"Looking to the Future"
Iama Island

TORRES STRAIT ECONOMIC STUDY

Phase-1

General Report on Economic Opportunities

April 2007
(Revised)

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Phase-1

General Report on Economic Opportunities

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For
INDIGENOUS BUSINESS AUSTRALIA
&
TORRES STRAIT REGIONAL AUTHORITY

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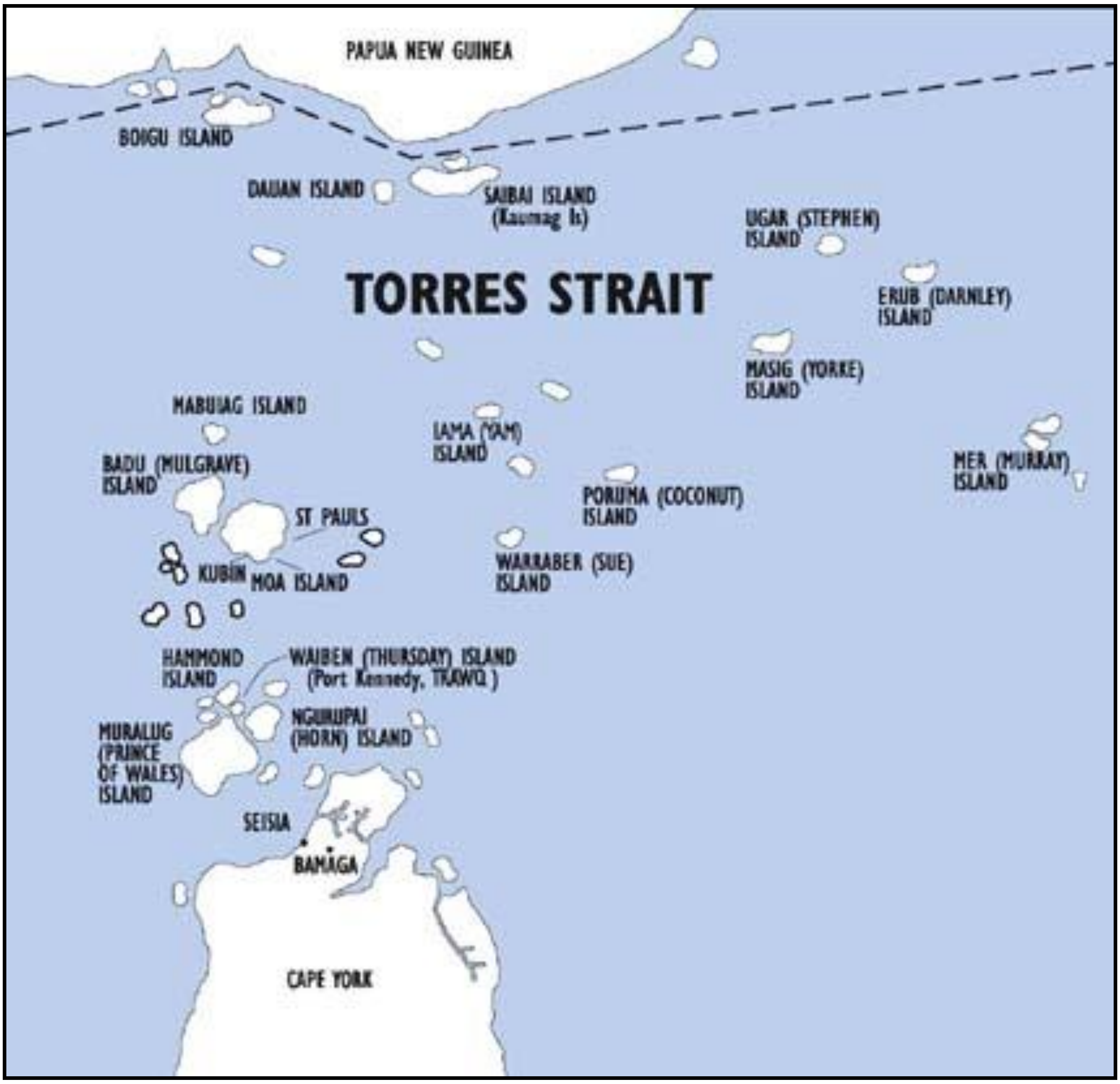
PAPUA NEW GUINEA
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ST PAULS
WARRABER (SUE) ISLAND
KUBIN
MOA ISLAND
HAMMOND ISLAND
WAIBEN (THURSDAY) ISLAND (Port Kennedy, TRAWQ)
NGURUPAI (HORN) ISLAND
MURALUG (PRINCE OF WALES) ISLAND
SEISIA
BAMAGA
CAPE YORK

SUMMARY OF MAIN POINTS

INTRODUCTION

(1) This is the first part of a two-stage study and report commissioned by Indigenous Business Australia (IBA), the Torres Strait Regional Authority, and others. It reports generally on economic development opportunities in the Torres Strait.

PART-1: ECONOMIC BACKGROUND

(2) The Torres Strait has a different background to most regional areas of Australia.

- It is predominantly an island community spread over an area approaching the size of Tasmania.
- Its population is dispersed with 38% only in the Thursday I/Horn I area.
- It is a remote community 800 km from the nearest major regional service centre, Cairns, and 2,200 km from the nearest metropolitan centre with its remoteness accentuated by lack of road access and dependence on sea and air access from Cairns.
- The Torres Strait lies deep in the tropics with limited land areas for agricultural development and mining, but is rich in marine resources.
- The area shares an international boundary with Papua New Guinea (PNG) and is close to Papua Indonesia. It occupies a strategic position in shipping lanes.
- The Torres Strait has a very different multicultural population compared with the rest of Australia with 75% being indigenous, mainly Torres Strait Islander.
- There is a 'diaspora' of Torres Straits Islanders throughout Australia with about three Torres Strait Islanders living in other parts of Australia for every one living in the Torres Strait.

(3) The Torres Strait has very different demographics to most parts of Australia.

- A third of its population is under 15 years and only 12% over 55.
- Its population is growing strongly, averaging about 2% pa. 1976 – 2001.
- Cultural patterns are very different with only 29% speaking English only at home. Church affiliation is high.
- The area has lower levels of workforce qualifications. Only 10% of households own or are purchasing their dwelling.
- Proportion in the workforce is fairly normal, but 73% of the jobs are with government (about 40% dependent on CDEP).
- Much of the non-indigenous workforce (providing professional/para professional, government, trade and business services) is transitory and a high level of fly-in/fly-out provision of services is evident.

(4) The Torres Strait has a number of other strong features affecting its economy.

- Median income in the area is lower, but lower median rents (government subsidised) mean that disposable incomes are not as low as might first appear.
- Index of retail prices is very high, eg. The food, alcohol and tobacco group is almost 40% higher than Brisbane.
- Costs of housing and rents on Thursday I have been skyrocketing.
- Household car ownership (54%) is low, but boat ownership is high.

(5) Lack of road access to Cairns means the area depends on sea transport for freight which is disproportionately one way, indicating opportunities for back-loading. Airfares are generally as expensive from Cairns , as Cairns to Brisbane. RPT passenger movements however, are now close to 50,000 movements a year. They have been growing at about 4% pa., making progressively larger aircraft viable.

(6) Within the context of influences affecting general development of the north, the Torres Strait has experienced its own pattern of economic and population growth. The area has had some limited participation in marine industries and limited tourism development related mainly to the Northern Peninsula Area (NPA).

The major contributor to economic growth in the region has been government expenditure.:

- On defence and surveillance.
- On bringing government services and infrastructure up to national standards.
- Special job creation funds through CDEP and workforce training initiatives.

(7) Special strengths and weaknesses to move forward include.

<u>Strengths</u>:

- The substantial improvements that have been made over the past few decades in education levels and workforce skills in the area.
- The substantial upgrading that has taken place in the region's infrastructure.
- The strength of the region's natural resource base especially in the form of marine resources.
- The potential strength of its tourism resources both natural and cultural.
- Its strategic location in relation to shipping movements, defence and surveillance needs.
- The area's possible relations with a developing Papua New Guinea and Papua Indonesia.
- Growing population, services, and infrastructure in the nearby regional areas of northern Queensland. (The opening of Cairns airport to international services has already had a significant impact on the region's potential.)

<u>Weaknesses</u>:

- Workforce and business skills and experience, although improved, are still below national averages.
- The local population has limited private savings and capital resources.
- Remoteness and transport/communication cost penalties, although diminishing, are still a problem.
- International border complications.

PART-2: ECONOMIC OPPORTUNITIES

GENERAL

(8) Economies of most non-metropolitan regions of Australia are based on industries that involve exploitation of some form of natural resource – agricultural/pastoral, mining, marine, natural tourism resources, that earn income from outside the region. Based on these industries, a service industry structure develops that can, in time, come to provide more jobs than the base industries. However, if you take the base industries away, the service structure will disappear.

(9) While there are prospects of developing business and job opportunities in the service structure in the Torres Strait, if the Torres Strait economy is to become fully self sustaining, it is vital that the level of 'outside earnings' of the 'base' industries are greatly increased.

(10) The report identifies a wide range of smaller opportunities that might be pursued. Some relate to mining and plant based industries. The most extensive opportunities tend to be in the traditional field of marine industries/aquaculture and, on a growing scale, in tourism and related culture based industries.

BASE INDUSTRIES

Marine Industries

(11) Although marine resources are distributed throughout the Torres Strait, the occurrence of different species varies considerably between the different areas.

(12) The amount of employment in the marine industries can be increased:

- Through the share of existing fisheries by licences allocated to traditional inhabitants being increased.
- Through increasing take of some species.
- By developing aquaculture/mariculture projects.
- By stock replenishment action.

(13) The large prawn fishery is operated direct out of Cairns with very little local participation. The fishery is static and unlikely to increase.

There is a prospective opportunity to develop catching of 'brood stock' leader prawns in the Boigu/Saibai area for supply to prawn farms further south.

It is not clear that prawn farms in the area could compete with existing farms closer to major markets.

(14) Share of catch of tropical rock lobsters could be negotiated with action taken to improve local training, equipment and professional approaches.

There seem strong prospects of breakthroughs over the next few years in breeding stock for replenishment purposes.

(15) Islander participation in the mackerel fishery can be increased with investment in more efficient boats and professionalisation.

(16) Possible opportunities for the cultured pearl industry include a proposed new farm at Saibai, low volume sale of pearl oysters as a high value delicacy, direct sales of shell and conversion into craft and jewellery items, especially to visitors giving pearls and pearl shell an equivalent status to pawa shell in New Zealand and opals in mainland Australia.

(17) No successful commercialisation of black lipped oysters has taken place, but it remains a possibility.

(18) There is significant potential to increase fin fish take by traditional inhabitants through buy out of licences, increased professionalism, and increased takes.

(19) If appropriate arrangements can be made, there seems to be a potential for substantial importation of crabs and barramundi from PNG through the top Western islands to supply Australian markets. Proposals to establish a crab farm on Boigu based on bringing up crablets from the south would need a feasibility study being conducted.

(20) Trochus and beche-de-mer markets tend to come and go. Possibility of processing trochus shell for export as 'blanks' might be looked into.

(21) There could be a potential of the Torres Strait participating in the substantial export through Cairns airport of live fish for the Asian restaurant trade and for live aquarium fish.

(22) Viability of sea sponge farming at Yorke Island is looking very promising and a commercial vehicle to exploit the opportunity needs to be developed.

(23) Opportunities for exploiting turtle seem to lie in the direction of:

- Tourism experiences.
- Breeding for replenishment.
- Possible development of food products related to tourism.

No prospects for commercialising dugong were raised.

(24) Local participation in the prawn fishery seems unlikely unless back up servicing facilities on Thursday I were developed and living costs lowered to a point where trawlers could base there.

(25) A traditional affiliation with the sea does not necessarily equip local residents to participate in a modern professional fishery that requires:

a) Specialised knowledge and skills to locate fish stocks including knowledge of and use of sophisticated equipment.

b) Investment in and use of specialised boats and equipment.

c) A professional full-time attitude to making a living from fishing.

(26) Fishing and aquaculture training facilities based in the Torres Strait could also attract other indigenous people from Australia and the Pacific area.

(27) The current CDEP 'week on/week off' structure tends to mitigate development of a professional full-time approach.

(28) Lack of a professional approach has resulted in failures to invest in hookah equipment in the cray fisheries and efficient dories in the mackerel fishery.

(29) The traditional island community has had a lack of knowledge of and contact with outside markets, resulting in non-islanders dominating the distribution and marketing of product.

Agriculture/Horticulture

(30) Although land areas are comparatively small, there are significant areas suitable for agriculture/horticulture/livestock production.

(31) There are good reasons for encouraging the production of traditional local foodstuffs for local markets to replace imports, improve diets, and for tourism.

The pattern of quarantine restrictions favours the NPA and Inner Islands as locations for production for wider distribution throughout the area.

(32) Torres Strait Islanders do not have a tradition of livestock production. However, there has been plenty of evidence of feral cattle, deer, pigs and goats in the area from time to time. There appears to be opportunities in the NPA and on some of the larger islands, especially to supply local 'special occasion' needs.

(33) Potential of the area's native plants for outside restaurant and 'bush tucker' markets does not appear to have been studied. The Wongai Plum is an obvious candidate with its special position in Torres Strait culture, its special potential in tourism, "If you eat the Wongai, you will return to the Torres Strait"., and the use of the trees wood for carving. Special arrangements would need to be made to overcome quarantine restrictions. Beach almonds are another possibility. While cashews grow well in the NPA, viability of commercial production would need to be studied.

(34) Potential for ornamentals appears to be restricted to local markets.

(35) There are existing initiatives in the horticultural field at Badu (hydroponics), Poruma (aimed at erosion control), and Bamaga (involving reopening of the farm). Other communities have expressed interest in going in this direction. The Department of Primary Industries do not appear to have any presence in this field north of Mareeba and there is a need for advisory/extension services and for training.

Mining

(36) There is current mining company interest in exploring the possibility of reopening wolfram mining on Moa Island. Buoyant world market conditions represent 'a window of opportunity' to have the deposits assessed in the light of modern mining techniques.

(37) There are minerals recorded in the Inner Group, but there seems to be no current interest. However, south of the NPA, there are bauxite and other minerals that might be developed to provide jobs for NPA residents.

(38) There is already a small number of Torres Strait residents involved in 'fly in and out' to mining operations elsewhere in Australia. The possibility of extending this to nearby mines in PNG might be examined.

(39) There was interest in developing quarries at Dauan (for Top Western group needs) and in the NPA (to meet progressive road upgrading needs Bamaga to Weipa). It is noted that there is likely to be substantial lime deposits in the area in the form of shell drifts and dead coral for calsil type brick production.

Tourism

(40) The area has a great deal to offer tourism markets as a tropical island and marine environment paradise, and through its cultural and historical background. Excellent general infrastructure/health/safety factors provide the area with advantages over many other tropical destinations. However, the area has major disadvantages of remoteness and cost of access, lack of specific tourism infrastructure and skills and a current lack of 'presence' in tourism markets.

(41) The industry is currently based on estimated 25 – 30,000 4WD visitors a year to the NPA, about half of which are estimated to take a day trip (some overnight) to Thursday I/Horn I.

(42) More recent additional elements include cruise ships calling especially at Thursday I, and some visitors arriving on cargo services out of Cairns. Some 60% of passenger movements through Horn I airport are estimated to be business visitors (mainly government) and only about 15% (8,000 movements) holiday visitors.

(43) There is a significant recreation fishing element developing based out of the NPA and Thursday I. Yorke and Poruma Islands have also been developing in this direction.

(44) Any dramatic rise in NPA road visitors would depend on improvements to the Peninsula Road. The real challenge is to break into significant 'fly-in' traffic as historic trends continue for airfares to fall relative to other costs. There is then a major transport cost barrier to have visitors travel beyond Thursday I for the full 'Torres Strait experience'.

(45) There is a two way 'culture shock' factor that needs to be taken into account. Visitors entering into a different cultural environment, and impacts of visitors on remote and previously relatively 'closed' communities.

(46) Proposals for NPA communities to form a business to undertake road works Bamaga to Weipa are potentially important to the development of tourism.

(47) There seems to be a major opportunity to develop a new level of accommodation on Thursday I that is attractive to 'fly-in' visitors but has its viability underpinned in the short run by business traffic. There is a possibility of developing this accommodation as a 'spring board' for tourism development in the outer islands. There is also an opportunity for accommodation specially aimed at visitation from outer islands to Thursday I.

(48) There is a need for special action to develop tourism infrastructure on Thursday I, cheap inter-island transport, and visitor attractions on the surrounding islands of Hammond, Friday, Prince of Wales and Horn I aimed at general 'sightseeing' tourism.

(49) Developing tourism to the outer islands is more complex. Different island groups present different qualities of attractions. Distance from Thursday I varies. Control of visitor guiding will be important. There are already 'rangers' on some islands. The Savannah Guides might be looked to as a model.

(50) It is suggested the existing accommodation on the islands might be standardised in quality and price and marketed as a chain aimed at short stays, with guide assistance.

(51) Seaswift might be encouraged to extend its successes in carrying passengers on vessels from Cairns to Thursday I, to carrying passengers on inter-island cargo vessels.

(52) Inter-island ferry services have not succeeded in the past. Best target to extend ferry services to carry locals and visitors to outer islands would appear to be the Western group, followed by the Central group.

(53) In the outer islands, larger accommodation/resorts will probably be best developed away from the communities themselves (elsewhere on larger islands, or on small neighbouring islands), but close enough to take workforce from the communities and for occasional visits from resorts to the communities. Developing away from communities however, adds major costs of duplicating infrastructure/essential services.

(54) Other approaches to increase visitation to the outer islands could be attraction of cruise vessels to base at Thursday I, Bareboat charters (eg. Whitsundays), and touring 'water' coaches including possible self contained safari types with on-board camping equipment.

(55) The area has a potential to attract special interest tourism:

- Fishing (it is already on its way).
- Scuba diving (a review of potential internationally competitive sites is needed).
- Research and conservation type tourism, eg. Turtles (Darnley I), cultural sites (Badu and Moa).
- Bird watching (already reported in the NPA and Top Western group).

(56) A significant number of cruising yachts are coming through each year and opportunity for marina development at Thursday I should be looked into, perhaps in association with accommodation development.

(57) There needs to be a general program of product/attraction development, including identification and protection of cultural and other sites for controlled visitation, art craft and cultural display centres, reef viewing facilities/equipment, and development of interpretative material.

Cultural Industries

(58) The area is 'off and running' with a program of developing the visual arts and crafts. A substantial art and craft production capacity already exists through art centres like those on Darnley and at Kubin.

(59) The main focus at this stage needs to be on distribution/marketing. Torres Strait art is in the process of being recognised at the top end of fine in Australia and Gab Titui can probably play a role in encouraging this.

(60) There seems to be a gap in marketing of the middle and lower end art and craft, especially of material for the tourist trade. There seems to be a need for a business that specialises in marketing and distribution to outlets locally, in Cairns, and elsewhere.

(61) There is potential for PNG product to be sold through such a business also. It might also distribute output of Torres Strait performing art CD's, etc. clothing and culinary products.

(62) There needs to be some attention paid to rendering traditional dancing into formats for tourism consumption.

(63) The possibility of setting up quality recording studios as part of Radio Torres Strait (4MW) should be investigated along with the possibility of expanding its role in providing television material to national indigenous and other outlets.

(64) Development of local culinary arts and training need to be included in action to promote Torres Strait culture for tourism and outside markets.

<u>Defence & Surveillance</u>

(65) There is already a significant local presence in employment in defence, customs, immigration and quarantine and there seems to be no plans in prospect for further initiatives to expand these types of activities. Local participation in arrangements for burning illegal boats should continue to be pursued.

<u>International Trade</u>

(66) Suggestions were received of turning Wednesday Island into a container transhipment port. These have not been able to be assessed fully. Attention is drawn to plans to turn the nearby PNG port of Daru into a deep water facility.

(67) As mentioned in previous sections, there is substantial potential to channel products from nearby areas in PNG through the Torres Strait to Australian markets providing back-loading on the shipping services reaching up to the Top Western group. Potential products include barramundi, crab, art and craft, timber and possible manufactured products (furniture/clothing).

THE SERVICE ECONOMY

<u>Land & Housing Shortages – Thursday I</u>

(68) Firm action needs to be taken to deal with the escalation that has taken place in land and housing costs on Thursday I. There could be business opportunities in this.

(69) The question of a bridge to Horn I was raised possibly with tidal electricity generation incorporated. It is beyond this report to assess this. Obviously, a cost benefit study would need to be undertaken.

<u>Retailing/Distribution</u>

(70) The structure of retailing was raised including the role of IBIS. It is beyond the scope of this report to make recommendations. However, population of the area is still only 10,000. While population on Thursday I, Badu, and Bamaga might be large enough to support competing stores, it is difficult to see anything but a monopoly situation on many of the islands.

<u>Infrastructure & Services</u>

(71) By and large, previous programs have left the Torres Strait communities relatively well served with infrastructure. There are some deficiencies identified.

(72) There is a need to develop an efficient water passenger network to the outer islands.

(73) The area needs to prepare for use of new energy technology coming on stream to reduce green house gas emissions including wind, solar, tidal and biofuels such as coconut oils.

<u>Construction</u>

(74) Local communities have been developing local construction team capacity that needs to be encouraged.

(75) The block plant at St Pauls could do with support in to expand its market penetration. It has a need for wooden pallets that might be drawn from the NPA.

(76) New ‘local’ building materials and construction methods might usefully be looked at.

Equipment Engineering & Maintenance

(77) There is a need to continue to support maintenance and repair facilities in the various communities, especially for marine equipment and increasingly for motor vehicles. A major potential opportunity needs to be pursued of building up marine servicing in the area including marina development to replace sending vessels south for repairs and maintenance.

Business Services

(78) It was suggested that there could be scope for a 'call centre' that can handle inquiries in Creole.

(79) The question of a second bank was raised. Probably the most important need is for a continuing 'roll out' of Rural Transaction Centres and ATM's.

Health & Education

(80) Given populations and distances, the spread and quality of health and education facilities seems excellent. The major need is to build up training at the trades/skills levels including business skills, marine transport, fishing, aquaculture, tourism, art/craft, culinary, horticulture, construction and engineering skills.

Other

(81) The area might look at its sporting teams being able to compete in wider northern Queensland competitions with benefits to awareness and tourism.

ACHIEVING ECONOMIC DEVELOPMENT

Defining the Challenges

(82) The Torres Strait faces three major sets of challenges:

a) Challenges of remoteness from major markets and sources of supply of goods and services.

b) Challenges that derive from the relatively large populations located in the area not because of job availability, but because it is their traditional home and the community in which they wish to live.

c) Challenges relating to the financial resources, skills and values that traditional islander communities bring to the business of creating successful enterprises and earning a living in a modern economy.

(83) Normal basis of development in remote areas comes from developing outside earnings based on natural resource advantages. However, the level of population already in the area means that economic activity would need to be lifted well beyond what would normally be achieved through developing activities based on natural resources.

(84) There are some opportunities evident to replace imports of goods and services.

(85) If the area is to achieve the abnormal level of economic growth needed, it will need to attract substantial outside investment and management skills, but on terms and conditions that accommodate traditional rights and interests.

A 'Four-Pronged' Approach

(86) Arising out of the foregoing, it seems to us that the area's economic development needs a four-pronged program.

a) A program to improve Islander participation in the economy including fostering entrepreneurship by Islander communities, individuals and families.

b) A program to encourage the development of abnormal level of activities earning income from outside the region.

c) A program to encourage the replacement of imported goods and services with locally produced goods and services especially of those that will contribute to reaching objectives (a) and (b) above.

d) A program to attract needed investment and management from outside the region but on terms and conditions that accommodate traditional rights and interests.

Financial Resources, Skills & Values

(87) Issues to be addressed include capital resources (land tenure and dwelling ownership), reform of CDEP to ensure that it does not act as a disincentive, attitudes to individual enterprise, and education and training.

Achieving Massively Increased Outside Earnings

(88) The indications are that the area will need to create of the order of 1,000 additional jobs in industries earning outside income.

(89) Costs of operating in the area need to be reduced. A sea freight subsidy scheme similar to the one applying to Tasmania should be looked into. This could extend to movements within the islands. Continuing upgrading of infrastructure is needed. Rules and regulations need to be reviewed to ensure they are not inappropriate.

(90) The large increase in outside earnings and jobs associated with them will need to include some diversification of wild caught fisheries, major development of new aquaculture pursuits, major progressive expansion of tourism, and significant development of cultural based industries. There needs to be an approach of "every little bit counts" and will be needed.

Encouraging Replacement of Imports of Goods & Services

(91) Scope for replacement of imports are seen to be particularly in reducing living costs on Thursday I, development of marine industry services, and horticultural, meat, and timber production.

Attraction of Outside Investment

(92) The issue of how to attract outside investment on terms and conditions that accommodate traditional rights and interests needs to be addressed, the area declared as a special development zone with incentives given to generate sound investment and job creation.

Priorities

(93) A Supplementary Report reviews the list of opportunities identified and seeks to comment on their significance and potential timing with a view to helping prioritise further action.

1. INTRODUCTION

1.1 GENERAL

Late in 2006, Cummings Economics was retained by Indigenous Business Australia and the Torres Strait Regional Authority supported by Department of Employment & Workplace Relations and the Office of Indigenous Policy Coordination to carry out research and report as follows:

- Provide specific information on economic development opportunities in and for the Torres Strait.
- Provide advice on any requirement to upgrade existing infrastructure to support increased economic activity.
- Identify the types of infrastructure required.
- Identify the types of businesses that are in demand by domestic, international and special interest groups to assist with long term planning.
- Determine potential market demand for indigenous product which can be packaged for sale in domestic, international and special interest markets.
- Identify the potential for Indigenous employment and for Indigenous Australians to improve their skills set and build career paths by working with business.
- Identify areas of training that can be introduced as a component for potential and existing ventures.
- Identify industry, government and other private sector strategies that would assist in economic development within the Torres Strait region.

The study was to be conducted in two phases:

Phase-One
To undertake research and the identification of the economic opportunities as outlined in the 'Terms of Reference', including the barriers and solution to government and private sector support.

Phase-Two
To undertake further and more detailed analysis and report on the specific economic opportunities identified in Phase-One. The Steering Committee will determine the type of activities to be undertaken once they have considered the Phase-One report.

This report relates to Phase-1 and canvasses broadly the range of economic opportunities identified in the area.

Development of this report has been completed in two steps.

In the first place, desk work was carried out in January 2007 and a working paper "Initial Economic Overview" was prepared that gives a great deal of background statistical information on the area's economic structure and trends. The bulk of this working paper has been included in this report as Part-1 "Economic Background".

This desk work was followed by extensive field work and interviews, especially among business and government bodies on Thursday I and Cairns in February and visits to all TSRA island communities in March and early April.

1.2 AREA COVERED

The area covered by this report is that of the Torres Strait islands plus the Northern Peninsula communities of Bamaga and Seisia.

1.3 RELATIONSHIP WITH OTHER STUDIES

A number of other studies were identified as taking place with bearing on this study.

The Indigenous Coordinating Centre based in Cairns has underway a "Business Development Opportunities" study in relation to the Northern Peninsula Area (NPA) including Bamaga and Seisia. This study has a longer duration and its final outcomes will be able to be informed by this study.

TSRA has had a study underway into the future of CDEP in the Torres Strait. The report was almost complete at the time of interviewing for this study and its major findings were obtained on a verbal basis as background information for this report.

PART-1: ECONOMIC BACKGROUND

2. A DIFFERENT BACKGROUND

2.1 AN ISLAND COMMUNITY

The Torres Strait's Statistical Area covers the Torres Strait islands between Papua New Guinea (PNG) and the Australian mainland, plus the northern tip of Cape York Peninsula known as the Northern Peninsula Area (NPA).

The area is about 200 km from north to south and about 240 km from west to east, ie. about 48,000 sq km in area. A distance of 200 km is equivalent to the distance from Cairns to Ingham, outskirts of Brisbane to Grafton, outskirts of Sydney to Canberra, and outskirts of Melbourne to Albury. Spatially, the Torres Strait communities are spread over an area towards the size of Tasmania (67,000 sq km), about the same as the Wide Bay/Burnett Statistical Division in Queensland (52,000 sq km), and larger than the Gippsland/East Gippsland Statistical Divisions in Victoria.

Most of the area is shallow seas. This restricts transport between centres to sea and air with increased costs compared to road transport. (Although the use of open aluminum dinghies with outboard motors provides a substitute (at times dangerous) for the family car).

Inter island transport is a major economic issue and will be looked at further in this study.

2.2 A DISPERSED POPULATION

The residential population in the area has just passed the 10,000 mark making it equivalent to many rural districts. For instance, population of Queensland's central west statistical division based on Longreach, Barcaldine, Winton, Boulia and Blackall is currently about 12,000 and the Ord/Kimberley area is about 12,000.

Some other residential populations of a similar size are Charters Towers City 8,799, Dalby Town 9,808, Douglas Shire (Mossman/Port Douglas) 11,148, Emerald Shire 13,358, Kingaroy Shire 12,140, Stanthorpe Shire 10,602, and Whitsundays Shire 16,456.

This population is distributed over 21 communities as follows.

Table #1.1: Population Distribution, Estimated Resident Population, Torres Strait, 2002 (cf 1997)

		2002 Pop'n	*(cf 1997 Pop'n)*	Sub Total 2002	% of Total Torres	*(cf 1997)*	Growth No.	Growth %
NPA	Bamaga	937	*805*	2,167	21%	*1,907*	260	*12%*
	Seisia	144	*146*					
	Total IC's	1,081	*951*					
	Injinoo	446	*394*					
	New Mapoon	360	*306*					
	Umagico	280	*256*					
	Total AC's	1,086	*956*					
Inner Islands	Torres Shire (Thursday, Horn, PoW)	3,736	*3,219*	3,944	38%	*3,431*	513	*13%*
	Hammond	208	*212*					
Near Western	Badu	786	*643*	1,491	14%	*1,288*	203	*14%*
	Kubin	226	*189*					
	Mabuiag	240	*211*					
	St Pauls	239	*245*					
Top Western	Boigu	297	*283*	785	8%	*731*	54	*7%*
	Dauan	120	*129*					
	Saibai	368	*319*					
Central	Iama	363	*201*	1,113	11%	*799*	314	*39%*
	Poruma	175	*68*					
	Warraber	239	*220*					
	Yorke (Masig)	336	*303*					
Eastern	Erub	320	*265*	839	8%	*774*	64	*8%*
	Mer	462	*449*					
	Ugar	57	*60*					
Total				**10,399**	**100%**	***8,930***	**1,469**	***14%***

Source: Cummings Economics from Australian Bureau of Statistics (ABS).

While Thursday Island is the main centre, its population, along with the immediately surrounding islands, accounts for only 38% of the Torres population.

Next biggest grouping, the NPA, accounts for 21%, but is split fairly evenly between the Island Council areas of Bamaga and Seisia and the Aboriginal Council areas of Injinoo, New Mapoon and Umagico.

The next biggest groupings are the near Western Islands about 1,500 and the Central group about 1,100.

The Eastern group and Top Western group each have about 800.

Thus, apart from having a relatively small population, the population is decentralized.

2.3 A REMOTE COMMUNITY

Another major geographical factor that affects the economy of the area is the Torres Strait's remoteness from major regional and metropolitan centres.

The nearest centre to the south is Weipa, population of about 2,000, and about 250 km from Thursday Is.

Thursday Is is about 800 km from the nearest major regional distribution and service centre of Cairns, ie. equivalent of the distance from Brisbane to Wollongong, Brisbane to Mackay or Melbourne to Newcastle.

Thursday Is is about 2,200 km from the nearest metropolitan centre of Brisbane, the equivalent of Brisbane to about 300 km south of Hobart.

While Port Moresby is only 350 km from the Torres Strait's eastern most islands (Mer) and 600 km from Thursday Is (ie. closer than Cairns), there is very little cross international border movement of goods and services. The same applies to the fact that Boigu is about 240 km from the Papua Indonesia provincial capital of Merauke and Thursday Is about 390 km.

Remoteness is further magnified by the fact that there is no rail connection from Cairns into Cape York and the Peninsula Developmental Road is unsealed over most of its length and is typically cut by flooding during each wet season. The area relies on relatively expensive sea and air transport for access to and from Cairns.

This results in the area being a very discrete economic unit, but one in which costs of imported goods and services are among the highest in Australia. (The issue of the transport links and costs is dealt with further in Section 3.11, and underlying costs of living and production in Section 3.10.)

2.4 A TROPICAL CLIMATE & RESOURCES

The Torres Strait lies between about 9º 15" south and 11º south in a transition zone between a tropical and equatorial climate. However, it lies outside the year round equatorial rainfall area and although the area is in the 1400 mm rainfall zone, it has a relatively dry winter 'south-east' season and a strong summer 'north-west' wet season.

Rainfall is high enough in the NPA to sustain rainforest but the rainforest in Australia is unusual being 'monsoon' rainforest that tends to be deciduous in the drier months.

Generally, the soils of most of the islands are poor, being either granite based islands or sand cay type islands. The major exceptions are the volcanic soil islands of Mer (Murray) and Erub (Darnley) in the Eastern group. Although the island communities shared a gardening culture with the PNG mainland, traditional indigenous gardening has almost disappeared and there is no significant agricultural production in the area.

The dominant natural resources in the area are marine resources. The shallow seas contain large areas of coral reefs. The Warrior Reefs alone in the Central north extend over about 60 km. As a rough estimate, there is about 2,500 – 3,500 sq km of coral reefs in the area (ie. about 250,000 – 350,000 ha), and about 35,000 sq km of shallow seabed.

The region has a long history of commercial fisheries including pearling, trochus, beche de mer, and today, prawning, crayfish and cultured pearls.

Gold mining has been sporadic on Horn Is and Possession Is.

2.5 A STRATEGIC AREA

A special feature of the Torres Strait is its strategic sea lane position between the Australian and PNG mainland – a position that led to the contact by Torres in 1606.

Apart from its sea lane position and its importance to Australia, the area is also on the frontier of Australia with Papua New Guinea and with Papua Indonesia.

This has important ramification for the area in terms of employment in defence and security services (Foreign Affairs, Immigration, Customs, AQIS) and pilotage services.

However, it also has important ramifications in restricting movement of goods, services and people between the various areas.

2.6 A MULTICULTURAL SOCIETY

The traditional Torres Strait Islanders are Melanesian with a distinct culture of their own, but with cultural influences of the Eastern and Top Northern group blending into those of Papua New Guinea and in the south into the Aboriginal cultures of Cape York Peninsula.

Pearling and missions brought in an influx of Pacific Islanders who have blended into the Islander community. Pearling also brought an influx of Malay (Indonesian) divers and Japanese divers and of Chinese families.

A flow of Europeans in pearling, defence activity, missionary activity, general business and administration.

Much of the European population has been transitory, but with some families becoming long-term residents.

Apart from movement of Torres Strait Islanders to other parts of Australia (see Section 2.7 “The Diaspora” below), this movement of Islander population from home islands has included the resettling of Saibai Islanders from their relatively poor/sand/mangrove island close to the PNG coast to Bamaga and subsequently Seisia in the 1930’s with those communities being represented on, and covered by, the Torres Strait Regional Authority.

A feature of European/Indigenous relationships in the area has been the fact that with the exception of Thursday Is and Horn Is, most of the land in the area had never been alienated and remains in indigenous hands.

Most of the land in the NPA remains in the hands of the traditional Aboriginal community owners and land questions represent a potential issue in the area for development of agricultural production.

The 2002 Census composition of the population in the area is as follows.

Table #1.2: Population, Torres Strait, Census Count 2001

	No.	%
Torres Strait Islander	5579	*58%*
Both Aboriginal & Torres Strait Islander	1155	*12%*
Aboriginal	403	*4%*
Total Indigenous	7137	*74%*
Non-Indigenous	2533	*26%*
Overseas Visitors	28	-
Total Persons	**9698**	***100%***

Source: Cummings Economics from ABS Census data.

2.7 THE DIASPORA

Years of outward migration of Torres Strait Islanders have resulted in a situation where there are now many more Torres Strait Islanders living outside of the Torres Strait than in the Torres Strait themselves.

Table #1.3: Location of Torres Strait Islanders in Australia, Census Count 2001

	Torres Strait Islanders		Both Aboriginal & Torres Strait Islanders	
	No.	%	No.	%
Torres Strait	5,579	*21%*	1,155	*7%*
Cairns & Other Far North Statistical Div	3,936	*15%*	2,472	*14%*
Townsville & Other Northern Statistical Div	1,674	*6%*	1,202	*7%*
Brisbane	2,311	*9%*	1,597	*9%*
Other Queensland	2,915	*11%*	2,605	*15%*
Northern Territory	589	*2%*	1,060	*6%*
New South Wales	4,222	*16%*	3,455	*20%*
Other Australia	4,820	*19%*	3,982	*23%*
Total Australia	**26,046**	***100%***	**17,528**	***100%***

Source: Cummings Economics from ABS Census data.

The indications are that while there is a concentration in the nearby Cairns and Townsville and surrounding regions, the Torres Strait Islander population is spread throughout Australia.

The potential significance of this for the economic development of the Torres Strait area will be the subject of investigation in the next phases of the study.

3. DIFFERENT DEMOGRAPHICS & ECONOMIC STRUCTURES

3.1 A YOUNG POPULATION

The Torres Strait has a very young population profile compared with Australian averages with 34.4% of the population under 15 years and only 11.7% over 55 years.

Table #1.4: Age Structure of Population, Torres Strait, Census Count 2001

Age (Years)	Torres Strait		(cf Australian Averages)	
0 – 4	12.1%	} 33.4%	6.6%	} 20.8%
5 – 14	22.3%		14.2%	
15 – 24	15.5%	} 54.0%	13.7%	} 57.2%
25 – 54	38.5%		43.5%	
55 - 64	6.0%	} 11.7%	9.4%	} 22.0%
65 +	5.7%		12.6%	

Source: Cummings Economics from ABS Census data.

The figures are consistent with a high birth rate, Crude birth rate in 2004 of 20.1 compares with a national average of 12.6. Crude death rate of 4.1 has come down from 5.3 in 2000 and compares with the national average of 6.5.

The smaller older population would also be consistent with a tendency for the non-indigenous population to be transitory and live in the area for work purpose only and not retire in the area.

3.2 A GROWING POPULATION

The following table gives long-term growth in population in both 'Census Count' and 'Residential'.

Table #1.5: Long-Term Growth of Population, Torres Strait, Census Count 2001

	No.	Growth	
1971	6266		
1976	6001	1971 - 1976	*(-0.8% pa)*
1981	6131	1976 - 1981	*0.4% pa*
1986	6281	1981 - 1986	*0.5% pa*
1991	8234	1986 - 1991	*5.6% pa*
1996	8579	1991 - 1996	*0.8% pa*
2001	9698	1996 - 2001	*2.5% pa*
Av Annual Growth		**1976 - 2001**	***1.9% pa***

Source: Cummings Economics from ABS Census data.

Table #1.6: Long-Term Growth, Torres Strait, Estimated Residential Population

	No.	**Av Annual Growth**	
1976	6020		
1977	6080		
1978	6120		
1979	6180		
1980	6290		
1981	6380	1976 - 1981	*1.2% pa*
1982	6480		
1983	6590		
1984	6660		
1985	6810		
1986	6950	1981 - 1986	*1.7% pa*
1987	7049		
1988	7267		
1989	7545		
1990	7859		
1991	8103	1986 - 1991	*3.1% pa*
1992	8301		
1993	8302		
1994	8463		
1995	8560		
1996	8679	1991 - 1996	*1.4% pa*
1997	8930		
1998	9045		
1999	9451		
2000	10022		
2001	na		
2002	10337	1996 - 2002	*3.0% pa*
2003	na		
2004	na		
2005	na		
Av Annual Growth		**1976 - 2002**	***2.1% pa***

Source: Cummings Economics from ABS.

The indications are that the population in the region was declining up to about 1976, but has grown steadily since then, especially in the periods 1986 – 1991 and 1996 – 2001, but at a long-term average rate of about 2.0% pa., ie. at about the Queensland average and much faster than most Queensland regional areas.

Table #1.7: Q'ld Regions Recording a Slower Annual Population Growth Rate Than the Torres Strait (Average Annual Residential Population Growth 1992 – 2002)

Queensland Regions Statistical Division	**Major Centre**	
Fitzroy	Rockhampton	+ 0.7% p.a.
Northern	Townsville	+ 1.2% p.a.
Darling Downs	Toowoomba	+ 0.7% p.a.
North West	Mt Isa	- 1.0% p.a.
Central West	Longreach	- 0.5% p.a.
South West	Roma	- 0.7% p.a.
Cf Torres Shire		+ 2.2% p.a.
(Queensland Total)		(+ 2.1% p.a.)

Source : Cummings Economics from ABS – Cat 3201.3 & 3218.0.

3.3 CULTURAL DIFFERENCES

Although English is the dominant language in the area, for a large part of the population, it is a second language.

While 80% of the Australian population overall recorded they spoke English only at home, the percentage in the Torres Strait was 29% (48% on Thursday Is and 21% in the remainder of the Torres Strait). Many families speak Creole and some speak one of the traditional languages of the area.

Torres Strait Radio broadcasts in both English and Creole and at times, in traditional languages.

The Torres Strait records a very high level of religious affiliation, overall 95.1%, with very high affiliation with the Anglican and Pentecostal Churches compared with Australia overall.

Table #1.8: Religious Affiliation, Torres Strait, Census Count 2001

	Torres Strait	***(cf Australia)***
Anglican	43.8%	*20.7%*
Pentecostal	14.5%	*1.0%*
Catholic	10.0%	*26.6%*
Uniting Church	4.0%	*6.7%*
Other Christian Churches & Other Religions	22.8%	*29.5%*
No Religion	4.9%	*15.5%*
Total	**100.0%**	***100.0%***

Source: Cummings Economics from ABS Census data.

However, the Torres Strait population is heavily Australian born (90.7%, cf Australia 72.6%).

3.4 LOWER LEVELS OF QUALIFICATIONS

The level of qualifications of the population in the Torres Strait is lower than national averages.

Table #1.9: Level of Qualifications, % of Population 15 Years & Over, Torres Strait Compared, Census Count 2001

	Torres Indig	Torres Non-Indig	Torres Total	Cardwell Shire Tot	Aust Indig	Aust Av Total	NT Indig
Post Grad Degree	0.0	1.9	0.5	0.8	0.3	1.8	0.1
Grad Diploma	0.2	2.2	0.8	0.7	0.4	1.4	0.1
Bachelors Degree	1.1	15.5	5.2	5.6	2.3	9.7	0.9
Advanced Dip/Diploma	2.6	7.7	4.1	4.9	2.5	6.0	1.4
Certificate	7.3	20.7	11.1	17.6	9.4	15.7	3.9
Total	**11.2**	**48.0**	**21.7**	**29.6**	**14.9**	**34.6**	**6.4**

Source: Cummings Economics from ABS Census data.

However, the profile is not that low when compared with a typical Queensland rural shire – Cardwell Shire.

But there is a marked difference in the level of qualifications of the indigenous and non-indigenous population of Torres Shire with non-indigenous having a very high profile, especially in Bachelors degrees and higher (Indigenous 55 persons, non-indigenous 326 persons).

In the diploma and certificate level however, the indigenous population at 420 persons is now almost equal to the non-indigenous population at 473 persons and the profile compares well with the total indigenous population and with other indigenous populations in remote areas (eg. the Northern Territory).

The table illustrates the degree to which the area depends on the non-indigenous population for higher level skills.

The above figures have substantial ramifications for the area's economic development strategies.

3.5 LOW DWELLING OWNERSHIP

There is a marked difference in the ownership status of dwellings compared with Australian averages.

Table #1.10: Dwelling Ownership, Torres Strait, Census Count 2001

	Torres Strait	*(cf Australia)*
Fully owned	9.0%	*39.7%*
Being purchased	1.7%	*26.5%*
Rented	65.7%	*26.3%*
Other tenure type	9.6%	*2.8%*
Not stated	14.1%	*4.7%*
Total	**100.0%**	***100.0%***

Source: Cummings Economics from ABS Census data.

Almost two-thirds in the Torres Strait rent their dwellings compared with the national average of about 25%.

Owned and being purchased at about 10% compares with national averages of about two-thirds.

Most of the population however, live in separate houses rather than units and flats and other structures.

Table #1.11: Dwelling Structures, Torres Strait, Census Count 2001

	Torres Strait	(cf Australia)
Separate Houses	81%	*82%*
Non-House, Other, including not stated	19%	*18%*
Total	**100.0%**	***100.0%***

Source: Cummings Economics from ABS Census data.

As might be expected from the age profile, average household size is large along with persons per dwelling.

Table #1.12: Average Number of Persons in Private Occupied Dwellings, Torres Strait, Census Count 2001

	No.
Torres Strait	4.0
Far North Statistical Division	2.6
Queensland Total	2.6

Source : Cummings Economics from ABS Census data.

3.6 LABOUR FORCE PARTICIPATION RATES

The following table gives proportion of population 15 plus years not in the labour force.

Table #1.13: Population 15 plus Not in the Labour Force, Torres Strait, Census Count 2001

	Male	Female	Total
Torres Shire	21%	39%	30%
Cardwell Shire	24%	38%	31%
Q'ld Central West Stat Div	18%	32%	25%

Source: Cummings Economics from ABS Census data.

Proportions not in the labour force are high, but not dramatically high compared with the areas illustrated.

3.7 A DIFFERENT INDUSTRY EMPLOYMENT STRUCTURE

The following table gives the workforce structure by industry type.

Table #1.14: Employment by Industry, Torres Strait, Census Count 2001
Persons Usually Residents (ie. excluding visitors)

	No.
Beef cattle farming	5
Pig farming	3
Commercial fishing (undefined)	4
Marine fishing (undefined)	3
Rock lobster fishing	24
Marine fishing nec	4
Aquaculture	4
Other agriculture/forestry/fishing	4
Total Agriculture/Forestry & Fishery	**44**
Construction material mining nec	3
Meat processing	3
Bread manufacturing	5
Seafood processing	4
Women's & girls' wear manufacturing	3
Newspaper printing & publishing	3
Fabricated metal product manufacturing	3
Machinery & equipment manufacturing	3
Motor vehicle manufacturing	3
Boat building	3
Total Mining & Manufacturing	**33**
Electricity & gas supply	10
Water, sewerage, etc	4
Water supply	8
Total Electricity, Gas & Water Supply	**22**
Building construction	18
House construction	29
Residential building construction	3
Non-building construction	5
Site preparation services	4
Plumbing services	14
Electrical services	7
Air-conditioning & heating	3
Carpentry	10
Tiling & carpeting	3
Painting & decorating	5
Landscaping services	4
Construction services nec & (undefined)	6
Total Construction	**111**
Petroleum wholesaling	3
Electrical & electronic equipment wholesaling	3
Fish wholesaling	6
Other wholesale trade	3
Total Wholesaling	**15**

Table #1.14: Employment by Industry, Torres Strait, Census Count 2001 Persons Usually Residents (ie. excluding visitors) Cont'd	
Supermarket & grocery retailing	72
Fresh meat, fish & poultry retailing	11
Fruit & vegetable retailing	3
Liquor retailing	3
Bread & cake retailing	3
Takeaway food retailing	24
Specialised food retailing	3
Department stores	3
Clothing retailing	3
Furniture retailing	3
Domestic hardware & housewares	7
Newspaper, book & stationery retailing	8
Marine & equipment retailing	4
Pharmaceutical, cosmetic & toiletry retailing	8
Watch & jewellery retailing	3
Other retailing	7
Household equipment repair services	3
Automotive fuel retailing	3
Automotive repair & services	5
Retail trade (undefined)	26
Total Retailing	**202**
Accommodation	70
Pubs, taverns & bars	25
Cafes & restaurants	9
Clubs (hospitality)	3
Total Accommodation, Cafes & Restaurants	**107**
Road freight transport	6
Road passenger transport	9
Short distant bus transport	12
Taxi & other road passenger transport	7
Water transport (undefined)	17
International sea transport	5
Coastal & island water transport	7
Air transport (undefined)	10
Non-scheduled air transport	11
Port operators	3
Service to water transport	9
Travel agency services	12
Other transport & storage	8
Total Transport & Storage	**116**
Postal services	4
Telecommunications services	6
Total Communication Services	**10**
Finance (undefined)	3
Banks	9
Real Estate agents	3
Residential property owners	3
Plant hiring & leasing	4
Scientific research	3
Consulting engineering services	4
Computer consultancy services	3
Legal services	11
Accounting services	4
Business management services	3
Employment placement services	12
Security & investigative services	3
Cleaning services	8
Total Finance, Property & Business Services	**73**

Table #1.14: Employment by Industry, Torres Strait, Census Count 2001 Persons Usually Residents (ie. excluding visitors) Cont'd	
Central Government	62
State Government	94
Local Government	1697
Justice	3
Defence	12
Total Government & Defence	**1868**
Education (undefined)	20
Pre school education	19
School education	27
Primary education	165
Secondary education	60
Combined primary & secondary	12
Higher education	7
Technical & further education	10
Other education	9
Total Education	**329**
Health services (undefined)	54
Hospital	54
Nursing homes	15
General practice medical	3
Specialist medical	3
Dental services	3
Pathology services	3
Ambulance services	3
Health services	4
Community services (undefined)	25
Child care services	27
Community care services	3
Accommodation for aged	3
Residential care services	3
Non-residential care services	11
Health & community care (undefined)	12
Total Health & Community Services	**226**
Radio services	7
Creative arts	3
Sports grounds & facilities	3
Other recreation services	3
Video hire outlets	3
Photographic film processing	3
Gardening services	11
Religious organisations	7
Business & professional associations	3
Interest groups	3
Police services	36
Unclassified	9
Total Miscellaneous	**91**
Not stated	162
Total	**3409**
Visitors counted in the workforce	220
Overall Total	**3629**

Source: Cummings Economics from ABS Census data – Special Table.

The following table groups industry employment in Torres Statistical Division and compares it with that in Cardwell Shire and the Queensland Central West Statistical Division. It also gives figures of employment per thousand head of population in that sector. The figures are for the 'resident' workforce (ie. excluding visitors).

Table #1.15: Profile of Resident Workforce by Industry, Torres Shire Compared

	Torres Stat Div		Cardwell Shire		Q'ld Central West Stat Div	
	Count No.	Per '000 Pop'n	Count No.	Per '000 Pop'n	Count No.	Per '000 Pop'n
Agriculture/Forestry & Fishery	44	*4.5*	1,420	***124.0***	2,027	***166.7***
Mining & Manufacturing	33	*3.4*	473	*41.3*	231	*19.0*
Electricity, Gas & Water Supply	22	*2.3*	44	*3.8*	46	*3.8*
Construction	111	*11.4*	244	*21.3*	487	*40.0*
Wholesaling	15	*1.5*	140	*12.2*	175	*14.4*
Retailing	202	*20.8*	603	*52.9*	615	*50.6*
Accommodation, Cafes & Restaurants	107	*11.0*	435	*38.0*	348	*28.6*
Transport & Storage	116	*12.0*	240	*20.9*	271	*22.2*
Communication Services	10	*1.0*	34	*3.0*	74	*6.08*
Finance, Property & Business Services	73	*7.5*	249	*21.8*	240	*19.7*
Government & Defence	1,868	***192.6***	150	*13.1*	466	*38.3*
Education	329	*33.9*	256	*22.4*	463	*38.1*
Health & Community Services	226	*23.3*	241	*21.1*	439	*36.1*
Cultural, Recreational, Personal, Other Services & Unclassified	91	*9.4*	215	*18.8*	282	*23.2*
Not stated	162	*16.7*	77	*6.7*	147	*12.1*
Total	**3,409**	***351.5***	**4,821**	***421.3***	**6,311**	***518.8***
Population Count	**9,698**		**11,443**		**12,163**	

Source: Cummings Economics from ABS Census data – Usual Place of Residence.

As identified previously, the overall workforce per thousand population is lower in the Torres Strait overall.

However, the structure is very distinctly different. In education and in health & community services, ratios are roughly similar with a tendency for the Torres Strait to be lower than the Q'ld Central West but above Cardwell Shire.

In government and defence however, the Torres Shire is extremely abnormal (see further discussion below).

The very low agriculture, forestry, fishery, mining and manufacturing figures in the Torres Strait reflects the lack of economic base industries. Even the 39 recorded in the fishing industry employment is not high.

In all other categories, Torres Strait is low per thousand head of population.

The following table gives the structure of government employment.

Table #1.16: Resident Persons Employed by Sector, Torres Strait, Census Count 2001	**No.**	**%**
Commonwealth Government	104	*3%*
State/Territory Government	593	*17%*
Local Government	409	*12%*
Government CDEP	1,416	*41%*
Private Sector	831	*24%*
Not stated	88	*3%*
Total	**3,441**	***100%***

Source: Cummings Economics from ABS Census data – Usual Place of Residence.

About 40% are employed under CDEP arrangements.
Core local government employment at 409 (12%) is high (cf Cardwell Shire 106 (2%)).

The 32% of core government employment (excluding GDP) is high but compares with wider averages of:

Table #1.17: Proportion of Resident Workforce in Government Employment (excluding CDEP)

	Commonwealth Gvt	**State Gvt**	**Local Gvt**	**Total**
Torres	3.0%	17.0%	12.0%	32.0%
Australia	5.0%	10.0%	1.5%	16.2%

Despite defence and surveillance functions, Commonwealth employment in the area is lower than national averages. There is a relatively high proportion of state government employment and a very high local government employment.

Private enterprise employment at 24% is very low (cf national average 81%).

3.8 OCCUPATIONAL PROFILE

The following table gives occupational profile and compares it with Cardwelll Shire and the Q'ld Central West Statistical Division.

Table #1.18: Occupation of Resident Workforce, Torres Statistical Division Compared

	Torres Stat Div		Cardwell Shire		Q'ld Central West Stat Div	
	No.	***% Total***	**No.**	***% Total***	**No.**	***% Total***
Managers & Administrators	136	*4.0%*	676	*14.0%*	1,206	*19.1%*
Professionals	453	*13.2%*	446	*9.2%*	613	*9.7%*
Assoc Professionals	337	*9.8%*	432	*8.9%*	683	*10.8%*
Tradespersons & Related	284	*8.3%*	569	*11.8%*	846	*13.4%*
Advanced Clerical & Service	34	*1.0%*	100	*2.1%*	125	*2.0%*
Intermediate Clerical & Service	522	*15.2%*	587	*12.1%*	652	*10.3%*
Intermediate Production & Transport	222	*6.5%*	562	*11.6%*	521	*8.3%*
Elementary Clerical, Sales & Service	262	*7.6%*	337	*7.0%*	359	*5.7%*
Labourers & Related	1,053	*30.6%*	1,015	*21.0%*	1,175	*18.6%*
Inadequately described	54	*1.6%*	53	*1.1%*	53	*0.8%*
Not stated	80	*2.3%*	54	*1.1%*	76	*1.2%*
Total	**3,437**	***100.0%***	**4,831**	***100.0%***	**6,309**	***100.0%***
Population Count	**9,346**		**10,348**		**12,163**	

Source: Cummings Economics from ABS Census data – Usual Place of Residence.

The relatively low proportion of managers and administrators reflects the lack of farmers/graziers that are present in substantial numbers in the other two communities. Tradespersons and related is a bit low.

Proportion of professions and associate professionals is normal, perhaps a bit higher, and other categories are not that very different. There is a high proportion in the labourers and related category.

3.9 HIGH NON-INDIGENOUS TRANSIENT POPULATION/WORKFORCE

The non-islander population tends to be highly transient with many on shorter-term postings to the area in government jobs – education, health, police, defence, customs, AQIS, etc, but also in private enterprise, eg. banks. Some other studies in regional Queensland have referred to this group as 'spiralists' – they come through the rural communities as they spiral upwards in their organisation. They have an advantage of being well trained and professional in their jobs and at times, will bring fresh ideas and social activity, but lack long-term experience with, and commitment to, the community.

There is also evidence in the census data that a great deal of the 'visitors' counted were in the area for working/business purposes, ie. they were short-term fly-in service providers.

The following table illustrates the strong degree in which this is occurring in some sectors.

Table #1.19: Resident & Non-Resident Workforce, Torres Strait, Census Count 2001	**Resident**	**Total Including Visitors**	**Balance Non-Resident**	***Non-Residnet as % of Total***
Agriculture/Forestry & Fishing	44	55	11	***20%***
Mining	3	6	3	***50%***
Manufacturing	30	43	13	***30%***
Electricity, Gas & Water Supply	22	26	4	***15%***
Construction	111	140	29	***21%***
Wholesaling	15	27	13	***48%***
Retailing	202	206	4	***19%***
Accommodation, Cafes & Restaurants	107	128	21	***16%***
Transport & Storage	116	139	23	***17%***
Communication Services	10	15	5	***33%***
Finance & Insurance	12	18	6	***33%***
Property & Business Services	61	77	16	*9%*
Government Admin & Defence	1,868	1882	14	*1%*
Education	329	342	13	*4%*
Health & Community Services	226	256	30	*12%*
Cultural & Recreational	10	15	5	***33%***
Personal & Other Services	72	74	2	*3%*
Unclassified	9	12	3	***25%***
Not stated	162	168	4	*2%*
Total	**3,409**	**3629**	**220**	***6%***

Source: Cummings Economics from ABS Census data.

3.10 LIVING STANDARDS/COSTS & PRICES

Median individual weekly incomes of the Torres Strait population as measured by the 2001 Census was $272, compared with the State average of $359.

But median weekly rents were $59 (cf State average $152), and median housing loan repayments were $750 (cf State average $849).

A substantial number of households are also not involved in car ownership and payments.

Against this background, disposable incomes are not as low as might be expected.

On the other hand, costs of many every day consumption and consumer durables are substantially higher.

Indices of retail prices (latest available May 2006) indicate that on an index based on Brisbane 100, costs in the Torres Strait were as follows.

Table #1.20: Index of Retail Prices	
Category	
All TI 114.5	Cairns 100.9, Mareeba 95.3
Housing TI 106.3	Cairns 106.6, Mareeba 72.7
All Less Housing TI 116.7	Cairns 99.4, Mareeba 101.3
Food, alcohol, Tobacco TI 129.9	Cairns 100.6, Mareeba 101.0
Transportation (Cars, Taxi fares) TI 108.0	Cairns 97.2, Mareeba 72.7
Groceries & Tobacco TI 138.5	Cairns 102.4, Mareeba 104.3, Normanton 140.1

Source: Cummings Economics from Q'ld Gvt OESR.

Information on costs of houses on Thursday Is indicates that median sale prices have risen very rapidly over the past 10 years and are now on a par with Cairns, which has some of the highest prices in regional Australia.

Table #1.21: Single Unit Dwelling House Sales – Median Prices, Torres Shire

1996	$56,000
2006	$307,500
Growth Rate	18.57% pa.

Source: Cummings Economics from RP Data.

Behind these higher living costs are high freight costs of sea and air transport as opposed to road and rail. Low retail volumes in the smaller centres also lead to high retail costs.

Locally available cheap and plentiful sea food offsets this to some extent.

It should be noted however, that high freight costs help stimulate local production of some lines. This will be explored further as part of the study.

3.11 A MARKEDLY DIFFERENT TRANSPORT SITUATION

Transport by road from/to the south is small and includes:

- 4WD tourists who make their way to the tip with many then visiting Thursday Is using passenger ferry services.
- Occasional road transport vehicles that reach Bamaga in the dry season.

Published information was not available about numbers. This will be sought in the next phases.

There is use of motor vehicles around the NPA and the Islands, especially Thursday Is.

In the circumstances, vehicle numbers in the area are surprisingly high.

Table #1.22: Proportion of Households with Motor Vehicles, Torres Straits, Census Count 2001

Torres Statistical Area	54%
Far North Statistical Division	88%
Queensland Total	93%

Source: Cummings Economics from ABS Census data.

3.11.1 Sea Transport

There is a great deal of long distance shipping movements through the Torres Strait with Torres Strait Pilots providing a special service to vessels passing through the strait and Great Barrier Reef area.

Sea transport cargo movements from and to the south are dominated by movements from and to Cairns as the major regional centre and generally fall into two categories:

- Mother ship operations taking fuel and supplies at sea to fishing vessels operating in the area and returning with catch.
- Cargo vessels bringing equipment, supplies and fuels from Cairns (and some passengers).

There have been various patterns over the years of these services. However, the current pattern is for dedicated larger vessels to travel from Cairns to Thursday/Horn Is and Bamaga/Seisia and return (2 services a week) and smaller vessels to distribute from Horn Is to the other islands (at times in the past, the vessels from Cairns have delivered around the islands).

The international boundary with PNG represents a barrier to extending this service further to PNG centres, including complications of crewing awards, customs, quarantine, etc. Centres like Daru are supplied out of Port Moresby.

Cruise ships call with passengers visiting on shore at Thursday Island.

There is a great deal of private movement of small boats around the islands and especially to and from:

- The outer islands and Thursday Is
- The NPA and Thursday Is where a regular ferry service exists.
- Horn Is where the airport is located and Thursday Is.

The following gives statistics of cargo movements at Thursday Island.

Table #1.23: Thursday Is Seaport Cargo Movements

		2002/03 (tonnes)
Coastal	Discharged	72,838
	Loaded	2,772
International	Discharged	571
	Loaded	44
Total		**76,225**

Source: Australian Sea Freight – Bureau of Transport & Regional Economics.

Table #1.24: Thursday Is Shipping Movements

	Coastal		International	
	Visits	Shipping	Voyages	Shipping
2002/2003	63	3	0	0

Source: Australian Sea Freight – Bureau of Transport & Regional Economics.

One of the obvious aspects to pursue in the course of further inquiries is the possibility of cheap rate back-loading cargoes being developed for the carriage of freight from the islands to Thursday Is and from Thursday Is through to Cairns.

3.11.2 Air Transport

There are twice daily Qantas link flights between Cairns and Horn is. Other services are available.

Airfares Cairns/Horn Is roughly compare with Cairns/Brisbane as follows.

Cairns/Horn Is	Qantas	cheapest	$240	fully flexible	$418
Cairns/Brisbane	Qantas	cheapest	$180	fully flexible	$605
	Jet star	cheapest	$180	fully flexible	$292

Generally, it is cheaper to travel Cairns/Brisbane than Horn Is to Cairns.

Although there are daily services to the outer islands, to get there represents a significant additional cost.

Horn Is/Murray Is	advance purchase	$309
Horn Is/Boigu Is	advance purchase	$266

Regional RPT air traffic and passenger movements though Horn Is is increasing steadily at an average of about 4% per annum.

Table #1.25: Regional RPT Aircraft & Passenger Movements – Thursday Is/(Horn Is)

Year	Aircraft Movements	Passenger Movements
1995/96	1,987	34,881
1996/97	2,204	38,083
1997/98	1,852	43,313
1998/99	2,093	44,821
1999/00	2,744	47,568
2000/01	1,873	45,592
2001/02	1,752	44,681
2002/03	1,810	45,276
2003/04	1,772	46,939
2004/05	1,748	47,899
2005/06	1,737	49,923
Av Annual Growth 1995/96 to 2005/06		**+ 3.65% pa**

Source: Bureau of Transport & Regional Economics.

Inherent in the figures is a growth in aircraft size on the route and passengers per flight that has risen from 18 in 1995/96 to 29 in 2005/06.

To put airport movements into perspective, regional RPT passenger movements in 2005/06 for Thursday Is compares with the following.

Table #1.26: Airport Movements, Torres Strait Compared

Thursday Is	50,000
Longreach (Q)	18,000
King Is (Tas)	28,000
Lord Howe Is (NSW)	31,000
Broken Hill (NSW)	44,000
Weipa (Q)	45,000
Albany (WA)	50,000
Broome (WA)	60,000
Griffiths (NSW)	60,000
Norfolk Is	63,000
Whyalla (SA)	65,000
Lismore (NSW)	65,000

Source: Bureau of Transport & Regional Economics.

4. SOME PRELIMINARY ANALYSIS

4.1 INFLUENCES OF UNDERLYING ECONOMIC TRENDS

Most of Northern Australia and especially the Far North Queensland region has been growing strongly over the past forty years.

The area is tropical and historically represented more of a challenge for the transfer of technology from north western Europe.

However, tropical Australia is not poor in resources:

- In plant growth potential – (The Far North Queensland region alone accounts for 27% of Australia's water run off.)
- In marine resources.
- In minerals, and
- Importantly these days, in natural tourism resources.

Four major underlying factors have been leading to the rapid growth of the north's outside earnings based on these resources.

First, growing global markets have been reaching out for previously marginal untapped resources – be they agricultural products, marine, mineral or tourism resources. One of the great global growth areas has been nearby in Asia.

Second, transport and communication developments have been breaking down previous barriers of remoteness from major markets within Australia and overseas.

The whole history of tourism growth in the north can be written in terms of transport developments - first, cruise ships, then rail from the mid-20's, then the family car and caravan in the late 50's, and finally aircraft. However, improving road systems and superior trucks have also been important in the growth of the tropical fruit industry and road-trains have changed prospects for the cattle industry. The advent of bulk carriers has helped open up the world class but remote mineral deposits. Satellites and digital technology have revolutionalised communications.

Importantly, technology has been developing more suited to the area - not just in plant and animal breeds suited to the area, but in fields like tourism where fast passenger catamarans and subsee viewers now allow visitors to experience the reef in comfort. Importantly, advances have extended to technology that affects every day living conditions – cheap ceiling fans, air-conditioning, superior detergents, jet sprays, and superior insecticides. Better knowledge of and development of treatment for tropical diseases and ailments have reduced previous disadvantages of living in the tropics.

Finally, success breeds success factors have come into play as rising population and improving infrastructure allows more specialist services to be available in fields like medical services, education, art galleries, theatres and the like.

The foregoing factors have resulted in a major growth in outside earnings in the north as agriculture expanded and diversified, fisheries developed, mining expanded, and a major new sector, tourism, emerged.

Based on the growth of outside earnings, the region's manufacturing and service industries have grown strongly and in some fields developed to penetrate markets outside the region, eg. in shipbuilding and maritime servicing, in aviation servicing, and in international education.

Trade has developed with nearby areas to the north in Papua (Indonesia), PNG and the Pacific Islands. The region's location has also resulted in development of significant spending on defence and surveillance. Government support programs for indigenous communities have grown to make a significant contribution to the economy.

4.2 THE TORRES STRAIT

Within the foregoing context, the Torres Strait area has experienced its own pattern of economic and population growth.

Most district and regional economies in non-metropolitan Australia depend on exploitation of the area's natural resource base, be it plant growth resources (agriculture), fishing, mining, or natural tourism resources.

In the Torres Strait, a limited amount of growth has taken place over recent decades in outside earnings based on the region's marine resources. After an initial period where processing facilities were developed on Thursday Is, the prawning industry has settled down to a system where trawlers operating in the area are mainly based in Cairns and are re-supplied out of Cairns by a 'mothership' that also returns with product to Cairns. This system has limited impact on the local Torres Strait economy. Development of cray fishing however, provided greater local employment opportunities.

Limited tourism development has occurred, mainly related to 4WD adventure travelers reaching the NPA. Defence and surveillance spending has increased in the area.

However, the major contributor to economic growth has been government support programs in two directions.

a) Special job creation funds through the CDEP program and workforce training initiatives.

b) Funds to bring other government services (eg. health, education and training), and infrastructure (eg. transport and communications, water, power, housing), up to national standards.

The next phases of the study have explored economic development opportunities to:

- Move towards full economic independence by greatly increasing outside earnings.
- Reduce the dependence of the area's local service economy on the importation of skills from outside the area and increase the participation of the local population.

The foregoing sections indicate some special strengths and weaknesses of the area in achieving this.

Strengths include:

- The substantial improvements that have been made over the past few decades in education levels and workforce skills in the area.
- The substantial upgrading that has taken place in the region's infrastructure.
- The strength of the region's natural resource base especially in the form of marine resources.
- The potential strength of its tourism resources both natural and cultural.
- Its strategic location in relation to shipping movements, defence and surveillance needs.
- The area's possible relations with a developing Papua New Guinea and Papua Indonesia.
- Growing population, services, and infrastructure in the nearby regional areas of northern Queensland. (The opening of Cairns airport to international services has already had a significant impact on the region's potential.)

The area's weaknesses include:

- Workforce and business skills and experience, although improved, are still below national averages.
- The local population has limited private savings and capital resources.
- Remoteness and transport/communication cost penalties, although diminishing, are still a problem.
- International border complications.

PART-2: ECONOMIC OPPORTUNITIES

5. GENERAL

5.1 OVERVIEW

Most of Australia’s regional economies are based on industries that involve exploitation of some form of natural resource, be it plant growth (agricultural and pastoral industries), mineral resources, marine resources, and importantly these days, natural tourism resources (eg. for the Cairns area – reef and rainforests). These industries normally earn income from outside the region (and often from overseas).

Based on these industries, a service industry structure develops – retailing, local government, business and financial services, education, and health, etc. that can, in time, come to provide more jobs than the base industries. However, take the base industries away and the service structure will disappear (eg. actual mining accounts for only 40% of the jobs in Weipa).

Historically, the major industry base for the Torres Strait economy has been its marine resources with minor contributions from mining and horticulture.

However, the largest of the marine activities, the prawn industry, is conducted straight out of Cairns, with boats coming up to fish and going back for servicing, fly-in/fly-out crews, and resupply and transport of product straight back to Cairns on ‘motherships’. Little ‘rubs off’ on the local economy – about the only thing being Yorke Is having the advantage of direct flights out of Cairns. While the other major fishery, the cray fishery, has a larger local participation, the outside earnings relating to the local community are still relatively small. Holiday tourism is still small and largely confined to the NPA with a number taking a day trip over to Thursday Is.

Apart from nature based tourism, the Torres Strait also offers a cultural tourism element that is currently small. Some outside markets have been developing for Torres Strait fine arts, crafts, and performing arts.

Historically, the Torres Strait area has also had some other ‘natural’ industries because of its location. Defence and surveillance have been around for a long time and are likely to be around well into the future.

The area’s location in relation to major international shipping lanes and the hazardous nature of the Torres Strait/Great Barrier Reef area has given rise to specialist transport services activity in the form of the Torres Strait Pilot service.

However, the outside earnings by the ‘base’ industries are relatively small compared with the scale of population in the area and the economy is very heavily dependent on special government assistance, especially through the CDEP scheme.

While there are prospects to develop business and job opportunities in the service industry structure in the area (that will be expanded on in this report), if the Torres Strait economy is to become fully self sustaining, it is vital that the level of ‘outside earnings’ of the ‘base’ industries be increased greatly.

The following identifies a wide range of smaller opportunities that might be pursued. Some of these relate to mining and plant based industries. However, the most extensive opportunities tend to be in:

- The traditional field of marine industries/aquaculture, and
- on a growing scale, in tourism, and associated culture based activities.

It should be noted however, that development of opportunities tends to take place over time and can be inter-related. The following does not seek to place opportunities in a strict time framework.

It is also important in pursuing economic development to take a longer-term view and recognise that one step can lead to another.

For instance, historically, the tourist industry in the Cairns area was initially built on the back of facilities such as airports, jetties, etc. put in place by the agricultural industries. An industry initially built on domestic tourism, up until the 1970's, was able to launch itself onto international markets in the 1980's and 1990's.

In the Torres Strait, the community infrastructure and training put in place by governments in recent years has been a necessary precondition for the Torres Strait developing its economy strongly over the next decade.

6. BASE INDUSTRIES

6.1 MARINE INDUSTRIES

Background

The marine industries have been the long-term industry mainstay of the Torres Strait economy.

Apart from commercial fishing, there is substantial 'traditional' fishing for household supply including dugong and turtle for traditional usage.

Administration of the fisheries in the area north of 10° 30' south (ie. just north of Hammond Is), up to the international boundary with PNG is shared between the Australian and PNG governments. The area of joint administration is called the Torres Strait Protected Zone and administered by the Protected Zone Joint Authority with heavy input from the Australian Fish Management Authority (AFMA).

The arrangements provide for a sharing of catch with PNG vessels including prawns, rock lobster, Spanish mackerel and monitoring of traditional catches of dugong and turtle. Licencing and control arrangements for some fisheries extend further south of 10° 30' south to include waters down to the NPA area.

Non-traditional inhabitants can only participate in the fishery through the purchase of existing licences. Traditional inhabitants need to hold a current Torres Strait Traditional Inhabitant Fishing Boat licence (TIB) if they wish to carry out commercial fishing in the area.

The following licenses are in place for the different fisheries.

Table #2.1: Current Licences for the Different Fisheries – Torres Strait TSPZ

Fishery	Commercial Fishing Boat Licenses (TVH)		Traditional Inhabitant Licenses (TIB)	Total
	Primary	Tenders	Primary	
Beche-de-Mer	0	0	131	131
Crab	0	0	119	119
Tropical Rock Lobster	24	60	409	493
Reef Line	9	24	204	237
Mackerel	16	31	230	277
Net	0	0	151	151
Pearl shell	20	35	73	128
Prawn	70	0	0	70
Trochus	0	0	116	116

Source: TSPZ Joint Authority Annual Report, 2004-05.

Catch Transport & Marketing

Apart from the fishing effort, an essential part of the fishery is the transport and marketing of the catch which generally takes place through the regional city of Cairns.

The prawn take is generally transported to Cairns in 'motherships' originating out of Cairns.

Live lobsters (as opposed to frozen tails) are transported by air to Cairns where they are shipped direct overseas, especially to Asian markets.

For handling other product, there are a number of receival depots located on the islands, mainly freezers, some with an ability to hold live lobsters and on Thursday Is. These depots (sometimes referred to locally as 'factories'), are variously owned by the community Councils, local individuals, and outside companies.

For instance, the two on Badu are owned by local individuals, those on Murray and Darnley by the Councils, and those on Thursday Is by non-traditional residents/companies.

Distribution of Fisheries

The distribution of different types of fishery resources is not uniform across the area.

The Eastern group is close to the outer reef and deep water and tends to dominate in various fin fish including Spanish mackerel.

The prawn fisheries are mainly located in the Central group area.

Lobsters are found throughout but are especially related to the major reef areas. Pearl shell was widely distributed ranging from shallower reef areas to the Darnley deeps but the traditional pearling industry seems to have been heavily oriented to the Western and Inner island groups. The pearl farms are in the Inner group and NPA.

Value of Fisheries

Known information about the value of the main fisheries is:

Prawns	\$15.0 m
Tropical rock Lobster	\$12.0 m
Mackerel	\$1.2 m

Source: TSPZ Joint Authority Annual Report, 2004-05.

The following looks at each existing or potential fishery in turn.

Prawns

Prawns are the largest fishery and mainly located in the Central area and especially based around Yorke Is (Masig).

However, the fishing boats are from Cairns or other areas further south where their refitting and maintenance is carried out. They are mainly crewed by non-Islanders, are supplied at sea by 'motherships' out of Cairns who transport their catch back to Cairns.

There are 70 licences all held by non-traditional inhabitants. Apparently, 3 licences were held at one stage for traditional inhabitants but were passed in as part of a deal to gain licences/fishing effort in other directions.

The degree to which the industry is divorced from the local economy is illustrated by a comment received, that the island communities found it difficult to purchase the locally caught prawns for community special events

The prawn fishery is static and seems unlikely to increase. It includes some PNG boats.

The prospect of catching and supplying 'brood stock' Leader Prawns from the Boigu and Saibai Island area to supply prawn farms further south was raised. The Great Barrier Reef Marine Park's Representative Areas Program closed off areas previously used to catch 'brood stock' and on the surface, the project seems worthwhile pursuing.

The prospects of developing prawn farms in the area was raised. While the output has a high value to weight ratio and good back loading rates to the south could probably be negotiated, feeds would need to be imported at extra cost and production in the area would need to exhibit advantages in other directions to be competitive with existing farms in Queensland closer to markets.

Tropical Rock Lobster
In the Torres Strait context, the term tropical rock lobster and crayfish are interchangeable. In fact, the term crayfish is the most widely used.

The fishery output is of live crayfish that are flown out, and frozen craytails that can be transported by sea.

The live product is of course more valuable but involves more difficulties in handling.

There are two methods of catching - free diving, especially in shallower waters, and 'hookah', ie. using an airpipe system that facilitates deeper diving.

Discussions in communities indicated some concern that non-Islanders using 'hookah' caught cray in deeper waters before they moved up into the shallower reef areas, thus restricting islander catches. However, there seemed some reluctance by Islanders to use 'hookah' that was regarded as more dangerous.

There is currently a training program underway to familiarise Islanders with 'hookah' and scuba diving techniques which would seem to be important.

TSRA is currently involved in negotiations to raise the allocation of access to catch to Islanders. However, concern has been expressed that Islanders may fail to take up the catch level.

Obviously, training and support with suitable equipment will be important.

Professionalisation of Islander fishing will also be important and is covered in a following section.

Research is being undertaken at Queensland Department of Primary Industries, Cairns, into possible crayfish aquaculture involving gathering juveniles, growing out and replenishing stocks. Progress needs to be monitored.

Spanish Mackerel
Fishing for Spanish Mackerel seems to take place especially in the Eastern group area.

Although there are extensive licenses available to Islander fishermen, it seems that there is a substantial difference in catch efficiency between Islanders who use their normal run-about boats for this and outside professional fishermen who use a main boat and specialised dories for the purpose. These dories enable the user to steer the boat with their foot leaving two hands clear to increase the catch rate by a substantial amount.

Obviously, Islander participation in the fishery could be increased by investing in more specialised equipment.

The professionalisation of participation is also an issue in this fishery, as discussed below.

Pearl Shell

Massive over fishing for pearl shell up to the 1950's has led to depleted stocks that are struggling to recover.

Current collecting is to provide stocks to pearl farms which are located in the Thursday Is/NPA area.

A proposal has been put forward by a Saibai Is group to establish a pearl farm close to the island which should be considered seriously. The taking of only one thousand shells to start the farm is involved and this should not overtax the resource. The proponents have worked in the industry in Western Australia and include a person skilled in seeding.

Our attention was drawn in one community to the pearl oyster being a great delicacy. It is a small volume by-product of the pearl farms (see also below re oysters).

It would seem to us that the possibility of artificially expanding the wild pearl shell numbers to bring them up to their previous numbers might be examined.

The pearl shell population has the potential to support:

- Pearl farm production of pearls for world markets.
- Production of shell for direct sales and conversion into craft and jewellery items.
- Pearl shell oyster production for the restaurant trade.

As noted below, the industry has the capacity to be an important element in the development of the region's tourism, with pearls and pearl shell items being to the Strait what opals are to Australia's tourism and pawa shell to New Zealand tourism.

Oysters

There are substantial occurrences of black lipped oysters on rocky headlands along the NPA and Torres Strait.

While some work has taken place at Palm Is in the past on potential commercial farming of these oysters, no successful commercialisation appears to have taken place so far.

Fin Fish

There seems to be a capacity to expand the catch especially of reef fish in the Eastern group. Expansion of commercial licences is limited to traditional inhabitants, but bans on any commercial fishing at all appears to be in place in some areas (eg. Top Western area).

There is a barramundi fishery in the top Western group, but it is reserved for community fishing.

It is likely that there would be a substantial potential for barramundi caught along the PNG coast to be commercially exported via the top Western islands to Australia (see further re crabs below).

Crabs

Current stocks and catching of mud crabs seems to be mainly in the top Western group and NPA with small numbers being caught for local usage. There is a substantial demand for crabs for the restaurant trade in Cairns and further south at prices that will stand air transport.

There is a substantial resource across the border in PNG.

A proposal has been put forward at Boigu for a crab farm that would import 'crablets' from the south and grow them out in holding pens. A proposal has been put forward to establish a processing unit on Saibai that would import frozen crabs from adjacent areas in PNG and supply cooked crabs to the restaurant trade in Cairns.

Establishing the Top Western area as a crab industry and supply area should be pursued.

Trochus

This fishery has been very important in the past, even providing the basis for a short-lived button factory built in Cairns during the 1950's. However, with plastics replacing shell, the industry declined. There was a more recent resurgence.

Collection is in the hands of traditional inhabitants and it seems likely to rise and fall depending on world market prices.

There was a suggestion received that processing to produce blanks might be worth looking at with resulting reduction in transport costs to markets.

Beche-de-Mer

This fishery is in many respects similar to trochus in that there has been a tendency for the market to come and go.

It is subject to over fishing with controls on some species currently in place. There were suggestions received in one community that some of the catch restrictions needed to be reduced.

About 600 tonnes of production were recorded in 2005.

Live Fish

Recent work by Cummings Economics for the Queensland Air Transport Council identified two types of fisheries output being exported in significant quantities via Cairns airport not yet established in the Torres Strait.

- Live fish for the Asian restaurant trade.
- Live aquarium fish.

The live fish for the Asian market are mainly Coral Trout and are being caught around Cairns and southwards along the reef and from where they are being trucked to Cairns for export. The trade is reported to be lucrative. The cost of transport might put the Torres Strait at a cost disadvantage.

Most of the live aquarium fish seem to be coming from the Cairns area. We believe that potential volumes involved would not put an undue pressure on resources and possibilities are worthy of further investigation.

Sea Sponges

The sea sponge farming project at Yorke Is with prospects of being expanded to other islands is well progressed and well documented. It seems to have good prospects of success and is worthy of progressing further.

Turtle

The Applied Ecology attempt in the 1970's to develop turtle farming failed (incidentally the other project undertaken by Applied Ecology at the time, the crocodile farm at Edward River (Pormpuraaw), succeeded and continues to this day).

Juvenile turtles have a high mortality rate in the wild and their hatching and raising can increase survival rates dramatically. However, turtles have a long life span and the turtles that are traditionally taken for food are relatively old. Keeping them in captivity for very long periods is probably not economic. However, there may be prospects of releasing them after being raised past juvenile levels to increase stocks and to replace those taken, thus allowing the catch of mature turtles to be lifted.

Dugongs

There seems to be no suggestions that dugong takes can be raised on a sustainable basis and commercialised. Annual reproduction rates were reported to be 3 – 5% compared with 100% for sheep.

Analysis

It seems that the amount of employment in the marine industries, especially of traditional inhabitants, can be increased significantly in a number of ways:

(1) Through the share of existing fisheries being accounted for by traditional inhabitants being increased.

(2) Through increasing take of some species.

(3) By developing aquaculture/mariculture projects.

(4) By stock replenishment action.

The relatively poor participation in the existing fisheries by traditional inhabitants appears to be due to a number of factors.

In the case of the prawning industry, the vessels involved are large, involve a large investment, and require high levels of technical and management skills to operate. The major operating consumables, including fuel needs to come from Cairns, and the product needs to go back to Cairns in any event for transport further south. This makes it cheaper to supply direct to and from Cairns by ship rather than land on Thursday Is or one of the other islands. Poorer availability of sophisticated back up refitting and maintenance services in the Torres Strait relative to Cairns is also a factor. Lack of facilities for this type of operation in the Torres Strait means that the vessels might as well base in Cairns.

Thursday Island’s high costs of living, including housing, also mitigates against basing vessels and their crews on Thursday Island.

Any action to try to increase the local participation in the prawn fishery would need to address all of the above factors. The first step is probably to get the support facilities and living conditions in place in the Torres Strait to attract existing vessels to base in the area.

In this, it should be noted that the same conditions apply to the Gulf fishery that tends also to be supplied out of Cairns and bypass centres such as Weipa and Karumba.

If Thursday Is can attract trawlers operating in the Torres Strait to base there, it is also likely to attract those operating in the Gulf.

It would be in the interests of the existing major transport operators to increase volume on existing services by attracting business away from the ‘motherships’.

However, failure of traditional residents to participate in the prawn fishery can also be attributed to lack of capital, management, and technical expertise.

Shortcomings in this direction are also evident in the other fisheries.

While Torres Strait Islanders grow up with a deep affiliation with the sea and fishing, passed down from generation to generation, this relates to traditional ways of doing things which does not necessarily equip them for participating in a modern professional fishery that requires:

(1) Specialised knowledge and skills to locate fish stocks including knowledge of, and use of sophisticated equipment.

(2) Investment in and use of specialised boats.

(3) A professional full-time attitude to making a living from fishing.

Much of the area's economic future is bound up in marine activity and fishing, and there seems to be a need for a greatly increased level of locally available training.

It was suggested that maritime training facilities that extends to fishing and aquaculture skills might also be aimed at providing training for other indigenous populations in Australia and overseas, especially the Pacific area.

It needs to be recorded that the whole CDEP system, while admirable in its aims, is tending to mitigate against the professionalisation of fishing activity. Widespread inquiries in the communities indicated that most commercial fishing activity was taking place in a situation where communities had a one week on and one week off CDEP scheme and that most those fishing were on CDEP and only fishing part-time on the week off. There were very few identified who had become professional full-time fishermen.

The lack of professional approach extended to failures to invest in and use hookah equipment in the cray fishery and efficient dories in the mackerel fishery.

It is not the responsibility of this report to make judgements about how CDEP should be administered. There are many other factors involved. However, it is its responsibility to record the economic ramifications of the current system.

Another disadvantage that the traditional Island community has had in relation to fisheries has been lack of knowledge of and contact with outside markets. This has meant that non-Islanders have dominated the distribution and marketing of product.

It is an obvious direction for Islanders to move into as skills develop. However, it would need to be careful and well planned. The 'diaspora' of Torres Strait Islanders, many with well developed skills, might assist in this regard.

6.2 AGRICULTURE/HORTICULTURE

The small land area of the Torres Strait/NPA area would appear to mitigate against the development of major agricultural/horticultural activity. Quarantine restrictions provide another barrier (see Section 7.2 "International Boundary & Quarantine Constraints").

However, there does appear to be some opportunity for production for local consumption including some special production for tourism purposes and some for outside consumption.

The Torres Strait Island people while relying heavily on marine fishing activity also had a traditional 'gardening culture' with food production activity and cooking heavily influenced by introduced tropical plants and Asian cooking styles during the 'pearling' ara.

Although the area has a distinct winter and early summer dry period, and, in some areas, soils are poor, the area has a strong and reliable wet season. Even on the drier and poorer soil islands, like Horn, Prince of Wales, Badu and Moa, there are patches of rainforest in favourable locations.

In the NPA, there are extensive rainforest areas (the Lockerbie Scrub) and growth on the volcanic soil islands of Stephen (Ugar), Darnley (Erub), and Murray (Mer), can be luxuriant.

Foodstuffs

There is clearly a sentiment to promote the availability of traditional food sources like cassava, yams, sweet potatoes, bananas, mangoes and coconuts. (The special potential of the Wongai Plum is covered below.)

Encouragement of production and preparation of such foodstuffs has some advantages:

a) In replacing imports.

b) In promoting an improvement in diets, especially to combat diabetes.

c) In developing culinary arts of interest to visitors (see section below).

There is obviously a special market for these types of foodstuffs for special cultural events including weddings, tombstone openings, and the like.

While individual home gardens might be encouraged, the possibilities of developing commercial market gardening for local and other clients needs to be investigated. Those island areas with superior soils and rainfall will have an advantage.

Badu Island has a well established hydroponic production facility and gardens and there are moves in this direction on other islands. Bamaga is currently moving to re-establish its farm.

The possibilities of the island communities developing production for other islands is constrained:

a) By quarantine restrictions on movements to supply Thursday Is and the NPA.

b) By lack of regular transport links between the Western, Central and Eastern groups.

Hammond Is would be in a good position to supply Thursday Is and the outer islands but not the NPA area.

The NPA is in a special position to supply Thursday Is and the outer islands but there would need to be some minor adjustment of shipping services to facilitate this. (The Seaswift vessels come up from Cairns to Horn Is, then Seisia and return direct to Cairns.)

The problem is that no body has a real idea of the degree to which there would be a market for these traditional foodstuffs and given production seasonality, it could still be cheaper and easier to draw these products direct by ship out of Cairns.

Certainly, the cooperation of retail stores in facilitating distribution of such product would be needed.

Hopefully, the feasibility study for the reopening of the Bamaga farm will throw some further light on the potential size of the market.

It seems to us that achieving a break through in this field would require a concerted action that included TSRA communities, the Health Department, tourism interests, Queensland Department of Primary Industries, and distribution outlets.

Livestock Industries

Livestock raising has not been a traditional Torres Strait Islander activity.

The little livestock raising found in the area included a Bamaga resident with 90 head of cattle turning off about 10 a year and a few goats at St Pauls.

It would appear however, that pigs run wild and are hunted on Moa, probably the other Western islands, and the NPA, that deer have run wild on Prince of Wales, and that goats have run wild at various times in the past on various islands.

Significantly the cattle at Bamaga are slaughtered on the ground and sold in quarters and have a ready market for special events (weddings, etc.). It is likely that many more could be sold for this purpose. It would appear that land could be leased that would allow the herd to be increased to about 500 head.

However, the Seisia and Bamaga DOGIT areas are limited with most of the land in the NPA under the control of the non-TSRA communities.

Significantly, the Seisia community owns a cattle property on the Atherton Tablelands and has established a butchery which could eventually process local cattle production for local markets once the demand for quarters for special events was exhausted.

It would appear to us that cattle, goats or deer could be run on Prince of Wales, Badu, Moa, and Darnley Is and possibly Horn and Hammond, provided arrangements could be made with traditional owners and, especially with goats, that environmental safeguards and dog control were put in place.

Intensive livestock industries like chickens, pigs and crocodiles require food sources. For chickens and pigs, this is usually grain, but for pigs, it could be crops like cassava, taro, cashew fruit, etc. which might possibly be grown in the NPA. The question of crocodile farming was raised and while the area is highly suitable and crocodile skins and meat are high value products that would stand the cost of shipment to outside markets, crocodile farms require a nearby source of cheap second-grade meat products/offal. Most are located next to chicken farms where they are fed offal, heads, feet and old laying hens, etc. The only possibility in the TSRA area would appear to be as an adjunct to other livestock industries or next to a plentiful supply of low cost fish products.

Native Plants

We did not find any evidence of Torres Strait native plant foods having been studied for potential for outside markets, such as the restaurant trade.

However, one obvious candidate is the Wongai Plum.

The Wongai has a special place in islander culture and there is a legend that if a visitor eats the Wongai fruit, they will return to the Torres Strait.

The plum grows prolifically throughout the Strait and its special position is reflected in local place names. The old Wongai tree on the Thursday Is Esplanade in front of the Federal Hotel was so important that when it fell over some years ago and appeared to be dying, a special block wall was built around it. New shoots have appeared and it is growing again.

The prospect of using the Wongai as a tourist promotion tool is obvious. Tourists could be presented with or have the opportunity to buy Wongai Plums on their visits to promote their return.

There could be a potential additional market for the native foods restaurant trade and Wongai could possibly be incorporated into conserves, biscuits, ice creams, etc. A dried Wongai has a taste similar to a dried date.

Another aspect of the Wongai tree that is special in the area is its prized use for carving. (Note the tree also grows in the Malaysian area where its wood is used for furniture.)

There are some problems however, that need to be overcome. First, it is a slow growing tree that takes a considerable number of years to bear fruit. It is likely that any production would need to rely on existing stands of the tree.

Secondly, most of the trees are probably on islands in the quarantine zone. There would need to be special arrangements and possibly treatment to get fresh fruit, and possibly dried fruit, to Thursday Is and then further south.

To progress the matter, the quarantine service (possibly the special unit at Mareeba), would need to carry out a risk assessment and come up with appropriate solutions. The Queensland Sandy Trout Food Preservation Laboratory might usefully look into treatment/preservation possibilities. The product would need to be referred to appropriate restaurant operators and 'bush tucker' distributors for assessment.

Other Horticultural Possibilities

Apparently, beach almonds formed part of traditional foodstuffs and this might be assessed along with the Wongai plum.

Cashew nuts have grown prolifically around Bamaga township for many years. Cashew nuts are a high value to weight product and the fruit could be used for human consumption or feeding to pigs, etc. However, cashews have a processing problem. Removal of the outer poisonous shell that contains a blistering agent is labour intensive. This tends to restrict commercial production to low wage countries (eg. India). It is possible that mechanisation can be achieved. However, a plantation established near Mareeba about ten years ago appears to have failed.

There was some comment on very early fruiting mangoes but we were unable to gain definite evidence of varieties involved that might meet a market niche.

Ornamentals & Erosion Control

Torres Strait Islander gardening traditions have extended to significant use of ornamental trees and shrubs in the various communities.

Indeed, on the sand cay islands of Yorke, Poruma and Warraber, there is evidence of a distinctive gardening style combining ornamentals with raked sand, with rake patterns in the sand. At the new resort units at Yorke, this is combined with wooden walkways but generally substantial use is being made of concrete block pavers for hardened streets and walkways as part of this style.

On Thursday Is and throughout the islands, the range of colours and types of frangipani and crotons is most noticeable. Local myths and legends include one featuring a 'Poincianna Lady' with bright red hair and long black fingernails.

The surveying did not reveal any ornamental types that might find markets outside the region and thus, any prospective commercialisation is likely to be confined to local markets.

Bamaga Council has a nursery and the horticulture project at Badu has an ornamental nursery aspect.

A horticulture project on Poruma is being put underway mainly aimed at propagating casuarinas, locally known as 'She Oaks' for erosion control.

A previous nursery on Thursday Is had ceased. There would seem to be an opportunity on Thursday Is to establish a small nursery operation. Bamaga could be a potential supplier.

Research & Extension Services

The agricultural/horticultural potential of the area seems to be relatively poorly defined. The prime government agency, the Queensland Department of Primary Industries, does not appear to have any presence in this field north of Mareeba. There is a very strong nursery industry and botanical gardens presence in the Cairns area. There could be benefits in encouraging more of an input from relevant organisations and institutions based in the Cairns area.

6.3 MINING

Enquiries at Queensland Mines indicated no prospective activity in the area.

However, inquiries among mining interests in Cairns resulted in identification of interest in wolfram on Moa Island. This was confirmed through discussions with communities in the area.

Mining of wolfram (tungsten) has taken place historically on Moa Island in an area to the south-west of St Pauls, north of Kubin, and to the west of the road linking the two communities.

Current interest is being driven by high prices and there are good prospects of these high prices continuing.

The tungsten price approximately trebled in 2005 and has remained high since (see table). World consumption is growing and China (the major world supplier), has changed from being a major exporter and current world supply is believed to be less than usage and supplies being met by previous Russian stockpiles that are believed to be close to depletion.

Table #2.2: Tungsten Prices $ per Metric Tonne Unit

Dec 2004	$90 - $93
Jun 2005	$285 - $295
Dec 2005	$260 - $265
Jun 2006	$249 - $259
Dec 2006	$242 - $247
Mar 2007	$260 - $265

Against this background, moves are currently underway for reopening wolfram mining at Wolfram Camp and the Mt Carbine area near Mareeba.

Interest appears to have been shown by a number of companies but no recent exploration and testing of extent of deposits appears to have occurred.

First thing that needs to happen is for a mining exploration company to take an Exploration Permit over the area as a basis for investing the requisite capital in testing the extent of the deposits and the feasibility of it being developed as a commercially viable mining operation. The next step, if justified, is for the company to apply for a mining lease.

There would need to be negotiations with the community and traditional owners before the project could proceed.

Obviously, an active mine could provide employment and have other economic benefits for both Kubin and St Pauls communities. However, the extent of any opportunity will not be known until exploration takes place.

The current world market situation provides a 'window of opportunity' for attracting investment in the necessary first step of 'proving up' the deposits.

Location of the deposits would not appear to conflict with any aspect of tourism development on the island.

Queensland Mines resource map records wolfram occurrences on Badu Is also that might be examined at the same time as those on Moa.

Other Mineral Occurrences

As with the wolfram deposits on Moa Is, the current world demand for minerals could provide an opportunity for further exploration of potential mining development opportunities in the area.

Gold has been mined on Possession Is and more recently on Horn Is, but there would not appear to be any interest at present. Mines Department resource maps also record some copper, silver, lead and tin occurrences in the NPA/Horn Is area. Smaller bauxite deposits are recorded at Turtle Head on the east coast south of the Escape River and other locations to the immediate south of the NPA, but there seems to be no current developmental plans.

Extensive silica deposits further south at Cape Grenville are covered by National Park constraints.

Participation in Outside Mining Activity

Torres Strait Islanders have a history of participating in mining operations and infrastructure development including building railway lines in Western Australia.

Improvement of the road linking Bamaga and Weipa could enhance prospects for NPA residents travelling to the Weipa area for employment.

It was reported that there were at least four persons living in the area involved in 'fly-in/fly-out' to mining operations elsewhere in Australia. There are major 'fly-in/fly-out' flows of personnel into mines in Papua New Guinea (PNG), especially out of Cairns, and given proximity of the PNG mines, the prospects of skilled trades people flying in and out to PNG mines might be worth looking into.

Quarry Products

The question of quarry products was raised on a number of occasions and on visits to the island communities, substantial quantities of sand and aggregates in bags were evident.

There is a quarry on Horn Is that supplies a range of aggregate needs including the needs for finer grade aggregate for the block production plant at St Pauls. There is a quarry and crushing plant at Badu but grades are not suitable for the nearby block plant at St Pauls.

In the past, there has been a quarry on Dauan Is but it is not operating at present. The location is close to the barge ramp but proximity to housing might be a problem for blasting. The question of developing the quarry to provide material to nearby low lying Saibai and Boigu Islands was raised.

There was some criticism of recent importation of substantial amounts of fill from Cairns to Boigu when more nearby sources in the Torres Strait might have been used.

It would seem that any major future upgrading of the road between Bamaga and Weipa will require substantial amounts of road building materials including aggregate and possibilities of establishing a quarry in the NPA might be looked at.

Some problems were also recorded of native title restricting extraction of sand for local usage.

As a general observation, banks of shells/shell grit on old dead coral reefs can provide a source of lime potentially for products like calcil bricks We did mot make inquiries but it seems likely that such resources could exist (see also section on construction).

It is suggested this whole field of quarry products and building materials might be looked into further.

6.4 TOURISM

There is no doubt that the Torres Strait, including the NPA, has a great deal to offer as a tourism destination at a national and international level.

- Idyllic tropical islands in a stunning marine environment.
- A distinctive exotic cultural and historical background, and for Australians, a special geographical location.
- Excellent infrastructure and safety factors.

Major disadvantages include:

- The area's remoteness and cost of access.
- Lack of tourism infrastructure and skills.
- Lack of presence in tourism markets.

However, the disadvantages are breaking down, especially as transport costs fall relative to other costs.

The advent of family 4WD vehicles and improved roads opened up adventure 4WD trips to the NPA. Apart from independent travellers in 4WD's, there are 4WD safari operators who use the road. Seaswift have also developed a market taking passengers on their vessels to and from the Torres Strait/NPA area.

Some of the independent 4WD travellers will put their vehicles on Seaswift or Endeavour shipping vessels for the trip southwards and the 4WD safari operators will operate a north/south shuttle, carrying passengers north by 4WD and flying them back, bringing others up by air to return by 4WD.

It is estimated that about 25,000 – 30,000 visitors a year visit the NPA area. They arrive between the months of May to November, depending on the Peninsula Road being open.

Seisia and Bamaga communities have developed businesses to provide services to these visitors. Seisia provides camping and cabin type accommodation by the sea, service station store, café/restaurant, and booking centre/souvenir store and would like to develop a swimming pool. Its Town Plan has reservation for a motel. Bamaga has moved up-market to some degree with a resort type development and a restaurant that also caters for business/official type traffic.

There is a low key resort type development at Punsand Bay owned by non-traditional residents. The Injinoo community's wilderness lodge "Pajinka" at the base of the Cape York promontory itself failed and is now inoperative.

The major activity for these types of visitors is to visit and stand on the tip of Cape York, the northern most part of the Australian continent. Other points of interest include the historic "Somerset" settlement, and the Lockerbie Scrub. Hire vehicles are available and tours at a cost of $88.00. A visitor/cultural centre has been established at Bamaga.

It was estimated that about 50% of these visitors took the trip to Thursday Is/Horn Is, some, estimated at 10% (1,000 – 1,500), staying overnight. Coach tours around Thursday Is are operated by Peddells and around Horn Is by the Gateway Resort. The tours mainly visit points of historical interest.

Some recreation fishermen come to and from the area by air. It was reported that there were 5 fishing guides based in the Seisia/Bamaga area. In addition, a fishing charter vessel “Carpentaria Safaris” operates from Seisia with extended trips into the islands offering fishing experiences and Northern Blue Extreme operates fishing charters out of Thursday Is.

Thursday Is is now being regularly visited by cruise ships, especially the Cairns based “Reef Endeavour”. Passengers will come ashore and visit Gab Titui with some taking coach tours around the island.

Table #2.3: Cruise Ships Visiting Thursday Island, 2005 & 2006

		No.
2005	Reef Endeavour	6
	Orion	3
	Silver Cloud	1
	Clipper Odyssey	1
Total		**11**
2006	Reef Endeavour	10
	Coral Princess	6
	Orion	4
	Seabourn Spirit	2
	Columbus	1
	Funchal Cruises	1
	Clipper Odyssey	1
	The World	1
	Oceanic Princess	1
	Silver Cloud	1
Total		**28**

Source: Gab Titui.

An outstanding 2-unit, very ‘up-market’ resort has been built at Poruma.

Most of the island communities have accommodation variously called guest houses, lodges and in some places, motels that mainly cater for business/officials/workers staying overnight on the islands.

Accommodation recently built at Yorke and under construction at Warraber is to a standard and suitably located for holiday traffic. The inappropriately named ‘Dongas’ at Poruma also have potential for housing holiday traffic.

Apart from ‘business/work’ traffic, the foregoing also cater for some recreation fishing traffic.

Qantas link estimates that traffic to and from Thursday Is is composed as follows:

Table #2.4: Estimated Composition of Air Passenger Movements, Thursday Is – Cairns Route.

		%		Est Pax No’s. 2006/07
Business		60%		33,000
Government	(42%)		(23,100)	
Private	(18%)		(9,900)	
Local Residents & VFR (including school children)		25%		13,750
Holiday		15%		8,250
Cruise/Seaswift Pax’s	(0.75%)		(400)	
4WD Safari One-Way	(12.00%)		(6,600)	
Direct Holiday	(1.25%)		(1,250)	
Total		**100%**		**55,000**

Source: Cummings Economics from Discussions with QLink.

Most of the holiday visitors are estimated to relate to the NPA safari traffic.

There is substantial traffic between the islands and Thursday Is for business, visiting friends and relatives/special events, shopping, and for education purposes. Specialist hostel accommodation is available for students.

The National Visitor Surveys and International Visitor Surveys record the following average visitor numbers to Torres Strait including the NPA.

Table #2.5: Average Visitor Numbers to Torres Strait including the NPA

	Overnight Visitors	Overnight Visitor Nights	Average Nights
Queensland	19,250	119,250	6.2
Interstate	9,250	154,500	16.7
International	2,216	13,327	6.0
Total	**30,716**	**287,077**	**9.3**

We suspect that given the high 'business/work' visitation to Thursday Is, the above estimates of visitor numbers may be low and not include those to the NPA.

Some Factors Affecting Future Trends & Opportunities

Tourism in the area has been progressing.

The vehicle-borne 4WD visitors to the NPA have risen in numbers over the years, but any further dramatic rise in numbers will probably depend on major progress in upgrading the road. The area's recreational fishing traffic has been increasing, the Seaswift cruise traffic has come into the picture, and in more recent years, the cruise ship traffic to Thursday Is and some of the other islands.

Any strategy for tourism development in the Torres Strait needs to include extending this type of traffic.

a) The 4WD traffic with perhaps, one way by boat or air.

b) The cruise traffic out of Cairns and out of further south.

However, the real challenge for the Torres Strait area is to break through into 'fly-in' traffic in a substantial way.

In this regard, the emergence of Cairns as a major national and international tourism destination and the accompanying development of air services to Cairns as the major hub airport in northern Australia has greatly improved the air accessibility of the Torres Strait for national and especially for international visitors.

However, transport costs both to and within the area remain a major barrier. While it can be expected that transport costs will fall as more efficient aircraft are developed and bigger volumes make use of larger aircraft viable, this will only happen gradually. A major infrastructure need is to keep expanding the capacity of Horn Is airport to handle larger aircraft.

Thursday Is does not provide the full 'Torres Strait experience' and many visitors feel that their experience of the Torres Strait is not complete without a visit to the outer islands. But the cost of an airfare to most islands at present is as much as the airfare from Cairns to Horn Is and from Cairns to Brisbane. The area is not geared up for boat access at present.

In developing tourism in the Torres Strait, a further constraint needs to be recognised and faced. The Torres Strait offers a distinctive cultural environment. While many aspects of Australian ways of life are evident in the Torres Strait, for most Australians visiting the Torres Strait, there is a potential for 'culture shock' aspects to arise with concerns about safety, of self and possessions, health and access to normal services like money, and telephone contact. It should be said that reverse 'culture shock' concerns are evident in the wariness of some communities about embracing tourism. Even at Seisia, that has up to 200 visitors a night staying next to the community during the May to October, a view was expressed that there was a sense of relief when the season finished, they all went home, and life could return to normal.

In tourism, by and large, the wilder and less secure an environment, the more important it is for many visitors to be able to be kept in a 'bubble' from which they can look out at what is around them, but feel safe. There especially needs to be a 'bubble' they can retreat into at night.

In considering the future opportunities, there also needs to be a recognition that it is wrong to think of the tourist market as one monolithic market. Tourism is composed of a whole range of market segments – defined variously by origin, by ages, by modes of transport, by incomes, by aspirations and interests.

The following looks at development of opportunities against the foregoing context.

Development of 4WD Based Tourism to the NPA

It would seem that Seisia and Bamaga have already risen to the occasion in the provision of suitable infrastructure to service and encourage tourism.

It would seem that the best prospects of further development lie in directions other than provision of local infrastructure and services, although no doubt, there are needs in this direction.

The major needs appear to be:

a) The upgrading of the road between Weipa and Bamaga.

b) Better promotion of the upper peninsula, including the opportunity to experience the Torres Strait through a visit to Thursday Is.

Once graded after the wet season, the road to Weipa is quite good for an unsealed road. Improvement of the road between Weipa and Bamaga promises to have a disproportionate impact in encouraging 4WD visitors to risk the trip. It is the notorious worst section.

The proposal of NPA communities to come together to develop the equipment and workforce skills to upgrade the road would appear to provide an opportunity for Federal and State Governments, and improve the road at minimal cost to taxpayers. A benefit cost analysis of the impacts of improving the road, especially as an alternative to CDEP funding should be carried out if it has not been done so already (see also discussion in the mining section).

The question of whether the Torres Strait should be promoted alone or along with the upper peninsula (Weipa and NPA area) was raised in discussions.

The existing dominance of the 4WD traffic and its relevance for immediate development of tourism in the Torres Strait and considerations of economies of scale suggest that it is probably best for the immediate future to promote both areas together.

Accommodation – Thursday Is

Business traffic demand for accommodation on Thursday Is has been growing, occupancy rates are high. Often rooms are difficult to obtain at short notice and room rates are high.

While cheaper accommodation is available on Horn Is, and is well placed to cater for the needs of those flying in and out to the islands, Horn Is lacks the tourist atmosphere of Thursday Is.

Current housing shortages and high rents on Thursday Is are making the situation worse, resulting in some government and company agencies placing people in hotel rooms when they would otherwise be in flats.

It was suggested that there was also a need for expanded accommodation for traditional residents visiting from the islands, as previous customs of living with relatives diminish.

Against this background, there is a need for expanded visitor accommodation on Thursday Is.

It would seem to us that there could be one or more opportunities to develop accommodation whose viability was supported initially by business traffic, but which could be of a style and location to act as a catalyst to start developing 'fly-in' resort tourism to the island.

Ideally, this could be developed in a way that acted as a stepping stone to foster tourism in the outer islands.

Clearly, the question needs further research, but our current thinking would be to develop a property that had a recognised 'tourism' operator with a known brand name and marketing power involved.

Subject to further detailed studies, two potential sites on the island suggest themselves – the TSRA land on the hill behind the main town area or the Council land around the Cove at the end of Douglas St. Both are within walking distance of the town centre and other facilities.

The foreshore location might be combined with a marina development (see section on cruising yachts below).

Thursday Is & Surrounding Attractions

Thursday Is is not large. A reasonably fit person, initially using the track via Sadies Beach or the Lions Lookout from Port Kennedy to Waiben, can walk around the island in two to two and a half hours. If the Port Kennedy/Waiben track was improved, it could be cycled around in lesser time. It is not difficult to walk to the Green Hill Fortress or the cemetery.

It would greatly expand the interaction of visitors, including business visitors, with the island and its attractions if walking/cycling tracks could be developed/improved along with hire bikes being available.

While there is good access between Thursday Is and Horn Is, visitors find it difficult to get from Thursday Is to Friday Is, Hammond Is and Prince of Wales. All have potential visitor attractions – Friday Is, the pearl farm, Hammond, the church, its distinctive cultural background and rainforests, Prince of Wales its walking trails, waterfalls, beaches and camping/picnicing areas. An important ingredient is already in place on Hammond Is, the existence of employed 'rangers' who can meet with and guide visitors around the community, but importantly, in a controlled way, into the rainforests. Special arrangements may need to be put in place for Prince of Wales.

Simple cheap water taxi services such as exist between South Mission Beach and Dunk Is are all that are needed, that can be arranged in advance and are easily contactable and possibly operate in conjunction with other business. Can the taxi operators extend their services to include water taxis?

Just as high car ownership mitigates in some towns against the development of profitable bus services, high boat ownership probably acts against the development of these simple, but essential water taxi services, if visitor movements around the area are going to be facilitated.

The Outer Islands – General Tourism

This section relates to general tourism – people who just want to look around and experience somewhere interesting and different. Special interest tourism is dealt with separately below.

There are two dominant factors at play.

- The varying natural and cultural attractions of the various islands.
- Proximity to Thursday Is and transport costs.

In relation to the first factor, the magnificent volcanic islands of the Eastern group and the specially charming atmosphere of the sand cay islands of the Central group are probably superior.

However, they are also further from Thursday Is/Horn Is gateway for on-carriage, both by air or sea.

On the other hand, although not as visually attractive, the Western group and particularly Kubin is quite close to Thursday Is and much more easily reached by visitors.

The Top Western group suffer from distance and are not as visually attractive as tropical paradises. But they have some advantages.

- They are geographically the northernmost part of Australia. When you stand on the foreshore at Boigu or Saibai and look across a small stretch of water, you can see Papua New Guinea and along the Esplanade, buy artefacts from Papua New Guinea residents.
- The granite mountain of Dauan standing up out of the sea, the dark green flat islands and coastline of PNG is visually very different to most parts of the world.
- Saibai has a special cultural link with Bamaga and Seisia, the current heart of tourism in the area. (It was reported that in the past, some air tours have run out of Bamaga to Seisia.)

The interplay of these different factors will lead to different opportunities and approaches.

However, as a general rule, it would seem that the closer to Thursday Is, the more that the islands will be able to feed off Thursday Is and the NPA and be an extension of the current visitor pattern.

The further away from Thursday Is, the more they rely on niche markets or major developments that create their own marketing and transport momentum.

Day Visitors/Activities

Some of the islands already have rangers in place that can be used as a foundation for controlled offering of attractions and activities for both day visitors and overnight visitors.

It is suggested that the Torres Strait look at developing a qualified guides system such as was established some time ago in the Queensland Gulf area and called the 'Savannah Guides'. A major difference is likely to be that guides would be skilled in both the marine and terrestrial environmental guiding and in cultural aspects.

Such a system would help establish high standards of quality control and confidence among visitors in unfamiliar surroundings and help allay any community fears of uncontrolled visitor activity.

It is likely that in the initial phases of development, their activities would need to be heavily subsidised and their activities related to patrolling and protection. As visitor numbers increase, they could generate income from visitor sources.

Use of Existing Accommodation

All the communities have existing accommodation in the form of guest houses, lodges, etc that represent an initial opportunity to enter tourism in a small way. Most interface closely with the respective communities. To reduce culture shock/fear factors, it is suggested that an attempt be made to standardise prices and quality of offerings and market them as a chain. It is suggested the emphasis be on short stays and the existence of guides to show visitors around and help with activities.

The inherent principle probably is that the closer the accommodation is to the community, the greater need for community backup.

Transport

Key to the development of significant tourism in the Torres Strait outer islands is reduction of transport access costs.

There is an active aviation sector based on Horn Is (RPT and charter) mainly catering for government clients that is highly competitive and keen to attract business. It has become active in developing product (eg Cape York Helicopters sightseeing flights). But air transport in light plane is expensive and there is widespread apprehension among visitors about flying in light aircraft.

Yorke Is has an advantage of direct access out of Cairns.

While superior aircraft and competition is likely to gradually bring costs down, air transport costs are likely to remain a barrier.

The following looks at possibilities of water transport.

One possibility would be to extend the practice of taking passengers on cargo vessels (such as is occurring on vessels plying from Cairns to Thursday Is/NPA), to the regular services between Horn Is and the outer islands. This has been suggested to Seaswift in the course of discussions. One complication raised is the irregularity of arrival and departure times at some islands due to tides.

The other possibility is to seek to attract a small cruise operator with accommodation on board. Cruising of this nature is a special market and is covered in the special markets section below.

The third possibility is to develop passenger ferry type operations from Thursday Is. It appears that a fast vessel was tried in the past, but did not succeed.

Clearly, the easiest target would be the Western group.

The distance to Kubin at about 40 km direct is not that much more than from Thursday Is to Seisia 33 km. The relatively large populations in the Western group (about 1,500) also means that local and tourist traffic could be combined.

On the other hand, the Western group has much the same look as the group around Thursday Is and there would need to be substantial attention paid to product development of the substantial cultural, historical and nature based attractions in the area. From Moa Peak, if it could be accessed easily, it is reported that you can see both the PNG coastline and Cape York

The next nearest group of islands are the Central group with Warraber 80 km away from Thursday Is and Yam and Poruma forming with Warraber a triangle with about 35 km distance between each island. Populations in this triangle are however, smaller (about 800), with a further 300 plus at Yorke.

The trip between Poruma and Yam passes the bottom end of the Great Warrier Reefs where the pearling industry originated and Yam has sites of cultural significance. The distance from Thursday Is around the triangle and back is about 200 km and it is difficult seeing it developing as a day trip.

The distance through to Yorke from Poruma is a further 50 km and from there 35 km to Stephen (Ugar), and 45 km to Darnly (Erub). Murray is particularly remote at a further 70 km.

Day trips by ferries out of Thursday Is would be impossible to the Eastern group which would need to be seen as involving overnight stays. The same applies to the Top Western group.

Larger Accommodation/Resorts

While accommodation can possibly be expanded in most communities to higher levels than at present, there will probably be a limit to the extent this is tolerable to the community. This will probably vary from community to community and over time.

The construction of accommodation for larger visitor numbers might take place adjacent to but away from the communities – close enough for communities to provide the workforce, but far enough away for the visitors to not impinge unduly on community life.

It is possible that this could take place, in some cases, on a separate currently uninhabited island or in a different part of the larger islands.

It is suggested that for this type of development, communities (with financial backing of bodies like IBA and TSRA) might engage with experienced companies to operate the resort with conditions about use of local workforce, tour guides/operators, etc.

A problem with establishing visitor accommodation away from the community will be cost of duplicating infrastructure and services (water supply, power generator, road access, airstrips, etc).

It is envisaged that this model would be most appropriate for the more distant island groups.

Cruise Vessels

The fact that Captain Cook Cruises and other cruise ships are now calling regularly in the area underlines the potential attractiveness of the Torres Strait as a cruising destination.

Conditions might be coming right for a small cruise vessel with accommodation on board to be based at Thursday Is.

'Water Coaches'

The other possible model to look at would be the 'tour bus' concept, where a small passenger 'water coach' vessel took visitors on booked tours with prearranged overnight stays at selected islands and day visits to various attractions along the way.

The problem at present is that scale of accommodation is not sufficient on most islands for any but very small groups. There are numerous coach companies throughout Australia that run this sort of business on land who might get interested in expanding it to a marine environment. The existing 4WD safari operators to Cape York are in this type of business using camping gear where accommodation is not available.

This type of business will often be seasonal.

Bare Boat Charters

Another potential model that operates successfully in the Whitsundays is the 'bare boat' charter business where visitors hire boats which can be yachts, sailing catamarans, or motor cruisers (eg see ww.rentayacht.com.au).

Special consideration would need to be given to special hazards of the Torres Strait and defining rules of landing and access to island communities.

Special Interest Markets

Fishing

The special interest market that has already started arriving in the Torres Strait is fishing with five guides reported at Seisia and the fishing charter companies operating out of Seisia and Thursday Is. It was reported that fishing groups were basing at Yorke.

It would appear that the best prospective area for game fishing is the Eastern group. The major question is where boats might base closest to the prospective catch areas and whether there is a need for 'motherships'.

However, good recreation fishing is pretty much prospective throughout the whole Torres Strait and is likely to be a part of tourism development in most areas.

There are prospects of other specialised types of fishing being developed in some areas (eg fly fishing at Poruma).

Scuba Diving

The Torres Strait is not yet established in scuba diving. There is substantial international competition for quality diving sites. Some worries were expressed about strong tides and sharks and their risks to inexperienced divers. There would seem to be a need for a review to identify whether internationally competitive sites exist in the area. The best prospects appear to be around wrecks and along the outer reef.

Reef Viewing

For ordinary visitors observing marine life of reefs can pose substantial difficulties and an important part of their experience has traditionally been provided by devices to facilitate viewing – underwater observatories, glass bottom boats, and semi submersible vessels.

If the Torres Strait area is going to enter reef tourism seriously, investment in this type of facility needs to be considered at suitable locations.

Cruising Yachts

Discussions with Immigration and Quarantine at Thursday Is and discussions at Seisia indicate substantial numbers of cruising yachts passing through the Strait – those passing between Australian ports and those arriving/departing from overseas ports.

Those arriving from overseas ports, must land first at a declared port for Customs and Immigration clearance. Thursday Is is a declared port. A charge is made at all such ports for clearance.

It is estimated that an average of 2 – 4 a week are arriving at Thursday Is during the South-East season. It is estimated about 100 a year are first port (about ⅔ international and ⅓ Australian), and about 100 a year passing through on domestic trips. Super yachts calling are probably about 5 a year.

At Seisia, it was estimated that up to 100 a year were calling.

It is suggested that the possibility of establishing marina type facilities be investigated.

Cruising yachts can generate significant expenditure and will pay for berthage at marinas.

It would also facilitate the work of Customs. Immigration and Quarantine if such a marina facility was in place at Thursday Is rather than officers having to go out on a boat to inspect the yachts.

A possible location is the foreshore land owned by Torres Shire Council. There could be a possibility of incorporating accommodation development with such a facility.

Other

Potential to develop tourism of a type where visitors pay to come to help locals with research and conservation might include:

- Identification and recording of cultural sites (eg Badu and Moa). (Monash University staff have recently been carrying out some research.)
- Turtle nesting (eg Darnley, Murray and other islands).

It was interesting to receive reports that bird watch groups are already visiting the Northern Peninsula Area and the Top Western group.

Moa Island is reported to have a green forest dragon that occurs only in that part of the Torres Strait.

Product/Attraction Development & Marketing

The prospects of greater visitor numbers in the area needs to be accompanied by a program of product/attraction development.

Action needs to take place to identify and protect sites of cultural significance including any cave paintings, rock carvings, etc.

A number of communities had plans for art, craft and cultural display centres. It is suggested that availability of one of the large old outrigger war canoes with sails on display would be of great interest, as would one of the old luggers.

There needs to be a great deal more interpretive material available. The communities do not seem to have simple written informative material available on the background to that community and its attractions.

Signposted walking tracks will be needed in some areas.

It is vital that current moves to set up a tourism organisation for the region proceed.

Apart from marketing the area, visitor information and guiding systems need to be established. The organisation will also act as a focal point for assistance with developing product/attractions.

6.5 CULTURAL INDUSTRIES

Visual Arts & Crafts

The area is off and running with a program of developing its visual art and craft production. A number of young artists who went through the Cairns TAFE a decade ago have been making a name for themselves at a national level, the most notable being Dennis Nona. Excellent art centres have been established especially at Kubin and Darnley, but also in other centres. The TAFE is participating and Gab Titui has become an effective central coordinating point for the development of fine arts in the area.

The Cairns TAFE Art School and Cairns Regional Gallery, some of whose key staff are from the Torres Strait are also playing a key role in the development and promotion of Torres Strait fine arts.

While promising artists have demonstrated that Torres Strait fine art work can achieve national and international recognition and markets, achieving markets for the area’s growing numbers with aspirations and training in this field needs attention.

A common characteristics of artists, is that they tend to lack skills and natural aptitude for marketing.

There is a structure of agents, buyers, galleries and other outlets between the artists and purchasers. Customers can be:

a) Residents living outside the region.

b) Outside visitors to the region.

c) Local residents and businesses.

It also needs to be recognised that there are different levels of type and quality of arts and crafts – ranging from fine art through to simple craft items.

At the top end is the international and national fine art market that is looking out for quality work that will sell at a top level. The way into this market is through the major national and international art buyers and galleries based in the major southern centres. They have already been successful in taking western desert Aboriginal art to world markets. They have been on the look out for other indigenous styles and talent and artists like Denis Nona have introduced them to Torres Strait distinctive capabilities.

Our impression is that at the top end of the fine art market, the Torres Strait is in the process of being recognised.

It is suggested that Gab Titui can play a major role as a link with national galleries and buyers. It is already playing a role in providing a show case and sales point for this type of output to locals and to visitors.

However, at the lower end of the market, given the volume of output available, there appears to be a gap between artists and distribution outlets in the area (eg normal retail outlets for locals and for visitors).

For instance, a prime outlet selling gifts and souvenirs to visitors to the NPA indicated that they could sell a lot more local work if they could get hold of it. This situation seems likely to be replicated in the Cairns area and further south.

It is suggested that it could be worthwhile looking at the distribution system to seek to foster a business that receives income from commissions, but specialises in filling the need of outlets for Torres Strait product. This business would be a focal point that shops/outlets can ring up to order when their stocks are running low. But also the business could have a sales person going around checking stock levels, organising product, and introducing new lines.

The cooperation of existing retail distribution outlets in the Torres Strait might be enlisted. Facilities in Cairns of distributors like IBIS might be able to be used to facilitate distribution in the Cairns area and further south.

PNG Product

Apart from Torres Strait product, some artefact/craft products on sale in the area are obviously coming through from PNG and comments in an earlier section about regularising trading arrangements with PNG apply in this field. The dealer/distributor business specialising in Torres Strait output could help sustain its viability by also handling PNG product.

Performing Arts

Music, singing, and dancing are part of Torres Strait traditions. One has only to listen to Torres Strait radio and local church singing to recognise that a love of music and singing is deeply embedded in the Torres Strait culture.

Historically, the area has produced fine singers and singing groups like the Mills Sisters and more recently like Seaman Dan and Christine Anu who have commanded audiences outside the Torres Strait.

Exposure of visitors to the music, singing, and dancing of the Torres Strait can become part of the area's special tourism product.

It is noticeable that Seaman Dan's recordings are widely available on sale on Thursday Is. The recordings are made at specialised high quality recording studios in Cairns.

There would seem to be an opportunity to diversify the recorded product available so that other material was available – the church music, traditional singing, story telling, and lesser known artists.

Trying to record this in Cairns involves high costs of travel and there would seem to be an opportunity for Torres Strait Radio to set up quality recording studios. The facility and specialist staff might have a link with the education system.

The proposed art/craft distribution business could also handle and promote the recordings produced.

Being able to observe traditional dancing is a potential highlight to visitors. From time to time, there seems to have been interest in Cairns in emulating the success of Tjapukai Aboriginal Dance Theatre, with Torres Strait dancing being available but nothing has been successfully developed.

Assembling a dance team, practising and performing, is expensive if carried out on a paid commercial basis. Currently, performances seem to be only carried out on a non-professional basis for special events.

Attempts to stage dancing on a commercial basis for cruise ship visits appear to have foundered on vagaries of arrivals and on arrival times. The Bamaga Resort advertises occasional traditional dance entertainment.

The Maori Haka, although best performed by a group, can be effectively performed by a lone dancer, especially if a spear is used as part of the dance. This raises the question as to whether an effective single performer adaption can be developed.

Torres Strait Radio reaches into the PNG coastal centres where local PNG radio services are poor. Any review of border commercial arrangements might look at the position of radio 4MW.

Film & Television

Film and television viewing are an important part of every day modern life and the Torres Strait has recently been 'discovered' as a location for films and for documentaries.

Our experience is that film making tends to come and go and cannot be relied upon to be a continuous provider of jobs. The important thing is to be able to react quickly and positively when opportunities occur. Delays in local government permissions and arrangements can drive production away. There are some firms and individuals in the Cairns area that specialise in scouting locations and in production 'back up' that might be encouraged to take an interest in what the Torres Strait has to offer.

At present, there seems to be a poor capacity for television news and other film story material to come out of the area.

There would seem to be an opportunity to expand the role of TSIMA in association with national indigenous television networks to facilitate the shooting of material in the area and its transmission outside the region.

Clothing

Torres Strait has distinctive female clothing styles. There are businesses involved on Thursday Is or elsewhere in producing garments and significant T-shirt printing is taking place in art centres.

The art/craft distribution arrangements might be able to be expanded to facilitate distribution of this type of product to wider markets.

Culinary Arts

Cooking, especially for special events, forms a special part of Torres Strait island life and potentially part of its tourism appeal.

Locals speak with enthusiasm and warmth about the local cooking skills for special ceremonies and occasions. A small takeaway/eatery has been established in Cairns specialising in Torres Strait dishes.

In the horticulture section, the question of growing suitable traditional ingredients locally was canvassed to replace imports and improve diets.

Ron Edwards has published an excellent Torres Strait Cookbook.

Growing visitor numbers will require more chefs. It was quite noticeable however, that there seemed to be very few or no chefs of islander origin being employed and no attempt seems to be made to feature distinctive Torres Strait dishes at restaurant/dining rooms.

A great deal of tourism can be built around distinctive food and drink and it is recommended that part of the region's cultural industries initiative be in the direction of promoting and developing culinary skills and foodstuffs.

The heart of Torres Strait cooking is likely to orient to fish and marine products. The whole issue of traditional hunting and consumption of turtle and dugong is very sensitive. However, can the arrangements and safeguards be put in place that visitors can also have a taste?

6.6 DEFENCE & SURVEILLANCE

The 2001 Census recorded local full-time employment in defence of 12.

Enquiries indicated that employment in the Navy was 3 and Army 9, plus 90 Reserves.

In addition, there are frequent operations of defence vessels in the area requiring supply of fuels and stores.

There seems to be no plans to increase the defence presence in the area although there have been suggestions in the past by the Queensland Premier that Thursday Is should be expanded as a Naval Base.

Prospects for increasing jobs seem limited.

Significant employment of Torres Strait Islanders has occurred in Immigration, Quarantine & Customs and there seems little prospects of anything but a gradual increase in Islander employment.

Table #2.6: Approximate Employment, Immigration & Customs, Torres Strait

		Non-Indigenous	Indigenous	Total
Immigration	Thursday Is	2	4	6
	Islands	-	27	27
Total		**2**	**31**	**33**
AQIS	Thursday Is	-	-	9
	Islands/Bamaga/Horn Is	-	-	19
Total		**-**	**-**	**28**

An illegal immigrants holding centre has been set up on Horn Is.

Solving the housing crisis on Thursday Is is important to encouraging positioning of staff in the area as opposed to 'fly-in/fly-out' of services.

Increasing local capacity to supply services to these departments is also likely to be important.

Problems seem to have been encountered in a local business being developed to subcontract the burning of illegal boats caught in the area, but this project should be pursued.

6.7 INTERNATIONAL TRADE

Somerset was initially established in the 1870's with high hopes of it developing as another Singapore. Its successor, Thursday is, has historically fulfilled a role in the transport services linking southern Australia with the south East Asia and India via the Torres Strait as a port of call, as a 'coaling' station' for steamships on the route and subsequently as a fuel bunkering stop.

These days, a great deal of large shipping passes through the Strait, mainly through the Endeavour Channel (east west) and the North East Channel to and from PNG, but virtually none make port calls. However, Thursday Is is an important centre for the Torres Strait pilots who guide the large ships through dangerous Barrier Reef waters. This is a highly skilled and specialised activity with limited prospects of employment.

Suggestions were received that Wednesday Is adjacent to the main shipping lanes might be developed as an entrepot type container port where shipping proceeding on east west routes might unload containers for distribution down to ports along the east coast of Australia.

We have not fully evaluated this suggestion. However, the main high volume global trade route linking the Suez Canal, India and Singapore across with the Panama Canal passes along the equator north of PNG, a factor that contributes to Lae being the largest port in PNG as opposed to Port Moresby.

In the course of the study, information was received about plans for potential major spending in Western Province of PNG that could influence future development of the Torres Strait economy. As compensation for the environmental damage caused by the OK Tedi Mine, a special fund has been established to promote development in PNG and especially Western Province. The fund is governed by a board of trustees chaired by imminent Australian economist, Ross Garnaut, of the Australian National University. The fund is reported to be currently approaching kina 1 billion. Among projects believed to have been looked at has been the construction of a road from the OK Tedi area to the coast in the Daru area (unconfirmed report) and as mentioned, on their website, the development of Daru as a deep water port.

As mentioned in various parts of this report, there are prospects of a number of products from across the border (eg. barramundi, crabs, arts and crafts) using the superior transport link from Saibai and Boigu to be sold to markets within Australia. It was reported that live cray fish are at times flown from Daru to Horn Is for transport further south.

Timber would be another obvious product to draw from across the border, although it would be necessary to undertake treatment before on shipment. In discussions with Councils, the possibility was raised of using cheaper labour in PNG for manufacturing type activities, eg furniture making (timber and cane) and clothing, to be sent to the rest of Australia or overseas.

At present, the Australian coastal vessels out of Cairns supplying the islands close to PNG do not enter PNG waters. The complications do not make it worthwhile. Clearly, there seems good prospects that Daru and the nearby coastal areas could be supplied with goods more cheaply and efficiently through an extension of these services than through services from Port Moresby.

There is a further long-term factor, the Peninsula Development Road is gradually being improved and at some stage in the future, will reach a point where road transport vehicles will be able to travel right up to Bamaga. If road development on the PNG side also occurred linking the coast to other parts of PNG and the short ‘seabridge’ services seem likely to eventually develop including roll-on/roll-off services.

It is clearly important to the long-term development of the Torres Strait that TSRA inform itself of proposed developments in Western Province and commence a dialogue with the development fund and with Western Province.

7. THE SERVICE ECONOMY

7.1 GENERAL

As depicted earlier in this report, development of most Australian regional economies is based on activities that earn income from outside the region, mostly dependent on natural resources. With these in place, a service structure follows that includes a whole host of activities like retailing, business and finance services, education and health and various other government, community and recreational services. Typically, these activities can come to create more employment than that directly in the 'base' industries earning outside income but their size and extent depends on the size and extent of the 'base' industries. If the 'base' industries are taken away, the service structure is likely to go also.

This section of the report looks at economic development opportunities in the service industry structure.

7.2 LAND & HOUSING SHORTAGES – THURSDAY ISLAND

A major general problem that is impacting on the whole economy of the region is the land and housing situation on Thursday Is.

Land and house prices and rents have reached ridiculous levels given Thursday Island's status as a regional centre of about 3,000 - 4,000 people. The State Government has commissioned a separate study and it is not the position of this study to go into the causes and supply answers.

However, it is the role of this study to point out the necessity of firm action being taken to deal with the situation.

It is affecting the ability of Thursday Is to provide services throughout the Torres Strait at a reasonable cost and the ability of the area to replace 'fly-in/fly-out' of service delivery with local employment. It is also affecting the ability of Islanders to move into regular local jobs and own their own home. As was pointed out, successful Islander families earning good incomes reach a point where they no longer qualify for subsidised government housing. It was reported that one such successful family was moving away because the alternative was for them to pay very high rentals or extremely high costs of purchasing a house.

It is also the position of this report to point out that there could be business opportunities to participate in the property development that needs to take place on the island.

In the process of interviews for this report, the desirability was raised of construction of a causeway/bridge to link Thursday Is to Horn Is where large amounts of land would be available for urban expansion. The airport and main shipping terminal are located on Horn Is.

Determining the benefits compared with the costs of this are beyond the scope of this report, let alone consideration of environmental aspects. Prospects of also using such a structure for tidal power generation might be looked at. Although there are probably superior locations in the area in relation to tides and currents, a generating facility built into such a structure could have advantages. Some simple preliminary costings and analysis of benefits would probably determine when such an option was likely to be economically feasible.

7.3 RETAILING/DISTRIBUTION

In all regional economies, retailing/distribution is a major employer.

Against a background of financial difficulties reported by IBIS, some input was received about the desirability of replacing IBIS with some other structure.

Some communities have already moved to a point where IBIS is not involved and the stores are run by private individuals. Some communities expressed a wish to receive rentals from IBIS for community ground occupied and some wanted to have the right to negotiate agreements with IBIS or others. In a number of communities, small outlets, the equivalent of after-hours corner stores, have been set up by individuals and in some, individuals have set up take-away/café type facilities.

One wholesale group based in Cairns who learnt of the study expressed a strong wish to be able to negotiate with individual communities to provide retail services.

IBA has supported the Outback Stores concept that apart from conducting efficient stores in indigenous communities, has an agenda to improve diets.

There was criticisms of inefficiencies and failures of IBIS to meet needs but we have been in no position to make judgements about whether they were justified or not.

One important revelation was the opinion expressed at Badu which now has two privately owned stores that since the second one had opened, prices had come down.

A number of points are probably worth making.

The total population of the Torres Strait is still only about 10,000 and quite a few of those are on incomes substantially less than Australian averages (although subsidised housing costs are low and disposable incomes are not as low as might first appear).

Costs of shipping goods from the south together with lack of back-loading will necessarily mean that retail prices will be higher.

While Thursday Is and larger communities like Badu might be able to support competing independent stores, it is difficult to see anything but a monopoly situation on the smaller islands.

While Thursday Is would probably be adequately serviced if IBIS withdrew, with possibly an IGA type supermarket taking its place, the Thursday Is operation probably helps IBIS achieve economies of scale in its buying that helps keep prices down for the smaller islands.

As mentioned in various parts of the report, any structure should look to achieve an alliance with the region's retailers to promote the use of locally grown produce, plants, etc. and the marketing of the region's arts and crafts and other products.

7.4 INFRASTRUCTURE SERVICES

Previous programs, along with the recent major infrastructure program, have left the Torres Strait communities relatively well served with infrastructure.

While there are some weak points in Telstra's Next G network (which we have passed on to Telstra), the whole telephone communications system is good, especially considering populations and distances.

Roads in a number of communities are substandard and the critical link on Moa between St Pauls and Kubin is subject to being easily cut by flooding and becoming boggy. Responsibility is believed to lie with Main Roads Department.

We have identified in another section the opportunity for the NPA communities to develop an enterprise to undertake major road upgrading works between Bamaga and Weipa.

Airstrips are now all sealed although the need to rely on ferries or helicopters to access Dauan and Stephen imposes a real cash or time cost on organisations servicing all communities. It certainly underlies the importance of an efficient water taxi network.

Marine facilities appear to be basically good although some improvements and replacements are probably necessary. The development of an efficient water passenger network of water taxis and ferries will probably require improvement of these types of facilities.

Electricity infrastructure is good. Over time, there are good prospects of electricity generation being switched from diesel generator to other sources. Some new technology is coming through in the solar energy generation field and the company involved is keen to trial it in remote situations. Wind power is already being used on Thursday Is. It is believed that a company has been looking at tidal power potential in the area.

Fuel prices in the area tend to be high because of transport factors and seem likely to go higher with the likely introduction of carbon taxes on carbon rationing and trading.

However, the situation seems likely to result in new crops being developed for biofuels and opportunities may occur especially for areas like the NPA. Likely tropical crops of relevance could be oil palm, coconut palm, and cassava.

Water infrastructure including desalination plants on a number of islands appears to be satisfactory but more extensive horticultural development may require further development.

7.5 CONSTRUCTION

A substantial amount of construction in the area has taken place in the past, using outside contractors. There has been scope for development of Islander contract teams.

The TRAWQ group of communities have developed capacity in this field. We found evidence of construction teams currently or having operated in the past, mainly out of the Western group.

St Pauls community has built a block plant that has been supplying quality blocks and pavers throughout the communities. They have been able to negotiate good back loading/special rates with Seaswift. There is some new technology coming available to produce lightweight blocks and this is being passed on to the blockworks' management for their evaluation. The plant was purchased second hand and will need replacing at some time. It was estimated that the plant was probably only supplying 20% of the Torres Strait market and could be in a position to supply into nearby PNG markets.

It would seem that the operation's current major need is to strengthen its marketing activity. There would be a potential for a sawmill in the NPA or PNG to supply wooden pallets to the plant. Additional investment in undercover storage of sand would help increase productivity.

Attention is drawn to a thrust by the Cape York Policy Institute to look for new local building materials that might suit local indigenous communities and reduce reliance on expensive imported building materials. Reference is made in a previous section in the likely availability of lime from shell grit drifts or old dead reefs in the area.

7.6 ENGINEERING & EQUIPMENT MAINTENANCE

There is a need to continue increasing engineering and equipment maintenance capacity in the region and skills of Islanders to participate in these activities.

There has been a traditional need for servicing and maintenance of boats and marine motors. The switch of dinghies used for inter-island family transport from aluminium to safer fibreglass vessels is requiring new skills for hull repair.

There is a need to look into the prospects of expanding the marine service capability in the area, including possible marina development for various vessels (including local vessels, tourist vessels, ferries, visiting yachts, fishing vessels), backup facilities of slipways, dry storage and repair facilities (including traveling overhead slings to lift boats out of the water), and supporting engineering activity, electrics and electronics, ship chandlery, etc. Apart from possible major support facilities in the Inner Group, sub facilities on outer islands especially for smaller craft could be looked at.

Associated with this would be examination of the prospect of achieving direct importation of fuels at a lower cost than out of Cairns, from sources such as the new refinery at Port Moresby, Indonesia or Singapore.

Most employment is likely to be in the Horn I/Thursday I area and of skilled trade persons. Advances in this field would be of importance to the continuing development of, and localisation of, employment in the fishing industry and marine tourism.

Arrangements for burning illegal vessels might be looked at in the context of this investigation.

Increasing numbers of motor vehicles are requiring an expansion of motor vehicle servicing repair and maintenance facilities.

TRAWQ has established itself in this field and enterprise centres set up on some islands include marine and auto repairs and basic engineering services.

7.7 BUSINESS SERVICES

In the communications field, there are obvious problems of indigenous people who commonly use Creole for conversation making contact with people in call centres in distant capital cities for dealings with organisations such as Centrelink, bank and finance companies and the like.

The suggestion was received that there could be scope for a call centre on Thursday Is or Horn Is staffed by persons who could handle calls in English but switch to Creole if necessary.

In the banking and finance field, the question was raised of support for an initiative by local businesses to establish a Bendigo Community Bank in the region. The National Australia Bank has operated in the region for many years. The market is relatively small and competitive forces will probably determine what will eventuate, although larger institutions like TSRA and the Council will have an influence. Probably of most importance to the Island communities is the roll out of Rural Transaction Centres and ATM's where money deposited in accounts from sale of crayfish etc can be easily accessed..

7.8 HEALTH & EDUCATION

By and large, given population and distances, the spread and quality of basic government education and health facilities seems to be excellent.

Discussions with health officials indicate three major threats:

- High incidences of diabetes (see references to diet, horticulture and food).
- Dengue fever outbreaks.
- Sexually transmitted diseases, especially worries about HIV, that is reported to be prevalent in PNG, spreading across the border.
- Emergency cases from PNG.

There would seem to be an opportunity arising out of the diet question to enlist the resources of the Health Department to support local horticultural initiatives.

Education needs have been mentioned variously through this report.

The major needs would appear to be for business skills at the trades/skills level, including:

- A spread of marine activity training needs for fishing, but also increasingly for marine tourism and aquaculture activities.
- Some horticultural and husbandry courses.
- Tourism related courses including environmental and heritage guiding and culinary skills.
- Continuing development of art/craft courses.
- Construction skills.
- Auto and marine repairs and maintenance, and engineering.

7.9 OTHER

Rugby League and other sports are an important part of island life. There is an increasing tendency for regional sporting teams to travel to participate in wider competitions. Torres Strait Islanders have become prominent in some sports at a national level.

For instance, the possibility of Torres Strait teams participating in Northern Queensland regional competitions (like the Foley Shield) might be investigated.

There would be secondary benefits of publicity for the Torres Strait encouraging awareness and tourism visitation.

8. ACHIEVING ECONOMIC DEVELOPMENT

8.1 DEFINING THE CHALLENGES

Achieving economic development in the Torres Strait faces three major sets of challenges.

- The first set of challenges are similar to any other region in Australia that is remote from major markets for its output and for sources of supply for many of the products and services essential for efficient functioning of modern regional communities.
- The second set of challenges relate to the fact that there is a relatively large traditional Islander population dispersed throughout the area that is not located there because jobs are available but because it is their traditional home and the community in which they wish to live.
- A third set of challenges relate to the financial resources, skills and values that traditional Islander communities bring to the business of creating successful enterprises and earning a living in a modern economy.

The traditional solution to the first challenge is to set about promoting the region's industries earning income from outside the region. These have mainly been through exploiting natural resource advantages in plant growth potential, marine resources, minerals and importantly these days, in natural tourism resources. A following section addresses how the Torres Strait might go about this and the support it needs. However, it should be noted that, while the Torres Strait area has some distinct resource advantages, it is about as remote as you can get in Australia, in transport cost terms, from major markets and sources of supplies and services.

And this leads to the second challenge. Given constraints of transport costs, markets and available technology to take advantage of the area's underlying resource base, the potential of this resource base has its limits. Even if it was to be exploited to normal levels of efficiency that apply elsewhere in Australia, the evidence indicates that insufficient jobs would be created to support the level of population already in the area at normal Australian standards of living. If the Torres Strait is to achieve levels of economic activity to fully support the population already in the area, it would need to progress well beyond the level of resource based industry activities that could normally be expected in such an area.

It should be noted that the Torres Strait is not alone in this. The situation is replicated in other indigenous communities in remote areas of Australia, where surrounding non-indigenous economic activity is at such a low intensity per square kilometre that even if adopted by the indigenous community, it would support only a small proportion of that community.

In this situation, achieving a sustainable economy to support the levels of population involved requires something of an economic 'tour de force', ie. achievement of an intensity of activity well beyond that being achieved by the non-indigenous population.

The third set of challenges, that of the financial sources, skills and values that the traditional Islander communities bring to creating successful enterprises and finding employment in a modern economy, are common to indigenous communities across Australia. However, although there are aspects that need to be addressed, it is worthy of note that the Torres Strait Islander community is comparatively well progressed and there are significant 'runs on the board' by community organisations and individuals.

There also seems to be two other special challenges that probably flow out of the above, that should be identified.

The first of these relate to import replacement, ie. the replacement of imported goods and services by local production.

It is normal for small regional communities to import a great deal of the goods and services they need. Their local markets are just not big enough to support local production. The more remote they are however, the higher cost of imports and the more incentive to produce locally.

It seemed however, that given the balance of population levels and remoteness, local production in the Torres Strait could be higher and that opportunities might be pursued in this direction.

The second relates to the attraction of outside investment and management. Even if local capacity to create and manage successful enterprises is increased, there will be a necessity to depend on outside investment and management skills, especially if the region is going to achieve a 'tour de force' in developing industries that earn outside income over and above what would be normal. The challenge will be to attract that outside investment and management on terms that accommodate traditional rights and interests.

8.2 A 'FOUR-PRONGED' APPROACH

Arising out of the foregoing, it seems to us that the area's economic development needs a four-pronged program.

e) A program to improve Islander participation in the economy including fostering entrepreneurship by Islander communities, individuals and families.
f) A program to encourage the development of abnormal level of activities earning income from outside the region.
g) A program to encourage the replacement of imported goods and services with locally produced goods and services especially of those that will contribute to reaching objectives (a) and (b) above.
h) A program to attract needed investment and management from outside the region but on terms and conditions that accommodate traditional rights and interests.

8.3 FINANCIAL RESOURCES, SKILLS & VALUES

The Torres Strait area has traditionally depended heavily on outsiders for entrepreneurship in assembling capital and organisational skills to develop industries that earn income from outside the region and activities that service the local economy. In more recent decades, there have been moves to develop entrepreneurial activity at a community level through various Council/community owned corporations including recent moves to form fishermen's cooperatives.

The judgement of economic history has been that government/community/cooperative type organisations are less efficient than competing private enterprises in producing successful outcomes. This is not to say that community type organisations do not have their place in the Torres Strait islands' situation.

It is evident however, that individual/family entrepreneurship is emerging, and that Islanders are increasingly achieving levels of education and training that open up jobs for them in competition with outsiders.

However, there are a number of issues that need to be addressed if a sound economy is to be developed with high levels of Islander participation.

Capital Resources

The whole question of land tenure and ownership of dwellings needs to be addressed to adapt the situation in the Torres Strait to the needs of a modern economy and to allow Islanders to achieve significant individual/family wealth though ownership of the homes they live in and of land that can be transferred and used as security for raising capital.

CDEP

The CDEP system needs to be progressively reformed to ensure that it does not act as a disincentive to achieving full-time professional employment. However, any precipitate withdrawal of CDEP, or equivalent support, has the potential to be an economic disaster.

Attitudes to Individual Enterprise

There needs to be a positive attitude to individuals/families developing enterprises at a micro level in retail, repairs and maintenance, security, tour services, homestay accommodation and the like.

Education & Training

The high level of education and training services already achieved needs to be continued and progressively adjusted to meet expanding and diversifying needs.

Business skills & management training needs to be increased.

It should be noted here that there are opportunities for increased Islander participation in the service structure that can be pursued as opposed to the strengthening of the area's outside earnings addressed in the next section.

8.4 ACHIEVING MASSIVELY INCREASED & ABNORMAL LEVELS OF OUTSIDE EARNINGS

The Scale of the Task

The Torres Strait area has a population of about 10,000 at present with a high proportion (33%) under 15 years of age.

Lack of local employment opportunities has led to a 'Diaspora' of islander population to other parts of Australia, about three times the number living in the Torres Strait.

There has been substantial government expenditure in the area in recent decades:

- To bring infrastructure, local government, education, training and health services up to national levels.
- To bring much of the local population from social service support into a workforce situation through the Community Development Employment Program.

This level of government expenditure has brought the area up to a point where, despite its significant economic disadvantages (especially of transport costs and remoteness), there are good prospects of strong progress being made over the next decade to move the area from a dependence on special government funding to being economically self sustaining.

It is important to recognise however, that if the area is to become self sustaining, there is a major need for it to develop 'base industry' activities that earn income from outside the area. 'Base industries' are needed to provide a firm foundation upon which a service structure can be sustained.

To put the scale of the task into perspective, a population of 10,000 in regional Australia would normally be supported by a workforce of about 4,000 to 5,000. In the case of the Torres Strait area with its high population under 15, the appropriate level is probably about 3,500. It would be normal that the majority of that workforce would find employment in the services structure and that employment in the 'base industries' earning income from outside the region would, in the case of the Torres Strait, be of the order of 1,200.

There is some employment in 'base industry' type activities in the area in fishing, tourism, art/craft, and national defence and security activities. However, it is unlikely to exceed 200 – 300 full-time jobs based in the Torres Strait.

The region's economy depends on CDEP funding of about 1,400 jobs (Census count 2001).

The challenge for the Torres Strait area to become a normal self sustaining regional economy, is to find towards 1,000 extra jobs in industries earning outside income.

If this can be achieved, the remaining jobs in the services structure are likely to follow and be secure.

Looking at the situation another way, the indications are that fisheries income is about $30m a year. Defence and surveillance, some tourism, and some cultural industries income, would add to that. All in all, total outside industry earnings might be up to about $70m.

By comparison, Cardwell Shire with an approximate equivalent population has current outside earnings of about sugar $115m, fruit $120m, tourism $90m, livestock, fisheries, and forestry etc about $30m, a total of about $355m.

The Torres Strait area is supported by about $60m - $70m in special government assistance through federally funded CDEP and state funded support for Councils.

Outside earnings coming in from industries and special government assistance is thus probably up to about $140m.

The situation reflects itself in the disparity in 'real' aggregate taxable incomes (2004/05 = 100) given by ATO statistical data for 2003/04, Torres Strait $88.4m, Cardwell Shire $153.9m.

Creating Suitable Underlying Conditions

The foregoing review of economic development prospects indicates a wide range of smaller opportunities to develop employment in outside earnings over time.

However, if the Torres Strait area is going to achieve the massive increase in outside earnings necessary to support the level of population in the area, it is important that basic economic fundamentals are favourable.

At present, the area suffers great penalties from its remoteness from major markets and the source of supply of many goods. This does not mean that the shipping and air services it relies on are inefficient and unnecessarily high cost.

It is because unlike most regional areas, but in common with a number of other parts of the north, it is not serviced by an efficient land transport system of road and rail.

Clearly, building a rail network to the tip of Cape York is likely to be very expensive and unlikely to be justified. (Although one Torres Strait community leader, a number of years ago, was suggesting that Torres Strait Islanders with their experience elsewhere in Australia would be well placed to build such a line.) However, building a sealed road is not out of the question. Its achievement however, is unlikely within a ten-year time frame.

If it was in place however, the whole cost structure in the area would change substantially. The number of tourists reaching the area would increase dramatically. Suggestions that have come out of the NPA to create local enterprises to build the road from the NPA to Weipa have real long-term merit.

In the short run however, if the Torres Strait area is to achieve a 'tour de force' in lifting its outside earnings, basic costs need to come down.

The only way for this to happen would be for governments to subsidise the cost of shipping and possibly air travel and freight.

The Tasmanian sea freight subsidy scheme provides a precedent. Expenditure in 2005/06 was $92m (see Productivity Commission report).

In developing subsidies, the possibility of reducing 'back-loading' freight costs to very low levels, along with the costs of some key inputs not competitive with local production, could be looked at. In the longer term, the road needs to be built.

However, the remoteness penalties in the Torres Strait area do not just relate to connections with the rest of Australia to the south. There is a need to keep a look out for possibilities of direct international links to markets overseas. Can products like seafoods be assembled on a scale to warrant direct overseas shipment, especially to Asian markets? It was not obvious from the study that this was within range. However, progressive upgrading of the airport to take larger aircraft enhances the possibility of direct links being developed in the future.

Nor do the remoteness penalties relate only to outside links. There are formidable transport cost barriers within the Strait area. Again, this is not to say that the air and sea operations are not efficient. There is a high degree of competition evident, especially in the aviation sector. The technological advance of 'glassies' over 'tinnies' for local family transport has been significant. What is important is to keep technological improvements under review that will open up other new possibilities for cheaper inter-island transport. In looking at any subsidy arrangement for transport, the possibilities of extension of subsidies to inter-island transport could be looked into.

If the area is going to achieve an abnormal increase in outside earnings, it is also vital that the infrastructure, both hard (airports, roads, ramps, jetties, power supplies, water), and soft (education, health, security) are developed and maintained to national standards. Maintenance of a marine safety network is absolutely essential in the Torres Strait situation. Much progress has been made in this direction in recent years and this effort needs to be sustained.

A further point should be raised in relation to the background against which Islanders and others can develop enterprises in the area. A modern economy functions against a background of a great deal of government rules and regulations. Given the distinctive nature of the Torres Strait situation and its extreme remoteness from the State capital (distance to Cairns alone is equivalent of Sydney to Tasmania), there are real dangers of rules and regulations being at a level and type not really appropriate in the local situation.

Opportunities to Increase Outside Earnings

It is clear that if the Torres Strait Islanders are going to achieve the scale of increase in outside earnings it needs, there is no single simple 'silver bullet'.

Overall, the principal in pursuing increased outside earnings needs to be that 'every little bit counts' and will be needed.

The area's outside earnings have traditionally depended on the fishing industries supplemented by defence/surveillance activity and shipping services (Torres Strait Pilots).

Prospects of expanding the area's wild fish take seems limited, but could include live fish for the restaurant trade, aquarium fish, and leader prawns from the Saibai area. The major issue with wild caught fisheries is one of Islander participation. Negotiations are already underway with respect to the cray and line fisheries.

In relation to the prawn fishery, the issue is not just one of financial and managerial resources, it is one of lack of backup facilities on Thursday Island generally and especially of marine services facilities to make Thursday I a competitive alternative to Cairns as a base for trawlers and their families.

Opportunities could exist for greater participation in the distribution chain. This can include developing supplies out of PNG (crabs and barramundi via Saibai and cray (as already happens), via Thursday I).

However, the main longer-term response needs to involve the development of marine farming (aquaculture/mariculture). The area has a long history in this direction. Wild caught pearling was replaced by pearl farms. New opportunities are appearing in crayfish (tropical rock lobster), sponges, crabs, additional pearl farm operations, and possibly barramundi, prawns, crocodiles, and oysters.

At present, the necessary research and training 'back-up' for this sector is based in Townsville and Cairns. The Torres Strait is likely to be a major area for diversified aquaculture and a build up in local research and training in this field needs to take place to make the Torres Strait a 'centre of excellence'.

There are some limited opportunities for mining and agriculture in the area that need to be pursued.

However, the other major longer-term opportunity to increase outside earnings relates to tourism.

Although the area has excellent natural tourism resources, plus a level of infrastructure, and a health and safety framework superior to many tropical island areas overseas, the costs of access especially to the outer islands and lack of tourism infrastructure are major factors suppressing development.

There is evidence that the increase in NPA car-borne tourism has stalled and will not increase strongly again until the Peninsula Developmental Road is upgraded.

Cruise tourism has entered the scene but its impact on local jobs seems likely to remain limited.

One of the most important comments received in the course of the study was that the new larger Q400 aircraft would provide for greater ‘flexibility’ of fares, ie. it will enable the offering of a number of cheaper seats. This has traditionally been important in breaking into ‘fly-in’ tourism.

However, the area is not likely to be inundated by a flood of tourists and markets seem likely to remain limited to boutique high cost resort traffic and recreational fishing enthusiasts.

The area is going to have to put in solid background work of understanding the industry and its requirements, developing product and marketing itself. Successful tourism areas are usually built ‘brick on brick’ over a period of time, with ‘success breeding success’.

The most important short-term objective must be to establish a tourism organisation:

- To commence the marketing of what the area can currently offer, and
- To commence the process of achieving appropriate local and outside investment in the industry.

Looking at the sector from a wider point of view, the development of tourism in the Torres Strait represents a real opportunity for the Cairns/TNQ region to expand its range of tourism offerings, especially through offering quality island/marine products along with a cultural experience.

Just as important, Torres Strait tourism has the potential to add to Australia’s range of product in international markets.

The region’s special cultural background will form an important part of a developing tourism industry. However, its significance is more than that.

Retention of cultural aspects is important to island communities themselves and needs to be pursued for its own intrinsic value to island communities. But it is also important in a national context. Gab Titui and various community collections and presentations are a start and national support is justified for their continuation and expansion in their own right.

Importantly, there is a potential to create full-time and part-time employment in the visual arts and crafts, and performing arts, and extending through to culinary arts and clothing. Production can range through from fine art to souvenir type production for tourism markets. A critical link in building up employment in this sector will be attention to development of marketing systems.

Although employment in defence and surveillance activity in the area appears to have stabilised, further possible opportunities need to be kept under review.

8.5 ENCOURAGING REPLACEMENT OF IMPORTS OF GOODS & SERVICES

Three significant fields of action stand out.

The first relates to cost of land, housing, and accommodation on Thursday I.

It can be expected that in line with worldwide and Australian trends, an increasing proportion of employment and population will be located in the district centre of Thursday I.

Thursday I will be the hub point for the provision of an increasing range of services to the area. However, the development of locally provided services, in competition with outside services, is being retarded by the 'blow out' in property prices, housing costs and rents that have been occurring.

The sound development of the Torres Strait economy will depend heavily on overcoming the land and development constraints on Thursday I, both on the island itself, but also by decentralising to the surrounding islands of the Inner Group.

The long-term development of road access to the NPA would suggest that the NPA could develop a wider servicing role in the future.

The second significant field of action relates to marine services. The Torres Strait has large numbers of vessels operating in its waters from family run-abouts, to fishing vessels, to the defence and surveillance vessels, to cargo ships, and a growing tourism fleet.

Servicing of many of these vessels goes south, especially to Cairns. The possibility of strengthening Thursday Island's participation in this field and improving services available on and to the outer islands seems worthy of looking into. New technology like that provided by travel lift/sling vehicles is now available. It would include back-up engineering facilities, paint shops, and ships chandlery services.

There is a possibility of this being linked to marina development to cater for a growing tourism fleet operating in the area and for passing cruising yachts.

The third import replacement possibility that stands out is that of replacing imported fruit and vegetables, meats and timber with local production with the NPA likely to play an important role.

8.6 ATTRACTION OF OUTSIDE INVESTMENT

The challenge here is to balance the need of the Torres Strait to attract capital and expertise from outside, but for it to be under terms and conditions that accommodate traditional rights and interests.

Failure to come to grips with this issue results in disputes when inappropriate investment/activity occurs (eg. fin fishing eastern islands). But more generally, it leads to failure to realise opportunities.

In the course of the study, examples of Maori leasing of fishing rights in New Zealand were given as an example.

Clearly, there are potential opportunities to attract investment in significant high quality resorts in the area.

Establishing such operations is beyond the current financial resources and skills of local residents. However, their establishment would provide significant local revenue streams and job opportunities.

It is beyond the scope of this report to suggest how this is done. However, once the issue is addressed and realistically resolved, an active program to attract the outside investment needed to progress the area's economy can be put underway.

It is suggested that as part of a program to stimulate needed investment in the area, the possibilities of declaring it a special development zone might be looked into and real incentives given (taxation breaks, subsidies, low interest loans, etc) for establishment of businesses in the area:

- ❑ That will increase outside earnings or replace imports of goods and services in selected directions.
- ❑ That have sound prospects of long-term success,
- ❑ That accommodate traditional rights and interests and include provision of employment, training, and opportunities for advancement.

8.7 CONCLUSION

Heavy government investment in the Torres Strait in recent decades in bringing infrastructure and government services up towards national standards plus bringing a much larger proportion of the population into the workforce through CDEP arrangements, has helped set the scene for the area's economy to progressively move through in the coming decade towards full economic viability.

While action can lead to a higher proportion of existing jobs in the area being performed by Islanders, the fundamentals of the area's economy are currently not strong enough to viably support the level of population living in the area.

The large increase in outside earnings and jobs associated with them will need to include some diversification of wild caught fisheries, major development of new aquaculture pursuits, major progressive expansion of tourism, and significant development of employment in industries based on the area's distinctive cultural attributes including visual and performing arts.

Scope for import replacement is seen to lie particularly in reducing living costs on Thursday I, development of marine industry services and horticultural, meat and timber production.

If the region is to achieve the levels of economic activity needed to support the levels of population in the area, a philosophy will be needed of "every little bit counts" with advances coming from a broad range of activities.

Continuing special government support will be needed in a number of directions.

Precipitous withdrawal of CDEP funding especially if it happened at the same time as a major reduction in local government employment would be disastrous, unless replaced by other programs. Not only would it affect the families directly involved, it would affect the viability of a great deal of the area's existing service structure - transport, retail, equipment servicing, business and professional services.

Government support for the area will need to be progressively changed to a range of special support for a large increase in economic activity in the area in four major directions.

a) A program to improve Islander participation in the economy including fostering entrepreneurship by Islander communities, individuals and families.

b) A program to encourage the development of abnormal level of activities earning income from outside the region.

c) A program to encourage the replacement of imported goods and services with locally produced goods and services especially of those that will contribute to reaching objectives (a) and (b) above.

d) A program to attract needed investment and management from outside the region but on terms and conditions that respect traditional rights and interests.

A Supplementary Report reviews the list of opportunities identified and seeks to comment on their significance and potential timing with a view to helping prioritise further action.