

6 April 1999

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

**INQUIRY INTO INFRASTRUCTURE
AND THE
DEVELOPMENT OF AUSTRALIA'S REGIONAL AREAS**

The District Council of Kapunda and Light is one of the two Councils making up the Barossa Regional Economic Development Authority (BREDA).

The Barossa Region is one of South Australia's "Economic Hot Spots" with an enormous level of capital expenditure in development of the Wine Industry in the Region.

The development does not only impact on the wine industry but has a multiplier effect in many other areas, particularly the service and tourism industries.

The District council of Kapunda and Light has a very strong economic development policy of "providing an environment for employment growth by supporting both existing and potential industries, including tourism, to the Council area."

Council has, over the last six months, granted planning approval to projects that will provide an additional 260 direct jobs in the area.

These projects include:

Producer Processors Pty Ltd - an export abattoir at Freeling with 69 new jobs.
Building commencement date - May 1999.

Pibroch Pty Ltd - a vegetable processing plant at Ward Belt, with the first stage of 50 jobs of a potential 150 jobs.
Building commencement date - January 2000.

Barossa Valley Allseasons Resort - a conference centre 4 star resort due to open in July 1999 with 110 full and part time jobs.

Tarac Distillers - Marc processing plant, Nuriootpa with 16 new jobs. Completion date June 1999.

There are numerous vineyard plantings taking place with the proposed development of new wineries and crushing plants.

Veritas Winery is in the process of being built near Marananga. Barossa Valley Estates (with BRL Hardy) are in the process of preparing a development application to build a new winery at Seppeltsfield. Barossa Vintages have established 75 hectares of new vineyards at St Kitts at an estimated cost of \$5 million. Southcorp have recently purchased additional land at Seppeltsfield and are proposing a capital expenditure of approximately \$12 million in new vineyard expansion.

In addition there have been record grain harvests in the region over the last three years with South Australian Co-operative Bulk Handling progressing additional grain storage at the Roseworthy bulk handling depot. They are forecasting an increase in production of 40% over the next 15 years.

The busiest day on record at the silo site was on 8 December 1998, when 365 grower trucks delivered grain to the silos.

All of this development has an enormous impact on Council's infrastructure, particularly roads and bridges. The District Council of Kapunda and Light is a small rural Council with a total budget of \$6 million and has little hope of keeping up with the current demands for the road, bridge and drainage infrastructure required to meet the demands of this new development.

It is anticipated that the wine industry growth will possibly treble in the next five years. Mildara Blass are currently proposing a \$100 million, 75,000 tonne crush capacity winery on our boundary at Nuriootpa.

There is an urgent need to cater for B-Double transport and more particularly, to develop a heavy vehicle road link from the Barossa Valley to the Sturt Highway, along Gomersal Road. The estimated cost of this link is \$11 million. This cost is totally beyond the resources of Council and urgent assistance from government is required.

In overall terms, the current infrastructure of the Barossa Region is totally inadequate to handle the new growth that is still predicted.

The infrastructure needs are not limited to roads, bridges, heavy vehicle by-passes of towns, but include a deficiency in electricity, water and telecommunications.

There is currently a difficulty of predicting the new vineyard and winery development growth as there are limited records of current production and vineyard areas. The first that Council is aware of additional plantings is the delivery of pine posts on the proposed vineyard site. An urgent assessment is currently required and this could well be by an aerial fly over and photography of the area.

BREDA has estimated that there is the potential for 1200 new jobs in the region over the next 12 months and that jobs in the Wine Industry will increase from 2,500 to 6,000 over the next 5 years.

This region requires urgent financial support from both Federal and State Governments to assist Local Government to provide an infrastructure, particularly roads and bridges, which will meet the economic growth demands of the region.

I regret that time has not allowed for the presentation of a comprehensive submission, however this letter provides a brief overview of the issues being faced in the region.

I trust that this information will be of assistance and please do not hesitate to contact me if you require further information.

Yours faithfully

G W Sheridan
CHIEF EXECUTIVE OFFICER