



CARPENTARIA SHIRE

Outback by the Sea

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Committee Secretary
Joint Select Committee on Northern Australia
PO Box 6021
Parliament House
CANBERRA ACT 2600

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Dear Committee Members,

THE DEVELOPMENT OF NORTHERN AUSTRALIA

Carpentaria Shire Council welcomes the opportunity to lodge submissions with respect to the development of northern Australia. Please find Council's submissions below.

The need for a strategic approach

Council submits that a strategic, integrated, whole-of region approach needs to be developed and implemented. History has shown that prior activities have generally been piecemeal and isolated to stand alone projects without necessarily addressing issues on a regional basis. It is essential that proper consultation processes with regional and remote communities are undertaken to take advantage of the wealth of local knowledge that exists in such communities.

The development of northern ports

Council is especially interested in the development of the Port of Karumba and is currently working in conjunction with the State, at the invitation of the Premier of Queensland, to look at opportunities for a consortium of Gulf councils to manage and operate the Port.

The development of the Port of Karumba represents an exciting opportunity for regional development and provides an important link to and from Asia. By way of summary, the points below highlight some of the opportunities. Of course, Council is able to provide more detailed information and would be happy to appear before the Committee to further expand on the opportunities for the Port of Karumba (the "Port").

1. The Port is currently used for the transshipment of ore (mainly zinc) which is delivered to Karumba via a pipeline from Century Mine. While Century Mine is closing down in 2015, there are ongoing negotiations for continued use of the pipeline and trans-shipping at the Port.

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2. Without any further expansion of the dredged channel, there is an opportunity to double the transshipment of ore from 1 000 000 tonnes to 2 000 000 tonnes per annum.
3. Trans-shipping operations have been successfully carried out at the Port for over 15 years, thus ending any doubt as to the viability of such operations.
4. The Port also continues to have a strong commercial fishing presence and live export of cattle continues to grow now the live export bans have been lifted.
5. The Port has a number of logistical advantages over east coast ports, including—
 - a. Shipping time to and from Asia is reduced significantly. It is estimated that a return trip to, say, India would be reduced by 4-5 days and would result in significantly decreased costs by avoiding pilotage fees through the Great Barrier Reef;
 - b. No major environmental issues arise in shipping operations when compared to the problems faced by east coast operators who must traverse sensitive areas of the Great Barrier Reef;
 - c. Better access to the port for the live cattle trade, including reduced trucking times for most Queensland cattle and those stations in the east of the Northern Territory, resulting in cattle being shipped in better condition when compared to shipment from Darwin or east coast ports;
 - d. The untapped potential for imports through the Port which can then shipped via a road network taking in western Queensland, the North West Minerals Province and major roads to the east and south, thereby reducing the demand and impact on other major routes such as the Bruce Highway.
6. Where trans-shipping is not suited, the construction of a conveyor or other load delivery system to deeper water presents an opportunity for direct loading and unloading of goods, ore and gas. The concept is not difficult or new as such practices have been successfully used for many years in the Gulf of Mexico which is remarkably similar to the Gulf of Carpentaria waters in many respects. Preliminary studies have identified suitable sites for such facilities.
7. With a reduction in red tape and given the proximity of Karumba to expanding uranium mines, the Port could and should be used for the export of uranium. Currently, the export can only occur through Darwin or Adelaide. It may surprise some that uranium was exported through the Port of Karumba some decades ago.

Rail

The potential for increased exports and imports through the Port of Karumba would be increased dramatically with the construction of a rail line linking the Mount Isa – Townsville line to the Port. Opportunities for ore and gas exports from the North West Minerals Province would be significant. Private scoping studies have been completed and generally support the development of the rail line.

Problems associated with the Mount Isa to Townsville line are well known, including the inability of many mining companies to obtain access to the line, and the slow speeds that must be travelled on most of the line.

Encouragement of the development of the proposed rail line by private enterprise could be fostered by government. For example, the creation of an essential services corridor along the proposed route by government could address issues such as land tenure, native title, cultural heritage and environmental matters in a coordinated way that would open up the area for development. Essential services corridors could also be used to locate electricity, water and other transport infrastructure.

Improved basic services

Basic services, including health, education and training, need to be improved in remote areas of northern Australia in order to retain people in the regions. Bureaucratic and coordination issues generally result in a depreciation of the quality of service.

With respect to health services, there are many and varied agencies offering services in the Shire. Council has been proactive in establishing and coordinating an inter-agency forum to attempt to improve communication between all agencies. However, there remains a lack of coordination, and at times cooperation, between the various agencies. A single coordination body for all health services would likely improve the quality and delivery of the services.

As in many regional and remote areas, the availability of doctors and dentists is an ongoing problem. Council submits that tax and service incentives for these professions should be instituted to encourage improved medical and dental services.

Schooling is a critical service in remote areas. While Council acknowledges it is a State matter, badly informed decisions can have negative and unintended consequences. For example, while residents generally accepted that their children would go to boarding school to attend high school, the transition of Year 7 into high school has meant that many families have left towns such as Karumba as they have not wanted to send their children to boarding school after Year 6. Decision-making was undertaken without due consideration of the impacts on remote areas of northern Australia.

Red tape also prevents sensible solutions to schooling issues such as those outlined above. For example, a private school at Normanton is interested in extending their curriculum offerings to Year 10 and is willing to offer boarding or bus transport to children from Karumba. Their application was refused by the State minister who it appears was concerned about the impact on the local State school. The refusal is currently under appeal. This is a potential lost opportunity for students and families in the Shire. Rather than see the proposed expansion as improving competition and choice, the anti-competitive protection for the State institution continues to see families leave for better schooling opportunities elsewhere.

The provision of essential services and infrastructure

Without stating the obvious, it is impossible for areas of northern Australia to develop or become competitive without the provision of proper electricity, telecommunications, roads and water infrastructure.

Power

In the Gulf region, the expansion of the national grid into the North West is critical. Power lines cease abruptly at Century Mine whereas they could be easily extended to towns such as Burketown and Doomadgee, and go on to link to Normanton and Karumba. Such a link would provide an essential back up for those regular occasions when the line from Townsville to Karumba suffers from outages. The consistent feedback Council receives from miners and potential miners is that nothing will develop without access to reliable power. Of equal concern are suggestions that the existing line could be decommissioned and disassembled.

There has been some exploration and examination of gas fields in the Gulf region. One company has indicated its potential to develop a gas-fired power station in the region to service the area and the North West Minerals Province. While the export of gas is a continuing growth industry and should be encouraged, some incentive should be provided to those companies willing to commit to and develop alternative sources of power in regional areas. The environmental outcomes are improved as is the opportunity for regional development.

Water

Council is currently completing investigations into a new water supply for Carpentaria Shire. The current supply does not meet existing needs, let alone future residential, commercial or industrial needs. The estimated cost of the new infrastructure is approximately \$50 000 000. Councils that are prepared to develop such inter-generational infrastructure should have access to long term, low interest loans from government to fund such significant infrastructure. Funding sources could potentially include the Commonwealth's Future Fund. Under current arrangements, Council has access to loans on 20 year terms from Treasury which may be extended to 30 years with ministerial approval. Given the significance of the infrastructure and the benefit to future generations, greater flexibility from government is required to ensure that all of the costs are not borne by the current generation in small local government areas.

Telecommunications

Satisfactory telecommunications infrastructure is either non-existent or very poor across the Shire. Ongoing representations to Telstra are ineffective. It is obvious that the only body with any power to rectify the situation is the Commonwealth Government. Nothing further needs to be said as the ball is in the government's court and the problems and consequences are well known.

Roads

Many of the region's roads were developed as Beef Roads in the 1960s. While significant improvements have been made, a small number of bottlenecks could be easily upgraded to provide year round access to the Gulf. Of most significance is the widening of the remaining 60km of the Burke Developmental Road between Normanton and Cloncurry, together with a new, raised bridge over the Flinders River at Walkers Bend on the same road. The cost of this infrastructure is minimal in comparison to the benefits and opportunities it would create. Today's civic leaders require the same vision in undertaking these nation building exercises as that shown by the leaders who built the Beef Roads in the first place.

Incentives

Despite the obvious need for essential services and infrastructure, it is apparent from prior dealings with individuals and businesses that a system of incentives from government is required to attract and retain businesses, people and investments to remote areas.

Council submits that it is appropriate for taxation incentives, together with research and development incentives, to be provided to encourage development in northern Australia.

Regional opportunities

Further significant development opportunities exist in Carpentaria Shire and the Gulf region. These include—

1. Expansion of cattle live export, including promotion of international markets;
2. Nature-based tourism. The Shire contains significant areas of wetlands that rival better known destinations such as Kakadu. Associated facilities require development. Consideration should be given to campaigns that promote the entire north and/or region. Many of the sites complement each other and should be seen in this context rather than being competitors. Funding opportunities need to be promoted and a promotional body established that could take on coordination responsibilities across the north. Regions appear to compete against each other instead of linking together to broaden opportunities.

3. Regular RPT air services to all significant towns in the north. For example, no subsidy is available for an operator to fly into Karumba given that it is 75km from Normanton. However, Karumba serves the mining and fishing industry and is the tourism hub of the Gulf which sees the population swell from 600 to over 4000 during the dry season. Not having a regular air service limits economic development opportunities.
4. The basing of border protection and economic zone protection services at Karumba. To have boats and aircraft in the Gulf for surveillance exercises in Gulf waters makes logistical and economic sense and promotes regionalisation of services.
5. The establishment of regional science and education centres in significant areas of interest. The Gulf presents opportunities for study of the unique marine environment. Incentives could, for example, encourage universities to establish a research hub within the area, or a Federally-funded CRC could regionalise part of its operations.
6. Mining – especially uranium and gas (whilst noting the current limitations caused by a lack of reliable infrastructure including electricity).

The removal of red tape (including land tenure resolution and simplified approvals processes) and incentives for organisations to take up the opportunities is a necessary first step in developing northern Australia generally and the Gulf in particular.

In terms of future regional programs, Council wishes to highlight what it sees as the failed RDAF program which included a poor definition of what areas constituted “regional” Australia. Areas west of the Great Dividing Range were largely ignored and it rubbed salt into the wounds to see projects funded in western Sydney, Brisbane city and Perth, by way of example. Future funding programs should be established, aimed at and delivered to northern Australia, including remote areas, to ensure development opportunities do not wither on the vine. Council wishes to see genuine programs for regional and remote areas, rather than funding programs which are mere pork barrelling exercises.

In closing, Council again thanks the Committee for the opportunity to make submissions. The Mayor, Cr Fred Pascoe, would welcome the opportunity to address the Committee either privately or in any public hearings. Please contact Council's Chief Executive Officer, Bob Owen, if you have any queries or require further supporting information with respect to the above submissions.

Yours faithfully,



Bob Owen
CHIEF EXECUTIVE OFFICER