

27 July 1999

Committee Secretary
Standing Committee on Primary Industries and Regional Services
House of Representatives
Parliament House
Canberra ACT 2600

Email: primary.industries.reps@aph.gov.au

Dear Sir/Madam

Inquiry into infrastructure and the development of Australia's regional areas

I refer to my telephone conversations of last week and today regarding this inquiry and thank you for accepting our late submission.

Mackay Tourism and Development Bureau Ltd is a Regional Development Organisation (RDO), whose area covers the Mackay Statistical Division plus the shire of Bowen. We have the support of local businesses and the eight local government authorities in our area, through their individual memberships and the "Mackay, Whitsunday, Hinterland combined Local Authorities Association Inc" - Regional Council.

As an RDO, we have a keen and vested interest in developing the whole region, with one of the goals being to attract and encourage sustainable economic development and investment, including tourism, to the region.

Our input to the inquiry will be against this regional backdrop and will be listed in order as outlined in the inquiry's terms of reference. Details are as follows:

1.0 *Infrastructure deficiencies*

1.1 *Water resources*

Water resources within our region require further investigation (including demand studies), and development of water catchment infrastructure to facilitate growth in the following areas:

- Emerging agriculture and horticulture crops
- Expansion of current crops
- Development of new agriculture and cropping land
- Bowen Basin coal mining

There is currently insufficient water infrastructure to support these industries, as well as a deficiency in baseline information to identify current and potential water demand within the region. The growth of these industries is currently restricted by the lack of available water.

The Urannah Dam and Elliott Main Channel, west of Bowen; Waitara/Spencer Dam near Nebo; and Blacks Creek west of Mackay; Mt Bridget to the south of Mackay, will facilitate production increases across coal mining, horticulture and the sugar industry. The Qld State Government is pushing for the development of Uranah Dam and the Elliott Main Chanell. The other potential dams listed and some others, require further investigation to determine demand and viability.

1.2 Telecommunications

The telecommunications infrastructure in our region is limited and in some cases deficient. The examples we are aware of are as follows:

- High cost and unreliable access to data (Internet) capable lines and exchanges, particularly for rural communities and properties throughout the region.
- Lack of available lines in the Mackay city exchange - some businesses are unable to expand their internal telephone lines/exchanges, due to a lack of expansion available in the local exchange
- Residents are unable to access numbers outside the region at times, due to high usage of, and the inadequacy of the trunk line out of the city

The provision of suitable telecommunications infrastructure is imperative in the implementation of the Mackay Regionlink project, that recently received approved funding of \$930,000 through the Networking the Nation program.

1.3 Transport

1.3.1 Roads

The road network in the Mackay Region is currently experiencing increased demand from the following major industries:

- Coal
- Sugar
- Horticulture
- Tourism

The Peak Downs Highway (to the west of Mackay), is currently being significantly upgraded in line with 5 year State Department of Main Roads "Road Improvement Program", however much more work needs to be done in the shorter term. Other roads throughout the region require upgrading to cater for the increased number and size of traffic being experienced. The Local Government Authorities do not have the resources to undertake all of this work and rely heavily on state and federal government support to complete road works programs.

Without increased funding allocations, the industries and each shire will be impeded in their growth.

1.3.2 Rail

The lack of alternative funding options for new rail infrastructure development is impeding industry expansion, particularly coal mining. The cost to install the new rail line to service Pacific Coal's mine at Hail Creek is an up front expense the company could well do without. If alternative funding options could be found for this and similar infrastructure development through superannuation funds (for example), this and similar ventures may well proceed sooner.

The tourism industry is missing out on opportunities due to lack of services to various areas of Queensland. Within our region there are limited services to some communities, whilst others have no access to regular rail services. By way of example, rail infrastructure has been removed from the Pioneer Valley when the rail services were discontinued. This is an opportunity to generate the tourist industry by providing an attraction to the area as well as providing a means of travel for back packers, tourists and locals alike.

1.3.3 Air

There is currently a lack of quality passenger services between Mackay and Cairns. The Cairns - Mackay leg is seen as an option for Mackay visitors to easily move to Cairns and vice versa. Airfares and air legs are considered of paramount importance to the tourism industry.

Freight must currently be shipped by road to Brisbane, Townsville or Cairns, prior to meeting export shipments by air. We are keen to pursue direct export shipments from Mackay Airport for the Mackay Region. This would greatly benefit the horticulture and seafood industries in the region by opening new markets and returning premium prices for their product.. It would also act as a driver to expand the horticulture industry.

Development of an international status airport in Mackay, along with the supporting infrastructure would facilitate the movement of these and other goods to and from Mackay.

1.4 Gas

The PNG Gas Pipeline will pass to the west of Mackay on its way to Gladstone. A take off valve and securing of a pipeline corridor to Mackay would allow for future access to this resource as other industry opportunities are identified - power generation, alternate power sources for sugar mills, etc.

1.5 Native Title

The current native title issues are restricting land development in most shires in the region. In particular, Nebo Shire and Mackay City have experienced protracted development projects as a direct result of native title issues.

2.0 Infrastructure enhancement

2.1 Water Resources

A study is required to identify current and potential water demand within the region, the impacts on catchment areas and down stream users, and the most appropriate sites for storage development, based on this information. This will mitigate any potential for green and other groups to undermine the project. Funding should be allocated early to develop the required water resources infrastructure.

MT&DB has prepared the Terms of Reference for such a study. Funding has just recently been declined by DEWRSB.

2.2 Telecommunications

A telecommunications audit is required to identify the current infrastructure status and the requirements to meet current and future demand. The results of the audit should be made public and should include the planned coastal and inland fibre optic backbone proposed by the Qld State Government in 1998.

2.3 Transport

2.3.1 Roads

Increased funding must be allocated to facilitate the road upgrades that are necessary for the on going development of regional and rural Queensland.

2.3.2 Rail

Tilt Train to north Queensland is due in 2001/2. This should be expedited and all stops along the route should be considered from a tourism angle to maximise the benefits of bringing the passengers to these sites.

2.3.3 Air

Pressure to should be brought to bear on the airlines to reconsider their exposure on the Cairns/Mackay leg.

2.4 Gas

A take off valve and a suitable corridor should be put in place now to meet future industry demand.

2.5 Vision Airlie

The vision Airlie project is one project that will act as a catalyst for other infrastructure development at mainland Airlie Beach/Whitsunday. The project will result in Airlie Beach being able to compete on equal footing with the Whitsunday Islands as a destination in its own right.. The increased visitor numbers and visitor nights will result in other projects becoming viable and ultimately being developed.

3.0 Development Potential

The Mackay Region has vast areas of land that may be suitable for agriculture and horticulture cropping, with the availability of water. Coal reserves indicate that many more mines could be developed, subject to coal prices and infrastructure development costs (rail, water, etc). Tourism needs an injection through the development of the Vision Airlie project and the development of a Regional Signage Strategy for our region. Funding for the Regional Signage Strategy has been lodged with the Department of Transport and Regional Services through the Rural Plan program.

4.0 Employment Generation

Employment generation will flow if the mines and agricultural industries are allowed to grow. The infrastructure development will therefore reduce or even avert the current negative population trends and coastal drift from western mining communities, in particular.

5.0 Government/Private Role

The role of government is one of funding, facilitation and partnership implementation, particularly for large infrastructure projects.

6.0 Regional planning

This is the joint role of government at all levels, the local communities and Shire Councils. The coordination role is best handled by a regional body with state links - REDC, state government agencies and federal representatives. WHAM 2015, which is being undertaken by the State Department of Information, Communication, Local Government and Planning.

7.0 National Economy Benefit

The national economy will benefit from employment creation, increased export opportunities and import replacement initiatives.

We trust that this information is of benefit to you. We would encourage you to convene a meeting in Mackay to gain an appreciation for the many projects being developed or in planning for the region. We look forward to viewing the outcomes of this inquiry in due course.

Yours sincerely

Wayne Spencer
Chief Executive Officer

Cc: Denis McEvoy, Department of State Development, Mackay Qld