

Prepared for the Queensland Department of State Development

Economic Development Strategy

Traveston Crossing / Mary Valley Area

Final Report

April 2007

Contents

	Executive summary	i
1	Introduction	1
	1.1 Purpose of this study	2
	1.2 Study context	2
	1.3 Study area	3
	1.4 Stakeholder consultation	4
	1.5 Report structure	4
2	Economic profile of the study area	6
	2.1 Demographic indicators	7
	2.2 Industry and business	10
	2.3 Infrastructure and services	17
3	Project overview	22
	3.1 Project description	23
	3.2 Project requirements	24
	3.3 Project impacts	28
4	SWOT analysis	36
5	Economic development opportunities	44
	5.1 Development of the tourism industry	46
	5.2 Value-adding to timber processing	55
	5.3 Development of a multi-purpose sports facility	58
	5.4 Development of a business park	62
	5.5 Provision of accommodation facilities	65
6	Economic development strategy	68
	6.1 Aspirations for the Mary Valley	69
	6.2 Economic development initiatives	69
	6.3 Action plans	76

Executive summary

PricewaterhouseCoopers was engaged by the Queensland Department of State Development to prepare an Economic Development Strategy for the area surrounding the proposed Traveston Crossing Dam. The purpose of this study was to identify practical, realistic and achievable opportunities for economic development within the Mary Valley. The outcomes of this study will assist in the development of strategies to mitigate the potential impacts of the proposed dam.

The proposed Traveston Crossing Dam would form a critical element of the overall water supply strategy for the South East Queensland region. If approved, Stage 1 of the proposed dam would deliver an additional 70,000 ML per year when it is completed in 2011. Stage 2 of the dam would proceed around 2035 and in combination with the raising of the Borumba Dam would deliver 150,000 ML per year.

The proposed Traveston Crossing Dam would generate a number of opportunities for the community of the Mary Valley. These include employment and training opportunities for the local workforce and the supply of materials, equipment and services by local businesses. While these opportunities would provide transient benefits initially (e.g. a capital injection into the local economy), there is scope for more enduring benefits to be obtained (e.g. an improvement in the skills base of the local workforce or an increase in the competitiveness of local businesses).

This study has focused on the identification of economic development opportunities which will generate sustainable economic growth over the longer term. The proposed Traveston Crossing Dam would likely accelerate trends within existing industries in the Mary Valley, while also acting as a catalyst for new industry and business opportunities. The challenge will be to leverage the benefits and opportunities arising from dam construction to best position industry and business, to generate sustainable economic growth.

We consider there are multiple opportunities to underpin future economic growth in the Mary Valley. While agricultural and timber processing activities currently dominate the economy of the area, we expect that there will be a greater diversity of industries and businesses in the future. These will provide incremental economic benefits for the Mary Valley.

Based on stakeholder consultation and a review of previous economic development studies in the region, a number of economic development opportunities were identified and examined. These include:

- *Development of the tourism industry* – there are opportunities to build on the natural and built assets of the area, and expand existing tourism activities which have developed around these assets. The construction of the proposed Traveston Crossing Dam would allow for a number of new recreational activities which would provide additional business opportunities for new and existing tourism operators.
- *Value-adding to timber processing* – opportunities for further processing of hoop pine in the Imbil area have recently been identified. These opportunities would allow for the development of existing and new timber processing and manufacturing sites. They would create employment opportunities and contribute to economic development in the region.
- *Development of a multi-purpose sports facility* – there is an opportunity to attract additional visitors to the Mary Valley by establishing a multi-purpose sports facility. The facility would be used for club activities (e.g. local sports and club competitions) while also having the capacity to host small to medium sized events. Subject to broad community support, the facility may potentially cater for noisy and hard-to-locate sports, such as motor sports and shooting.
- *Development of a business park* – an opportunity for the development of a small business park in the Imbil area has been identified. This park would bring together businesses which support the existing industries of the area (e.g. agriculture, timber processing), as well as activities associated with the construction of the proposed Traveston Crossing Dam.
- *Provision of accommodation facilities* – there is unlikely to be sufficient accommodation facilities within the Mary Valley and broader Gympie area to accommodate the expected construction workforce for the proposed Traveston Crossing Dam. Construction of the dam would therefore provide an opportunity for existing accommodation facilities to be utilised on a regular basis during the construction period, while new facilities may also be developed. There are also opportunities for the continued use of these facilities post dam construction.

An important feature of the opportunities is that they would potentially provide complementary benefits. For example, an increase in visitors due to the development of a multi-purpose sports facility may also benefit the tourism industry. The linkages between these opportunities, as well as existing industries and activities within the Mary Valley, would provide opportunities to further generate sustainable economic growth in the area.

Private sector participation will be integral to the development and implementation of these opportunities. While the development of these opportunities may be facilitated by local and state government, it is not the role of government to act as the proponent of these opportunities. Private sector interest would be expected where there are valid commercial opportunities which will provide a competitive ongoing return. While the development of an opportunity will therefore largely depend on its financial viability, it is acknowledged that the broader economic and social benefits arising from an opportunity may justify its development.

There are a variety of constraints and impediments to the implementation of these opportunities. These relate to the availability of land and infrastructure, the availability of skilled labour, the sufficiency of existing business development skills, potential environmental impacts and community acceptance. Further, the financial viability and the broader economic and social benefits of these opportunities will need to be established. A number of specific actions to overcome these constraints and impediments have been proposed.

Economic growth and development within the Mary Valley is also dependent on the economic activities within the Cooloola Shire, and surrounding regions (Sunshine Coast, South East Queensland, Wide Bay Burnett). Many of the opportunities for the people and communities of the Mary Valley are therefore likely to originate from the broader region, rather than from within the area. These linkages, and opportunities they provide, should be considered in the development of measures to mitigate the impacts of the proposed Traveston Crossing Dam.

Introduction

1.1 Purpose of this study

The Queensland Department of State Development engaged PricewaterhouseCoopers to prepare an Economic Development Strategy for the area surrounding the proposed Traveston Crossing Dam. This strategy will be applied to those communities in the Traveston Crossing / Mary Valley area.

The purpose of this study is to develop practical, realistic and achievable opportunities for economic development within this area. This study considers both the opportunities currently presenting within the area, as well as those which may arise from construction of the proposed Traveston Crossing Dam. The impediments and constraints to the development of these opportunities are identified and specific actions have been proposed to overcome these issues.

The Economic Development Strategy outlines realistic business and economic development opportunities that have the potential to drive economic activity in the area, and so create opportunities for sustainable future growth. The Strategy provides a framework to guide future economic development activities to be undertaken by stakeholders in the area.

1.2 Study context

In July 2006, the Queensland Government proposed that a new dam be built in two stages at Traveston Crossing on the Mary River. Traveston Crossing Dam would form part of the Government's diversified water supply strategy for the South East Queensland region. This strategy involves the development of new infrastructure to increase the volume and reliability of water supply, coupled with water conservation and demand management initiatives.

If approved, Stage 1 of the proposed Traveston Crossing Dam would deliver an additional 70,000ML per year when it is completed in 2011. Stage 2 of the dam would proceed around 2035 and in combination with the raising of the Borumba Dam will deliver 150,000ML per year. The proposed Traveston Crossing Dam would therefore form a critical element of the overall water supply strategy for the South East Queensland region.

Under State and Federal legislation, an Environmental Impact Statement (EIS) must be performed for all proposed infrastructure development projects which pose a risk of environmental harm. An EIS considers, amongst other things, the potential social and economic impacts (both

positive and negative) which may arise from the project. Further, it explores strategies that may be put in place to mitigate these potential impacts.

The Queensland Government has commissioned a number of interrelated studies which will assess the potential social and economic impacts of the proposed Traveston Crossing Dam. These studies will consider both the direct and indirect, and local and regional, impacts which may arise. In developing strategies to mitigate these impacts, the Queensland Government is seeking to investigate economic development opportunities for the communities surrounding the proposed dam site.

The Community Futures Taskforce has been established to work with the communities affected by the proposed Traveston Crossing Dam. The Taskforce provides a point of contact for the community for the provision of information about issues related to the proposed dam.

The Economic Development Strategy will be used to:

- inform the Community Futures Taskforce of priority issues relevant to future economic development in areas affected by the proposed Traveston Crossing Dam; and
- inform the mitigation strategies component of the EIS for the proposed Traveston Crossing Dam.

1.3 Study area

For the purposes of this study, the Traveston Crossing / Mary Valley area (“the Mary Valley”) comprises communities and land within 20 kilometres of the proposed Traveston Crossing Dam, particularly upstream from the proposed dam site, and primarily in the Cooloola Shire.

This study area encompasses the communities of Dagon, Amamoor, Kandanga, Imbil, Carters Ridge and the locality of Federal. Broadly the area can be divided into two geographic zones, as follows:

- Western zone – Dagon, Amamoor, Kandanga and Imbil
- Eastern zone – Carters Ridge and the locality of Federal

While the study is specific to this area, the Economic Development Strategy recognises the economic linkages with surrounding communities (such as Gympie) and the broader Cooloola Shire, along with economic linkages to the Sunshine Coast and South East Queensland regions.

1.4 Stakeholder consultation

Representatives from a number of organisations were consulted during the preparation of this report. These organisations are listed in the table below.

Table 1.0: Stakeholder consultation

Organisation / Unit
Community Futures Taskforce
Cooloola Regional Development Bureau
Cooloola Shire Council
Department of Communities - Kandanga One Stop Shop
Department of Local Government, Planning, Sport and Recreation
Department of Primary Industries and Fisheries
Department of State Development - Project Development and Facilitation
Department of State Development - Maryborough State Development Centre
Department of State Development - Sunshine Coast State Development Centre
Industry Capability Network
Queensland Water Infrastructure Pty Ltd
Tourism Queensland

1.5 Report structure

The remainder of this report is structured as follows:

Section 2 of this report contains a comprehensive description of the Mary Valley in terms of its demographics, business and industry mix and availability of infrastructure and services. This section outlines the current and future expected economic and social trends within the Mary Valley and details the factors which have shaped these trends.

Section 3 provides an overview of the proposed Traveston Crossing Dam project. This section looks specifically at the likely employment and local supply opportunities associated with the dam, as well as the land purchase and lease back arrangements in place. The potential impacts of the dam are also examined.

Section 4 contains a Strengths Weaknesses Opportunities Threats (SWOT) analysis of the Mary Valley. This analysis draws on the information presented in previous sections to assess the economic potential of the study area. This assessment will assist in the identification of economic development opportunities, as well as associated constraints.

Section 5 outlines a number of practical and realistic economic development opportunities for the Mary Valley. A detailed description of each opportunity is provided, and constraints and impediments to its development and implementation are identified. Each opportunity has been evaluated against a number of high level criteria developed in consultation with the Department of State Development.

Section 6 contains the Economic Development Strategy for the Mary Valley. The strategy outlines a number of initiatives to promote economic development in the Mary Valley, and contains detailed action plans for each of the economic development opportunities identified. The strategy outlines the key roles and responsibilities of stakeholders.

Economic profile of the study area

2.1 Demographic indicators

This section presents a demographic profile of the Mary Valley which details key demographic indicators relating to economic development and growth. This information will be used to identify prevailing demographic trends and assess the potential impacts (both positive and negative) that may result from construction of the proposed Traveston Crossing Dam. Further, this information will be used to identify and assess the potential economic development opportunities for the Mary Valley.

We have drawn largely on primary demographic data in the development of this profile. As there are a number of other studies which provide comprehensive demographic information for the Mary Valley and surrounding areas, we have chosen only to provide a snapshot of the area.

The collection and reporting of demographic information was complicated by the dated nature of existing data. In some instances the only available data that could be used was sourced from the 2001 Australian Bureau of Statistics census. Another obstacle in obtaining data was the level at which it had been collected. On most occasions only data for the whole Cooloolool Shire could be found, with the most granular level being "Cooloolool minus Gympie".

In order to examine the demographics of the study area, where possible, data was also collected for the surrounding shires (Kilkivan, Tiaro, Kilcoy, Maroochy and Noosa), as well as for Queensland.

Population and population structure

The demographic data for the Cooloolool Shire revealed that:

- the projected population growth is similar to Queensland. Based on figures obtained in 2006 the projected annual growth rate until 2026 will be 1.6%, this was comparable with a state forecast of 1.7%; and
- there is an ageing population. The proportion of people within the 15 - 24 and 25 - 44 age groups is below state averages, while the number in the 45 - 64 and 65+ is above.

There appears to be an increase in retirees and those after a sea change moving into the area. As baby boomers become older there is a shift in the age profile of Queensland. Despite this state wide shift, the Cooloolool region is projected to have a median age of 50, as compared to the state equivalent of 41, by 2026.

Employment and education

The demographic data for the “Cooloola minus Gympie” area revealed that:

- the employment gap has widened over the past year. The unemployment rate for this region was 3.6% higher than the state average for the September-06 quarter; and
- only 24.1% of residents have completed year 12 schooling or equivalent.

The demographic data for the Cooloola shire revealed that:

- structural barriers to obtaining employment or re-entering the workforce are greater in the Cooloola Shire than for the rest of Queensland. The key barriers include long-term unemployment, sole parenting and the receipt of a disability pension.

This data suggests a distinct lack of quality education and training possibilities within the region. Stakeholder comments reaffirmed this by suggesting that there is a desire by the people of the region to work or invest in local industry, however, sufficient training opportunities are not in place.

Data for the Cooloola Shire also showed that:

- employment is highest in the retail, manufacturing and agriculture, forestry and fishing sectors;
- employment targets lower skilled workers, namely labouring and intermediate clerical type work; and
- there is high job containment within the Shire with a large number of jobs in the area being filled by the local workforce. Australian Bureau of Statistics data indicates that job containment in the Cooloola Shire was approximately 14% higher than the state average in 2001.

Household income

Data for the “Cooloola minus Gympie” area showed that:

- the average wage and salary income in 2003-04 was \$30,450 per annum which was substantially lower than the Queensland equivalent of \$35,917 per annum; and

- levels of income support are also relatively high with approximately 12% more residents receiving support in comparison to the broader Queensland population;

Household structure

Data for the Cooloola Shire showed that:

- by 2026 it is projected that the most popular family unit will be couples without children and lone person households; and
- there is a high proportion of English only speaking residents when compared to State figures.

Housing

Data for the Cooloola Shire showed that:

- since 2001 there has been an upward trend in dwelling approvals with an increase of 17% being recorded for the last financial year. Noosa and Maroochy shires appear to be on a downward trend with a drop in approvals over the past 2 years; and
- the median house price average annual growth over the past five years has been 4.8% higher than the state average. While this figure is larger than what has been seen in the Noosa and Maroochy shires, the average median house price itself is still substantially higher in these neighbouring shires.

There is a significant trend in the movement of people from the Maroochy and Noosa shires to the Cooloola Shire. This is attributed to rising house prices and a decreasing amount of available land for residential development. At present, this population shift is being absorbed by Gympie and other areas of the Cooloola Shire and there is little evidence of significant population movement to the Mary Valley. However, the corresponding effects on the provision of infrastructure (particularly social services) and the economy of the Cooloola Shire will have flow-on effects in the Mary Valley.

2.2 Industry and business

The Mary Valley is largely composed of rural industries with forestry, dairy, beef and horticulture covering much of the landscape. There is also a small tourism industry which draws on the rural lifestyle and natural assets of the area. Aside from these industries, there are also a number of agri-businesses which support the timber and agricultural industries, and some small home based and service based businesses.

Gympie is both the economic and administrative centre of the Cooloolo Shire. It is located 16km north of Traveston Crossing and contains over 40% of the Cooloolo Shire population. Both the Cooloolo Shire Council and Cooloolo Regional Development Bureau are located in Gympie and consequently many of the decisions which affect development and industry in the Cooloolo Shire are made at this location.

Despite the existence of some industry and small business in the Mary Valley, the local economy relies heavily on its linkages with Gympie. Due to its geographical closeness and broad industrial base, Gympie provides the Mary Valley with goods and services and creates employment opportunities for its residents. When considering economic development in the Mary Valley, it is therefore necessary to examine the broader opportunities which exist in Gympie.

Of further importance are the strengthening linkages between Gympie and the broader Sunshine Coast and South East Queensland regional areas. At present, the main industries that provide exports to these regions include agriculture, forestry, manufacturing, mining and some educational services.

Economic growth in the Noosa, Maroochy and Caloundra shires has led to an acknowledged shortage of land for general light industry and logistics uses on the Sunshine Coast. This shortage is likely to worsen as South East Queensland experiences projected population growth of 50,000 persons a year, the highest in the nation.

In response to projected growth, the Queensland Government has developed the South East Queensland Regional Plan 2005-2026 to manage growth, land use and urban development over the next 20 years. The plan (inter alia) regulates the availability of rural, residential and industrial land. While Cooloolo Shire lies outside the coverage of the Regional Plan, it is likely that restrictions on the availability of industrial land on the Sunshine Coast may open up opportunities in adjacent regions in the short and medium terms.

The availability of lower cost industrial land in the Gympie area may make it comparatively more attractive as a location for industrial development. The upgrade of transportation facilities (road and rail) between Gympie, the Sunshine Coast and the South East Queensland region, as well as the stable workforce available in the Cooloola Shire will also contribute to its attractiveness as a location for industrial development.

Against this, it is acknowledged that there are difficulties associated with the development of industrial land in Gympie, both physically due to the topography of the area and in obtaining planning and infrastructure approvals. This may tend to reduce the attractiveness of the Gympie area as an industrial centre. Similarly, should future reviews of the South East Queensland Regional Plan result in an amendment that would increase the availability of land for industrial development on the Sunshine Coast, Gympie's comparative advantage as an industrial destination for overflow from the Sunshine Coast may be lessened.

In either event, the strengthening of linkages between Gympie and the broader region will likely result in flow on benefits to the Mary Valley by providing business and employment opportunities.

Agriculture

The agricultural industry is central to the make-up of the Mary Valley. The current dominant food and fibre industries of the Mary Valley include:

- livestock production, primarily beef and dairy;
- horticultural production, including macadamia nuts, ginger, avocados and annual vegetables

Figures obtained for 2000-01 show that of the 620 farms in the Cooloola region, approximately 255 were involved in beef production. Other key agricultural activities include dairying (118), fruit cropping (137) and vegetable cropping (68). These 620 farms occupy approximately 121,000 hectares of freehold title land across the Cooloola Shire, although a large number of these farms are located in the Mary Valley.

The agricultural industry in the Cooloola Shire is dominated by smaller scale farms. Just under one-third of farms are earning less than \$22, 500 per annum, with these farms predominately involved in beef cattle grazing. While these businesses individually may not provide a significant opportunity for economic growth, collectively they contribute to the economy of the region. Anecdotal evidence suggests that due to the high quality and diversity of goods produced by these farms, they provide for a potentially successful trade in specialised / niche products to local and regional areas.

With the advent of dairy industry deregulation, many small family type businesses throughout the state have exited the dairy industry while a number of larger operators have expanded and substantially increased their production capacity. Due to relatively high land prices in coastal areas, the dairy industry has generally been moving further inland. These factors, along with the ongoing drought, high feed costs and low farmgate milk prices, have contributed to the decline of dairy farm numbers in the Mary Valley in recent years.

Forestry and timber processing

Forestry and timber processing are historically significant activities within the Mary Valley. The resource base of the area consists largely of hoop pine plantations, however, exotic softwood and hardwood resources are also present.

Softwood resources within in the area are managed and harvested on a sustainable basis. Softwood resources are marketed under long-term and short-term contracts with tendering for the short-term contracts being highly competitive. The large exotic and hoop pine resource in the Mary Valley and Gympie regions is fully utilised by a well established processing industry.

Within the Mary Valley, the hoop pine resource is used to produce furniture and joinery grade timbers, and a similar range of products as exotic pine. Outside of this area, the resource is also used to manufacture plywood, veneer and food industry products.

Soft wood timber processing and manufacturing companies in the Mary Valley include:

- Hyne and Son which is one of Australia's largest privately owned timber processing, wholesaling and retailing companies. It has operations throughout Queensland, New South Wales and Victoria. The company employs over 850 people. Hyne Timber's Araucaria (hoop pine) Division operates a modern, boutique sawmilling and drying operation at Imbil as well as a highly automated drying, chop-line and re-manufacturing facility at Melawondi, near Imbil. These mills process over 200,000 m³ of hoop pine log per annum.

- Integrated Timbers which operates a small sawmill in the township of Imbil. The company purchased the mill in May 2006 and employs approximately 16 people. It has a small Forestry Plantations Queensland (FPQ) allocation of hoop pine thinning logs and purchases logs from other processing companies. The company currently produces low quality, green-off-saw products (e.g. fencing products).

Within the Mary Valley and broader Gympie region, the exotic pine resource is used to produce structural timber, reconstituted board product (MDF and particleboard) and a suite of lower value products such as fencing products. Outside of these areas the resource is also used to manufacture plywood.

There are relatively small and scattered parcels of immature hardwood plantation in the Mary Valley and Gympie region. The industry is declining in size and appears to have limited opportunities for growth as the availability of hardwood resource is gradually being reduced under the South East Queensland Regional Forestry Agreement. Under this agreement certain mills have been granted 25 year sale permits which will expire in 2024. While sale permits are tradable, no new permits will be granted. After this time, logging of hardwood timber in native forests on State forests and timber reserves will cease.

While there is some expansion of private hardwood plantations, this resource is comparatively small and is not expected to be harvested for approximately 10 - 15 years.

Large timber processing and manufacturing companies within the broader region include:

- Hyne and Son which operates a Structural Softwood Division which operates a large softwood sawmill at Tuan, 80 km north-east of Gympie. The mill processes approximately 700,000 m³ of exotic pine log per annum. The mill employs more than 250 people. The Structural Softwood Division produces high-grade structural products mainly for the Australian domestic market. It consists of two state-of-the-art structural softwood sawmills and three Engineered Timber Product manufacturing plants;
- Laminex which manufactures medium-density fibreboard;
- Weyerhaeuser which operates a large softwood sawmill at Caboolture;
- Carter Holt Harvey which operates a particleboard manufacturing plant in Gympie;

- Robertson Brothers and Gympie Timber Company which both process approximately 10,000 m³ of hardwood sawlog into a range of structural and appearance grade products;
- Other smaller softwood and hardwood mills which operate in the Mary Valley/Traveston and Gympie regions.

While there are value-adding opportunities for most of the timber harvested, hoop pine naturally lends itself to secondary processing due to its high quality. Value-added activities currently in the region include flooring, furniture timbers, poles, laminated beams and cross arms. Some of the larger furniture companies in the greater region include Ausgum which is based in Gympie, Exquisite Australia which is based in Kenilworth and Page Furnishers which is located in Pomona.

Tourism

The Mary Valley largely attracts visitors on a short-break (staying 1 - 3 nights) and day trip basis, with visitors consisting of older travellers and families that are seeking to enjoy the scenery and experience the rural lifestyle. The Mary Valley tourist drive is a popular route for many visitors travelling through the area. The key attributes of the Mary Valley include its natural beauty, outdoor recreation opportunities, rural lifestyle, country history and heritage, and the friendliness of local communities.

Tourism businesses in the area are generally small operations which seek to provide visitors with a personal and authentic experience. These businesses provide accommodation (e.g. B&Bs, farm stays), fresh produce, guided tours, outdoor recreation activities (e.g. horse riding, canoeing), farm experiences and other products (e.g. arts and crafts).

In January 2006, Tourism Sunshine Coast and Cooloola Shire Council conducted a visitor survey¹ of the broader Cooloola region (encompassing Gympie, Rainbow beach, Tin Can Bay and the Sunshine Coast hinterland). This survey showed that:

- the vast majority of overnight visitors to the region were domestic travellers (92%) with the majority originating from Brisbane and the remainder of Queensland;
- approximately 17% of respondents visited the Sunshine Coast hinterland (incorporating the Mary Valley, Glasshouse Mountains, Montville and Maleny;

¹ Tourism Queensland, Cooloola Shire Council. Cooloola Visitor Survey – January 2006. Prepared by Tourism Queensland.

- at least half of the overnight visitors to the Cooloola region stayed for 5 nights or more, with parties travelling without children tending to stay for longer; and
- around 8% of visitors surveyed stayed in overnight accommodation within the Mary Valley during their stay in Cooloola.

Accommodation in the area is composed of bed and breakfast establishments, guest houses, farm stays, caravan parks and camping facilities.

A central attraction within the area is the Mary Valley Heritage Railway and, in particular, *The Valley Rattler* steam train. It currently runs on Wednesdays, Saturdays and Sundays and travels from Gympie to Imbil, stopping at Dagon and Kandanga. The *Red Rocket* heritage railmotor morning tour operates every Tuesday and travels from Gympie to Amamoor.

Other recreational activities in the area include:

- bushwalking;
- water sports (fishing, canoeing, water skiing, swimming);
- horse riding;
- bike riding;
- car rallying;
- camping; and
- picnicking.

The Mary Valley also hosts a number of events which draw people to the area. These include:

- the National Country Music Muster ('the Gympie Muster') which is held in the Amamoor State Forest and attracts around 60,000 people annually;
- the Annual Draught Horse Day highlights the strong timber, tropical fruit and vegetable industries;
- a stage of the Australian Rally Championship is held in June in the Imbil State Forest;
- the Far-A-Way Easter Endurance Ride is held in the Imbil State Forest;
- the Race the Rattler foot race against *The Valley Rattler* steam train between Gympie and Dagon (18.5km); and
- the Mary Valley Show and Rodeo which takes place in August.

Despite its tourism assets, the tourism market within the Mary Valley is not well developed. The Draft South East Queensland Country Destination Management Plan attributed this to poor awareness and recognition of the tours and activities available within the Sunshine Coast hinterland, and increasing competition from other rural tourism areas on the Sunshine Coast².

Other business

Within the Mary Valley, there are a number of agri-businesses which support the timber and agricultural industries, as well as some small home based (e.g. tradesmen) and service based (e.g. petrol stations, cafes) businesses.

Excluding timber businesses, the largest business in the Mary Valley is Moy Pocket Sunshine Coast Quarries Pty Ltd. This is a blue metal quarry which is excavated to produce concrete, aggregates and road bases. The company employs 30 full time workers on average.

The broader Cooloola Shire contains a number of businesses which provide opportunities for those who reside in the Mary Valley. These include:

- Nestle Australia Ltd. which produces Nescafé and International Roast brands of instant coffee as well as Andronicus roasted and ground coffee. It is based in Gympie and provides over 200 jobs;
- Nolan Meats Pty. Ltd. which have been in the meat industry for 45 years and are associated with meat processing, packaging and distribution. They employ over 290 people;
- J. Smith & Sons Pty Ltd which is involved in the design and manufacturing of heavy road trailer equipment for earth moving, mining and sugar industries; and
- Suncoast Gold Macadamias (Aust.) Ltd. which processes 5,500 tonnes of macadamias and employs 140 people.

Significant businesses within the Cooloola Shire are characterised as follows:

- their operations are relatively 'clean' and do not affect the environment of the surrounding areas;
- they do not require excessive amounts of land in one area; and

² Department of Tourism, Fair Trading and Wine Industry Development, South East Queensland Country – Destination Management Plan, 2007 - 2010 (DRAFT)

- they collectively form a diverse industrial base which ensures economic stability in the region.

As discussed previously, there is potential for greater industrial development in the Cooloola Shire as the availability of industrial land declines in coastal regions. The Cooloola Regional Development Bureau has estimated there is currently more than \$100 million being invested in the development of business and industry in the Cooloola Shire³.

2.3 Infrastructure and services

High level infrastructure

Roads

The current major roads in the area include:

- the Bruce Highway is a major rural arterial road with its main function being to serve inter-regional areas. It is a high speed road, of national importance that carries significant volumes of traffic and freight and is part of the AusLink national network;
- Gympie - Brooloo Road is a rural sub-arterial road that provides a high speed north-south connection, linking Gympie to Kenilworth and the Sunshine Coast hinterland via the small rural towns of Amamoor, Kandanga, Imbil and Brooloo in the study area;
- Kenilworth - Skyring Creek Road is a rural sub-arterial road which provides a north-south link to enable access to the Eumundi - Kenilworth Road to the south or the Bruce Highway to the north; and
- Tuchekei Road is a rural sub-arterial road that provides an east-west connection between the Gympie - Brooloo Road and the Kenilworth - Skyring Creek Road and then onto the Bruce Highway.

The small rural townships of Amamoor, Kandanga, Imbil and Brooloo currently have local connectivity via the Kandanga - Amamoor Road, Kandanga - Imbil Road and Imbil - Brooloo Road. These roads run north - south and are generally parallel and to the west of the rural sub-arterial Gympie - Brooloo Road.

Roads that would be affected by the proposed Traveston Crossing Dam include:

³ http://www.cooloola.org.au/content_article.php?CategoryID=60&ArticleID=18

- Bruce Highway;
- Gympie Brooloo Road;
- Kenilworth Skyring Creek Road;
- Coles Creek Road;
- Carlson Road;
- Kandanga Amamoor Road;
- Kandanga Creek Road;
- Tuchekei Road;
- Yabba Creek Road;
- Kandanga Imbil Road;
- Chippindall Road; and
- Parkinson Road.

Planning for the upgrade of the Bruce Highway has been taking place for a number of years. The construction of the proposed Traveston Crossing Dam would bring the timing of this upgrade forward.

While these roads are forecast to be affected by the construction of the proposed dam, conceptual road realignments have been developed to retain the functionality of the road network. Refinements of these alignments and extent of work is currently in progress.

Rail

There is a 40 km railway line which is primarily used for tourism linking Gympie with the small country towns of Dagon, Amamoor, Kandanga, and Imbil. The Sunshine Coast rail line runs for 104 kilometres to Nambour and 173 kilometres to Gympie North from Brisbane's Central Station. In the region there are stations at Traveston, Cooran, Pomona, Cooroy, Eumundi and Yandina.

The only rail infrastructure to be affected by the proposed Traveston Crossing Dam is a section of the track (approximately 4km) used by *The Valley Rattler*. This will have to be relocated should Stage 2 of construction proceed.

Water services

Residences all currently run on septic sewerage systems and there appears to be no significant infrastructure in the study area.

Water collection for the dam will originate from Yabba Creek, Kandanga Creek, Kingaroy Creek, Mary River and an unnamed creek. There are currently no water storage areas in the proposed ponded area.

Electricity

A high voltage line is located on the western side of the proposed dam site and runs in a north-south direction. This line crosses two sections of the proposed site north east of Imbil and south west of Kandanga. Another high voltage line is also located to the east of the proposed dam site and runs in a north south direction. A section of this line runs parallel to the Bruce Highway and may therefore be affected should the highway need to be relocated.

Two electrical substations exist in the centre of the proposed ponded area. One is located approximately where Skyring Creek meets the Mary River and the other is located north east of Kandanga along Gympie Brooloo Road. From the two electrical substations 33kv power lines distribute power through a series of stepwise changes, down through an 11kv line and a low voltage line that services the households of the Mary River Valley via above ground powerlines. These low voltage lines are distributed throughout the proposed ponded area.

Telecommunications

Surrounding townships and properties within the area have access to telephone services, including the internet and television and radio stations. Information regarding the location of existing fibre optic cables was not sourced for the purposes of this study.

The relocation of any telecommunication infrastructure will depend on the location of residences after construction of the proposed dam is completed.

Social services and infrastructure

Primary and secondary education

There are six state schools located in the study area, including:

- Mary Valley State College (Edward Street, Imbil);
- Kandanga State School (Main Street, Kandanga);
- Federal State School (Bruce Highway, Skyring Creek);
- Kandanga Creek State School (Sterling Road, Kandanga);
- Dagun State School (Dagun Road, Dagun); and
- Amamoor State School (Elizabeth Street, Amamoor).

Each school is a primary school, however, Mary Valley College caters for both primary and secondary education up to year 10.

Tertiary education

No tertiary institutions are located within the study area. There is, however, the University of the Sunshine Coast (USC) at Sippy Downs (within Maroochy Shire) and the satellite USC Noosa Centre at Noosa Junction (within the Noosa Shire).

TAFE campuses located within the wider surrounding region are the Sunshine Coast Institute of TAFE (with campuses located at Caloundra, Maroochydore, Mooloolaba, Nambour and Noosa) and the Wide Bay Institute of TAFE (with campuses located at Bundaberg, Gympie, Hervey Bay, and Maryborough).

Health services

Hospitals located near the study area include Gympie, Maleny, Nambour and Caloundra Hospitals. The Medicworx Clinic (doctor's surgery) is located within Imbil and is open during the morning only, Monday to Friday. A doctor is also available at the Imbil RSL Hall on Mondays (all day).

People within the area may either travel to Imbil to visit this clinic or to Gympie, Cooroy, Kenilworth, or the Sunshine Coast. General practitioners, specialist doctors, dentists and other medical services are also available within the region.

Sport and recreation

The Cooloolool Shire Council website identifies seven parks located in the vicinity of the proposed dam site. These include Bert Smith Park (Imbil), Memorial Park (Imbil), Imbil Outlook (Imbil), Jack Spicer Park (Kandanga), Kann Park (Kandanga), Amamoor Playground (Amamoor), and Mary Fereday Park (Carters Ridge).

Community facilities

A detailed review of the community facilities within the Mary Valley was not undertaken for the purposes of this report. However, the following community facilities have been identified through other investigations:

- Halls - Amamoor, Brooloo, Imbil, and Kandanga;
- Cemetery - Kandanga;
- Swimming pools - Kandanga, Mary Valley State College;
- Sporting grounds - Kandanga;
- Tennis Court - Kandanga; and
- Lawn Bowls Club - Kandanga.

Social infrastructure in the area would appear to be affected should Stage 2 of the proposed Traveston Crossing Dam proceed, with Federal State School, Kandanga Cemetery and parks within Kandanga and Carters Ridge being affected. The biggest effect that proposed dam construction will have is on accessibility to this infrastructure.

The State Government is undertaking land use and infrastructure planning studies for the area impacted by the proposed Traveston Crossing Dam. These studies will investigate the specific impacts on existing land uses and settlement patterns around the dam site, including impacts on existing infrastructure.

Project overview

3.1 Project description

Traveston Crossing is approximately 16 kilometres south of Gympie and 150 kilometres north of Brisbane. It is approximately 45 kilometres inland from Noosa in the north, and Caloundra in the south.

The proponent of the Traveston Crossing Dam Project is Queensland Water Infrastructure Pty Ltd.

The proposed Traveston Crossing Dam would be constructed in two stages, as follows:

- Stage 1 – Construction of dam wall to full height, including concrete spillway and earth/rockfill embankments. The dam capacity would be designed to provide storage for 153,000 megalitres (ML) and able to deliver up to 70,000 ML per annum. The dam is planned to operate at an elevation of 71 metres above Australian Height Datum (AHD);

Separately, it is proposed to raise the Borumba Dam which is located on Yabba Creek near Imbil. This would deliver an extra 40,000 ML per annum when operated in conjunction with Stage 1 of the Traveston Dam; and

- Stage 2 – Completion of the Traveston Crossing Dam to operate at an elevation of 79.5 metres above AHD. Stage 2 would deliver an extra 40,000 ML – 80,000 ML per annum.

Construction of the first stage of the proposed Traveston Crossing Dam would commence in 2009 and be completed by the end of 2011. The raising of Borumba Dam would occur around 2025. Stage 2 of the proposed Traveston Crossing Dam, if required, would proceed around 2035.

Stage 1 of the proposed Traveston Crossing Dam would result in changes to the current land use and ownership within and around the proposed inundation area. Full supply level at Stage 1 would inundate an area of around 3,000 ha and would affect approximately 332 private land holdings (76 houses).

Stage 2 of the proposed Traveston Crossing Dam would affect an additional 265 properties (128 houses) and the area of inundation would increase to approximately 7,135. Additional land around the full storage level of both stages would be acquired to act as a buffer zone and the requirement for infrastructure to be relocated would cause further property impacts.

3.2 Project requirements

This section discusses a number of issues specific to the development of the proposed Traveston Crossing Dam. These issues include the:

- potential workforce requirements;
- potential for the local supply of materials, equipment and services; and
- land purchase and lease back arrangements.

It should be noted that the information presented below is likely to be further updated as more detailed project planning (e.g. design) occurs, and land purchase and lease back arrangements are progressed.

Workforce requirements

Based on the workforce requirements of the recently constructed Paradise Dam, it is estimated that around 500 jobs may be created in the construction of the proposed Traveston Crossing Dam. This is considered a conservative estimate as a larger scale of works is anticipated to be necessary for the proposed Traveston Crossing Dam project. It is expected that around 30% - 40% of these jobs will be able to be filled from the surrounding regions.

In progressing this project, Queensland Water Infrastructure has indicated it will:

- encourage the recruitment of a local workforce, where possible, to maximise the potential employment opportunities available to the local community and to reduce the number of the incoming workforce; and
- encourage the development of partnerships with local training providers regarding the timely provision of suitable training opportunities. This will enhance the capacity of local communities (particularly indigenous communities and job seekers) to access employment opportunities.

It would also be incumbent on Queensland Water Infrastructure to ensure that contractors and sub-contractors comply with the State Government's *Building and Construction Contracts - Structured Training Policy*. This policy requires that a minimum of 10% of the total on-site labour hours be undertaken by apprentices, trainees or cadets, and may also include the upskilling of existing workers.

The construction of the proposed dam and relocated infrastructure is expected to provide some direct employment opportunities for skilled and unskilled workers. In particular, workers will be required for plant and equipment operation, construction and contract administration and management. Further employment opportunities may be made available through the provision of goods and services by local suppliers.

While the proposed Traveston Crossing Dam may provide employment opportunities for the existing workforce of the Mary Valley, it is recognised that barriers to participation (e.g. skills gaps) would need to be overcome.

Local supply of materials, equipment and services

The construction of the proposed Traveston Crossing Dam would provide opportunities for the supply of materials, equipment and services by businesses within the Cooloola area and surrounding regions (Sunshine Coast, Wide Bay Burnett).

Based on the experience of the Paradise Dam, it is expected that more than 40% of goods and services would be sourced from the surrounding regions. This equates to around 240 local suppliers required for the project across a number of industries. It was found that more than 90% of the total value of goods and services required for the construction of Paradise Dam was spent in Queensland⁴.

Under the Queensland Government's Local Industry Policy, *A Fair Go for Industry*, the project must provide full, fair and reasonable opportunity for Queensland and Australian industry to participate in the provision of goods, equipment, services and technology. It is therefore incumbent upon Queensland Water Infrastructure to ensure that opportunities to maximise local industry participation are provided by this project.

Queensland Water Infrastructure has indicated that work will be packaged and presented so as to offer opportunities for capable and competitive level suppliers. Queensland Water Infrastructure will provide information on business opportunities in the Cooloola area and surrounding regions prior to the release of these packages, and tenders will be advertised locally.

The Industry Capability Network⁵ would identify and engage local businesses which are able to supply goods and services commensurate with the quality, safety, reliability and delivery standards and objectives of the

⁴ Local Content Awards 2005 – Nomination. Burnett Water Infrastructure Project. Prepared by Burnett Water Pty Ltd

⁵ The Industry Capability Network provides specific import replacement services, to private and public sector organisations, to maximise local industry participation and content in projects and procurement.

project. Further, the Industry Capability Network would identify opportunities for small businesses in the local area.

The types of materials, equipment and services likely to be required at each stage of the project are shown below:

Table 2.0: Project requirements

Pre construction		
aerial photography	land surveying	transport
design and engineering services	mapping	signage
earthmoving	professional services	
electrical services	vegetation clearing	
Construction		
aggregate crushing	equipment maintenance	reinforcing steel
bulk cement supply	hoists	rubber waterstop
bulkhead crossovers	hydraulics	signage
camp catering and cleaning	metal fabrication	transport
camp accommodation	motors	stop log gates
community services	office supplies	steel fixing
crushing equipment	pipe work	structural concrete
earthmoving	precast panels	transport
electrical services	pumps	
Post construction		
asset management	facilities management	security
environmental monitoring	landscaping	

It is expected that there will be opportunities available to local suppliers in the Mary Valley. The industry and business mix of the Mary Valley is dominated by agricultural and forestry activities, with a lesser focus on activities which would directly support a construction project. Further, most businesses within the Mary Valley tend to be smaller in size.

For these reasons, it is thought that local supply of goods and services would centre on activities which:

- facilitate the relocation and re-establishment of existing agricultural businesses (e.g. infrastructure development, land preparation);
- support allied construction activities, by drawing on the existing business mix of the area (e.g. land clearing, earthmoving, fencing);
- support the construction workforce (e.g. accommodation, food and entertainment); and
- support the recreational opportunities created by the proposed dam.

It is acknowledged that the direct benefits resulting from construction projects are generally temporary, with large capital injections coming into a local economy for a limited period. Further, construction companies and workers are mobile, with the result that there is no certainty as to the level of capital injected in the local and regional economies.

Quantification of the benefits associated with dam construction will be provided in the Environmental Impact Statement, which will be released by October 2007.

Land purchase and lease back arrangements

The construction of the proposed Traveston Crossing Dam (both stages) will require the acquisition of 597 properties in the Cooloola, Maroochy and Noosa shires. In order to give certainty to all landholders, including those that may be affected if Stage 2 is required, Queensland Water Infrastructure is currently purchasing the land required for both stages on a voluntary basis.

Land that is purchased now will be leased back to the current owners until it is required for the dam. Depending on whether the land is needed for Stage 1 or Stage 2, land could continue to be available for use by the current owner for up to 30 years.

Each property affected by the proposed dam will be subject to one of the following leaseback conditions:

- Properties which are wholly contained within the Stage 1 land requirement will be subject to leaseback rates of 3% per annum of market value or \$1,000 per annum, whichever is less. These rates will apply until the land is required for dam construction, or until December 2011 at the latest.
- Properties which are contained within both Stage 1 and possible Stage 2 land requirements will be subject to Phase 1 rates for all land until December 2011. After December 2011 and until 2035, Phase 2 rates of 25% of market value will apply until 2035 for the purchased land additionally required for the proposed Stage 2.
- Properties contained in the proposed Stage 2 land requirement only will be subject to Phase 2 leaseback rates from the date of purchase until 2035.

Stage 1 of the proposed dam would affect approximately 332 private land holdings, while the proposed Stage 2 would affect an additional 265 properties. As land purchasing and lease back processes are currently

progressing and the resulting arrangements are confidential, it is not possible to provide information on the take-up of the lease back offer. Anecdotally, it appears that those affected by the proposed dam are largely choosing to remain in their current location until the completion of Stage 1 in 2011.

The purchase of significant amounts of land has the potential to stimulate a capital injection into the economy of the Mary Valley and surrounding areas. This would occur as equity previously held in land and other farm assets is made available through their sale. It is impossible to determine the quantum of the capital injection into the Mary Valley as this would require an understanding of the equity position (accounting for debt) of those affected and their intentions as to how the equity released may be spent.

Nonetheless, it could be assumed that at least some additional capital will flow into the Mary Valley, either through the purchase of goods and services or the investment in new business opportunities.

3.3 Project impacts

The purpose of this section is to provide an outline of the likely impacts (both positive and negative) on the economic profile – outlined in Section 2.0 above – of the Mary Valley Area. The information presented below is used in the subsequent SWOT analysis of the Traveston Crossing Area (Section 4.0) and the identification of economic development opportunities (Section 5.0).

This section is not intended to provide a comprehensive description of the impacts associated with the development of the proposed Traveston Crossing Dam. These impacts will be comprehensively detailed in the Environmental Impact Statement prepared by Queensland Water Infrastructure.

Demographic indicators

Population and population trends

- Land acquisition is likely to affect the population and population characteristics of the Mary Valley as those people affected relocate both within and external to the area. It is not possible to fully determine the extent of these impacts until land purchase processes are finalised and the relocation intentions of those affected are better understood.

- The impact on aggregate population and population characteristics of the Mary Valley may be offset by a number of factors including:
 - the opportunity for those affected to remain on their properties until construction of the proposed dam is finalised (2011 for Stage 1 and 2035 for Stage 2); and
 - broader trends in population growth which will see a steady inflow of people into the area within the longer term project timeframe (up to Stage 2).
- Anecdotal evidence suggests that those affected by the proposed dam will take advantage of lease back arrangements and will remain in their current location until at least 2011. The desire of people to remain in the Mary Valley was raised consistently throughout consultation undertaken for this project.

Employment

- The project would result in a loss of rural land and therefore impact on the agricultural industries, in particular grazing, dairy and crop production, within the Mary Valley. This is likely to affect employment in terms of both the capacity of family owned businesses to continue their operations and the employment of external labour. Where these businesses are either wound down, or relocated out of the Mary Valley, there may be further consequential impacts on employment as support businesses are affected. The impacts on agricultural businesses are discussed in the subsequent section.
- The construction of the proposed dam and relocated infrastructure will provide employment opportunities for skilled and unskilled workers on a temporary or short-term basis. Employees will be required for plant and equipment operation, construction, contract administration and management. This will provide some opportunities for the existing workforce within the Mary Valley.

The extent to which these opportunities would off-set the employment impacts associated with the decline of agricultural industries has not been quantified for the purposes of this study.

- The presence of a temporary labour force for the construction of the proposed Traveston Crossing Dam would likely increase demand for some goods and services within the Mary Valley (e.g. food, entertainment, accommodation). This may provide opportunities for existing and possibly new businesses, and may provide some additional employment opportunities for the existing workforce.

Skills and training

- It is anticipated that training opportunities would be made available to the existing workforce within the Mary Valley to enhance their capacity to access potential employment opportunities. These opportunities may be made available through local education and training organisations (e.g. TAFE institutes) or the companies contracted to construct the proposed Traveston Crossing Dam.
- The State Government's *Building and Construction Contracts - Structured Training Policy* requires that apprentices and trainees undertake a minimum of 10% of the on-site hours on this project. Further, the companies contracted to construct the proposed Traveston Crossing Dam will be obligated to arrange timely training and qualification arrangements to meet the needs of skills development to support all phases of the project.

Other social implications

- Acquisition of property prior to construction of the proposed dam will lead to the relocation of families and businesses. The impact on individuals, families and the social fabric of the area, particularly in the small rural towns, would require careful assessment and management.
- The Mary Valley is experiencing change, involving population movements and restructure within the agricultural sector. This places demands on the ability of the local communities to adapt and respond to associated changing social and economic structures.

Business and industry

Agriculture

- An area of good quality agricultural and rural residential land would be inundated or impacted through the construction of the proposed Traveston Crossing Dam and relocation of infrastructure. It is estimated that up to 150 farming businesses are operating within the inundation area of the proposed Traveston Crossing Dam (Stages 1 and 2).
- The loss of agricultural land and the impact upon farming businesses is likely to affect the local economy in terms of reductions in productivity, employment losses and the rendering of some farm holdings as unviable due to a reduction in property size.

- While there would clearly be some effect on the agricultural industries of the Mary Valley, the magnitude of this impact is difficult to determine as land purchase and lease back arrangements are still progressing. Further, the intentions of businesses affected by the proposed dam are not well understood. This impact may be offset to some extent as:
 - the lease back arrangements would allow a number of agricultural businesses to remain in their current location until either 2011 or 2035; and
 - the land purchase and lease back arrangements may provide some businesses with the opportunity to restructure or expand, and act on new agricultural opportunities that arise.

- Given that land purchase and lease back arrangements are still progressing, and the confidentiality associated with these arrangements, it has not been possible to draw conclusions regarding the intentions of agricultural businesses in the Mary Valley. Anecdotally, it appears that:
 - most owners of agricultural businesses affected by the proposed dam are choosing to remain in their current location and lease back their land, at least until 2011 when Stage 1 would be completed;
 - where inundation reduces a property to an unviable size, then businesses are proposing to relocate and re-establish, rather than exiting their industry;
 - most horticultural producers affected by inundation are seeking to relocate within the local area; and
 - only a handful of displaced dairy businesses are expected to remain in the Mary Valley with some operators choosing to relocate out of the area, and the remainder exiting the industry. This is consistent with the broader trends within the industry involving a decline in the number of operators since dairy industry deregulation, and the general shift of dairy operations away from the Mary Valley and further inland.

- The impact of land inundation on agricultural businesses may be offset to some extent by the supply of an additional 10,000 ML of water downstream of the proposed Traveston Crossing Dam. Anecdotally, it appears that a number of agricultural businesses affected by the proposed dam, as well as potential new businesses, are investigating options to relocate to this area.

Tourism

- The main built tourism assets of the Mary Valley would largely be unaffected by Stage 1 of the proposed dam. These include the *The Valley Rattler* steam train and the townships of Imbil, Kandanga and Dagon. However, there may be some impact upon individual tourism businesses. The operations of *The Valley Rattler* would be affected during Stage 2 as the relocation of part of the rail line would be necessary.
- The landscape of the Mary Valley would clearly be affected by the construction of the proposed Traveston Crossing Dam and inundation of the surrounding land. However, whether impacts upon the scenic and amenity value of the Mary Valley are considered positive or negative is likely to be subjective.
- The catchment area provides for a wide range of recreational activities, including fishing, swimming and boating. Some of these activities may be directly impacted, both positively and negatively, by the impoundment. Recreational use of the proposed dam will be considered as part of the Environmental Impact Statement prepared by Queensland Water Infrastructure. This will involve consultation with the community.

Timber and timber processing

- There will be minimal impact upon the timber industry as a result of land inundation for the proposed Traveston Crossing Dam.
- The upgrade of road infrastructure will almost certainly provide some benefits to the timber industry in terms of faster and safer access within the Mary Valley and to other regions.

Other industry and business

- The proposed Traveston Crossing Dam would indirectly affect other businesses within the Mary Valley, particularly those which support the agricultural industry.
- Applications for financial assistance have been made under the Business Adjustment Scheme by businesses affected by the proposed Traveston Crossing Dam, but which are not subject to land acquisition processes. In total, 31 applications have been received by the Queensland Rural Adjustment Authority (as of March 2007), consisting of:

- 16 applications for the reimbursement of costs associated with obtaining professional financial advice;
 - 10 applications for financial assistance to restructure a business (e.g. relocation expenses, property improvements); and
 - 5 applications for one-off payments to exit a business.
- In interpreting these figures, it should be noted that many applications for business advice assistance may result in a follow-up application for financial assistance to restructure or exit. Further, many businesses (perhaps up to 50) have not lodged applications under the Business Adjustment Scheme, but are likely to do so before applications close in 2009.
 - Long-term flow-on effects could benefit businesses within the region which supply goods and services for proposed dam construction. Increased productivity during this time could lead to increased capital expenditure and hence an improvement in the on-going viability of businesses.

Community infrastructure and services

Townships

- Several rural towns would be directly or indirectly affected by the project. Kandanga would be affected by inundation at both levels of development but most significantly at Stage 2 when parts of the town, the cemetery and some buildings with local heritage status would be affected.

Roads

- The upgrade and relocation of roads would result in some short-term inconvenience to residents and businesses within the Mary Valley. Further, the additional vehicle movement, particularly heavy vehicles, may create traffic congestion (most likely limited to the Bruce Highway) and contribute to overall inconvenience.
- The proposed dam may constrain connectivity between some locations within and surrounding the ponded area. This may result in increased travel times due to relocation and/or alternate transportation routes being sought. The exact impact on connectivity will not be known until the road infrastructure changes are finalised by Queensland Water Infrastructure.

- The upgrading of existing roads and construction of new roads is likely to improve the connectivity, safety and efficiency (reflected in reduced travel time) of the road network in the Mary Valley. This will benefit both residents and businesses located in the area, particularly for the townships of Amamoor, Kandanga, Imbil and Brooloo.
- Travel times for some trips (e.g. along the Gympie – Brooloo Road) to and from Gympie may be reduced. The proposed dam may result in increased travel times for journeys which currently use Tuchekoi Road and/or Kenilworth – Skyring Creek Road.

Rail

- Around 4km of the 40km railway line used by the Mary Valley Heritage Railway will need to be relocated under Stage 2 of the proposed Traveston Crossing Dam. A possible realignment corridor for the rail line has been identified and will be purchased as part of the land purchasing process being undertaken by Queensland Water Infrastructure.
- The North Coast railway line between Gympie and Brisbane runs to the north of the inundation area and is not impacted by the proposal.

Accommodation

- Without the construction of a dedicated construction camp, it is unlikely that there would be sufficient accommodation in the Mary Valley and surrounding regions for the construction workforce. Accommodation requirements are likely to include short-term lodging for temporary workers, more flexible accommodation options for long-stay workers (e.g. those staying for the duration of the project) and more permanent accommodation for those workers that choose to relocate their families to the area for the duration of project.

Community services and infrastructure

- A reduced population threshold may affect the existing level of service provision over the longer term. The loss of people in the area may be balanced, in part, by the natural population increase associated with the residential spill-over from the coast and the ‘tree change’ phenomenon. At this stage, however, the likely impact of the proposed dam on the population of the Mary Valley is difficult to predict.
- The construction workforce would increase demand for a number of services in local towns adjacent to the site. This effect could be exacerbated if the timing of peak construction periods corresponds with

the timing of any local events that might attract additional visitors to the area. These may include:

- education, health and other community services;
- communication services;
- transportation services;
- leisure and recreational facilities; and
- restaurants/entertainment venues.

The area's close proximity to Gympie would mean that demand for many services (e.g. health care) could be met in this locality.

SWOT analysis

This section discusses the strengths and weaknesses of the Mary Valley economy, and outlines the potential opportunity and threats to economic growth within the area, both with and without construction of the proposed Traveston Crossing Dam.

Strengths

Below is a list of the strengths of the Mary Valley which will assist in economic development and growth.

Demographics

- The Mary Valley is experiencing steady population growth, unlike many rural areas which have suffered stagnant or declining populations. This will help to underpin the economy in the future by driving business investment and job creation, and ensuring sufficient demand to drive the continued provision and upgrade of community infrastructure and services.
- The local community is strongly tied and committed to the Mary Valley, which is reflected in the desire of people to continue living and working in the area in the future. This provides for a stable population base which is beneficial for economic development.

Industry and business

- There is significant expertise in business development and operation within the local community, and the capacity to adapt to changing economic conditions. These characteristics will be valuable in sustaining the economy of the Mary Valley in the future.
 - The Mary Valley has a generally strong, albeit narrow, industry base which is underpinned by timber and agriculture. The timber industry is strong and there are indications that it will remain sustainable over the long-term. Agriculture within the Mary Valley comprises a mosaic of small, medium and large commercial production units, encompassing a wide spectrum of businesses. The diversity has created a substantial base of support industries within the Mary Valley region. This support base will continue to provide agricultural investment opportunities in the future.
 - The Mary Valley is in close proximity to fast-growing markets within the Cooloolool Shire, Sunshine Coast and South East Queensland region. This strategic position will provide opportunities for existing and new industries wishing to develop within the Mary Valley. The Mary Valley may also benefit from economic growth in Gympie.
 - Land and property within the Mary Valley is comparatively cheaper than in surrounding areas which is beneficial for encouraging both new businesses and potential residents to the area.
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| Infrastructure and services | <ul style="list-style-type: none">• The hard infrastructure (e.g. roads, telecommunications) currently in place in the Mary Valley will continue to support the expansion of business and community activities. There is also a good network of social services which will underpin local communities and assist in attracting people to the area. The presence of sufficient infrastructure and services is critical for supporting economic growth.
• There are a number of upgrades to infrastructure planned for the broader region, including the upgrade to the Bruce Highway and the Gympie by-pass. This will benefit existing businesses within the Mary Valley and may improve the opportunities for new businesses and industries to establish in the area. |
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| Other considerations | <ul style="list-style-type: none">• The natural environment, amenity and lifestyle of the Mary Valley is highly valued by the community and is a significant drawcard in attracting people (both residents and visitors) to the area. The Mary Valley is considered a clean, safe and relaxing place to live and work.
• There is the capacity to expand businesses and activities and encourage development without significantly affecting the environment and communities where a planned approach is employed. |
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Weaknesses

Below is a list of the weaknesses of the Mary Valley which may limit economic development and growth.

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| Demographics | <ul style="list-style-type: none">• The Mary Valley is characterised by a small population which is widely distributed across the area. The population is progressively ageing and is experiencing difficulties in retaining young people due to a lack of employment opportunities. There is also little cultural diversity within the population. These characteristics are likely to impact upon the social and economic vitality of the area, and may affect the opportunities available to the community in the future.
• Unemployment in the Mary Valley is generally higher and there are greater barriers (e.g. sole parenting, disability) to people gaining employment. The workforce of the area is generally less educated and skilled which is reflected in the job profile of the area. The existing workforce profile (i.e. combination of skills, job readiness) will affect the capacity of the area to take advantage of new economic opportunities, such as new industries or value-adding activities. |
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	<ul style="list-style-type: none"> There are few opportunities for people in the Mary Valley to access further education and training. The closest education institution is the Gympie College campus of Wide Bay Burnett TAFE. This college offers a relatively narrow range of courses in business, automotive mechanics, engineering, information technology, horticulture and hospitality. This will affect the capacity of the existing workforce to gain new skills and retrain to take advantage of the new employment and business opportunities.
Industry and business	<ul style="list-style-type: none"> The existing industrial base of the Mary Valley is relatively narrow with a historical reliance on the timber and agricultural industries. This has made the economy of the area susceptible to industry downturns. Looking forward, there are limitations on access to the timber processing industry (due to tightly held resource availability), and the dairy industry has been in decline since deregulation. These factors have highlighted the need for greater industry diversity, as well as the exploration of value-adding activities. Land within the Mary Valley is primarily zoned for rural, rural residential and community uses. Some land within Imbil is zoned for restricted light industrial uses. These limitations on land use may limit the type and size of new industry and business which locate in the area.
Other considerations	<ul style="list-style-type: none"> The local community will likely require assistance in positioning and marketing the Mary Valley, both to attract investment and potential residents. In particular, support, information and assistance will be required to facilitate the development and implementation of investment and marketing plans.

Opportunities

Below is a list of the opportunities for future economic development and growth within the Mary Valley.

Demographics	<ul style="list-style-type: none"> There is evidence that there are more innovative and entrepreneurial people relocating to the Mary Valley to take advantage of small business opportunities, in particular, in the 'cottage industries'. This will improve the skills mix of the local workforce and is likely to create additional business opportunities.
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The construction of the proposed Traveston Crossing Dam may create a number of additional opportunities for the Mary Valley including:

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- Some direct employment opportunities for skilled and unskilled workers on a temporary or short-term basis. Further indirect and flow-on employment opportunities may be made available through the provision of goods and services by local suppliers.
 - An increase in training opportunities through contracted companies. There is the potential for the local TAFE campus at Gympie to expand its education and training curriculum to take advantage of opportunities associated with construction of the proposed dam. These opportunities may result in a number of apprenticeships and traineeships being made available to the local workforce. This may result in a long-term improvement in the labour profile of the Mary Valley.

Industry and business

- Opportunities for new activities, particularly value added activities, are being explored in the existing timber and agriculture industries. A number of new opportunities for value-adding to timber processing have been identified. These opportunities will broaden the industry and business base of the Mary Valley.
- The increasing cost of residential land on the Sunshine Coast has seen a significant movement of people to the Cooloola region. This may result in an increase in the population base, and changes to the workforce profile, of the Mary Valley. Strategies may be put in place to encourage the relocation of a people with certain skills, although this would require that commensurate opportunities are made available. A broader and more skilled population base would help underpin the economy of the Mary Valley into the future.
- The decreasing availability and increasing cost of industrial land on the Sunshine Coast is creating greater demand for industrial land within Gympie. This is likely to provide opportunities to the community and businesses of the Mary Valley, both through greater employment and the trade of goods and services.

The construction of the proposed Traveston Crossing Dam may create a number of additional opportunities for the Mary Valley including:

- A number of businesses which have applied for financial assistance under the Business Adjustment Scheme are seeking to restructure their current operations. This may make these businesses more responsive to the current market and ultimately help to improve business viability.
 - Businesses which supply inputs to the proposed dam are likely to benefit in the short-term from a broader business base and increased
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revenue. This could provide longer term benefits by allowing them to invest in their business to improve operations, and providing them with comparative advantages to their regional competitors. These enduring benefits have been observed in businesses involved in the construction of Paradise Dam.

Infrastructure and services

The construction of the proposed Traveston Crossing Dam may create a number of additional opportunities for the Mary Valley including:

- Significant upgrades to infrastructure, including road⁶, telecommunication, electricity transmission, sewerage and water supply infrastructure. It will also require additional accommodation facilities, and may result in improvements to social infrastructure and services. This will benefit existing communities and businesses in the area, and may facilitate the development of new industries and businesses within the area.
- Opportunities for the supply of materials, equipment and services by businesses within the Mary Valley, broader Cooloola Shire and surrounding regions (Sunshine Coast, Wide Bay Burnett). While this would provide only transient benefits for the Mary Valley, it may provide a basis on which businesses can expand operations and take advantage of opportunities in other industries (e.g. tourism) and regions (e.g. the Sunshine Coast)
- The potential to stimulate a capital injection in the economy of the Mary Valley and surrounding areas through the purchase of significant amounts of land. This may result through the direct purchase of goods and services, as well as investment in new business opportunities. The construction of the dam would also allow many businesses to restructure and expand their operations to improve viability. The Queensland Government is administering a number of programs to support these endeavours.
- Development opportunities for the agricultural industry as 10,000 ML of water would be made available downstream of the dam. This may support the establishment of new agricultural businesses, including value-adding activities.

⁶ The Bruce Highway upgrade was planned prior to the announcement of the proposed Traveston Crossing Dam.

Threats

Below is a list of the factors which may threaten the future of potential economic development and growth within the Mary Valley.

Demographics

- There is a potential risk that skills and capabilities of the workforce will not be sufficiently developed to attract and take advantage of economic development opportunities within the area.
- The Mary Valley is experiencing change, involving population movements and restructure within the agricultural sector. There are increasing demands on local communities to adapt to the associated changing social and economic structures. Should the community be unable to adapt to these conditions, this may impact upon the economy and community of the Mary Valley moving forward.

Possible additional threats associated with the construction of the proposed Traveston Crossing Dam include:

- The acceleration of existing social and economic change within the Mary Valley. This would place increased pressure on the community of the Mary Valley to adapt to these changes. The economic and social fabric of the Mary Valley may be permanently altered as people and businesses are affected.

Industry and business

- The relatively narrow industrial base of the Mary Valley, and the decline of some existing industries, may result in the loss of critical industry and business mass. As a result, it may become more difficult to attract new and high value industries to the Mary Valley.
- There are threats to the agricultural industry from the loss of prime agricultural land. This is due, in part, to the rapidly rising land values created by demand from residential, rural residential and lifestyle farm operators. The rising land values are making commercial agricultural pursuits less attractive to existing landowners, and potential new agricultural investors.

Possible additional threats associated with the construction of the proposed Traveston Crossing Dam include:

- Detrimental effects on the agricultural industry due to the loss of rich agricultural land. This is likely to accelerate the decline of the dairy industry and would lead to the displacement of other grazing and horticultural businesses. The loss of primary production would have a direct impact on the economy of the area, as well as an indirect impact as support businesses are affected.
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Infrastructure and services	<p data-bbox="568 315 1460 383">Possible additional threats associated with the construction of the proposed Traveston Crossing Dam include:</p> <ul data-bbox="568 427 1460 790" style="list-style-type: none"><li data-bbox="568 427 1460 640">• Disruption to infrastructure and services within the area. This would include short-term inconvenience resulting from the upgrading of roads and increased construction traffic. Dam construction may result in a loss of accessibility east-west impacting on emergency services, health services and school transportation. This will affect the operations of existing businesses.<li data-bbox="568 685 1460 790">• An expected increase of pressure on education, communication services and health services associated with the additional workforce. This pressure will be at its greatest during annual events.
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Economic development opportunities

This section proposes a number of practical and realistic economic development opportunities for the Mary Valley. This includes those opportunities currently presenting within the economy of the area, as well as those which may arise from dam construction.

In presenting these opportunities, we would make two observations:

- Firstly, we consider there are multiple opportunities to underpin future economic growth in the Mary Valley. While agriculture and forestry currently dominate the economy of the area, we would expect that it will be supported by a greater diversity of industries and businesses in the future. These will provide incremental benefits for the Mary Valley.
- Secondly, the Mary Valley economy is linked to the broader Sunshine Coast region, and particularly to the town of Gympie. Many of the opportunities for the people and communities of the Mary Valley are therefore likely to originate from the broader region, rather than from within the area. This should be considered in the development of measures to mitigate the impacts of the proposed Traveston Crossing Dam.

PricewaterhouseCoopers has not considered any economic development opportunities for agricultural industries. The Department of Primary Industries and Fisheries is undertaking a food and fibre study that will look to examine potential future agricultural investment opportunities in the area. The existing mosaic of small, medium and large agricultural production units provide the basis for future investment opportunities in agriculture. In particular, new high value niche agriculture opportunities servicing local and regional markets, supported by existing businesses and infrastructure, will emerge as small acreage landholders seek to balance lifestyle, business and agricultural interests.

The opportunities proposed have been evaluated against a number of criteria which were developed in consultation with the Department of State Development. We emphasise that that this assessment is not intended to be overly prescriptive, nor is it meant to rank the opportunities. Rather, the evaluation should provide a balanced view of the benefits and limitations of opportunities against factors which are considered important by the Department of State Development.

The evaluation criteria are presented in Box 1.0 below:

Box 1.0: Evaluation criteria

1. Potential of the opportunity to generate sustainable economic and employment benefits for the Mary Valley
2. Consistency of the opportunity within the existing economic framework of the Mary Valley
3. Consistency of the opportunity with community aspirations for the Mary Valley
4. Capacity of the opportunity to mitigate the potential economic and social impacts associated with the proposed Traveston Crossing Dam
5. Anticipated financial feasibility of the opportunity
6. Existence of insuperable constraints or impediments to implementation of the opportunity
7. Potential of the opportunity to facilitate linkages with surrounding regions
8. Consistency of the opportunity with other industries and activities occurring within the broader region

5.1 Development of the tourism industry

Description of the opportunity

The Mary Valley offers a relaxing non-coastal experience for visitors to the Sunshine Coast region. The Mary Valley largely attracts visitors on a short-break (staying 1 - 3 nights) and day trip basis, with visitors consisting of older travellers and families that are seeking to enjoy the scenery and experience the rural lifestyle. The key attributes of the Mary Valley include its natural beauty, outdoor recreation opportunities, rural lifestyle, country history and heritage, and the friendliness of the local communities.

Despite its tourism assets, the tourism industry within the Mary Valley is not well developed. This is attributed to the absence of a critical mass of tourism products and associated infrastructure which is necessary to attract a large number and diversity of visitors to the area. Further, there is increasing competition from other rural tourism areas on the Sunshine Coast.

Despite this, we see that there are opportunities to develop and promote the tourism industry in the Mary Valley and increase the industry's contribution to the local economy. In particular, there are opportunities to build on the natural and built assets of the area, and the existing tourism activities which have developed around these assets.

While we have outlined some specific opportunities further below, it is recognised that a broader strategy is required to underpin a viable and sustainable tourism industry in the Mary Valley. This strategy would look specifically at issues relating to the marketing of the area, the range and quality of products for visitors and removing the impediments which currently constrain tourism in the area. Such a strategy would be critical to generating confidence in the industry and attracting investment.

Tourism Queensland is responsible for the management and implementation of the Mary Valley Tourism Project. This project will be undertaken in partnership with key stakeholders and will include a tourism product audit and the development of an action plan to identify priority tourism development opportunities and marketing initiatives in the area. The action plan is expected to be completed by October 2007 with implementation over the following two years. In addition, the Cooloola Regional Development Bureau has begun facilitating tourism development locally in the Mary Valley.

The opportunities identified and recommendations provided below should therefore be considered preliminary and subject to the findings of the Mary Valley Tourism project, and the work being undertaken by the Cooloola Regional Development Bureau.

Specific opportunities

We see there are a number of opportunities to further develop the tourism industry, including:

- Improve the range and quality of tourism products provided - we see there is significant scope to build on the existing natural and built tourism assets of the Mary Valley. This would include activities which are involved in the provision of accommodation (e.g. B&B's, farm stays), guided tours, outdoor recreation (e.g. horse riding, canoeing), rural experiences and other rural products (e.g. fresh produce, arts and crafts). Additional tourism products may include speciality food and wine activities, guided walks and fishing tours, an interpretative timber trail, equine tourism and some activities relating to personal health and well being.

We have not provided a detailed list of additional activities which may be considered as it will be the role of the private sector to fill market gaps. However, there is a role for government and other relevant organisations to identify these opportunities and work with industry to facilitate their development.

The Mary Valley Tourism Project will include a comprehensive audit of tourism products and assets, and a review of marketing and planning, in the area. From this, it will be possible to examine the current mix of activities and identify opportunities for other products.

- Promote the Mary Valley Heritage Railway as a key attraction – *The Valley Rattler* is a central attraction in the Mary Valley⁷. Despite this, the visibility of *The Valley Rattler* as a tourism product is low compared with other similar operations in Australia, such as *Puffing Billy* in the Dandenong Ranges. *Puffing Billy* is a major tourist attraction and runs every day of the year, except Christmas day. It is operated by hundreds of volunteers and is sponsored by a range of corporations and businesses (e.g. Toshiba, Cadbury). *Puffing Billy* is the central attraction within the Dandenong ranges and draws visitors from Australia and overseas. The operations of the Puffing Billy are linked to other tourism activities within the Dandenong Ranges to maximise opportunities to promote the area and its attractions.

Currently the operations of the Mary Valley Heritage Railway are managed by volunteers on a non-for-profit basis. The Mary Valley Heritage Railway indicated that it periodically reviews its operations with a view to increasing or upgrading its services. These reviews may benefit from a broadening of their scope to consider how *The Valley Rattler*, and associated tourism products, can be packaged and promoted to maximise the tourism appeal of the Mary Valley.

Raising the profile of *The Valley Rattler* could significantly improve the profile of the Mary Valley and facilitate additional tourist visitation. Further, it would allow development of associated tourism activities along the trip route.

⁷ Around 4km of the 40km railway line used by the Mary Valley Heritage Railway will require relocation during construction of Stage 2 of the proposed Traveston Crossing Dam. This will affect the operation of *The Valley Rattler*, although the magnitude and duration of this impact has not been determined.

- Leverage off existing events in the Mary Valley and surrounding areas – the Mary Valley hosts a variety of sporting, musical and agricultural events which draw visitors to the area. The largest of these events are the Gympie Muster and a stage of the Australian Rally Circuit. A number of events also take place in the Gympie and broader Sunshine Coast region.

At present, there appears to be few strategies which encourage people to stay in the Mary Valley before and after these events, either by way of organising related activities or encouraging people to visit the local sites and experience the area. Increasing the length of stay of visitors in the area would be beneficial in leveraging additional spending, increasing awareness of the area and encouraging repeat visits in future years (e.g. to take advantage of preferred accommodation or other services).

It would therefore be valuable to develop strategies that actively seek to encourage people to stay in the area. These would be prepared by event organisers, local tourism bodies and existing operators.

- Encourage visitors to stay overnight in the Mary Valley – only a small number (less than 10%) of visitors to the Cooloola Shire stay in the Mary Valley overnight. As such, there may be opportunities to promote the existing accommodation facilities of the area as part of broader strategies to increase length of stay.
- Develop niche food and value added agricultural products – there is growing interest in the development of specialised food and value added agricultural products which reflect the attributes of the Mary Valley. This may include the cultivation of niche horticultural and dairy products (e.g. berries, cheeses, organic products). Interest in these activities appears to have stemmed from the influx of part-time or hobby farmers in the area and growth of small land holdings.

This is largely an agricultural opportunity and will be explored further by DPI&F in the proposed food and fibres study. However, there are linkages between the development of these products and specific tourism activities, such as local produce markets, the supply of local products to areas visited by tourists (e.g. cafes, restaurants, shops, markets) and the sale of goods at the farm gate.

The construction of the proposed Traveston Crossing Dam will serve to change the tourism appeal of the Mary Valley and provide tourism opportunities for the area. These may include:

- Greater visitation prior to and during construction – construction of the proposed dam itself will act as an attraction to the area. This additional visitation could provide an opportunity to draw visitors to other areas in the Mary Valley and other tourism products. Queensland Water Infrastructure has indicated that there may be opportunities for tours of the construction site, although this would be subject to health and safety considerations.
- Greater visitation to the dam post construction – the proposed dam would alter the landscape (perhaps increasing its scenic value) and amenity of the Mary Valley. This may attract additional visitors to the area post construction. Again, this presents an opportunity to promote the Mary Valley as a tourist area.
- Recreation at and around the dam - the proposed dam has the potential to directly support a range of outdoor activities both on and off the water. These may include sailing, canoeing, fishing, picnicking, bush walking, horse riding and mountain bike riding. The type and extent of activities permitted will be subject to further investigations examining access and safety issues, as well as community consultation.

There are a number of operators that currently provide outdoor recreation activities in the area. These businesses may be expanded to accommodate new activities and greater demand for these activities. Where there is a concentration of these activities in specific locations around the dam, there may be opportunities for small retail, hire services and accommodation facilities to co-locate.

- Educational activities linked to the dam – there are several outdoor education facilities located in the Cooloolool Shire. The addition, the proposed Traveston Crossing Dam creates another asset within reach of the South East Queensland school market, which has the potential to support outdoor and environmental education facilities.

The development of tourism in the Mary Valley complements a number of the other opportunities proposed in this study, as well as existing industry and business activities. There would therefore be significant benefits in cross promoting complementary activities to generate additional economic benefits. For example, the development of a multi-purpose sports precinct would draw visitors to the area. There is potential for these visitors to stay in

local accommodation and even extend their stay to experience the Mary Valley.

We note that a number of additional tourism opportunities have been proposed for development if construction of the Traveston Crossing Dam proceeds. These include the development of rural retreats, conference centres and health retreats. These opportunities require more in depth assessment and will be explored further in the Mary Valley Tourism project to be undertaken by Tourism Queensland.

Constraints and impediments to implementation

The constraints and impediments to the development of tourism in the Mary Valley will be examined in more detail in the Mary Valley Tourism Project. A high level review of known constraints and impediments is presented below:

- The Mary Valley currently lacks a critical mass of tourism products and infrastructure which is necessary to attract a large number and diversity of visitors to the area. In order to effectively promote tourism in the Mary Valley, the range and quality of tourism products offered will need to be improved. Further, tourism in the Mary Valley will benefit where it can be differentiated from other rural locations in close proximity.
- Sufficient marketing of tourism activities and products will be necessary to develop the tourism industry within the Mary Valley. There is currently poor awareness of the Mary Valley as a tourism area. This will need to be addressed as there is an improvement in the number and mix of tourism products offered. Poor promotion and marketing of the Mary Valley would act as a constraint to future development of the tourism industry.

We are mindful that the area attracts a specific market (e.g. visitor demographic, length of stay) and there is a need to work within these parameters to a degree. This is not to say that options to improve demand for tourism in the area (e.g. by attracting a larger and wider market, increasing the length of stay and dispersal throughout the area) and leverage additional spending, should not be examined.

- There are a number of organisations involved in the planning and development of tourism in the Sunshine Coast region, including Tourism Sunshine Coast and Tourism Queensland. Other stakeholders which have an interest in tourism in the Mary Valley include the Cooloola Regional Development Bureau, Cooloola Shire Council, Cooloola Chamber of Commerce, various State Government agencies and industry organisations (e.g. Bed & Breakfast and Farmstay Queensland).

The coordination of these organisations in planning and promoting tourism in the Mary Valley will be critical in developing a sustainable tourism industry. Coordination and cooperation with tourism operators will also be critical. It is noted that the Cooloola Regional Development Bureau has begun facilitating tourism development, with a view to improving stakeholder coordination, locally in the Mary Valley.

This issue will be examined in the Mary Valley Tourism Project to be undertaken by Tourism Queensland.

- The capacity of existing and potential operators to take advantage of potential tourism opportunities in the Mary Valley has not been specifically examined as part of this study. It is known that the level of skills of tour operators varies across the Sunshine Coast region⁸. The ability of operators (or their employees) to improve their skills may be limited if they are unable to take time away from their business. The capacity of businesses to obtain skilled staff will be affected by a general skills shortage in the tourism industry, particularly in hospitality and customer service.

Skills development and training opportunities will be examined in the Mary Valley Tourism Project to be undertaken by Tourism Queensland.

- There is some evidence of a lack of sufficient infrastructure and services to support tourism in the area. This relates to:
 - poor and infrequent transport to and from the area;
 - limited accommodation during large events;
 - poor signage (both directional and interpretative) throughout the area; and
 - inconsistent telecommunications coverage within the area.
- There are likely to be difficulties associated with supporting infrastructure and services when construction of the proposed Traveston Crossing Dam commences. This may relate to:
 - limited access to the area as a result of road closures and the presence of large vehicles on the road;
 - impacts upon other infrastructure, such as water supply and telecommunications; and
 - access to local accommodation and other services (e.g. food, entertainment) due to the large construction workforce.

⁸ Department of Tourism, Fair Trading and Wine Industry Development, South East Queensland Country – Destination Management Plan, 2007 – 2010 (DRAFT)

While these impacts will be temporary, they may impede industry development at a time when there is an increase in visitors to the area.

- There appears to be some resistance by the Sunshine Coast hinterland community to tourism due to a lack of understanding and knowledge of the benefits of tourism⁹. This may impact upon the experience of visitors to the area and may constrain the successful development of the tourism industry in the area.

Evaluation of the opportunity

With appropriate planning, product development and marketing, we see there is potential to further develop a viable and sustainable tourism industry within the Mary Valley, consistent with community aspirations for the area. This may generate a number of economic and social benefits for the area, including:

- increased financial viability of existing tourism businesses as they benefit from greater visitation and the ability to expand operations to capitalise on new opportunities;
- a broader industry base which may reduce the reliance on the traditional activities of agriculture and timber processing;
- increased fostering of linkages between tourism and other industries (i.e. agriculture, forestry) in the region, perhaps leading to reduced development and land use conflicts;
- increased viability of other businesses in the area as a result of increased spending in the community from visitors and tourism businesses;
- improved business opportunities (new products and services), including value-adding opportunities associated with tourism;
- additional employment in tourism and related businesses, as well as in other businesses within the area;
- education and training opportunities for those within the community who are employed in the tourism industry, or wish to enter this industry;
- strengthening of economic linkages with the other regions through the increased exchange of goods and services;

⁹ Department of Tourism, Fair Trading and Wine Industry Development, South East Queensland Country – Destination Management Plan, 2007 – 2010 (DRAFT)

- the possible upgrade of services and facilities that would not otherwise have occurred for the local population; and
- the preservation of the environment and heritage of the area.

The magnitude of the economic benefit that could be derived from tourism would be difficult to quantify until the objectives for the tourism industry are established, and specific products and activities are identified. Currently, tourism in the Mary Valley is not well-developed and its contribution to the economy is likely to be minimal when compared to other industries, such as agriculture and timber processing.

At a minimum, we see that there would be potential to generate organic growth in the industry by building on existing products and activities. While this would not likely generate substantial economic benefit, it would provide opportunities to the local community and contribute to the sustainability of the area's economy. Where there is significant investment in product development, including the cross promotion of tourism and other activities (e.g. timber processing, sporting events), and the marketing and promotion of the area, we see there is potential to develop tourism as a viable alternative industry in the Mary Valley.

The development of the tourism industry in the Mary Valley will not occur in the short-term, and it will likely take a number of years for the benefits to be fully realised. However, the construction of the proposed Traveston Crossing Dam could act as a catalyst for industry growth as opportunities for new tourism activities will be provided, infrastructure will be upgraded and the community may be more receptive to, and actively thinking about, new opportunities for the area.

It can be difficult for tourism businesses to successfully establish and remain viable. The extent to which existing and new businesses within the Mary Valley remain viable will depend largely on the broader tourism strategy for the area and its success. Ultimately it will be the responsibility of business owners to invest in their business and take actions to ensure ongoing viability. Significant support, by way of advice and financial support from existing programs, will be critical to the success of these businesses.

We emphasise that tourism will not be successful without a clear vision for the industry in the Mary Valley. This will require careful and coordinated planning and a significant investment of resources by a range of organisations (state and local governments, tourism bodies, tourism operators). The Mary Valley Tourism Project, to be undertaken by Tourism Queensland, will act as a starting point in this planning process.

5.2 Value-adding to timber processing

Description of the opportunity

Imbil has significant hoop pine resources and there are two high quality timber processing plants adjacent to the town. Hoop pine is marketed under long-term and short-term contracts, and tendering for access to the resource is competitive. For this reason, there is little scope for a new industry participant in the processing of hoop pine. However, there is the potential for further value-adding activities to develop for the existing resource.

Softwoods are used extensively in the building and construction industry and in the furniture industry. Hoop pine naturally lends itself to secondary processing due to its high quality and value as a decorative and joinery grade timber. Existing value-added activities currently in the region include production of flooring, furniture, poles, laminated beams and cross arms.

Opportunities for further processing of hoop pine in the Imbil area have recently been identified. These opportunities would allow for the development of existing and new timber processing and manufacturing sites. They would create employment opportunities and contribute to economic development in the region.

We are unable to provide any additional information on these opportunities at this time due to their commercial confidentiality.

Constraints and impediments to implementation

The timber processing and manufacturing industry is well established in the Imbil area. For this reason, a number of the traditional constraints (e.g. presence of supporting infrastructure, availability of skilled labour) that would be associated with the development of new timber-based industries are largely not an issue. Constraints and impediments are discussed further below.

- It is not possible to comment on the potential demand for value added timber products (e.g. construction materials, furniture) without a detailed understanding of specific opportunities. It is noted, however, that demand for these products has generally remained strong in Australia. Manufacturers have also found some success in overseas markets based on the high quality of products manufactured in Australia, the availability of suitable timbers and the competitiveness of various product types and ranges. There are also increasing opportunities for manufacturers to obtain accreditation as producers of sustainable timber (plantation) products.

In recent years, market competition in Australia from domestic and imported product has increased significantly. Further, Queensland manufacturers are finding it increasingly difficult to compete with the lower labour costs available to manufacturers based in Asian markets. This has caused a number of firms to exit from the industry.

It is noted that the integration of forestry, timber processing and timber manufacturing activities underpins the viability of the industry. The co-locating of value added timber activities with existing operations is consistent with this.

- Restrictions have been placed on the availability of soft and hard wood resources in Queensland. However, it is understood that there are substantial hoop pine resources which will continue to be made available on a sustainable basis into the future.
- There is land within Imbil zoned for industrial use which allows for the development of industry that needs to locate close to resources. There is some capacity available on land currently used for timber processing and manufacturing. Future proposals may require land in other locations should availability of suitable land become restricted in this area, or if operators choose to locate away from suppliers in the area.

At this stage, however, there does not appear to be any significant land availability or land zoning issues.

- Infrastructure and services required to support timber processing and manufacturing are already located in the area. Only minor upgrades to infrastructure or services to specific sites would therefore be expected (e.g. power connections). It is noted that some infrastructure, in particular roads, would be upgraded with the construction of the proposed Traveston Crossing Dam. This would benefit any new operations in the area.
- The number of additional employees, and skills sets required, to support expansion in new timber based industries were not quantified for the purposes of this study. However, the timber industry is well established in the Mary Valley and surrounding regions and it is therefore expected that there would be skilled labour available locally for any new timber operations. Additional labour may also be made available from agricultural industries which would be affected by the dam, or relocation of skilled labour that may result due to the restructuring of the forestry industry within South East Queensland. Opportunities for training and education in the timber industry are strong.

Evaluation of the opportunity

Forestry and timber processing operations are key employment generators for Imbil and the broader Mary Valley and an expansion of the timber industry is likely to create additional employment opportunities for the local workforce. These opportunities will further build on the timber industry's contribution to the economy of the Mary Valley, both directly through the direct purchase of goods and services, and via flow-on spending.

The magnitude of the economic benefit associated with this opportunity is difficult to quantify without an understanding of the nature and size of the activities which may develop. At present, timber processing in the Mary Valley is concentrated on sawmilling operations and we would not expect that the potential value adding activities would make a large economic contribution (at least initially) in comparison to these existing operations. Rather, they would provide an incremental economic benefit which would contribute to the ongoing sustainability of the area's economy.

There are also opportunities to incorporate forestry and timber processing activities into the broader tourism strategy for the Mary Valley. This may involve the development of specialised tourism related activities, such as the proposed timber interpretative trail, or the production of local timber products. We see that there are benefits in cross-promoting timber and tourism activities, although the benefits would largely accrue to the tourism industry. This would support the development of tourism in the Mary Valley and increase the industries contribution to economic growth in the area.

Additional timber processing and manufacturing operations will be consistent with the existing industry mix of the area and are likely to fit with the community's aspirations for future development. New operations will also further strengthen links with surrounding regions through the export of timber products and purchase of goods and services.

A number of opportunities to diversify and value add to the timber industry are currently being investigated. Information on the economic contribution to the region was not available for the preparation of this report. Commercial investment in these or other projects is dependant on business models that are viable and sustainable over the long term. The Department of State Development has a number of programs available to eligible businesses to support development opportunities.

5.3 Development of a multi-purpose sports facility

Description of the opportunity

The Cooloolool Shire, more specifically the Mary Valley, has the opportunity to attract visitors to the area by establishing a multi-purpose sports facility. The facility would be used for club activities (e.g. local sports and club competitions) while also having the capacity to host small to medium size events. Subject to broad community support, this facility could also cater for noisy and hard-to-locate sports such as motor sports and shooting.

A broad base of activities, both in terms of the types of sports accommodated and number and size of events hosted, will be required to underpin this opportunity.

Noisy and hard-to-locate sporting clubs currently located on the Sunshine Coast have struggled to expand due to conflicting land uses. Further, a number of sports are being moved from their current location as expansion due to the declining availability of suitable land. Examples of existing sports and facilities currently located on the Sunshine Coast that are under pressure to relocate include:

- a clay target facility at Pierce Avenue, Caloundra;
- Yandina Speedway;
- model aero centre at Quanda Road, West Coolool;
- field archery, at Chevallum; and
- other noisy sports including junior motocross and karting.

While land availability is decreasing in the Mary Valley it does not face the same constraints which currently exist on the Sunshine Coast and road infrastructure upgrades will mean that the area is more readily and easily accessible from the Sunshine Coast and Brisbane regions.

An Australian Rally Circuit round is already staged yearly within the Imbil State Forest with the possibility that the area could also host a World Rally Circuit round. As such, there is the potential to brand the Mary Valley as the regional hub for noisy sports (in particular motor sports), which could in turn further increase visitor numbers to the area.

Workshops undertaken on the Sunshine Coast, for the 2005 - 2020 SunROC Sport and Recreation facility study identified motor sports and shooting sports as activities most needing a regional level facility. Such a facility would require at least 150 hectares catering for junior motocross, karting, speedway, shooting and archery disciplines.

Cooloola Shire Council has identified 20 acres of land adjacent to the Imbil Showground that may be suitable for some sporting activities. It is anticipated that this land would be used for car rallying and related activities. This land has the potential to be used as a centralised facility for motor sports as opposed to having these activities spread throughout the region.

Constraints and impediments to implementation

At present, sport and recreation in the Mary Valley is largely composed of nature-based activities, community sports and intermittent sporting events. There are therefore a number of constraints to the development of a dedicated multi-purpose sports facility, particularly one which would accommodate noisy and hard-to-locate sports.

The following constraints and impediments are likely to affect the development of this opportunity:

- There are likely to be difficulties in finding sufficient (up to 150 ha) and suitable land with appropriate buffers to accommodate the sports looking to relocate from the Sunshine Coast. A single facility would help contain some of the impacts associated with noisy and hard-to-locate sports, and would help to generate a critical mass that may help attract other supporting activities. At present, sufficient land does not appear to be available in the Mary Valley.

There is greater potential for like sports to co-locate on smaller parcels of land. While some parcels of land have been identified, there are limitations on their use (e.g. where located near State Forest), there may be incompatibility with surrounding land uses and there may be competition for this land from other potential higher value uses.

- Depending on its positioning within the Mary Valley, a facility accommodating noisy and hard-to-locate sports would likely impact upon the ambience, landscape and amenity of the area. While car rallying events currently take place in the Imbil area, these occur on an intermittent basis. The development of a dedicated sports facility may mean that the noise and disruption associated with these activities may occur more frequently. Without careful planning and management, these activities may impact upon the community and existing businesses of the Mary Valley. In particular, tourism activities have largely been built around the relaxing rural environment of the Mary Valley.
- The potential on-going viability of such a facility is an important consideration. It is often difficult for sporting clubs to operate on a commercial basis, and the potential for clubs to fund the construction

and operation of a multi-purpose facility may be limited. Realistically, we see that Cooloola Shire Council would develop the facility with financial contributions from sporting clubs and revenue generated from sporting events.

The decision to develop a multi-purpose sports facility would consider both its ongoing financial viability, as well as the potential economic benefit for local and broader regional areas. Where the financial viability of such a facility cannot be demonstrated, the broader economic and social benefits generated may still justify its development.

- There are likely to be significant health, safety and environmental issues which will constrain the development of a multi-purpose sports facility. These would relate to noise, dust creation, impacts on the environment and the potential safety of sports participants as well as the broader community. A previous proposal tendering for a major shooting complex in the Curra State Forest was recently rejected by the Queensland Environmental Protection Agency.
- The activities which would be accommodated in a multi-purpose sports facility are currently administered by a range of clubs and other organisations. A significant level of coordination would be required between these organisations, as well as local and state governments, to progress the development of such a facility.
- Supporting infrastructure in the Mary Valley, such as transport and accommodation, may be insufficient to support a large number of frequent visitors to the area. This may constrain the development of the multi-purpose sports facility, specifically the types and size of events which it may host. However, construction of the dam could facilitate the growth of other industries (e.g. tourism) which in turn could lead to an improvement in supporting infrastructure.

Evaluation of the opportunity

The development of a multi-purpose sports facility in the Mary Valley represents a possible opportunity for economic growth within the region. However, there are a number of potential issues which may constrain the development of such a facility and limit the associated benefits which could be generated.

A possible option appears to be a single facility in Imbil which caters primarily for community sports and events, as well as off road motor sports. While this would be its primary function, the buffer zone land use may be utilised for other off road activities such as mountain biking and bushwalking.

Alternate locations within the Cooloolool Shire would be have to be identified for other hard-to-locate sports, such as shooting and model aero, although these sports could utilise a facility located in Imbil.

The benefits associated with a multi-purpose sports facility may include:

- a stimulation of the local economy from increased spending by visitors to the area on food and basic consumables, fuel, accommodation and other goods and services;
- improved business opportunities (new products and services) and potential value-adding opportunities associated with the facility;
- greater industry diversity within the Mary Valley and lower reliance on the traditional activities of agriculture and timber;
- an increase in the profile of the Mary Valley as a travel destination, with benefits for the tourism industry;
- improved linkages between industries in the Mary Valley, in particular, sports / recreation and tourism. The tourism industry may benefit significantly from any events which are hosted at the sports facility;
- education and training opportunities for those within the community who are employed in the sports and recreation industry (e.g. in events management), as well as supporting businesses;
- the possible upgrade of services and facilities that would not otherwise have occurred for the local population alone;
- bringing otherwise unusable land (e.g. due to its topography) into productive use; and
- creation of a community focal point whereby development of social cohesion and interaction is possible.

The magnitude of the economic benefit that could be derived from a sports facility is difficult to quantify until the activities accommodated and likely usage is better understood. Ultimately, the benefit will depend on the number of additional visitors attracted to the area, and their spend on local goods and services. We would therefore expect that the economic benefit of such a facility would be most significant where larger and more frequent events are hosted. Events that are recurring (e.g. annually, bi-annually) will be vital for generating enduring (as opposed to once-off) benefits.

The associated economic benefits would likely be minimal where the facility accommodates only local sporting activities (e.g. training, club competitions).

The benefits arising from the facility may be magnified where other tourism-related products (e.g. accommodation facilities, attractions and activities) are promoted, and subsequently utilised by visitors. We believe that these flow-on benefits could be significant where strategies are put in place to retain visitors in the area and maximise their spend in the local area.

It is acknowledged that the community will have preferences as to the type of sports hosted at the facility, and the frequency and size of events. For example, the community may not welcome frequent noisy sports in the Mary Valley. However, we see that there is an opportunity to develop a facility which is consistent with community expectations, and which can generate a substantive economic benefit for the area.

The development of a multi-purpose sports facility is not likely to occur in the short-term given that a number of investigations need to occur. Further, it is probable that the establishment of sports activities within the area will be staggered. For this reason, it will likely take a number of years for the benefits of a sports facility to be realised. The construction of the proposed Traveston Crossing Dam may expedite this opportunity as infrastructure upgrades would occur and land use planning is currently being considered.

As discussed above, the on-going financial feasibility of such a facility is a significant consideration. Ultimately it will be the responsibility of Council and the sporting clubs to fund the development of the facility and ensure it remains viable on an on-going basis. However, State Government support, by way of business advice, approvals facilitation and financial support (from existing programs) may also be necessary. State Government financial support may also be required for the marketing of events and other broader initiatives (particularly where they relate to tourism).

5.4 Development of a business park

Description of the opportunity

An opportunity for the development of a small business park in the Imbil area has been identified. This park would bring together businesses which support the foundation industries of the area, namely agriculture and forestry and timber processing. The types of businesses which may locate in this area include timber industry service businesses, agri-service businesses and other small manufacturing (e.g. furniture manufacturer) and administration support businesses.

At present, Imbil is the only town within the Mary Valley with land that is appropriately zoned for industrial activities. Imbil is the commercial centre of the Mary Valley and a number of other industrial activities (e.g. timber processing) are located in the town. This makes Imbil a logical location for a business park.

The construction of the proposed Traveston Crossing Dam and associated infrastructure upgrades may also create demand for light industrial land. This demand may be from businesses directly involved in dam development that either require a permanent site, or can locate away from the main construction site (e.g. maintenance services). An industrial park may accommodate businesses which are relocating as a result of the dam.

It is difficult to determine what the demand for light industrial land in the Mary Valley will be. Anecdotally, there appears to be a shortage of industrial land (albeit larger blocks) within Gympie, which may be further exacerbated by the shift of industry from Sunshine Coast and the construction of the proposed Traveston Crossing Dam. Realistically, however, businesses are more likely to be drawn to Mary Valley because of its proximity to the timber industry and the proposed dam site, rather than any shortage of land in Gympie.

A critical issue is that a developer of the business park would need to be identified. While Cooloola Shire Council may develop the park, this is not their core business and they may not have the resources to progress such a proposal. An option is for a private developer to accept the development risk and develop the site, although this would be contingent on the likely demand from prospective tenants. The potential land sale / lease arrangements associated with the site would impact upon the attractiveness of the site to a private developer.

Constraints and impediments to implementation

There are already a number of industrial and manufacturing businesses (including large timber operations) located within the Imbil area. For this reason, a number of the traditional constraints that would otherwise be associated with this opportunity are less significant.

- Infrastructure and services required to support industrial and light manufacturing, as well as service type activities, are already located in the area. Only minor upgrades to infrastructure or services to specific sites would be therefore be expected (e.g. power connections). It is noted that there are opportunities to upgrade some infrastructure, in particular for roads and sewerage, with the construction of the proposed Traveston Crossing Dam.

- There may be some incompatibility of a business park with existing land uses depending on the type of businesses which establish in the business park and their operations (e.g. whether they will create noise, waste or traffic issues). However, this could be overcome by placing limitations on the types of businesses which may locate in the business park and ensuring strategies are in place to manage any impacts.
- The business park would need to demonstrate a level of commercial viability before a private developer would opt to develop the site. This would require that there is demand for land within the site and possibly that prospective tenants have been identified. A demonstrable lack of demand would act as a significant constraint to the development of the business park.

Evaluation of the opportunity

The development of a dedicated business park would stimulate the economy of the Mary Valley as new businesses move into the area and existing businesses expand. Other benefits associated with this opportunity include:

- flow-on spending to existing businesses in the area which may improve their viability;
- greater production efficiencies for existing and new businesses from co-location which may result in improved profitability;
- employment opportunities for the local workforce;
- greater industry and business diversity within the Mary Valley;
- strengthening of economic linkages with the other regions through the exchange of goods and services; and
- the increase in the services available to the local community.

It would not be possible to determine the magnitude of benefits associated with this opportunity until the likely number and type of businesses locating in the facility are known. We would expect that these benefits would be tangible where new businesses establish in the Mary Valley, although it is recognised that some businesses may simply re-locate from within the area.

The construction of the proposed Traveston Crossing Dam may act as a catalyst for this opportunity by creating demand for industrial land and facilitating the upgrade of existing infrastructure and services. There would be benefits in progressing this opportunity as a priority to take advantage of the demand for industrial land prior to construction commencing.

5.5 Provision of accommodation facilities

Description of the opportunity

Accommodation in the Mary Valley currently consists of bed and breakfast, farmstay, camping and caravan facilities. This mix of accommodation has developed in response to the existing tourist market which largely seeks authentic rural experiences. Further, there is a supply of rental accommodation within the Mary Valley, although the size of the market has not been assessed as part of this study.

There is unlikely to be sufficient accommodation facilities within the Mary Valley and broader Gympie area to accommodate the expected construction workforce associated with the proposed Traveston Crossing Dam. Construction of the proposed dam would therefore provide an opportunity for existing facilities to be utilised on a regular basis during dam construction. Further, there may be opportunities to expand and upgrade existing accommodation, and to potentially develop new facilities.

At present, accommodation in the area is underutilised except during large events. Post dam construction, the full utilisation of accommodation facilities would therefore require an expansion of existing tourism, recreational and other (e.g. sporting and music events) activities. The development of the tourism industry (as outlined in Section 5.1) may also support an increase in the number, and possibly quality, of accommodation facilities.

The accommodation requirements of the construction workforce will be varied and likely to include:

- temporary accommodation for short-term / temporary workers requiring only basic facilities;
- semi-permanent accommodation for workers who will be staying for a longer period and require additional facilities; and
- permanent accommodation for workers who will relocate their families to the area for the duration of the project.

An important task will therefore be to identify the different types of accommodation required and the potential demand. It is expected that existing accommodation in the area would be utilised, while new temporary and semi-permanent accommodation would also be constructed. This may include the creation of a dedicated construction camp to house temporary workers.

Opportunities for increases in accommodation post dam construction (or in the absence of dam construction) largely rely on an increase in tourism within the Mary Valley. The emergence of new entrants into the industry and the expansion of existing businesses have been identified as possible options.

Constraints and impediments to implementation

- The exact requirements for accommodation facilities to support dam construction will not be known until major contractors have been engaged and a construction schedule is set. For this reason, there are a number of uncertainties associated with the planning for potential accommodation requirements.
- While some existing facilities have been identified as possessing the infrastructure required to accommodate a temporary workforce, they are limited in size. It is therefore expected that a new construction camp will have to be created. As a result, suitable land within close proximity to the construction sites, along with appropriate infrastructure and services, will need to be identified.
- The ongoing land purchase arrangements may mean that there is insufficient permanent housing accommodation (i.e. rental accommodation) in the Mary Valley as existing residents may be in the process of relocating. This may mean that part of the construction workforce cannot be located in the area.
- An investment in new accommodation by the private sector will only occur where the on-going viability of the facility can be reasonably assured. This will, in turn, require an understanding of the likely accommodation needs of the prime contractor. Further, potential demand from the tourism sector post construction will need to be assured – this will rely on the preparation of a strong tourism development strategy (as outlined in Section 5.1).
- There may be some resistance by the local community to a large influx of construction workers into the area. This may stem from general community opposition to the dam, as well as concerns about its impact on the provision of services and the effect on the lifestyle and amenity of the area.

Evaluation of the opportunity

The provision of accommodation for the construction workforce will largely provide transient benefits to the Mary Valley. However, these benefits will accrue not only to owners of accommodation infrastructure, but also local

businesses where there is additional spend within the area. This would not occur to the same degree if the construction workforce was located outside of the Mary Valley and transported to the construction site.

The consortiums engaged to construct the Paradise Dam (80km south-west of Bundaberg) established their construction camps at Childers and Eidsvold. Two camps were constructed to maximise the benefits for these communities. The camp at Childers housed 250 people at its peak, while the camp at Eidsvold housed approximately 40 people. It was estimated that around \$500,000 was directly injected into the economies of these towns during the 15 month construction period. This figure does not include the flow-on impacts associated with this spend.

We expect the potential benefit would be much higher for the Mary Valley as the construction workforce is expected to be larger and the construction period is longer (up to three years for Stage 1). The total benefit will ultimately depend on the size of the construction workforce accommodated in the area, the types of accommodation facilities provided and the associated demand for local goods and services. The benefits would be larger where semi-permanent and permanent accommodation options are provided as they allow workers to stay in the area for longer periods of time (increasing their local spend).

The benefits associated with the accommodation of the construction workforce would not necessarily accrue to the businesses or sectors most affected by the dam (i.e. agriculture and agri-services). An exception is in the tourism industry, where greater use of existing accommodation facilities may offset any impacts on tourism which result from construction of the proposed dam.

This opportunity may also provide a basis to upgrade existing accommodation, as well as services and infrastructure, which would not otherwise have occurred.

The provision of additional infrastructure would support additional tourism, recreational and other activities (i.e. sporting and music events) post dam construction. It is not possible to determine the benefits associated with these activities, although there would be direct and flow-on benefits generated for the Mary Valley. The benefits associated with the potential development of the tourism industry are discussed in Section 5.1

Economic development strategy

6.1 Aspirations for the Mary Valley

In preparing this study, we spoke to a range of stakeholders that are representative of the regional community regarding their aspirations for the economy, community and environment of the Mary Valley. From these discussions, and the results of other studies, it was found that the community's aspirations for the Mary Valley include the:

- development of a broader based economy which provides for balanced and sustainable economic growth in the future;
- continuation of the industries which have historically underpinned the economy and are fundamental to the economic and social fabric of the area;
- provision of viable employment and business opportunities for the local workforce which will allow them to draw on existing skills and knowledge;
- continued development of the skills and capabilities of the local workforce;
- provision of social and infrastructure services which support the diversity of people (i.e. families, the aged) residing in the area; and
- preservation of the area's character and the current quality of life enjoyed by the residents.

The aspirations summarised above provide a broad framework for the Economic Development Strategy.

6.2 Economic development initiatives

This section outlines a number of broad initiatives or actions which could be undertaken (now and over the longer term) to stimulate economic growth and development in the Mary Valley.

Prepare a Local Economic Development Plan

The vision and direction for economic development within the Mary Valley needs to be identified. Without a clear direction and focus for the short, medium and long-term, it will be difficult for business and industry to identify and take advantage of growth opportunities. A clearly specified vision would also be critical for attracting investment to the area.

An option is to prepare a Local Economic Development Plan for the Mary Valley. This plan would:

- identify the type, size and mix of activities, businesses and industries which would desirably underpin the economy of the Mary Valley;
- outline the priorities for the expansion of existing business activities (i.e. by business cluster¹⁰) and industries (e.g. tourism), and the development and promotion of new business opportunities;
- outline the actions by all stakeholders to encourage the expansion of existing activities and industries, and the development and promotion of new business opportunities;
- identify the economic linkages of the Mary Valley to the broader Cooloola Shire and identify how these linkages can be leveraged to generate economic growth and create opportunities for the Mary Valley; and
- identify strategies to maximise the opportunities presented by the proposed Traveston Crossing Dam.

The Local Economic Development Plan would need to be considered in the context of planning for the whole shire. As such, it should be prepared by Cooloola Shire Council as part of its broader Strategic Plan for the Cooloola Shire. In this context, the plan may also consider the:

- economic linkages of the Mary Valley / Cooloola Shire with surrounding shires, and identify the opportunities for the Cooloola Shire to work with and complement the economic growth initiatives of the surrounding shires;

¹⁰ Business clusters within the Mary Valley could include: retail and services, agri-business sector, light manufacturing, niche food and other products and home based businesses

- development trends occurring at a regional level and the potential opportunities that this presents for the Mary Valley / Cooloola Shire (e.g. demands for industrial land, population movement away from coastal areas); and
- potential strategies which would allow the Mary Valley / Cooloola Shire to take advantage of these regional trends.

Cooloola Shire Council would be responsible for the preparation and periodic review of the Local Economic Development Plan. A local community, business and industry leaders' forum could be developed to assist in the preparation and implementation of the Local Economic Development Plan. The Community Futures Task Force may provide some initial input.

The plan would be periodically reviewed (e.g. every three years) to identify changing economic and industry trends (both locally and regionally) which will impact on the existing industries and businesses within the Mary Valley. This would allow the community and businesses to respond to these trends and also identify new economic development opportunities. The plan would also be audited to monitor progress against stated goals and targets.

Identify opportunities to improve industry and business diversity

This study has identified specific economic development opportunities which may be implemented in the short-term to help promote sustainable economic growth within the Mary Valley. This will be achieved, in part, by diversifying the business and industry mix of the area, and identifying opportunities to complement other businesses.

In the future, there would be significant benefit in investigating opportunities which would further broaden the economic base of the Mary Valley. In developing a Local Economic Development Plan, there would be value in exploring opportunities for greater industry and business diversity which could be implemented over the medium to longer term.

In effect, this would represent a formalisation of the existing business and industry processes to identify opportunities within the Mary Valley, however, it would be more strategic and forward looking. Responsibility for this initiative would reside primarily with the Cooloola Shire Council and the local community, business and industry leaders' forum.

Facilitate the development of regional economic linkages

Economic growth and development in the Mary Valley is dependent on economic activities within the Cooloola Shire, surrounding shires and the surrounding regions (Sunshine Coast, South East Queensland, Wide Bay Burnett). These linkages may be reflected in the:

- employment of local people within the broader Cooloola Shire and surrounding regions;
- trade of goods and services between the Mary Valley and surrounding regions; and
- operation of industries across the Mary Valley, Cooloola Shire and surrounding regions (e.g. timber processing, tourism).

In developing the Local Economic Development Plan, there would be value in further articulating these linkages and identifying where these could be leveraged to promote economic growth in the Mary Valley. For example, by clustering particular activities in the Mary Valley (e.g. noisy sports) to attract spending, increasing the export of goods produced in the Mary Valley (e.g. niche products), or promoting industries (e.g. tourism) on a regional basis to generate additional benefits for the Mary Valley.

This initiative would be furthered by Cooloola Shire Council and the local community, business and industry leaders' forum and included in the Local Economic Development Plan. The Community Futures Task Force may provide some initial input.

Build regional economic development partnerships

To improve regional economic linkages, it would be necessary to develop regional partnerships with government and industry. These partnerships would be beneficial in highlighting areas of collaboration and synergies in achieving economic development outcomes for the Mary Valley, Cooloola Shire and broader region.

This would require consultation with relevant local and state government agencies on areas of potential collaboration, including investment attraction, infrastructure development and skills development. Consultation would involve:

- clearly identifying shared areas of interest and common outcomes that can be addressed in a collaborative approach;

- identifying the availability of resources and additional funding that can assist in implementation processes; and
- developing a shared plan of action that outlines the outcomes required within the short, medium and long term.

This initiative would be progressed by Cooloolo Shire Council, the Cooloolo Regional Development Bureau and the community, business and industry leaders' forum. Given that it would consider issues more likely affecting the Cooloolo Region (rather than the Mary Valley specifically), this activity would be led by the Cooloolo Shire Council. The Community Futures Task Force may provide some initial input.

Regional partnerships that benefit the Mary Valley would also extend to strengthening the existing linkages between industries within the region (i.e. tourism, industry and agriculture). This would largely be an extension of the industry development activities undertaken by State Government agencies and industry.

Facilitate business development and ongoing growth

A number of programs are currently in place to assist businesses affected by the proposed Traveston Crossing Dam. These are being administered by the Department of State Development, Department of Primary Industries and Fisheries, Queensland Rural Adjustment Authority and Queensland Water Infrastructure.

Looking forward, it will be critical that support and training programs are provided to new and existing businesses within the Mary Valley to support their development. These programs should provide start-up assistance to business, as well as assist in future planning to ensure on-going viability. The programs should be practical and tailored to the needs of the businesses within the Mary Valley.

The likely requirements for future business support will flow from the current business support programs described above. Future business support requirements should be identified and outlined in the Local Economic Development Plan.

Improve the job readiness of the local workforce

To support the implementation of economic development opportunities within the Mary Valley, it will be crucial that the skill and labour requirements of existing and new businesses are met. Fulfilling these requirements would focus on improving the skills and job readiness of the existing workforce, as well as attracting new labour to the area.

The identification of labour requirements and the options for meeting these requirements would occur in the development of the Local Economic Development Plan. This would involve:

- a review of the skills and experience mix of the current workforce, both as a current snap shot and an assessment of how it will change in the future;
- consultation with new and existing businesses to identify future labour requirements;
- identification of likely labour and skills gaps;
- a review of current training opportunities to determine if they could provide sufficient training to the local workforce given anticipated labour and skills requirements;
- discussions with training providers to explore options to expand or create new training opportunities; and
- identification of programs administered by State and Federal Government agencies which provide incentives and assistance to people wishing to undertake training.

Cooloola Shire Council has indicated that it may undertake an industry needs analysis in the 2007/08 financial year. This would consider the training requirements of business and industry across the Shire. This investigation may underpin this initiative to improve the job readiness of the local workforce within the Mary Valley.

Two programs, the Employees in Crisis Program and the Worker Assistance Program, are currently in place in the Mary Valley to assist eligible applicants who are affected by the proposed Traveston Crossing Dam. This initiative would focus on the labour and skills requirements of business and industries, and the associated training requirements, over the longer term.

Skills and training would align with the future expected business mix of the area, and may focus on:

- small business creation and administration;
- tourism;
- timber and forestry processing;
- sport and recreation; and
- agriculture.

Responsibility for this initiative may reside with the Cooloola Shire Council and the Department of Education, Training and Employment. The Community Futures Task Force may provide initial input.

Develop a planning environment which is responsive to industry and business needs

The economy of the Mary Valley is likely to experience significant change in future years as some existing industries decline and restructure, new industries emerge and the existing business mix changes. These changes are likely to be accelerated and amplified by the construction of the proposed Traveston Crossing Dam.

In order to encourage the economic development and growth in the Mary Valley, the current planning and regulatory environment must be responsive to business and industry needs. This may involve:

- undertaking regular review of infrastructure and service requirements and ensuring the efficient and timely provision of local infrastructure to support industry and business development;
- undertaking regular reviews of land use planning and monitoring potential land use requirements with a view to anticipating industry needs and successfully accommodating both new and existing industries (i.e. reducing land use conflicts); and
- streamlining administrative processes to facilitate business and industry development (e.g. development applications).

The construction of the proposed Traveston Crossing Dam would result in a number of infrastructure upgrades and planning changes within the Mary Valley. Additionally, there are a number of infrastructure upgrades planned for the broader Cooloola Shire and surrounding region. This initiative would look beyond these changes.

Responsibility for this initiative would largely reside with the Cooloola Shire Council, but would benefit from the support of State Government agencies such as the Department of Local Government, Planning, Sport and Recreation, Office of Urban Management and Department of State Development.

6.3 Action plans

This study has identified a number of economic development opportunities for the Mary Valley. Some of these opportunities are specific to particular industries (i.e. tourism, timber) while other opportunities are business or activity specific. These opportunities were outlined in detail in Section 5.0.

This section contains specific actions that should be undertaken by stakeholders in developing and implementing these opportunities.

Expansion of the tourism industry

There is an opportunity to further develop and promote the tourism industry in the Mary Valley, with a view to increasing its contribution to the local economy. In particular, there are opportunities to build on the natural and built assets of the area, and the existing tourist activities which have developed around these assets. There is potential for tourism activities to complement the activities of other industries within the Mary Valley, such as timber processing and sporting and music events.

To progress this opportunity it will be necessary to:

- improve marketing of the Mary Valley as a tourist area and differentiate the area from other rural locations on the Sunshine Coast;
- increase coordination between organisations responsible for the development and promotion of tourism in the Mary Valley;
- increase the capacity of existing and potential operators to take advantage of tourism opportunities;
- ensure sufficient labour is available with specific tourism industry and small business operation skills;
- ensure sufficient infrastructure and services are in place to support development of the tourism industry; and
- minimise the potential disruptions to supporting infrastructure and services associated with construction of the proposed Traveston Crossing Dam.

While we have outlined some specific actions further below, it is recognised that a broader strategy is required to underpin a viable and sustainable tourism industry in the Mary Valley. This strategy would look specifically at issues relating to the marketing of the area, the range and quality of

products for visitors and removing the impediments which currently constrain tourism in area. Such a strategy would be critical to generating confidence in the industry and attract further investment by existing and new operators.

Tourism Queensland is responsible for the management and implementation of the Mary Valley Tourism Project. This project will include a tourism product audit and development of an action plan, to identify priority tourism development opportunities and marketing initiatives in the area. Key outcomes of this project will include:

- development of a Tourism Action Plan for the region that has a sound commercial basis and the support of local stakeholders ensuring agreement on actions, collaboration, resource sharing and ownership;
- production of specific key development, marketing and tourism management priorities for the Mary Valley region, including roles and time-lines for the next 12 to 36 months; and
- identification of long-term (five year) strategic priorities.

This project will include interviews with regional stakeholders including tourism bodies, operators and councils. The product audit and action plan are expected to be completed by October 2007 and implemented over the following two years. We would recommend that key activities for developing the tourism industry be taken from this action plan.

Specific activities which may occur concurrently with this project include:

- Queensland Water Infrastructure – prepare a paper which examines the recreational opportunities associated with the dam. This would detail the allowable activities on the water and adjacent to the dam, restrictions which may be placed on activities, access to the dam, associated infrastructure and services requirements, regulatory and legal issues, likely visitor numbers and any associated costs.
- Cooloola Shire Council – continue preparation of the Cooloola Strategic Regional Plan (and provide preliminary outputs where possible) to provide an indication of the preferred future development in the region and specifically development which supports the tourism industry.

Value-adding to timber processing

Opportunities for further processing of hoop pine in the Imbil area have recently been identified. These opportunities would allow for the development of existing and new timber processing and manufacturing sites. They would create employment opportunities and contribute to economic development in the region.

Few constraints or impediments to the development of this opportunity were identified. Ultimately, however, any proposals must be viable and sustainable over the longer term and this must be demonstrated before planning and approvals processes commence.

The Department of State Development has a number of programs available to eligible businesses to support development opportunities.

The following actions have been identified to progress this opportunity:

- Proponent / Department of State Development – develop a business case which outlines each proposal and its requirements (e.g. land, infrastructure, labour), and demonstrates the viability of the proposal and the benefits generated for the Mary Valley. The Department of State Development would facilitate the preparation of this business case.
- Proponent / Cooloolool Shire Council / State Government – detail land and infrastructure requirements, determine suitability of existing land in the area and identify any land zoning impediments. Facilitate development assessment and approvals processes.
- Proponent / Department of State Development / Department of Education, Training and the Arts – these parties may identify opportunities to train and improve the skills of the local workforce. Identify packages made available by the State Government to assist in training (e.g. industry training partnerships, subsidies for trainees and apprentices) and facilitate application processes.

Development of a multi-purpose sports facility

The Cooloolool Shire, more specifically the Mary Valley, has the opportunity to attract visitors to the area by establishing a multi-purpose sports facility. Subject to broad community support this facility could cater for noisy and hard-to-locate sports such as motor sports and shooting. The facility would be used for club activities (e.g. local sports and club competitions) while also having the capacity to host small to medium size events.

At present, sport and recreation in the Mary Valley largely comprises nature-based activities, local sports and intermittent sporting events. There are therefore a number of potential constraints to the development of a dedicated multi-purpose sports facility which accommodates noisy and hard-to-locate sports. These include:

- difficulties with finding sufficient (up to 150 ha) and suitable land to accommodate the facility (although like sports could locate on smaller parcels of land);
- impacts upon the ambience, landscape and amenity of the area;
- potential health, safety and environmental issues;
- insufficient infrastructure in the Mary Valley, such as transport and accommodation, to support a large number of frequent visitors to the area; and
- insufficient coordination between stakeholders in progressing this opportunity.

The on-going financial viability, and broader economic benefits, of a multi-purpose sports facility would also need to be examined.

A number of investigations will therefore be required to demonstrate that the proposed activities can be accommodated in the facility, associated impacts can be mitigated and the community considers that there are sufficient economic or social benefits to justify the support of such activities in the Mary Valley. Specific actions include:

- State Government / Cooloola Shire Council / Sporting Clubs – a business case would be required to examine the financial viability of such a facility. The business case would be comprehensive in describing the demand for such a facility, the activities it would accommodate, the supporting infrastructure and services required, its impacts (including mitigation strategies) and the potential benefits for the local community. The business case would also consider the broader economic benefits for the local and regional areas.

The decision to develop a multi-purpose sports facility would consider both its ongoing financial viability, as well as the potential economic benefit for local and broader regional areas. Where the financial viability of such a facility cannot be demonstrated, the broader economic and social benefits generated may still justify its development.

- State Government / Cooloolool Shire Council / Sporting Clubs – a demand assessment may be undertaken to identify the need for such a facility and its likely usage. This study would present information on numbers of people who participate, number of existing clubs, how often they participate, their desire to participate further should the businesses be relocated and their motivation to participate. This information would then be analysed to determine the likely demand for such a facility and its likely uses (e.g. local sports, inter-regional competitions, events).
- State Government / Cooloolool Shire Council / Sporting Clubs – an environmental impact assessment would be required to examine the potential environmental, social and economic impacts of the sports facility. This study would investigate issues related to noise and the impact on the landscape and amenity of the Mary Valley. A social and economic impact assessment would also be required to examine the impacts of the facility on the broader community.
- Cooloolool Shire Council – stakeholder consultation would be necessary to ensure that a sports facility would be accepted by the local community. Consultation with property owners, local businessmen, Cooloolool Regional Development Bureau, tourism operators and representatives of existing motor sport facilities and event organisers would be required.

Consultation would provide the community with the opportunity to weigh up the benefits of the facility with the potential impacts on the Mary Valley. Consultation with the community would inform the social impact assessment.

- State Government / Cooloolool Shire Council – an investigation of land availability and land suitability should be undertaken to identify potential sites for a sports facility (or multiple facilities). While available land has been identified near the Imbil showgrounds, it would not meet the demand for land required by the noisy and hard to locate sports which are seeking to relocate. This study would build on previous investigations.

Development of a business park at Imbil

An opportunity for the development of a small business park in the Imbil area has been identified. This park would bring together businesses which support existing industries of the Mary Valley, namely agriculture, forestry and timber processing. Additionally, it may cater for businesses associated with the construction of the proposed Traveston Crossing Dam. The park would accommodate light manufacturing and business administration type activities.

There are already a number of industrial and manufacturing businesses (including large timber operations) located within the Imbil area. For this reason, a number of the traditional constraints that would otherwise be associated with the development of a business park are less significant.

The following actions have been identified to progress this opportunity:

- Department of State Development / Cooloolo Shire Council – investigate the demand for industrial land in the Mary Valley. We understand that Cooloolo Shire Council may be undertaking an industry needs analysis in the 2007/08 financial year which may inform this investigation. The Industry Capability Network may provide assistance in identifying the land requirements of businesses locating in the area as a result of the proposed Traveston Crossing Dam.
- Cooloolo Shire Council – identify any infrastructure requirements and commence planning and infrastructure approval processes as far as is possible. This may involve outlining any restrictions which may be placed on activities within the site. Council may also facilitate development assessment and approvals processes
- Department of State Development / Cooloolo Shire Council – clarify the arrangements for developing the site, that is, either by Council or a private developer. Consider the potential land sale or lease arrangements associated with the site. Determine what incentives may be provided to encourage a developer to progress the opportunity (e.g. reduced costs, expedited approvals processes).

Provision of accommodation facilities

There is unlikely to be sufficient accommodation facilities within the Mary Valley and Gympie areas to accommodate the expected construction workforce associated with the proposed Traveston Crossing Dam. Construction of the dam would provide an opportunity for these facilities to be utilised on a regular and long-term basis. Further, there may be opportunities to expand and upgrade existing accommodation, and to potentially develop new facilities.

The development of the tourism industry (as outlined in Section 5.1) may also support an increase in the number, and possibility quality of, accommodation facilities.

There are a number of constraints and impediments to the implementation of this opportunity including:

- uncertainties as to the demand for accommodation (i.e. number and type of facilities) during the construction period;
- the identification of a suitable site for a construction camp;
- limitations on the availability of permanent housing accommodation (i.e. rental accommodation) as parts of the local community may be in the process of relocating;
- a lack of private investment in new accommodation facilities where the demand for the facility, and therefore its on-going viability, cannot be reasonably assured; and
- resistance by the local community to a large influx of construction workers into the area.

The following actions have been identified to progress this opportunity:

- Cooloolool Shire Council / Queensland Water Infrastructure – undertake an assessment of the potential demand for accommodation facilities to support the construction workforce. This should detail the potential types (e.g. temporary, semi-permanent, permanent) accommodation that will be required, the number / size of facilities and the expected period of occupancy.
- Cooloolool Shire Council / Queensland Water Infrastructure – an audit of tourism products, including accommodation, within the Mary Valley and broader area (e.g. around Gympie) will be examined as part of the Mary Valley Tourism Project. Options for accommodating the expected workforce within the Mary Valley, Cooloolool Shire and broader region should be examined.
- Cooloolool Shire Council / Queensland Water Infrastructure – an investigation of land availability and land suitability should be undertaken to identify a suitable site for the construction camp (if required), either within the Mary Valley or Cooloolool Shire. This investigation will also consider requirements for infrastructure at the site (e.g. water, power and sewerage) as well as requirements for infrastructure and services within the area surrounding the construction camp. This investigation may also explore opportunities for the use of the camp, or camp infrastructure, post construction of the proposed Traveston Crossing Dam.

- Cooloola Shire Council / Queensland Water Infrastructure – explore preliminary options to contract with owners of private accommodation facilities. Options to expand / upgrade existing facilities should be explored. These arrangements would ultimately be finalised with the project contractors but this process would allow some initial planning to take place.
- Cooloola Shire Council / Tourism Queensland – an assessment of the sufficiency (number and quality) of existing accommodation facilities for tourism purposes will be undertaken as part of the tourism development initiative (Section 5.1). The results of this assessment should be extrapolated to determine the potential requirements for accommodation post dam construction. This assessment would inform any decision to construct / upgrade existing infrastructure within the Mary Valley.