

Great Southern Area Consultative Committee

WESTERN AUSTRALIA

Submission to:

**House of Representatives Standing Committee
on Primary Industries and Regional Services**

*Inquiry into Infrastructure
and the Development of
Australia's Regional Areas*

April 1999

Great Southern Area Consultative Committee

WESTERN AUSTRALIA

Submission: House of Representatives Standing Committee
on Primary Industries and Regional Services

Inquiry into Infrastructure and the Development of Australia's Regional Areas

Contents

	Page
Introduction	2
Executive Summary	3 - 5
Methodology	6
<i>Terms of Reference</i>	
1. a) Deficiencies in infrastructure which currently impede development in Australia's regional areas. b) Factors that would enhance development in these areas, including the provision of infrastructure such as energy, transport, telecommunications, water supplies, and facilities that deliver educational, health and financial services;	7 - 22
2. The potential for development in regional areas;	23 - 24
3. The extent to which infrastructure development would generate employment in regional Australia;	25
4. The role of the different levels of government and the private sector in providing infrastructure in regional areas;	26 - 27
5. Planning, coordination and cooperation in providing infrastructure in regional areas;	28 - 29
6. The benefit to the national economy of developing regional infrastructure.	30 - 31
	<u>ATTACHMENTS</u>
List of Great Southern ACC members	ONE
Map of Great Southern of Western Australia	TWO
Regional Summary	THREE
GSACC Strategic Plan	FOUR
Bibliography	FIVE

Great Southern Area Consultative Committee

WESTERN AUSTRALIA

Submission:

House of Representatives Standing Committee on Primary Industries and Regional Services

Inquiry into Infrastructure and the Development of Australia's Regional Areas

Introduction

The Great Southern Area Consultative Committee identified regional infrastructure as a critical and integral issue in its Strategic Plan 1998 - 2001. The consultation process used in developing our strategic plan indicated that infrastructure requirements are still perceived to be a barrier to industry and business development in the region. Issues raised included:

- Inadequate volume and reliability of power for industry needs.
- High set up or "headwork" costs for larger employers.
- Lack of available land for business, particularly light industry.
- Lack of housing and social infrastructure in rural areas eg. the availability of a doctor, health services, childcare, aged care accommodation.
- Closure of banks in small towns.
- Lack of telecommunications infrastructure, eg. Mobile phone, Internet services

See Attachment Three for a copy of our Strategic Plan. See also Attachments One and Two, which provide a list of our members and a map showing the region covered by our submission.

We appreciate this opportunity to inform the House of Representatives Standing Committee on Primary Industries and Regional Services on these and a number of other important infrastructure issues affecting regional development and impacting on this region. In the Executive Summary below, we have provided a brief outline of many of these issues. These comments have been expanded upon in the main body of this submission.

Some of our members express disappointment that there is not a Western Australian representative on your Standing Committee. We presume this does not reduce the importance of Western Australian issues and contributions.

Executive Summary

It is well recognised that the Federal and State Governments have a critical role in providing infrastructure to ensure the sustainable economic development and growth of regional Australia.

Our research confirms that there are major concerns in this region regarding the provision of some aspects of infrastructure and that urgent government intervention is required. Specific concerns have been detailed in the following paper and include:

- The provision of road infrastructure.
- Energy supply, including gas.
- The lack of residential zoned land.
- The lack of industrial zoned land.
- Slow planning procedures/approvals.
- The provision of “just in time” infrastructure for new development/industry.
- The marketing of available infrastructure.
- Telecommunications issues in rural areas, including systems which cannot even handle a facsimile satisfactorily.

One matter requiring immediate Federal attention is the provision of suitable funding for transport infrastructure in this region. There is an urgent need to develop roads able to cope with the imminent \$290 million per annum plantation timber industry. It was identified that up to \$40 million dollars is required beyond current budget allocations to build new roads and re-build existing local and major roads to cope with a fourfold increase in heavy haulage due to begin in the year 2000.

There is a strong view in this region that Federal road responsibilities should extend beyond the National Highway system and that action needs to be taken to address issues identified in section 1.3 of this document.

Another transport issue is the substantially higher cost of fuel in regional Australia when compared to that in the capital cities. This cost increases isolation and is a disincentive to industry development, particularly for industries located more than 150 kilometres from a port. Outside that distance transport viability is severely affected.

The timing of infrastructure development was identified during our consultations as being an important issue. The scenario exists in some locations where prospective developers, interested in expanding or starting up in a particular location, approach the various local authorities to inquire about land, power, water, housing, specialist labour and zoning restrictions. They are told that it could take months or sometimes years to establish the infrastructure required. In some cases this may only be a minor requirement such as the provision of a small block of industrial land, the availability of 3-phase power or the provision of telecommunication lines for facsimile and email.

There is a perception by many people in this region that some centralised policy and decision makers consider rural Australia to be suitable for retirement, farming and lifestyle purposes only. There is a fear that policy makers do not consider it worth the cost of setting up major infrastructure which would enable the establishment of major business and the expansion of commodity market enterprises.

There is strong opinion and evidence in this region that value adding to agriculture and primary industry is essential for the future well being of Australia. The expansion of regional infrastructure to accommodate this is critical. There is a fear that unless the federal government is willing to provide the foresight and fund regional infrastructure installation and upgrades, we will continually lose opportunities to overseas and capital city interests.

One of the perceived problems is that critical mass creates industry and development, but without industry and development you will not get critical mass. Mining and special industry towns often prove this not to be valid as they set up their own infrastructure before development occurs. There is a snowball effect when support industries are established leading to the situation in some centres where a community thrives without its original industry. For example, Walpole on the south coast of Western Australia was set up as a timbermill town whereas now it has a massive tourism industry without a timbermill.

During our consultations, some people suggested privatisation of State Government services was an opportunity for government to review funding procedures for certain types of funding. One model suggested was to channel infrastructure funding directly from the Federal Government through a state/regional advisory panel/body to local projects. It was suggested to us that organisations such as Regional Development Organisations (RDO's) and Area Consultative Committees (ACC's) could be the intermediary bodies/panels and be used as the conduit for funds. This has already worked well for a large variety of projects funded through those Committees. For this system to work well it is very important that decision making powers are granted to regional bodies without complicated bureaucratic interference delaying approvals and payments. Having one Federal level of government supported by a regionally located advisory panel/committee may not be politically acceptable to some people, as to some extent it bypasses the State Government. But, in the interests of rebuilding Australia's infrastructure many people consulted considered it worth expanding the RDO & ACC process further.

It was also suggested that infrastructure provision needs to consider "big picture" issues within regions as well as responding to isolated requirements.

The Western Australian State Planning Strategy recognises the provision of infrastructure in its State and Regional strategies, viz: "*Strategies include: facilitate the provision of strategic infrastructure to support regional development*".

The growth of the region also depends upon well planned and coordinated infrastructure for all forms of development from housing to industry.

Industry, transport and infrastructure issues include:

- *supply of serviced industrial land*

- *adequacy of road, rail, sea and air transport*
- *traffic conflict*
- *inadequacy of infrastructure*
- *availability of basic raw materials*
- *infrastructure cost*
- *waste management*
- *arterial drainage*

“The objectives of the industry, transport and infrastructure strategies are to: ...Provide for the most efficient and effective use and improvement of road, rail, sea and air transport; ...”

If these principles of the State Planning Strategy could be fully funded and implemented, there would be no infrastructure problems in rural Australia.

The Challenge

The challenge for the Federal Government is to prove it can respond to the infrastructure needs of regional Australia. It should:

- respond to the immediate need for transport infrastructure in this region
- analyse the timing of infrastructure requirements
- be aware of the special needs and problems of rural areas
- provide a review of funding procedures
- coordinate its “big picture” planning strategies with State and Local Government and Industry.

Due to lengthy lead-in times, infrastructure needs to be actively installed in advance of industry needs to enable the establishment of industry and ensure the growth of employment and development in regional Australia.

Methodology

The compilation of this submission involved consultation with a cross section of people in the Great Southern and researching and building on a variety of previous studies. See Bibliography – Page 24.

- Representatives from industry, various levels of government and a selection of interested individuals from throughout the community made a variety of comments and suggestions for consideration.
- Previous extensive work and consultation on the topic of infrastructure has also been used as background research and source material. For example, the consultation process used in completing the Great Southern Area Consultative Committee Strategic Plan (see attachment) included the conducting of lengthy workshops with over 80 people from business, government and community representatives. Section 3 of that plan addresses infrastructure issues in particular.
- In-depth background consultation was also an integral part of the other documents which were used in developing this submission.
- Fieldwork was conducted over a relatively short time period due to the limited lead in time available. Some comments made have therefore, by necessity, not been fully researched, but have been included for the information of your standing committee and further investigation as you deem necessary.

1

- **Deficiencies in infrastructure which currently impede development in Australia's regional areas, and**
- **Factors that would enhance development in these areas, including the provision of infrastructure such as energy, transport, telecommunications, water supplies, and facilities that deliver educational, health and financial services;**

1.1 Energy

1.1.1 State Policy

Western Power and Alinta Gas are the region's new energy suppliers under the Electricity Corporation Act 1994 and are classed as Government Business Enterprises. Western Power has taken over the generation, transmission, distribution and sale of electricity, previously undertaken by SECWA (State Electricity Commission of W.A.).

State policy since the early 1990's has been to: *“expand the energy sector, by encouraging private capital, particularly in the building of new infrastructure (pipelines or power stations), and to use competition and deregulation to drive down prices and develop the State's energy sector”*.

The Great Southern region is supplied with electricity but not with a natural gas pipeline, even though natural gas is an abundant national resource in Western Australia.

1.1.2 Deficiencies in Energy Infrastructure

Despite the policy, many users in hinterland areas claim future expansion is inhibited due to an inadequate supply of electricity for the operation of machinery and technology. These include those involved in the massive expansion of the wine industry at Frankland, olive growing ventures, small manufacturing and aquaculture. The supply of electricity is quoted as being so deficient that users in some small communities claim to have insufficient power available to drive a facsimile or computer satisfactorily at all times. They are connected to the state grid but not to a main line and fluctuations and power failures appear to be a big concern. See also 1.1.6.

Other examples of inadequate energy supply which people said have inhibited industry include:

- A new major abattoir had to install expensive generation equipment so that a nearby major regional centre wasn't blacked out when the abattoir started up its machinery.
- Piped natural gas was not available to encourage the establishment of several significant value adding industries. For example a malthouse and value adding processing of silica sands. Future major industry such as a pulp mill may be discouraged by the lack of a natural gas supply.

- Three-phase power is not available in all areas. This is a fundamental requirement for major industry development.
- Manufacturers in some rural centres had to install their own power plants to prevent power fluctuations causing computer re-boots, etc when welding equipment is used. See also 1.1.6.

Discussions with Western Power indicated the main issue is that the power distribution network was established as a single phase system designed for domestic and light rural use and not for heavy industry. Heavy industry demands are a more recent issue. If a massive injection of Federal funds was made available maximum power could be supplied to all areas, in the meantime it is simply not practical to do so.

1.1.3 Cost of Energy Infrastructure

In some instances power can be supplied from the grid on dedicated powerlines, however at \$30-35,000 a kilometre, installation cost is stated as being prohibitive, especially if prospective businesses are 50 – 60 kilometres from a substation.

Even if power is available in a locality, headworks establishment was cited as a major inhibitor to many new industries being set up. The **Regional Headworks Scheme**, initiated by the Western Australian Government through the Department of Commerce and Trade to assist with the provision of infrastructure, is seen by many people as a step in the right direction. It has some excellent examples of helping new and expanding industries. However the total budget of \$4,335,968 expended since the Scheme was established in 1996 is minimal compared to the total statewide requirements for infrastructure. For example there is a \$40 million shortfall just in the current Great Southern regional road infrastructure funding. Also the approval process is seen by some people as being too cumbersome.

At the “Energy in Western Australia 1998” Conference, it was confirmed that the electricity prices in Western Australia tend to be more than 10% greater than in the Eastern States. This infrastructure issue inhibits the attraction of energy dependent industry to Western Australia.

1.1.4 Other power infrastructure issues raised include:

- The high cost of providing Customer Service Obligations in the remote regions of Western Australia. By supplying off grid system power and uniform tariffs throughout Western Australia, Western Power cannot always be as competitive as smaller states such as Victoria.
- Metropolitan areas, which should be getting cheaper prices due to increased efficiency, are cross subsidising remote areas.
- The diesel excise which results in a high cost of running diesel generation systems in remote areas.

1.1.5 Competition, Maintenance and Planning

Some people felt the introduction of third party access to the power transmission and distribution system may alleviate some of the above problems.

One person consulted stated that thousands of kilometres of rural power lines were “well past their use by date”. It was felt this could be a massive infrastructure problem, as it may not be economic to replace or repair all existing overhead lines. “Just in time” management of this problem is obviously not enough. It was also claimed upgrades in the region appear to only cater for the current demands and not for future client or industry expansion.

Western Power state their maintenance program is in fact adequate to maintain the current system, but agrees that an injection of infrastructure funds would assist with upgrades to handle the power demands of the new millennium.

We believe there is a social and economic responsibility on government to supply a suitable energy supply to this region and the rest of Australia. We acknowledge that the cost of providing this infrastructure is significant and could be seen as prohibitive, and that Western Australia is too remote to ever become part of the National Grid System. However we believe that under the “public interest” obligations of the National Competition Policy, the government must accept its responsibilities.

It was stated that although there is generally sufficient electricity transmitted into the region, the distribution system that supplies the electricity to customers, appears to need upgrading. Economic development and planning strategies for the State should include the upgrading of infrastructure to all regions. It was suggested this should not be an issue for Western Power to solve alone.

1.1.6 Computer and Facsimile Malfunctions

Problems with computer, facsimile and other electronic equipment malfunctions and re-boots are a modern day symptom of the worldwide issue of short 1-10 second power fluctuations or “outages”. They are a fact of life, especially when distribution systems cover large areas such as in regional Australia. Western Power state their back-up and modern switching systems have substantially reduced the issue but it will probably always exist to at least some extent. They advise the only way for businesses to prevent the problem entirely is to install their own suitable back-up battery systems and electronic time delays.

1.1.7 Bio-mass power generation:

Western Power is currently investigating the feasibility of utilising Bio-mass for power generation. The benefits of implementing Bio-mass power generation would enhance value adding quite substantially.

1.2 Gas

1.2.1

Western Australia has abundant supplies of natural gas and coal. It is expected that gas will become increasingly important in meeting primary energy requirements, especially with pressures to reduce greenhouse emissions. Unfortunately there is no gas pipeline in this

region. As mentioned in 1.1.2 piped natural gas was not available to encourage the establishment of several significant value adding industries. For example a malthouse and value adding processing of silica sands. Future major industry such as a pulp mill may be discouraged by the lack of a natural gas supply.

It has been suggested that the up front cost of installing a natural gas pipeline into this region is not warranted due to the current lack of end users. Steps need to be taken so that industry is attracted to the region rather than be repelled interstate and overseas by the lack of available energy. Every business lost to overseas countries is another blow to Australia's long term economy. It is well documented that value adding is critical to ensuring the future of regional Australia. There are many value adding industries which might be introduced if a gas supply was made available including wool scouring, charcoal production and a malthouse.

The potential use for gas in this region is substantial and would require a research paper in its own right. It has been suggested decision makers need to think 50 years ahead, not just 5 or 10 years. A long term strategic investment by government is therefore required to install a gas line.

1.3 Transport

It was stated during our consultations: *“A good transport system has the capacity to ensure that Australia booms. Conversely, a bad transport system has the capacity to ensure that Australia fails to meet its potential”*. This theme became evident during the preparation of rest of this submission.

1.3.1 Urgent and Immediate Transport Requirements

The Great Southern Regional Road Group LOG HAUL ROAD TRANSPORT STUDY reveals that a minimum of \$30,074,650 is needed to upgrade 801 kilometres of local roads in this region for the transport of woodchips and logs due to the rapid growth of the plantation timber industry. \$10.9 million of this will be provided through the TransformWA Program that documents Western Australia's road program until the year 2007/08.

By 2007 there will be 700,000 – 1,000,000 tonne of grain and 3,000,000 tonne of chips/logs on the roads each year in the Lower Great Southern region. Currently there is 600,000-700,000 tonne of grain per year on the road. The rest of the grain is carted by rail. The conversion of agricultural land to tree farming will impact dramatically on roads as the tonnage of plantation timber per hectare is 10 times that of livestock and cereals. It is estimated the plantation timber industry in this region will become the epicentre for the Australian industry within 5 years when full production “comes on line”.

This represents more than a fourfold increase in heavy haulage, mainly carted by 40 tonne articulated trucks. The above mentioned study estimates there will be a minimum of 140,510 timber truck movements in this region in 2007 alone. This compares to 679 timber truck movements in 1999 and is obviously a massive increase. If the industry grows as

some parties expect, the tonnage impact of log haul could be up to 250% greater than estimates.

1.3.2 TIRES Group

Both the South West and the Great Southern Regions have established a Timber Industry Road Evaluation Strategy (TIRES) group which was established as a lobby group for road funding issues affecting the timber industry. The TIRES group proposes to present a joint submission from the South West and the Great Southern on behalf of the Government of Western Australia to the Federal Government to fund this massive injection of infrastructure requirements.

The challenge for the Federal Government in terms of planning, is to determine a rapid response process for the TIRES Group. This response could be the basis of a model of how the Federal Government responds to the infrastructure needs in regional areas where a significant new industry emerges in such a dramatic fashion. This is particularly important as many roads in this region, as in much of Australia, are nearing the end of their economic life due to subsidence, rising water tables and not being designed to handle modern traffic requirements.

1.3.3 Vaile Enquiry

The Great Southern Transport Forum submission to the Vaile Inquiry into Federal Road Funding also highlighted the urgent attention needed for road infrastructure in this region. It also pointed out the disparity between the contribution to fuel tax contributions and the funding returned to this region in road grants. As indicated in our summary, this region will boost Australian exports by some \$290 million as a result of major developments in the timber industry alone. The Great Southern Transport Forum submission to the Vaile inquiry also emphasised that:

*“Funding for this (road), infrastructure is an **investment**, not a cost. This view is borne out by national and international studies such as that undertaken in Finland where “spending on roads has brought significant – and measurable – benefits both to industry and the community”. This study demonstrated that increased funding to a strategic road network related to industry development increased economic returns whilst decreasing environmental costs by 44% and accident costs by 59%. “... the benefits outweighed the costs by more than one and half times.”*

1.3.4 Bypass Roads

Some centres identified that bypass roads were disastrous to their economy due to the massive diversion of trade away from town centres. This could easily be avoided by designing, building and naming bypasses as Heavy Haulage Routes (HHR). Appropriate signage and entry/exit points similar to motorway exits would enable the heavy haulage vehicles to exit the main road to get onto the HHR, whereas tourist and “through traffic” would continue through the business centre of towns. This would retain town viability and business growth with a subsequent flow on retention of employment levels.

1.3.5

We urge the House of Representatives Standing Committee on Primary Industries and Regional Services to recommend that the major urgent infrastructure requirement outlined in the previous paragraphs, be met from federal sources.

1.4 Rail

1.4.1

A problem raised with railway usage in Western Australia was that infrastructure policies are being planned in isolation with increased efficiency and reduced costs as the main factors being considered.

1.4.2 Rail Freight Sale

Westrail is planning to sell or lease the freight business. The Rail Freight Sale Taskforce met in Albany on 4/3/1999 and spoke of Westrail's \$530 million debt which costs the State Government \$125,000 a day. The taskforce proposes to sell the Westrail freight business by float, a trade sale or by a combination of both. It is reported that three unviable branch lines will be closed and three more are being endorsed for closure.

Some identified problems with privatisation could include: no service for regional areas where profit margins were low, large scale job losses, a foreign-owned monopoly and an uncertain future. The benefits of privatisation include decreased State debt, decreased upgrade costs and more capital to invest in innovations. It was felt that the issue of privatisation needs to be addressed and resolved by State Government as soon as possible to allay fears and uncertainty.

1.4.3 Other Rail / Freight Issues / Comments

The rail system in this region is seen as generally under-utilised. De-regulation of freight services has resulted in:

- Competition with door to door road services.
- Concentration of rail to "bulk" services.
- Country towns losing Westrail employees.

It is far safer to use existing rail services rather than to drive trucks on public roads, often running alongside a rail service. The retention of a rail service was therefore seen as important.

Comment was made that much of the track remaining in this region requires upgrading to be able to accommodate faster freight service to enable competition with road surfaces. Rising and fluctuating water tables and salinity are damaging railway line foundations in many areas.

A side bonus of investing Government infrastructure funds into rail is that it could enhance tourist development with the increased attraction of tourist trains.

General opinion was that the provision of an efficient modern rail service and infrastructure was important for the continued development of this region, particularly as a major “Truck on rail” arrangement is being considered for the transport of massive tonnages of timber products to the Albany port.

Comments made during our consultations confirmed that there needs to be immediate coordinated rail infrastructure planning and funding, especially in road and rail links for future grain and woodchip transport needs in the Great Southern.

1.5 Air transport.

1.5.1 Lack of Competition

Lack of competition was seen by most people consulted as an major impediment to providing a customer focused service in this region. It is felt that customer concerns such as fares, flight times and a range of services would be eased with competition on regional flights. It was claimed this could result in industry development in many sectors. As an example, it is quoted as being extremely difficult to get a flight out of Albany, particularly on a Friday evening. Industry executives and developers are therefore discouraged from visiting the region. Not many executives and professionals want to conduct business with a centre where flights are waitlisted and attendance at meetings cannot be assured.

1.5.2 Charter Flights

An alternative to using the monopoly airline is charter flights which are currently highly under-utilised. It was identified that government and private sector employees and executives waste resources and time spending 9-10 hours in a car for each trip to and from Perth to conduct business. In many instances they could pool their business trips and utilise charter flights. The cost of flights is cheaper than driving several cars backwards and forwards each way and the time saved is substantial, not to mention the environmental saving of resources, reduced traffic on the roads and less accident risk.

1.5.3 Funding Upgrades

Although it has recently been substantially upgraded, it was claimed that further infrastructure is still required to upgrade and extend the Albany airport so that it can accept interstate and overseas business and tourist flights. It was suggested this would substantially boost business development and tourism. This is a common issue in many major regional centres and is an infrastructure requirement that the Standing Committee should be aware of, particularly in providing instrument landing facilities that would cater for night flights and bad weather.

1.5.4 STEP

A greater use of Teleconferences and video links may help alleviate some of the issues concerned with flight availability, etc. This is being at least partly addressed by the State Department of Commerce and Trade through the \$8 million State-wide Telecommunications

Enhancement Program (STEP). STEP is targeted at education and training, telehealth, video conferencing and on-line information services. There are still limits with this system in that it is not yet available for two way video imaging between sites. One camera is set up in Perth and broadcasts one way to regional centres who need to communicate to the broadcaster by telephone.

1.6 Telecommunications

1.6.1 Increased Demand, Insufficient Supply

The establishment of many new forms of business in country regions would be encouraged by a first class telecommunications infrastructure. Telstra is the main carrier and has problems keeping up with increased demands in country regions. Telstra's future mode of operation is under review and has therefore improved greatly over the past twelve months with increased political and media focus due to its partial privatisation, but there are still major issues to be resolved.

Regional users are becoming more aware of the new telecommunications products and services available and are demanding a higher service than they previously needed for communication by telephone alone.

The "Communications Audit, The Needs of Regional Western Australia" reported:
"Thus, the standard telephone service that is provided to rural and remote areas is barely adequate for fax services and falls short of more demanding data transfer activities such as internet usage. By contrast, those who live and work in the major metropolitan areas have almost universal access to telephone lines that are capable of high speed data transfer."

Less than 5% of the total geographic area of Western Australia is within range of mobile phone transmission. Even in what could be considered medium density rural areas such as the Great Southern region this is a major problem. For example, on an industrial estate 10 kilometres out of Albany the transmission is often weak and sporadic. It was claimed there is only a 10 kilometre mobile range in Katanning, a country shire with a major abattoir and population of over 4,500. This is hardly a modern communication system.

1.6.2 The Cost Factor

There is a need to expand the Regional Telecommunications Infrastructure Fund to provide local call internet access to the whole of Australia. Mobile phone usage is expensive. Many regional businesses limit STD business calls because of the cost in phoning over large distances.

One comment we received was *"that the cost of a letter is the same to anywhere in Australia and it has to be individually handled yet the cost of phone calls is extraordinary considering all it has to do is travel along a bit of wire that paid for itself decades ago. No wonder Telstra is making record profits."* This is obviously a very simplistic approach, however it is indicative of the feelings of many rural people. They have trouble accepting that they have to put up with substandard service from a Corporation that is making a

massive profit. It was stated there should be a Community Service Obligation to reduce costs to rural areas as increased competition has not reduced costs significantly in these areas.

If all rural and remote clients of Telstra and others in the industry could have a call to their closest major regional centre for the cost of a local call, nearly everyone would have internet access at local call rates, as most regional centres have an ISP. It would also reduce rural dwellers costs on day to day issues that require contact with a regional centre by phone.

1.6.3 Telecommunications Projects

There are significant projects in progress at the moment to improve access to Telecommunications, eg. The Federal Regional Telecommunications Infrastructure Fund; the Statewide Telecommunications Enhancement Project; Telehealth, a program designed to improve access to health services; programs to convert analog mobile phone services to superior digital technology, EdNet projects for schools; Telecentre expansion, etc.

Communication is a vital part of rural community development. The demand exists for “telework” in regional areas using electronic means such as the internet, e-mail and tele/video conferences. Regional people are coming to realise the advantages of working from home with occasional access to “satellite offices”. The new Albany UWA campus provides the infrastructure to study at a tertiary level by electronic means.

The “Regional Telecommunications Infrastructure Fund” is doing great work improving internet services to regional Australia, but there is still a long way to go.

1.6.4 Other Issues / Comments

Some other issues identified include:

- Due to landline and power problems in some regional areas it takes 5 minutes to send a one page facsimile.
- The quality of facsimiles and telephones are affected by pulsing in landlines. Even electric fences are affecting some older lines.
- Internet, facsimiles and email are often “dropping out” during use in some areas.
- Telstra spokespersons have told some centres that “it won’t improve”.
- Like powerlines, Telstra cabling is reportedly reaching the end of its lifespan in many locations.

Tree harvesting operations and a plethora of other “field” activities, even those located relatively close to town, have to rely on UHF to communicate.

Research suggests a large percentage of the communications lines between farms and “business gates” and telephone exchanges are in urgent need of replacement and that many underground cables are outdated.

Customers cannot understand why, in the current climate of Telstra’s record profits, the telecommunications infrastructure still needs so much work. Many believe urgent government intervention is required.

Communications Audit The Needs of Regional Western Australia, Ref 1.3.5 also reported: *"We further believe that the Western Australian government cannot simply leave the development of the communications infrastructure to market forces in the new deregulated market environment, and that it needs to consider a program of support and intervention for communications infrastructure and services that are judged to be of importance to the overall development of the state"*. Comment made during our consultations suggest this statement of principle applies even more strongly to the responsibilities of the Federal government.

1.7 Water Supplies

1.7.1 Waste Water Processing

Industrial water supplies can be enhanced with waste water processing. For example, in Katanning it is proposed to establish a wool scouring plant utilising treated effluent. In Albany, waste water is being used highly effectively to assist in meeting an industry need in watering a major tree plantation and in Kojonup it is being proposed to store winter waste water for use in summer reticulation.

Effluent disposal is also a major issue in industry development, particularly when industry is developed near and on waterways and harbours. The lack of sufficient effluent disposal systems is continually restricting expansion, particularly as sewerage is often not supplied to many industrial sites in rural centres.

Liquid waste disposal, including septic systems, is also an infrastructure issue for many local government bodies, particularly for those in environmentally sensitive areas.

This region has the same problems with the availability of sufficient quantities of good water, as does most of rural Australia. Many new major industries need substantial investment to provide their own water. This is yet another example of an infrastructure problem.

1.8 Education

1.8.1 Tertiary Facilities and Regional Education

As reported in "Impediments to Regional Industry Adjustment" – GSDA: *"Lack of tertiary facilities in particular is one of the main factors responsible for the migration of many families from country centres to the metropolitan area once children have completed, or are close to completing, secondary education"*.

The new Albany UWA campus and first year tertiary courses at TAFE in Albany help in this area, as UWA provides the infrastructure to study at tertiary levels by electronic means. Unfortunately country students still have to live in Albany. Therefore many tertiary students still have to move one way or the other, either to Albany or Perth.

Government has a role in educating rural communities of the benefits of structural adjustment. Industrial and Rural Education can be seen as an infrastructure issue and should therefore be a component of your inquiry.

Regional education is being enhanced by the use of Telecentres as remote learning centres for certain types of courses. The current expansion of Telecentres and the educating of communities of their scope for education can only enhance education infrastructure. Regardless of this, the situation still occurs where many students have to move away from home to complete senior high school. This results in many academic students not returning to the Great Southern with their newfound knowledge and ideas. Another impact on country residents without local availability to higher education is the cost for families who do not qualify for Austudy/Abstudy, in having to fund accommodation for their children. Their counterparts in the cities do not have this additional expense.

There is also scope for the introduction of more specialist campuses and annexes in regional Australia, eg. Viticulture in grape growing areas, tourism studies in major tourism areas, landcare studies, horticultural studies, etc. This education would help build a better skilled Australia, improve industry and attract income from participating overseas students.

1.8.2 Training in Schools and in Treefarm Practices

Schools

Several people in the region considered that schools should have compulsory enterprise training and small business management included in their curriculum, including those students with a higher education aim.

In the future, self employment and/or partial self employment supplemented by partial wages will be a way of life for many people at all levels of business and employment. To prevent failure, the education system should start addressing the issue now. This should include teaching people to be enterprising and to have the skills to apply their education.

It was claimed the Federal Government should provide coordination and funding to build on and amalgamate educational infrastructure in the region, especially in the telecommunications field. New websites are being made all the time and are seen as an excellent addition to educational infrastructure. Unfortunately they are useless if the telecommunication connections and lines are inadequate.

The Select Committee will be aware that soil salination, landcare, value adding to agriculture and diversification of rural practices are issues requiring attention. Also, as indicated above, tree farming is a massive growth industry in this and many other rural areas of Australia.

Treefarms

Our consultations identified that additional educational strategies need to be undertaken by government and industry to ensure that there is a suitable mix between agriculture and tree farming. Agriculture Western Australia already has some excellent educational programmes underway but comments made during our consultation suggest much more still needs to be done. The disadvantages of converting farmland wholly over to tree farms are:

- Most labour in the treefarming industry is outsourced, potentially resulting in declines in some small rural farming communities.
- Proper management of transport, salinity, water and minor infrastructure is related to increases in viticulture, horticulture and agriculture as a whole.
- Less local productivity of agricultural products causes adjustment problems in rural centres which compounds the problems already being experienced due to the impact of dryland salinity, reducing farm size, local productivity and employment opportunities.
- Conversion of farmland totally to trees can lead to farming families leaving the land thus reducing the size of rural communities.

1.8.3 The 15% Factor

It is claimed that if rural property owners could be educated to convert just 15% of their land to intensive long term projects such as blue gums, oil mallee, wildflowers, etc productivity would be maintained with the bonus of on-the-land investments for future needs, children's education, retirement etc. All these benefits lead to increased industry, employment and contribute to the growth of rural Australia.

“Institutional change” needs to be further enhanced in many sectors, for example, the Oil Mallee Association and other value adding interests are currently educating farmers in the benefits of “alley” planting. Farm productivity is increased due to improvements in the microclimate, improved soil, reduced wind erosion and decreased salinity. The resultant mallee oil industry products can then be used for medical purposes, in solvents, industrial oils and charcoal production for which there is a major world market. Also, if enough trees get planted, oil products can be used in power production for which there is a major need in most centres.

Western Power is starting to encourage local power production which it purchases to supplement the state power grid system.

1.9 Health

Many people in this region saw the closure of the local office of the Federal Department of Community Services and Health as an example of the Federal Government's lack of support for the region's health infrastructure.

A good example however, of local government providing infrastructure to meet community needs, is in Katanning where a \$500,000 medical and health centre is being set up to attract doctors and other health practitioners to the town. The Katanning community and Shire are coordinating the exercise and obtaining funds from various other sources including the State Government and The Lotteries Commission.

Private hospitals. It has been identified that the community, through government funded initiatives, should actively encourage the establishment of private hospitals in large country centres such as Albany to enhance specialist health care in country regions. This would lead to employment growth and provide opportunities for some professionals to return to their hometown.

Other towns are trying to attract doctors with salary packages, however as doctors still have to set up their own facilities, the attractive salary incentives are often not enough to obtain a doctor. It is easier for them to go somewhere where the facilities are already available.

Another common problem is that patients have to travel to or live in the city to have specialist treatment. A recent example in Albany was where the cost of a local kidney dialysis unit and the cost of training two nurses to run it was raised but the Albany Regional hospital was unable to accept the unit. The hospital did not have the funds to meet the ongoing costs of running the unit. Therefore dialysis patients had to continue travelling to Perth for treatment to the continued detriment to their health through exhaustive travelling.

The government should allocate funding to encourage more specialists and special units to be located in Albany and other regional centres. Some Albany patients waiting in Perth hospitals for operations have recently been transferred back to Albany for surgery to reduce the Perth waiting lists. If there were more specialists in Albany and other regional centres, Perth would not have such long waiting lists.

Telehealth Telehealth is defined as: *a health delivery system which: enhances or provides health-related activities; at a distance; between two or more locations; involves the transmission of images, voice and data; and uses telecommunication networks.*

There has been strong interest in Telehealth across the region, especially in those locations that are on the list of pilot centres, that is Albany, Bremer Bay and Tambellup. It is seen as important that the Federal Government provides the necessary telecommunications infrastructure to implement this valuable service to all remote rural regions.

1.10 Financial services

1.10.1 Bank closures

Bank closures remain an issue throughout rural Australia. The Bendigo Bank is moving to address some of these problems in Rural Western Australia in that it has devised a community banking system which gives the community a chance to share in the profits of

their own locally owned branch. Feasibility studies are being undertaken in Cranbrook and Tambellup and in many other rural centres throughout the state.

Business Start-up Finance: Various finance packages including interest free loans and graduated rates of interest loans should be made available for industries wanting to establish new enterprises in regional Australia. Loans could include delayed payment of interest, ie, payment of interest once the business became viable.

Tax relief during their formative years should be provided for new and emerging industries.

1.10.2 Guildbanks

Bankwest, the largest bank in Western Australia with assets of \$15.7 billion, has joined in partnership with the Pharmacy Guild of Australia to begin operations in mid 1999. The new banking facility will provide an extensive network for retail and business banking services for pharmacy customers. It should be noted though that most areas that support a pharmacy have retained their banking services and the areas most in need don't currently have a pharmacy.

1.10.3 Council Banks

"The West Australian" reported on 6/4/99 that; "*Already in New South Wales, one council has warned the Commonwealth Bank of its intention to withdraw its \$50 million budget after the bank closed a branch in the council's area last year*". The same article also stated that the local councils of Western Australia are considering starting a "people's bank". They have already banded together to form a successful self-insurance scheme and they will look closely at adding banking services. Although closures of banks are felt more acutely in the bush, they were also of concern to suburban councils because of their potential to cause hardship to local shops. The Country Shire Councils will look closely at all options while banks continue to turn their backs on country towns.

1.10.4 Rural Transaction Centres

During the 1998 Federal election, the Coalition Government committed \$70 million from the sale of the next 16% of Telstra to restore basic transaction services to up to 500 small rural towns of no larger than 3000 people. These Rural Transaction Centres will be assisted by funds to enable small communities to establish their own community based centres providing access to basic transaction services such as banking, postal services, Medicare claim facilities, phone and facsimile.

Advertising and meetings for these Rural Transaction Centres are currently taking place in this region despite the fact that the Federal Government has not yet received approval from the Senate for the further sale of 16% of Telstra. There is scepticism in the region that Rural Transaction Centres are being advertised too soon and this will put pressure on the Senate to pass the Telstra bill via demand from rural centres for these Rural Transaction Centres.

Also concerns were expressed that if Rural Transaction Centres are being set up in non-profit agencies and then being encouraged to set up partnership with profit making agencies to provide ongoing maintenance costs, why not give the Rural Transaction Centres to the

profit making agencies in the first place. Small country shops with postal agencies and some banking facilities have complained that they will be competing with subsidised “non-profit” organisations for the same customers. These shop owners have been asking “*what has happened to the National Competition Policy and why are Rural Transaction Centres necessary when market forces are beginning to provide adequate rural banking and other facilities by economic and political means*”. See main comment on Rural Transaction Centres, Section 5.2 of this document.

1.10.5 Privacy and Safety Issues

There is a concern about privacy and safety issues in agency banking. Agencies must be able to conduct small business banking. Access for the elderly and disabled is also an issue as they are currently finding it difficult to access ATM’s and access to some shops with bank agencies is restrictive for motorised wheelchairs.

1.11 Tourism infrastructure

1.11.1 Tourism expansion

It has been stated that job increases from investment in the tourist industry are up to 13 times greater than for investment in other industries. It is the government's responsibility to be aware of this, particularly in its attention to developing National Parks and other tourism attraction features. Government policy should therefore ensure the expansion of tourism attractions and infrastructure and the marketing of the regional and national estate.

1.11.2 Great Southern Tourism Strategy

The "Great Southern Tourism Plan" compiled in 1996 addressed all aspects of tourism in this region. It concluded that "*the existing standard of (tourism) infrastructure in the Great Southern is good*". There were a number of local issues which have been identified. They include:

- The restrictions hire car companies place on travel on unsealed roads. (Many popular tourist spots are on unsealed roads).
- Inadequate and at times confusing road signage.
- It is considered there should be an extensive National road signage system covering all highways and tourist routes, not just the National highways.
- There is a requirement for more passing lanes on routes where tourist and heavy haulage vehicles mix, particularly with the expected massive increase in heavy haulage.
- Marketing both within Australia and overseas.

5 year plan: Tourism development, infrastructure requirements and marketing issues are being discussed at meetings convened by the Western Australian Tourism Commission and the Southern Region Tourism Association. They aim to develop a five year plan for tourism in Western Australian 2001 to 2005 that also includes the above issues.

1.11.3 Tourism attractions

A good example of a government initiative leading to employment growth is in Walpole, a town 120 kilometres west of Albany. The State Government, through the Department of Conservation and Land Management, invested 2.5 million dollars in establishing an international standard Treetop Walk in the Valley of The Giants tourist area located in the Denmark Shire 51 kilometres west of Denmark. This has led to substantial development in Walpole and Denmark with accommodation expansion and in retail and catering establishments setting up in response to an extra 100,000 tourists which now visit the area each year. The increase in tourists from 100,000 to 200,000 per annum has also directly benefited other tourist attractions and generally boosted the growth of the whole area. Visitor numbers now challenge those of Uluru.

1.11.4 Airport and walking track funding

The former Department of Housing and Regional Development has boosted the region through providing upgrading funding for essential strategic airport infrastructure and construction of the Bibbulmun walking track (a 1.38 million dollar international standard 960 kilometre long distance walking track). The Bibbulmun Track has rapidly become well recognised by overseas tourists and is expected to attract huge numbers of walkers providing a major injection of income all along the track's length from Perth, through the South West to Albany. It is estimated there were 53000 walker days spent on the track in 1998, before the track was even finished and fully marketed.

2

• The potential for development in regional areas

2.1 Developing Industries

Plantation timber industries, value adding and enhancement to agriculture and primary industry production, and the tourism industries, are the most prominent developing industries in this region at the present time.

2.2 Potential

Just some examples of value adding and other potential in this region alone include:

- Wool scouring
- Charcoal
- Smokeless wood logs
- Activated carbon products
- Mallee oil production
- Kraft pulp mill
- Bio-mass power supply
- Woodchip mill
- Port loading and containerisation facilities
- Pole treatment plant
- Timber drying facility
- Veneer plant
- MDF plant
- Furniture manufacturing
- Flooring/building supplies
- Green waste utilisation
- Organic horticulture
- Value adding food processing
- Tourism resorts & numerous tourism opportunities
- Fellmongering
- Art & Craft industry expansion
- Timber mills
- Paper manufacturing
- Fine wood craft/design
- Barley malting
- Fresh & salt water aquaculture
- Land-based abalone aquaculture operation
- Strawboard plant
- Olive oil production (90% of Australia's olive oil is currently imported)
- Private hospital facility
- Flight training
- Essential oils
- Retirement villages

Twenty million trees are required to run a small mallee oil power station, therefore if a mallee oil power generation plant can be developed, the improvement to landcare and farming practice will be substantial.

Also the export potential of charcoal production as either a by-product of a power plant or a product in its own right, is reportedly quite substantial.

Our consultations confirmed airport infrastructure, major tourism facilities such as the government backed Treetop Walk (see 1.11.3) and Bibbulmun Walking Track (see 1.11.4), tourism marketing and tourism infrastructure establishment were seen as a role of government.

2.3 Overall

The overall potential for development indicated above confirms the need for infrastructure is substantial and the investment by government and industry would be rewarded by the creation of many thousands of sustainable job opportunities with substantial community benefits.

3

- **The extent to which infrastructure development would generate employment in regional Australia;**

3.1 Some of the employment generating effects of providing infrastructure to enable industry development and employment growth include:

- The creation of immediate employment in the construction phase of any major extension of infrastructure.
- Secondary employment increases when industries and enterprises become operational. An example of this is by encouraging investment in agricultural processing.
- Many capital intensive industries, may not be labour intensive but generate strong income and employment multipliers through the use of contractors, etc.

There are various formulas available which calculate the flow-on jobs created for each new sustainable industry developed. Eg. Agriculture WA's Impact of Agriculture Industries on the Western Australian Economy paper of 15 December 1997, provides an employment multiplier of 3.02 averaged over 111 industries.

The expansion of tree farm plantations in this region is forecast to create 1450 full time jobs by the year 2005 (source – TIMBER 2002 inc). The provision of infrastructure to enable follow-on value adding industries to be introduced could conceivably create several thousand jobs in the region. See also 2.2. Without developing infrastructure such as transport/roads, the introduction of a gas pipeline and an increase in power availability, the introduction of these value-adding industries with their resultant employment generation, will be inhibited.

The introduction of containerisation facilities at the Port of Albany would also enhance the introduction of value adding industries. The profitability of existing industries would be greatly enhanced by these facilities with a resultant increase in employment. Currently many enterprises are not attracted here because of the cost of shipping export goods 400 kilometres to Fremantle's container terminal. Most value adding activities are currently undertaken out of the region, often overseas.

If infrastructure was provided to enable the development and expansion of all activities referred to in this submission, the employment generated could be substantial and amount to many thousands of jobs.

4

- **The role of the different levels of government and the private sector in providing infrastructure in regional areas;**

Comments made during our consultations generally suggest that:

Local Government has many roles including identifying needs, forward planning and preparation, sourcing funds and rapid approval of infrastructure requirements.

State Government has a role in identifying and negotiating development opportunities, “big picture” planning, sourcing and supplying funds for infrastructure and ensuring all essential and future requirements for infrastructure is available for industry and regional development. It also has a role in providing incentives for industry development

Federal Government has a role in ensuring that a national standard of infrastructure is provided, both through allocating sufficient funds (far more than is currently provided), and ensuring that these funds are allocated in an appropriate way. They should be “in time”, direct to the region in need, allocated through suitable channels and to a uniform standard.

Private Sector developers need to plan well in advance to advise of infrastructure requirements, they should be prepared to accept some level of responsibility for funding and installing infrastructure and they should consult with relevant parties and government regarding any difficulties encountered.

4.1 Population

Perth’s proportion of the State’s population has increased from 32% in 1900 to 73% in 1990, and is likely to rise, on current trends, to 80% by 2021. The State’s huge size, low population and population dispersal outside the South West are major factors affecting the provision and maintenance of infrastructure. All levels of government therefore need to communicate extensively to ensure regional interests in Western Australia are not treated as insignificant.

4.2 Different Levels of Government

As mentioned previously, a good example of the use of different levels of government in providing infrastructure to meet community needs is in Katanning where a \$500,000 medical and health centre is being set up to attract doctors and other health practitioners to the town. Many country centres do not have or cannot retain doctors either due to the lack of facilities or the requirement for doctors to set up their own facilities if towns are trying to attract them with salary packages. The Katanning community and Shire are coordinating the exercise and funding the centre from various other sources including government and the Lotteries Commission.

4.3 Restrictive Land Release Policies

Comment has been made that restrictive policies regarding land release are inhibiting regional growth. Examples include small regional centres such as at Wellstead and Frankland where land is not being released, even though people want to live and develop industries there. Native Title claims on crown land were claimed to be a factor affecting the release of land for housing and industry in some locations.

Some of the issues cited are that the State Department Of Land Administration policy for land release is often not appropriate to what people want. In some centres there is not a need for bitumen roads, concrete curbs, etc. Imposing high subdivision requirements forces the cost of the land far higher than its true value so people go elsewhere to live. The scope of our investigations does not enable us to pursue this in any depth but it certainly seems to be a *major infrastructure issue* requiring further investigation. Not all new enterprises have the capacity to provide accommodation for workers; therefore the lack of labour inhibits expansion.

Comment from some people contacted during our consultations suggest that, in some locations, land release issues/requests have been under discussion for *ten years*, with approach to all levels of government failing to succeed. Planning issues seem to cause major concern in these cases.

4.4 The Wellstead Example

An example of this problem is at Wellstead, a small centre approximately 100 kilometres east of Albany. A community spokesperson said 5 CEO's and several Members of Parliament have been approached over a long period of time without satisfactory resolution. Several small businesses and value adding enterprises have wanted to establish there but could not do so because of the lack of land. Also, several people have wanted to settle and retire there but could not do so for the same reasons. The community is now attempting to purchase private land through its own means to try and expand their town site including caravan park, waste disposal site, housing and lifestyle blocks, etc. There are obviously many issues involved at Wellstead which warrant a research paper in their own right. Wellstead's problem has been mentioned for illustrative purposes and is indicative of the issues of frustration and disappointment occurring in many centres.

4.5 Great Southern Development Commission Initiative

An example of cooperation between Government and private enterprise leading to industry and employment growth was in the establishment of Fletchers International Exports Pty Ltd meat processing plant in Albany. Government incentives initiated through the Great Southern Development Commission led to the establishment of this meat processing plant and the creation of several hundred jobs. Infrastructure the company had to install included auxiliary power generation and the installation of their own sophisticated water supply.

4.6 Telecentres

Telecentres are seen as an opportunity for all levels of government to expand their core business further. The more services available in a community the more likelihood there is for development in regional areas.

5

- **Planning, coordination and cooperation in providing infrastructure in regional areas;**

5.1 “Just in Time” Land Re-Zoning

Planning is an issue affecting the establishment of many new industries. [See also section 4] A nine month or longer turn around time to re-zone land in response to a new industry inquiry is inhibitive in country towns. Larger centres and cities may have industrial sites developed in advance knowing there will be a demand in the immediate future. This is not the case in country towns where some land could sit vacant for many years. “Just-in-Time” zoning would certainly allow the establishment of more new industries in regional centres. An industry inquiry needs to be told, “yes, we can approve land, zoning”, rather than “put in an application and we will look at it”.

5.2 Rural Transaction Centres

Cooperation between government decision makers and small business does not always appear obvious to small business. For example, the decision by the Commonwealth Department of Transport and Regional Services to spend \$70 million to establish Rural Transaction Centres appeared initially to be well received in the community.

Feedback received during our consultations suggests however that instead of targeting the money to expand and supplement services already provided by private Post Offices and bank agencies, the money will now be allocated to “community providers”. This is attractive to Telecentres as it is seen as an opportunity to expand their services. Private Post Office, and other private agencies however, cannot apply in their own right due to funding regulations and also their own franchise arrangements, eg with Australia Post. This could well cause conflict in communities and, due their lack of viability caused by competition with a government funded community organisation, the possible closure of some complementary services provided by private enterprise.

It has been suggested that it would actually be far cheaper to expand existing services rather than set up new ones. Figures quoted are that it would cost \$15 million to provide the necessary equipment and establishment needed to expand existing services available in small towns throughout Australia. There would then be a relatively minimal ongoing annual subsidy required to maintain the service. Therefore, by using existing services; much of the \$70 million could be freed up for other essential regional services and existing business could expand to the benefit of local community. Setting up a community based opposition to private enterprise is not seen as encouraging regional development. [See also Rural Transaction Centres, Section 1.10.4]

5.3 Co-Location of Services

The provision of buildings for co-locating services such as Business Enterprise Centres, library’s, Telecentres, education (including remote learning centres), visiting specialists and professionals etc in smaller regional centres is seen as a government responsibility. Funds should be provided for the buildings for co-located services and land should be made

available on which to build them. Approval processes for these buildings should be reduced from several years to a “Just-in Time” principle. Sharing a building with back up staff and equipment is well recognised as an efficient means of operating. Business incubators and Lotteries Houses in larger centres are proven examples.

Federal and State Governments need to cooperate and recognise that the cost of infrastructure to industries in country regions is more expensive than in capital cities.

5.4 State Planning Strategy

As advised in our executive summary, the Western Australian State Planning Strategy recognises the provision of infrastructure in its State and Regional strategies, viz: *“Strategies include: facilitate the provision of strategic infrastructure to support regional development”*.

The growth of the region also depends upon well planned and coordinated infrastructure for all forms of development from housing to industry.

Industry, transport and infrastructure issues include:

- *supply of serviced industrial land*
- *adequacy of road, rail, sea and air transport*
- *traffic conflict*
- *inadequacy of infrastructure*
- *availability of basic raw materials*
- *infrastructure cost*
- *waste management*
- *arterial drainage*

“The objectives of the industry, transport and infrastructure strategies are to: Provide for the most efficient and effective use and improvement of road, rail, sea and air transport;”

If these principles of the State Planning Strategy could be fully funded and implemented, there would be no infrastructure problems in rural Australia.

6

- **The benefit to the national economy of developing regional infrastructure.**

6.1 Overall benefits

The benefit to the national economy, and regional Australia, of developing regional infrastructure is substantial and well recognised throughout the community.

The Regional Development Council “Regional Development Policy for Western Australia” confirms that:

- Infrastructure is essential to retaining and attracting population and enterprise
- Infrastructure is essential in enhancing the self-containment capacities of communities.

Without the provision of suitable infrastructure, new industries cannot be attracted, existing industries cannot expand, value adding opportunities are lost to overseas and capital city interests, tourism industry potential is unable to develop; towns and regional centres cannot grow and regional Australia loses population as more and more industries are attracted to the cities and their well serviced industrial and residential areas.

Our consultations confirm that the social and economic benefits of providing infrastructure are seen as a most important issue in regional Australia and should be accepted by Government as an investment, not a cost.

6.2 Stimulation of Regional Infrastructure

Stimulating infrastructure in this region will benefit the national economy with a massive range of value adding activities, increasing exports and the huge potential of the tourist industry to expand even further and increase the wealth of Australia.

Examples are detailed in 2.2

6.3 Regional Australia

Regional Australia has a strategic advantage in that it has the primary products available for development, that is minerals, resources, agriculture, knowledge and expertise. If suitable infrastructure can be provided to enable value adding locally rather than exporting value adding activities, the economy of Australia will boom. We have the economic capacity to succeed.

Regional population growth is desirable for a whole range of economic, social, strategic and political reasons.

6.4 Developing Australia

Australia was not built in an infrastructure sense, ie. roads were developed up from horse wagon routes and not built as per Roman roads, railway lines were established along routes to cart grain using trains of the day and most regional power distribution lines were single

phase as that is all the clients required at the time. It is not too late to change this. We have the expertise, resources and ability to be able to do so. It is simply a matter of government making hard decisions and allocation funding in the right direction with forethought and forward thinking. In other words, if the government is serious about the development of Australia it will invest the money needed to encourage sustainable development.
