

BARKLY REGIONAL ECONOMIC DEVELOPMENT COMMITTEE INC.

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The Executive Officer
PO Box 1221
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Committee Secretary
Standing Committee on Primary Industries and Regional Services
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Sir/Madam,

Please find enclosed the following submission to the Standing Committee on Primary Industries and Regional Services as authorised by the Barkly Regional Economic Development Committee Inc.

The submission is also on disk in Word 97 format.

Should you require additional information on the submission or any portion of its contents, do not hesitate to contact us at the above address.

Yours sincerely,

Mark John.
Chairman.

6 April 1999

enc: disk

Submission to the Standing Committee on Primary Industries and Regional Services

Committee Overview:

The Barkly Regional Economic Development Committee Inc. was initially established in 1989 to investigate the economic development opportunities for the town of Tennant Creek. The committee, formed by a group of local business people, was borne out of an economic down-turn in the local economy and the need for a development focus.

Since inception, the Committee has sought avenues of financial assistance and a commitment from Government, both local, Territory and Federal, to better promote and develop regional centres in the 'outback' of Australia.

The Committee, numbering 22, has the endorsement of and membership from all local interests including, major Aboriginal organisations, the ATSIC Regional Council, all Federal Government Departments, all Northern Territory Government Departments, all Industry Associations, the Local Government and the Regional Tourist Associations currently operational in the Barkly Region.

The Barkly Regional Economic Development Committee Inc., through its efforts during the period 1997/1998, has gained the endorsement of the Federal Minister for Regional Development and the Northern Territory Government Minister for Regional Development as the peak organisation on all regional economic development issues pertaining to the Barkly Region.

The Committee, through constant regional visits to outlying centres, has now fully functional sub committees in Borroloola (780 kilometres away), Elliott (250 kilometres away) and Ali Curung (150 kilometres away) that regularly report to the BREDC Inc.. The Chairman undertakes visits to each regional centre on a quarterly basis. This process allows for a more macro approach to regional development.

The Barkly Regional Economic Development Committee Inc. has formed successful cross-border linkages with like minded organisation in Queensland and is currently developing linkages into Western Australia. Currently we are working closely with the Mt Isa City Council Economic Development Committee to develop strategies that will allow both regions to better position themselves for prospective developments in the Gulf Mineral Province.

Regional Overview:

Tennant Creek is the administrative and supply centre for the Barkly Region of the Northern Territory. The region covers some 387,000 square kilometres and abuts the Queensland border and the Gulf of Carpentaria.

The Barkly Region stretches from the Gulf of Carpentaria south to 22 degrees south and has as its main industries mining, pastoral and tourism. Major regional centres of interest include Tennant Creek, Elliott, Borroloola and major Aboriginal settlements such as Ali Curung, Alpurrurulam and Robinson River. In all, some thirty-two (32) Aboriginal and thirty-eight (38) pastoral communities are disbursed throughout the Region.

The Northern Territory Government has undertaken to stimulate development in regional centres. Stimuli including sale of excess public housing stock, meaningful development of public assets and a better more focused approach to Government expenditure on infrastructure development has led to a more holistic and focused development. However, with the limited Government Budget for infrastructure development and the commitment of funds to the Darwin Port Facility, Darwin to Alice Springs railway and other planned developments such as National Parks, concerted efforts need to be made by Regional Development Organisations to stimulate economic expansion in the more remote regions of the Northern Territory.

Whilst the Barkly Region has 'survived' the economic impacts of recession, both internally within Australia and externally in South East Asia, and is positioning for extensive economic expansion into the 21st century, the lack of major infrastructure development is acting to slow economic expansion within the region.

By concentrating on the major industries that operate within the region, and planning a progressive and co-ordinated approach to infrastructure development, future growth in those industries will ensure the survival of our region, increased employment and a reduction in the number of residents leaving for 'greener pastures'.

Mining Sector:

The current trends in the mining industry in the immediate Tennant Creek locality is down-sizing and closure. The major player in the game in and around the Tennant Creek field is Normandy Mining. Normandy is currently in the process of closing two major mining operations due to the lack of suitable ore and current commodity prices on the world market.

Planned developments such as Rover, a lease currently under consideration by Normandy Mining within easy reach of Tennant Creek, is not likely to come on stream for at least four years. This development when operational will mean a return to the town of approximately one hundred workers.

Within the Borroloola locality, McArthur River Mines has the Lead and Zinc ore body they are currently mining and processing. This mine, situated some seventy kilometres south of Borroloola, took in excess of twenty years to develop due to the structure of the ore body and the need for a new extraction process. MIM currently process the ore to a concentrate, transport the concentrate by road to the port facility at Bing Bong Station and then barge it to bulk container vessels anchored in the Gulf of Carpentaria.

Another major, although much smaller mine, recently developed in the Borroloola vicinity, is the Merlin Diamond Mine. This mine came into production in December 1998.

Planned expansion within the Gulf Mineral Province in North West Queensland and further exploration west of the Queensland Border in the vicinity of Borroloola, all lead to and highlight the necessity for major infrastructure development in rail and road transport.

By immediately linking the proposed Darwin the Adelaide rail system to the eastern states through the development of a link from Tennant Creek to Mt Isa, the network would fully service the Australian continent and lead to greater development in the mining industry.

The development of a fast rail network linking the eastern States to the Northern Territory would allow for more cost effective mineral processing and export of end product. Such a network would allow mining companies in the Territory easy and fast access to state-of-the-art smelting and production facilities in Queensland and a more cost effective transport service to the main export ports in Queensland and the Northern Territory. This system would also prove more cost effective for Queensland based operators for supply and export of end product through the deep-water port of Darwin.

The requirement for road infrastructure development in the Gulf of Carpentaria is paramount. Currently the only road access is on badly formed gravel section roads close to the coast and north from the Barkly Highway. The main road access to the Gulf of Carpentaria is the old National Highway Route 1 from Normanton in Queensland to Borroloola in the Northern Territory. This road's current conditions range from poor to extremely dangerous due to potholes full of "bulldust" and badly water-affected sections. The road is only traversible during the "dry" season and is badly damaged during the "wet".

This road is usually closed to traffic for extended periods of time during the wet season and for economic development within the region to take effect, urgent upgrade to all-weather gravel is required.

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Pastoral Sector: The pastoral sector within the Barkly Region currently ‘turns off’ approximately 130,000 head of cattle each year for both the internal meat processing industry and the live cattle industry to South East Asia.

Road freight transport costs, when national transport industry insurance and registration are taken into account, are extremely high. With access to a fast rail network, cattle and end product will reach market in a shorter time, thus reducing costs to the producer, processor and consumer.

The pastoral industry is heavily reliant upon the Tablelands Highway for the movement of cattle out of the region. The Tablelands Highway, the only arterial road traversing the Barkly Region from south to north, is a single lane, badly formed bitumen road that is often closed during the wet season. After the wet as heavy traffic begins to again flow, the road surface again suffers from the effects of the transport and pushes the surface further out of alignment.

Ancillary roads that traverse the region and join the Tablelands Highway are “pastoral roads” of graded dirt and badly effected by the weather. After rain, properties can be isolated for up to two months at a time.

Tourism: The development of a fast rail system from Tennant Creek to Mt Isa would vastly improve tourist access to both Queensland and the Northern Territory and extend the recognised “tourist season” in both. The potential for such a link to become the pre-eminent “great train journey” in Australia is enormous. The linkage would provide comfortable travel from Perth in Western Australia, up through the centre and down through Queensland and New South Wales to Victoria (or vice versa) at reasonable cost, provide high dollar value and be of great significance.

The system, when fully operational, would also close the “missing road link” between Queensland and the Territory, the infamous Georgina River crossing on the border.

Modern tourism is reliant upon an extensive road network or conversely, an extensive rail network.

The road network within the Northern Territory is of excellent standard apart from the Tablelands Highway and National Highway Route #1 from Borroloola in the Gulf of Carpentaria to the Queensland Border at Wologorang Station. This section of road, for a National Highway is a disaster.

Conclusion:

The development of fast rail systems connecting Tennant Creek to Mt Isa and Darwin to Adelaide will lead to an increase in trade between Queensland and the Northern Territory and the Northern Territory and South Australia and the eastern sea board in general.

This trade currently relies heavily upon expensive and weather dependent road transport infrastructure.

Associated cost and time reductions through 'piggy backing' the construction of the Tennant Creek to Mt Isa link of the Melbourne to Darwin rail system, on the development of the Darwin Adelaide rail system will be substantial to any consortia developing the eastern linkage and will reduce the overall costs to all Governments associated with the development.

The development of suitable road and rail infrastructure within the Barkly Region would open vast areas of pastoral land to further developments in horticulture and agriculture, as proven water supplies are available.

Fast cost efficient transport is the only hindrance to such development at present. The Mining Industry would gain ready access to fast and cost effective transport for not only the construction of projects, but for the transport of raw materials to processing plants and then on to export ports along the northern and eastern seaboard.

Additionally, tourism and general trade between the Territory and States would receive a substantial boost.

The Barkly Regional Economic Development Committee Inc. respectfully suggests that Members of the Standing Committee undertake a tour of the northern areas of Australia, in particular the Northern Territory, to familiarise themselves with the current status of the road infrastructure currently in use in these remote localities.

Additionally, to form a better understanding of the BREDC Inc. and its operation, should a tour of the north be organised by the Standing Committee, we would make ourselves available to the Standing Committee to further discuss our submission.

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