

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON PRIMARY INDUSTRIES AND REGIONAL SERVICES

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

SUMMARY

Basic Infrastructure – water, sewerage, power are essential to regional economic development.

The economic potential of Torres Strait Region will not be achieved unless island communities receive basic infrastructure services.

In 1996, the Torres Strait Regional Authority and Queensland Government prepared Total Management Plans for the Torres Strait Region communities. These plans identified a need for funding of \$300m to provide for adequate infrastructure in the region. To date government has committed funding of \$30 million towards the provision of this infrastructure.

Regional communities should not be disadvantaged because of high operating costs of infrastructure due to their remote locations. It is essential that Community Service Obligations at State and National level provide for uniform tariffs in line with the fiscal equalisation principle.

Air and water transport play a significant role of in the region. These are essential for economic development. The current transport infrastructure is inadequate.

The upgrading of basic infrastructure including water, sewerage, transport, roads and power will allow the region to develop some of its economic potential.

1.0 DEFICIENCIES IN INFRASTRUCTURE CURRENTLY IMPEDING DEVELOPMENT

1.1 Infrastructure Deficiencies: Access

Access to Island Communities is constrained by the generally poor state of transport infrastructure. In particular, airfield and wharf facilities constrain access to the outer islands due to their limited capacity. Recent planning studies have identified a need for funding of \$ 30 million to upgrade these facilities to a **basic** standard.

All but one of the island airstrips are unpaved and can be closed for periods of days during the wet season. The recent restrictions placed by CASA on aircraft operations in the Torres Strait has highlighted the problems of moving people and freight between islands. This severely impacts on the ability of, and cost to government in providing essential services (such as health and education) to these communities. It also impedes the economic development of the island communities.

1.2 Infrastructure Deficiencies: Water

All of the outer islands have marginal water supplies by mainstream community standards. It is acknowledged that government is currently providing funding of \$ 21m to upgrade water supplies to eight islands. However, even after this upgrading, the majority of the island communities will still only have a **basic** water supply. This severely limits the ability of these communities to develop any form of commercial activity and tourism ventures.

1.3 Infrastructure Deficiencies: Sewerage

Currently, 34% of the Torres Strait population has no acceptable form of septic tank or sewerage system. The night soil bucket is still used in 13 of the 17 island communities. Government has provide funding through the Major Infrastructure Program to at least convert all existing houses to a septic system and to provide some communities with a sewerage scheme. However, to provide an environmentally acceptable form of sewerage system to all communities will require further funding of \$ 33 million.

The deficiency in sewerage systems has the potential to impact on health, commercial fishing, agricultural activity and the tourism industry.

1.4 Infrastructure Deficiencies: Power

Power to all communities is provided by the Far North Queensland Electricity Board, generally through remote area power stations. Whilst a CSO ensures that the cost of power to the consumer is the same across the Board's region, significant restraints and cost penalties are applied to non domestic power uses. Limits on motor sizes for plant and equipment, restrictions on the use of air conditioning and the like are severe impediments to the development of commercial enterprises and tourism.

A recent example is Mabuaig Island which was recently funded to construct a seafood processing plant, a community project aimed at stimulating economic activity on the island. The budget for the project was \$200,000, however the whole project was materially delayed as FNQEB quoted \$140,000 to have electricity connected to the site.

2.0 FACTORS TO ENHANCE DEVELOPMENT

2.1 Infrastructure:

The Torres Strait Communities are constrained by current infrastructure deficiencies. These deficiencies not only impact on the quality of life, but also restrict the capacity of these communities to develop enterprises, commercial ventures and tourism which could provide meaningful employment and independent income streams.

The provision of adequate transport facilities, water supplies, sewerage systems and secure power supplies are essential for the development of region. Funding by government of these services will lay the foundations for economic growth, reducing the current dependance of the population on government hand outs for their daily needs.

2.2 Other issues:

Preferential treatment of the region (eg, to stimulate development, reduced tax rates etc).

Locate government nodes in the region (eg, defence facilities, enlarged bureaucracies)

Developing potential export industries (eg fisheries) that are abundant to the region, and establishing adequate infrastructure into developing these into viable industries.

3.0 POTENTIAL FOR DEVELOPMENT

The Torres Strait, like many of Australia's indigenous communities, is geographically isolated from mainstream Australia. This isolation and a lack of adequate community infrastructure, including water, housing, power and transport, are all factors affecting the economic development of the region. There are economic opportunities in the fishing industry, including commercial fishing, prawning, pearl farming and crayfishing, has the potential to become a significant and viable industry.

There is also significant potential for tourism development in the Torres Strait. The pristine environment, abundant fishing stocks and presence of a unique indigenous culture are all drawcards to both local and international tourists. However, in order to tap these opportunities the appropriate social infrastructure need to be in place; combined with appropriately funded maintenance programs.

4.0 GENERATION OF EMPLOYMENT THROUGH INFRASTRUCTURE DEVELOPMENT

Infrastructure development has more impact than in the cities/ more settled areas, because regional unemployment levels are higher. Hence an imperative is to do more in regional areas.

The majority of Torres Strait communities have small populations (on average 200) thus infrastructure projects create not only employment but training opportunities. A recent example is Bamaga where a \$10 million program over three year to build 25 houses, construct a reticulated sewerage system and seal the internal roads. The scope and timing of the projects allowed the Council to employ 10 local trainees. The project has increased the skills base in the community to the point where the community know has the skills to construct their own houses. Not only has the project increased the skills base in the community, it has allowed the community to rely on its own people for future projects negating the need to bring in expensive imported labour, resulting in better value for money.

5.0 ROLE OF DIFFERENT LEVELS OF GOVERNMENT/PRIVATE SECTOR; PLANNING, CO-ORDINATION AND CO-OPERATION

Need to improve co-ordination, liaison and the "fit" between the various levels of government if infrastructure is to be better delivered.

Government should concentrate on policy and co-ordination issues, and allow private sector to do the delivery. This in itself will stimulate development.

Global perspectives need to be taken by all levels of government together – eg, in providing infrastructure which improves both the primary and environmental health of the regional community, then we would expect to see a reduction in the use of hospitals and the need for evacuations etc – representing savings to the community. At the moment, it appears different levels of government are more interested in protecting their own creations, funding levels, etc.

6.0 BENEFITS TO NATIONAL ECONOMY

The Torres Strait has the potential to be a more significant contributor to the national economy. The upgrading of basic social infrastructure will allow the region to access a number of commercial opportunities that currently lie dormant. There is enormous potential to further develop fishing and tourism industries.

The Torres Strait is a strategic defence point of Australia having Australia's only shared border. This has been recently recognised by the Prime Minister with his commitment of an additional \$6.5 million for surveillance in the region.

The Torres Strait is also an important trade link with the Asia Pacific region. This is a strategic trade link for Australia.

Improved social infrastructure will contribute to the operations of the Navy, Army, Customs, Federal Police, Immigration and Foreign Affairs that currently operate in the region.