



## Shire of Exmouth (WA) Submission to Inquiry into the Development of Northern Australia

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The Exmouth Shire Council welcomes the *Inquiry into the Development of Northern Australia* and the opportunity to provide a submission to the Committee.

In response to the request from the *Joint Select Committee on Northern Australia*, Council of the Shire of Exmouth provides the following submission, addressing some of the key points of the Terms of Reference of the Inquiry. The submission also includes a brief introduction to the Shire of Exmouth (WA).

Our submission makes reference to various included attachments which provide more detailed information about a range of subjects.

## Summary

**Exmouth has 5 outstanding mainstays of opportunity to contribute to the Development of Northern Australia in the areas of:**

- 1. Defence**
- 2. Mineral & Energy Industry**
- 3. International Tourism**
- 4. Education & Research**
- 5. Aquaculture**

**The Shire of Exmouth (WA):**

- **Is ideally and centrally located for a number of current and future developments in Defence, Oil & Gas, Tourism, Education & Research and Aquaculture opportunities that support *'The Coalition's 2030 Vision for Developing Northern Australia'*.**
- **Has a strong case for expanding the current Defence Force presence in the area, in line with the strategic priorities highlighted in the 2009 Defence White Paper which seeks expanded Defence facilities in North-West Australia.**
- **Supports the Government's proposal<sup>1</sup> to investigate further Australian Defence Force basing options in the North and North West of Australia, including the possible enhancement of Exmouth as a naval base.**
- **Provides an Exmouth Boat Harbour Precinct that is ideally located to provide greater Marine Logistical support to the offshore Oil & Gas operations.**
- **Provides a Strategic Industrial Precinct including Development Approval for a 650m Causeway with Wharf to service the off-shore Oil & Gas industry.**
- **Offers a Residential Lifestyle Choice for Resource sector workers and their families who access mining operations on a 'FOFI' or 'DODI' arrangement.**
- **Is a Logistical Hub for 'FIFO' workers accessing offshore facilities processed through the Learmonth Domestic Airport and Heliport.**
- **Provides an idyllic holiday/tourist destination for families residing on the North West.**
- **Has existing Local business and service industries that are already successfully servicing the resource sector.**
- **Recognises the importance of ongoing promotion of Northern Australia's iconic attractions and the development of new and upcoming tourist destinations, including the Ningaloo World Heritage area which offers opportunity to develop more marine based international tourism product.**

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<sup>1</sup> *The Coalition's 2030 Vision for Developing Northern Australia – Defence Capabilities in the North.*

- Recognises that cruise shipping is an important part of Australia’s tourism industry and Northern Australia is well positioned as the closest western destination to South East Asia, to capture some of the tremendous growth arising from the global cruise sector.
- Is home to the iconic Ningaloo World Heritage area which is already a profiled destination at State and Federal level and delivers to visitors including cruise liners providing a quality destination that offers unique terrestrial and marine based products that complements the products available in other ports in Northern.
- As part of the Ningaloo-Shark Bay National Landscape, continues to support the Programme and recommends ongoing Federal and State support for the development and promotion of the National Landscapes.
- Recognises the importance of expansion of airport infrastructure and the need to better connect Northern Australian tourism areas for air travel.
- Has established the Ningaloo Centre which offers opportunity for Northern Australia to link and expand education and research more closely to local and regional industries including a focus on oil & gas, marine science, and tourism.
- Supports the notion of the Government that the development of aquaculture industry in Northern Australia should form part of a strategic food bowl plan.
- Encompasses excellent water and land environments to facilitate Aquaculture developments.

## Introduction to Exmouth

Exmouth is the most South Westerly town within Northern Australia, but is definitely not ‘on the outer edge’ when it comes to economic development potential, and is ideally and centrally located for a number of current and future developments in Defence, Oil & Gas, Tourism, Education & Research and Aquaculture industries that support ‘*The Coalition’s 2030 Vision for Developing Northern Australia*’.

Exmouth is:

1. The location on the Australia main land that is closest to the key operating areas of the *South China Sea* and all areas of significance in the Indian Ocean (**DEFENCE**).
2. Centrally located to and in close range of some of the most important offshore Oil & Gas facilities in Australia (*North West Shelf/Gascoyne Basin*) (**OIL & GAS**)
3. The gateway to the *Ningaloo Coast World Heritage area* and an important port in Cruise shipping routes connecting WA, NT and Indonesia. (**TOURISM**).
4. The base for the future *Ningaloo Centre* which will accommodate a combination of community, visitor, education/research and exhibition spaces. The Ningaloo Centre is expected to be the incubator for future education development and research expansion (**EDUCATION & RESEARCH**).
5. An area that offers pristine water and land availability for the Development of Aquaculture industries (**AQUACULTURE**)

## Response to the Inquiry

### DEFENCE

The Exmouth region is proud of its long and very positive relationship with the Australian and American Defence Forces.

There is a strong case for building on this track record by expanding the Defence Force presence in the Exmouth area. The Exmouth Shire and the broader Exmouth community are prepared to work closely and very cooperatively with the Department of Defence to ensure that the ADF's future requirements are fully met.

The Shire acknowledges the strategic priorities highlighted in the 2009 Defence White Paper, and has prepared a separate submission (*Refer Attachment Shire of Exmouth – Submission to ADF Posture Review*) on the understanding that Defence requires expanded facilities in North-West Australia that are strategically located, that are available at modest cost, that offer superior working and lifestyle environments for Defence personnel and their families, and that are demonstrably viable for the very long term. In consequence, the submission argues that Exmouth offers Defence:

- Superior air and sea access to priority operational areas in the South China Sea and the Indian Ocean.
- Close proximity to the primary offshore oil and gas fields off the North-West Coast.
- Shorter and more reliable all-weather lines of logistic support from Perth and the eastern states.
- Substantial and fully proven Naval communications facilities. Within the protected waters of Exmouth Gulf there is also a large-capacity Naval fuel and general cargo wharf, modern facilities for the berthing and support of small ships and opportunities for comparatively low cost construction of expanded Naval support facilities.
- A major RAAF air base and an air weapons range (Learmonth) with few noise and other operating constraints either now or foreseeable. These facilities could readily be expanded at modest cost.
- A sophisticated Solar Observatory with a skills base for space support operations.
- Cost and operating efficiencies from locating new Defence and Defence-related activities in close proximity to existing Defence facilities.
- A modern town that is well placed to support Defence personnel and their families with a range of employment opportunities, quality primary and secondary schools, a technical college, a well-equipped and staffed hospital, a modern retail centre and truly exceptional recreational facilities.
- The ready availability of land, the ease of supply from the South and other factors make the Exmouth Peninsula a relatively low-cost region for the construction and long term operation of multi-user Defence facilities. Defence facilities developed on the Exmouth Peninsula can be readily protected from encroachment for many decades into the future.
- The opportunity for an increase in American Defence Force Posturing working in collaboration with the ADF.

- The Exmouth Shire and the local community would welcome an expanded Defence presence most warmly and would work hard to ensure that it was very successful.

#### CRITICAL ECONOMIC & SOCIAL INFRASTRUCTURE INVESTMENT REQUIREMENTS

1. Significant increase in investment on infrastructure at Learmonth RAAF Base, including the relocation of Operations and Personnel from Pearce RAAF Base.
2. The expansion of the Exmouth Boat Harbour to enhance the capacity for Naval vessels.
3. Increased diplomatic relations and cooperation with the American Defence Force posturing ambitions in the South East Asia Rim.

#### The Shire of Exmouth:

- **Has a strong case for expanding the current Defence Force presence in the area, in line with the strategic priorities highlighted in the 2009 Defence White Paper which seeks expanded Defence facilities in North-West Australia.**
- **Supports the Government's proposal<sup>2</sup> to investigate further Australian Defence Force basing options in the North and North West of Australia, including the possible enhancement of Exmouth as a naval base.**
- **Supports the Coalition's intention to continue the upgrading of the RAAF base at Learmonth to enable unrestricted operations and the future support of combat aircraft operations, including by allies<sup>3</sup>.**

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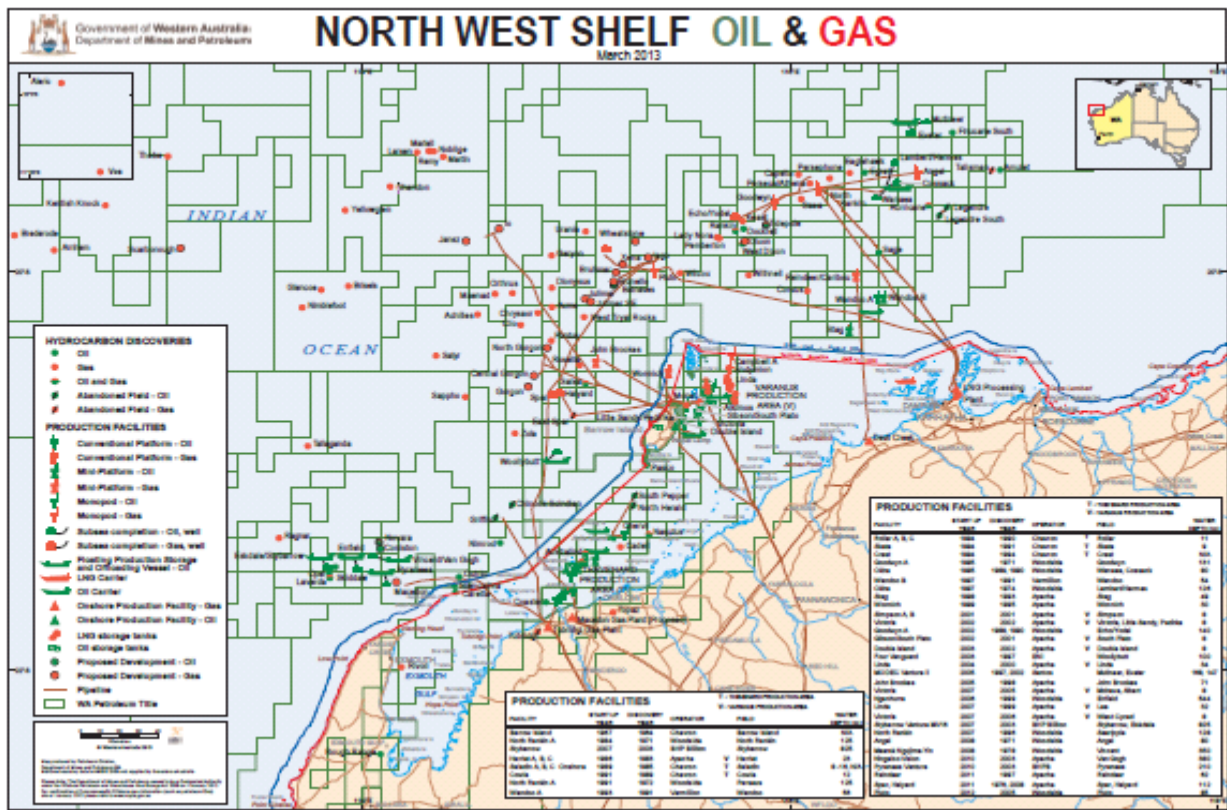
<sup>2</sup> *The Coalition's 2030 Vision for Developing Northern Australia – Defence Capabilities in the North.*

<sup>3</sup> *The Coalition's 2030 Vision for Developing Northern Australia' – Defence Capabilities in the North*

**MINERAL & ENERGY RESOURCE INDUSTRY**

Exmouth is the principal settlement on the North West Cape and predominately the closest and most centrally located community servicing Off Shore Oil & Gas Operations.

The North West Shelf is home to Australia’s most significant Oil & Gas projects, including but not limited to, Wheatstone, Gorgon, Macedon, Pyrenees, Novara, Vincent, Van Gogh, Stybarrow, Enfield and Laverda operations involving major international companies such as Chevron, BHP Billiton, Woodside, Apache and Hess just to name a few.



Exmouth has the opportunity to share in this burgeoning industry by providing a logistical hub in the marine servicing industry, transfer hub for FIFO workers, a residential lifestyle choice for resource sector workers and their families and a favoured holiday/tourist destination and the availability of local businesses and service providers for industry.

The critical infrastructure investment required for Exmouth and Industry for mutual benefit is the requirement of the existing Exmouth Boat Harbour (EBH) to be expanded to allow for larger vessels to operate from the facility. This and the existing Strategic Industrial Precinct which includes a Development Approval for a 650m Causeway and Wharf will adequately service the off-shore Oil & Gas industry.

In 2009/10 (EBH) became the Department of Transport’s (DoT) third busiest harbour in WA, and the busiest in regional WA, only behind Hillarys and Fremantle

Vessels supporting the nearby resources industry require fuelling and loading facilities well in excess of (EBH's) current capacity. The nearest alternative to (EBH) is Dampier which is also at capacity, and with Exmouth geographically better placed to service the offshore industry, utilising Dampier incurs significant additional costs and time. For example the Oil & Gas fields mentioned above are on average 14 hours steaming time closer to Exmouth than Dampier, and Exmouth is 4 hours closer by road to Perth. Demand out of Barrow Island (Gorgon), which is also geographically closer to Exmouth, is also expected to increase. With the commencement of the Wheatstone project, Exmouth is perfectly placed to provide critical infrastructure support as it develops.

Exmouth is currently a significant hub for the transfer of 'FIFO' workers to the offshore Oil & Gas operations with the exchange of crews through the Learmonth Domestic Airport and Heliport Facility. An estimated 30,000 transactions occur at the Heliport annually. Further opportunities could be achieved if a direct flight connection could be established to/from a community such as Karratha or Port Hedland to the North of Exmouth, as flights are currently only being generated from Perth.

Exmouth has positioned itself and has undertaken extensive marketing strategies to attract Resource sector employees and their respective families to reside in Exmouth due to the excellent lifestyle opportunities that Exmouth has to offer. This initiative has been termed as a 'FOFI' or 'DODI' arrangement; meaning that the families live in Exmouth, but the workers leave Exmouth to work in the Pilbara hinterland or offshore industries. (*Refer Attachment Exmouth a Lifestyle Choice Publication*)

Exmouth is also regarded as an ideal Holiday/Tourist destination and as the population increases in the communities of the North West is likely to attract an increase in visitation from families residing in the North and hinterlands.

In the future, the North West Shelf/Gascoyne Basin is likely to see the expansion of the existing and commencement of new oil and gas ventures that will provide more jobs, skilled and unskilled, and greater prosperity for Northern Australia. Ideally new operations would have permanent locally based work forces and draw most services from local business. Exmouth offers these opportunities.

Finally Exmouth businesses are geographically well placed to support and service the Pilbara mining industry and the offshore oil & gas industries. Many Exmouth businesses are already successfully servicing these markets, but improvement of infrastructure – such as roads, communications facilities and energy generators will be fundamental for Exmouth's future development in supporting industry.

The Gascoyne Development Commission (GDC) with the assistance of the Shire of Exmouth commissioned a study, completed by SGS Economics, titled 'Economic Development Opportunities for the Gascoyne Region associated with the Resource Sector Investment & Expansion' which is attached for further reference on the opportunities identified above. (*Refer Attachment Economic Development Opportunities for the Gascoyne Region associated with the Resource Sector Investment & Expansion*)

#### CRITICAL ECONOMIC & SOCIAL INFRASTRUCTURE INVESTMENT REQUIREMENTS

1. The expansion of the Exmouth Boat Harbour to enhance the capacity for larger resource sector vessels providing Marine Logistics to offshore operations.

2. Continuation of development of residential housing options, social services and infrastructure that will attract families to reside in Exmouth.
3. Direct flight connections to a Pilbara City to the North of Exmouth.
4. Continued investment and marketing of the Exmouth region (Ningaloo World Heritage Area) as an iconic destination and marine based international product.

**The Shire of Exmouth:**

- Provides an Exmouth Boat Harbour Precinct that is ideally located to provide greater Marine Logistical support to the offshore Oil & Gas operations.
- Provides a Strategic Industrial Precinct including Development Approval for a 650m Causeway with Wharf to service the off-shore Oil & Gas industry.
- Offers a Residential Lifestyle Choice for Resource sector workers and their families who access mining operations on a 'FOFI' or 'DODI' arrangement.
- Is a Logistical Hub for 'FIFO' workers accessing offshore facilities processed through the Learmonth Domestic Airport and Heliport.
- Provides an idyllic holiday/tourist destination for families residing on the North West.
- Has existing Local business and service industries that are already successfully servicing the resource sector.



## **INTERNATIONAL TOURISM**

Growing the tourist economy in the North to two million international tourists annually is one of the objectives in the Coalition's 2030 Vision for developing Northern Australia: *'Tourism already makes a strong contribution to Northern Australia and in some regions it is the largest employing industry. With the right approach, international visitor numbers to the North could be increased to 2 million a year'*.

Tourism is a vital and growing industry for Exmouth. Within our Gascoyne region, it is the biggest industry by value. Our strength is based on our unique natural attractions, which include Ningaloo Marine Park and Cape Range National Park, recently receiving World Heritage status as the **Ningaloo World Heritage area**. Exmouth is one of the fastest growing regional towns in Western Australia and welcomes in excess of 150,000 tourists annually. With Tourism as one of the main drivers of the local economy, the Shire of Exmouth continues to improve existing infrastructure and services for international visitors, thus contributing to the increase of international visitor numbers to the North.

### Cruise Ships

Australia is one of the fastest growing cruise markets worldwide. According to Cruise Down Under's *Economic Impact Assessment of the Cruise Shipping Industry in Australia (August 2012)*, the Australian cruise shipping industry recorded an increase of 29.6 per cent in the number of cruise ship visits in 2011-12, with strong growth in both international transit ships and ships based in Australia for part of the year.

Cruise shipping is an important part of the WA State's tourism industry and Western Australia is well positioned to capture some of the tremendous growth arising from the global cruise sector. In 2011-12, the WA cruise shipping sector generated \$185.7 million in expenditure, which represents a significant growth of 150 per cent compared to the previous year<sup>4</sup>.

In line with this, Northern Australia is well positioned as the closest western destination to South East Asia, the world's fastest growing tourism source market and many of the key ports are already established tourism destinations.

In 2011, Tourism Western Australia (Tourism WA) identified Cruise Shipping as one of the State's Tourism Priorities. Tourism WA together with industry is proactively pursuing opportunities to capitalise on the unprecedented growth of the cruise sector. A Cruise Western Australia Committee has been established to provide strategic oversight to the development of the sector in Western Australia.

Exmouth is represented on this Committee and the Town is recognised as an important link within the Western Australia and Northern Territory cruise-shipping routes which visit ports in Fremantle, Geraldton, Exmouth, Port Headland, Broome and Darwin.

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<sup>4</sup> *Western Australian Cruise Shipping Strategic Plan 2012-2020*

With some challenges to be addressed on a local level regarding destination development through improved services and tour options, the most important need is the marine and terrestrial port infrastructure development in town.

A major priority for the Shire of Exmouth is the Exmouth Boat Harbour Precinct Expansion project which is to include cruise ship berthing facilities. Currently there is no such facility available and cruise passengers are tendered to shore. This is a lengthy process which reduces available time for land tours, and is also very dependent on favourable weather and tide conditions. The Exmouth region has missed out on many occasions when cruise ships could not safely offload their passengers into Exmouth.

#### National Landscapes Programme

Exmouth/Ningaloo is part of the Federal Government's National Landscapes programme, which is coordinated and implemented through Tourism Australia and Parks Australia. The strength of this programme is the focus on a select number of outstanding regions that offer exceptional experiences for the International Experience Seeker tourists.

The programme aims to further improve and develop these Landscapes and their experiences which may include marketing & branding, improvements to existing attractions, tours and infrastructure, specialised training and business development.

The importance for Northern Australia is that the landscapes in the north can attract international tourists with their outstanding offer and diversity of natural and cultural wonders. The challenge for Northern Australia is that the programme responsibilities are being carried by relatively small and remote communities, including governments and small scale tourism industry.

#### Air Routes linking Tourism Destinations

To further grow the international tourist economy, Federal and State Governments should coordinate the investigation into the air travel opportunities within Northern Australia. It would be opportune to identify where international visitors enter Australia and how they can (or cannot) visit destinations within the North via RPT flights.

At the moment, the Exmouth/Ningaloo area has no direct airline linkages with the north of Australia. The only way to reach Exmouth is to fly from Perth; an international tourist in Broome would have to fly south to Perth, and fly up North again to reach Exmouth.

The Shire of Exmouth seeks to further improve Learmonth Airport and increase RPT linkages with other tourism destinations in Northern Australia.

The Shire of Exmouth supports tourism growth by better interlinking the International tourism hotspot regions in the Northern Australia, like Darwin /Kakadu, Cairns /Great Barrier Reef, Broome /Kimberly and Exmouth /Ningaloo.

## CRITICAL ECONOMIC & SOCIAL INFRASTRUCTURE INVESTMENT REQUIREMENTS

1. A coordinated Cruise Shipping approach for Northern Australia to maximise tourism spend, through increased customer awareness, increased product diversification and port infrastructure developments.
2. Develop the Exmouth Harbour Precinct Expansion with a new berthing facility as a key project required to provide cruise lines with safe and efficient ports. The project will lead to increased growth in the tourism sector in the Exmouth/Ningaloo Region and maximises the economic benefits of cruise shipping in Northern Australia as a whole.
3. Support the ongoing resourcing of the National Landscapes programme through Tourism Australia and Parks Australia.
4. Support the implementation of Experience Development Strategies that aim to attract international tourists to Northern Australia.
5. Identify and facilitate partnership opportunities between National Landscapes in Northern Australia to further increase international arrivals, increase length of stay, and growth of tourism expenditure in Northern Australia.

### **The Shire of Exmouth:**

- **Recognises the importance of ongoing promotion of Northern Australia's iconic attractions and the development of new and upcoming tourist destinations, including the Ningaloo World Heritage area which offers opportunity to develop more marine based international tourism product.**
- **Recognises that cruise shipping is an important part of Australia's tourism industry and Northern Australia is well positioned as the closest western destination to South East Asia, to capture some of the tremendous growth arising from the global cruise sector.**
- **Is home to the iconic Ningaloo World Heritage area which is already a profiled destination at State and Federal level and delivers to visitors including cruise liners providing a quality destination that offers unique terrestrial and marine based products that complements the products available in other ports in Northern Australia.**
- **As part of the Ningaloo-Shark Bay National Landscape, continues to support the Programme and recommends ongoing Federal and State support for the development and promotion of the National Landscapes.**
- **Recognises the importance of expansion of airport infrastructure and the need to better connect Northern Australian tourism areas for air travel.**

## **EDUCATION & RESEARCH**

The Coalition *'can support the development of the education sector in Northern Australia by promoting Northern Australia as an education destination (both overseas and domestically), and potentially investing in key infrastructure to create research centres and improve liveability. There are also opportunities to link education more closely to local industries, such as agriculture, mining, marine science, and tourism<sup>5</sup>.*

The Shire of Exmouth has successfully secured over \$30M worth of funding to build the iconic Ningaloo Centre (please refer: <http://www.exmouth.wa.gov.au/ningaloo-centre.aspx>).

The Ningaloo Centre, expected to open in December 2015, will be an iconic multi-purpose building, incorporating spaces for Community, Visitors, Education & Research and Gallery & Exhibition. The centre will be an addition to the tourism sector via a new Visitor Centre and outstanding interpretive which will showcase the unique land and marine attributes of the Ningaloo World Heritage area.

This uniqueness of the Ningaloo Reef does not only attract tourists, but has made the region subject of much research activity from Universities and Commonwealth agencies like CSIRO.

To better accommodate them, the Ningaloo Centre will also include facilities dedicated to research, education and provide excellent opportunities for conferences. More specifically, Tafe (Durack Institute of Technology) will relocate to the Centre and expand its curriculum to include marine sciences and offer research facilities like office space, wet and dry labs and workshops for visiting researchers.

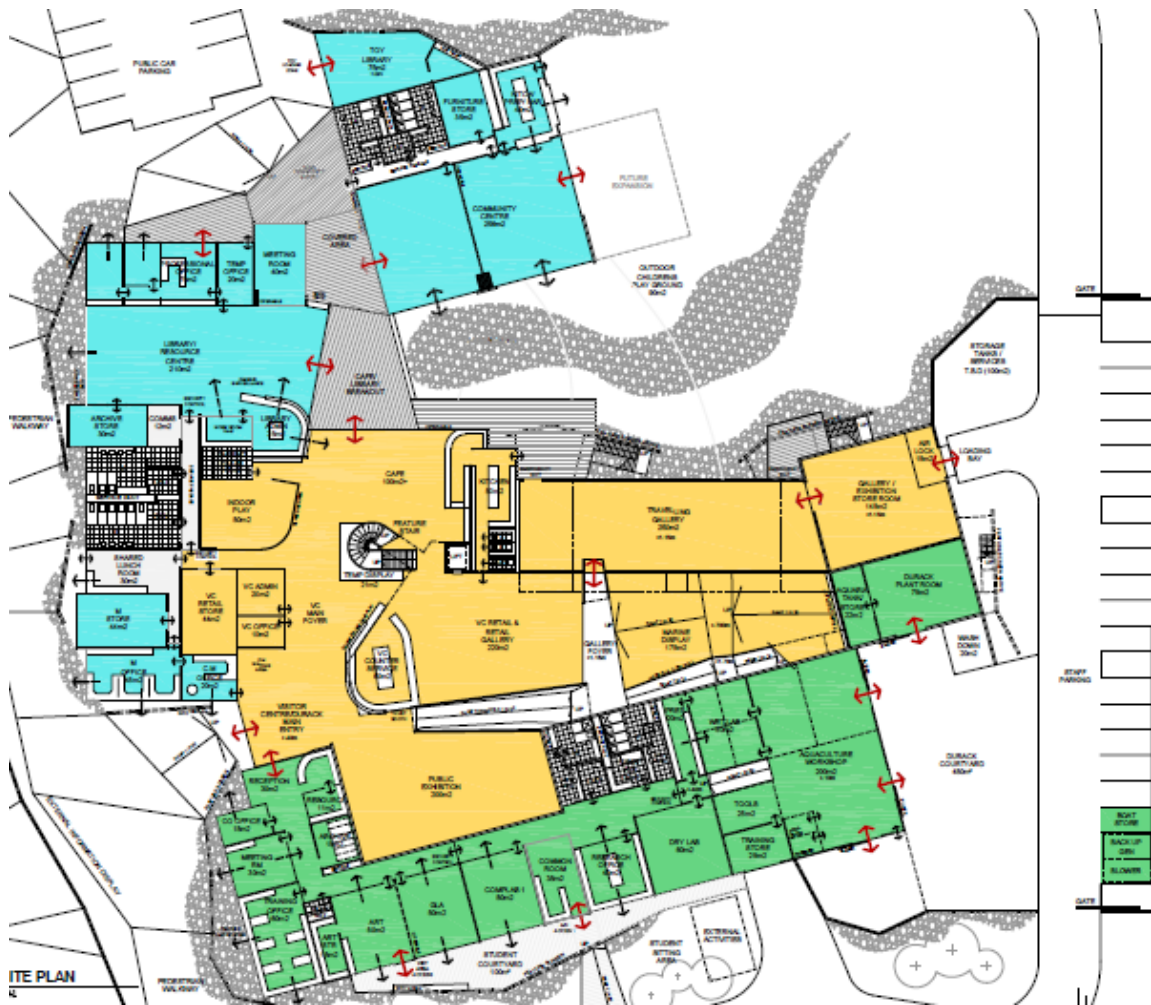
In the longer term, Northern Australian cities, but also Regional Towns like Exmouth have an opportunity to attract students, not only by providing first class educational and research facilities, but also by marketing Northern Australia as offering outstanding lifestyle opportunities and a student friendly environment. The Ningaloo Centre with both research and educational facilities will be the springboard to further such developments for the Exmouth region.

## **CRITICAL ECONOMIC & SOCIAL INFRASTRUCTURE INVESTMENT REQUIREMENTS**

1. Future expansion of education opportunities in Exmouth to attract international and national students and researchers to the North, for example in line with the study centre or higher education campus models of James Cook University in places like Mount Isa or Thursday Island.

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<sup>5</sup> *The Coalition's 2030 Vision for Developing Northern Australia- Create Education hubs.*



Ningaloo Centre Floorplan

**The Shire of Exmouth:**

- Has established the Ningaloo Centre which offers opportunity for Northern Australia to link and expand education and research more closely to local and regional industries including a focus on oil & gas, marine science, and tourism.

## **AQUACULTURE**

*'Aquaculture is the fastest-growing sector of global food production and farmed seafood starts to provide more product than wild fisheries. The current value of aquaculture production across the North is estimated at \$70 million, with farming in species such as oysters, prawns, barramundi, abalone, mud crabs and freshwater fish<sup>6</sup>.*

Aquaculture is well known as an emerging asset class of Australia's already highly developed Agricultural industry. Exmouth has a historical and highly respected reputation in aquaculture having been actively involved since the early 1960's with fish farming and trawling activities in the Exmouth Gulf.

Suitable sites for large, sustainable aquaculture industries exist across Northern Australia and businesses are currently pursuing large-scale opportunities.

Exmouth is poised to be a leader in the further development of aquaculture in Northern Australia as new investment recently took place as part of *Project Sea Dragon*. This project offers a unique and world class opportunity to develop a large scale, land-based prawn (shrimp) aquaculture project in Northern Australia and is designed to meet the growing global demand for seafood (please refer: <http://www.waresources.com.au/project-sea-dragon/>).

The prefeasibility work for this project has focused on the initial development of a production module of 10,000 ha of grow-out ponds. The production system is fully integrated with brood stock, hatchery and processing facilities throughout Northern Australia.

The company behind the plans has bought a five-hectare site for use as a brood stock facility in Exmouth, Western Australia. It will use it as part of its large-scale Sea Dragon Project, which is expecting to farm 100,000 tonnes of Tiger Prawns a year in Northern Australia.

It's expected a hatchery will be located in Darwin. However, grow-out facilities are still yet to be announced, with all three northern states still up for contention.

### **CRITICAL ECONOMIC & SOCIAL INFRASTRUCTURE INVESTMENT REQUIREMENTS**

1. The approvals process for aquaculture projects continues to be an issue with local perceptions that it is too onerous and could be streamlined to speed up developments.

#### **The Shire of Exmouth:**

- **Supports the notion of the Government that the development of aquaculture industry in Northern Australia should form part of a strategic food bowl plan.**
- **Encompasses excellent water and land environments to facilitate Aquaculture developments.**

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<sup>6</sup> *The Coalition's 2030 Vision for Developing Northern Australia-Develop a food bowl, including premium produce*