

WORKSHOP NOTES



Alice Springs

Date: 9 July 2014

Key issues raised:

- projects that could support economic development in Alice Springs, such as an over 50s facility to keep retirees in town, expanded childcare facilities, formal walking trails linking the Alice Springs Desert Park and Mt Gillen, a national centre for Indigenous culture, international education, a master plan to guide growth of the CBD, the Outback Highway linking minerals projects and providing a tourist route, a five to six-star signature lodge and making Alice Springs a mining and oil and gas services hub;
- the potential benefits of a pipeline linking the Territory's on and offshore gas to the national grid to capitalise on the likely trebling of demand on the east coast;
- the cost of upgrading essential services, community services and transport infrastructure - as well as building key new infrastructure - is beyond the means of the Territory and would require both Australian Government and private sector investment;
- the importance of leveraging off private sector developments to get the best use of infrastructure (eg Arafura Resources near Aileron/Ti Tree, road to Metals X nickel mine at Wingellina mine across the WA border);
- key roads that would provide multiple benefits are the Plenty Highway/Lasseter Highway/Outback Way link from Cairns to Perth, the Tanami linking to Western Australia, connection between the Plenty Highway and Sandover to Ali Curung using the existing Binns Track (would improve access for tourism, cattle and communities), Sandover/Plenty loop;
- the importance of vocational training leading to jobs;
- opportunities for recycling water and renewable energy options, combined with research capability on arid land development;
- roads and air links play an important role in attracting tourists but iconic attractions and walking trails will also be important incentives in making Central Australia an attractive tourist destination;

- the importance of better telecommunications for tourism, industry and communities, which also benefits business, education, training opportunities and health services;
- need to understand availability and constraints of water resources
- economic development must link to social development;
- the importance of working across silos to assimilate knowledge and ideas;
- long-term land tenure is needed to support development;
- limitations of the numbers of services going through The Gap (rail, road, fibre optic, sewer) and risks of congestion and constraints on development.

PRESENTATIONS

General Manager of the North Australia Development Office Luke Bowen provided an overview of the office's work.

MomeNTum presentation (see presentation).

1. Regional Economic Development Committee

Chair of the Alice Springs REDC, Chris Neck, outlined the committee's terms of reference and key projects. Its first meeting was held in June 2013.

- **Over 50s living project:** Alice is losing people from the town because there is no lifestyle facility to maintain them. We want to retain these people in town. Many of them are volunteers who contribute to the town. A survey in 2013 confirmed there was interest in a facility. The NT Government has identified land along Stephens Road.
- **Childcare:** A report identified a waitlist of 278 children under the age of five. There is concern about the lack of child care, which is a major issue when both partners work. Suitable land has been identified.
- **Mt Gillen – Alice Springs Desert Park:** Would expand tourism and recreation developments and create a formal walk as a major tourist activity, while increasing the potential of the Alice Springs Desert Park. The walking trails could be used for mountain biking. A development concept and map have been prepared.
- **National Centre for Indigenous culture:** Alice Springs is the centre of Australia, has a large Aboriginal population and is home to the Desert Art movement. Arts and Museums NT is doing a scoping report on the project and EC3, which was working on a similar concept, will complete its report soon.
- **International education:** Charles Darwin University in Alice Springs could deliver studies to international students. There is also potential for more trade training, remote health services and land management qualifications.
- **Alice Springs master plan:** Development and investment has been restricted due to building height restrictions and the lack of a master plan. The town needs a guide to

the future, eg a transport hub near the CBD where buses and camper trailers can park.

- **Outback Highway:** This is an aspirational project to seal the road from Perth to Cairns. Petroleum, gas, nickel and phosphate projects are near the road, tourists would be able to travel from major cities through the Centre and there would be advantages for the tourism, pastoral and agricultural sectors. The road would improve safety and travel time for regional communities. This project echoes the aspirations of the Alice Springs town management board in the 1960s which fought to have the road sealed between Port Augusta and Alice Springs.
- **Five to six-star signature lodge:** A number of sites have been discussed. There are many wealthy people who would spend good money to get a good experience in Alice Springs.
- **Energy and mining services hub:** Alice in 10 years could be a service hub, with the right land, tradespeople, accommodation, transport infrastructure development, training and education.

2. Pipelines (see background document provided by APA Group)

Wendy Oldham, Territory Manager of the APA Group, outlined the network of pipelines operated by the APA Group in the Northern Territory, which includes the Mereenie Pipeline, Bonaparte Pipeline and a pipeline to Wickham Point. Gas is transported from Blacktip, Mereenie and Palm Valley gas fields. The Power and Water Corporation is the main user. Other users include mining and industrial users throughout the Territory.

The APA Group is Australia's largest gas pipeline owner. It has had a presence in the Territory since 1984 through AGL and NT Gas. The Government of the day shelved a plan for coal-fired power generation in favour of natural gas. By 1986, the 1630 km Amadeus gas pipeline was transporting natural gas from Central Australia to the Channel Island Power Station.

In February 2014, APA announced a \$2 million feasibility study into potential connections from the Territory to the Eastern gas grid. The link will encourage gas exploration and production in the NT and Timor Sea to meet Australia's growing demand. The potential links are:

- southern route from the Amadeus gas pipeline (north of Alice Springs) to Moomba in South Australia
- northern route from Amadeus gas pipeline (south of Tennant Creek) to Carpentaria pipeline in Queensland.

Demand for gas on the East Coast is expected to triple, with new LNG exports from Gladstone.

Current NT demand can be met from the existing Bonaparte and Amadeus Basin reserves in the medium term but a new gas supply is needed to support growth opportunities.

3. Gas

Matthew Doman from Santos outlined the company's operations in the Territory. There are a small number of proven reserves but a lot of exploration underway.

At the moment, 60% of Australia's gas comes from Victoria and 40% from Moomba. New South Wales gets 95% of its gas from other states but gas from the Cooper Basin is likely to go to the Queensland LNG plants.

Growing demand on the East coast has led to an exploration boom in the Territory, although the resource remains to be proven. There is potentially 240 tcf of onshore shale gas resources (Australia uses 1 tcf a year).

Natural gas is already the Territory's largest export with the Darwin LNG plant operating since 2006 and the Ichthys project expected to treble exports from 2016. Blacktip comes on shore at Wadeye to supply gas to Power and Water's Channel Island power generation plant. Mereenie, operating since 1984 in Central Australia, is the oldest operating oil and gas project in the Territory and development has begun at the Dingo field near Alice Springs.

Export demand is expected to treble from 2014 to 2016, with the potential for Territory gas to supply domestic and export markets. Pipeline infrastructure is needed to provide access to markets.

There is significant economic development from onshore gas exploration and development in the Territory. To be successful, industry needs to work closely with the government and community, have robust regulation, high operational standards and good communication and consultation.

WORKSHOPS

4. Feedback from the discussion groups

The groups were provided with maps and asked to consider the following questions:

- what are the potential economic development opportunities in your region (take in the whole region, including across borders into Queensland and Western Australia)
- what infrastructure (transport, energy, water) would unlock these developments by linking them up or improving their economics

- what is the supporting community infrastructure that needs to be in place to facilitate economic activity
- what social and economic development might this be a catalyst for (eg unlocking other projects, providing social benefits for communities)
- who is most likely to pay for this infrastructure, what is the business case
- are there clusters of activities that might become possible with infrastructure
- what barriers, opportunities or issues need to be considered?

Group One

- upgrading the railway is a bit expensive
- improve some of the key road networks, such as the Sandover and Plenty
- continue the Tanami upgrade and road to Docker River, especially if Wingellina is coming on stream
- helping tourism with a good cultural centre is attractive but funding needs to be considered
- making sure there is accommodation for workers, that's a very important stepping stone
- ensure vocational educational training network and schooling is taking part to allow workforce participation
- transport hub in Alice Springs
- use of recycled water supply in Alice Springs.

Group Two

- there are clusters of projects going on, eg Plenty Highway and Outback Way link to Tjukururu Road (from Yulara to WA)
- opportunities for PPPs, eg to upgrade the Lasseter Highway and additional road infrastructure
- why does it cost (so much) to build a road in the Territory
- need to factor in width, standards, specifications for road trains and loads
- who is causing the damage to the roads, get more private investment – competition with tourism
- need low-cost carrier airlines to Alice, but we can't control the market and tell big airlines what to do
- better marketing to attract tourists entering the Territory at Yulara to include Alice Springs
- need more incentives for people to visit
- opportunities for PPPs to upgrade the highway
- if the pipeline goes to Mt Isa, could the Plenty be upgraded at the same time
- importance of telecommunications to Alice Springs, Kings Canyon, along the Stuart Highway

- alternatives to 4G network, there are different technologies to connect across the desert
- power generation is a big opportunity: mines will be a big user, shared use would support horticulture, communities and local industry
- what are the economics of solar power
- Indigenous cultural centre: how to link with education, ie to increase human capital
- Indigenous land use
- niche tourism opportunities, such as fossicking, bird watching
- horticulture at Ti Tree but how do we translate to social development (ie doesn't only require backpackers to pick)
- horticulture has to be market driven, but there are opportunities
- as Luke said, we are the 'delicatessen' not the food bowl of Asia
- there is an increased opportunity with increased water and energy efficiency, so there is a rich scope here for university and education around water efficiency and arid land development: people go to Israel to study, why not here?

Group three

- we tend to be siloed in the way we look at things, all have various pieces of information
- looked at where can development occur in the Southern region
- came back to land capability, not just ground water and roads but also telecommunications, gas, existing land uses
- there is a lot of enthusiasm but we are working against each other, we need to assimilate our ideas
- a regional development authority to process those ideas and point to whether they are sustainable
- sustainability is not just economic but use of water resources
- water tables are dropping 25 metres in 10 years in some places, how can we sustain communities?
- it's about using proper resources, eg through smart metering and good maintenance programs
- Ti Tree is an area of strong focus, particularly with development from Arafura
- when those developments are being proposed, we should leverage off them
- consolidate facilities and infrastructure to get the best use, so if you are investing into the NT, it's not just about money going out but the benefits
- development of Indigenous people and training, so that brings in education and the best of use of infrastructure
- needs to be communication across all sectors to maximise economies of scale
- land capability and development: what is the size of the power line and the service required

- need to understand development proposal and the limitations of land
- land tenure: understand the importance of longevity, a five or ten-year lease isn't sufficient, this is stifling economic development within communities
- 'we don't need the NT covered in bitumen but strategic roads to major communities need to be upgraded. Better roads will enable access to 'shared' facilities in communities such as health, policy;
- R&M of bush airstrips needs to be reviewed.

Group four

- Defence training ground: at the moment they are focussed mainly in the Top End so training could be more focussed on this area given that the action is focussed in areas with similar climate to Central Australia
- airlines pulling out and limited flight availability for tourism
- limitation of The Gap: rail, road, fibre optic, sewer, all goes through The Gap. Need to consider long-term feasibility (services are isolated on the south of town, there is congestion and conflict with major articulated vehicles).

Group five

- roads and infrastructure: connection on the Binns Track to provide better access for tourism and industry
- broadband connectivity and audit of telecommunication infrastructure
- Outback Way to Wingellina and better access for remote communities
- Lasseter Highway upgrade to allow for the number of service vehicles
- upgrade of strategic roads to major communities
- bush airstrips need to be reviewed

Group six

- tourism needs an icon to help market Central Australia
- that centre would be a significant building by itself
- with Central Australia's Indigenous population, that centre is a potential link for tourism to communities
- telecommunications: limits of satellite Internet for business, education and training opportunities plus health
- mining industry
- water, power resources

Group seven

- century of Gallipoli: trail around Anzac Hill and oval, fantastic link to the north with caravanners
- link with Todd Mall, museum... and the river walk

- people want to do a safe walk.

General comments:

A lot of discussion at tables about 'who pays', looking at the big picture of all the infrastructure needs, adding it up and realising government couldn't afford to pay for the all the maintenance gaps, let alone new infrastructure.

- Issues with agribusiness including seasonality, workforce, market supply issues, transport and small suppliers. Opportunities were water re-use at the DAFF (Department of Agriculture, Fisheries and Forestry) plants from ponds and horticulture south of the gap. A study is needed to look at the geoscience, profitability, are there lessons to be learned from Ti Tree, are there opportunities for exports of live, feral camels, could early fruiting varieties be grown in Central Australia?
- For mining, it would be important to have the capabilities to be ready for opportunities, eg Wingellina (WA), Mount Peake (near Barrow Creek).
- Need for a railway bypass of Alice Springs to increase rail capacity.
- Need for land release to support population growth.

NOTE

NT Shelter expressed a concern that unemployment figures should include a reference to participation rates.

To the 2011 Census, 2,129 persons of Tennant Creek's population were aged between 15-64 years; of these:

- 1,141 (53.6%) were employed in the labour force; 169 of these were aged 15-24 years
- 90 (4.2%) were unemployed, looking for work; 36 of these were aged 15-24 years
- 499 (23.4%) were not in the labour force; 157 of these were aged 15-24 years
- 399 (18.7%) did not state their labour force status – the figures above suggest that a significant proportion of these would currently be either unemployed or not in the labour force.

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Notably, for people aged 15-24 years, the number of people who were not in the labour force is almost on a par with the number of people who were employed. While labour force status is not listed to the Tennant Creek community profile, it is widely recognised that a significant proportion of Indigenous people of working age in Tennant Creek are not in the labour force, suggesting considerable household financial disadvantage.