

**KATHERINE REGION ECONOMIC DEVELOPMENT  
ORGANISATION INC.**

PO Box 867, Katherine NT 0851

Committee Secretary  
Standing Committee on Primary Industries & Regional Services  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

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

Dear Secretary

Our organisation offers the following information to assist your standing committee in the above enquiry.

Members of our organisation are volunteers from a broad range of industries and services in our region. Government (all three levels), private enterprise and indigenous organisations are represented.

Our region covers the area roughly from WA border to the Gulf of Carpentaria and the Qld Border, and from about 100kms north of Katherine to 400kms south of Katherine.

We have diverse industry in this region, including pastoral, agriculture, horticulture, mining, tourism, manufacturing, building & construction, retail and associated services.

We have direct access to our Minister for Regional Development and are provided with basic secretarial services from this department.

If your standing committee was able to visit our region you would be assured of a warm welcome and could see first hand what we have to offer.

Our problems are mainly positive ones in that they are all connected to continued growth and development opportunities. In this we are fortunate.

I am available should you require further information or clarification, my personal details are below.

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

### Important Factors

1. Continual road surface upgrades and maintenance
2. Continued water quantification and quality control
3. Further upgrades to communications and compatibility
4. Native title issues suspend subdivision projects
5. Skill shortages in Northern Australia stifle business potential
6. Energy costs are prohibitive in many areas
7. Education levels need continual improvement
8. Construction of Alice Springs to Darwin rail link
9. Fringe Benefits Tax

These factors may all be enhanced by Government at one level or another. It is essential that all levels of Government maintain open lines of communication and work together to address our needs in regional areas, in the best interests of our country as a whole.

The following gives more detail on the above nine points:

### Continual road surface upgrades and maintenance

Essential for rural and remote areas for obvious reasons. By reason of location and harsh climatic conditions, people in these areas must travel greater distances under quite difficult circumstances regularly to carry out normal business and employment.

Our live cattle export trade is dependent on road transport and can be brought to its knees during the wet season if roads are not sealed or of a high standard and are closed for this reason.

Upgrades are needed to allow fully loaded road trains to travel in all but disaster situations. It is economically and socially unacceptable that the NT can be regularly cut off from Queensland in the wet.

It is also unacceptable from a Defence perspective too.

Emergencies requiring fast efficient transport to medical help are reliant on well maintained road networks. Other emergency services have similar requirements to operate effectively and efficiently.

With large numbers of school children using school bus services, their education is dependant on reliable road networks. Businesses whose employees travel distances to work each day have the same requirements. Road straightening and leveling programs are also needed to speed and make safer, travel on our main highway, particularly between Katherine and Darwin (highway No1).

### Continued water quantification and quality control

Without sustainable water resources of good quality we are condemning our children and their future in this country to third world status. All people & industries require water. This natural resource is valuable and must be continually monitored for its ability to remain sustainable by natural recharging of the aquifers. We also need to monitor the quality of this precious resource to ensure the continued good health of our people and our land.

### Further upgrades to communications and compatibility

A high level of communication is essential when people live vast distances from major towns and services. High speed Internet communications will help us train the people with skills we need to develop. Health, education, financial services and all business and industries are reliant on fast efficient communications. These communications are useless if they are not compatible from place to place.

### Native title issues suspend subdivision projects

Several proposed subdivisions in our region have been delayed for years due to Native Title issues. Native Title itself is not the issue, but rather the seemingly open ended time frame that is attached to the resolution of such issues. Investors will not wait forever and development opportunities that lead to employment and gross domestic product increases are lost.

### Skill Shortages in Northern Australia stifle business potential

Short term solutions to this problem is to relocate skilled people from elsewhere to the north. Elsewhere may mean overseas or interstate.

Some long term solutions:- increasing education levels and training in regional areas for indigenous people; increasing incentives to employers who are willing and able to train apprentices.

These solutions may then create other difficulties such as housing cost & availability.

Governments need to provide sufficient land and housing to reduce housing costs to a reasonable level, say that of a city like Adelaide.

High speed internet communications will assist us train the people with skills we need to develop. Continued development of Internet based distance learning and teaching is also crucial.

It will give us a potential export industry if we can make Katherine an attractive enough place for such educators to live.

Fringe benefits tax inhibits many employers from providing housing or other incentives that were successful in past years prior to such rigorous FBT rules.

### Energy costs are prohibitive in many areas

This issue is raised frequently in our region.

Solar energy is the obvious option for cheaper energy requirements.

Other states have programmes that encourage householders to have solar units on their roof that often provides more power than they need themselves. Perhaps a federal project that offers assistance to all who invest in these types of solar power projects.

The diesel fuel rebate is a life saver for many. For some people, it is the only way they are able to afford to generate their own power and run pastoral properties and small remote communities.

### Education levels need continual improvement

The problem of poor education levels of school leavers has been identified across the country. In remote rural areas it is paramount.

Many students leave school without a sound basic understanding of numeracy and literacy. Indigenous students are over represented in this area for a range of reasons, commonly a lack of suitable housing, health and personal hygiene.

The problem is not limited to indigenous students however. The national testing at years 3 & 5 is a good beginning. This needs to be built upon and tougher measures taken to ensure students who fall below the national benchmarks are assisted to reach them.

## Construction of Alice Springs to Darwin rail link

This project will bring a broad range of benefits to our entire country with particular emphasis on both South Australia and Northern Territory. The export opportunities are well known and as the NT & East Kimberley region has found we are ideally placed as the food bowl for Asia. The rail link will offer these same export benefits to our southern neighbours, not to mention the employment opportunities in construction and maintenance of the line itself.

## Fringe Benefits Tax

This tax has steadily eroded the ability of the employer to offer incentives for employees to relocate to the North. In the years prior to the rigorous FBT rules the north was populated by the efforts of both Government and private enterprise, using many various incentives that now attract FBT.

Our region is fortunate in that we have sustainable economic growth that is the envy of our southern neighbours. However, that growth is stifled by our inability to attract skilled people from elsewhere.

Youth unemployment is a huge problem in other states but in our region we often have apprenticeships that cannot be filled.

As mentioned before, affordable housing is a large part of the overall problem. Many employers would provide this and other incentives to overcome our problems if it were not for FBT.

Fly in / Fly out once again restricts the development and growth of mining towns and FBT is one reason sited for this practice.

In summary, there needs to be **an attitude change** in all levels of government.

Governments need to acknowledge that **it costs more to do almost anything the further a town is from a major centre.**

They then need to **commit to providing the necessary money** to make things happen to **maintain the viability of rural communities** so they can care for and develop themselves.

This needs to be seen as **an investment** by the territory or nation in itself!

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