

17<sup>th</sup> February 2014  
Rodger Kerr Newell  
CEO, Shire of Halls Creek



Dr Bill Pender  
Inquiry Secretary  
Joint Select Committee on Northern Australia  
PO Box 6021  
Parliament House  
Canberra ACT 2600

Dear Dr Pender,

We wish to make a joint submission to the Joint Select Committee on Northern Australia with regards to the sealing of the Tanami Road in support of the further development of Northern Australia, in particular the Kimberley Region.

We make this submission as:

- A local Government currently responsible for the maintenance and repair of the Tanami Road within Western Australia;
- An employer who is heavily invested in the social and economic infrastructure of the Shire;
- A stakeholder actively engaged in closing the gap in Indigenous communities and building the capabilities of our local people.
- A local Chamber of Commerce representing the businesses within the Halls Creek Shire and the Fitzroy Valley;
- Employers who contribute significantly to the economic and social growth of the region;
- Cattle producers located in the Kimberley and Pilbara Region,
- Residents of the Kimberley and Pilbara region; and
- A lobby group working to develop the Tanami Road as a freight corridor.

Often the Kimberley is not acknowledged as a powerhouse of great potential, yet we strongly believe that with the strategic investment in our infrastructure and our people we can feed, clothe and fuel many Australians.

Please find below our submission regarding the potential of the Kimberley Region in Northern Australia and our proposal for investment in the Tanami Road. We attach for your consideration an interactive graphic illustration of the Kimberley region and how it relates to the future development of Northern Australia and the country as a whole. Thank you for the opportunity to make a submission,

Kind Regards,

Rodger Kerr Newell: CEO, Shire of Halls Creek

Philip Hams: President, Tanami Action Group

Peter Camp: Chair of the Kimberley Cattlemen's Association

John Fitzgerald: President, Central Kimberley Chamber of Commerce



**Submission to the Joint Select  
Committee on Northern Australia**

# **Tanami Road**



The Kimberley is a rich and diverse region within Northern Australia that provides a direct link to the Asia-Pacific through its ports.

The pristine environment and ancient Indigenous culture provide a world renowned attraction for tourists and an exceptional quality of life for locals.

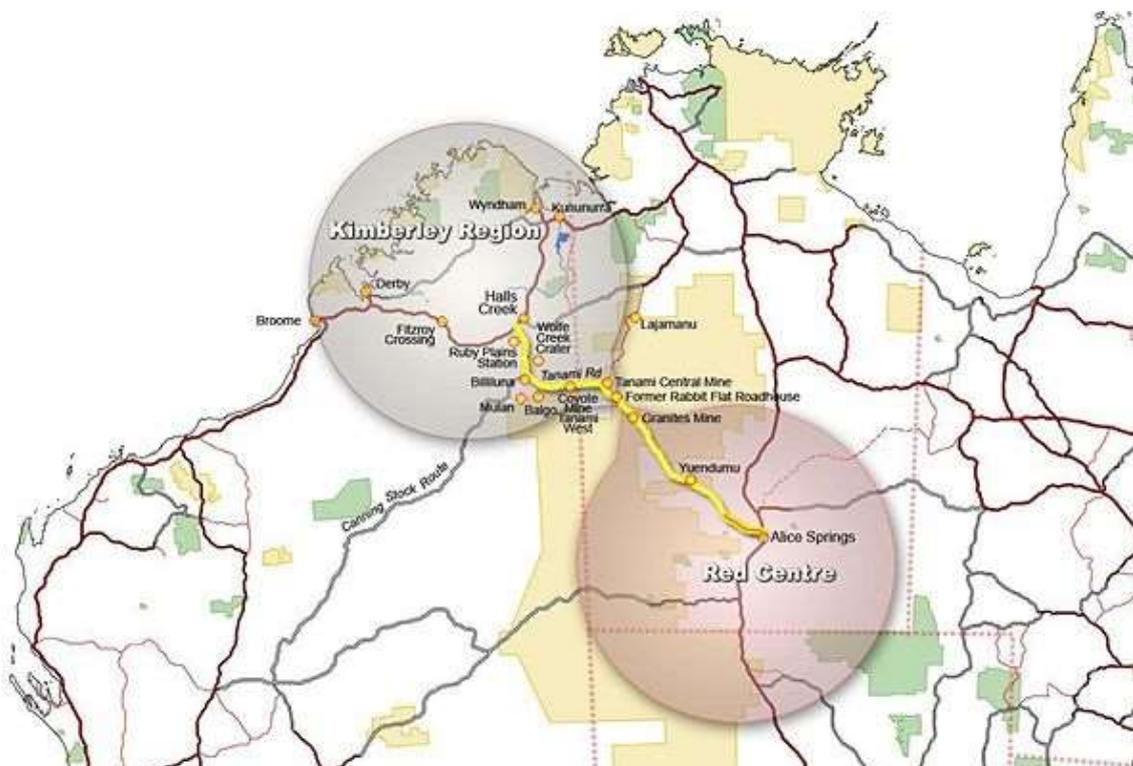
The resource sector is extracting rare minerals, crude oil, gas, base metals and specialty metals while our ports move more than 2 million tonnes every year.

The Kimberley is a food bowl with a well-established cattle industry and hundreds of thousands of acres of rich soil and copious amounts of fresh clean surface water.

With strategic planning and investment, the Kimberley region can feed, clothe and fuel the Australian population while supporting the communities who choose life in Northern Australia.

The Tanami Road will serve as a major arterial road connecting freight, services, defence and tourists in Southern Australia with the Kimberley in Northern Australia.

The Tanami Road is 1,077 kms long with 753 kms remaining unsealed between Halls Creek, WA and Yuendumu, NT. This unsealed section covers both sides of the Western Australian and Northern Territory borders.



A direct freight corridor linking Southern Australia with the Kimberley will allow growth and development of the region's mineral, energy, agricultural, tourism, defence and other industries.

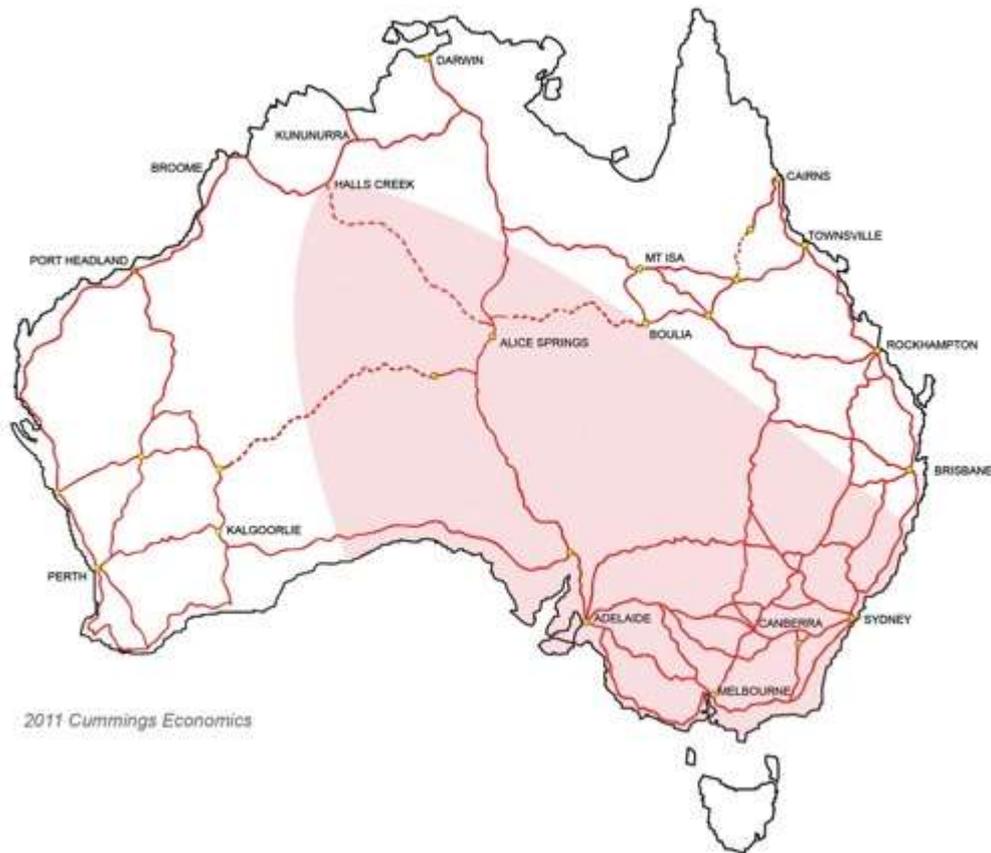
- Defence: Australia has a range of strategic interests to safeguard and advance in the north-west. These include:
  - responding to the growing strategic importance of the Indian Ocean region
  - border security
  - biosecurity
  - disaster relief response capacity
  - protection of both valuable wealth producing assets and the population of the region.

There will be defence ramifications in providing a more direct interior route to support operations in Australia's north-west, especially in light of current concerns to strengthen defence presence in relation to large offshore gas developments in this area.

Upgrading the Tanami Road would serve several strategic purposes:

- enabling defence bases in the north-west to be more easily supplied by road from the population centres of the south-east
  - reducing reliance on more difficult to defend and vulnerable coastal routes
  - enabling substantial ground forces to be concentrated in the region much more quickly than is currently possible.
- Mining: currently mining is the biggest economic contributor to the Kimberley Region. There has been a steady growth in this sector over the last 5 years. A direct arterial route will not only reduce freight costs for supplies brought in but also for product shipped out. For those mining companies based along the Tanami Road, sealing and upgrading the road will have a significant impact on their operational costs.
  - Tourism: Tourism employs approximately 2,171 people and generates \$267 million with 290,000 tourists visiting the region annually. The sealing and upgrading of the Tanami not only makes attractions such as Wolfe Creek Crater more accessible and safer, but it also provides another route into the Kimberley region.
  - Agriculture/Cattle: Approximately \$430 million is contributed to the Kimberley economy each year through Pastoral Stations, Horticulture and broad acre crops. The instability of the live export trade demands an efficient route to South Eastern markets for the viability of pastoral stations and the welfare of livestock. New agricultural projects in the La Grange project, the Fitzroy Valley and the Ord Valley will require machinery, resources and supplies from South Eastern States and a freight corridor to take their produce to the heavily populated South Eastern markets.

- Social service delivery: By improving the road to remote communities along the Tanami, Government departments and non-government organisations will be able to deliver services in a safer and more cost effective manner meaning that not only will services be improved but in some cases they will be available for the first time.
- Growth Centres: Businesses throughout the Kimberley region will access opportunities as a result of the Tanami Road being sealed. As a part of the construction project communities will need to be strengthened, locals will be trained and jobs will be created. Local communities would not only benefit from the project itself supplying the road, housing and infrastructure for the 300 plus men work crew; but also by reducing freight costs for the delivery of materials for other projects throughout the Kimberley.



The development of the Tanami Road to convert it from a rough dirt road to a sealed bitumen highway that meets National standards would allow the Kimberley region to enhance trade and other investment links with the Asia-Pacific; establish a thriving economic environment; address impediments to growth; and set conditions for private investment and innovation.

Recently, the Shire of Halls Creek has engaged consultants to complete an Economic Impact Study. Estimated benefit cost ratio at a 4% discount rate is a robust 2.4, is still strong at a 7% discount rate at 1.6, and still positive at a 10% discount rate at 1.1.

**The Shire of Halls Creek is currently looking to secure \$110,000 of funding to complete a feasibility study for developing the Tanami Road as a Toll Road.**

The feasibility study will be the first time that engineers will survey the entire road with accurate costings to build the road; while economists will analyse traffic counts and industry trends to determine if the initial investment of approximately \$1 billion can be recovered through a toll on heavy freight.

Should the Tanami be a sealed quality alternative to the Great Northern Highway when accessing the Kimberley it will shorten the trip by at least 1,100kms. In terms of heavy freight that is a saving of 17 hours of driving time and \$4,000 in running costs.

There are countless other benefits to sealing and upgrading the Tanami beyond the economic benefits such as closing the gap in Indigenous communities.

**The upgrade and sealing of the Tanami Road is a wonderful opportunity to create a local team providing skills, training, employment, auxiliary infrastructure, an ongoing economy and self-determination for Aboriginal communities in the region both maintaining the road and the vehicles who use it.**

