

Chapter 15 Transport and Communication

Key Points

- Rail is an important transport link providing regular passenger and freight services between Darwin and Adelaide. Freight volumes continue to grow, particularly as mineral resources in regional areas along the rail corridor are exploited.
- The Territory's road network continues to be developed with upgrades to infrastructure and bridges, and flood mitigation works on national highway links to other states.
- A boost to tourism is expected with Jetstar's decision to establish its northern Australian hub in Darwin, which will see additional aircraft based in Darwin by 30 June 2009.
- The \$30 million Commonwealth Indigenous Communications Program will improve information technology and communications services in remote Indigenous communities.

Background

The Northern Territory's small population, dispersed over a large geographical area, means that transport and communications are essential to economic development.

Expenditure on transport and communication services in 2007-08 represented 4.1 per cent and 1.1 per cent of Northern Territory gross state product (GSP) respectively. Nationally, transport and communication represented 6.5 per cent and 1.5 per cent of gross domestic product respectively in 2007-08 (Table 15.1).

With about 50 per cent of the Territory's population living in the Darwin region, and 25 per cent living in remote and very remote communities, transport and communication is important to ensure access to essential services such as health and education. The transport of passengers and freight by road, rail, sea and air are also essential inputs to industries such as tourism and mining, thereby contributing to the growth of the Territory economy.

Telecommunications, internet and postal services facilitate the transfer of information between Territory communities and the world. This enhances opportunities for the Territory to participate in the Australian and global economies and to access services such as eHealth and legal services.

Table 15.1: Transport and Communications Proportions of GSP, 2007-08

	Transport	Communications	Total
	%	%	%
New South Wales	7.1	1.7	8.8
Victoria	7.0	1.6	8.6
Queensland	6.1	1.5	7.6
South Australia	7.0	1.7	8.7
Western Australia	5.0	1.1	6.1
Tasmania	7.9	1.8	9.7
Northern Territory	4.1	1.1	5.2
Australian Capital Territory	5.3	1.4	6.7
Australia	6.5	1.5	8.0

Source: ABS Cat. No. 5220.0

According to Australian Bureau of Statistics data, since 2004, transport and communications as a proportion of GSP has remained relatively constant, reflecting the increased dominance of mining within the Territory.

Table 15.2: Transport and Communications Proportions of GSP, 2003-04 to 2007-08

	2003-04	2004-05	2005-06	2006-07	2007-08
	%	%	%	%	%
Transport	4.3	4.5	4.1	4.1	4.1
Communications	1.1	1.2	1.1	1.1	1.1

Source: ABS Cat. No. 5220.0

Transport

Transport activity accounted for \$594 million of the Territory's GSP in 2007-08, an increase of \$17 million from 2006-07. Continued growth within the mining sector, along with increased freight volumes, public sector focus on regional development and tourists passing through the Territory, all contributed to increased demand for transport services and infrastructure.

Road Transport

Established in 2004, AusLink is an Australian Government's land transport funding program, administered by the Department of Transport and Regional Services. Its principal objective is sustainable economic growth, development and connectivity at the national and regional levels. AusLink funding for the Territory for 2008-09 totals about \$55.8 million, which includes funding for national projects, Roads to Recovery, improving local roads, strategic regional and Black Spot funding.

There are more than 36 000 kilometres of road in the Territory. About 22 000 kilometres are managed by the Territory Government, and comprise national highways (12 per cent), arterial roads (19 per cent) and secondary or local roads (69 per cent). The remaining 14 000 kilometres of roads, primarily for distributing traffic within local areas, are administered by local governments.

The national highway network links the Territory to Queensland via the Barkly Highway, South Australia via the Stuart Highway, and Western Australia via the Victoria Highway.

Of the road network that is the responsibility of the Territory Government, about 15 600 kilometres (70 per cent) is unsealed. About 6 900 kilometres (45 per cent) of these unsealed roads may be subject to closures or weight restrictions during the wet season.

The Territory Government spent \$121 million on roads in 2007-08. Additional 2007-08 funding commitments include \$74 million from the Commonwealth and \$36 million from the Territory for the Tiger Brennan Drive extension. The works on Tiger Brennan Drive are expected to generate about 225 jobs during construction.

Rail Transport

The Tarcoola to Darwin railway was completed in January 2004, establishing a rail link between Adelaide and Darwin. Tarcoola is several hundred kilometres north of Adelaide and provides a junction to service Adelaide or Perth. Freightlink, the railway operator, began operations with five freight train services a week in the same month. Since then, Freightlink has carried more than 2.5 million tonnes of general freight (excluding bulk minerals).

About 90 per cent of the freight that moves between Adelaide and Darwin is now carried on the railway. In June 2008, Freightlink increased its rail services from Adelaide to Darwin from five to six services a week.

Total freight (including bulk minerals) on the railway in 2007-08 was 2.2 million tonnes, an increase of 1.1 million tonnes from 2006-07. The increase is attributed to the transport of bulk minerals to the Port of Darwin. For example, Freightlink began hauling manganese ore from Bootu Creek mine, and iron ore from Frances Creek mine, to the port in 2006. In February 2009, Freightlink began hauling copper-gold concentrate from Prominent Hill mine in South Australia to the Port of Darwin.

Great Southern Rail operates the Ghan passenger train service between Adelaide and Darwin. The service consists of a twice weekly return trip from Adelaide to Darwin, with scheduled stops of several hours duration at Alice Springs and Katherine. More than 59 000 passengers travelled on the Ghan in 2008.

In September 2008, the Ghan services were extended to include a new platinum service which rivals some of the world's luxury train cabins.

Sea Transport

The Northern Territory's major port, the Port of Darwin is Australia's closest port to the Association of South East Asian Nations (ASEAN) markets. Key exports from the Port of Darwin are bulk minerals and cattle. Other significant ports in the Northern Territory are mainly used by mining companies:

- Alyangula port is used by the Groote Eylandt Mining Company (GEMCO) to export manganese;
- the Port of Gove is mainly used by Rio Tinto to export bauxite and alumina; and
- Bing Bong Port at Borroloola is mainly used by McArthur River Mining Company to export mixed lead-zinc concentrate.

The Port of Darwin is connected to the national rail network through the Adelaide to Darwin railway to allow movement of goods including bulk minerals and liquids and live cattle exports. The port is also used by passenger cruise ships, naval, fishing and pearling vessels, and general

freight operators.

In 2007-08, total trade through the Port of Darwin increased by 87 per cent to 1.3 million tonnes from 2006-07. This follows a 35.6 per cent increase in 2006-07. The increase in freight volumes is attributed to the growing number of mining projects along the rail corridor using the port facilities to export their products. For example, 1.3 million tonnes of iron ore and manganese ore were exported by Territory Resources and OM Manganese from the port in 2007-08.

In mid 2007, a boost to freight volumes occurred when a \$24 million bulk materials ship loader was commissioned at the East Arm Wharf. In 2008, the Territory Government announced a total of \$59.5 million to construct further infrastructure at the port, including an overland conveyor to link the dry commodity product stockpiles with the ship loader, thereby reducing truck movements.

The export of copper-gold concentrate from the Prominent Hill mine required the construction of a special purpose export facility to protect the concentrate from the elements. An estimated 240 000 tonnes a year is to be exported through this facility that began operations in March 2009.

In addition to using the port facilities for mining exports, more than 30 remote communities rely on shipping services using these ports for access to goods and consumables. Perkins Shipping provides integrated land and sea logistics services to remote communities and resource industry customers across the Top End. About 642 000 tonnes of freight were shipped in 2007-08, an increase of 11.3 per cent from 2006-07.

Air Transport

Major airports capable of commercial jet aircraft operations are located in Darwin, Alice Springs, Ayers Rock and Nhulunbuy. Darwin has an international airport capable of handling the largest aircraft currently in operation. Alice Springs airport receives international charter flights from Japan on a seasonal basis.

In 2007-08, international passengers through Darwin International Airport increased by 33 per cent, and domestic passenger traffic increased by 9 per cent. The number of passengers using the Alice Springs Airport also increased, with the number of domestic passengers increasing by 6 per cent (Table 15.3).

Table 15.3: Territory Airport Passenger Numbers

	2006-07	2007-08	% change
Darwin international	178 266	236 576	33
Darwin domestic	1 261 861	1 380 036	9
Alice Springs	542 726	572 745	6

Source: Northern Territory Airports Pty Ltd

Airports are critical infrastructure and play a key role in generating economic growth. Since June 1998, Airport Development Group (ADG) has leased Darwin International Airport, Alice Springs Airport and Tennant Creek Airport from the Commonwealth. Nhulunbuy airport is operated and owned by Rio Tinto Alcan.

Air services to the Territory are prone to seasonal fluctuation, with airlines often changing destinations, flight times and seat numbers according to passenger demand.

In late 2005, Tiger Airways commenced services in the Territory with discounted flights from Darwin to Singapore. Darwin to Melbourne services commenced in late 2007. Both services ceased operating in October 2008. Tiger Airways now provides flights from Alice Springs to Adelaide and Melbourne only. In March 2009, Virgin Blue introduced Darwin to Melbourne flights and will commence new flights to Perth.

Of importance to the Territory economy is the announcement by Jetstar to make Darwin International Airport its Asian hub, which will result in up to seven planes being based in Darwin in the near future and an addition of 280 flight crew. Jetstar has been operating in the Territory since 1 May 2006. The Territory Government will contribute \$5 million to help set up the hub and an additional \$3 million to promote the new routes and destinations.

The Territory Government ensures emergencies in remote communities are catered for through aero-medical evacuations and through the Northern Territory Police Air Wing. The Territory Government continues to ensure that remote community airstrips are maintained and upgraded each year. In 2009-10, upgrades to Miliyakburra, Nyirripi, Palumpa, Papunya, Peppimenarti, Pigeon Hole, Waruwi and Lajamanu airstrips are scheduled.

International Operators

The number of international airline operators in the Territory has decreased from seven operators in 2007 down to two operators, with Garuda ceasing operations in April 2009:

- Jetstar (Singapore, Denpasar and Ho Chi Minh City); and
- Airnorth (Dili).

Interstate Operators

In 2009, six airlines operated regular interstate services to and from the Territory:

- Qantas;
- Jetstar;
- Virgin Blue;
- Airnorth;
- Skywest; and
- Tiger Airways.

Intrastate Operators

In 2009, four airlines operated regular services within the Territory:

- Qantas (Darwin, Nhulunbuy and Alice Springs);
- Airnorth (Nhulunbuy, Groote Eylandt, Milingimbi, Maningrida, McArthur River, Elcho Island);
- Vincent Aviation (Tiwi Islands); and
- Hardy Aviation (Croker Island, Tiwi Islands, Goulburn Islands, Port Keats, Peppimenarti, Palumpa).

Communications

The communication sector is one of the smallest of the Territory economy, accounting for about \$160 million, or less than 2 per cent of Territory GSP in 2007-08.

Despite significant investment, the gap between the Territory and other jurisdictions in access to and delivery of information and communication technology (ICT) based services remains large, particularly in remote areas.

Telecommunications

A number of Commonwealth and Territory Government joint telecommunications projects are commencing or being completed during 2008-09 and 2009-10, including the Indigenous Communications Program, Connecting the Community with Government, and Broadbanding the Top End initiatives.

The \$30 million Commonwealth Indigenous Communications Program is an initiative that aims to improve services in remote Indigenous communities. It replaces and expands on the previous Backing Indigenous Ability Telecommunications (BIA) program. The program provides essential telephone services, basic public internet access facilities and computer training for many remote Indigenous communities. In the four years beginning 2009-10, the initiative will provide:

- a fixed or mobile satellite community telephone to about 300 remote Indigenous communities that do not currently have access to a public telephone;
- ongoing monitoring and maintenance of about 550 Indigenous community telephones, comprising around 300 new phones and 250 existing phones; and
- expanded public internet access and delivery of computer training in up to 120 remote Indigenous communities that have limited or no public access to internet facilities.

The Clever Networks program is a \$118.6 million program to enable the rollout of broadband infrastructure and services to regional, rural and remote areas of Australia. The program has two distinct roles in delivering innovative services and broadband development.

The Northern Territory Government received funding under the Clever Networks program. The first stage of the project aims to understand administrative services needed by people who require business and occupational licences. It is qualitative in nature and based on a series of interviews and discussions with stakeholders. The second stage of the program will quantify those findings, after the first stage was completed in early 2009.

The Territory Government committed \$6.8 million to a \$34 million project that connected some of the most remote communities of the Territory to high-speed broadband in partnership with Telstra, Rio Tinto and the Northern Land Council. Specifically, 800 kilometres of optical fibre has been laid between Jabiru and Nhulunbuy, connecting five communities with optical fibre and four communities with new radio spurs to deliver high speed internet and other broadband services.

High capacity broadband services including ADSL have replaced the previously low capacity services in the nine communities by fibre to Oenpelli, Maningrida, Ramingining, Yirrkala and Gapuwiyak and by radio to the island communities of Milingimbi, Galiwinku, Warruwi and Minjilang. These services are available from Telstra.

Postal and Courier Services

Despite the increasing use of internet technology, postal mail remains a highly effective way for businesses to communicate with their customers.

The Territory is serviced by postal and courier services, and less frequently to remote communities.

Other Communications

Television

Darwin is served by the Australian Broadcasting Corporation (ABC), Special Broadcasting Service (SBS), Channel Nine and Southern Cross Television and Darwin Digital Channel 10 networks. Other major centres receive a combination of Imparja, Satellite Community Television (SCTV), Central Queensland Satellite Television (Channel 10), the ABC and SBS. Austar pay television is available via cable and satellite in Darwin and via satellite in Alice Springs and other parts of the Territory.

The Commonwealth is switching from analogue to digital television broadcasting, beginning in 2010 and finalising the phase-out in 2013. Digital uses less spectrum than the analogue signal, and will therefore free up bandwidth for a range of new channels and services to be offered.

Radio

There are several radio stations servicing Darwin, Alice Springs and other areas in the Territory. These include ABC Territory Radio, commercial, community-based and Indigenous community-based stations.

Outlook

Transport

Transport activity is unlikely to continue the strong growth of recent years as volumes of mining outputs transported around and out of the Territory moderate due to a slowdown in global demand. In 2009-10, passenger transport associated with tourism is expected to experience reduced demand.

The outlook for transport infrastructure development remains broadly positive with new road projects such as the completion of the Tiger Brennan Drive extension, flood immunity improvements on the Stuart Highway, expansion of Port of Darwin facilities and continued investment in air, rail and sea infrastructure projects, driven by developments in export markets and support for regional economies. Other significant capital works programs for the Territory in 2009-10 include the \$1.5 million upgrade of the bulk loading facility at the Port. Works at East Arm Wharf include the \$60 million construction of an overland conveyor and additional hardstand. A pipeline deviation is also in the works, with the realignment of East Arm bulk liquids pipelines to allow a rail spur to be built at a cost of about \$1.3 million. Other capital works for the Darwin Port Corporation in 2009-10 include dredging at Fort Hill Wharf to establish clearance depth to berth deep draft vessels, a temporary pontoon berth at Stokes Hill Wharf and rehabilitation at Hornibrooks Wharf. It is likely that 2009-10 will see reduced demand and subdued private investment in transport-related infrastructure.

Jetstar announced that it will expand its northern Australian presence that will see three aircraft based in Darwin and up to seven in the future. ACIL Tasman estimates tourism spending generated by the Jetstar hub to increase by \$83 million in 2010-2011 and \$103 million in 2011-2012. This, along with increased passengers numbers through both the Darwin and Alice Springs airports, will support growth in international and domestic air travel.

Communications

The Territory Government is continuing to explore solutions for improved access to information and technology for the large percentage of Territorians living in remote areas.

More recently, the Territory Government has established programs along with the Commonwealth and the private sector to continue improving communications into remote areas.

In April 2009, the Australian Government announced it will establish a new company that will invest up to \$43 billion over eight years, to build and operate a National Broadband Network, to deliver superfast broadband to Australian homes and workplaces. Of particular significance to the Territory is the implementation of measures to address 'black spots' with the roll out of fibre optic transmission links connecting cities, major regional centres and rural towns. Remote communities in the Territory will have greater access to the internet and other technology-enabled services to help bridge the existing communication gap between the Darwin region and remote areas.