

Torres Cape Indigenous Council Alliance (TCICA) Inc

Chair: Mayor Vonda Malone
Deputy Chair: Mayor Eddie Newman
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Transport and Public Works Committee
Parliament House
George Street
BRISBANE QLD 4000

Dear Committee

Inquiry into a sustainable Queensland intrastate shipping industry

The Torres Cape Indigenous Council Alliance (TCICA) welcomes this opportunity to make a submission to the Transport and Public Works Committee's inquiry into a sustainable Queensland intrastate shipping industry.

The TCICA is a membership-based regional organisation of councils representing the 14 local governments of the Torres Strait and Cape, including Weipa and Mornington Island. We operate as a collaborative partnership of councils to represent the common interests of local governing bodies within the region and effectively advocate regional positions and priorities. Our members are committed to working together with the State and Federal governments to help shape place-based responses and solutions to the challenges and opportunities in front of us.

A sustainable and reliable intrastate shipping industry is critical to TCICA member councils. For island communities in the Torres Strait and Mornington Island in the gulf, shipping is the only supply link for general cargo and heavy freight including fuels, machinery, and building and construction materials. Communities in the Northern Peninsula Area, Weipa, Napranum, Mapoon, Aurukun, and Lockhart River all rely on regular coastal shipping services for general cargo and fresh produce. During the wet season when roads are impassable for months at a time, there is no viable alternative to the shipping for most Cape communities.

Access to affordable fresh produce is vital to the health and wellbeing of Torres Strait and Cape communities. Food supply issues including quality, variety and cost of fresh fruit and vegetables are key factors in determining food security in Indigenous communities, and contribute significantly to the disparity in health outcomes between Aboriginal and Torres Strait Islander people and the non-Indigenous population. Lowering the cost of shipping fresh produce to communities will help ensure better health outcomes for people living in the Torres Strait and Cape region.

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ABN: 34 409 793 644*

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Challenges

The TCICA acknowledges the challenges of providing shipping services to a large and geographically dispersed region, however the lack of competition in intrastate shipping in the Torres Strait and Cape region is of concern to the TCICA. History shows that competition in the market drives down the cost of freight and helps to ensure reliable and efficient services. Where only one shipping provider is present, the negotiation power of service users is severely limited and choice is not an option. As a consequence, operational costs for local councils increase, the costs of living in communities increase, health and wellbeing decreases, and the costs of doing business become unsustainable. This is clearly counterproductive to the Queensland Government's focus on job creation and investment attraction

Torres Strait communities have been raising the issue of freight subsidies for many years as a way to reduce costs for island communities. Consideration of a state-funded freight subsidy to remote island communities was also a recommendation of the *Inquiry into Coastal Sea Freight* in 2014, although not supported by the government at the time. It should be noted that at that time there was more than one intrastate shipping operator in the region however this is no longer the case. Torres Strait and Cape communities continue to suffer high living costs and the associated health impacts, new businesses struggle to remain competitive, and local governments are forced to allocate more and more of their tightly constrained budgets toward operational costs.

Opportunities

The TCICA is focussed on strategic development of the Torres Strait and Cape region and identifying opportunities to deliver sustainable economic outcomes which are aligned to the Queensland Government's Our Future State priorities and the Commonwealth's Northern Australia agenda. A key area of opportunity is the progressive sealing of the Peninsula Development Road, which is expected to significantly increase road freight movements and bring thousands more tourists into the region. The ports at Weipa and Seisia at the tip of Cape York, will become strategically important in the supply chain between the Cape and Torres Strait, with sea freight movements and passengers expected to increase between Weipa and Seisia and the main islands in the Torres Strait including Thursday Island and Horn Island.

Rio Tinto's new port development at Boyd Point to service the Amrun bauxite mine project south of Weipa provides opportunities for other export activities out of the port of Weipa, including cattle, timber and other agricultural exports coming out of the Cape. Intrastate shipping has traditionally been north to south, however a commitment to the establishment of east to west (and vice versa) 'shipping highways' for commodities and cargo could help facilitate northern development through the expansion of marine precincts and new processing facilities for direct export to international markets.

Recommendations

1. The TCICA recommends the Queensland Government commits to a freight subsidy for remote and island communities to help drive down costs and provide a more favourable environment for competition in the market. This will help increase the

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viability of new business opportunities, lower living costs, improve health and wellbeing outcomes, and assist councils to be more sustainable.

2. Port master planning is needed now to ensure critical infrastructure is in place to support efficient supply chains, increased passenger movements, and greater economic activity, in the Torres Strait and Cape region as a result of the sealing of the Peninsula Development Road.
3. The TCICA recommends ongoing support by the Queensland Government to facilitate the development of common user infrastructure at ports, and a commitment to working with potential proponents to reduce regulatory impediments to new intrastate shipping infrastructure and opportunities.

The TCICA looks forward to the opportunity to participate in the public hearings process to discuss our submission with the members of the Transport and Public Works Committee.

If you require further information, please contact TCICA Executive Officer Melinda Eades on 07 4050 1808 or by email to melinda.eades@nparc.qld.gov.au.

Yours sincerely

Mayor Vonda Malone
Chair

This submission should be read in conjunction with submissions from TCICA members, including the Torres Strait Island Regional Council and Weipa Town Authority.

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