations, the scale of potential opportunities and existing industry strength in the agricultural sector support the allocation of substantial resources towards maximising this long term opportunity.

New Mining Opportunities

McKinlay has significant known reserves of a range of valuable resource commodities, including:

- Oil shale
- Vanadium
- Silver
- Lead.

New production technologies and recovering commodity prices support the potential for new regional mine developments over the coming years. Such developments, depending on their scale have the potential to be transformational for McKinlay Shire, particularly where the Shire can capture a significant share of operational employment,

New development also has the potential to offset the planned closure of Cannington Mine, scheduled for ten years time.

Major Tourism Growth

The region's tourism industry is already well established in proportion to its size. While growth in the industry is likely to be incremental, the authentic outback tourism experience of McKinlay Shire could be leveraged at a significant scale in the future.

Significant developments in accommodation, food and beverage and products/experiences have the potential to support substantial employment growth and community amenity benefits. All works that support growth of the sector will help to generate a critical industry mass to support significant investment and development into the future.

The McKinlay Shire Tourism Plan 2018-2022 identifies four local game changing projects:

1. Redevelop Julia Creek Water Tower into soft adventure and entertainment attractions
2. Develop and create a signature food experience for the region
3. Deliver a virtual or augmented reality (VR-AR) experience at Combo Waterhole
4. Support new and existing farmstay experiences.

4.3 REGIONAL PRIORITIES

The EDP is designed to provide the McKinlay Shire Council with clear direction regarding economic development priorities to be implemented over the next five years. There are five strategic priorities under designed to drive economic growth and community outcomes to 2022. These were developed and verified via the extensive community and industry consultation process detailed in Chapter 3.

The priorities were developed based around the five key themes identified by McKinlay stakeholders:

- Population attraction/retention
- Tourism and natural assets
- ICT and digital connectivity
- Transport road, rail and airport
- Resilience and sustainability of the local economy.

The following sections provide more detail relating to each strategic priority, including rationale and the anticipated outcomes.

4.3.1 Regional Priority 1: Population Attraction/Retention

As per trends across broader the Mid-West, the McKinlay LGA population has been in decline over recent years. The loss of population has been driven by a move to less intensive livestock production (primarily sheep to beef cattle through the 1990s), years of severe drought and the downturn in the resources sector.

McKinlay's population is projected to remain relatively stable until 2036. However, the future remains highly uncertain, with the planned closure of the Cannington mine in 2027 a key consideration.

Stimulating population growth to support regional capacity is therefore identified as the core major regional priority for the McKinlay LGA. Its success will be critical to the realisation of other economic development objectives through labour availability, scale, and general critical mass/ market depth to support primary production, value adding and essential services.

Key activities supporting the population attraction/retention priority are presented in the table below.

Table 4.1. Population Attraction/Retention Strategies

Priority Strategy	Key Activities	Impact on Regional Priority
1a. Advocating improved policy outcomes that support rural development and connectivity to the coast.	<ul style="list-style-type: none"> Lobbying for the inclusion of McKinlay Shire postcodes for subsidised flights Mount Isa-Brisbane and rail freight Advocating rebasing of zonal allowances to favour resident workforces and supporting truly rural/remote locations 	Current policy incentives do not appropriately reflect the remoteness and cost of living associated with McKinlay Shire. The proposed changes will increase the relative appeal of the Shire for permanent residents.
1b. Pursue the development of family friendly health care worker accommodation.	<ul style="list-style-type: none"> Develop a range of health worker accommodation within the Julia Creek township Establish a mutually beneficial leasing agreement with the Department of Health 	Fosters community integration including the attraction/retention of couples/families.
1c. Pursue the development of a dedicated business and education hub facility at the former medical centre site (dependent on new build). The hub will support the community both in and out town for business, education and connectivity to forums and workshops.	<ul style="list-style-type: none"> Utilise old medical site for the proposed hub, offering: <ul style="list-style-type: none"> High speed internet connection Conferencing facilities 3D printing Study cubicle/exam space Open space for business and community to use computers, zoom room and small individual rooms for teleconference and video conference 	A dedicated and well-equipped digital learning/business hub will support increased higher education uptake and regional employment/upskilling opportunities.
1d. Develop a business case to support the development of a Mid-West aged care home based in Julia Creek.	<ul style="list-style-type: none"> Undertake a market assessment considering: <ul style="list-style-type: none"> Current and projected need for aged care facilities within McKinlay and regionally Based on projected demand identify the scale and services required Consider financial viability, subsidisation options and community benefit Pursue private and public funding and investment opportunities to support development of a dedicated aged care facility within Julia Creek 	Lack of full care facilities is a critical constraint for older community members who are forced to relocate away from friends and community. Development of a regional scale facility will provide scale to help support a full care operation.
1e. Review the potential for a recreational lake or alternative lifestyle infrastructure development.	<ul style="list-style-type: none"> Review previous engineering options analysis for development of a recreational lake at the RV site Consider alternative lifestyle/ amenity development options 	Lifestyle and active recreation opportunities are a key consideration supporting attraction and retention of new employees and families. These types of development also help to support the development of the tourism sector, which is a noted existing strength of McKinlay Shire.
1f. Pursue the establishment of an early learning hub at Julia Creek.	<ul style="list-style-type: none"> Develop a demand study considering the need for additional day care facilities inclusive of babies to school aged children for after school care Review development and subsidisation options 	Adequate childcare facilities are critical to support employment and population attraction/retention outcomes.

Source: AEC

4.3.2 Regional Priority 2: Tourism and Natural Assets

McKinlay Shire has a strong existing tourism brand, with an authentic outback tourism product including At the Creek and Beneath the Creek, caravan and RV market options, and successful events schedule including the iconic Dirt N Dust Festival.

Concerns regarding the further development of the tourism sector include the heavy reliance on Council for funding as well as operator/manager, and a lack of private tourism product/experiences to capitalise on the established brand and visitor base.

Identifying means to de-risk diversification into the tourism sector through outback experiences and farm stay accommodation would further help to unlock the capacity of McKinlay's tourism sector.

Key activities aimed at stimulating increasing visitor expenditure and length of stay while developing a sustainable private tourism industry are presented in the table below.

Table 4.2. Tourism and Natural Assets Strategies

Priority Strategy	Key Activities	Impact on Regional Priority
2a. Redevelop Julia Creek Water Tower into soft adventure and entertainment attractions	<ul style="list-style-type: none"> • Invite an Adventure Tourism Operator to carry out pre-feasibility and operating plan to secure funding for Water Tower Experience • Secure funding and purchase projector and upload technology for night image displays • Identify suitable operators to manage multiple experiences on the water tower (abseil, rappel) as well as a completely unique element that links the thrill with the skill • Employ the services of an adventure experience provider to operate business model for the water tower climb through an EOI process • Outsource local guide training incorporating interpretation, first aid and emergency training • Redevelop the water tower structure in partnership with the private sector partner / operator • Enter into a long-term partnership for operation of the experience 	By creating a significant new tourism attraction, the Shire will capture a greater share of Flinders Highway through traffic and weekend visitors.
2b. Develop and create a signature food experience for the region	<ul style="list-style-type: none"> • Identify and bring in food experts or chefs into the region • Grow significant food dishes that position the region as a culinary hotspot • Target existing food providers to encourage renovation of product, expansion business acumen and become leaders in changing the McKinlay shire perception. • Integrate local food and the stories of local dishes into every touch point for the visitor experience • Actively pursue marketing of the McKinlay food scene through social media channels such as Instagram, twitter and Facebook • Support the establishment of a Heritage Pub marketing and support program 	Supporting growth in visitor spend and increasing the regional tourism profile.
2c. Deliver a virtual or augmented reality experience at Combo Waterhole	<ul style="list-style-type: none"> • Research and identify quotation for delivery of augmented reality experience • Establish a partnership with Winton Shire and the Waltzing Matilda Centre • Pursue and deliver a grant application for Combo Water Hole VR funding • Deliver Combo Water Hole VR • Establish a Council partnership operation • Ensure suitable road access to the site 	Establishment of an additional major visitor attraction to support industry growth.
2d. Support new and existing farmstay experiences.	<ul style="list-style-type: none"> • Target existing accommodation providers to encourage renovation of services with a focus on rural themes • Break down barriers for private investors to peak their interest (e.g. conferences with successful operator's, insurance professionals, etc.) • Encourage investment in high-end, branded accommodation to drive growth • Develop a dedicated marketing campaign focussed on the region's farmstay and rural experiences 	Pursuing growth in a key identified market niche.
2e. Grow curriculum generated tourism	<ul style="list-style-type: none"> • Investigate the cost and feasibility of tours during Council-led events to stations and lookouts where visitors can experience the flora, fauna, dramatic geology (including Great Artesian Basin) and lesser known spots like the Aboriginal art locations and caves (on private property) • Formulate and promote new educational experiences such as Garnet fossicking • Develop locations that support the outback push towards paleotourism to leverage the growing interest through partnerships with local collectors with fossil collections and stories 	Strong identified regional tourism niche.
2f. Expand off-season tourism	<ul style="list-style-type: none"> • Invest in seasonal campaign activity to encourage visitation during off-peak travel periods • Identify strategic events with potential to be brand builders, seasonality stretchers and visitor 	Increasing out of season visitation will support the sustainability of local businesses and new attractions.

Priority Strategy	Key Activities	Impact on Regional Priority
	attractions	
2g. Increase visitor numbers to events	<ul style="list-style-type: none"> Prepare a Shire Events Plan to guide the Events Program and include KPIs for the management of the program and funds to support an Events Program and marketing to drive off-peak visitation, nights and spend Support existing events to extend their reach into emerging markets through industry capacity building and establishment of a cluster group for events. Support the development of small-scale events that promote the region for light aircraft visits Support spin-off events from existing major events (e.g. art and crafts, music and culture) 	Building on the Shire's strong event calendar.
2h. Grow share of Queensland's touring and family markets	<ul style="list-style-type: none"> Encourage the development of family-friendly drive market accommodation at existing establishments Establish a modern brand template for new brochures, billboards and signage to promote iconic experiences 	Pursuing growth in key identified target markets.
2i. Continue to pursue potential funding sources to develop high quality RV park accommodation	<ul style="list-style-type: none"> Identify potential funding sources and submit applications to support the development and expansion of the RV park 	Supporting increased and diversified accommodation to support visitor and events growth.

Source: EarthCheck (2017), AEC

4.3.3 Regional Priority 3: ICT and Digital Connectivity

The remoteness of McKinlay Shire means that digital connectivity is a key consideration for workers, households, and businesses. The township of Julia Creek has solid digital access, including:

- Telstra 4G plus mobile phone network (approx. 4km radius from town)
- Telstra landline service
- ADSL 2+ broadband service
- NBN-only present option is Sky Muster, which is noted as being less reliable and slower speed than ASDL2+ and NextGen option
- NextGen wireless
- Optus mobile and data
- Satellite NBN through Sky Muster which is less reliable and slower speed than ASDL2+ and NextGen option.

The townships of McKinlay and Kynuna are serviced through Telstra landline and NBN Sky Muster satellite services, with McKinlay also recently receiving Telstra mobile coverage. Stations located outside of the townships currently have access to NBN Sky Muster and Telstra-landline service through radio system.

Identified issues relating to ICT and Digital Connectivity include:

- Consistency of connectivity outside of the Julia Creek township
- Data limits on satellite plans
- Upload speeds on the satellite network
- Limitations for the implementation of key efficiency-enhancing technologies
- The Shire is missing out on potential new business opportunities.

Key activities to be pursued under the ICT and Digital Connectivity Priority are presented in the table below.

Table 4.3. ICT and Digital Connectivity Strategies

Priority Strategy	Key Activities	Impact on Regional Priority
3a. Lobby policy makers and seek funding to support the establishment of fixed line NBN fibre connections	<ul style="list-style-type: none"> Highlight and advocate diversification/development opportunities of improved connectivity across the region Develop business case and pursue key funding opportunities: <ul style="list-style-type: none"> Building Better Regions Fund Building Our Regions Fund Regional Jobs and Growth Fund 	Fixed line NBN services in Julia Creek and elsewhere where feasible would improve connectivity in line with community and visitor needs and expectations.
3b. Improve business connectivity in the Shire.	<ul style="list-style-type: none"> Advocate for greater business data allowances outside of Julia Creek. Flat terrain means the region could be connected relatively inexpensively with few towers 	Greater data access will be critical for business competitiveness and supporting future growth.
3c. Promote opportunities enabled through digital connectivity within McKinlay Shire.	<ul style="list-style-type: none"> Trial and promote new and expanded business opportunities enabled through greater connectivity: <ul style="list-style-type: none"> Driverless tractors & drones Automatic irrigation systems Online business opportunities Tele-health Online education 	Ensuring the potential benefits of greater ICT connectivity are captured by the local community.

Source: AEC

4.3.4 Regional Priority 4: Transport Road, Rail and Airport

Transport connectivity, including road, rail and air is crucial for Shire residents and the core industries of agriculture, mining and tourism. McKinlay Shire hosts the largest road network in North West QLD with 2,066.7kms of Shire and State Controlled roads with surfaces ranging from black soil or gravel to sealed bitumen.

The scale of the local road network creates a range of challenges for Council, including (McKinlay Shire Council, 2015):

- Upkeep and maintenance with a small rates base
- Tightening fiscal environment from State and Federal Governments in Roads funding
- Increasing costs
- Changing workforce and practices.

Despite the challenges, improving transport access will be critical to support economic development outcomes, with key considerations including:

- Flight connectivity with major centres
- Access to stations during the summer monsoon
- Caravan/ car access for tourists to the broader Shire outside of Julia Creek.

Key activities under the Transport Road, Rail and Airport priority are presented in the table below.

Table 4.4. Transport Road, Rail and Airport Strategies

Priority Strategy	Key Activities	Impact on Regional Priority
4a. Support the implementation of the McKinlay Shire Road Strategy Report.	<ul style="list-style-type: none"> Establish year round access to major stations and key beef roads including, <ul style="list-style-type: none"> Taldora Punchbowl Neila-Bunda Gilliat-McKinlay Bridge works enabling summer access to cattle stations Continue the sealing of key road links to improve car/caravan access to McKinlay 	Support access to cattle stations/tourism connections to enable employment and economic activity.
4b. Maximise local content in key transport works (roads, rail, airport upgrade).	<ul style="list-style-type: none"> Implement policies that support local content in key transport construction works 	Maximise local economic benefits arising from road works

Priority Strategy	Key Activities	Impact on Regional Priority
4c. Liase with State Government and transport providers (Transport and Main Roads, Queensland Rail, bus companies) for more regular service	<ul style="list-style-type: none"> Support and advocate maximum connectivity Advocate the implementation of Local Government Association of Queensland (LQAQ) recommendation to revise the Transport Infrastructure Development Scheme (TIDS) matching funding requirement for local government roads to a 75%-25% funding mix 	Maximise access and connectivity Support Council roads funding
4d. Ensure current REX regional air connections are retained	<ul style="list-style-type: none"> Continue advocacy efforts supporting the vital 3 per week Regular Passenger Transport (RPT) connections Ensure airport infrastructure meets aviation requirements 	Continuation of critical transport connections

Source: AEC

4.3.5 Regional Priority 5: Resilience and Sustainability of the Local Economy

Regional stakeholders have identified a strong desire to see increased economic resilience and sustainability following the impacts of the resources sector downturn and years of severe drought in the key agricultural sector. Key avenues to support the resilience and sustainability of the McKinlay Shire economy are presented in Table 4.5.

Table 4.5. Resilience and Sustainability Strategies

Priority Strategy	Key Activities	Impact on Regional Priority
5a. Continue to work with South32 and prospective new mining operators.	<ul style="list-style-type: none"> Pursue local hire first policies to increase local employment in line with population attraction/retention strategies Work with new mining proponents with a view to securing maximum local employment and community integration and benefits Work with South32 on any potential downgrade or closure potential to minimise impact 	Maximising local employment opportunities for the future.
5b. Review opportunities to transition towards more intensive agricultural production and value adding.	<ul style="list-style-type: none"> Pursue trial irrigation to highlight viable opportunities Support opportunities to develop irrigated broadacre agriculture, alternative livestock, horticulture and protected cropping, and aquaculture 	Maximising output, employment and drought resilience in the agricultural sector.
5c. Pursue opportunities for renewable energy development and investment.	<ul style="list-style-type: none"> Examine opportunities in solar, large scale solar, geothermal and wind, on farm solar cells 	McKinlay's location at the end of the National Electricity Market (NEM) connection means that energy supply costs and reliability are a key consideration for investment and development.
5d. Identify and pursue opportunities within the ADF	<ul style="list-style-type: none"> Identify stakeholders and discuss potential mutually beneficial opportunities 	Potential for employment and investment growth and diversification.

Source: AEC

4.4 IMPLEMENTATION PLAN

The Economic Development Strategy is designed to provide the Council with guidance in relation to the opportunities that will contribute to the economic growth of the region. The strategy is designed to achieve outcomes over a 5 year period from 2018-2022. The below table includes a detailed a one year plan of action with specific targets. It also includes follow up targets and activities for years 2 to 5, which will need to be followed by a review of the status and ongoing relevance of identified strategic priorities. The reason for this is that over time the economic landscape and priorities can change, and the activities, performance measures and targets should be adjusted accordingly.

In relation to the plan it will become apparent that there are numerous targets below that say 'ongoing' or 'review and update' and this is because an Action Plan such as the one provided below will take time to implement and with this in mind it is important to continue with these types of activities for the long term while regularly reviewing and updating them to make sure they continue to be relevant and generating the desired outcomes.

The Action Plan also includes recommendations on the role Council should play in the implementation of the Action Plan, these are based on the functions outlined in section 4.5.

4.4.1 Targets vs. Economic Indicators

It is important to understand the difference between the targets developed and economic indicators. In the context of the program, the annual targets represent the Council's activities for economic development. At the same time, economic indicators track the economic performance of the Shire and as such, represents an indication of the effectiveness of implementing the Program of Activities. However, specific measures such as a % drop in unemployment, the creation of 'x' number of new businesses or jobs, a percentage increase in GRP, etc. have not been included because the overall influence on these goes beyond just the implementation of this strategy.

Periodically it is important to capture and analyse these types of datasets to identify any new and emerging trends in the economy, but positive or negative, these should not necessarily be entirely attributed to the implementation of this strategy.

Table 4.6. Implementation Plan

Activity	1st Year Target	Yr 2	Yr 3	Yr 4	Yr 5	Role of Council
1. Population Attraction/Retention						
1a. Advocate improved policy outcomes that support rural development and connectivity to the coast	Develop business case	Liaise with airlines and government 2 -3 media releases supporting change	Ongoing	Ongoing	Ongoing	Advocate
1b. Pursue the development of family friendly health care worker accommodation	Confirm sites and specifications	Confirm lease arrangement with Department of Health	Begin development	Ongoing	Ongoing	Facilitator
1c. Pursue the development of a dedicated digital business and education hub facility at the former medical centre site	Feasibility study completed	Attract funding and develop operational plan for the facility. Liaise with RAPAD, Councils and others who are embarking on a similar plan to coordinate all the hubs under a single brand	Begin development	Continue operations	Continue operations	Service Provider
1d. Develop a business case to support the development of a Mid-West aged care home based in Julia Creek	Develop business case	Approach developers/ operators	Approach developers/ operators	Approach developers/ operators	Approach developers/ operators	Facilitator
1e. Review the potential for a recreational lake or alternative lifestyle infrastructure development	Develop business case	Submit funding applications	Implement & review	Implement & review	Implement & review	Service Provider
1f. Pursue the establishment of an early learning hub at Julia Creek	Develop demand study	Approach developers/ operators	Ongoing	Ongoing	Ongoing	Facilitator
2. Tourism & Natural Assets						
2a. Redevelop Julia Creek Water Tower into soft adventure and entertainment attractions	Invite an Adventure Tourism Operator to carry out pre-feasibility and operating plan to secure funding for Water Tower Experience	Secure funding and purchase projector and upload technology for night image displays Identify suitable operators to manage multiple experiences on the water tower (abseil, rappel) as well as a completely unique element that links the thrill with the skill.	Outsource local guide training incorporating interpretation, first aid and emergency training. Redevelop the water tower structure in partnership with the private sector partner / operator.	Enter into a long-term partnership for operation of the experience.	Continue operations	Service provider/Facilitator

Activity	1st Year Target	Yr 2	Yr 3	Yr 4	Yr 5	Role of Council
2b. Develop and create a signature food experience for the region	Identify and bring in food experts or chefs into the region. Grow significant food dishes that position the region as a culinary hotspot Target existing food providers to encourage renovation of product, expansion of business acumen and become leaders in changing the McKinlay shire perception	Integrate local food and the stories of local dishes into every touch point for the visitor experience Actively pursue marketing of the McKinlay food scene through social media channels such as Instagram, twitter and Facebook.	Support the establishment of a Heritage Pub marketing and support program	Implement & review	Implement & review	Facilitator
2c. Deliver a virtual or augmented reality experience at Combo Waterhole	Research and identify quotation for delivery of augmented reality experience Establish a partnership with Winton Shire and the Waltzing Matilda Centre	Pursue and deliver a grant application for Combo Water Hole VR funding Deliver Combo Water Hole VR	Establish a Council partnership operation	Ongoing operation	Begin experience hand-over	Service provider/Facilitator
2d. Support new and existing farmstay experiences	Target existing accommodation providers to encourage renovation of services with a focus on rural themes	Break down barriers for private investors to peak their interest (e.g. conferences with successful operators, insurance professionals, etc.).	Encourage investment in high-end, branded accommodation to drive growth	Develop a dedicated marketing campaign focussed on the region's farmstay and rural experiences	Implement & review	Advocate
2e. Grow curriculum generated tourism	Review potential collaborative opportunities to expand curriculum generated tourism	Approach potential partner organisations	Investigate the cost and feasibility of tours during Council-led events to stations and lookouts where visitors can experience the flora, fauna, dramatic geology (including Great Artesian Basin) and lesser known spots like the Aboriginal art locations and caves (on private property). Formulate and promote new educational experiences such as	Develop locations that support the outback push towards paleotourism to leverage the growing interest through partnerships with local collectors with fossil collections and stories.	Implement & review	Facilitator

Activity	1st Year Target	Yr 2	Yr 3	Yr 4	Yr 5	Role of Council
			Garnet fossicking.			
2f. Expand off-season tourism	Confirm opportunities to expand off-season tourism visitation	Invest in seasonal campaign activity to encourage visitation during off-peak travel periods	Identify strategic events with potential to be brand builders, seasonality stretchers and visitor attractions	Implement & review	Implement & review	Facilitator
2g. Increase visitor numbers to events	Prepare a Shire Events Plan to guide the Events Program and include KPIs for the management of the program and funds to support an Events Program and marketing to drive off-peak visitation, nights and spend	Support existing events to extend their reach into emerging markets through industry capacity building and establishment of a cluster group for events. Support the development of small-scale events that promote the region for light aircraft visits	Support spin-off events from existing major events (e.g. art and crafts, music and culture)	Ongoing	Ongoing	Facilitator
2h. Grow share of Queensland's touring and family markets	Encourage the development of family-friendly drive market accommodation at existing establishments	Establish a modern brand template for new brochures, billboards and signage to promote iconic experiences	Ongoing	Ongoing	Ongoing	Advocate
2i. Continue to pursue potential funding sources to develop high quality RV park accommodation	Identify potential funding sources and submit applications to support the development and expansion of the RV park	Ongoing	Ongoing	Ongoing	Ongoing	Service Provider
3. ICT & Digital Connectivity						
3a. Lobby policy makers and seek funding to support the establishment of fixed line NBN fibre connections	Prepare business case	Funding confirmed	Ongoing	Ongoing	Ongoing	Facilitator
3b. Improve business connectivity in the Shire	Prepare business case	Seek and investigate opportunities & apply for funding	Continue applications	Continue applications	Continue applications	Facilitator
3c. Promote opportunities enabled through digital connectivity within McKinlay Shire	Develop digital opportunity awareness program leveraging the Advancing Regional Innovation Program (ARIP)	Continue marketing	Continue marketing	Continue marketing	Continue marketing	Facilitator
4. Transport Road, Rail and Airport						
4a. Support the	Confirm plan and prioritise	Seek funding	Tenders & commence	Implement & review	Implement & review	Service Provider

Activity	1st Year Target	Yr 2	Yr 3	Yr 4	Yr 5	Role of Council
implementation of the McKinlay Shire Road Strategy Report	projects		project			
4b. Maximise local content in key transport works (roads, rail, airport upgrade)	Confirm local content strategy	Implement & review	Implement & review	Implement & review	Implement & review	Planning and Regulation
4c. Liase with State Government and transport providers (Transport and Main Roads, Queensland Rail, bus companies) for more regular service	<ul style="list-style-type: none"> Prepare business case <ul style="list-style-type: none"> Advocate the implementation of Local Government Association of Queensland (LQAQ) recommendation to revise the TIDS matching funding requirement for local government roads 	Continue advocacy	Continue advocacy	Continue advocacy	Continue advocacy	Advocate
4d. Ensure current REX regional air connections are retained	Identify benefits and activity supported by flight connectivity	Ensure airport infrastructure meets aviation requirements	Continue upgrades and maintenance	Continue upgrades and maintenance	Continue upgrades and maintenance	Service Provider
5. Resilience & Local Economic Sustainability						
5a. Continue to work with South32 and prospective new mining operators	Market local employment opportunities	Market local employment opportunities	Market local employment opportunities	Market local employment opportunities	Market local employment opportunities	Advocate
5b. Review opportunities to transition towards more intensive agricultural production and value adding	Identify trial growing site and crop opportunities	Facilitate opportunities	Facilitate opportunities	Facilitate opportunities	Facilitate opportunities	Facilitator
5c. Pursue opportunities for renewable energy development and investment	Review opportunities	Submit funding applications and support development opportunities	Ongoing	Ongoing	Ongoing	Facilitator
5d. Identify and pursue opportunities within the Australian Defence Force (ADF)	Contact key ADF stakeholders regarding development opportunities	Ongoing	Ongoing	Ongoing	Ongoing	Facilitator

Source: AEC

4.5 ROLE OF COUNCIL

The role of Local Government in economic development is sometimes difficult to define, often subject to the unique priorities and regional constraints influencing the achievement of outcomes. In any case, the role of Council will always fall into one of the following categories.

4.5.1 Advocacy

The Council engages the business community and other levels of government to develop commitment, energy and attitude towards identified priorities. For the EDP, Council has a role to play in advocating for business needs, maintaining a future-focused agenda, and supporting the delivery of critical infrastructure to support economic development priorities.

4.5.2 Facilitation

The Council acts in the EDP as a facilitator of opportunities. This involves connecting the various stakeholders to achieve desired outcomes. The Council can act as the information link between government, business and consumers, as relevant information is vital in generating local awareness and demand for identified priorities. The Council can also promote events and activities that support business capacity building and other economic development related initiatives, such as workshops to build the knowledge of businesses around skill development.

4.5.3 Planning and Regulation

The Council's planning framework provides a mechanism to regulate and/ or encourage certain activities and developments that influence economic activity. Specific opportunities that relate to the EDP is the role the Council plays in making sure a positive, proactive and solution focused approach is applied.

4.5.4 Service Provider

Service provision is one of the major functions of Local Government. A reliable supply of services and information can support economic development related opportunities.

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APPENDIX A: REGIONAL OVERVIEW

The following sections present a desktop statistical overview of the McKinlay LGA. For comparative purposes, the McKinlay Shire has been compared to surrounding LGAs (which together with McKinlay are henceforth referred to as the North-West Queensland region):

- Burke
- Carpentaria
- Cloncurry
- Flinders
- Mount Isa
- Quilpie
- Richmond
- Winton.

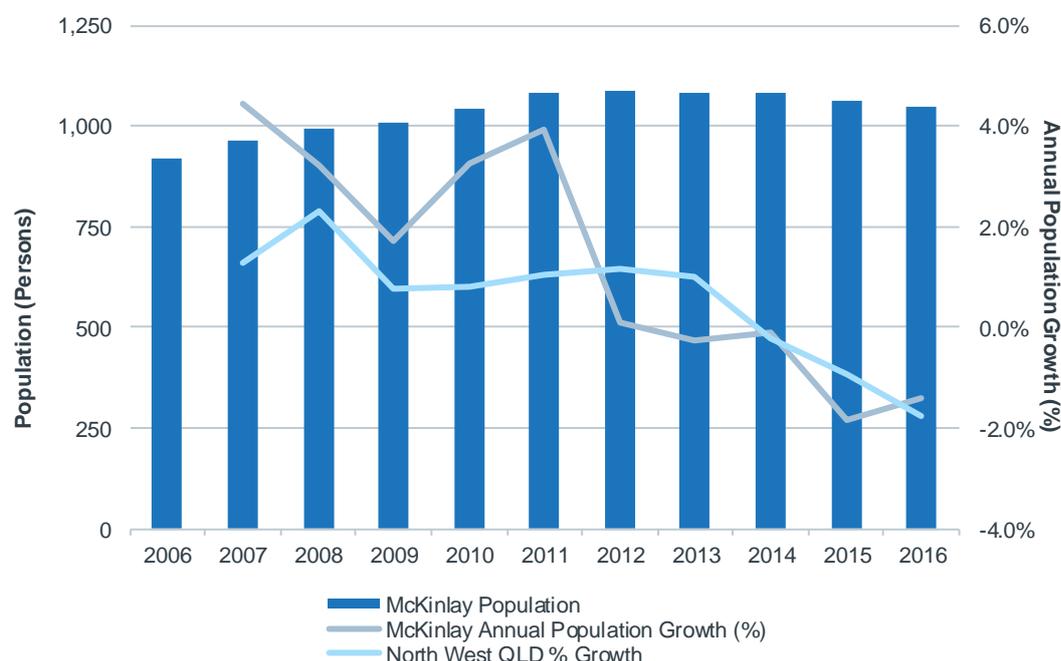
POPULATION AND DEMOGRAPHICS

Population

McKinlay LGA's population increased from 922 in 2006 to 1,047 in 2016, equating to an average annual growth rate of 1.3%. However, McKinlay's population has been in decline since 2013, driven by the resources sector downturn and severe drought impacting the key regional beef cattle sector.

McKinlay's population growth has followed a similar trend to the North-West Queensland region as a whole, though growth has been more volatile within McKinlay LGA. Over 10 years, McKinlay's population growth has been on par with that of Carpentaria, and just above that of Burke (1.0%), but it has been higher than that of Cloncurry (0.3%), Flinders (-0.4%), Mount Isa (0.8%), Quilpie (-0.9%), Richmond (-1.3%) and Winton (-0.7%).

Figure A.1. Population Growth, 2006 to 2016



Source: ABS (2017b).

Population Projections

McKinlay's population is projected to remain relatively stable from now until 2036, with a projected average annual growth rate of 0.1%. Burke and Mount Isa are projected to have higher average annual growth rates of 1.1% and 0.7%, respectively. The projected growth rate for McKinlay is on par with that of Carpentaria and Cloncurry and above the negative annual growth rates predicted for Flinders, Quilpie, Richmond and Winton.

Table A.1. Population Projections, 2016 to 2036

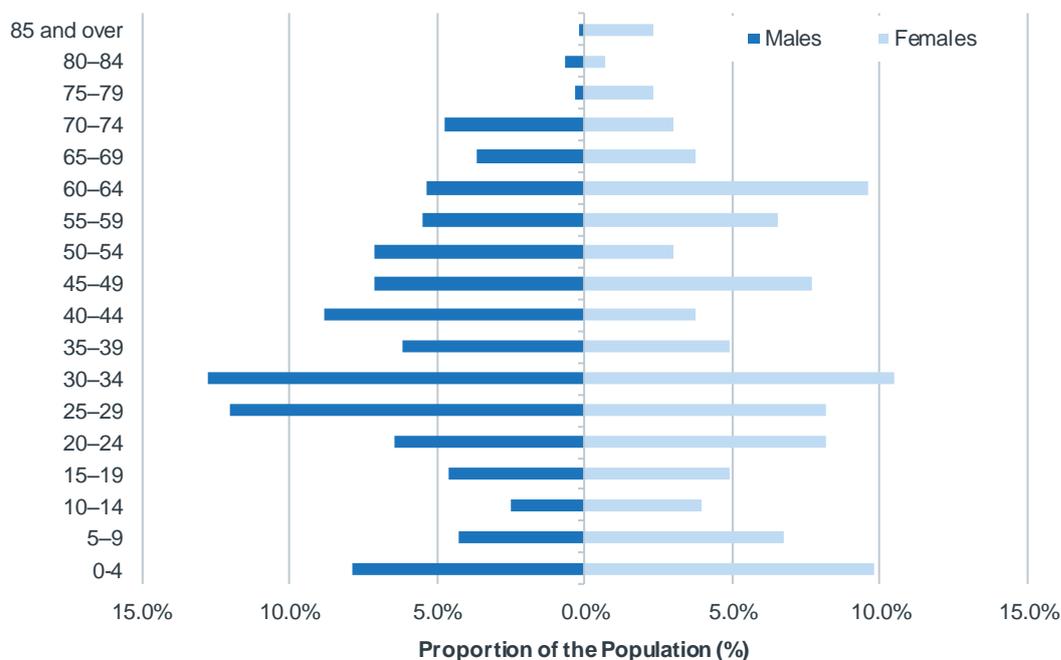
LGA	2016*	2021	2026	2031	2036
McKinley	1,047	1,053	1,061	1,067	1,072
Burke	565	604	645	684	721
Carpentaria	2,286	2,303	2,327	2,354	2,381
Cloncurry	3,340	3,356	3,394	3,445	3,486
Flinders	1,767	1,715	1,668	1,625	1,587
Mount Isa	21,998	22,827	23,693	24,525	25,337
Quilpie	924	885	849	815	783
Richmond	821	781	749	721	698
Winton	1,322	1,278	1,241	1,207	1,176

Note: *actual estimates
 Source: ABS (2017b), QGSO (2016), AEC (unpublished a).

Males comprise 59.7% of the total population. On average, males are younger than females at an average age of 36.5 years compared to 36.7 years.

Population by Age and Sex

Figure A.2. Population by Age



Source: ABS (2016a).

Cultural Diversity

In 2016, approximately 91.8% of McKinlay's residents were born in Australia. This is lower than the proportion in the other comparison regions except Cloncurry (90.2%) and Mount Isa (81.5%).

Other key sources of McKinlay's population were:

- New Zealand (2.5% of the population)
- United Kingdom, Channel Islands and Isle of Man (2.2%)
- Western Europe (0.8%)
- Southern Asia (0.7%)
- Northern America (0.7%).

In 2016, 4.9% of McKinlay's population identified as Aboriginal and/or Torres Strait Islander, compared to 6.5% or higher for the comparison regions. Burke and Carpentaria had particularly high proportions at 40.3% and 41.2%, respectively.

Table A.2. Place of Birth, 2016

Place of Birth	McKinlay	Burke	Carpentaria	Cloncurry	Flinders	Mount Isa	Quilpie	Richmond	Winton
Australia	91.8%	96.4%	92.1%	90.2%	95.0%	81.5%	95.0%	94.5%	95.1%
New Zealand	2.5%	0.0%	0.9%	3.3%	2.0%	5.6%	2.1%	1.6%	0.9%
United Kingdom, Channel Islands and Isle of Man	2.2%	2.4%	1.6%	1.9%	0.9%	2.0%	2.0%	2.4%	1.6%
Western Europe	0.8%	0.0%	1.4%	0.6%	0.2%	0.6%	0.0%	0.0%	1.0%
Southern Asia	0.7%	0.0%	0.4%	1.1%	0.2%	1.4%	0.0%	0.0%	0.0%
Northern America	0.7%	0.0%	0.2%	0.3%	0.7%	0.4%	0.4%	0.0%	0.0%
Melanesia	0.5%	0.0%	0.6%	0.4%	0.4%	0.6%	0.5%	0.0%	0.0%
Ireland	0.4%	0.0%	0.3%	0.2%	0.0%	0.2%	0.0%	0.0%	0.0%
Southern and East Africa	0.4%	0.0%	0.3%	0.3%	0.0%	1.6%	0.0%	0.0%	0.0%
Elsewhere	0.0%	1.2%	2.3%	1.8%	0.6%	6.1%	0.0%	1.6%	1.4%
Total	100.0%								

Source: ABS (2017b).

Households

The most common household type in McKinlay in 2016 was one family households with only family members present, which formed 38.6% of all households in the area. This proportion was higher than that of Burke (21.3%), Carpentaria (32.6%) and Winton (35.5%) but lower than all other comparison regions. Since 2011, the proportion of one

family households with only family members present in McKinlay has decreased from 44.6%. Lone person households comprised 26.3% of all households in 2016, higher than all other comparison regions except Quilpie (30.3%). There was also a high proportion of visitor only households, comprising 24.1% of all households, higher than all comparison regions except Burke (54.2%), Carpentaria (42.9%) and Winton (29.4%). The average number of persons per household in McKinlay in 2016 was 2.4.

Table A.3. Household Composition, 2016

Household Type	McKinlay	Burke	Carpentaria	Cloncurry	Flinders	Mount Isa	Quilpie	Richmond	Winton
One family households with only family members present	38.6%	21.3%	32.6%	40.1%	51.0%	55.5%	49.1%	48.6%	35.5%
One family households with non-family members present	3.5%	1.8%	1.4%	1.5%	2.2%	1.9%	3.4%	1.8%	1.5%
Two family households	0.8%	2.2%	2.4%	0.9%	1.4%	1.3%	0.0%	1.0%	0.9%
Three or more family households	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Lone person households	26.3%	13.8%	16.0%	20.8%	24.6%	20.5%	30.3%	22.9%	25.6%
Group households	2.1%	1.8%	1.8%	2.9%	1.8%	3.8%	2.6%	2.3%	1.5%
Visitors only	24.1%	54.2%	42.9%	23.7%	13.6%	7.6%	12.8%	18.7%	29.4%
Other households	4.6%	4.9%	2.9%	10.1%	5.4%	9.2%	1.8%	4.7%	5.6%
Total Households	373	225	1,191	1,386	720	7,305	383	385	738
Average persons per household	2.4	2.3	2.6	2.5	2.3	2.6	2.3	2.2	2.1

Source: ABS (2017a).

The most common family type in McKinlay in 2016 was couple families with no children, which formed 44% of all families in the area. The proportion of couple families with no children in McKinlay was lower than all comparison regions except Cloncurry (37.7%) and Mount Isa (35.4%). There was also a high proportion of couple families with children under 15 at 33.7%, higher than all the comparison regions except Cloncurry (35.4%). Single parent families comprised 10.8% of all families in McKinlay in 2016, lower than all comparison regions except Burke (7.7%).

Table A.4. Family Composition, 2016

Family Type	McKinlay	Burke	Carpentaria	Cloncurry	Flinders	Mount Isa	Quilpie	Richmond	Winton
Couple family with no children	44.0%	47.7%	45.2%	37.7%	51.2%	35.4%	44.9%	48.5%	49.3%
Couple family with children under 15	33.7%	29.2%	24.6%	35.4%	27.0%	36.6%	30.4%	27.0%	25.5%
Couple family with no children under 15	11.4%	15.4%	6.0%	9.7%	7.7%	8.7%	8.2%	9.7%	9.9%
One parent family with children under 15	5.4%	7.7%	16.7%	9.6%	6.7%	11.3%	10.6%	8.7%	9.2%
One parent family with no children under 15	5.4%	0.0%	5.6%	5.3%	5.7%	6.6%	5.8%	6.1%	4.3%
Other family	0.0%	0.0%	1.9%	2.3%	1.7%	1.4%	0.0%	0.0%	1.8%

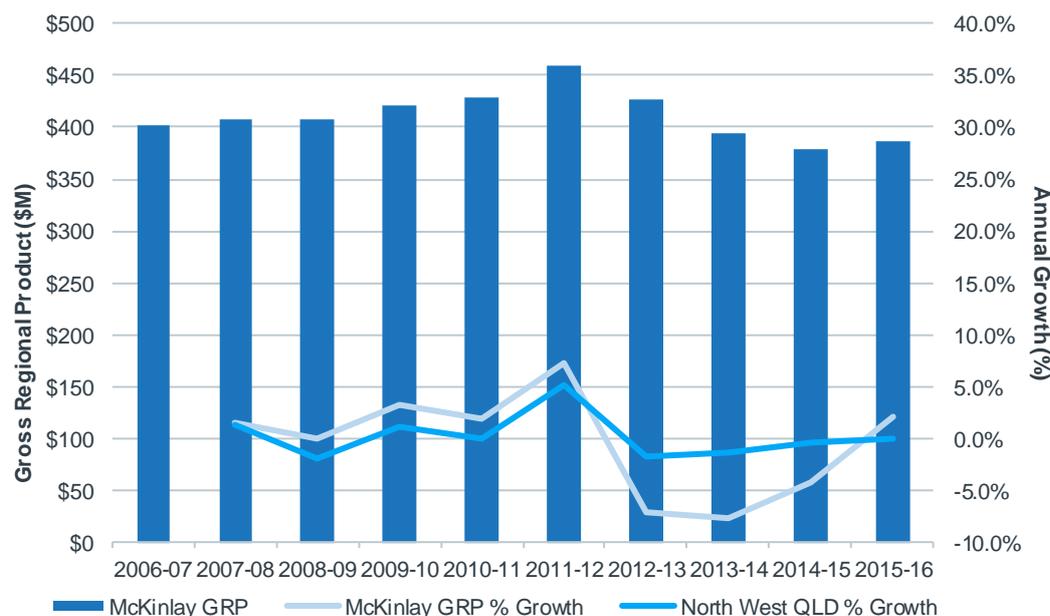
Source: ABS (2017a)

ECONOMY

Gross Regional Product

Between 2006-07 and 2015-16, McKinlay economy posted an average annual contraction of 0.4% to reach \$386.2 million. In the latest year, the economy expanded by 2.2%. McKinlay's economic performance between 2006-07 and 2015-16 was higher than Burke, Cloncurry and Mount Isa and lower than all other comparison regions, all of which had positive average annual growth rates. Since 2006-07, the peak in the local economy was in 2011-12 when it reached \$460.1 million.

Figure A.3. Gross Regional Product, 2006-07 to 2015-16



Source: AEC (unpublished b).

The most prominent sectors in the McKinlay economy, in terms of contribution to Gross Value Add in 2015-16, were:

- Mining - \$148.9 million (46.4% of total Industry Value Add)
- Agriculture, forestry and fishing - \$118.4 million (36.9%)
- Construction - \$19.5 million (6.1%)
- Electricity, gas, water and waste services - \$9.0 million (2.8%)
- Public administration and safety - \$6.0 million (1.9%).

The top five growth sectors between 2010-11 and 2015-16 were:

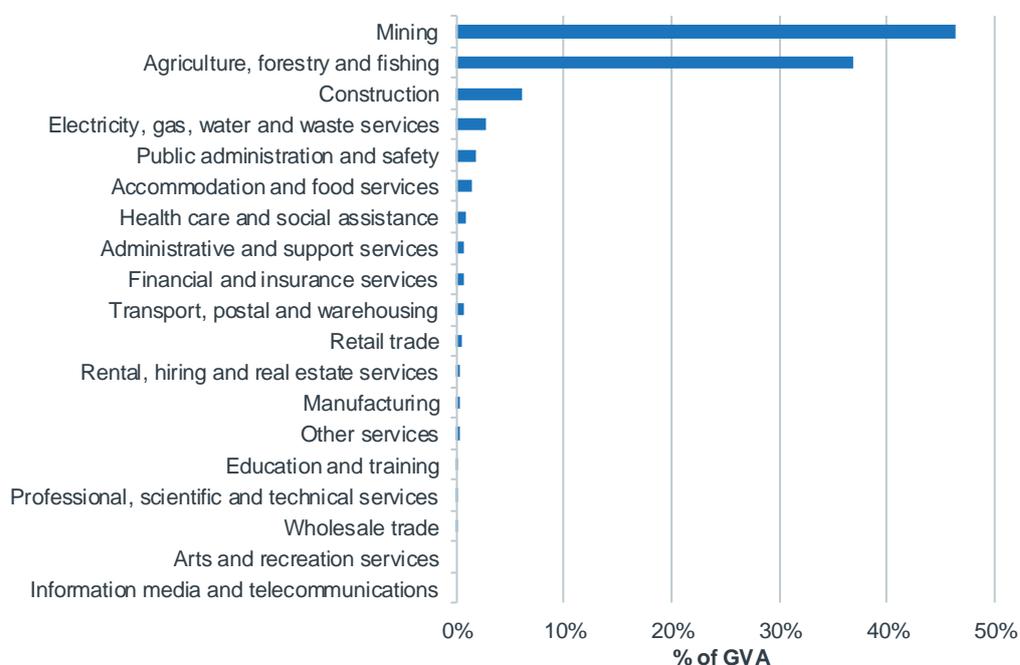
- Financial and insurance services (60.6% growth)
- Other services (22.9%)
- Accommodation and food services (22.6%)
- Retail trade (22.5%)
- Health care and social assistance (20.6%).

The most prominent sectors which detracted from growth over this timeframe were:

- Transport, postal and warehousing (-35.5%)

- Administrative and support services (-19.5%)
- Manufacturing (-19.2%)
- Education and training (-17.2%)
- Mining (-16.3%).

Figure A.4. Industry Value Add, % Contribution by Industry, 2015-16



Source: AEC (unpublished b).

A further breakdown of the mining sector by 2-Digit ANZSIC indicates that metal ore mining contributes 93.2% (\$138.8 million) to industry value add for the sector, whilst exploration and other mining support services add 4.6% (\$6.9 million) to industry value add for the sector.

A further breakdown of the metal ore mining sector indicates that silver-lead-zinc ore mining contributes 93.2% (\$114.4 million) to industry value add for the sector, whilst copper ore mining adds 10.0% (\$13.9 million). Iron ore mining adds 2.1% (\$2.9 million) and other metal ore mining adds 4.6% (\$6.9 million) to the industry value add for the sector.

Table A.5. Industry Value Add, Mining, 2015-16

Industry	Industry Value Add (\$M)	Percent
Coal mining	\$2.4	1.6%
Oil and gas extraction	\$0.8	0.5%
Metal ore mining	\$138.8	93.2%
Iron ore mining	\$2.9	2.1%
Bauxite mining	\$0.0	0.0%
Copper ore mining	\$13.9	10.0%
Gold ore mining	\$3.9	2.8%
Mineral sand mining	\$0.0	0.0%
Nickel ore mining	\$0.0	0.0%
Silver-lead-zinc ore mining	\$114.4	82.4%
Other metal ore mining	\$3.7	2.7%
Non-metallic mineral mining and quarrying	\$0.0	0.0%
Exploration and other mining support services	\$6.9	4.6%

Source: AEC (unpublished b).

A further breakdown of the agriculture, forestry, and fishing sector by 2-Digit ANZSIC indicates that agriculture contributes 97.9% (\$116.0 million) to industry value add for the sector, whilst fishing, hunting and trapping adds 2.1% (\$2.5 million) to industry value add for the sector.

Breaking down the agriculture sector revealed that all agriculture was in the sheep, beef, cattle and grain farming sector. Of this sector, beef cattle farming (specialised) contributes 93.4% (\$108.3 million) to industry value add for the sector. Sheep-beef cattle farming adds 5.2% (\$6.1 million) and grain-sheep or grain-beef cattle farming adds 1.4% (\$1.6 million) to industry value add.

Table A.6. Industry Value Add, Agriculture, Forestry and Fishing, 2015-16

Industry	Industry Value Add (\$M)	Percent
Agriculture	\$116.0	97.9%
Sheep farming (specialised)	\$0.0	0.0%
Beef cattle farming (specialised)	\$108.3	93.4%
Beef cattle feedlots (specialised)	\$0.0	0.0%
Sheep-beef cattle farming	\$6.1	5.2%
Grain-sheep or grain-beef cattle farming	\$1.6	1.4%
Rice growing	\$0.0	0.0%
Other grain growing	\$0.0	0.0%
Aquaculture	\$0.0	0.0%
Forestry and Logging	\$0.0	0.0%
Fishing, Hunting, and Trapping	\$2.5	2.1%
Agriculture, Forestry and Fishing Support Services	\$0.0	0.0%

Source: AEC (unpublished b).

Business Counts

In 2016, there were a total of 230 businesses in operation in McKinlay. In terms of business numbers, the most prominent sectors in McKinlay were:

- Agriculture, Forestry and Fishing (60.0% of total)
- Construction (8.6%)
- Transport, Postal and Warehousing (6.4%)
- Rental, Hiring and Real Estate Services (4.4%)
- Retail Trade (3.4%).

Table A.7. Business Counts by Industry, 2016

Industry	McKinlay	Burke	Carpentaria	Cloncurry	Flinders	Mount Isa	Quilpie	Richmond	Winton
Agriculture, Forestry and Fishing	60.0%	33.8%	33.8%	36.2%	60.0%	6.4%	57.6%	60.0%	56.1%
Construction	8.6%	8.0%	8.0%	13.8%	8.6%	17.6%	7.8%	8.6%	10.2%
Transport, Postal and Warehousing	6.4%	8.4%	8.4%	5.8%	6.4%	9.2%	6.0%	6.4%	4.6%
Rental, Hiring and Real Estate Services	4.4%	8.0%	8.0%	9.8%	4.4%	11.7%	2.7%	4.4%	2.6%
Retail Trade	3.4%	8.5%	8.5%	6.1%	3.4%	8.8%	7.6%	3.4%	5.7%
Accommodation and Food Services	2.9%	8.5%	8.5%	3.2%	2.9%	4.9%	2.7%	2.9%	5.4%
Manufacturing	2.4%	1.7%	1.7%	2.3%	2.4%	3.9%	1.0%	2.4%	2.3%
Other Services	2.3%	4.2%	4.2%	4.0%	2.3%	9.9%	2.3%	2.3%	2.6%
Wholesale Trade	2.2%	0.0%	0.0%	2.6%	2.2%	1.5%	2.0%	2.2%	4.1%
Professional, Scientific and Technical Services	2.0%	2.5%	2.5%	3.4%	2.0%	5.0%	3.1%	2.0%	1.3%
Administrative and Support Services	1.5%	4.2%	4.2%	4.3%	1.5%	5.7%	0.8%	1.5%	0.0%
Financial and Insurance Services	1.3%	5.9%	5.9%	3.7%	1.3%	7.9%	2.5%	1.3%	1.3%
Health Care and Social Assistance	1.0%	1.3%	1.3%	0.9%	1.0%	3.0%	0.6%	1.0%	0.0%
Mining	0.4%	0.0%	0.0%	2.7%	0.4%	0.7%	2.1%	0.4%	1.6%
Arts and Recreation Services	0.4%	0.0%	0.0%	0.0%	0.4%	0.5%	0.6%	0.4%	0.8%
Education and Training	0.4%	1.3%	1.3%	1.2%	0.4%	1.6%	0.6%	0.4%	0.8%
Public Administration and Safety	0.4%	1.3%	1.3%	0.0%	0.4%	0.9%	0.0%	0.4%	0.0%
Electricity, Gas, Water and Waste Services	0.0%	1.3%	1.3%	0.0%	0.0%	0.3%	0.0%	0.0%	0.8%
Information Media and Telecommunications	0.0%	1.3%	1.3%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%
Total	100.0%								

Source: ABS (2017c).

The most prominent size in businesses in McKinlay in 2016 was sole traders (no employees) which formed 63.8% of businesses. This result is on par with that of Flinders and Richmond and lower than that of Quilpie (66.1%) and Winton (68.4%). A quarter (25.5%) of businesses in McKinlay have 1-4 employees, like most comparison regions.

Table A.8. Business Counts by Size, 2016

Size	McKinlay	Burke	Carpentaria	Cloncurry	Flinders	Mount Isa	Quilpie	Richmond	Winton
Non-employing	63.8%	54.6%	54.6%	57.3%	63.8%	53.9%	66.1%	63.8%	68.4%
1-4 Employees	25.5%	23.2%	23.2%	21.8%	25.5%	25.0%	27.8%	25.5%	23.7%
5-19 Employees	8.0%	12.3%	12.3%	11.4%	8.0%	16.2%	7.2%	8.0%	3.6%
20-199 Employees	0.0%	4.8%	4.8%	2.6%	0.0%	2.5%	0.0%	0.0%	1.6%
200+ Employees	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	230	24	98	298	391	945	156	181	214

Source: ABS (2017c).

The turnover category that is most common of local businesses is the \$200k to less than \$500k category. This category accounted for 25.5% of businesses in 2016, followed closely by the \$500k to less than \$2m category with 25.1% of businesses. Both category proportions were on par with Flinders and Richmond but higher than all other comparison regions.

Table A.9. Business Counts by Turnover, 2016

Turnover	McKinlay	Burke	Carpentaria	Cloncurry	Flinders	Mount Isa	Quilpie	Richmond	Winton
Zero to less than \$50k	17.0%	17.3%	17.3%	13.6%	17.0%	22.0%	20.1%	17.0%	20.1%
\$50k to less than \$100k	12.4%	10.1%	10.1%	9.9%	12.4%	18.0%	14.0%	12.4%	13.1%
\$100k to less than \$200K	14.2%	23.2%	23.2%	14.4%	14.2%	17.9%	16.1%	14.2%	14.9%
\$200k to less than \$500k	25.5%	19.0%	19.0%	23.0%	25.5%	18.8%	23.0%	25.5%	21.9%
\$500k to less than \$2m	25.1%	16.1%	16.1%	20.5%	25.1%	16.1%	24.1%	25.1%	21.5%
\$2m or more	5.9%	10.1%	10.1%	12.0%	5.9%	9.3%	2.8%	5.9%	8.5%
Total	230	24	98	298	391	945	156	181	214

Source: ABS (2017c).

Employment by Industry

There was a total of 1,269 persons working in McKinlay in 2016 (by place of work). The industries which provided the most jobs in McKinlay in 2016 were:

- Mining (48.9% of total)
- Agriculture, Forestry and Fishing (18.6%)
- Construction (8.7%)
- Public Administration and Safety (4.6%)
- Accommodation and Food Services (4.4%).

McKinlay has strengths in the Mining sector compared to all comparison regions. McKinlay also has strengths in the Agriculture, Forestry and Fishing sector compared to half of comparison regions (Burke, Cloncurry, Mount Isa, Richmond).

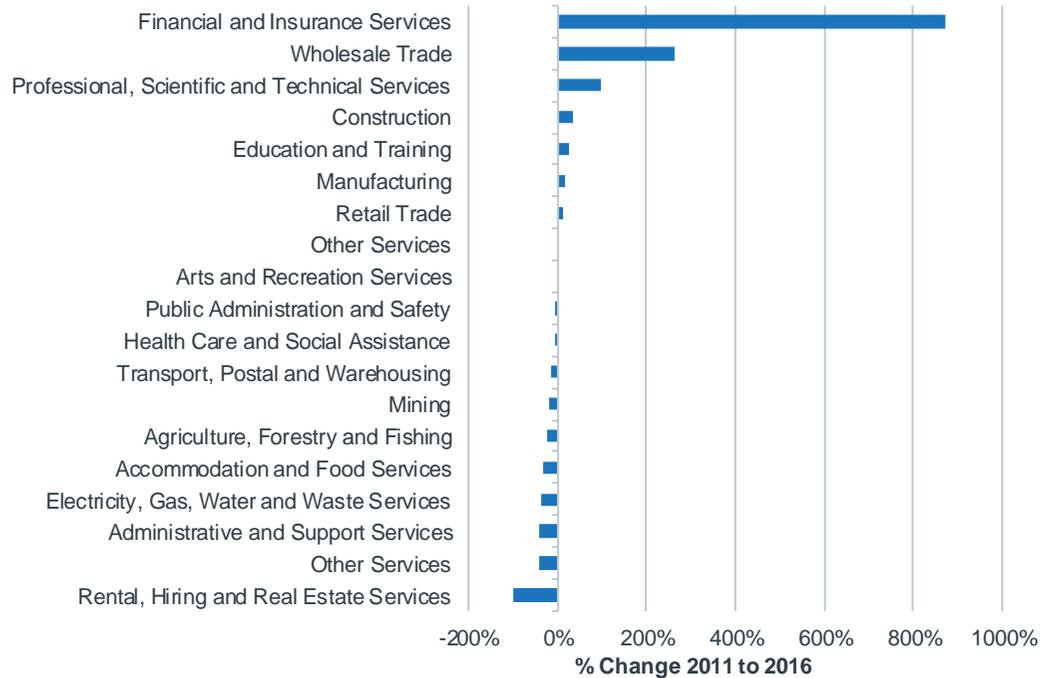
Table A.10. Employment by Industry, PoW, 2016

Industry	McKinlay	Burke	Carpentaria	Cloncurry	Flinders	Mount Isa	Quilpie	Richmond	Winton
Mining	48.9%	23.4%	0.0%	43.8%	0.0%	31.7%	5.5%	0.0%	1.2%
Agriculture, Forestry and Fishing	18.6%	9.0%	22.4%	7.8%	39.0%	1.2%	30.9%	12.8%	28.2%
Construction	8.7%	0.0%	11.7%	7.9%	4.5%	5.1%	3.7%	14.6%	6.1%
Public Administration and Safety	4.6%	0.0%	14.2%	4.9%	12.7%	6.2%	14.7%	15.1%	16.6%
Accommodation and Food Services	4.4%	10.2%	9.1%	3.7%	6.2%	5.2%	6.4%	8.7%	7.6%
Financial and Insurance Services	2.4%	0.0%	0.4%	0.5%	0.4%	0.6%	1.0%	1.1%	1.0%
Health Care and Social Assistance	2.1%	5.4%	10.5%	2.2%	6.1%	11.7%	8.4%	5.0%	8.5%
Retail Trade	2.1%	17.8%	6.2%	2.6%	6.1%	8.0%	5.5%	10.2%	8.6%
Transport, Postal and Warehousing	2.1%	0.0%	5.0%	6.9%	9.9%	3.8%	6.5%	5.3%	6.2%
Administrative and Support Services	1.7%	0.0%	4.9%	3.0%	1.7%	3.8%	1.8%	3.5%	0.0%
Wholesale Trade	0.9%	0.0%	1.2%	1.3%	0.4%	2.0%	1.2%	2.1%	1.3%
Manufacturing	0.8%	0.0%	1.2%	7.8%	1.1%	3.1%	0.0%	5.4%	1.5%
Electricity, Gas, Water and Waste Services	0.8%	0.0%	0.9%	0.4%	1.3%	1.2%	0.8%	2.2%	1.7%
Education and Training	0.7%	0.0%	9.1%	3.5%	5.3%	8.6%	11.1%	4.5%	5.1%
Professional, Scientific and Technical Services	0.7%	26.8%	0.4%	1.3%	0.8%	1.7%	0.0%	0.0%	1.6%
Other Services	0.5%	0.0%	2.0%	1.7%	3.1%	3.9%	0.8%	4.9%	2.0%
Information Media and Telecommunications	0.0%	0.0%	0.0%	0.4%	0.0%	0.5%	0.0%	0.0%	0.0%
Rental, Hiring and Real Estate Services	0.0%	0.0%	0.5%	0.3%	0.4%	1.4%	0.0%	3.0%	0.0%
Arts and Recreation Services	0.0%	7.3%	0.5%	0.0%	1.1%	0.4%	1.8%	1.4%	2.9%
Total	1,269	150	905	3,157	831	9,567	482	772	600

Source: ABS (2017a).

Between 2011 and 2016, total employment in McKinlay decreased by 13.5%. More than half of the industries declined in employment, including rental, hiring and real estate services, other services, administrative and support services, electricity, gas, water and waste services and accommodation and food services. The mining industry lost more than 100 jobs. Only a few industries experienced growth over the period, including financial and insurance services, wholesale trade and construction, all of which were growing off small bases.

Figure A.5. Change in Employment by Industry, 2011 to 2016



Note: The high growth rates are due to changes off a small base.
Source: ABS (2012, 2017a).

A total of 467 residents of McKinlay were working in 2016 (by place of usual residence). The industries in which the most McKinlay residents worked in 2016 were:

- Agriculture, Forestry and Fishing (44.1% of employed residents)
- Public Administration and Safety (13.0%)
- Mining (10.5%)

- Accommodation and Food Services (7.2%)
- Construction (6.8%).

When compared to all comparison regions, the local labour force in McKinlay has strengths in Agriculture, Forestry and Fishing. The local labour force in McKinlay also has strengths in Mining compared to all comparison regions, except Burke and Mount Isa.

Table A.11. Employment by Industry, PoUR, 2016

Industry	McKinlay	Burke	Carpentaria	Cloncurry	Flinders	Mount Isa	Quilpie	Richmond	Winton
Agriculture, Forestry and Fishing	44.1%	22.2%	19.9%	12.0%	39.4%	1.4%	34.6%	38.6%	30.9%
Public Administration and Safety	13.0%	25.6%	16.7%	10.2%	13.5%	6.3%	14.4%	21.4%	16.4%
Mining	10.5%	0.0%	0.0%	27.7%	0.0%	31.9%	0.8%	0.0%	1.8%
Accommodation and Food Services	7.2%	10.3%	9.2%	4.2%	6.0%	5.3%	7.1%	3.2%	8.3%
Construction	6.8%	6.0%	8.5%	7.2%	3.4%	4.4%	5.8%	5.9%	6.5%
Retail Trade	5.4%	5.1%	7.6%	5.2%	7.2%	8.2%	5.8%	3.7%	7.3%
Health Care and Social Assistance	4.2%	3.4%	11.9%	4.6%	5.5%	11.7%	6.8%	7.2%	7.1%
Education and Training	2.1%	3.4%	9.6%	7.0%	5.7%	8.7%	10.1%	4.0%	5.1%
Transport, Postal and Warehousing	1.9%	0.0%	4.9%	10.7%	8.5%	3.8%	7.6%	3.7%	6.1%
Other Services	1.4%	10.3%	2.3%	2.9%	3.1%	4.1%	0.8%	2.1%	2.0%
Administrative and Support Services	0.7%	2.6%	4.2%	2.5%	1.5%	3.4%	0.0%	1.1%	0.0%
Electricity, Gas, Water and Waste Services	0.7%	0.0%	1.0%	0.0%	1.2%	1.1%	1.8%	0.8%	2.4%
Financial and Insurance Services	0.7%	0.0%	0.4%	0.6%	0.4%	0.6%	1.0%	2.7%	0.0%
Wholesale Trade	0.7%	0.0%	2.1%	1.7%	1.0%	2.1%	1.0%	0.8%	1.4%
Information Media and Telecommunications	0.7%	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%	0.0%	0.0%
Manufacturing	0.0%	0.0%	0.6%	1.6%	1.6%	2.8%	0.0%	2.4%	0.8%
Rental, Hiring and Real Estate Services	0.0%	0.0%	0.6%	0.3%	0.4%	1.4%	0.0%	2.4%	0.0%
Professional, Scientific and Technical Services	0.0%	4.3%	0.0%	1.1%	0.8%	1.7%	0.0%	0.0%	0.8%
Arts and Recreation Services	0.0%	6.8%	0.6%	0.2%	0.7%	0.5%	2.3%	0.0%	3.2%
Total	467	132	774	1,483	779	9,069	434	415	549

Source: ABS (2017a).

Analysis of employment by industry by place of work and place of usual residence, at the 1-digit ANZSIC level, suggests McKinlay had insufficient local labour availability to meet its employment needs in 2016, with most industries recording higher numbers of workers in the area by place of work than by place of usual residence.

The industries with the best access to local labour in 2016 were:

- Information Media and Telecommunications
- Public Administration and Safety



- Education and Training
- Other Services
- Arts

and

Recreation.

Table A.12. Employment by Industry, PoW vs PoUR, 2016

Industry	Place of Work	Place of Residence	Difference
Agriculture, Forestry and Fishing	236	206	-31
Mining	621	49	-571
Manufacturing	11	0	-11
Electricity, Gas, Water and Waste Services	10	3	-7
Construction	110	32	-79
Wholesale Trade	12	3	-8
Retail Trade	26	25	-1
Accommodation and Food Services	56	34	-22
Transport, Postal and Warehousing	26	9	-17
Information Media and Telecommunications	0	3	3
Financial and Insurance Services	30	3	-27
Rental, Hiring and Real Estate Services	0	0	0
Professional, Scientific and Technical Services	8	0	-8
Administrative and Support Services	21	3	-18
Public Administration and Safety	59	61	2
Education and Training	9	10	0
Health Care and Social Assistance	27	20	-8
Arts and Recreation Services	0	0	0
Other Services	6	7	0
Total	1,269	467	-802

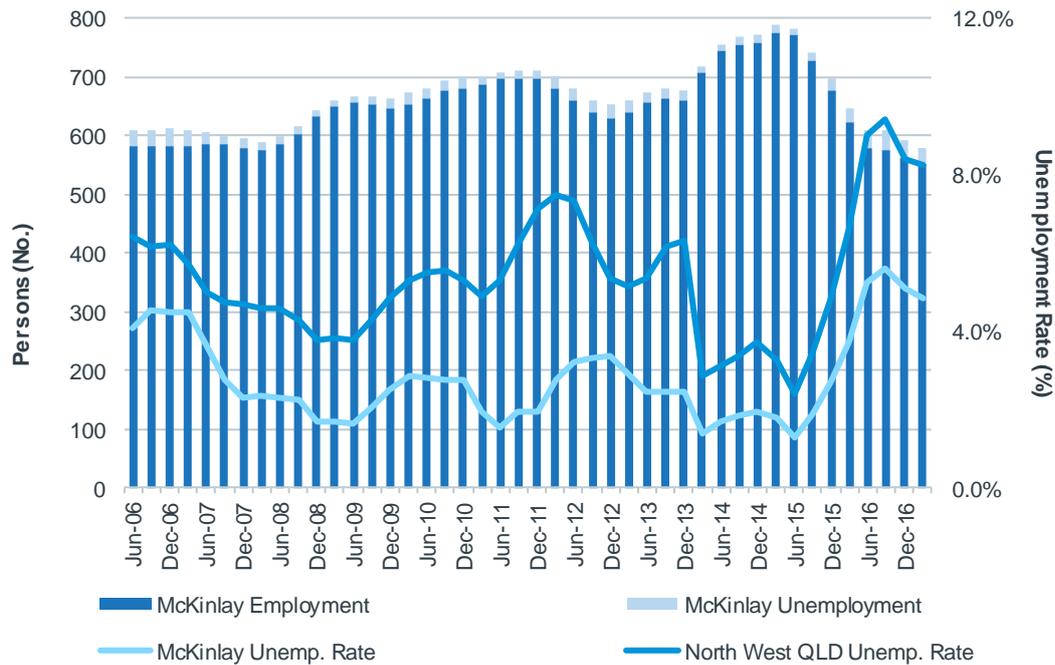
Source: ABS (2017a).

Unemployment and Labour Force

In March 2017, the McKinlay labour force contracted by 2% to 579 persons. Over the past 5 years, the performance of the labour force has lagged behind North West Queensland, contracting 17.4%. The only comparison LGA which contracted more was Quilpie at 19.8%, and Flinders and Richmond were on par at 17.5% and 17.6% contractions, respectively. Over the same time, the number of persons unemployed in McKinlay has expanded by 45.1%. As a result, over the past five years, the unemployment rate in McKinlay has increased by 2.1 percentage points to 4.8%.

McKinlay's unemployment rate remains significantly below the North West Queensland average of 8.2%.

Figure A.6: Unemployment and Labour Force



Source: Department of Employment (2017).

TOURISM

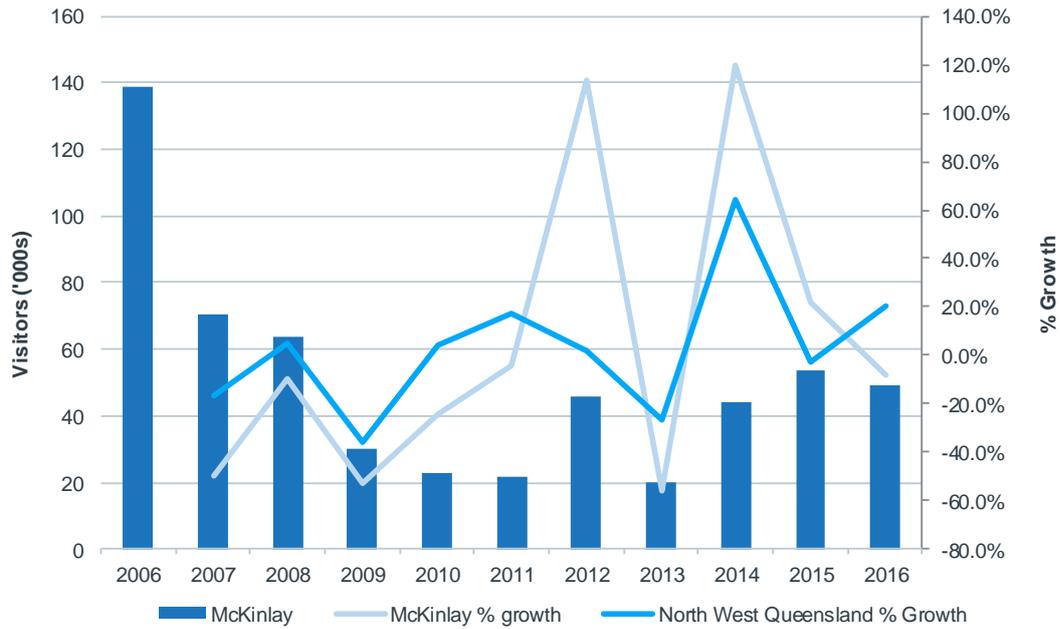
Visitors

Between 2006 and 2016, total visitors to McKinlay declined at an average annual rate of 9.8% to reach approximately 49,000¹. Most of McKinlay’s decline was experienced between 2006 and 2007, in which visitation dropped by almost 50% due to a large drop in daytrip visitors.

Visitation to McKinlay has been more volatile compared to North West Queensland as a whole, which is typical of smaller regions.

¹ It should be noted that in contract to Tourism Research Australia (TRA) data, the McKinlay Shire Visitor Centre has recorded strong growth in visitation, totalling 38% since 2010 to reach 12,651 visitors in 2016.

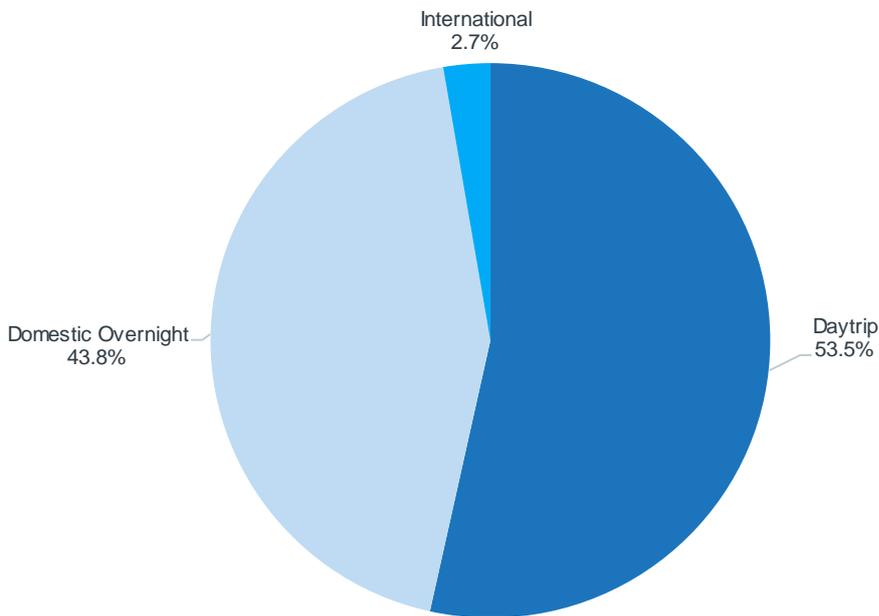
Figure A.7. Visitors, '000s, 2006 to 2016



Source: TRA (2017a,b).

In 2016, over half (53.5%) of visitors were daytrip visitors, whilst 43.8% were domestic overnight visitors. Only 2.7% were international visitors.

Figure A.8 Visitation by Type of Visitor, % of Total Visitors, McKinlay, 2016

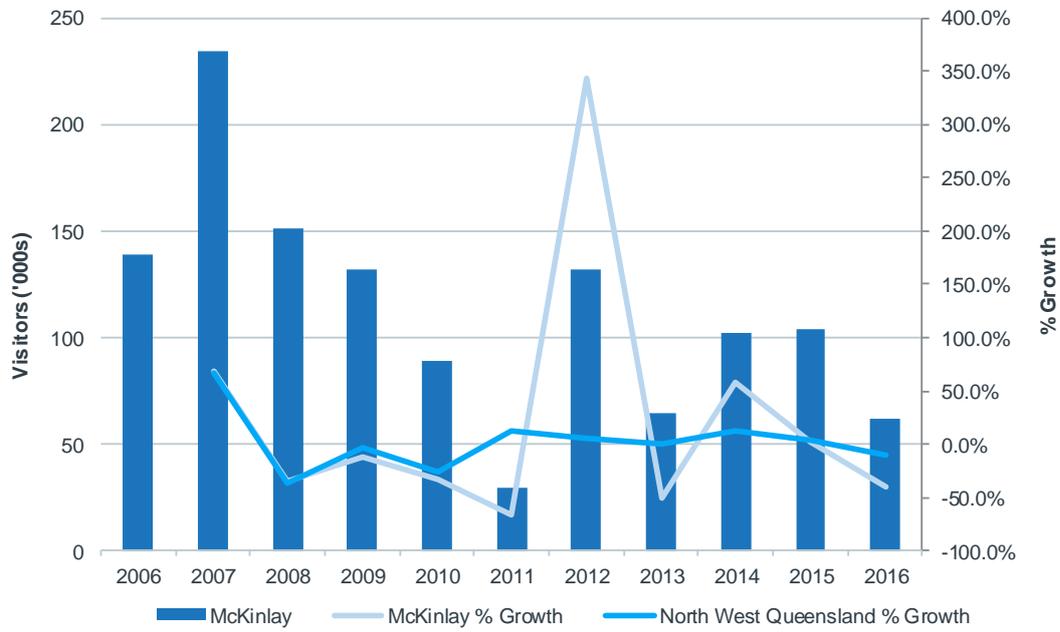


Source: TRA (2017a,b).

Visitor Nights

Between 2006 and 2016, total visitor nights in McKinlay contracted at an average annual rate of 7.8% to reach approximately 62,000. In 2016, 90.9% of visitor nights were domestic overnight visitor nights, whilst 9.1% were international visitor nights.

Figure A.9. Visitor Nights, '000s, 2006 to 2016

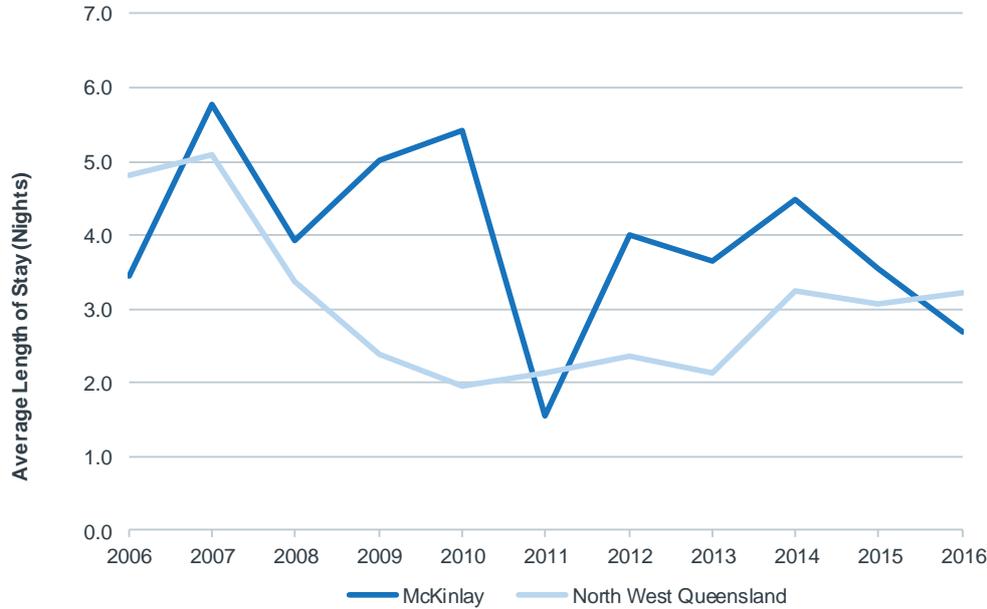


Source: TRA (2017a,b).

Average Length of Stay

Between 2006 and 2016, the average length of stay for total visitors to McKinlay decreased at an average annual rate of 2.4% to reach 2.7 nights compared to a North West Queensland average of 3.2 nights (which is typical of larger geographic regions). Within North West Queensland, Cloncurry, Mount Isa and Quilpie had larger declines at 6.4%, 7.8% and 5.8%, respectively. In 2016, Quilpie was the only region with a lower average length of stay (2.0 nights), whilst Flinders and Richmond were on par with McKinlay.

Figure A.10. Average Length of Stay, Nights, 2006 to 2016

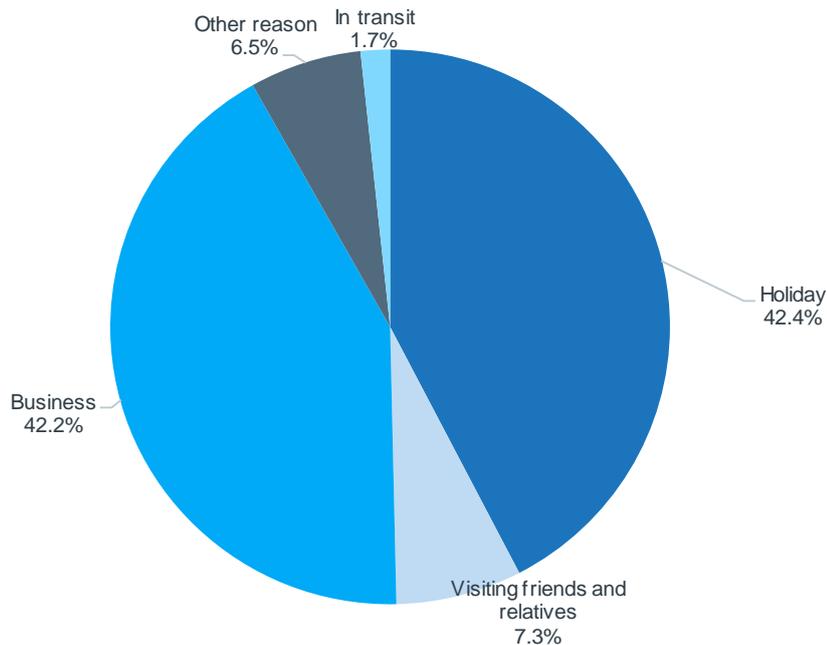


Source: TRA (2017a,b).

Visitors by Purpose

Of the total visitors in 2016, the main purposes for visiting McKinlay were holiday (42.4%) and business (42.2%). Visiting friends and relatives followed next at 7.3%.

Figure A.11. Visitors by Purpose, % of Total, 2016



Source: TRA (2017a,b).

APPENDIX B: KEY INFLUENCING FACTORS AND TRENDS

AUSTRALIAN EXCHANGE RATES

Description

The value of the Australian dollar influences the competitiveness of Australian businesses in the global economy.

Local Context

The performance of the Australian dollar impacts on the competitiveness of Australian producers in the global market. If the Australian dollar declines as it has done recently, it is likely to have a positive impact on export focused businesses through an associated increase in competitiveness in the global market. Global competitiveness, particularly labour rates, affects Australia's ability to effectively compete across all sectors, in particular globally competitive sectors such as agriculture, creating the need for Australian production to differentiate (generally) with higher quality, premium and/ or niche products.

It is not possible for Councils to influence the Australian exchange rate. However, it is an important factor to be aware of and consider in relation to the impact it can have on the local economy, development programs and the major industries across the area and associated jobs growth.

Similar to the Australian dollar, the price of agricultural and resource commodities in global markets influences the competitiveness of trade exposed industries in the McKinlay LGA, in particular the mining and agricultural sectors. Again, there is little Council can do to influence this, but it is important to be aware of the industries/ businesses that are susceptible to this and understand the overarching impact this can have on the economy, both positive and negatively, during times of change and uncertainty.

THE ASIAN CENTURY

Description

Economies and populations in developing nations in Asia are growing rapidly. The continual growth of the middle-class across Asia is expected to present an increasing array of opportunities for Australia, specifically through an increase in demand for our goods and services.

To truly benefit from these opportunities, the area needs to explore a range of priorities, such as:

- 'Governance' – establish and grow industry collaboration structures to build the critical mass needed to break into global markets.
- 'Capability' – identify opportunities to build the capability of local businesses to ensure they have the capacity and skills to operate in this market.
- 'Relationships' – identify opportunities and develop strong relationships with strategic Asian markets where mutually beneficial outcomes can be achieved.
- 'Market Knowledge' – there is a need to develop a strong understanding around the current gaps and associated opportunities within these markets and what the key drivers are that influence relationships and business decision making.

Local Context

There are significant opportunities that can be facilitated because of the size and scope of the economies in Asia. However, they will not happen without applied effort. Council can play a role in helping facilitate the development of these opportunities and the associated growth in local jobs.

Global demand, in particular in the growing Asian market, is predicted to generate opportunities for growth in industries such as agribusiness (with beef, in particular, experiencing strong demand growth), international

education, tourism and wealth management as well as global demand for energy. For McKinlay, this is key as agriculture and tourism are two of its main economic drivers.

Increasing market knowledge and awareness of the opportunities in these industries will help to ensure that job growth and investment attraction can be achieved, but if regions simply wait for the opportunities to arrive, it may not happen. Taking advantage of opportunities associated with the Asian Century is about proactively making them happen.

The McKinlay Shire Council has a strong interest to tap into the Asian tourism market, with an authentic outback tourism experience and strong events calendar.

Queensland (QLD) is a strong destination of choice for Chinese visitors, with 40% of all Chinese visitors to Australia and is already Queensland's largest international market in terms of overnight expenditure.

The opportunity and challenge for the McKinlay region is how to increase awareness and attract a greater share of these visitors into the area.

INFRASTRUCTURE DELIVERY

Description

Ongoing population growth will create increased pressure and demand on existing infrastructure and the delivery of future infrastructure. Infrastructure has the capacity to lead or follow development. Good economic outcomes are achieved when the right infrastructure leads development.

Infrastructure plays a crucial role in driving business investment, growth and productivity. Today, both the private and public sector are placing more emphasis on developing basic infrastructure in Australia to promote the growth of the economy and provide for a growing population.

Local Context

There are currently only minor infrastructure developments in the McKinlay LGA. As there has been negative population growth in McKinlay LGA over recent years, it is unlikely that there will be a strong demand for new infrastructure development beyond standard improvements and upgrades. However, infrastructure projects have the potential to improve the attractiveness of towns and in turn, build local confidence and visitor appeal. On this basis, other projects should be considered over time in order to support population attraction and retention, and potentially stimulate investment.

CHANGING NATURE OF AGRICULTURE

Description

Shifts in consumer demand, changes in government policies, technological advances and innovation, emerging environmental concerns and a continued decline in the sector's terms of trade have had major implications on restructuring and adjustments of agribusiness value and processing chains. Farms are now fewer but larger than in the previous decades, and this trend will continue. With this comes corporate investment where operations can often extend across several countries to mitigate risk.

Local and regional agricultural markets are also being increasingly interwoven with global demand and supply dynamics. The agriculture sector will continue to explore and invest in economically viable options for diversification through different processes, supply chain links, products and marketing avenues, to maintain profitability and long run sustainability of operations (for example the sugar sectors expansion into alternative revenue streams, such as bio-fuels).

Local Context

Agriculture, forestry, and fishing is the second largest sector in the McKinlay LGA in terms of Industry Value Add for 2015-16 and employment (by Place of Work (PoW) and the largest employer by Place of Usual Residence (PoUR) for 2016 (see Appendix A). The industry has endured challenging operating conditions over recent years due to severe drought.

From a market perspective, the outlook for the region's core beef cattle industry is strong, with the Eastern Young Cattle Indicator (EYCI) currently around \$6/kg carcass weight (MLA, 2017). The strong prices have been driven by falling herd numbers (due to drought) and ongoing Asian demand growth, particularly following beef's inclusion into the Australia-China Free Trade Agreement.

CHANGING CONSUMPTION TRENDS

Description

Consumer expenditure is increasingly trending towards households reducing debt, paying down mortgages and embracing the 'sharing economy' to optimise assets by leveraging digital networks to allow collaborative consumption as well as online retailing.

Local Context

Creating an environment that supports the needs of the modern consumer is important if McKinlay is going to be a desirable and livable destination. This in turn will maximise employment growth opportunities for industries such as retail trade.

The retail sector is constantly changing as consumer preferences shift in response to new trends such as online shopping, increased demand for ready to consume products (e.g. ready to eat meals, plug and play equipment) and also the growth of niche, authentic local experiences. Retail is an important sector in McKinlay (providing 2.1% of jobs in 2016), and local retailers will need to continue to be innovative and responsive to the needs of consumers to continue to satisfy demand. Despite this, shifts in consumer preferences and the emergence of online shopping will continue to erode the need for traditional store-based retail (and change the types of job roles required in retail) throughout Australia. In particular, online shopping enables consumers to access goods and services from across the globe rather than being reliant on local retailers, providing a much wider retail offering to rural/remote areas such as McKinlay.

Despite this, emerging consumer trends highlight the demand for authentic local experiences, and those retailers that are able to stay ahead of consumer trends and have a willingness to work collaboratively to build economies of scale are more likely to be successful.

The cheaper cost of living in McKinlay compared to major regional centres and capital cities potentially make the McKinlay LGA an attractive destination for people seeking a more cost-effective lifestyle, provided broader services, connectivity and amenity are available.

CHANGING PRODUCTION TRENDS

Description

Rising demand for services, the industrialisation of East Asia, economic reform and technical change are driving a structural shift in Australia's economy from a reliance on production and processing based activities to a knowledge based economy.

Local Context

Jobs growth in production-based industries, such as agriculture, manufacturing and mining are largely driven by broad macro factors, including global/ national demand, commodity cycles and terms of trade. However, these industries and the environments in which they will prosper are changing. Australia is transitioning towards higher levels of services-based activities, with many production-based industries struggling to remain cost competitive in international markets.

This structural shift is also occurring in McKinlay LGA. Traditional mining industries declined in the region between 2011 and 2016, while many of the services-based industries have increased. The trend towards higher levels of services-based activities is expected to continue into the future. The financial and insurance services, and professional, scientific and technical sectors recorded some of the strongest growth in McKinlay LGA between 2011 and 2016. To remain competitive, McKinlay LGA need to support continued growth in the services sector, whilst also supporting its traditional production-based industries.

Evolving Workforce Needs

Description

A growing proportion of workers around the world are choosing to work from home, as technological advancements have made working from home a more viable option for both employees and employers.

Home based work has the potential to reduce commuter loads each day, reducing transport infrastructure and public transport requirements, though places a higher reliance on access to quality ICT infrastructure. At the same time, Information Communications Technology (ICT) connectivity is important for home based workers, and ready access to major long distance transport infrastructure can be an important factor.

Local Context

The ability for people to work remotely opens up the potential for a range of increased services to rural/remote regions such as McKinlay LGA across areas such as health and aged care, education, and financial and professional services.

However, it also reduces the need for locally based positions in remote locations, which has implications for maintaining a critical population mass in the region with many individuals preferring the lifestyle and career opportunities of larger centres.

To enable the opportunities associated with remote working, access to high-speed broadband connectivity is fundamental. The increase in home based work for business, is likely to result in reduced office floor space requirements and an increasing prevalence for 'hot-desk' or shared workspaces which any employee can readily access as required. Home-based work also has the potential to provide demand for a range of innovative work solutions, such as shared and flexible office-based common use facilities, providing work spaces, meeting spaces and conference facilities available for short term hire as needed.

To support a significant mobile workforce, long distance transport connections including air, road and rail will remain critical to the success of the McKinlay LGA economy.

NON-RESIDENT MINING WORKFORCE

Description

The resource sector requires employees to work in geographically isolated areas. In the past, mining companies have sourced workers from a mixture of local residents and Fly In – Fly Out (FIFO) and Drive In - Drive Out (DIDO) non-resident workers. There is now, however, a movement away from this workforce structure with an increased proportion of FIFO and DIDO workers being sourced. This change is primarily in response to resourcing issues encountered during the recent mining boom as well as the impacts on housing demand and cost of living arising from rapid growth in the local workforce to meet project demands.

Local Context

McKinlay currently hosts a significant non-resident workforce, with around a net 800 McKinlay workers residing outside of the LGA, predominately in mining and associated sectors.

The move towards non-resident workforces has had a significant impact upon resource producing communities such as McKinlay LGA, including:

- Fewer jobs available for local residents, meaning residents may have to relocate to find work.
- Lack of integration between resident and non-resident workers.
- The non-resident workforce often is not included in the data used to assess critical infrastructure and essential requirements. This can place additional pressure on infrastructure and services that is not adequately planned for including the road network, health and emergency services.

There may also be negative impacts for the FIFO/DIDO workers themselves, with this form of work linked to increased divorce rates, increased prevalence of social and criminal issues such as domestic violence, alcoholism, gambling and impaired physical and mental health.

Whilst recent regulatory initiatives may reduce some of the negative consequences of the FIFO and DIDO workforces, the underlying trend towards an increasing share of DIDO/ FIFO workforce appears to be continuing. The key for McKinlay LGA will be to maximise the economic and community value of its non-resident workforce and promoting locally based employment to the extent possible.

EMERGING TECHNOLOGIES AND INNOVATION

Description

Continually evolving technology will play a major role in shaping the development of Australia over the coming 30 years. Rapidly evolving energy, communications, and transportation technologies will boost economic activity. It also has the potential to revolutionise education and training delivery.

Mobile internet, automation of knowledge work, machine based learning, cloud technology, advanced robotics and autonomous vehicles, next generation genomics, energy storage, 3D printing, advanced materials and renewable energy are just some of the known technologies that will change the face of how we do business and live into the future.

Technology has the potential to stimulate industries already established and lead to higher levels of labour productivity, while also lowering barriers and costs of new and emerging industries.

Local Context

Access to new and emerging technologies, in conjunction with efficient and high quality infrastructure, is resulting in considerable enhancement in productivity and requires higher levels of technical capability in staff. Accordingly, workers are becoming increasingly highly skilled, well paid, flexible and quite often demanding more from their employer. This is anticipated to continue.

Through technological advancement, there is potential for considerable enhancement of efficiency in industries such as agriculture production, manufacturing and transport and logistics through the emergence of robotics and other technologies.

New technology and innovation has the potential to generate significant efficiency and productivity gains and regions such as the McKinlay need to be aware of how these changes are likely to impact upon key industries. Greater automation has significant potential to improve the competitiveness of sparsely populated regions such as McKinlay LGA, where access to labour and skills and distance to major economic and population nodes can be key limiting factors.

FOOD SECURITY

Description

With the world's population forecast to reach 8 billion by 2030, interest in the region's agricultural potential is likely to increase over the coming years. Further trade and investment interest in the region from Asia is a possibility, where food security is an increasing concern with world food prices having doubled over the past decade.

Local Context

Accompanying forecast growth in the world's population, income levels in key markets such as Asia are expected to grow significantly. Increased income generally leads to an increase in demand for and consumption of higher quality food. When these factors are combined it is clear that global demand for higher value food products will grow significantly.

Australia and Queensland have traditionally strong agricultural sectors, and are well positioned to capture some of the growth in demand for agricultural and higher value food products. However, this growth will be tempered by other factors, such as commodity cycles, climate, exchange rates, costs of production and global competition, as well as competition from residential and higher value industry uses for agricultural lands. Efficient transport networks and infrastructure will be key to supporting this development.

McKinlay has a role to play in this trend, as the region has a high presence of agricultural producers with potential to intensify production and value add regionally through water storage and irrigation. This sector is an important contributor to the McKinlay economy and it is critically important to understand the current and future drivers of this sector so that it can be supported and enhanced for the future.

AGING POPULATION

Description

Australia is experiencing an aging of its population likely due to families, on average, having fewer children, while recent technological advancements are allowing us to live longer.

Australia's population aged 75 and over is expected to rise by 4 million between 2012 and 2060 (increasing from 6.4% to 14.4% of the Australian population).

Local Context

The average age in McKinlay LGA in 2015 was 36.5 years for males and 36.7 years for females.

An aging population has implications for future demand for services such as hospitals and other forms of health and aged care, and the availability of labour to support industry/business growth. This is a key consideration for many rural/remote areas, with significant implications for elderly family members who are forced to move away from support networks and the broader community in order to obtain the required levels of care.

APPENDIX C: COMPETITIVE ASSESSMENT

LOCATION QUOTIENTS

To demonstrate the specialisation of the economy, location quotients based on employment have been calculated. The location quotients demonstrate the degree to which a local or regional economy is specialised by examining the proportion of employment (by industry sub-sector) compared to a larger economy (Australian economy). Location quotients can be used to indicate strengths and weaknesses of a local or regional economy (i.e. identify its natural competitive advantage).

For this project, the analysis has compared the McKinlay LGA economy with that of the comparison regions. A location quotient of “1” means that McKinlay has an equal share of employment (compared to the Australia) for a specific industry sector, thus no potential advantage either way. A location quotient above “1” indicates a specialisation of labour and therefore an area of potential competitive advantage. If the location quotient is below “1”, the area has a weakness in this particular industry sector.

An assessment of location quotients at the 1-Digit ANZSIC level suggests McKinlay has very strong labour specialisations in the industries of:

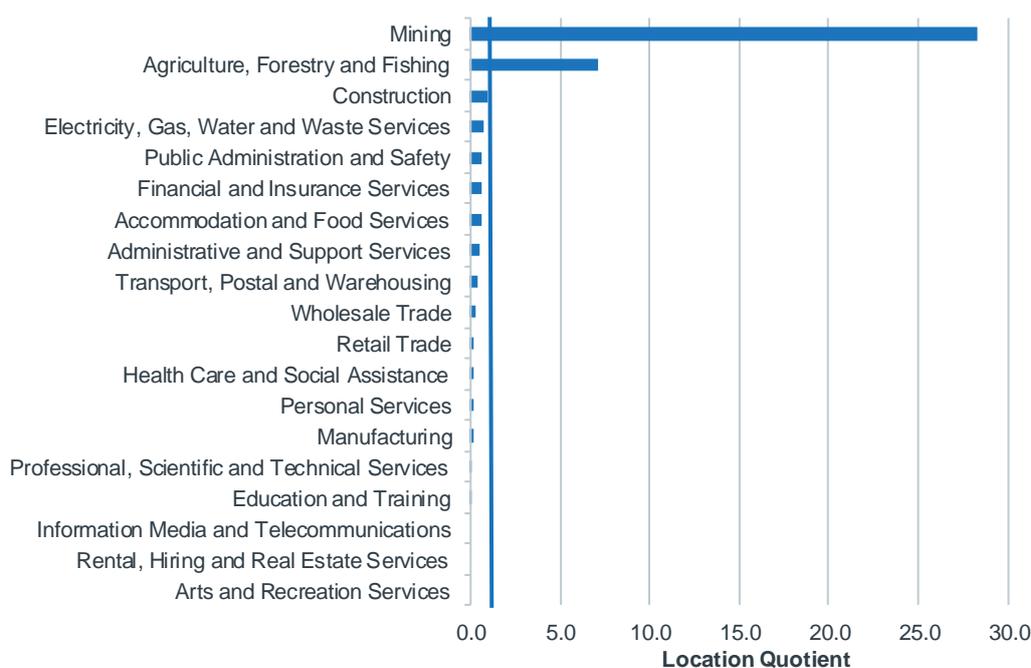
- Mining (LQ = 28.3)
- Agriculture, forestry and fishing (LQ = 7.1).

The comparison regions all have lower labour specialisations in mining. McKinlay has higher labour specialisations in agriculture, forestry and fishing than Cloncurry, Mount Isa and Richmond but lower than the other comparison regions.

Within the agriculture, forestry and fishing sector, McKinlay has labour specialisations in the industries of:

- Agriculture (LQ = 8.0)
- Fishing, hunting and trapping (LQ = 7.1)

Figure C.1. Location Quotients, 1 Digit ANZSIC, McKinlay



Source: ABS (2017a).

Table C.1. Location Quotients, 1 Digit ANZSIC

Rank	McKinlay	Burke	Carpentaria	Cloncurry	Flinders	Mount Isa	Quilpie	Richmond	Winton
Arts and Recreation Services	0.0	0.0	0.3	0.0	0.6	0.2	1.0	0.8	1.7
Rental, Hiring and Real Estate Services	0.0	0.0	0.3	0.2	0.2	0.8	0.0	1.7	0.0
Information Media and Telecommunications	0.0	0.0	0.0	0.2	0.0	0.3	0.0	0.0	0.0
Education and Training	0.1	0.0	1.0	0.4	0.6	0.9	1.2	0.5	0.6
Professional, Scientific and Technical Services	0.1	0.0	0.0	0.2	0.1	0.2	0.0	0.0	0.2
Manufacturing	0.1	0.0	0.2	1.2	0.2	0.5	0.0	0.8	0.2
Personal Services	0.1	1.9	0.5	0.4	0.8	1.0	0.2	1.3	0.5
Health Care and Social Assistance	0.2	0.0	0.8	0.2	0.5	0.9	0.6	0.4	0.6
Retail Trade	0.2	0.5	0.6	0.3	0.6	0.8	0.5	1.0	0.8
Wholesale Trade	0.3	0.0	0.4	0.4	0.1	0.7	0.4	0.7	0.4
Transport, Postal and Warehousing	0.4	0.0	1.0	1.4	2.0	0.8	1.3	1.1	1.3
Administrative and Support Services	0.5	0.0	1.4	0.8	0.5	1.0	0.5	1.0	0.0
Accommodation and Food Services	0.6	2.5	1.3	0.5	0.9	0.7	0.9	1.2	1.0
Financial and Insurance Services	0.6	0.0	0.1	0.1	0.1	0.2	0.3	0.3	0.3
Public Administration and Safety	0.7	3.9	2.0	0.7	1.8	0.9	2.1	2.2	2.4
Electricity, Gas, Water and Waste Services	0.7	0.0	0.8	0.3	1.2	1.1	0.7	2.0	1.5
Construction	1.0	1.1	1.3	0.9	0.5	0.6	0.4	1.6	0.7
Agriculture, Forestry and Fishing	7.1	8.9	8.5	3.0	14.9	0.5	11.8	4.9	10.8
Mining	28.3	5.2	0.0	25.3	0.0	18.3	3.2	0.0	0.7

Source: ABS (2017a).

CLUSTER MAPPING

Cluster mapping builds on the location quotient analysis by portraying the regional location quotients against QLD industry estimated employment growth over time (from 2015-16 to 2025-2026). By incorporating industry growth, cluster mapping allows for the identification of growth opportunities in specific industry sectors, where a natural competitive advantage already exists against a backdrop of an expanding sector State-wide.

Industry clusters located above the “1” on the vertical axis indicate an existing industry concentration (strength or competitive advantage, as discussed previously) within the region being examined. The QLD industry average annual employment growth estimate for 2015-16 to 2025-26 (AEC, unpublished c) is plotted along the horizontal axis, with 0% average annual growth over the period creating a midline. The further to the right of this central horizontal axis, the faster the industry is expected to expand. Similarly, the farther to the left of the zero percent midline, the faster it is expected to shed jobs during this period. The size of the cluster (circle) in the map demonstrates the size of the local workforce in that industry sector.

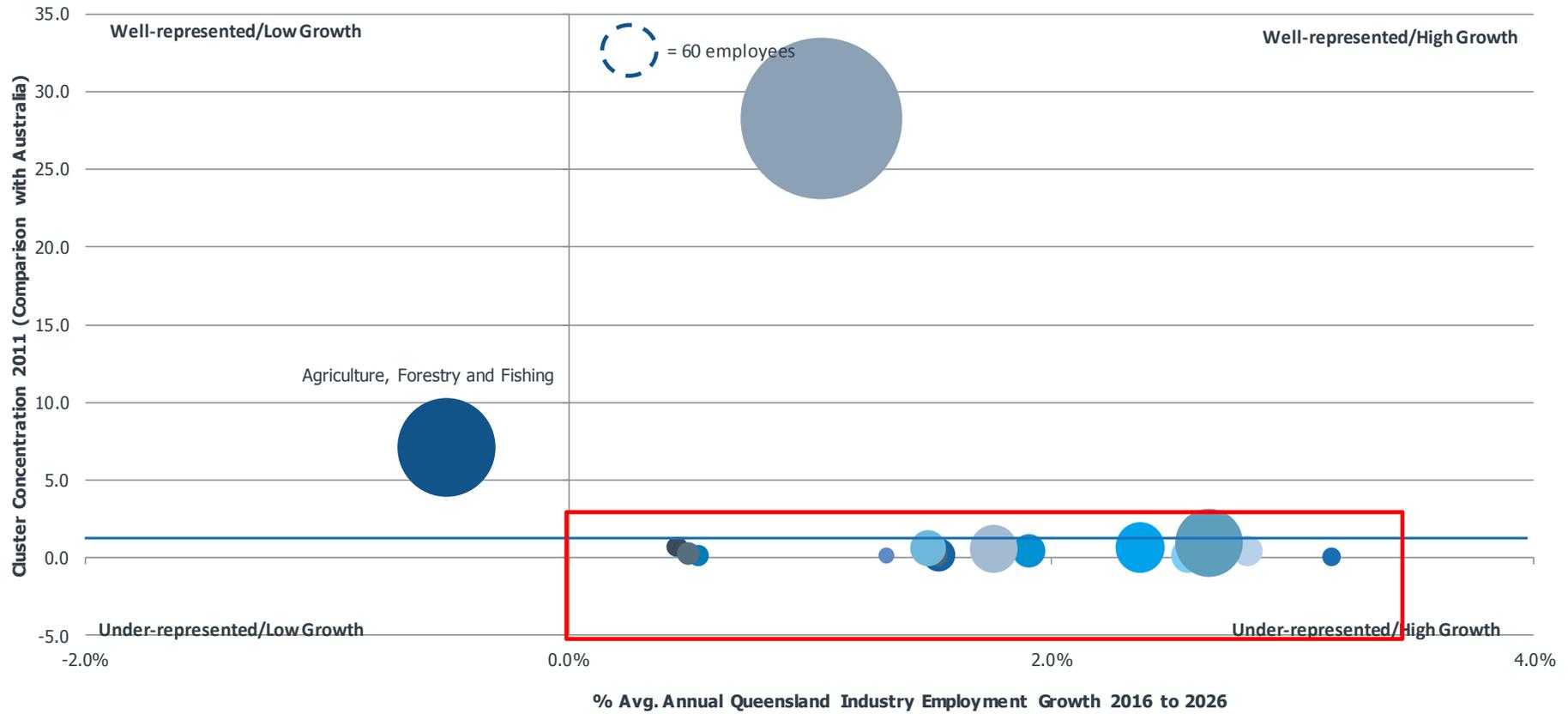
Industries which are located in the top-right-hand quadrant of the cluster map are industries which benefit from local labour specialisation (i.e., an LQ above 1.0) and are anticipated to experience positive average annual employment growth in Queensland between 2016 and 2026. These sectors should be targeted for economic development activities as they are likely to perform well in the coming years. The only industry located in this quadrant for McKinlay is mining (LQ = 28.3, Growth Expectation = 1%).

Industries which are located in the bottom-right-hand quadrant of the cluster map are industries which don't currently benefit from local labour specialisation (i.e., an LQ below 1.0) but are anticipated to experience positive average annual employment growth in Queensland between 2016 and 2026. These sectors should be investigated further, where appropriate, to determine their potential to be targeted for economic development activities as they may perform well in the coming years if local supply chains and support are available. Industries located in this quadrant for McKinlay are:

- Construction (LQ = 1, Growth Expectation = 2.7%)
- Administrative and Support Services (LQ = 0.5, Growth Expectation = 2.8%)
- Professional, Scientific and Technical Services (LQ = 0.1, Growth Expectation = 3.2%)
- Public Administration and Safety (LQ = 0.7, Growth Expectation = 2.4%)
- Arts and Recreation Services (LQ = 0, Growth Expectation = 2.8%)
- Health Care and Social Assistance (LQ = 0.2, Growth Expectation = 2.6%)
- Rental, Hiring and Real Estate Services (LQ = 0, Growth Expectation = 2.5%)
- Accommodation and Food Services (LQ = 0.6, Growth Expectation = 1.8%)
- Transport, Postal and Warehousing (LQ = 0.4, Growth Expectation = 1.9%)
- Financial and Insurance Services (LQ = 0.6, Growth Expectation = 1.5%)
- Retail Trade (LQ = 0.2, Growth Expectation = 1.5%)
- Education and Training (LQ = 0.1, Growth Expectation = 1.5%)
- Information Media and Telecommunications (LQ = 0, Growth Expectation = 1.5%)
- Personal Services (LQ = 0.1, Growth Expectation = 1.3%)
- Electricity, Gas, Water and Waste Services (LQ = 0.7, Growth Expectation = 0.4%)
- Wholesale Trade (LQ = 0.3, Growth Expectation = 0.5%)
- Manufacturing (LQ = 0.1, Growth Expectation = 0.5%).

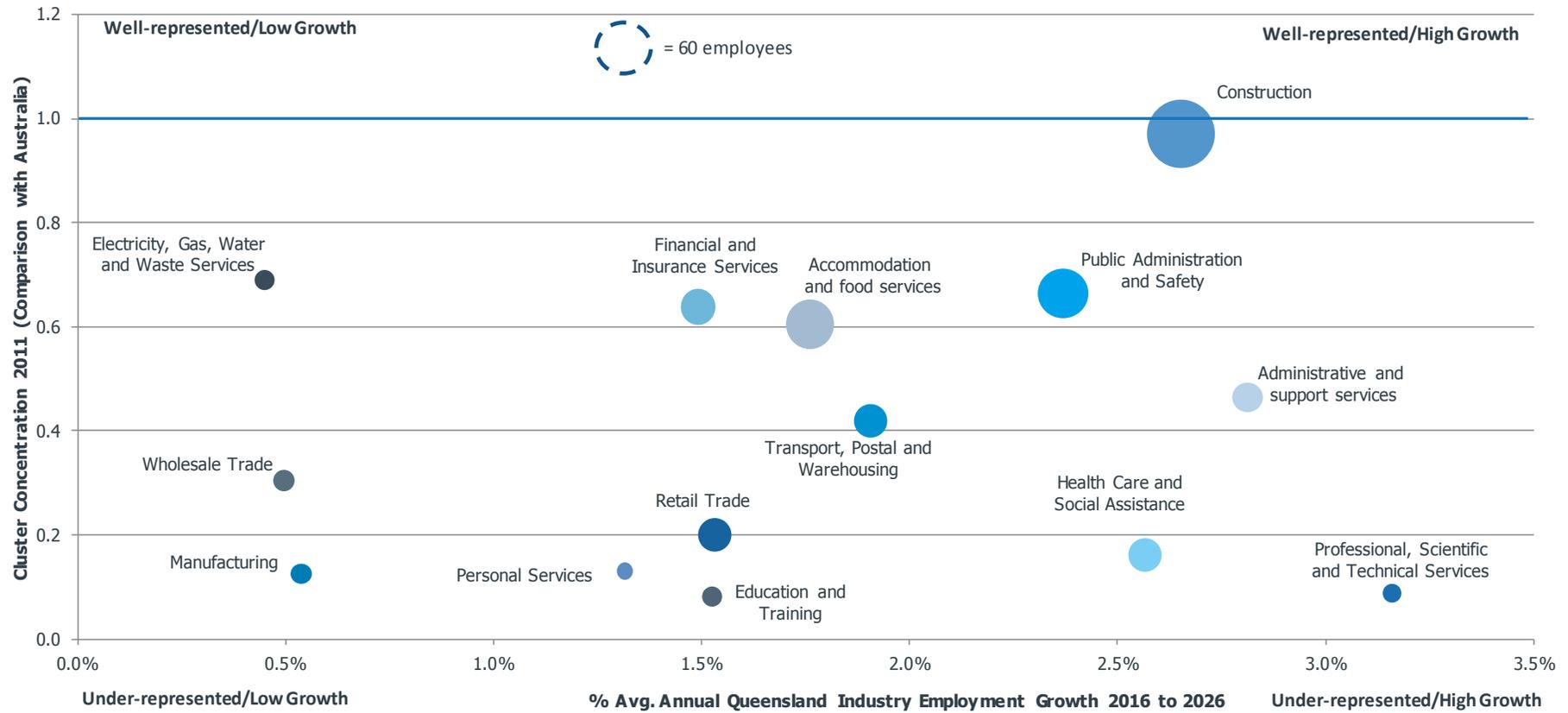
Industries which are located in the top-left-hand quadrant of the cluster map are industries which benefit from local labour specialisation (i.e., an LQ above 1.0) but are anticipated to experience negative average annual employment growth in Queensland between 2016 and 2026. Depending on the specific local factors at play for these sectors, they may require economic development support to guide them through a difficult macro-growth phase. In some instances, if local factors are extremely strong, these sectors could benefit from investment attraction activities. The only industry located in this quadrant for McKinlay is Agriculture, Forestry and Fishing (LQ = 7.1, Growth Expectation = -0.5%). There are no industries located in the bottom-left-hand quadrant for McKinlay.

Figure C.2. Cluster Map, 1 Digit ANZSIC, McKinlay, 2016



Source: ABS (2017a), AEC (unpublished c).

Figure C.3. Cluster Map, 1 Digit ANZSIC, McKinlay (Amended scale excluding Mining and Agriculture)



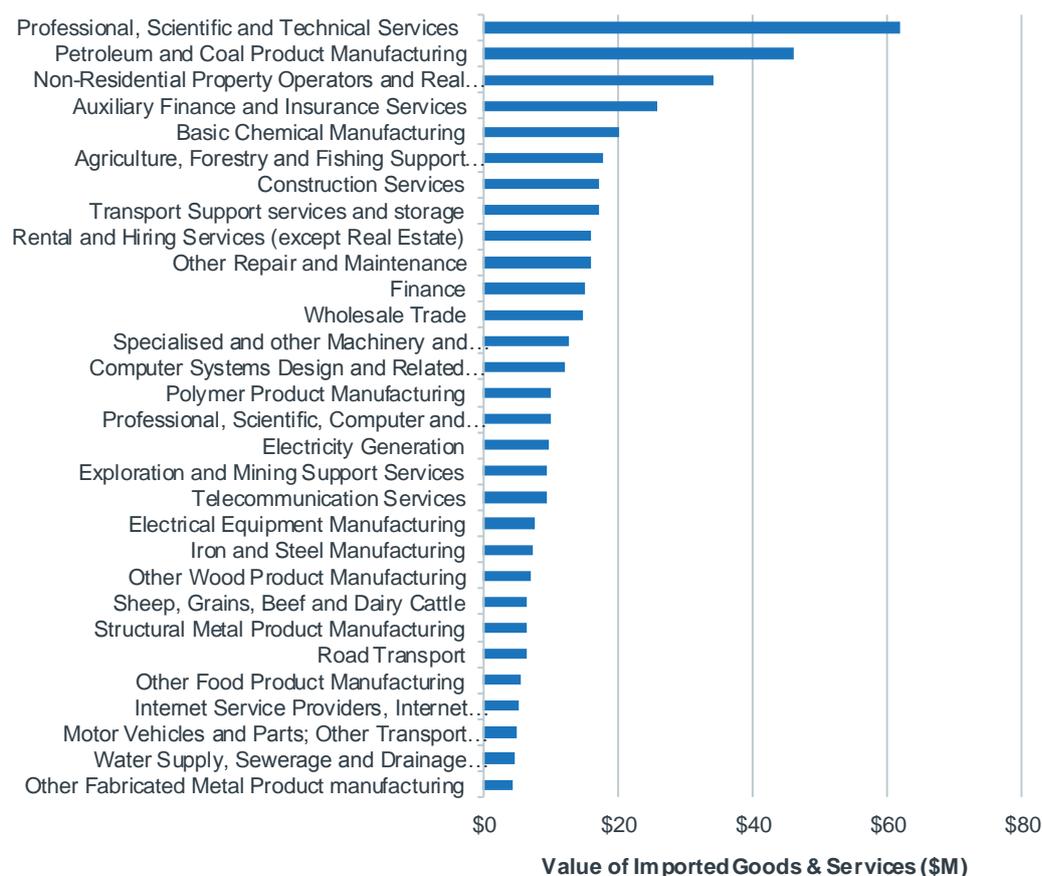
Note: *The horizontal axis only includes a snapshot from 0.0% to 3.5% and the vertical axis only includes a snapshot from 0.0 to 1.2 to better identify the industries in this range.
Source: ABS (2017a), AEC (unpublished c).

IMPORT/ EXPORT ANALYSIS

Prominent imports into a region can represent opportunities, where skills and labour can be easily sourced. This could improve local industry supply chains and provide additional job opportunities for locals.

In 2014-15, an estimated \$522.8 million worth of imports came into McKinlay LGA. The key import into McKinlay is professional, scientific and technical services which is often the case in a regional area. Other key imports relate to the local mining and agricultural sectors, such as petroleum and coal manufacturing and basic chemical manufacturing imports.

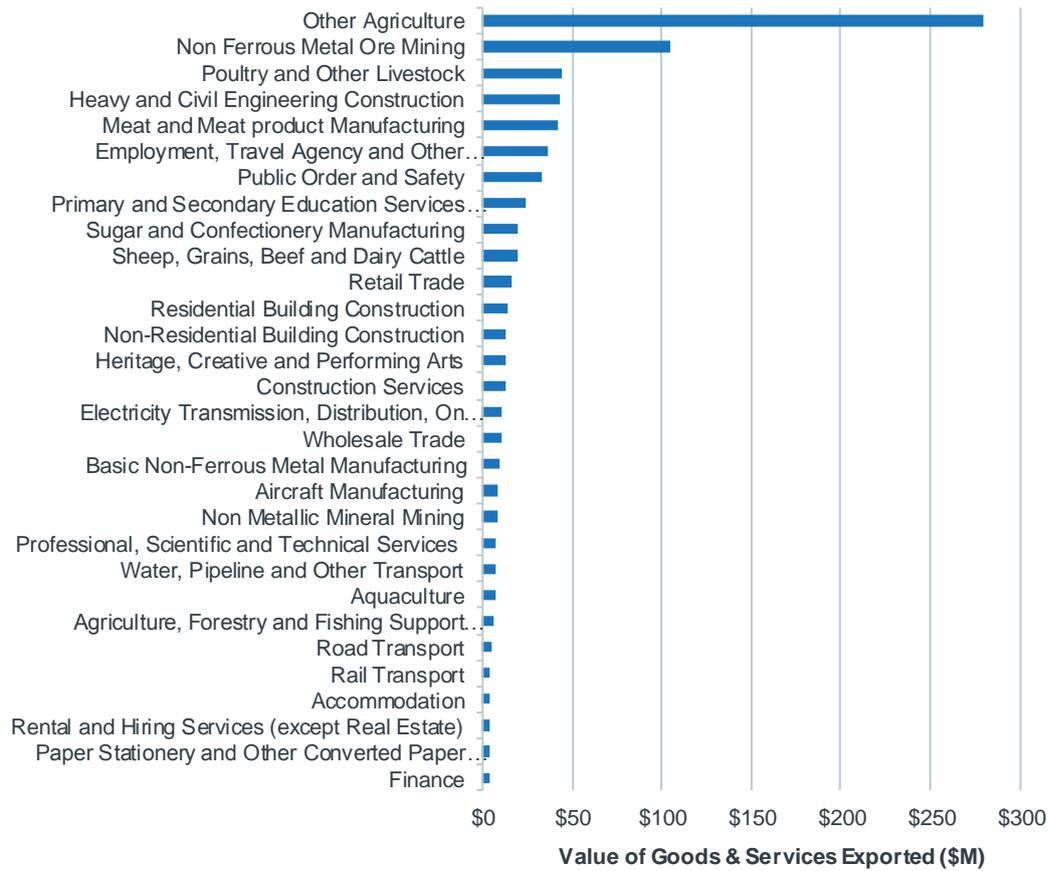
Figure C.4. Imported Goods and Services, 2014-15, McKinlay



Source: ABS (2012), ABS (2017d).

In 2014-15, an estimated \$871.2 million worth of exports left from McKinlay LGA. Key exports from McKinlay align with the key sectors of the economy, with other agriculture, non-ferrous metal ore mining and poultry and other livestock forming the top three.

Figure C.5. Exported Goods and Services, 2014-15, McKinlay



Source: ABS (2012), ABS (2017d).

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