



SHIRE of WYNDHAM | EAST KIMBERLEY

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Our Ref: GR.09.2
Your Ref: SWEK Submission
Enquiries: Gary Gaffney CEO

28 February 2014

Dr Bill Pender
Inquiry Secretary
Joint Select Committee on Northern Development
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Mr Pender,

Submission from Shire of Wyndham East Kimberley Western Australia

Thank you for the extension granted to 3 March 2014.

The Shire of Wyndham East Kimberley appreciates the opportunity to make a submission on this issue of strategic importance. The East Kimberley is in an exciting stage of its development with Ord stage two having been completed and Ord stage three being discussed with the Northern Territory government. The Council is excited with the development of Northern Australia and sees its potential as a supplier of food and services into Asia and the Pacific regions.

Our key points are:

- The East Kimberley is closer to Asia than we are to Perth and this places us along with others in Northern Australia in a key strategic position for easy market access.
- The Shire shares the same barriers to growth as the rest of Northern Australia including staff attraction and retention and a high cost of living including housing.
- Our region shares an urgent need to invest in basic infrastructure necessary for growth including transport systems roads, air and sea, drainage systems, waste and water systems.
- In the East Kimberley, Darwin is the centre for many goods and services rather than Perth but boundary issues make basic services such as public healthcare difficult.

- Darwin is a logical export hub connected by air, road and sea networks across Northern Australia with the East Kimberley Regional Airport integrated into such a network.

The Council would also like to draw your attention to the release on March 4 2014 of two draft key planning documents that provide a useful context for the Committee's consideration in relation to the Kimberley these are

Kimberley Regional Planning and Infrastructure Framework Report. WA Department of Planning and Western Australian Planning Commission, and

Kimberley Regional Profile. WA Department of Planning and Western Australian Planning Commission.

Both documents will be available on www.planning.wa.gov.au

We would welcome the opportunity to present our submission in person if you are visiting the East Kimberley.

Yours sincerely

John Moulden

Shire President

Gary Gaffney

Chief Executive Officer

SUBMISSION FROM SHIRE OF WYNDHAM EAST KIMBERLEY

TERMS OF REFERENCE

The Committee to consider policies for developing the parts of Australia which lie north of the Tropic of Capricorn, spanning Western Australia, Northern Territory and Queensland, and in doing so:

Examine the potential for development of the region's mineral, energy, agricultural, tourism, defence and other industries;

- provide recommendations to:
 - enhance trade and other investment links with the Asia-Pacific;
 - establish a conducive regulatory, taxation and economic environment;
 - address impediments to growth; and
 - set conditions for private investment and innovation;
 - identify the critical economic and social infrastructure needed to support the long term growth of the region, and ways to support planning and investment in that infrastructure

BACKGROUND.

The Shire of Wyndham East Kimberley is located in the ruggedly picturesque and sparsely populated northeast corner of Western Australia (WA), stretching from the Northern Territory border (40 kilometres from Kununurra the main town of the Shire) to the northern most tip of WA. Kununurra is 800 kilometres from Darwin seen by many as their key service centre and 3500 kilometres from Perth.

The Shire covers an area of 121,000 square kilometres and is one of four local governments that make up the Kimberley region. The Shire includes the towns of Kununurra and Wyndham and there are also a number of Aboriginal Communities; the largest being Kalumburu, which is situated in the northern part of the Shire.

The Shire is geographically closer to Asia than the Western Australia capital, Perth. Its close proximity to the major northern port of Darwin makes it economically viable to export products to Asian markets through Darwin than within Western Australia. Recent growth in mineral and live cattle exports to Asia from the Port of Wyndham within the Shire has also generated growth.

The Shire's estimated population is 7,799 and indigenous people make up approximately 38%. The indigenous profile is young which means that the Shire has a low median population age of 31. There is, like many Northern Australia regions a decrease in population between 15 – 19 years as young people have to leave for higher education.

Again like other Northern Australian towns and regions there is a marked difference in population numbers and composition between the wet and dry seasons.

(Source: Shire of Wyndham East Kimberley Strategic Community Plan 2012-2022)

The population increases by 100% over the dry season as people move into the region to visit its unique attractions, attend events and travel further into the Kimberley. The

importance of tourism and the northern connection is outlined further in this submission. Comment will be made on the impact this population fluctuation has on being able to plan and provide infrastructure especially from a low rating base.

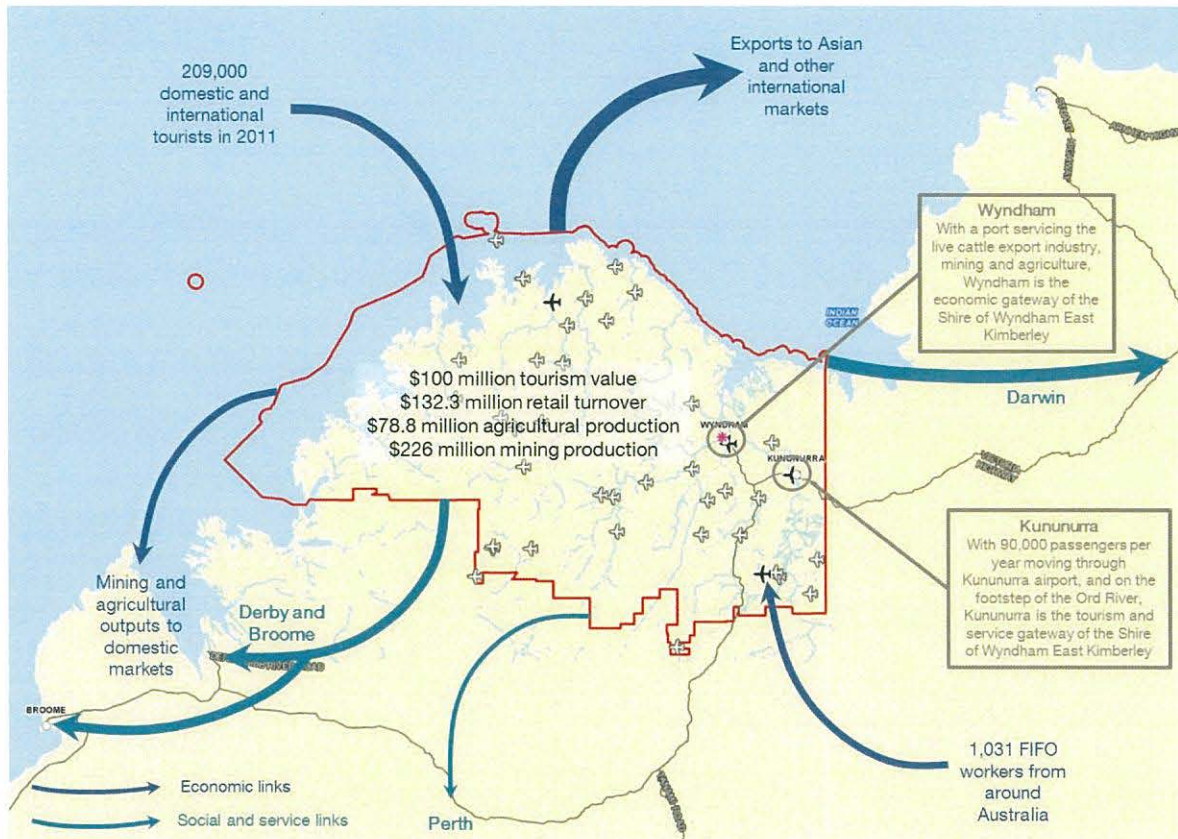


Fig 1. Key strategic position of the Shire of Wyndham East Kimberley. (Source: GHD Pty Ltd, 2014 (based on information provided within Macro Plan Dimasi, 2013).

IMPEDIMENTS TO GROWTH

The following key issues are those identified by the community during the development of the Shire's Strategic Community Plan 2012 – 2022.

Cost of living:

As the region develops cost of living for residents increases shown through increased rents with a 166% increase in rent since 2001. In 2012 Kununurra average house prices in Kununurra were sitting at \$531,195 higher than metropolitan Perth.

This development cost impacts on residents pushing people out of rental accommodation and for many people leads to overcrowding and related health issues.

Any accelerated development across Northern Australia needs to take into account such unintended consequences and make adjustments to policy design to ensure local residents are not displaced.

Land release and availability also needs to be mentioned and systems that have been in place over a long time need to be reviewed in relation to an overall growth and development plan.

Infrastructure:

Like many towns and regions in Northern Australia basic infrastructure such as roads, footpaths, drainage and waste systems including tips were designed in the Nineteen Sixties and Seventies. Less people, no road trains, different compliance and legislative requirements and less large scale exploration both onshore and off shore and little concept of whole of lifecycle costs. Infrastructure is aging and at the end of its practical life and will require expensive reconstruction across the region. For a region to be poised for growth and large investment, additional funding will be required for infrastructure. Telecommunications will be essential in any new growth scenario along with enhancing the road, air and sea connections needed for moving people and products around the region cost effectively.

Attraction and retention of key workers:

Staff turnover across the Kimberley averages 36% per annum. This high turnover is similar in most sectors and impacts on an organisations ability to set and maintain long term development goals. Turnover of key staff means that many organisations have reduced capacity while new staff are recruited and inducted thereby restricting growth. Families have to make decisions regarding education especially for those aged 15 to 19 and many families leave which is reflected in the 30- 45 age bracket which are essentially the skilled workforce

The 55-65 age bracket is under represented in the area as many of these workers choose to move to areas where health services and facilities are more suited for retirement. This impacts on employers being able to employ people with experience and skills from this age group.

Access to housing has been cited as a key barrier to being able to attract and retain key workers and the Kimberley Region has underway a large scale 4 Shire key worker housing project to help meet some of these needs.

Staff training is costly as people have to travel away from the area for many courses.

Gap between non-indigenous and indigenous residents:

Many indigenous residents continue to experience social disadvantage particularly in health, education and employment outcomes. There are some 42 indigenous communities across the area with Kalumburu (population about 600) being the largest. Western Australia has not as yet passed over the responsibility of municipal service delivery to Local Governments for indigenous communities. This means that indigenous town based communities in particular look different to nearby towns adding to the community concern about disparity.

This is one area where there could be shared learning across Northern Australia as lessons can be learned from both Queensland and Northern Territory experiences.

Additional issues identified:

Darwin being the closest service centre for residents in the East Kimberley there are issues identified across from Western Australia to Northern Territory that having a wider view of Northern Australia could alleviate.

Access to secondary/tertiary education:

Located in the Western Australia support for education for people from remote areas is state specific therefore Universities in Darwin and Katherine are closer. A majority of school leavers are required to go to Perth for education away from family and support systems. Once this trend is adopted for 15 – 19 year olds it is harder to attract this group back once they have graduated although many young people do come back during breaks and gain local student employment.

Access to health care:

In many cases access is faster to Royal Darwin Hospital via the Royal Flying Doctor Service than to Perth. The funding requirements of State/Territory services require patients to be returned to Western Australia as soon as possible but without adequate services in place.

Time Zone:

This was an issue identified by the community during the development of the Strategic Community Plan. "moving to the NT time zone would make our lives easier".

Currently Western Australia is 1.5 hours behind Northern Territory. This means in the East Kimberley it can be light in the morning from 4.30am and sunset at 5pm depending on the time of year. Having this difference impacts on business transactions and makes travel that much more difficult. However it is a strategic advantage as this difference places the East Kimberley in the same time zone as many key Asian markets. This is a factor in considering having produce to market on the same day such as live fish exports, flowers, fruit and vegetables which have a high margin if fresh.

Cost of air travel:

The cost of a one way flight is from \$178 to \$345 from Kununurra to Darwin taking 45 minutes against driving 8 hours. During community consultation it was identified strongly by many residents that the cost of flights is prohibitive for both business and leisure. Darwin is the air gateway to the rest of Australia for many residents.

Whilst the type of aircraft able to service the area is dictated by the facilities, the Shire who owns and operates the airport has identified the need for a runway extension of 600 metres at the airport. A runway extension would encourage competition with carriers and strengthen the collaboration between carriers in offering a seamless service for passengers. At present most passengers have to overnight in Darwin for connecting flights adding both time and costs.

Air travel across Northern Australia in one integrated network would have major advantages for both business and tourism travellers.

KEY OPPORTUNITIES:**Strategic Collaboration:**

Working together is a key value of the Shire and region as people since early days have had to collaborate to survive this is seen as key asset in future development.

Recognising the importance of the wider Northern Australia region is already in place by groups such as the Kimberley Regional Group of four Shires who meet once a year in Darwin with colleagues and agencies who share an agenda around development.

Opportunities for further collaboration such as a Northern Australia port network linked as part of an export focussed supply chain would see ports such as the Wyndham Port who have been exporting since the 1880's linked into a strong regional and connected supply chain.

Transport:

Strong cost effective road, sea and air links are crucial for Northern Australian development whether it is for integrated export chains or for domestic requirements as people across the region will not prosper without these networks. The Shire is aware that feasibility studies are underway for a road-rail hub based in Katherine and other plans to strengthen the networks which are a pre-requisite for sustainable future development. This issue is compounded by the seasons with the wet season in particular cutting off communities and impacting business activities.

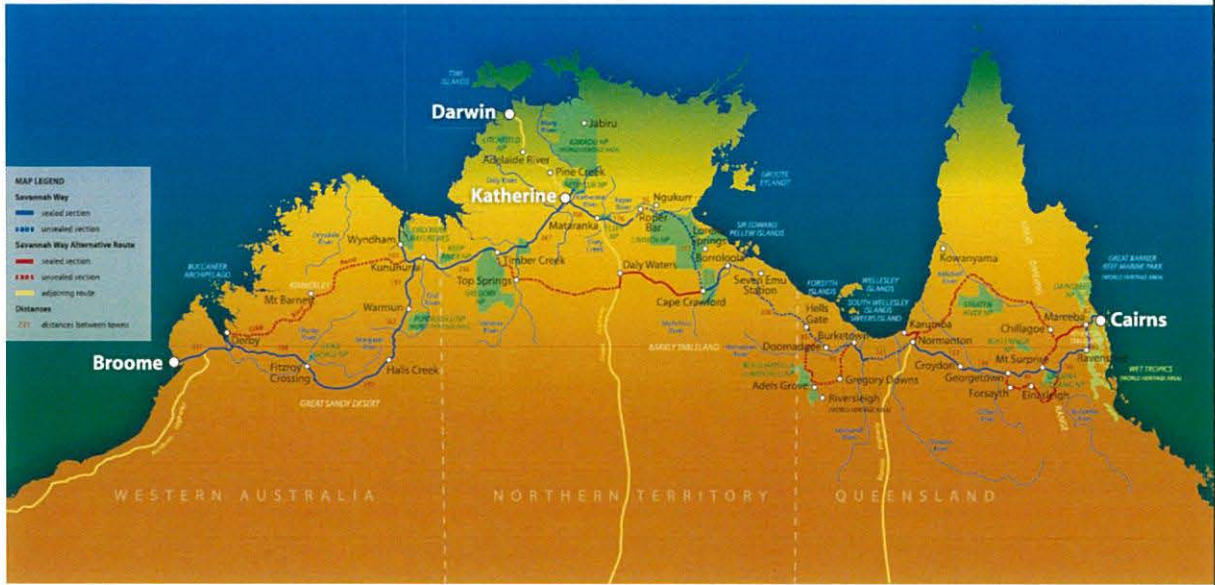
Logistics is a key point in exporting to the Asia market and Wyndham is an existing port that exports live cattle and minerals whilst receiving petroleum and other commodities. In its past it is also exported sugar and other commodities. The East Kimberley Regional Airport has the potential to grow exports of high quality produce such as aquaculture products and fruit and vegetables into key Asian cities that are 2 to 4 flying hours from the airport. A master plan for the East Kimberley Regional Airport has been undertaken and the food export market was part of this master plan.

Tourism:

The Kimberley is a strong cultural and art centre recognised around the world as a centre of special significance. This offers a strategic opportunity to enhance understanding for all Australians and visitors alike.

Indigenous networks in tourism, arts and culture extend over traditional boundaries which are historically older and different to existing Government boundaries and to remove such barriers to celebrating the history would be a positive move.

Having a vision for Northern Australia has already been reflected in tourism products such as Savannah Way which links Cairns to Broome and provides travellers with a whole of country experience.



A recent study of East Kimberley tourism (East Kimberley Tourism Plan 2022. 2013) highlighted the visitor flows from the Eastern states and the importance of this market to the East Kimberley economy which estimates that the visitor industry brings in about \$110million annually. Linkages with the Northern Territory in particular, and the whole of Northern Australia are seen as a key element in driving the growth of this sector. Apart from Savannah Way most regional promotion is State and Territory specific with each competing with each other for both domestic and international visitors.

Industry operators have identified in the East Kimberley plan that closer relationships across the region and in particular with the Northern Territory is crucial for future development. It is believed that policy and political boundaries can be crossed more easily by industry in the current environment. It is hoped that any future changes could address the need to collaborate to succeed in a tough sector internationally and that policy can support such collaboration. Strengthening existing tourism product with a market position already in place such as Savannah Way enables the branding of Northern Australia and gains to be made quickly.

Ord Stage 2:

Federal and State Government have collaborated to develop the Ord Expansion project where there is now available some 22,000 hectares of irrigated farmland. It has been announced that the expansion could be taken into the Northern Territory. Other submissions cover of in deeper detail the issues surrounding agricultural expansion in Northern Australia (Keith Noble Submission 5).

The key issue raised in the submission from Keith Noble is supported here namely

“ there can be no one determinant of successful Northern agricultural expansion. It will require integration of markets; supply chains; people and industry skills; flexible infrastructure; stable government policy, particularly for international trade and environmental management;

market-driven investment in research, development and extension for national and international arenas – delivered through an adaptive planning process capable of accepting and responding to input from all levels, including the historical and individual experience from current participants.”

It is hoped that this project will start to address these key issues and make the difference to implement what is required.

The damming of the Ord River created both Lake Argyle and Lake Kununurra which provide a permanent water supply for the region. As an asset this enhances the environment and adds to the regional attraction for tourism in particular eco and adventure tourism. Lake Argyle is also the site of the hydro power scheme supplying the town and key industries including Argyle Diamond mine.

The East Kimberley is the home to the largest freshwater supply lake in Australia and has the ability to increase the capacity with minimal investment.

POTENTIAL DEVELOPMENT FOR NORTHERN AUSTRALIA

Export ZONE

The existing cattle markets are strong but with the establishment of abattoirs in the Northern Territory and West Kimberley and further development of cattle stations it is anticipated that this industry could increase production and continue to be one of the backbone industries of the northern area.

The development of a significant aquaculture industry is another key factor to the growth of the region, as a sector it is one of the fastest growing global food markets and the East Kimberley River flows could provide large-scale production facilities for this industry.

Developing incentives for companies to relocate to the north should be considered but with a strategic context to attract companies that add value to the supply chain of key industries. Education and training companies also need to be involved to ensure that a trained and skilled workforce is available for the projected growth path.

We note the specific term of reference here and would support further work being done to examine the issues of creating a tariff free zone for exports to key markets

Environmental protection of unique area:

The area under consideration has World Heritage areas listed and the Kimberley Science and Conservation Strategy recognises the tension between economic development and environmental protection. The development of marine parks for species and habitat protection purposes also has to be weighed against the growth of offshore oil and gas fields

Food Research Hub with satellite centres across Northern Australia:

Recognising the potential of Northern Australia agricultural research is a key priority as it will drive the potential of the region through research of what products are best suited and will survive within the northern monsoonal area.

The diversification of agricultural product within the East Kimberley should be noted as trial crops of many products have turned into key crops the region. An example of this is chia, and with substantial increase in effort many other crops could be produced for the emerging

markets. Closer links with AusTrade is also seen as important bringing back to the region information on new products that have an existing market demand moving from the traditional productivity push model to a more strategic market lead model.

Federal Minister for Northern Australia:

Giving consideration to having a Federal Minister for Northern Australia Development would be seen as a practical way to reflect Federal Government's commitment to regional development.

The portfolio would cover all three jurisdictions and collaboration on key regional projects would be key, for example the Ord Stage three project where this is already evident. The Office of Northern Australia should be based in Northern Australia not in Canberra.

CONCLUSION

We live in Northern Australia and understand its seasonal variations and the need to balance a strong development agenda with the need to protect our unique environment. As a Local Government serving residents in the mostly northerly WA region we take our role seriously for current and future residents.

The Shire knows it can't stand alone and that we have more in common with those across Northern Australia on many issues than those further south.

We appreciate the opportunity to provide comment on those matters we are strategically committed to and look forward to meeting with the Joint Committee if an opportunity arises and in reading the Joint Committee findings when the White Paper is released.