

THE OUTBACK WAY

GOOD FOR THE NORTHERN TERRITORY

The Outback Highway Development Council Inc. is actively lobbying for \$512million over 10 years to seal the Outback Way. 5 Shires along the route contribute \$25,000 to progress the development of the Outback Way as a tourism and freight link across Australia- linking Cairns to Perth- Winton to Laverton.

CONTACT: Patrick Hill 0419925371 Chairman or Helen Lewis- General Manager 0418785285.

generalmanager@outbackway.org.au www.outbackway.org.au

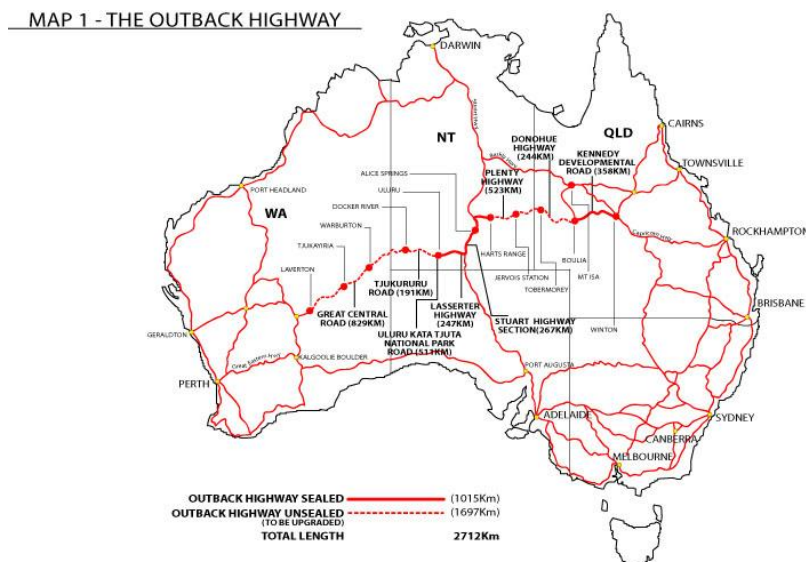
- Outback Highway Development Council Inc. is in its 13th year.
- Feb 2012 Infrastructure Australia Indigenous infrastructure policy conference- Panelist
- Submission to Infrastructure Australia –June 2012.
- Produced feasibility Study and Economic Impact Cost Analysis 2003 and updated 2009 & 2012
- \$487,390 Tourism project-November 2008 launched Alice Springs
- \$20million to upgrade the connectivity of the road with R2R2 funds in 2005
- Working with Desert Knowledge
- Friends of the Outback Way- Canberra (Senator Trish Crossin & Senator Ian McDonald)
- Successful financial partnership with 7 local governments spanning through central Australia
- *Shire of Boulia (Qld)* • *Shire of Winton (Qld)* • *Alice Springs Town Council (NT)*
- *Shire of Ngaanyatjaraku (WA)* • *Shire of Laverton (WA) (Voting members)*
- (Non-Voting Members) *Central Desert Shire & McDonnell Shire have contributed in kind, and are included in annual membership*

Our Supporters:

- Australia’s Golden Outback- Tourism Authority
- Goldfields Esperance Development Commission
- Central Land Council and Ngaanyatjarra Land Council
- Regional Development Agencies
- Qld, NT & WA Tourism bodies
- WA, Qld, & NT Local Government Assoc.& ALGA
- City of Kalgoorlie-Boulder

State Road Authorities

- . Main Roads, Queensland
- . Planning & Infrastructure, Northern Territory
- . Main Roads, Western Australia



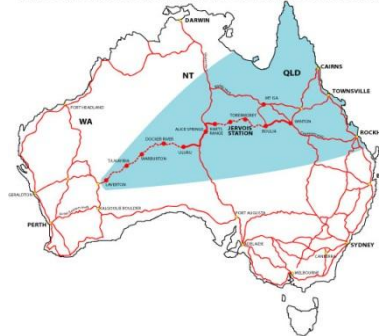
TOTAL BENEFIT COST - If the monetised wider benefits outlined above are added to the direct benefits 2.1, indirect benefit 2.6-total benefit cost ratio is a very robust level of 4.8.

DISTANCE SAVINGS

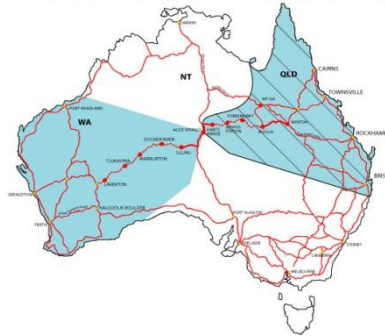
Distance savings are very large.

- Perth to Alice Springs 1,136km
- Alice Springs to East Coast Regions- to Brisbane ... 300 – 500km
- Perth to Mt Isa via Alice Springs 1208km
- Perth to Brisbane no saving but a more 'freight efficient' triple road train route
- Kalgoorlie to Mt Isa via Alice Springs 1,074km
- Alice Springs is set to benefit from the through traffic and an increased freight distribution centre.

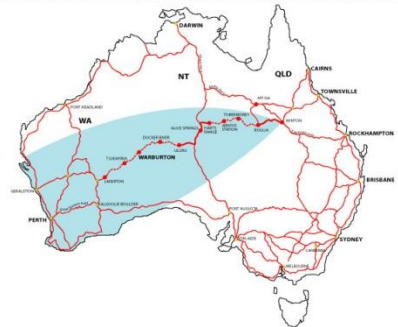
MAP 5 - THE OUTBACK HIGHWAY - AREAS OF AUSTRALIA MADE CLOSER TO PERTH



MAP 4 - THE OUTBACK HIGHWAY - AREAS OF AUSTRALIA MADE CLOSER TO ALICE SPRINGS



MAP 6 - THE OUTBACK HIGHWAY - AREAS OF AUSTRALIA MADE CLOSER TO NORTHERN AND CENTRAL QLD



TOURISM

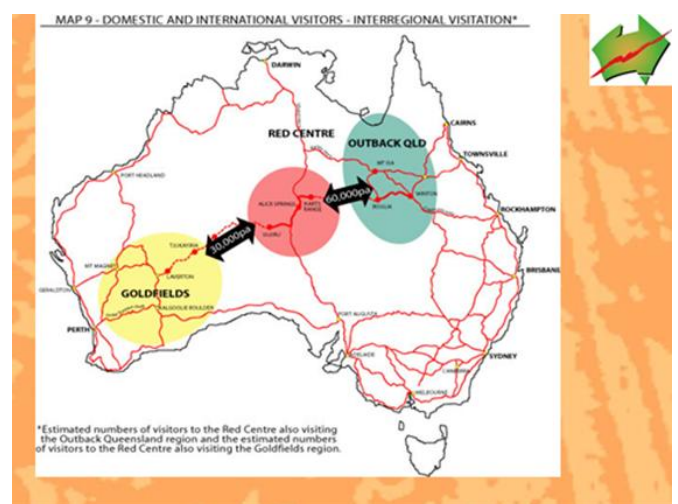
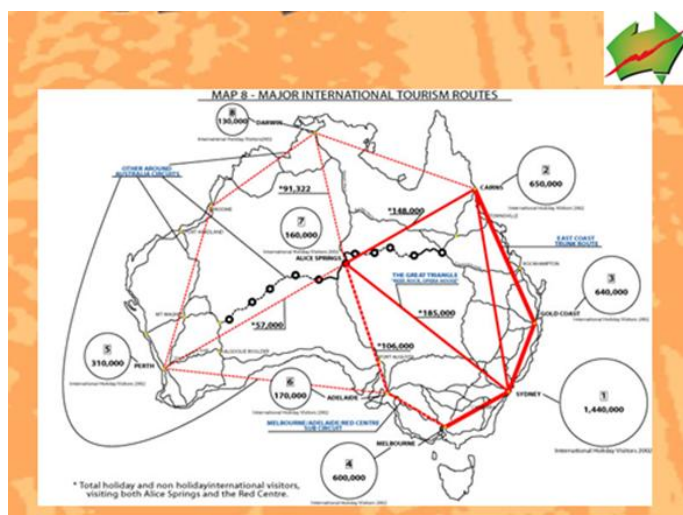
The major benefit of the Outback Way will be to facilitate movements of:

- a) Domestic visitors between the major visitor source regions along the east coast and the Red Centre and the Perth area at a time when a major growth is taking place in 'see Australia travel' by the 'baby boomer' demographic.
- b) International visitor movements, especially between the larger international visitor regions of Cairns, the Red Centre and Perth, but also between the Great Barrier Reef, Gold Coast and Sydney to Red Centre movements. The Outback Way Eastern and Western Arms have a very important potential in setting up touring circuits that will facilitate movements around Australia.

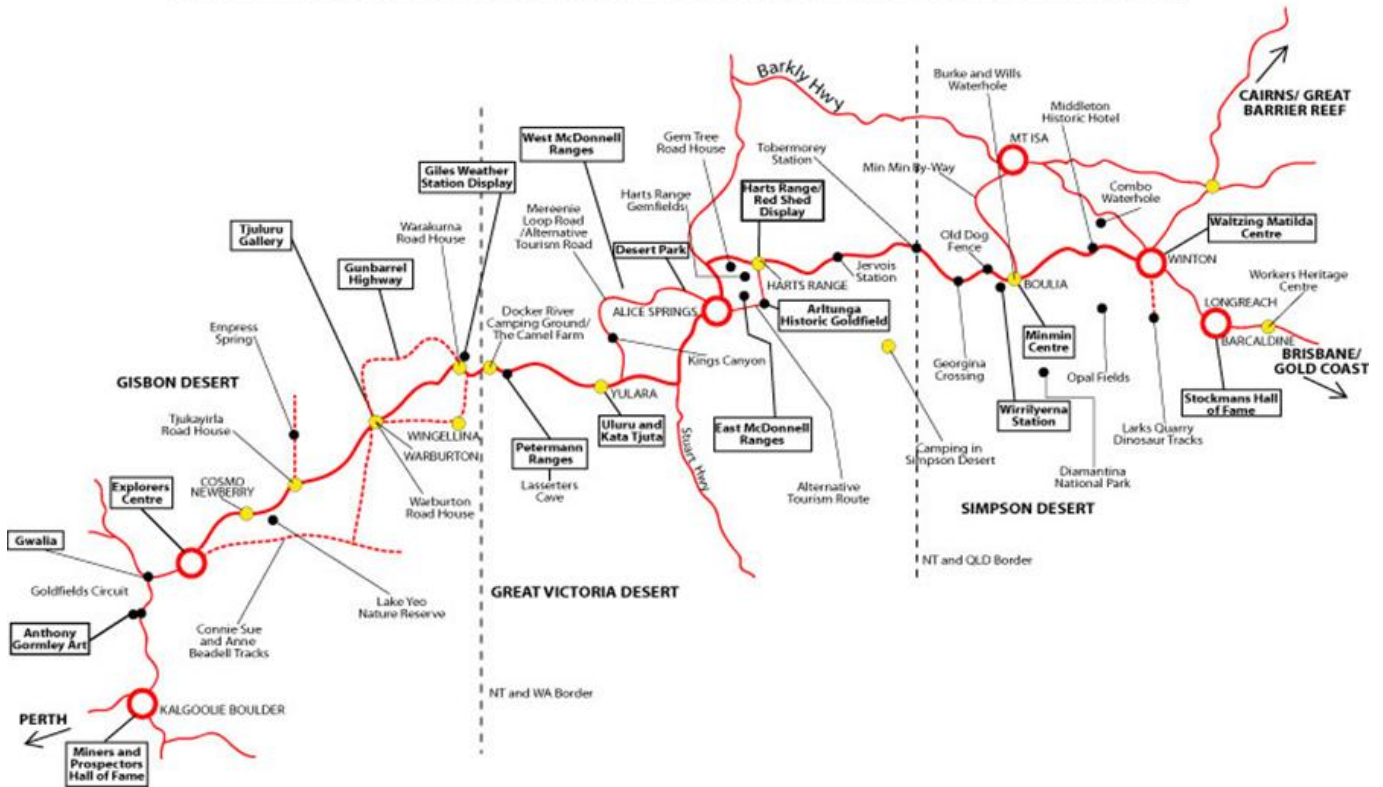
The OHDC Inc. actively supports existing indigenous tourism operators and will promote new businesses along the route.

Estimated increase in visitor numbers travelling Eastern and Western Arms: (with Outback Way upgrade)

- Outback Qld to Red Centre..... 2011 est 21000 up to 48,000
- Western Arm 8,000 to 32,000



MAP 7 - THE OUTBACK HIGHWAY - SOME TOURISM POINTS OF INTEREST



CATTLE INDUSTRY IMPROVEMENTS

Northern Territory (Normal Movements)

Total average turnoff for NT stations in the Central Australian region in 2011 was 11,000hd/annum , North and east of Alice- 80,000, South of Alice 30,000 . Movements to Qld was 48,000hd- 25000hd over the Plenty and 23000 over the Barkly. Limits on travel time for cattle make the Outback Way a much more cost effective route to the rail head at Winton- to get to Longreach or southern markets. The upgrade would improve marketing options, supply options and reduce the cost of production significantly.

Total Movements

The above figures give estimated average total 2011 movements generated over the Eastern Arm as follows :-

Eastern Movement	Numbers	(cf 2003 Numbers)
Barkly Hwy	23,000	(23,700)
Plenty Hwy	25,000	(12,000)
Donohue Hwy	45,000	(32,000)

This translates into estimated average annual road trains with 180 head per road train of :-

Eastern Movement	Annual	Daily
Barkly Hwy	128	0.35
Plenty Hwy	140	0.38
Donohue Hwy	250	0.68

ONCE UPGRADED- It is estimated the switch to the Plenty/Donohue Hwys would involve about 100 full cattle road train movements a year, increasing greatly movements over this section of the road.

HORTICULTURE IN CENTRAL AUSTRALIA

Central Australia produces \$4.74million of total value. Majority of this is table grapes however lettuce, onions, cabbages, watermelons, olives, dates & bush tomatoes with other fruit and vegetables being considered by Centre Farm. Centrefarm (established in 2002 by the Aboriginal landowners in Central Australia) could produce \$104.9millio of produce and employ 600people. Sealing the Plenty Highway would provide a significant market route for Central Australian produce and provide a significant cost savings than travelling the Barkly (471km shorter).(Sealed roads are required to minimise bruising and produce quality)

The sealing of the Outback Way – will see to the order of 30,000tonnes moving across it with produce backloads back to Alice Springs- also improving price and selection for Central Australian's.

TRANSPORT & FREIGHT GROWTH

Boulia Shire for July 2011 is 45 vehicles/day (Eastern Arm)

WA traffic counting figures for July 2011 is 54 Vehicles/Day (Western Arm)

Information supplied by Bureau of Infrastructure, Transport and Regional Economics in 2011 estimated total road freight movements between Western Australia and Queensland were as follows:

WA / Qld 81,000 tonnes
Qld / WA 127,000 tonnes
Total 208,000 tonnes

An upgraded Outback Way would a total of 260000 tonnes of freight come through Alice Springs due to time savings and access to alternative freight solutions.

Eastern Arm –Winton to Alice Springs

	2011 Current	After Upgrading	% Growth
Light Vehicles	25	77	+208%
Heavy Vehicles	5	16	+220%
Total	30	93	+210%

Western Arm - Perth to Alice Springs

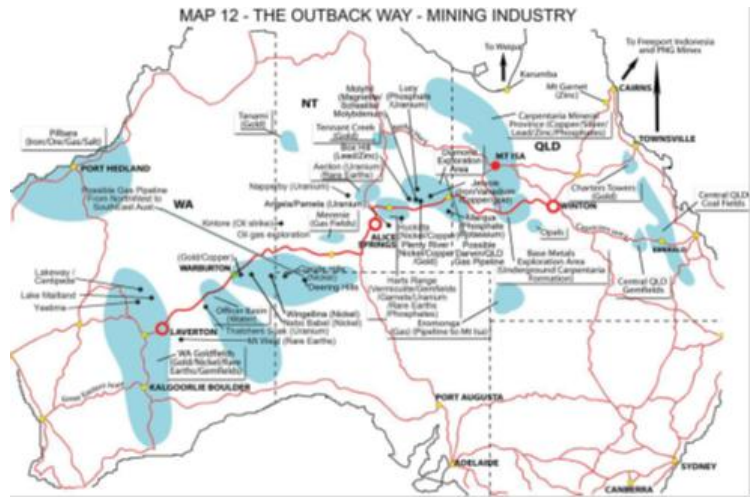
	2011 Current	After Upgrading	% Growth
Light Vehicles	28	62	+121%
Heavy Vehicles	6	17	+183%
TOTAL	34	79	+132%

MINING

Upgrading the Outback Way will have a major impact in linking Australia's great mining regions and 'growth engines' for the national economy in Western Australia, NT and Queensland. Potential development in the NT for mining is significant . Nikel/ Copper at Hucketta, Garnets at Harts Range, Phosphates at Lucy Creek and Marqua Station(also Copper, lead & zinc), Mt Skinner copper, Wiloron & Aileron- Uranium, Box Hole- lead & zinc. The upgrade of the Outback Way will increase efficiencies in getting minerals out to market.

Value of Mining Output

	1999/2000	2006/07	2009/10
Western Australia	\$15.7 bn	\$48.9 bn	\$70.9 bn
Queensland	\$8.9 bn	\$27.6 bn	\$29.7 bn
Northern Territory	\$1.3 bn	\$3.5 bn	\$3.5 bn
Total	\$26.0 bn	\$80.0 bn	\$104.1 bn
Remainder Australia	\$11.1 bn	\$25.1 bn	est \$40.0 bn
Total Australia	\$37.1 bn	\$105.1 bn	est \$144.0 bn



Mining movements between Qld, NT & WA on the Outback Way would save up to 1600km and \$16,000 and when emergency replacement equipment is required, this could mean a saving of over \$1million/ shift, as the equipment can arrive sooner and production can resume.

COST BENEFIT ANALYSIS

The following gives a summary Nett Present Value of benefits by light and heavy vehicles and type of use categories for eastern and western arms combined.

SUMMARY OF NPV DIRECT BENEFITS, 2011 VALUES, SEALED LEVEL

	Western Arm	Eastern Arm	Total
Locals	\$15.49 m	\$3.68 m	\$19.17 m
Business	\$18.03 m	\$4.75 m	\$22.78 m
Tourists	\$130.86 m	\$83.60 m	\$214.46 m
Coaches	\$44.20 m	\$28.18 m	\$72.38 m
Cattle	\$0.67 m	\$9.24 m	\$9.91 m
Camels	\$14.94 m	-	\$14.94 m
Mining	\$209.19 m	-	\$209.19 m
Local Trucks	\$48.58 m	\$17.30 m	\$65.88 m
Interstate Freight *	\$221.69 m	\$127.43 m	\$349.12 m
Heavy Equipment *	\$23.18 m	\$14.82 m	\$38.00 m
"Hot Shots" *	\$25.50 m	\$16.31 m	\$41.81 m
Accident Injury Cost Savings	\$13.50 m	\$8.27 m	\$21.77 m
+			
Total	\$765.85 m	\$313.58 m	\$1,079.23 m