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Joint Select Committee on
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NEW INQUIRY – DEVELOPMENT OF NORTHERN AUSTRALIA

Dear Committee Members,

Gulf Savannah Development (GSD) is a regional development organisation incorporating the Shires of Burke, Carpentaria, Doomadgee, Mornington and Etheridge as its members as well as having Corporate voting members being MMG/Century and Ports North. GSD members too are making individual submissions

GSD welcomes the opportunity to make a submission to the inquiry. GSD believes that a coordinated, consistent, and collaborative approach linked to tangible operational documents and budgets is the key to seeing real improvements on the ground in Northern Australia.

This submission addresses the Terms of Reference by highlighting the opportunities in the various industries for the region. It also highlights some of the constraints which if addressed in a collaborative manner will ensure the Gulfs immense potential will be achieved.

Business Investment is currently awaiting clarity around Government investment and by utilizing both private and public funds development of major industries such as mining, agriculture and manufacturing will follow.

Gulf Savannah Development has the unique blend of on the ground representation through its membership base comprising Local Government, Industry and Business to work collaboratively with all levels of Government to achieve outcomes in Northern Australia.

The following key points are discussed in this submission:

- Provision of Infrastructure including:
 - Ports (Karumba)
 - Transport
 - Energy
 - Water
 - Communications
 - Environment

- Infrastructure Plans linked to funded Operational Plans

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- Land Tenure and ease of Access
 - Human/Social Capital
 - Identifying Commonalities across Northern Australia but still understanding the needs of Local Communities.

The recommendations put forward by Gulf Savannah Development (GSD) in this submission have been shown in **bold** at the end of each section.

Provision of Infrastructure

Development of the Port of Karumba for Import as well as Export

GSD is especially interested in the development of the Port of Karumba. Carpentaria Shire Council is currently working in conjunction with the State, at the invitation of the Premier of Queensland, to look at opportunities for a consortium of Gulf councils to manage and operate the Port.

The development of the Port of Karumba represents an exciting opportunity for regional development and provides an important link to and from Asia. By way of summary, the points below highlight some of the opportunities.

1. The Port is currently used for the transshipment of ore (mainly zinc) which is delivered to Karumba via a pipeline from Century Mine. While Century Mine is closing down in 2015, there are ongoing negotiations for continued use of the pipeline and trans-shipping at the Port.
2. Without any further expansion of the dredged channel, there is an opportunity to double the transshipment of ore from 1 000 000 tonnes to 2 000 000 tonnes per annum.
3. Trans-shipping operations have been successfully carried out at the Port for over 15 years, thus ending any doubt as to the viability of such operations.
4. The Port also continues to have a strong commercial fishing presence and live export of cattle continues to grow now the live export bans have been lifted.
5. The Port has a number of logistical advantages over east coast ports, including—
 - a. Shipping time to and from Asia is reduced significantly. It is estimated that a return trip to, say, India would be reduced by 4-5 days and would result in significantly decreased costs by avoiding pilotage fees through the Great Barrier Reef.
 - b. No major environmental issues arise in shipping operations when compared to the problems faced by east coast operators who must traverse sensitive areas of the Great Barrier Reef;
 - c. Better access to the port for the live cattle trade, including reduced trucking times for most Queensland cattle and those stations in the east of the Northern Territory, resulting in cattle being shipped in better condition when compared to shipment from Darwin or east coast ports;
 - d. The untapped potential for imports through the Port which can then be shipped via a road network taking in western Queensland, the North West Minerals Province and



major roads to the east and south, thereby reducing the demand and impact on other major routes such as the Bruce Highway.

6. Where trans-shipping is not suited, the construction of a conveyor or other load delivery system to deeper water presents an opportunity for direct loading and unloading of goods, ore and gas. The concept is not difficult or new as such practices have been successfully used for many years in the Gulf of Mexico which is remarkably similar to the Gulf of Carpentaria waters in many respects. Preliminary studies have identified suitable sites for such facilities.
7. With a reduction in red tape and given the proximity of Karumba to expanding uranium mines, the Port could and should be used for the export of uranium. Currently, the export can only occur through Darwin or Adelaide. It may surprise some that uranium was exported through the Port of Karumba some decades ago.
8. As Business is developed and grows the capacity of the Port needs to be increased to satisfy the demand for high volume imports and exports all year round to satisfy and take advantage of the growing Asian market.

The upgrading of the Port of Karumba to allow for deep water access and additional capacity to satisfy high volume imports and exports is an essential key component to the development of Northern Australia and particularly the lower gulf region. The proposed investors have all indicated that access to an economical, effective, viable Port of Karumba is a key part of their plans

Transport Infrastructure

Upgrading of the Gulf Developmental Road

The Gulf Developmental Road/Savannah Way provides a vital link across all of Northern Australia from Cairns to Broome. Upgrading of this road by sealing in it's entirety and upgrading to at least dual carriageway from Cairns to Broome would have significant benefits for the region.

GSD understands that this would be a costly exercise however it could be staged and carried out over a period of time. The benefits in terms of safety, biosecurity, tourism, social and economic terms should not be underestimated.

In terms of safety a great number of Road Trains frequent this stretch and tourists driving conventional vehicles are regularly forced off road into dangerous conditions to avoid collisions. This often leads to accidents and damage to the smaller lower clearance vehicles. In addition consideration should also be given to sealing those stretches of the highway which are currently unsealed. Whilst sealing is a higher upfront cost it results in a cheaper whole of life cost when compared to gravel roads particularly in wet areas after taking into account resheets and reseals.

The consequential flow on to an increase in Tourism numbers resulting from the Road upgrades should also be considered. Currently many Tourists with conventional vehicles avoid the area due to fears of a collision with a Road train or becoming bogged due to the potent mixture of a sudden storms and gravel roads. Such a situation would not occur on sealed roads. Tourism is the lifeblood of many of the small towns on the route and increased visitor revenue would be a welcome boost to these struggling businesses.



Upgrade the Savannah Way from Cairns to Broome whereby the length is sealed and at least dual carriageway. Stages could be identified and prioritised as part of a Northern Australia Infrastructure Plan.

Upgrading of the Hann Highway (Lynd and Hughenden)

Similarly the Hann Highway is a vital link for the transportation of goods from the Lynd to Hughenden. Currently approximately 110km of this vital network link remains unsealed. The sealing of the Hann is important from a number of aspects such as safety, productivity, biosecurity and investment attraction.

Investment attraction and Industry development is a combination of small incremental changes as well as large significant development proposals. Quite often those smaller incremental changes which build on pre existing local infrastructure can have a significant positive impact on the Community very quickly as it builds on and increases existing productivity and utilisation without relying on new infrastructure investment. These “quick wins” immediately increase local business and Investor confidence providing a significant economical flow on effect to the surrounding towns and Businesses.

Seal the remaining 110 km of the Hann Highway from the Lynd to Hughenden

Energy

The provision of reliable affordable energy is a precursor and essential element to any significant development in the gulf. The current uncertainty around the access and pricing of energy in what is currently a monopoly environment is serving as a significant deterrent to many investors whilst at the same time forcing existing Investors to rethink the size and scale of their operations. Some of these existing investors are contemplating downsizing or moving which of course has disastrous consequences for the local economy.

The solution to the energy conundrum is not a one size fits all approach moreover we believe that the solution resides in a patchwork of local on site power generation through renewables for remote areas all the way through to utilising the significant gas energy reserves which reside throughout the Gulf particularly around the Burketown area.

Consideration should also be given to opening up the existing Queensland energy monopoly with a view to opening up the market and decreasing energy costs to the region. This in turn would reduce operating costs and stimulate business development both new and expansion of existing Business.

End the current Monopoly over Queensland’s power supply and tender for new Electricity providers with a view to the resulting competition reducing current electricity costs particularly for rural and regional Australia

Partnerships between potential investors and Government should be investigated with a view to unlocking and utilising the significant gas reserves which currently exist in the North West



Water

Water is currently the single largest impediment to development in Northern Australia. GSD welcomes the recent NQIAS report which indicated that additional water resources are available particularly from the Gilbert and the Flinders rivers. The availability of a reliable water supply will have a significant impact in driving ahead the following industries:

- Mining (\$3.6B)
- Manufacturing (\$340m)
- Agriculture (\$71m)

Increased Water Allocation – Gilbert River

Access to dependable water supply is a cornerstone and vital precursor to any sort of Development particularly Mining and Agriculture. Many studies have shown the potential of the potential of a “Gilbert River Agricultural precinct”. This potential has recently been acknowledged by the Queensland Government by announcing this project as a coordinated project late last year and has commissioned an Environmental Impact Statement on the project.

The project includes 240,000 hectares of grazing land, 65,000 hectares of cropping land and 2000 hectares of vital infrastructure for the region.

It is projects of this nature which will invigorate the not only the Gulf but surrounding areas and provide significant economic benefits and attract development to the area. This ties in perfectly with the Queensland’s Government strategy of encouraging growth away from Queensland’s coastal areas and Regional Australia taking its rightful place as the “engine room” of the State’s economy.

Water will also be required to sustain workers and their families who will form the essential skills base required to support any Infrastructure or Agricultural Development. Currently there is a significant skills shortage in the area with many staff flying in and out of remote areas. In short sustainable water allocations should be allowed across all gulf systems. This will require sensible changes to the Wild Rivers Act to allow diversification, attract investment and encourage Development.

Currently non sensical situations exist due to the inconsistencies between Wild and non wild rivers and how these rivers interact with populations. For example Escott which is located near Burketown cannot increase their water allocation as they have been told they draw from a Wild River ie the Gregory, however the requested point of extraction is below the junction of the



Nicholson and Gregory rivers where there is ample supply and the Nicholson is not a wild river. It is these sort of impediments and bureaucracy which continues to impede development.

A sensible review of the Wild Rivers Act and associated water allocations resulting in more water being made available would greatly assist in encouraging investment and Development.

The recent NQIAS report into the Gilbert and Flinders catchments has indicated that potentially up to 30,000 ha could be extracted from the Gilbert system for on an annual basis with an 80% confidence level. This sort of sustainable water release is precisely what the region needs and is one of the four key infrastructure catalysts required to propel the region forward by expanding such industries as Mining, Agriculture and Manufacturing. The report also identifies that significant in stream Infrastructure (ie Dams) will be required to harvest the water.

A review of the Gulf Water Resource Plan should be expedited with a view to sustainably increasing water allocations to allow for essential business investment and growth.

Significant investment is required in Water Infrastructure (eg Instream Dams) to attract Investment and provide a return encouraging Investors to provide funds to establish Enterprises.

Communications

To move forward Northern Australia requires metro comparable communications. The communications networks needs to be not only reliable but of a significant speed and quality so as to effectively link the Gulf with the rest of the world and help overcome the tyranny of distance. Communications can be separated into three main areas; Landline , Mobile and Internet. An effective, reliable and cost competitive communications network is essential when considering the following areas which will allow the Gulf to move forward:

- Education and Training – Providing targeted resources across the whole education spectrum to address skills shortages and provide education assistance particularly on isolated properties and to assist those with speech and learning disabilities.
- Medical – Provide a lifeline for residents requiring specialised medical diagnosis and attention so as to take advantage of internet based diagnostic techniques which have already been developed but will not function adequately on existing bandwidth.
- Efficient access to Business Information – Particularly in times of natural disaster ie drought or Floods both of which occur on a regular basis access to these programs via the Internet can be the difference between viability and financial ruin. Cost effective access to the Internet is essential if the Gulf is to realise its massive potential.
- Social – The Internet is also an important tool used by Gulf residents to overcome the isolation which often comes from living in a remote area. High speed and affordable internet access allows people to keep in touch thereby providing comfort and support to those living in isolated areas.



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- **Safety** – Given the isolation of many Gulf residents access to a reliable telecommunications system can literally mean the difference between life and death particularly when accidents or emergency situations occur.

Communications is an example of an incremental change which can be staged and built on the back of existing networks to achieve and effect real change in peoples lives and drive Development.

Business sees communications as an essential building block which must exist before any investment will proceed. Given the significant role communication plays in modern Business we really can't expect the Gulf to prosper unless this vital piece of infrastructure is in place.

Develop a Communications plan for the North including landline, Mobile and Internet identifying existing Infrastructure and associated Blackspots and develop a prioritized, staged and funded plan to address the shortfalls to agreed minimum service standards.

Environment

The environment should be seen as an Infrastructure Asset with associated Asset Management Plans and consideration of minimum service levels and asset protection mechanisms put in place.

The environment is like any other asset and needs to be managed. The requirement to effectively manage our environmental assets is perhaps even stronger than the usual infrastructure asset benchmarks as the environment is non renewable and finite. This suggestion is put forward in an attempt to demystify the environmental issues and utilise pre existing asset management frameworks which allow for benchmarking and setting of minimum service levels for assets and how the asset will be managed to ensure that the asset continues to perform at the required service levels.

Review the current environmental and biodiversity arrangements with a view to setting threshold environmental levels which must be reached before an area is deemed to be environmentally significant

If an area is environmentally significant then consider what could sustainably be allowed in that area via a Development Assessment Process rather than just declaring the area off limits

Provision of Infrastructure Plans linked to funded Operational Plans

Plans showing minimum service levels and the required Infrastructure to achieve same should be developed/built on as a priority. This will then give an integrated overall plan for Northern Australia highlighting Infrastructure deficits over the entire region. Minimum service levels should be discussed with Business, Local Government and the Communities so as to ensure the outcomes are realistic and achievable.



In many case due to the funding required the construction will need to be phased however ultimately a single master plan which can be viewed and adopted by all as the ultimate end game will go a long way to ensuring Business confidence and attracting much needed investment to the region.

Develop/consolidate Infrastructure plans for Transport, Energy, Water, Communications, across Northern Australia based on minimum service levels and develop basic project charters around the infrastructure required to achieve the required service levels

Land Tenure Issues and Long term Certainty of Title

Currently there are a number of opportunities whereby Local Government is keen to develop Unallocated State Land (USL) for purposes such as industrial, commercial, cultural, environmental and residential purposes. Taking into account the significant Infrastructure costs which the Councils will have to bear to provide basic services such as Power, Water, Roads, Sewerage etc the current valuations of the USL are simply too high given the remote location and arid conditions. This in turn discourages development by the Council and so vital development which is necessary for the growth of the area does not occur.

Add to this the costs and timeframes of negotiating land use agreements etc and one can appreciate the difficulties faced by local Governments in securing essential land for development purposes. USL should be made available at minimal nominal amounts to Local Government on the satisfaction of certain criteria such as public good, demonstrable development outcomes etc

A system should be developed whereby USL is allocated to Local Government at a nominal fee once certain public interest tests are satisfied. The process should be simple and be able to be completed “inhouse’ by the Local Government with expedited outcomes and guaranteed timeframes.

Development and Enhancement of Human and Social Capital

Human Capital

With any development it is imperative that the human capital is taken into account. For any business/enterprise to be successful access to a skilled labour force is imperative. In order to attract such a workforce including their families the location should be a place where both existing and new residents want live, work and play. Solutions such as fly in fly out are only temporary measures and contribute nothing towards the social fabric of the community Such factors which need to be considered are:



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- Education
 - Health
 - Skills Training

Provision of a literate, numerate and skilled workforce who wish to remain in the region and make it their home is essential. Currently many children do not attend school on a regular basis and this flows through to a significant deficit of basic skills over time. We also see high unemployment rates in these regions which is a direct reflection of the education shortfall. It is a fact that people educated in the region are more likely to stay in the region. Consequently given the tyranny of distance investment is required to ensure that equal affordable access to education is achievable.

Investment in early education is the key to breaking negative cycles prevalent in many remote communities. The ability to instil a love and thirst of learning is the imperative. To this end expectations need to be set around attendance in conjunction with the local community. This has been achieved with some degree of success in other remote communities.

Programs should be developed in conjunction with the local community around required school attendance with follow up and support for those not meeting expectations

To achieve outcomes in early education we need to address the acute education skills shortage which particularly exists in Day Care/Kindergarten facilities in remote Australia. One way of addressing this is through legislative amendments allowing the utilisation of skills by those lesser qualified persons in early education whilst they work on up skilling their abilities. This will go some way to addressing the acute education skills shortage whilst up skilling locals at the same time.

Amend legislation to allow those with lesser skill sets to teach children in remote areas through agreements with the individuals to upskill to the required standard.

One of the greatest barriers to education in remote areas is access to metro comparable broadband. Distance education is a fact of life for many kids on remote properties and they heavily rely on the internet connection for information on their basic curriculum. Currently on offer are packages with a 5GB data allowance and a speed of 1056kbps at \$92/month which is considered metro comparable. Similar offerings in metro areas are around \$30/month with speeds of 2-3MBS.

Improve both the pricing, data allowances and speed of internet access to remote Australia to make it truly metro comparable.

Currently remote Australia suffers from a lack of health Care Services. Often a medical Practitioner is not available within the Town and some towns/locations are fortunate if they see a Medical practitioner once a week. The obvious solution is the successful utilisation of Telehealth. Telehealth allows access to Health professionals and quality health advice regardless of location.

Ensure a bank of specialists and health care service providers available to provide telehealth services

In conclusion Northern Australia has unlimited potential however we need the keys to unlock this potential. The keys lie in Infrastructure investment which will attract Business interest in the region and Private Enterprise can play its part but Government needs to take the lead.



There are many similarities across Northern Australia and we need to ensure that we are not constrained by State borders. It is imperative that we look for the commonalities across Communities but apply them locally through respectful engagement of stakeholders. Local Governments are vital in this process and they stand ready to take their place at the table and build on the existing strong partnerships with State and Federal Governments to progress and ensure that Northern Australia realises the potential which we all know exists.

It is imperative that along the journey we are always mindful of human capital and the desire to grow and enrich the communities of Northern Australia by attracting new residents to the region and enhancing the skills of those who already reside there. Through the strengthening and diversification of local communities Northern Australia will become a beacon for investment and a place where people will want to live work and play.

Thank you for the opportunity to contribute to this important inquiry.

Yours faithfully

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S C AGIUS
Acting Chief Executive Officer

