



Office of Northern Australia
statement to the public hearing of
**The House of Representatives Select Committee on
Regional Development and Decentralisation**
Darwin, 9 November 2017

Introduction

The Office of Northern Australia (ONA) in the Department of Industry, Innovation and Science (DIIS) is pleased to present to this public Inquiry into Regional Development and Decentralisation. The Australian Government's developing northern Australia agenda has clear linkages to this inquiry:

- the Australian Government is working to boost the economic strength, sustainability and vibrancy of northern Australia communities – for the benefit of all Australians.
- Northern Australia is both regional and in many instances remote, and it is benefiting from Australian Government policy that recognises the challenges and opportunities these characteristics bring.
- Northern Australia has great natural wealth, unique local knowledge and competitive advantage that is being embraced through the Australian Government's employment of a place-based approach to policy that is tailored to the north.
- The Australian Government has already successfully decentralised ONA across the northern jurisdictions to better collaborate with all northern Australia stakeholders, and to facilitate the building of stronger governance engines that better reflect the strengths and characteristics of northern Australia. A range of other DIIS portfolio and broader Australian Government stakeholders already have a strong presence across the north and in regions.
- Through a range of initiatives, the Australian Government is examining and acting on barriers to private sector growth to help grow northern Australia.
- A wide range of Australian Government initiatives include building the roads, rail links and airports that regional northern communities need so they can stay connected, travel safely, access services and run their businesses.

I will now provide more detail on progress in delivering the developing northern Australia agenda that serves to highlight a considered approach to further developing regional and remote Australia.

Northern Australia – our largest region

Northern Australia – nominally those parts of Western Australia and Queensland above the Tropic of Capricorn, as well as the Northern Territory – makes up 52 per cent of Australia's landmass and over 54 per cent of Australian exports. With a population of just 1.3 million, northern Australia contributes 11.7 per cent of Australia's GDP and is home to about 93,300 businesses. By any measure then, the Australian Government's northern Australia development agenda is important for the overall development of regional Australia – and Australia as a whole.

Northern Australia provides much of Australia's wealth and offers unique opportunities:

- Mining and resources plays a huge role in regional Australia, and northern Australia has vast mineral wealth. The region accounts for most of Australia's iron ore and gas production, around half of Australia's coal production and a large share of Australia's zinc, copper and bauxite production.
- It also lies at the heart of the Asia-Pacific, a region experiencing rapid population and economic growth.

- South-East Asia and southern China are just three to five hours' flying time from Darwin, providing an opportunity for industries in the north to access these crucial markets.
- Drawing on the expertise and strengthening the role of Indigenous communities across northern Australia, and supporting Indigenous business innovation and growth, is a clear Australian Government priority.

Developing the north is a national priority because unlocking the full potential of this important region brings widespread benefits to all Australians.

White Paper delivery

The 2015 White Paper on Developing Northern Australia *Our North, Our Future* sets out the Australian Government's vision for developing northern Australia. Through the White Paper the Australian Government is investing more than \$6 billion to ensure northern Australia grows as a trade gateway to the Asia-Pacific, including:

- Simplifying land access arrangements to support investment
- developing the north's water resources
- strengthening business, trade and investment and connectivity with Asia
- supporting the development of transformational infrastructure
- supporting northern workforces
- ensuring strong governance structures are in place that represents the diversity of the north.

ONA is responsible for overseeing delivery of the White Paper and is actively leading the implementation of the broader northern development agenda.

Now two years into the 20-year northern Australia implementation plan, thirty-one of the 51 White Paper measures have been delivered and the remaining 20 are well underway. Highlights include:

- Establishment of the \$5 billion Northern Australia Infrastructure Facility (NAIF). The NAIF Board recently made its first Investment Decision regarding the Onslow Marine Support Base Project in Western Australia, and is proposing to offer financial assistance of around \$16.8 million for a multi-user infrastructure port and marine support project.
- The \$700 million northern Australia roads package will improve safety, community connection to services, and better connect communities and producers to domestic and international markets. All 38 successful projects have been announced and project funding agreed with all jurisdictions. Construction has commenced on several projects.
- The National Water Infrastructure Fund. The Australian Government has invested \$25.5 million in 15 water feasibility studies and \$15 million in three water resource assessments across the north. One feasibility study (Oakover Valley Irrigation) in northern Western Australia has been completed, and the remainder are due to be delivered by April 2019.
- The \$75 million Cooperative Research Centre for Developing Northern Australia. This is operational, headquartered in Townsville and its first Expression of Interest round recently closed. Separately, seven northern projects worth a total of \$13.9 million were recently announced.
- A \$12.4 million expansion of northern Australian biosecurity surveillance activities through Indigenous ranger groups. This has almost doubled the ranger groups undertaking this type of work.

Broader northern Australia initiatives

The Australian Government's vision for the north reaches beyond delivering the White Paper and includes a wide range of initiatives that are bringing benefits to northern Australia. Highlights include:

- Strengthening the defence presence across northern Australia, including spending \$18.5 billion in the Northern Territory, \$3.5 billion in Western Australia and \$5.5 billion in Queensland to upgrade defence facilities over the next 20 years.
- The Townsville City Deal, which includes \$100 million for the North Queensland Stadium. Work commenced on site in August 2017 and the stadium is expected to be completed in time for the 2020 NRL Season.
- The Darwin City Deal, which is currently under negotiation.
- Northern roads packages, including \$6.7 billion for the Bruce Highway Upgrade Program and \$100 million for the Outback Way.
- The \$100 million Exploring for the Future program. Under the program, Geoscience Australia is mapping mineral, energy and groundwater potential primarily in northern Australia. The first release of data is due out later this year.
- The Building Better Regions Fund and the \$472 million Regional Growth Fund are delivering improvements in the north as well. The north is receiving \$57 million in the first round of Building Better Regions Fund grants which support projects that will create jobs, drive economic growth and build stronger regional communities.

Collaboration: the key to the north

Much of the work needed to make the Australian Government's vision of a stronger north a reality involves long-term commitment and collaboration across government, industry and the community. Led by the ONA, critical coordination and collaboration to make the north an easier and more productive place to live and do business is taking place at all levels.

Governance in northern Australia is a key White Paper priority, and the ONA has established a number of regular forums with the three northern jurisdictions and other stakeholders including:

- The Northern Australia Strategic Partnership (NASP): chaired by the Prime Minister and including first Ministers, the Deputy Prime Minister and the Minister responsible for northern Australia. The NASP provides high level leadership and facilitates cooperation/agreement across the three northern jurisdictions.
- The Ministerial Forum on Northern Development (the Ministerial Forum): chaired by the Minister for Resources & Northern Australia and including his northern Ministerial counterparts. It is now the primary forum for collaborative work focusing on shared development priorities. The inaugural Ministerial Forum on Northern Development was held on 1 September 2017 in Darwin. Participants reiterated their strong commitment to developing the north from all four jurisdictions and agreed a set of shared development priorities. The next meeting of the Ministerial Forum will be in Kununurra, WA in early 2018.
- The Northern Australia Advisory Council (NAAC): chaired by the Minister for Resources & Northern Australia has seven independent members. It provides advice to the Minister reflecting regional experience and expertise. A meeting of the NAAC is scheduled to be held with the Ministerial Forum in Kununurra in early 2018.
- The Northern Australia Indigenous Reference Group: a senior Indigenous leadership group established to provide input to the Ministerial Forum. It is managed by PM&C and ONA.

- The Northern Australia Senior Officials Networking Group: a committee of senior officials representing the three northern jurisdictions and the Australian Government. This group supports the NASP and the Ministerial Forum.

In addition to developing and maintaining these high level partnerships across the northern jurisdictions, the ONA actively consults with industry and business stakeholders to generate the ideas that instruct future northern policy direction.

This collaboration is well reflected in the ONA publication, *Our North, Our Future – Developing Northern Australia Implementation Report 2017*, that highlights achievements in the Australian Government's delivery of the northern development agenda. The publication was released by the Government at a function on 17 October 2017 attended by more than 80 key northern Australia stakeholders. ONA is providing copies to the Inquiry and the publication is also available online.

Decentralisation and northern Australia

In relation to the Inquiry's Terms of Reference and decentralisation, the ONA provides an example of appropriate and successful decentralisation. In accordance with a White Paper recommendation, the ONA headquarters opened in Darwin in December 2015. The ONA also has staff based in Cairns, Townsville, Brisbane and Perth as well as Canberra. By being based in the north, ONA staff are better placed to form productive relationships with key northern Australia stakeholders and report and act on issues and trends in the north.

The White Paper also established other organisations located in the north. These include the Northern Australia Infrastructure Facility, headquartered in Cairns and with board members across northern Australia. It also includes the Cooperative Research Centre for Northern Development, headquartered in Townsville and also with board members across northern Australia.

Indeed, the Industry, Innovation and Science portfolio has a broad decentralised presence. Over a quarter (27%) of the workforce is already outside of Canberra, Sydney and Melbourne through networks and agencies. Beyond ONA and the NAIF, there is the Australian Institute of Marine Science near Townsville and Darwin and the Major Project Facilitation Agency, established in Darwin, which supports major projects across Australia by providing regulatory approvals information, facilitation and coordination services.

As at 3 November 2017, the Agency was supporting 34 major projects representing a capital investment value of approximately \$142 billion. Of these 34 projects 17 are located in Northern Australia with an estimated capital investment value of over \$120 billion. Nine of the 17 Northern Australian projects have Major Project Status which is the Australian Government's recognition of the strategic significance of the project.

AusIndustry is also in the portfolio and has a regional manager network which operates from more than 20 regional offices raising awareness and facilitating access for regional businesses to programs and services.

AusIndustry administers the Entrepreneurs' Programme which has 83 Business Management and Innovation Connections Advisers and Facilitators who provide business advice and facilitation services to small and medium businesses located outside capital cities. Of these 83 Advisers and Facilitators, 32 are located in regional Australia. The Entrepreneurs' Programme also has 22 Commercialisation Advisers located in capital cities who provide services to entrepreneurs, start-ups and businesses in regional Australia.

The Industry, Innovation and Science portfolio also includes the National Measurement Institute and the Commonwealth Scientific and Industrial Research Organisation with a national footprint.

The ONA headquarters in Darwin has co-located staff from some of these DIIS divisions, including AusIndustry, the Major Projects Facilitation Agency, the National Measurement Institute and the Centre for Defence Industry Capability.

Conclusion

In summary, the Australian Government's developing northern Australia agenda is a regional development program. The successful delivery of White Paper measures and broader northern Australia initiatives demonstrates the importance of employing a cohesive, decentralised and place based development framework for drawing on and building the strengths of regional Australia – to benefit the whole nation. The role of the ONA in leading implementation of the developing northern Australia agenda, in partnership with northern stakeholders across the jurisdictions, demonstrates the importance of coordination on such an important national issue.