



crystal blue
homes

Investment Report

Mackay, Queensland



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Why Mackay?

Mackay is a city on the eastern coast of Queensland, Australia, about 970 kilometres (603 mi) north of Brisbane, on the Pioneer River. Accessibility to the area is excellent! Mackay has a sizeable airport connecting it not only to Brisbane, Sydney and Melbourne but also to other regional destinations such as Geelong, Cairns, Townsville, Rockhampton and Gladstone. It is also a rail hub, as the north coast rail line meets the western coal freight line in the city.

Two major highways, the Bruce Highway and the Peak Downs Highway meet at Mackay, connecting it to major centres north and south as well as mining towns in the Bowen Basin.

Mackay is well served for amenities, with two sizeable shopping centres: the largest, Cane Central, is currently undergoing a \$220m redevelopment with Myer to be the new anchor tenant. A third shopping centre is also under construction. The city centre features a wide range of cafes, restaurants and independent stores. There are also a number of primary schools and three high schools in the city, as well as two university campuses: one Central Queensland University campus and a campus of James Cook University.

Mackay also offers access to the scenic Pioneer Valley and a number of national parks to the west, the Coral Sea and marine national parks, and the established tourist area of the Whitsundays –which is located around 100km north of the city.

Mackay's diversified economy is an attractive investment for several key reasons:

- Central to surrounding mining operations, i.e. Galilee Basin and Bowen Basin
- Established community
- Highly established tourism industry
- Recognised as a growth area with considerable potential and opportunity
- Population is expected to surge and produce constant pressure to housing shortage
- A one hour flight from Brisbane
- Positive capital growth, and good levels of cash flow
- Australia is at the centre of the world's demand for energy
- Mining investment by BHP Billiton Mitsubishi Alliance, Anglo Coal Australia, Xstrata, Peabody Energy Australia, Riot Tinto Coal Australia and Macarthur Coal
- Mackay's mining boom has forced mine expansion, new constructions, new mining operations and infrastructural development of ports and railways

Mackay: The Facts

Population Growth

MACKAY'S emergence as an attractive lifestyle destination with strong employment opportunities has put it among Queensland's top 10 largest growing local government areas.

The region will be the ninth largest growing council area from June 2006 to 2021, according to a State Government population report released yesterday.

The report states that Mackay's population will grow to 156,117 people by 2021, an annual growth rate of 2.5%. By 2031, Mackay's population is expected to reach 187,367.

An extra 34,700 people will be living in Mackay by 2021, and according to the report Mackay's growth can be put down its emergence as an attractive lifestyle destination with strong employment opportunities resulting from the expansion of the coal industry to the west and south.

Economy & Employment Growth

Average annual employment growth in Mackay in Health Care and Social Assistance is similar to the national average (3.8%), however these industries are under-represented locally comprising only 7.4% of the Mackay workforce, compared with 10.8% of the Australian workforce. Employment growth in our industries is predicted to continue at higher rates than other industries, and projects such as the current Mackay hospital redevelopment (creating 800 new jobs over the next five years) will add to this natural growth.



Housing in Mackay

The demand for housing will increase as the population grows and more job opportunities present themselves, due to the mining operations being undertaken in areas near to Mackay. With an increase in foreign direct investment, come a number of benefits for Gracemere and the surrounding region. Employment levels rise, disposable income increases due to the above - national average salaries and wages on offer, and local infrastructure, as well as population growth continues to grow as segments of workers move into the area.

An influx of workers attracted by the mining demand, inclusive of both permanent residents and fly-in-fly-out (FIFO) push the demand for housing upwards. With housing being scarce, it becomes an investor's market; rental prices can be increased to reach the demand for housing at the property market's equilibrium. In most parts of Australia, the fluctuations in rent are often based on the location, infrastructure and reputation of the area.

Mackay and the surrounding region, as well as most mining towns in general are different -they are such an attraction for property investors due to the high rents that can be demanded and subsequently, paid for by workers, due to massive salary gaps between what miners are paid by international mining corporations, and the rest of Australians.

Areas such as Mackay, which are in close proximity to mining operations experience a high, and escalating demand for housing as more job opportunities present themselves, and better returns for property investors than anywhere else in Australia due to the high salaries and wages being paid. With a higher disposable income and a need for housing, property investors are able to demand higher rental returns and actually receive them due to the resources sector boom, which has created an abundance of wealth locally.

In addition to the mining operations which are pushing prices up in Mackay, Mackay has a high demand in general due to its flourishing tourism industry. Tropical beaches, nightlife and a gateway point to Australia's famous Whitsunday Islands, the area is inviting to those seeking a change of lifestyle, with the atypical Australian on offer. While demand for housing continues to increase due to the mining operations in the area, Mackay will only continue to prosper as a micro economy due to the compounding reasons for wanting to live there.



Demographics

- Mackay (4740) is a suburb of Central Coast, Mackay & Whitsundays, Queensland. It is about 804 kms from QLD's capital city of Brisbane.
- In the 2011 Census the population of Mackay is 4,072 and is comprised of 54.6% males and 45.4% females.
- The median/average age of the Mackay population is 34 years of age, 3 years below the Australian average.
- 64.1% of people living in Mackay were born in Australia. The other top responses for country of birth were Philippines 6.1%, New Zealand 3.5%, England 2.5%, India 1.8%, China 1.1%.
- 72.6% of people speak English as their first language 3.6% Tagalog, 2.3% Filipino, 1.2% Mandarin, 0.5% Gujarati, 0.5% Hindi.
- The religious make up of Mackay is 28.4% Catholic, 20.8% No Religion, 12.2% Anglican, 6.1% Uniting Church, 2.8% Presbyterian and Reformed.
- 31.5% of people are married, 46% have never married and 13.1% are separated or divorced. There are 170 widowed people living in Mackay.
- 70.1% of the people living in Mackay are employed full time, 19.5% are working on a part time basis. Mackay has an unemployment rate of 4.8%.
- The main occupations of people from Mackay are Technicians and Trades Workers 21.2%, Professionals 15.9%, Labourers 15.1%, Machinery Operators and Drivers 11.8%, Clerical and Administrative Workers 10.1%, Managers 8.5%, Sales Workers 8.1%, Community and Personal Service Workers 7.9%.
- The median individual income is \$727.00 per week and the median household income is \$1173.00 per week.
- 15.3% of homes are fully owned, and 16.4% are in the process of being purchased by home loan mortgage. 64.3% of homes are rented.
- The median rent in Mackay is \$270 per week and the median mortgage repayment is \$1950 per month.

Table 1 Estimated resident population by local government area, Mackay Regional LGA, 2006, 2010pr and 2011^{pr}

Local Government Area	Estimated resident population			Average annual growth rate	
	2006	2010 ^{pr}	2011 ^{pr}	2006 - 2011 ^{pr}	2010 - 2011 ^{pr}
Mackay (R)	107,332	114,243	115,677	1.5	1.3
Queensland	4,090,908	4,424,158	4,474,098	1.8	1.1
Region as % of Qld	2.6	2.6	2.6

pr = preliminary rebased .. = not applicable
R = Regional

Note: Based on Australian Bureau of Statistics, Australian Standard Geographical Classification (ASGC), July 2011.

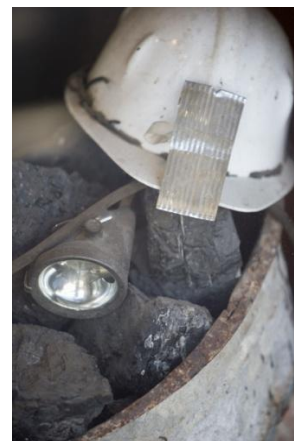
Data are updated annually with an approximate delay of 9 months after the reporting period. It is anticipated the next update will be in April 2013.

Source: Australian Bureau of Statistics, Regional Population Growth, Australia, 2011, cat. no. 3218.0 and unpublished data

Mackay Regional Growth

COAL

The city is also a vital service for the mines of the nearby Bowen Basin, which produces 85% of the State's coal. The Basin is the single largest coal reserve in Australia, with 34 operational coal mines extracting more than 100 million tonnes annually. This represents about 83% of Queensland's coal production. The vast majority of exported coal leaves the country via Hay Point, the largest coal exporting facility in the southern hemisphere, which is 30km south of Mackay



SUGAR CANE

Mackay is also well known for its sugar industry, earning itself the title "The sugar capital of Australia". Total cane production in the area approximates 86,000 hectares, with growers able to reach both domestic and international markets up to 6.5 million tonnes for processing. On average, Mackay produces 850,000 tonnes of raw sugar annually, cementing its status as one of the largest bulk-sugar loading terminals in the world (pictured below). The sugar industry in Mackay is constantly innovating; at present, the use of Mackay's sugar cane in ethanol-based fuel for vehicles is being explored, and has been found to have strong potential.



AGRICULTURE

Mackay also has a vast agricultural industry which produces timber, grain, seafood, cattle and tropical fruit. Tropical fruit harvesting has become an important industry for Mackay in recent times, due to the local and international demand for exotic fruits grown under Australia's ideal climatic conditions.



TOURISM

Mackay's tourism industry has been a cornerstone of North Queensland for years, alongside Airlie Beach and the Whitsunday Islands. Every year, national and international visitors visit the seaside locale for its laid back vibe and assortment of tourist activities on offer. Mackay attracts close to a million visitors per year, who flock to experience such attractions as the Blue Water Lagoon, the Mackay Marina Village and delve into the shopping precinct. The scenic drives and walks, national parks and reserves, bright blue beaches, zoos, aquariums, wineries and restaurants have all given Mackay a reputation as much more than an area benefiting from the resources boom. In fact, Mackay has been a tourist hot spot long before the mining industry started. In collection with the Whitsunday Islands and Airlie Beach, Mackay is viewed as a perfect stop off to Australia's famed Great Barrier Reef.



Local Industries

Local industries in Mackay include high quality cooking coal production, thermal coal, agriculture, sugar production, retail services, marine servicing and tourism. Due to Mackay's close proximity to the Whitsunday Islands, demand to live there extends beyond the opportunities provided by the mining operations, to one of a lifestyle choice. This is what sets Mackay apart from other mining regions; its local economy is highly developed and a tourist favourite for both national and international visitors.

Mackay Regional Council is strategically located within close proximity to the Bowen Basin - one of Australia's largest mining operations, which is considered the backbone of Australia's natural resources industry.

The region surrounding Mackay is a hot spot for mining operations. The Galilee Basin and Bowen Basin are the two largest mines and are part of the reason that Mackay experiences such a high level of air traffic from fly-in-fly-out workers.

The Bowen Basin contains the largest coal reserves in all of Australia, and contains one of the world's largest deposits of bituminous coal. Covering an area of over 60,000 square kilometres in Central Queensland, it runs from Collinsville all the way to Theodore.

In mid-2011 there were 50 mining projects under construction and that number is expected to grow, thanks to the continuation of the mining boom.

Major coal mines include:

- Byerwen Mine while still under development employed 1,000 workers in August 2011
- Curragh Mine employed 1,600 workers in August 2011
- Dawson Central Mine employed 1,560 workers in August 2011
- Goonyella Riverside Mine employed 2,360 workers in August 2011
- Hail Creek mine employed 1,270 workers in August 2011
- Peak Downs Mine employed 1,760 workers in August 2011
- Saraji Mine employed 1,615 workers in August 2011

The Galilee Basin contains deposits of thermal coal and has been described as Australia's newest mining province. Research and exploration into the levels of conventional oil, shale oil and coal seam gas are ongoing at present, and may provide even further opportunities for employment. A further nine mines have been put forth for construction in the basin. An estimated 100 billion tonnes of coal are said to be deposited in the Galilee Basin, and a new mine is expected to export 40 million tonnes of coal per annum to China, in a project known as the China First Coal.



Infrastructure spending for the Region

Infrastructure, Industries and Investment

With thriving industries yielding solid employment and long-term job security, sustainable population growth accompanied by millions of dollars worth of investment and development both under way and on the cards, a supportive community, a vibrant cultural and arts scene and a progressive Local Government – the Mackay region is powering ahead.

The attraction and retention of skilled people is a high priority for the Mackay region.

Mackay's economic attributes, liveability and lifestyle have resulted in comparatively low unemployment, particularly in comparison with the Queensland state average. The region is the service hub for the mining industry, however, from the look and ambience of it, you wouldn't think of Mackay as a major mining service hub. Bordered by 31 beautiful beaches, the Great Barrier Reef, a pristine rainforest hinterland and prime agricultural land, the region is rich in natural beauty, vibrancy, culture and lifestyle. The Mackay region has a strong demand for skilled labour and the lifestyle and liveability attributes to easily retain it.

The Mackay Region presents a wide range of investment opportunities and has come of age in the past decade, from a small city servicing the sugar and mining industries, to a bustling regional service centre surrounded by development in most industry sectors.

Industry and development in the 12 months ending 31 December 2012, there were 1,719 dwelling units in new residential buildings approved in the region, with a total value of \$505.1 million. The total value of non-residential building approvals in Mackay Regional Lga in the 12 months ending 31 December 2012 was \$251.2 million. In the 12 months ending 30 September 2012, there were a total of 2,841 residential dwelling sales in the region. The median sale price was \$415,000 at the time of the 2011 census, the region had 1,889 occupied private dwellings with no motor vehicles, or 4.9 per cent of all occupied private dwellings.



Key Statistics for the Mackay Region

www.mackay.qld.gov.au

March 2013

Mackay Regional Council Statistical Snapshot

For further information contact council's economic development program on 1300 MACKAY (1300 622 529)

The information contained in this flyer has been produced from data sourced via the Office of Economic and Statistical Research (OESR) of Queensland Treasury.

ECONOMIC ACTIVITY

Building activity

Residential and non-residential building approvals by local government area, Mackay Regional LGA, 12 months ending 31 December 2012

Local Government area	Mackay Regional Council	Queensland
\$ Value = -'\$000-		
Dwelling units in new residential buildings ^(a)	1,719	27,589
New residential building value ^(a)	\$505,092	\$6,845,434
Total residential building value ^(b)	\$538,915	\$7,981,176
Total non-residential building value ^(b)	\$251,163	\$5,713,358
Total building value ^(b)	\$790,078	\$13,694,534
Proportion of total value that is residential ^(c)	68.2%	58.3%

(a) Excludes alterations, additions and conversions.

(b) Includes alterations, additions and conversions.

(c) Represents total residential building value as a proportion of total building value.

Source: Australian Bureau of Statistics, Building Approvals, Australia, September 2012, cat. no. 8731.0

Rental prices

Median weekly rents, December quarter 2012 (REIQ)

Mackay Regional Council LGA

Postcode	Suburbs/Localities	Dec qtr 2012		Dec qtr 2011	
		Rent (\$)	New bonds	Rent (\$)	New bonds
3 BEDROOM HOUSES					
	Mackay Regional	\$460	301	\$450	355
Postcode	Suburbs in postcode include:				
4737	Armstrong etc	\$450	31	\$400	37
4738	Ilbilbie etc	N/A	2	\$320	5
4740	Alexandra etc	\$480	213	\$450	254
4741	Ball Bay etc	\$400	11	\$400	13
4750	Bucasia etc	\$500	15	\$450	17
4751	Greenmount etc	\$450	12	\$450	12
4753	Devereux Creek etc	\$380	6	\$400	5
2 BEDROOM FLATS/UNITS					
	Mackay Regional	\$360	244	\$330	240
4737	Armstrong Beach etc	\$280	12	\$260	12
4740	Alexandra etc	\$370	212	\$330	211
4750	Bucasia etc	\$380	6	\$340	9
3 BEDROOM TOWNHOUSES					
	Mackay Regional	\$500	31	\$405	25
4740	Alexandra etc	\$500	29	\$405	22

Source: Real Estate Institute of Queensland.

Market Monitor Issue 17, December quarter 2012

Median sales data, December quarter 2012 (REIQ)
Mackay Regional Council LGA

Suburb/ Locality	Number of Sales Dec qtr 2012	Dec qtr 2012	Change over qtr	12 months to the end of Dec 2012	Change over 1yr	Change over 5 yrs
HOUSES						
Mackay (LGA)	255	\$420,000	-5.6%	\$429,250	4.7%	13.3%
Mackay (LGA) ^	36	\$586,304	9.6%	\$520,000	4.2%	13.0%
Andergrove	25	\$395,000	-11.7%	\$415,000	6.4%	12.2%
Beaconsfield	20	\$463,250	2.9%	\$432,500	6.8%	15.6%
Blacks Beach	4	N/A	N/A	\$479,000	-3.4%	0.8%
Bucasia	16	\$422,500	-8.2%	\$460,000	5.5%	12.2%
East Mackay	13	\$422,000	-3.4%	\$426,000	3.9%	14.7%
Eimeo	9	\$460,000	-4.6%	\$464,750	4.4%	9.6%
Glenella	8	\$500,000	-8.7%	\$530,000	-3.5%	1.9%
Mackay	2	N/A	N/A	\$395,000	10.5%	11.3%
Marian	9	\$425,000	-6.6%	\$455,000	2.0%	17.0%
Mount Pleasant	11	\$492,500	9.4%	\$471,000	8.3%	13.5%
North Mackay	19	\$389,500	-1.4%	\$375,000	6.4%	13.6%
Ooralea	3	N/A	N/A	\$485,000	-2.2%	16.9%
Rural View	17	\$532,000	7.7%	\$490,000	6.5%	11.9%
Sarina	10	\$327,500	-3.7%	\$351,750	13.5%	21.3%
Sarina ^	4	N/A	N/A	\$479,000	N/A	4.7%
Slade Point ~	8	\$378,750	-17.7%	\$364,000	-4.2%	1.1%
South Mackay	21	\$400,000	3.9%	\$389,000	7.4%	12.6%
Walkerston	12	\$440,000	-1.1%	\$450,000	4.0%	13.3%
West Mackay	14	\$383,375	-10.2%	\$390,500	8.5%	13.2%
UNITS & TOWNHOUSES						
Mackay (LGA) ~ f	47	\$324,000	1.3%	\$324,500	2.0%	13.1%
Andergrove	4	N/A	N/A	\$292,500	N/A	4.7%
Mackay ~	13	\$350,000	12.2%	\$317,000	9.3%	13.4%
North Mackay	3	N/A	N/A	\$300,00	N/A	6.2%
South Mackay	4	N/A	N/A	\$299,000	3.1%	6.8%

* The calculations of percentage change in median prices compare preliminary estimates in the current period with preliminary estimates in the previous period where sufficient sales are recorded.

N/A No preliminary estimate available due to insufficient sales numbers.

^ Denotes acreage sales - on lands size greater than 2,400m². All other house & land sale statistics are based on land size under 2,400m². Unit and Townhouse data includes sales of all building units and group titled properties.

~ Medians affected by varying quality of stock sold.

* Medians affected by varying quantities of new properties sold.

f Medians affected by varying numbers of waterfront properties sold.

- Due to nature of properties in this suburb, some group titled property sales have been omitted.

Source: Real Estate Institute of Queensland, Market Monitor Issue 17, December quarter 2012

VACANT LAND SALES DATA

Median sales data, December quarter 2012 REIQ
Mackay Regional Council LGA

Suburb/ Locality	Number of Sales Dec qtr 2012	Dec qtr 2012	Change over qtr	12 months to the end of Dec 2012	Change over 1yr	Change over 5 years
VACANT LAND						
Mackay (LGA) ^{††}	70	\$207,250	-6.6%	\$195,000	11.4%	5.4%
Mackay (LGA) [†]	20	\$242,500	-23.0%	\$270,000	-0.9%	-11.5%
Andergrove ^{†††}	6	\$189,375	N/A	\$173,250	17.9%	-3.8%
Beaconsfield	1	N/A	N/A	\$196,500	-7.1%	N/A
Blacks Beach	15	\$207,00	5.6%	\$190,000	2.7%	-4.0%
Bucasia [*]	1	N/A	N/A	\$225,000	28.6%	16.9%
Eimeo	1	N/A	N/A	\$192,500	8.8%	-1.5%
Marian	3	N/A	N/A	\$198,000	21.8%	41.4%
Mirani [*]	4	N/A	N/A	\$156,000	23.3%	41.8%
Mount Pleasant	4	N/A	N/A	\$145,000	N/A	-22.7%
Ooralea	9	\$247,000	-0.8%	\$205,000	13.3%	12.9%
Richmond	1	N/A	N/A	\$255,000	N/A	N/A
Rural View	6	\$234,500	7.9%	\$215,000	8.9%	24.3%
Sarina	2	N/A	N/A	\$175,000	-2.2%	N/A
Walkerston	0	N/A	N/A	\$197,000	5.7%	9.4%

Source: Real Estate Institute of Queensland, Market Monitor Issue 17, December quarter 2012

EMPLOYMENT AND INDUSTRY

Unemployment and labour force (a) by local government
area, Mackay Regional LGA, September quarter 2012

Local Government Area	Unemployed	Labour force	Unemployment rate
	-number-		%
Mackay Regional Council	2,318	67,394	3.4
Queensland	139,800	2,480,000	5.6
Mackay (R) LGA as % of Queensland	1.7	2.7	..

(a) Based on a 4-quarter smoothed series.
Source: DEEWR, Australian Government Department of Education, Employment and Workplace Relations, Small Area
Labour Markets Australia, various editions

EDUCATION

Student numbers, Mackay (R) LGA, Census 2011

School students	Mackay ^(R)		Queensland	
	number	%	number	%
Pre-school	1,120	3.5	50,615	3.9
Primary - Government	7,301	23.1	258,616	20.2
Primary - Catholic	2,309	7.3	72,713	5.7
Primary - Other Non Government	881	2.8	48,450	3.8
Secondary - Government	4,118	13.0	154,133	12.0
Secondary - Catholic	1,901	6.0	51,966	4.1
Secondary - Other Non Government	847	2.7	52,454	4.1
Technical or further education institute	1,896	6.0	79,238	6.2
University or tertiary institution	1,955	6.2	173,433	13.5
Other	490	1.5	28,841	2.2
Not Stated	8,815	27.9	311,791	24.3
Total	31,633	..	1,282,250	..

Source: 2011 Census QuickStats: Mackay (R) Code LGA34770 (LGA), Education

EMPLOYMENT BY INDUSTRY

Employment by industry (a)(b), Mackay Regional LGA, 2011

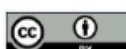
Industry	Mackay Regional LGA		Queensland		Specialisation ratio ^(c)
	number	%	number	%	
Agriculture, Forestry & Fishing	1,832	3.2	55,416	2.7	1.18
Mining	6,373	11.1	52,955	2.6	4.28
Manufacturing	5,425	9.5	171,669	8.4	1.12
Electricity, Gas, Water and Waste, Services	501	0.9	24,828	1.2	0.72
Construction	5,909	10.3	183,780	9.0	1.14
Wholesale Trade	2,559	4.5	74,288	3.6	1.23
Retail Trade	5,810	10.1	217,610	10.7	0.95
Accommodation and Food Services	3,388	5.9	141,855	7.0	0.85
Transport, Postal and Warehousing	3,880	6.8	107,072	5.3	1.29
Information Media and Telecommunications	364	0.6	25,358	1.2	0.51
Financial and Insurance Services	790	1.4	54,153	2.7	0.52
Rental, Hiring and Real Estate Services	1,036	1.8	37,007	1.8	1.00
Professional, Scientific and Technical Services	2,691	4.7	132,754	6.5	0.72
Administrative and Support Services	1,422	2.5	65,015	3.2	0.78
Public Administration and Safety	2,309	4.0	136,818	6.7	0.60
Education and Training	3,315	5.8	160,921	7.9	0.73
Health Care and Social Assistance	4,979	8.7	242,559	11.9	0.73
Arts and Recreation Services	283	0.5	28,444	1.4	0.35
Other Services	3,059	5.3	78,713	3.9	1.38
Total ^(d)	57,342	100.0	2,039,275	100.0	1.00

.. = not applicable
(a) Employed persons aged 15 years and over.
(b) Industry of employment was coded to the ABS 2006 Australian and New Zealand Standard Industrial Classification (ANZSIC).
This has replaced the 1993 ANZSIC edition.
(c) The ratio of the percentage for the Mackay Regional LGA to the percentage for Queensland.
(d) Includes inadequately described and not stated responses.
Note: Based on Australian Bureau of Statistics, Australian Statistical Geography Standard (ASGS), July 2011.
Census data have 'introduced random error' to ensure no data are released which could risk identifying individuals. As such, cells containing very small counts should be treated with extreme caution.
Queensland figures include the 'Migratory - Offshore - Shipping' and 'No Usual Address' counts.
Source: Australian Bureau of Statistics, Census of Population and Housing, 2011, Basic Community Profile - B43

Data based on Local Government Area (2011)
Material sourced from the Office of Economic and Statistical Research www.oesr.qld.gov.au
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Economy of Mackay

Firmly fixed in a long-term cycle of positive growth and demand, the Mackay region is certainly the epitome of Mackay Regional Council's vision: Prosperous, Sustainable and Vibrant. The region's expanding employment, investment and development opportunities, strong economy and lifestyle attributes are just some of the many positive aspects that encourage so many people to call the Mackay region home.

Over the last five years, the key industry sectors of mining, manufacturing and transport have undergone (or are undergoing) major expansion plans. Both Dalrymple Bay and Hay Point coal terminals are staging development programs that will result in boosting total port capacity to 140 million tonnes per annum, creating one of the largest coal ports in the world. Increasing global demand for coal, coupled with new mining developments in the Bowen Basin and improved rail capacity, establishes a foundation for this growth to continue into the foreseeable future.

The manufacturing sector, predominantly represented by Plane Creek Mill and the Ethanol Distillery, has also undergone expansions. The distillery, rebranded to Sucrogen BioEthanol, has recently completed upgrades to increase production from 38 million litres to 60 million litres a year in order to cater for the growing worldwide demand for ethanol and its various applications. The outlook for the distillery is for further developments in the near future.

REDC is the peak economic development organisation for the Mackay-Isaac-Whitsunday Region in Queensland, Australia. The region encompasses the Mackay Statistical Division, which includes the three local government areas of Mackay, Isaac, and Whitsunday.

It is the goal of REDC to:

1. Increase investment in the Mackay-Isaac-Whitsunday region
2. Get the Mackay-Isaac-Whitsunday region noticed and heard
3. Support economic sustainability of the Mackay-Isaac-Whitsunday region

The region is Queensland fastest growing in terms of economic value, boasting a resilient and diverse range of business and industry, low unemployment at an average four per cent and numerous natural tourist attractions including the Whitsunday Islands. The opportunities for investment are vast and recent analysis underlines more than \$107 billion worth of development planned for this region. This puts Mackay-Isaac-Whitsunday in front of the rest of the state and most of the country in terms of such a massive amount of planned growth in a short period of time.



Daily Mercury

Property boom causes blind buy

30th Jan 2012 7:24 AM

WOULD you buy a house without looking inside?

A buyer snapped up this South Mackay home last week without inspecting it, determined not to be beaten to the deal by seven other interested parties.

It's behaviour Vision Real Estate Mackay principal Eric Rickman hasn't seen since the last property boom.

"I listed it a week ago and it sold prior to inspection," he said.

"They put a contract on it without viewing inside.

"That doesn't happen very often but... in the past boom in the mid-2000s that did happen."

Mackay property owners pocketed massive profits in the last boom, with the median house price jumping 184%, from \$128,000 to \$363,000, between 2001 and 2006. Median prices have remained more stable during the last five years, rising 10.2% to \$400,000.

Vision Real Estate Mackay director Darren Symons says prices are on the rise again now, driven by rapidly rising rental costs, which are prompting many to buy their own homes.

"There's so many new people coming to town the prices of the houses are going up now," Mr Symons said.

"I don't think there'll be a spike (to the extent of that during the last boom) but with the present mining boom going on we're certainly going to see an increase in property prices.

"Days on the market have reduced drastically.

"The average time on the market is 10 weeks (but) you're probably seeing about half that at the moment: four or five weeks, provided it's priced realistically.

"Everything up to about \$600,000 is selling well."

Mr Symons said the rental market was doing even better than in boom one, with high returns luring investors back.

"The rental market is incredible at the moment.

"It has already surpassed boom one.

"The investor market is coming back for the first time in a considerable time."

Recent interest rate cuts had also spurred many home buyers into action, Mr Rickman said.

Daily Mercury

"November and December were two of our best months," he said.

PRICE RISES

Mackay median prices

2001: \$128,000
2006: \$363,000
2011: \$400,000

Moranbah prices

2001: \$53,000
2006: \$357,500
2011: \$618,000

Dysart median prices

2001: \$30,000
2006: \$317,500
2011: \$485,000

Rockhampton prices

2001: \$102,000
2011: \$317,250

Townsville prices

2001: \$130,000
2011: \$363,500

<http://www.dailymercury.com.au/news/property-boom-causes-blind-buy-house-mackay/1253534/>

Daily Mercury

Investor magazine names Mackay a property 'hot spot'

8th Apr 2013 7:09 AM

NOW is the time to snap up a house in Mackay.

The city has been named as one of the 100 best sites in Australia for growth prospects in the housing market, in an Australian Property Investor's magazine report.

A diverse economy, non-mining career opportunities, an increase in residential development and an "emergence of trendy new retail and lifestyle facilities" are among reasons for Mackay gaining a spot on the list.

Mackay's placing on the best 100 sites in Australia came as a surprise to Master Builders Association Mackay and Whitsundays regional manager Malcolm Hull.

"On an Australia-wide basis I am surprised, although we have been leading the state for quite a while now," he said.

"Mackay has consistently performed well for a very, very long time... this is good news for everyone in Mackay."

Mr Hull said the growth predicted for Mackay would last at least the next two years.

"Mackay is definitely a hot spot to come to," he said. "We're still not building to the demand that the stats are telling us is the population growth."

"Our building numbers have been consistently very buoyant for quite a while, so that would put us in that market."

Mr Hull said it was a "fabulous time to build", with the current low interest rates.

However he said consumer confidence needed work.

"Some of the banks have to be a bit more generous, in particular, and lenient. That would help out industry a large amount."

Australian Property Investor's Hot 100 list stated Mackay would best suit an investor or small developer. It said employment, population growth, infrastructure and mining were the area's key drivers.

According to the report, the median house price in Mackay is \$390,000 and unit price is \$290,000. The average rent is \$480 a week for a house and \$380 for a unit.

Bowen also made the top 100 list for growth prospects.

With a population of about 8800 people, Bowen had a strong property price growth for several years prior to the Global Financial Crisis, with a long-term growth rate of 15% each year.

Daily Mercury

"There has been little growth in recent years, but a massive employment boost is expected to lift housing demand," the report said.

MACKAY

In top 100 Australian towns for housing market growth

Median house price \$390,000, units \$290,000

House prices expected to grow

Employment, population growth, infrastructure and mining key drivers for growth

http://www.dailymercury.com.au/news/city-a-property-hot-spot-mackay/1820441/?utm_campaign=News+AM&utm_source=Mackay+Daily+Mercury&utm_medium=email

FINANCIAL REVIEW

How investors are reaping rewards from the mining boom

12 Apr 2012

As mining and energy giants begin projects that will reap riches from under the ground, property investors are seeking gains from what's more conveniently located above ground.

Parts of Queensland and Western Australia are the hot spots for residential property gains linked to gas and iron ore expansion, but areas nearer Sydney and Adelaide may also be in for a nudge.

"Everyone's talking about what's happening in the resource states and away from the capital cities," says Australian Property Monitors senior economist Andrew Wilson. "They're also talking about investment opportunities in suburban environments that are close to the resource sectors."

Queensland and Western Australia are the "prime movers" in this analysis, Dr Wilson says. In Queensland, Mackay and Gladstone stand out. "There's been considerable activity in the Gladstone housing market over the last couple of years," he says, with flooding and cyclone Yasi slowing the market in the first half of 2011.

Since then, median house prices have picked up, especially in the Mackay Basin and Moranbah area. The median price in Moranbah has increased from about \$450,000 at the end of 2010 to about \$615,000 a year later, although Wilson points out there hasn't been that much activity in Mackay itself.

Prices can be tight because Australia is characterised by a lack of new supply, Wilson says, pointing to the high cost of infrastructure and services, developmental constraints and complaints from not-in-my-backyard residents putting a stop to much new housing. "Solutions to these problems are in the medium term to long term, so there's no real relief in sight," he says.

In NSW, there tends to be more of a tenant-based work force, Wilson says, as opposed to owner-occupiers. A busy coal sector means the Hunter Valley and Newcastle markets have been active.

"A lot of mining companies do secure properties in areas such as Maitland and Singleton and this puts pressure on rentals," he says. In the region there are very low levels of new supply and Newcastle has seen associated growth, particularly suburban properties close to urban amenities. "Given the proximity to the coalfields I think there will be a growing wealth effect from the Hunter Valley into Newcastle, probably as a halfway point to Sydney," Wilson says. "I think Newcastle will reap the benefits earlier than Sydney."

In South Australia, Wilson is waiting to see the Adelaide market take a lift from BHP Billiton's expansion at Olympic Dam. "It still remains questionable whether the Adelaide market will shake off the lethargy of the past couple of years, and that does reflect a reasonably subdued economic performance in [the state]," he says.

Everyone's talking about Western Australia, of course, but it seems relocating workers and their families to the far-flung Pilbara is another matter altogether. "There is no real urban infrastructure or residential development that has occurred over the last decade or so in the north-west of WA," Wilson says. Mining companies have developed the fly in, fly out model as a consequence, with miners taking up permanent residence in Perth, "so there is no incentive to build in the far north-west".

FINANCIAL REVIEW

Median house prices in the Pilbara, which includes Karratha and Port Hedland, are up to \$1 million, “which doesn’t represent the quality of the property; it just represents there’s such a scarcity of property up there”.

Perth suffers in terms of its housing price cycle as a consequence, Wilson says, and the housing market tends to amplify itself in terms of the resource sector business cycle.

Perth is recovering, “no doubt about that”, he says. Is now a good time to get in? “Oh absolutely, but people came to that conclusion four months ago.” Wilson expects Perth prices this year to make up the 6 per cent they lost last year, but they’ll still be below 2007 prices. “Perth is still paying the price of that highly speculative prices boom back in 2006-07.”

Ray White chairman Brian White has seen an “explosion” in values in areas where mines are established, such as Gladstone, Emerald, Mackay, Rockhampton and the key markets in Western Australia. “People are describing a weakness in property values but these areas are seeing an increase in values that we’ve never seen in other markets,” White says. “It’s taken our breath away.”

White describes confidence in rentals as a long-term investment as a possible driver along with the capacity to purchase among owner-occupiers whose incomes have shot upwards.

“Real estate is a comforting concept for a broad range of investors,” he says, “and people like buying investments close to where they work and where they live.” Investors have pushed the market and owner-occupiers have gone with them, he says.

White advises city-dwellers to do their research, however. “People from Melbourne or Sydney deciding to buy in these centres without being prepared to go there is not something I would recommend,” he says.

http://www.afr.com/p/how_investors_are_reaping_rewards_wGDnTztBOQiX5Rsl9X6ysK

ABC Tropical North

Promising signs for Mackay property market

18 January, 2013



Strong economic fundamentals and sustained growth will make Mackay a property investment hot-spot this year says an investment analyst.

Queensland is forecast to perform strongly overall in 2013 with seventeen towns and suburbs named among the top fifty to watch nationwide by Smart Property Investment Magazine.

Editor, Phillip Tarrant says while Mackay's real estate is relatively expensive, solid yields and appreciation of the asset offset higher prices.

"Mackay is one of the top performers in this regard, because it has great economic fundamentals, a sound diverse local economy that has a whole bunch of things happening within it," he says.

"You're also looking at good capital growth. So investors want the rent to service the majority of the mortgage and wait for the growth to come.

"Infrastructure, strong population growth and limited housing supply. They're all key drivers in the property market for Mackay. That's why you've seen investors look in this area."

Mr Tarrant says investors can expect around a "six per cent yield on properties and seven per cent on apartments" with the median weekly rental price at \$460.

A diverse economy is added peace-of-mind for investors, he says.

"It's got great economic fundamentals. It's got a whole bunch of things happening within it. It's not relying on one thing in particular," Mr Tarrant says.

While boasting a strong agriculture and mining industry, Mr Tarrant says potential growth through the marine and tourism industries were positive signs for the region.

<http://www.abc.net.au/local/stories/2013/01/18/3672251.htm>

Summary

Mackay - A growing economy

- The Mackay region has one of the fastest growing economies in the state. This rapid growth is driven by coal mining and mining services, complemented by well-established agriculture and tourism sectors.
- Additional government investment will support continued growth to ensure the region remains one of the engine rooms of the Queensland economy. And with this growth comes opportunities and jobs:

Infrastructure

- \$40 million for a new Fursden Creek Bridge in Mackay, which will result in approximately 160 new jobs
- An additional 16 overtaking lanes on the Bruce Highway in the Mackay/Whitsunday region
- \$7 million redevelopment of the Whitsunday Coast Airport with work being undertaken by local construction firms
- \$7 million redevelopment of Shute Harbour Road, Airlie Beach (jointly funded with the Australian Government and Whitsunday Regional Council).

Tourism

- Tourism Queensland continues to actively promote the region through the *Whitsundays, 74 Island Wonders* campaign and the three-year *Queensland Season of Sailing* campaign
- A Principal Tourism Development Officer to work closely with Tourism Queensland, the Mackay and Whitsunday Regional Councils and local regional tourism organisations to help local tourism operators recover from the natural disasters
- Industry assistance forums, workshops and training seminars in Airlie Beach and Mackay to help tourism operators in natural disaster planning, market research and building an online presence.

Major events

- \$100 000 to the Mackay Convention Bureau to attract key business events and showcase the region to the world.

Reconstruction

- The Queensland Reconstruction Authority has allocated, as at 20 June 2011, \$4.432 million to the Mackay Regional Council and \$9.9 million to the Whitsunday Regional Council as advance payments for infrastructure reconstruction
- Some of the roads earmarked for reconstruction in the region include:
 - 27 sites on the Bruce Highway at a cost of \$42.3 million
 - 31 sites on the Peak Downs Highway at a cost of \$38.5 million
 - 5 sites on Marlborough Sarina Road at a cost of \$22.3 million
 - 11 sites on Mackay-Eungella Road at a cost of \$13.9 million.

Housing

- Construction of a new \$3 million affordable housing complex in Mackay.



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