

**Submission  
No 42**

**INQUIRY INTO ECONOMIC AND SOCIAL DEVELOPMENT  
IN CENTRAL WESTERN NEW SOUTH WALES**

**Organisation:** Tandou Limited

**Date received:** 1/09/2011

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Linda Nadge  
Regional Development Australia Far West NSW

By email:

Friday 26 August 2011

Re: NSW Government Inquiry into central western NSW

Dear Linda

Thank you for your invitation to make a submission to the NSW Government inquiry into the economic and social development in central western NSW, including the far west NSW.

Tandou Limited (ASX:TAN) was established in 1972 and owns a significant and diversified portfolio of water entitlements, along with its large scale irrigated cropping and pastoral operations. Tandou's land holdings cover nearly 80,000 hectares near Menindee, NSW with more than 13,000 hectares developed for irrigation. The Company is a major producer of cotton and cereal, along with organic lamb on its pastoral operations. Its corporate office is located in Mildura, Victoria.

Tandou is the largest single employer in the Menindee area employing up to 80 people in peak periods. We have a formal policy of employing and procuring locally whenever possible and our annual salary and wages expense for Tandou Farm is \$5 million, primarily to employees who live in the Menindee and Broken Hill area. Our core business is based at Tandou Farm on the Old Pooncarle Road (UR34) and is centred on the production of irrigated cotton and cereal crops.

During 2011/12 the Company will increase its cropping operations to 6,500 hectares of cotton and 2,500 hectares of cereal, with a total budgeted turnover of more than \$40 million.

All movements of freight to and from the property are via UR34 and Tandou is totally reliant on this road for the following transport purposes:

- up to 13,500 tonnes of cotton annually
- up to 19,000 tonnes of cotton seed annually
- up to 13,000 tonnes of cereal annually
- up to 10,000 prime lambs to market annually
- up to 6,500 tonnes of fertiliser annually
- up to 1,000 tonnes of diesel annually
- up to 250 tonnes of LPG annually
- plus general freight and supplies required to keep a workforce of up to 80 staff accommodated at Tandou Farm for large periods of time

Tandou Limited  
311 LHM  
Aurora VIC 3132  
P.O. Box 2092  
Mildura VIC 3420 Australia  
Telephone +61 3 5026 2272  
Facsimile +61 3 5026 2273  
Email [info@tandou.com.au](mailto:info@tandou.com.au)  
[www.tandou.com.au](http://www.tandou.com.au)

Tandou Farm  
P.O. Box 16  
Menindee NSW 2178 Australia  
Telephone +61 8 8091 1511  
Facsimile +61 8 8091 1512  
Email [land@tandou.com.au](mailto:land@tandou.com.au)

Tandou Orchards & Vineyard  
P.O. Box 351  
Menindee NSW 2178 Australia  
Telephone +61 8 8091 4074  
Facsimile +61 8 8091 4075  
Email [orchards@tandou.com.au](mailto:orchards@tandou.com.au)

Tandou Millers Vineyard  
P.O. Box 100  
P.O. Box 2062  
Mildura VIC 3420 Australia  
Telephone +61 3 5026 2272  
Facsimile +61 3 5026 2273  
Email [win@tandou.com.au](mailto:win@tandou.com.au)

NEXTEQ  
P.O. Box 181  
Mildura VIC 3420 Australia  
Telephone +61 3 5026 2272  
Facsimile +61 3 5026 2273  
Email [nex@tandou.com.au](mailto:nex@tandou.com.au)

UR34 is a dry weather road only and was impassable to heavy traffic from 11 January 2011 to 1 April 2011 due to frequent rain events. During this time it was impossible to supply Tandou Farm with its operational requirements as the only way in or out of the farm was via the Company's 2 single engine aeroplanes. During this time key management staff and limited supplies were flown in from Menindee and Mildura at significant expense to the Company.

Although we have a good working relationship with the Broken Hill Office of RTA NSW, they are hampered by what they can achieve by a lack of funding and equipment and the fact that a large percentage of its resources are utilised keeping the Tibooburra Road maintained, which is given a higher priority than UR34.

UR34 terminates at the boundary between Tandou Station and the Kinchega National Park. The road through the Kinchega National Park is a continuation of UR34 and the only thoroughfare between the Silver City Highway and the township of Menindee. We would like to take this opportunity to raise our concerns over the lack of maintenance of this road through the National Park. For reasons unknown to Tandou the National Parks Dept refuse to conduct maintenance on this road and it is left to deteriorate through wind and rain erosion until it is in an unsafe condition. Given that a significant proportion of the Company's workforce resides in the Menindee and Sunset Strip (near Menindee) area, Tandou has in the past taken on the responsibility of liaising with State Water to grade the road using our shared resources.

State Water takes responsibility for grading the road from Menindee to the Lake Cawndilla Regulator and Tandou grades from our boundary with the National Park to the Lake Cawndilla Regulator. I would like to highlight that the National Parks Department have a grader based at the Kinchega depot but local officers have refused to grade the road despite safety issues being raised by Tandou management.

Given the significant positive social and economic impact Tandou has had in the region since inception almost 40 year ago we believe that UR34 should be given elevated priority and consideration be given to allocating additional resources to improve the road to "All Weather" status.

Furthermore we would like to see some pressure put on the National Parks Department to maintain the road through the Kinchega National Park so that our employees and tourists can transit this road safely without risk of harm to themselves or their vehicles.

Should you wish to discuss any of these issues further please don't hesitate to contact me on 03 5018 6500.

Yours faithfully

Bernie Woodlard  
COMPANY SECRETARY