



The Outback Highway Development Council Inc

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RE: The Outback Way- Good for WA

The Outback Way- what it means for WA

The Outback Way will more directly link Australia's fastest growing economies of Western Australia and Queensland. Growth in population in those areas continued to outstrip that of the nation over the 2003 to 2009 period.

MINING

The reduced distance between WA & Qld due to the Outback Way will facilitate:

Inter linkages between the nation's two largest mining areas in Queensland and in Western Australia, accounting for over 73% of Australia's output, saving companies \$1million/ shift for emergency equipment replacement and \$16,000/mining movement. Mining developments along the route in Queensland, NT and Western Australia have expanded dramatically since 2003.

Value of Mining Output	1999/2000	2006/07 Growth	
Western Australia	\$15.7 bn	\$48.9 bn	3.1 fold
Queensland	\$8.9 bn	\$27.6 bn	3.1 fold
Total	\$24.6 bn	\$76.5 bn	3.1 fold

MINING WA

Firstly, the increase in mining exploration and opportunities in the Musgrave Ranges by- Metals Ex, and 30 other companies including Musgrave Minerals continues with 122 mining tenements over the area.

Metals Ex: An emerging Nickel major: MLX is actively developing the huge, 100% owned Wingellina Nickel Project. Containing 1.8 million tonnes of nickel, it will produce 40,000 tonnes of nickel and 3,000 tonnes of cobalt per annum for a minimum of 40 years.

Annual planned production: Starting 2013 (TBC)

40,000 tpa Nickel in concentrate

3,000 tpa Cobalt in concentrate

Projected State Royalties: \$950 Million (Average \$25 Million per annum)

Projected Income Tax Payments: \$6 Billion (Average \$150 Million per annum)

Employment Requirements: Approximately 450 permanent jobs, 1500 in construction plus indirect employment

Musgrave Minerals: will have the leading exploration land holding in the Musgrave Province with interests covering approximately 50,000km², equating to approximately 5% of the State of South Australia. The Musgrave Province is considered highly prospective for intrusion hosted nickel copper sulphide deposits within the Giles Complex – one of the largest layered mafic to ultramafic intrusives in the world.

Bridging the gap – Indigenous communities services

The Outback Way winds through the land for 130 indigenous communities and 7 rural and remote shires, providing access to essential food and requirements, and education and health services enabling continuity of service delivery which will ensure traction and a real difference on the ground- bridging the gap.

Indigenous Tourism initiatives

With the ILC purchasing Yulara and Uluru, and they plan to create an indigenous Tourism training college., the OHDC Inc., will be linking with the ILC and other indigenous tourism bodies, to identify business opportunities, enabling students to have tourism projects to develop either as part of their course project or as their first position. Another example of the Outback Way facilitating the development of industry possible- helping bridge the gap

Partnerships

The OHDC Inc. is actively working with Regional Development Australia network, 7 shires along the route, State and Territory and local tourism agencies, indigenous tourism bodies, the ILC, Central Land Council, & Ngaanyatjarra Land Council, Desert Knowledge, mining companies, the ALGA, state & territory local government organisations, various industry organisations and tour companies. These partnerships are opening up enormous opportunities for future development.

The Cost Benefit Analysis

The economic and social benefit delivers exceptional value for \$512 million over 10 yrs- (\$51.2million/year for 10 years-sealing the Outback Way), would return just over \$1billion, the direct cost benefit is 2.1 and the combined CBA is 4.8 for a sealed route.

Based on the previous \$20million expenditure on the Outback Way –the funding agreement worked well with the Federal Government putting in \$10million, with the 2 states and the Territory matching the funding for their priority sections(based on connectivity) – totalling \$10million. The maintenance is funded by the States, Territory and local government along the route.

\$512million into 10 years is \$51.2million, split with the Federal Government= \$25.6million/year and \$25.6million contributed by 3 jurisdiction = \$8.5million each/year. (considering most jurisdictions are spending at least \$3million/year on the Outback actual additional capital works funding sort is \$5million/year from each WA, Qld & NT)

The sealing of the Outback Way will make a permanent route linking east to west, bridging the gap for indigenous people and provide the catalyst for exponential growth for mining, trade, rural industry, freight/logistics and tourism.

Projects such as the Outback Way have to happen now for longevity of Australia's prosperity. It has been too long since Australian's imaginations have been captured by a genuine nation building project.

The Outback Way inspires, motivates and engages by its very nature- it is Australia's longest shortcut- through the heart of our nation.

Yours sincerely,



Patrick Hill
Chairman
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