

Joint Select Senate Committee for Northern Australia

I am Dr. Roger Higgins, a dentist in private practice in Pt. Hedland.

I have lived and worked to the north of the Tropic of Capricorn since late 1999 and know how difficult it is to attract and retain long term good quality, well trained health professionals who are capable of providing comprehensive all round treatment.

I moved from Darwin to Pt. Hedland in May 2012 and established from scratch a large well equipped dental practice because there was no similarly equipped practice here.

I make this submission to you because I have a desire to see the permanent population here grow so that over time the benefits of larger societies can become incorporated into the life of a growing, dynamic successful community.

It is to this end I seek to make a small contribution to this Select Committee.

Please understand that I do not make these suggestions for purely selfish reasons.

I have in fact moved from a bigger community into a much smaller one, rather than retire, because I saw that I had well developed skills that did not exist in Pt. Hedland.

The North West is desperately under populated.

We need in place mechanisms that will encourage people to relocate to this area so that they become permanent residents.

The continued expansion of the Fly in Fly out (FIFO) population contributes very little to the communities where these workers are employed and benefits disproportionately the communities in which they reside.

FIFO needs to be discouraged.

Permanent Residency needs to be encouraged.

This will only happen if the mechanisms that have produced the rapid expansion of FIFO are removed and replaced with the means to encourage permanent residence.

Permanency can quickly gain traction if the following are in place.

Adequate financial incentives to relocate

For individuals there are already high incomes available.

A very effective way to convert FIFO to permanently is to reduce individual marginal tax rates for those who prove they not only work in but also permanently reside in a given location where the benefit applies.

As an example, in my earlier years I went to Hong Kong to work because the maximum tax rate was 15 cents in the dollar.

Remote areas to the north of the Tropic of Capricorn have up until now, with the exception of coastal North Queensland, been poorly populated and their residents not as well served in the areas of health care, education and policing when compared with those who live in more urbanised locations.

In the West there are no towns with populations over 20,000 between Geraldton and Darwin. Drastic action will only cause this to change.

It is of course in this northwest region that there are huge mineral and energy reserves, a small proportion of which is now in commercial production.

Strategically, it makes no sense to have the nation's population concentrated along the East coast along with the bulk of the nation's defence forces.

A REDISTRIBUTION OF OUR POPULATION AND DEFENCE FORCES IS NOW ESSENTIAL IF THE ECONOMIC FUTURE OF THIS NATION IS TO REMAIN IN AUSTRALIAN HANDS.

If we do not implement a strategy and put into place ATTRACTIVE INCENTIVES to cause people to relocate NOTHING WILL CHANGE and it will only be a matter of time before an over populated predatory nation to our north will take advantage of our complacency.

The INCENTIVES that I will propose fall into two categories.

1. Financial
2. Physical Infrastructure

I will deal with these in more detail later.

HOW DO WE INITIATE POPULATION RELOCATION.

The process has to start at the Government Level and involve all levels of government because they are large employers of people in the areas under consideration.

To start the process I suggest we define what I have termed CENTRES OF EXCELLENCE and locate them geographically where they will provide the greatest community benefit .

Their number would be limited and their purpose would be to deliver health care, education and policing of the highest standard.

For example in WA these might be defined as Kununurra, Broome ,Pt Hedland and Karratha.

Where government employs the providers of such services, their salaries would need to be SIGNIFICANTLY HIGHER than equivalent CAPITAL CITY positions coupled with other financial incentives.

FINANCIAL INCENTIVES

The package of benefits would need to be structured to attract THE BEST OF THE BEST AND TO RETAIN THEM.

Rather than merely provide them with no/low cost housing why not look at other options that encourage such people to make a financial commitment to the location.

Buying their own homes is a good way to encourage this.

Strong incentives for this to happen would include , but is not limited to

a. Low interest housing loans

- b. No stamp duty on the purchase of their owner occupied home.
- c. No stamp duty on motor vehicles purchased LOCALLY by owner occupiers.

For all who move to such areas consider a significantly lower rate of personal income tax such as maximum of 20 cents in \$.

The GST collected with their excess capacity to spend will go a long way to compensate for the loss of income tax revenue.

Increasing a Zone Allowance will not work as an incentive.

Reducing marginal tax will.

This increases the incentive to stay and work longer and harder because it rewards the worker. It is perceived to compensate for the sacrifices they make being permanent residents in a remote location. High income earners are very quick to recognise these benefits.

Perhaps define a time frame over which time these financial incentives will apply.

These ideas represent ways to get the relocation process going. I am sure others will add more.

The trick with these incentives however, is to make all the rules and regulations water tight so they are specific to the individuals who live and work in the area so designated. There must be no loop holes to allow the benefits to be exported.

INFRASTRUCTURES

Transportation.

The major piece missing in our road network is direct access from the East Coast to the West via Alice Springs.

During the time I have worked here, I have been staggered by the number of people who permanently live in Queensland who are FIFO into Port Hedland.

When I ask them why they do not work in Queensland mines the answer is the same.

- A. Better shift rosters
- B. More money

SO WHY NOT CONVERT THEM INTO PERMANENT RESIDENTS?

A sealed road from west of Brisbane to Alice Springs and then on to Port Hedland would be of enormous benefit.

THIS IS THE MISSING LINK IN OUR NATIONAL ROAD NETWORK .

It is the single biggest reason why people living on the east coast are reluctant to drive to the west.

Let me firstly propose the route and then detail what would/could eventuate.

There are already 2 submissions regarding road links

Submission # 59 discusses the Outback Way.

From the east it makes a case for the sealing of the Plenty Highway from Boulia in Qld via Tobermory, Harts Range and Gem Tree in the NT to the Stuart Highway a little north of Alice Springs.

I support this proposal, as the route already exists.

It just needs upgrading to an appropriate standard.

Whilst the second leg of the Outback Way from Eridenda Station, Uluru, Doctor River, Warburton and into Laverton in WA also exists as an unsealed road with varying degrees of roughness, it does fall outside the parameters of this committee's terms of reference.

I would however, like to propose an alternative Western Sector Corridor which does comply and which has the potential to become a significant national asset immediately it is opened.

In outlining this suggestion, I have consulted maps in order to see what currently exists.

It may well be that once a properly funded survey is completed, it may recommend some variations from the route I propose.

Currently the route is, over the majority of its length, nothing more than a series of Four Wheel Drive Tracks very remotely located, that head for the most part due west.

PROPOSED ROUTE.

The Plenty Highway joins the Stuart Highway 68 kms north of Alice Springs.

The Tropic of Cancer runs 11 kms north of the turnoff to Tanami Road which lies 20kms. north of Alice Springs. The first 117 kms. along the Tanami is bitumen. At this point the adventure begins when you take a left onto the dirt road that leads out to the Papunya Community 104 kms. away. The Lecky Community is another 68 kms. at which point the map shows the road deteriorates as it continues west to Sadly Blight Junction a 177 km journey. The Kintore Community turnoff is a further 17km and that is about 40 km further to the NT/WA border .

A further approximate 200 km to the west in WA is the Kiwirrkurra Community.

On the WA side the 4WD only track traverses approx. another 650 kms of rough terrain via Jupiter Well, Gary Junction, Kunawarratiji and Purima until the track joins the Telfer Road.

Another 106 km of unsealed road are traversed until bitumen is finally stuck at the Woodie Woodie Road Junction.

Rippon Hills Road then travels 134km. until it joins the Marble Road to Nullagine Road from where it is another 120km to the Great Northern Highway.

It is then an additional 45 km to the port of Port Hedland.

TO SUMMARISE

1. Bitumen extends for 299 km from the centre of Pt Hedland to the end of Rippon Hills Road.
2. Heading east there is now 1326 km of unsealed roads and 4WD tracks to negotiate until the bitumen of the Tanami Road is reached.
3. It is then 117 km of sealed road to the Stuart Highway and then 20km south to Alice Springs, or if you are then proceeding further east it is 48 km along the Stuart Highway until you encounter the Plenty Highway.

Submission # 103 from the Shire of Hall's Creek seeks funding of \$110,000 to complete a feasibility study for developing the Tanami Road as a TOLL road so that the remaining 753 km of unsealed road can be brought up to standard.

The sealing of this particular road will not have the impact the completely new road route that I am proposing will have.

With respect to Halls Creek, there is nothing of any great strategic national significance there.

In Port Hedland however, there is.

It is a logical place from which to construct a new road.

In submission #102, the Australasian Railway Association acknowledges on page 3 that Port Hedland and Dampier are;

“the two largest ports in Australia”.

Already the largest exporter by measure of the gross tonnage loaded by any port in the world, the Port Hedland Harbour Authority has a master plan to extend the Port even more.

The inner harbour has been dredged and extended many times and it is planned to extend it even more.

Already with a 16 berth capacity it is planned to expand this to 36 by year 2020. An outer harbour is also planned with a 2km jetty out to sea. The development of Lumsden Point for container traffic and the provision of Naval berths and maintenance facilities is also planned.

The building of a road link as described will enable the transport of people and their vehicles and possessions more quickly, easily and economically than can occur at present from East to West. It will also enable transport of imports to the East initially by road to Alice Springs and then by rail to the East & South.

At 1798 km in length (estimate only) to the Alice this compares favourably with the 1650 km road distance to Perth from Port Hedland via the Great Northern Highway.

TO BUILD THIS ROAD LINK

There are 3 ways that this could be done.

1. The traditional government funded way.
2. Though a private or publicly listed company.
3. A combination of the above.

Whilst I am not qualified to make a judgement on this issue I would suggest that the second and third options would produce the road in less time.

If this were to be the case, this would most likely mean it would be a TOLLROAD with the successful bidders given the right to own and operate all the services needed along the entire road route.

I would be very surprised if there were not a lot of interest in such a commercial opportunity.

THE FUTURE.

Usually when a road link such as this is built a rail link follows.

In the case of the Alice Springs to Darwin line that took a very long time to actually happen.

That line is about to celebrate it's 10th birthday.

I believe that a line from Pt. Hedland to Alice Springs, given the port expansion that is planned and the level of shipping activity that already exists now warrants serious investigation.

There are currently serious flaws in the ALICE SRINGS –DARWIN line that few know about because they have not been made known to the public at large.

It was built to an engineering standard significantly inferior to the rail lines that BHP,RIO and FMG have all built in the Pilbara.

I first became aware of this when I was working in Karratha in 2000/2001.

I had a very good friend there who worked for Hammersley Iron Rail Operations and who also was a genuine railway enthusiast.

I remember him clearly predicting there would be serious problems with the operation of this line because it was proposed to be built to a standard of 20 to 30 (on an engineering scale of 100) when the standard used in the Pilbara was of the order of high 70's to low 80's.

This man accurately predicted what is now common place on the ALICE –DARWIN line;

1. Washaways in heavy rain.
2. Speed restrictions over long lengths of line
3. Load limits over the line.

And so it has come to pass!

I will predict that WHEN such a rail link IS BUILT from Pt Hedland to Alice Springs, if built to the same engineering standard that exists in the Pilbara, it will steal a lot of the traffic ,particularly mineral traffic, that is currently exported through Darwin.

Mines that currently operate at Telfer and Woodie Woodie , whose products are sent by road to Pt. Hedland would then have another transport option.

In Submission #102 on page 4, the Australian railway Association states;

“New rail corridors with direct access to ports can often dramatically increase the viability of additional resource areas that were previously not feasible as stand alone projects.”

Such a line would also open up the opportunity for a lot of the imports that come into Australia, to come in through Pt. Hedland and then by railed to the East and South.

If this in time does occur I have no doubt this will then lead to an eventual Alice Spring–Brisbane link.

Summary.

The development of a road link will lead to significant immediate benefits to the nation.

Business and governments all have a role to play in this .

A rail link will surely follow and together these two pieces of infrastructure will open up enormous economic opportunities in areas that have until now never been seriously considered for travel or sustainable development.

Together the road and rail link will be the means by which there is considerable population redeployment and will allow the Defence Forces to be relocated into the areas of greatest strategic importance to this nation.

CONCLUSION.

The incentive for people to work in the North West at the moment is HIGH WAGES.

But most people who work here actually prefer to live elsewhere.

This has seen the expansion of FIFO.

Australia however needs to have a more balanced redistribution of it's population and defence forces.

For that to occur , Government at all levels must firstly acknowledge that this is necessary and then provide incentives to get the process underway.

At the State Government Level I have proposed Centres of Excellence in defined areas.

I have indicated that there needs to be incentives put in place for all employees of governments at all levels to assist them in becoming PERMANENT LONG TERM RESIDENTS by assisting them to purchase their own homes .

Those that are employed outside government and who own and operate their own businesses also need to be given GENEROUS CONCESSIONS as well to keep them as permanent residents.

Scrap the meaningless Zone Allowance and replace it with SIGNIFICANTLY lower rates of Personal and Company tax where it can be demonstrated that an individual lives in and derives their personal and business income from residing and operating their business within the defined area.

Perhaps consider providing these concessions for a defined length of time , with the ability to extend if deemed necessary.

Not only are financial incentives needed to create population movement but there is also a need for the construction of a new East—West Road Link to allow for the much more efficient transport of both people and goods from the East to the West.

I have also proposed a study on the feasibility of a rail link.

I commend these suggestions to the Select Committee for due consideration.

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