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The Parliament of the Commonwealth of Australia

# PIVOT NORTH

## Inquiry into the Development of Northern Australia: Final Report

Joint Select Committee on Northern Australia

September 2014

Canberra

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## Chair's Foreword

The inquiry into the development of Northern Australia has been greeted with a huge amount of enthusiasm and anticipation, but also with much scepticism about its possible outcomes. Since 1937, there have been numerous reports and recommendations with the aim of developing Northern Australia which are gathering dust on shelves. It is now up to us to prove the sceptics wrong and get things moving.

The development of Northern Australia is one of the great challenges and opportunities facing the nation. Northern Australia covers over forty per cent of Australia's land mass but contains only four per cent of Australia's population. It has abundant land, water and mineral resources. It has medical and educational institutions with world class facilities. Northern Australia is on the doorstep of Asia and a significant portion of it is part of the tropical world – which by 2050 will encompass over half the world's population. There are great opportunities for the people of Northern Australia within the tropical zone. But the development of Northern Australia has in the past lacked a commitment by governments at all levels to pursue investment and development in a consistent, sustainable and coordinated way.

This inquiry has formed one part of a broader process aimed at promoting the development of Northern Australia. The Australian Government has made a commitment to produce within a twelve-month timeframe, a White Paper outlining the Government's vision for the future of Northern Australia. The Committee's findings and recommendations will inform the White Paper process, assisting the Government to formulate its policy for the future development of Northern Australia.

The Committee has made forty-two recommendations covering a wide range of important issues. There are seven priority recommendations addressing issues considered essential to the development of Northern Australia. The first is the creation of a Department of Northern Australian Development based in Northern Australia. This will give a high level political focus to Northern Australia, ensuring that the recommendations of this report and the direction set out in the White Paper are given priority in the development of Government policy. Several priority recommendations target urgent infrastructure with the capacity to rapidly facilitate economic development, including major roads and water infrastructure. Recommendation 5 calls for the Government to investigate the creation of special economic zones in Northern Australia. Recommendation 6 addresses the

availability and affordability of insurance in Northern Australia – currently a major impediment to development. Recommendation 7 urges the continued funding of the Great Artesian Basin Sustainability Initiative, which impacts on the availability of water across a large area of Australia.

The remaining recommendations include particular development proposals and measures to address opportunities for development and overcome impediments to development.

Amongst the opportunities, the Committee has recommended that the impacts of a changing climate, including mitigation and adaptation policies and strategies, are included in all planning processes. The Committee has also made recommendations to address the issue of socially significant communities, such as Nhulunbuy and Mount Isa, which are at risk due to the finite nature of mining opportunities.

The Committee has recommended establishing an abattoir in Northern Queensland; promoting tourism, arts and culture in Northern Australia; reopening the Christmas Island Casino; establishing a CRC for Northern Agriculture; and developing a national institute for tropical sports and sports medicine; relocating public service and defence assets to the North; developing digital communications technologies and an area-specific telecommunications and digital technology strategy; and increasing the presence of AQIS in Northern Australia. The Committee has also recommended that projects requiring the large-scale impoundment or extraction of water should not proceed before undergoing thorough scientific analysis; and the exploration of new methods to harness the Aboriginal and Torres Strait Islander workforce using successful models of Aboriginal and Torres Strait Islander enterprise. This is particularly significant given the large and growing proportion of Aboriginal and Torres Strait Islander people in Northern Australia. Allowing graduates to write-off HELP debts in exchange for living and working in remote locations is seen as a potential way to encourage people to move to the North. The Committee has also recommended that the Government encourage ongoing bilateral exchange between communities in Northern Australia and other communities in the region.

The Committee has recommended the design and implementation of long-term strategies for the development of capital infrastructure in northern Australia, and for the development of Northern agriculture. These strategies will underpin the long-term growth and development that Northern Australia needs if it is to fulfil its potential. The Committee has also recommended the creation of a network of standover and transfer facilities for the transit of cattle; the creation of a rural investment fund to provide opportunities for investors; the development of power grids in North Queensland and the Pilbara; and the use of renewable energy sources to provide power in remote communities.

To address the impediments to development in the North, the Committee has recommended a strategy to promote liveability using the ‘hub-and-spoke’ model of service provision; the normalisation of local government arrangements in mining communities; improved regulatory arrangements for aquaculture; better regulation of fisheries to allow for sustainable growth of the industry; improved taxation arrangements, especially around FIFO employment; simplified land tenure arrangements; more cost-effective arrangements for the provision of customs and quarantine services at regional airports; and the harmonisation of regulation across jurisdictions. Currently we face a situation where even something as simple as the movement of cattle across state borders on a truck is fraught with regulatory inconsistency, to the detriment of the beef industry and animal welfare.

The main purpose of the Committee’s recommendations is to promote investment and liveability in Northern Australia. One of the major constraints that we face is building our northern population. Australia must find ways to build its population in the tropical North – not only to attract people, but also to retain them. That is absolutely critical. There are great opportunities available in Northern Australia, but we need more people living and working in the North to be able to realise these opportunities.

During the course of the inquiry, the Committee undertook an extensive program of travel for public hearings and inspections, and received a large number of valuable submissions from a broad range of individuals and organisations. I thank all those people who contributed to the inquiry, and for their efforts in participating in up to three processes: the inquiry process, the Government’s Green Paper process and finally the Government’s White Paper process. Without the enthusiasm and hard work of many people in Northern Australia, this inquiry would not have been as well informed and as valuable in regard to the quality of information received.

I wish to acknowledge the contribution of my fellow Committee members. Each and every one in their own way contributed positively to a very significant achievement – a tri-party consenting report – reflecting the clear commitment of the whole Committee to the development of Northern Australia. This report has a sense of ownership across parties and will live beyond the life of the Parliament because of that. I thank the Committee for its enthusiasm and endurance in the face of the great demands placed upon it because of the inquiry’s tight timeframe and the extensive travel required. I also wish to acknowledge the contribution of those participating members of the Committee who have made a significant contribution to its work – especially Senators Macdonald, O’Sullivan, Waters and Ludwig.

Hon Warren Entsch MP  
Chair





## Committee Membership

**Chair** Hon Warren Entsch MP

**Deputy Chair** Hon Alannah MacTiernan MP

**Members** Senator Sue Boyce (until 1.7.2014) Senator Hon Jan McLucas  
Senator Matthew Canavan (from 1.7.2014) Senator Deborah O'Neill (until 30.6.2014,  
then from 26.8.14)  
Mr George Christensen MP Ms Melissa Price MP  
Senator Alan Eggleston (until 1.7.2014) Senator Rachel Siewert  
Hon Gary Gray AO MP Senator Dean Smith (from 1.7.2014)  
Mrs Natasha Griggs MP Hon Warren Snowdon MP

### Participating Members

Senator Chris Back	Senator Hon Kate Lundy
Senator Cory Bernardi	Senator Hon Ian Macdonald
Senator Catryna Bilyk	Senator John Madigan
Senator Mark Bishop	Senator Gavin Marshall
Senator Hon Ronald Boswell	Senator Anne McEwen
Senator Carol Brown	Senator James McGrath (from 1.7.2014)
Senator David Bushby	Senator Bridget McKenzie
Senator Hon Doug Cameron	Senator Claire Moore
Senator Hon Kim Carr	Senator Barry O'Sullivan
Senator Hon Jacinta Collins	Senator Stephen Parry (until 1.7.2014)

Senator Hon Stephen Conroy	Senator Helen Polley
Senator Sam Dastyari	Senator Louise Pratt (until 4.4.2014)
Senator Sean Edwards	Senator Linda Reynolds (from 1.7.2014)
Senator Hon Don Farrell	Senator Anne Ruston
Senator Hon John Faulkner	Senator Zed Seselja
Senator David Fawcett	Senator Hon Lisa Singh
Senator Mark Furner	Senator Dean Smith (until 1.7.2014)
Senator Alex Gallacher	Senator Hon Ursula Stephens
Senator Hon Bill Heffernan	Senator Glenn Sterle
Senator Helen Kroger	Senator Hon Lin Thorp
Ms Michelle Landry MP	Senator Mehmet Tillem
Senator David Leyonhjelm (from 9.7.2014)	Senator Anne Urquhart
Senator Sue Lines	Senator Larissa Waters (from 16.6.2014)
Senator Hon Joe Ludwig	Senator John Williams
Senator Nova Peris OAM	Senator Hon Penny Wong

## Committee Secretariat

Secretary	Ms Stephanie Mikac (from 10.04.2014) Mr Peter Stephens (until 09.04.2014)
Inquiry Secretaries	Dr John Carter Dr Bill Pender
Senior Research Officer	Ms Loes Slattery
Administrative Officers	Ms Emily Costelloe Ms Megan Peile Ms Carissa Skinner







## Terms of reference

- (2) The Committee consider policies for developing the parts of Australia which lie north of the Tropic of Capricorn, spanning Western Australia, Northern Territory and Queensland, and in doing so:
  - a) examine the potential for development of the region's mineral, energy, agricultural, tourism, defence and other industries;
  - b) provide recommendations to:
    - i) enhance trade and other investment links with the Asia-Pacific;
    - ii) establish a conducive regulatory, taxation and economic environment;
    - iii) address impediments to growth; and
    - iv) set conditions for private investment and innovation;
  - c) identify the critical economic and social infrastructure needed to support the long term growth of the region, and ways to support planning and investment in that infrastructure.
  - ca) present to the Parliament its recommendation for a white paper which would detail government action needed to be taken to implement the committee's recommendations, setting out how the recommendations were to be implemented, by which government entity they were to be implemented, a timetable for implementation and how and when any government funding would be sourced;
  - d) report to each House of the Parliament; and
  - e) have such other functions as agreed by resolutions of the House of Representatives and the Senate;
- (3) as soon as practicable after 30 May 2014, the committee present an interim report to Parliament on the activities of the committee, which should include particular reference to the outcomes of public hearings held across Northern Australia, and any specialist knowledge emanating from the public submissions process;
- (4) the committee deliver its final report and recommendations to the Parliament on or before 4 September 2014;
- (4A) following presentation of the report, the committee:
  - (a) Monitor issues relevant to development and implementation of the government's white paper.





## List of abbreviations

AACo	Australian Agricultural Company
ABARES	Australian Bureau of Agricultural and Resource Economics and Sciences
ACT	Australian Capital Territory
ADF	Australian Defence Forces
AER	Australian Energy Regulator
AFANT	Amateur Fisherman's Association of the NT
AIDN-NT	Australian Industry and Defence Network-NT
AIMS	Australian Institute of Marine Science
AITHM	Australian Institute of Tropical Health and Medicine
ALRA	Aboriginal Land Rights (Northern Territory) Act 1976
AMA	African Mahogany Australia
ANDEV	Australians for Northern Development and Economic Vision
ANEDO	Australian Network of Environmental Defender's Offices
APPEA	Australian Petroleum Production and Exploration Association
AQIS	Australian Quarantine and Inspection Service
AUSMAT	Australian Medical Assistance Teams
BCCI	Broome Chamber of Commerce and Industry
BftT	Broadband for the Tropics

CBD	Central Business District
CCIQ	Chamber of Commerce and Industry Queensland
CCIWA	Chamber of Commerce and Industry of Western Australia
CDU	Charles Darwin University
CLC	Central Land Council
CME	Chamber of Minerals and Energy of Western Australia
CPC	Consolidated Pastoral Company Pty Ltd
CQU	Central Queensland University
CRC	Co-operative Research Centre
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CTCG	Construction Technology Consulting Group
CUSP	Curtin University Sustainability Policy (Institute)
DAA	Development Assessment and Approval
DFAT	Department of Foreign Affairs and Trade
DIDO	drive-in, drive-out
EIAP	Etheridge Integrated Agriculture Project
ESVCLPs	Early Stage Venture Capital Limited Partnerships
FAC	Fitzroy Agricultural Corridor
FBT	Fringe Benefits Tax
FIFO	fly-in, fly-out
FINA	International Swimming Federation [Fédération Internationale de Natation]
FLNG	floating liquefied natural gas
GAB	Great Artesian Basin

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GABSI	Great Artesian Basin Sustainability Initiative
GDP	Gross Domestic Product
GL	gigalitres
GNARTN	Greater Northern Australia Regional Training Network
GST	Goods and Services Tax
GW	gigawatts
HELP	Higher Education Loan Program
HMAS	Her Majesty's Australian Ship
ICT	Information and Communications Technology
IFED	Integrated Food and Energy Developments Pty Ltd
ILUA	Indigenous Land Use Agreement
JCU	James Cook University
KAI	Kimberley Agricultural Investment Pty Ltd
KALT	Kaurareg Aboriginal Land Trust
km	kilometres
KSCS	Kimberley Science and Conservation Strategy
KW	kilowatts
LHD	Landing Helicopter Docks
LNG	liquefied natural gas
LNP	Liberal National Party
MBS	Medicare Benefits Schedule
MCA	Minerals Council of Australia
MEP	Miwatj Employment and Participation
MIT	Managed Investment Trust

MITEZ	Mount Isa Townsville Economic Zone Inc.
ML	megalitres
MLA	Member of the Legislative Assembly
MoU	Memorandum of Understanding
MP	Member of Parliament
MRI	magnetic resonance imaging
MRRT	Minerals Resource Rent Tax
MSA	Meat Standards Australia
MSW	municipal solid wastes
MW	megawatts
NAILSMA	Northern Australian Indigenous Land and Sea Management Alliance
NCCTRC	National Critical Care and Trauma Response Centre
NLC	Northern Land Council
NPC	Northland Project Contracting
NPF	Northern Prawn Fishery Pty Ltd
NQ	North Queensland
NQBP	North Queensland Bulk Ports Corporation
NRMA	National Roads and Motorists' Association
NSIA	National Seafood Industry Alliance
NT	Northern Territory
NTA	Native Title Act 1993
NWC	National Water Commission
ONA	Office of Northern Australia
PBS	Pharmaceutical Benefits Scheme

PNG	Papua New Guinea
PRRT	Petroleum Resource Rent Tax
Pty Ltd	Proprietary Limited
PV	Photo Voltaic
Qld	Queensland
RAAF	Royal Australian Air Force
R&D	Research and Development
RDA	Regional Development Australia
RET	Renewable Energy Target
RIRDC	Rural Industries Research and Development Corporation
RPT	Regular Passenger Transport
SEA	Strategic Environmental Area
SEZ	Special Economic Zone
TAFE	Technical and Further Education
TIO	Territory Insurance Office
TTF	Tourism and Transport Forum
UK	United Kingdom
US	United States
UWA	University of Western Australia
WA	Western Australia
WALGA	Western Australian Local Government Association

