



C/- Inquiry Secretary
 Joint Select Committee on Northern Australia
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 Parliament House
 Canberra ACT 2600

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Reference:
 Our Reference:
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RE: TOWN OF PORT HEDLAND SUBMISSION – INQUIRY INTO THE DEVELOPMENT OF NORTHERN AUSTRALIA

The Town of Port Hedland ('the Town') wishes to thank the Joint Select Committee on Northern Australia ('the Committee') for its invitation to provide a submission into the Inquiry into the Development of Northern Australia.

The place that's now called Port Hedland was once known by its original inhabitants, the Kariyarra people as Marapikurrinya, a striking word to describe the hand shaped formation of the tidal creeks coming off the natural harbour. Port Hedland is located in the Pilbara Region of Western Australia, covering nearly 11,000 km² and currently has a population of over 20,000.

It is Australia's largest tonnage Port producing 25% of world iron ore exports, equalling to 51% of Australia's iron ore exports and representing \$32 billion in exports (12% of total exports from Australia). Per capita, more export wealth is generated in Port Hedland than just about every other of the 565 Local Government areas in Australia.

There is no doubt that the reason why in early March of this year the Fraser Institute named Western Australia as the most attractive jurisdiction for mining investment in its annual survey, was directly related to the potential and mineral value of the Pilbara. To note, Western Australia was placed 11th in 2011- 2012. The focus for mining investment should be equivalent to investment into its communities.

More specifically, the Town of Port Hedland would like to put forward that the Pilbara should also be seen as an equally attractive place for further investment into establishing its communities by Government, at both the State and Federal level.

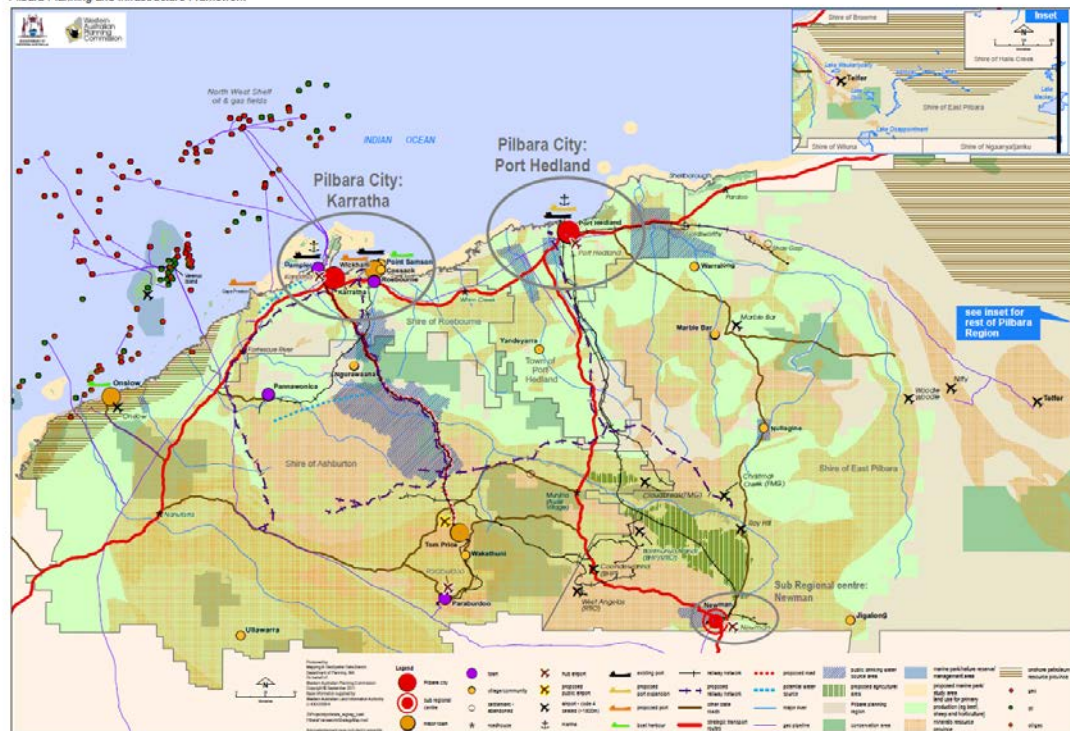


The State Government’s vision for the Pilbara is to transform the region into a vibrant network of communities that offer economic and social sustainability from one generation to the next. The region will have two cities, Karratha and Port Hedland, with each expected to have a population of about 50,000 by 2035: these two cities will be supported by a sub-regional centre at Newman (population of about 15,000) and other settlements that will be planned to accommodate growth associated with expansion of mining and the oil and gas sectors.

The Pilbara Cities initiative sought to create places that people would choose to settle on a permanent basis, a place to bring up families with access to high standards of education, health and diverse employment and career opportunities. To achieve this requires long-term planning, effective coordination, community support, timely decision making and supportive actions from a wide range of government entities and the private sector. Over time new residential developments will be established to cater for a variety of people, families, professions and businesses.

Unfortunately there are numerous impediments to this growth; two of the largest hurdles being the high cost of living, low level of home owner / occupation being at 22.5% compared to the States average of 65.31% and the high cost of construction being anecdotally priced at 1.65 times the cost of construction in the State’s metropolitan region.

Pilbara Planning and Infrastructure Framework



Strategy Map

**PORT
HEDLAND**
PILBARA'S
PORT CITY

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Over the past five years the Town has gone into strategic planning overdrive. This is to ensure the entire municipality is master planned into a high level strategic blueprint to facilitate the sustained growth of Port Hedland to 50,000 residents by 2035 – please note this document was;

- created by the Community;
- written by Western Australia’s finest urban planning intellectuals;
- endorsed and implemented by Council and State Agencies; and
- endorsed the WA Planning Commission: and is named the **“Pilbara’s Port City Growth Plan”**

Our vision from the Growth Plan is clear – by 2035 Port Hedland will be Pilbara’s Port City, a nationally significant friendly City where 50,000 people want to live and are proud to call home. The Town also wishes to commend the vision as described in the *Coalitions 2030 Vision for Developing Northern Australia June 2013* paper;

‘This vision is about the future wealth and livelihoods of all Australians, as well as present and future residents of the North, including traditional owners.’

The Town applauds the potential policy from this document and the Committee to develop, drive and implement a 20 year strategic plan for Northern Australia, which is exactly what is needed.

The Town has forwarded a Government intervention based approach to providing recommendations to the individual Terms of Reference because, quite simply Northern Australia will not become normalised without this type of approach. Even though the Action Items are specific to the Town of Port Hedland, it is recognised they’re required to be replicated across Northern Australia.

The Town wishes to highlight its support for the State Government to continue with the Royalties for Regions program – specifically the Northern Towns Development Fund. The Town strongly encourages the Federal Government to develop a similar model of financing which too would help facilitate development.



Action items	Local Govt action	State Govt action	Federal Govt action	Desired result
1. Increase investment away from traditional power plants into renewable energy in all regions; specifically a Concentrated Solar Power Tower with Thermal Energy Storage.	Town Planning Scheme support.	Allocation of 650+ ha of Unallocated Crown Land (UCL) for the purpose of energy production. Carry a National and International Tender process for the design, construct and operation of the solar based plant. Royalties for Regions start-up funding.	Support renewable energy in the region. Finance model matching the State's Royalties for Regions funding.	75,000+ homes supplied with renewable energy over a 50 year period. Cost to produce is 14c / 1 kWh and sold at 20c / 1 kWh.
2. Increase investment into developing a Northern Australia food bowl - hydroponic, agriculture, aquaculture and other life forms of food.	Town Planning Scheme support - passive agriculture at the Port Hedland International Airport.	Royalties for Regions start-up funding. Support and promote.	Policy and seed funding to support an increase in food production in Northern Australia	Creation of a locally based efficient domestic and export trade market.
3. Funding the implementation of the State's Freight Transport Strategy : interface with air freight/ road / port supply chains.	Town Planning Scheme and Town Planning Scheme and Growth Plan support.	Royalties for Regions start-up funding. Support and promote.	Finance model matching the State's Royalties for Regions funding; \$100k.	Monitor and augment existing plans as required.
4. Increase investment into waste to energy plants.	Decommissioning the traditional landfill waste site and commissioning a waste to energy plant.	Royalties for Regions start-up funding. Support and promote.	Finance model matching the State's Royalties for Regions funding.	Efficient and cost effective use of waste management.



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5. Establish an Infrastructure Funding Mechanism that is clear and provides certainty to potential developments	Growth Plan support.	Royalties for Regions start-up funding. Support and promote. Facilitate and procure the funding mechanism.	Develop a policy position that creates funding streams for significant (>\$10M) infrastructure projects	Investigate establishment of a bond-based infrastructure funding mechanisms, linked to mining sector royalties, to draw on private sector investment of core infrastructure in the Pilbara.
6. Remote Community and Economic Infrastructure Plan - an infrastructure strategy for remote communities , (with a focus on indigenous communities).	Town Planning Scheme and Growth Plan support.	Carry out the infrastructure plan as facilitated by the WA Planning Commission – Infrastructure Committee. Royalties for Regions start-up funding. Support and promote.	Full funding for normalised municipal services into indigenous communities	(e.g. Yandeyarra) including roads, water, sewerage, utilities and associated services. This should consider alternative infrastructure solutions (i.e. gas bottles for cooking, solar heating, satellite communications, pre-packaged water / wastewater treatment etc.).
7. Northern Australia Taxation Incentive Schemes: a – Remote Areas Tax offset.	Promotion: attraction and retention of permanent residences.	Promotion: attraction and retention of permanent residences.	Increase the remote areas tax offset to the individual from \$400 - \$5,000 per annum.	Increase permanent residential workforce participation.



Action items	Local Govt action	State Govt action	Federal Govt action	Desired result
8. Northern Australia Taxation Incentive Schemes: b – Construction GST Tax credits for staff housing.	Ability to claim for GST on the construction costs of providing staff housing.	Ability to claim for GST on the construction costs of providing staff housing.	Give the ability to claim for GST on the construction costs of providing staff housing.	Setting attractive cash flow conditions for investment.
9. Northern Australia Taxation Incentive Schemes: c – Review of the capital gains tax to Northern Australia.	Support.	Support.	Review the current capital gains tax applied.	100% FBT concession on remote area housing. FBT to be applied to TWA accommodation and FIFO transport costs
10. Northern Australia Taxation Incentive Schemes: d – into company /employer tax concessions.	Support.	Support.	Outcome driven: what makes it beneficial for companies to have FIFO workforces and how this can be altered to encourage residentially based workforces	Review of FBT concessions, remote area, payroll tax and superannuation guarantee.
11. Review and repeal both Carbon and Mining Tax proposals	Support.	Support.	Support, review and repeal.	Encourage domestic and international investment.
12. Increase Child care rebate in Northern Australia.	Promotion: attraction and retention of permanent residents.	Promotion: attraction and retention of permanent residents.	Increase from \$7,500 per annum to \$15,000 per annum, per child.	Increase permanent residential workforce participation.
13. Subsidise the cost to employ qualified Child Care workers in each Day Care facility.	Promotion: attraction and retention of permanent residences.	Promotion: attraction and retention of permanent residences.	Provide a greater incentive for child care workers in northern Australia.	Current cost of full time child care per day in Port Hedland is \$127 versus \$97 in Metro Perth.
14. Investment into a world class Indigenous Art Centre.	Town Planning Scheme and Growth Plan support.	Royalties for Regions start-up funding. Support and promote.	Finance model matching the State's Royalties for Regions funding.	World class A+ tourist attraction Indigenous Art Centre



Action items	Local Govt action	State Govt action	Federal Govt action	Desired result
15. Establishment of a Water Project Development Fund for the use of treated waste water in abattoirs, broad acre and hydroponic farming.	Town Planning Scheme and Growth Plan support.	Royalties for Regions start-up funding. Support and promote.	Finance model matching the State's Royalties for Regions funding.	Increase participation in abattoir works, moving away from live to boxed exportation of meats.
16. Establish a defence base in Port Hedland.	Port Hedland International Airport Master Plan allocating 50 ha+ for a defence base.	Royalties for Regions start-up funding. Support & promote.	Ensure a permanent defence force presence in Port Hedland to service the North West of Australia...	Defence base established in Port Hedland.
17. Establish a university trade and /or research facility.	Identify and secure a suitable site.	Commercial Feasibility Study: what mix equals building the facility? Leveraging off the current memorandum of Understanding between the State and the Common Market for Eastern and Southern Africa.		Intellectual trade institute to Asian and Africa. Sharing knowledge on mining, petroleum and agriculture.
18. One-stop-business investment -shop economic data analysis website for Northern Australia Towns / Cities: combination of the REM Plan, ABS Statistics, Local Government building and rating information, including all state and federal funding opportunities.	Feeding the website manager with current local information.	Royalties for Regions start-up funding. Support and promote. Feeding the website manager with current state approval information required – Pilbara Development Commission is the suggested owner.	Finance model matching the State's Royalties for Regions funding. Promote the dire need for capital investment into Tourism, Education and Health.	Encouraging private investment. Website manager required to update information on a quarterly basis – rental and wages prices. Considerable reduction in 'red' and 'green' tape for business.



Action items	Local Government action	State Government action	Federal Government action	Desired result
19. Continue to progress with the proposed Pilbara Fabrication and Services Common User Facility – Lumsden Point.	Town Planning Scheme and Growth Plan support.	Royalties for Regions start-up funding. Support and promote. Secure a combination of private, superannuation and federal funding.	Access to seed infrastructure funding to commence this nationally significant project.	Common User Hub facility is built creating 1,500 permanent jobs locally.
20. Further develop business relationships with all Asian, Pacific and Indian Ocean partners.	Participation in the Pilbara and Kimberley Joint Forum.	Representing in all overseas delegations.	Increase consular presence.	Increase foreign investment.
21. Funding for the Redevelopment of the Port Hedland International Airport – Western Australia's gateway to the Pilbara.	\$105M total project, \$35M ToPH	\$35M Royalties for Regions start-up funding.	\$35M Infrastructure Funding.	An A grade International Airport supporting the mining, local, tourism, local and international defence base.
22. Affordable Housing scheme – only owner / occupiers: \$80k per family total	Town Planning Scheme and Growth Plan support.	\$40,000 State Government incentive for each new house and land package. Royalties for Regions start-up funding.	Finance model matching the State's Royalties for Regions funding. equally a total of 10% deposit (on an average \$800,000 4 x 2 500m ² build in the Pilbara – 20% - \$160,000 ex stamp duty).	Increase the number of owner / occupiers in the area. Procurement matched by the First Home Buyer's Scheme.
23. Enquiry into Insurance companies policies on residential insurance and body corporate insurance premiums in Northern Australia.	Support	Support	Support and investigate.	Reasonable and fair pricing in line with metropolitan regions.

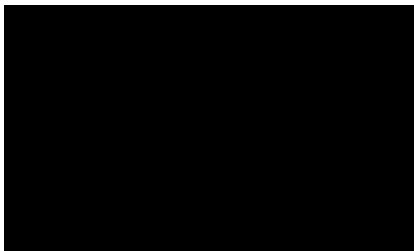


24. Superannuation Funders tour group project	Support and host	Support and send delegation.	Support, orchestrate and promote.	Increased investment from Superannuation fund providers into Northern Australian infrastructure projects.
25. Encourage and advocate port and Industry strategic development plans.	Support, encourage and advocate.	Support, encourage and advocate.	Support, encourage and advocate.	Encourage and advocate expenditure in strategic development plans.

The Town again wishes to thank the Committee for its invitation to provide a submission to the Inquiry into the Development of Northern Australia. Whilst the Town wishes to see the continuation of the State's Royalties for Regions funding and acknowledges its success to date, the current development is driven by Royalties for Regions alongside funding from other stakeholders. The Australian Government has been missing from the table in terms of making substantial investments in the Port Hedland area.

All economic wins in Northern Australia are Australia's wins as a whole, and the Town would also like to see the same commitment to investment spending from the Federal Government as the State.

Yours sincerely



M.J. (Mal) Osborne
Chief Executive Officer

Wednesday 19 March 2014

