

OFFICE OF THE
VICE-CHANCELLOR
AND PRESIDENT



The Secretary
Select Committee on Regional Development and Decentralisation Inquiry
House of Representatives
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Ms Burt

RE: REGIONAL DEVELOPMENT AND DECENTRALISATION INQUIRY

Thank you for inviting Charles Darwin University to make a submission to the Inquiry into Regional Development and Decentralisation. Please find our submission attached.

Charles Darwin University is the only university based in the Northern Territory, a remote regional setting and one where there has been much focus on settings to enhance population growth and development. Our comments relate to both our operation as a University in the North and to some of the considerations surrounding regional development and decentralisation from a broader academic perspective.

We look forward to seeing the findings of this Inquiry.

Yours sincerely

Professor Simon Maddocks
Vice-Chancellor and President

13 September 2017



CHARLES DARWIN UNIVERSITY

Submission to

Select Committee on Regional Development and Decentralisation

**Inquiry into Best Practice Approaches to Regional Development and
Decentralisation of Commonwealth Entities**

Office of the Vice-Chancellor/ Charles Darwin University / Darwin NT 0909/ vc@cdu.edu.au

Introduction

Charles Darwin University (CDU) welcomes the opportunity to make a submission to the Inquiry into Regional Development and Decentralisation. CDU is unique among Australian universities. No other single Australian university serves such a large area of the continent, in such a remote and undeveloped location, or with such a small population to sustain it. While the Northern Territory (NT) covers more than seventeen percent of Australia, it is home to just over one percent of the population, thirty percent of whom are Indigenous, compared with around three percent of the general Australian population.

Charles Darwin University's predecessor institution, the Northern Territory University (NTU), was Australia's first dual sector university, providing, as the only university based in the Northern Territory, both Higher Education and Vocational Education and Training programs. NTU and subsequently CDU were conceived to support the economic, environmental, cultural and social development of the Northern Territory and as such have provided the knowledge and human capital that have sustained the development of the NT over more than 27 years. CDU is intimately connected to the Northern Territory and its future and will continue to deliver the education, skills and new knowledge through research needed to underpin the future prosperity of northern Australia.

As a tertiary education institution based in a remote regional setting, CDU is very interested in national policy and governance affecting regional areas and their development, as these can have a significant impact on how the University does business and our role in the regional economy of northern Australia.

This submission responds to selected points in the Inquiry Terms of Reference from this perspective.

Best practice approaches to regional development

Growing and sustaining the rural and regional population base

The Northern Australia White Paper (2015) emphasized the need to coherently manage the intricate connections between the attraction of workers to contribute to a stable population base in northern Australia, the retention of skills and resident expertise when projects conclude or public funding shrinks, and the need to flexibly assist access by industry to temporary (including migrant) workforces to support those sectors identified as offering greatest opportunities for sustainable export competitive advantage. The potential benefits arising from increasing the northern towns and regions' resident population (to assist the twin objectives of improving quality of life and creating agglomeration economies supporting improved delivery of services to enhance population retention objectives in the North) must simultaneously support efforts to address future export growth and competitiveness agendas (agribusiness, tourism, education, resources, etc.), by identifying future skills shortages that will impede progress.

In order to grow and sustain a regional population base and resident workforce, the NT must provide access to quality tertiary education services that will skill and educate people for jobs available and sustainable within their region, and so that their children have the opportunity to progress from school to tertiary education without having to move away from their community.

This simple premise was the basis for the establishment of Charles Darwin University's predecessor institution, the Northern Territory University, and continues to be CDU's primary focus. It has been imperative that, as the only university based in the NT, CDU offer a comprehensive range of programs in order to meet the demands of NT residents and their children for tertiary education, so that they are not forced to leave the NT to obtain these services elsewhere, and so that lack of such services is not a disincentive to families and couples to move to the NT in the first place.

This is also an important consideration in relation to decentralisation of Commonwealth entities or functions, as a mechanism to increase growth and prosperity in regional areas. If the regional areas where it is proposed to relocate Commonwealth functions or entities do not have adequate tertiary education services, recruiting qualified staff and relocating their families to those areas may prove difficult and may not ultimately result in better or adequate performance of these entities' functions.

Over the life of this University, the NT population has grown from around 160,000 to over 244,000 people. While significant, this growth has not been sufficient for the NT to sustain a comprehensive university in its own right. It was therefore recognised early on that to be sustainable, we needed to diversify our services and delivery beyond the Northern Territory and consequently CDU became one of the first universities in Australia to develop significant online learning programs, which are now accessed by around 70% of our Higher Education students, 60% of whom live outside the NT. This has enabled us to provide the comprehensive tertiary education service that the NT requires, while also connecting the University to people and communities across Australia.

Today CDU has around 12,000 Higher Education and 11,000 VET students who study through our campuses and centres in Darwin, Palmerston, Katherine, Alice Springs, Nhulunbuy, Tennant Creek and Jabiru in the NT, or our centres in Sydney, Melbourne, Adelaide or Cairns, as well as online. CDU also provides face-to-face training at over 150 regional and remote locations throughout the NT on a drive in drive out basis, where staff deliver short programs based on community needs using mobile learning units transported on trucks. Providing these sorts of services in a regional area however, comes at a higher cost than conventional delivery in an urban setting, where economies of scale and access to services make education delivery and research more cost efficient, but are important to sustaining and building regional areas. Government therefore needs to recognise the challenges of regional tertiary education delivery, particularly in remote regional areas such as the NT, and support universities to remain and operate sustainably in regional settings if we are to build regional workforces for future growth.

In planning for decentralisation of Commonwealth entities to regional areas, Government will need to consider the challenges and costs of service delivery in regional areas more generally, as well as the importance of building critical mass to support regional economic development, and

should therefore investigate options for colocation of these entities with existing facilities such as regional universities to enhance intellectual mass and secure service delivery and infrastructure efficiencies wherever possible.

As would be expected, CDU has a keen interest in the future workforce challenges of the North. However, in addressing the chronic challenges linked with regional workforce attraction and retention, it is worth underlining the fundamental difference in perspectives between northern Australia and other Southern regions that constitute the hinterland of large urban or metropolitan centres. Such typical hinterland regions are usually directly inter-dependent with their hub and aiming to stem the flow of population into large cities, which undermines regional services effectiveness and can lead to excessive urban sprawl.

In northern Australia, there is no such one-to-one connection between population movements in and out of northern localities and a single, specific southern town or city. In fact, the sources of population increase or decrease (generally linked with specific major project phases) are highly sector-specific and opportunistic. This makes it difficult to predict which sectors and locations would contribute the greatest benefits to the North when decentralisation occurs. Any future policy directions in this area therefore need to consider the type of skills contributed, the likelihood that they will complement existing and future workforce needs, as well as the likelihood that jobs and their underlying capabilities will be retained in northern towns and regions.

Developing regional populations and economies also require new knowledge and innovation delivered through research to support development that will be sustainable both economically and environmentally. This requires research that is 'fit for purpose', responding to local regional settings, conditions and aspirations. CDU has major, world class research strengths in topical and Indigenous health and environmental sciences, with developing areas of research strength in engineering and social sciences, which have developed over time in response to the major information needs of the Territory and surrounding regions including Asia. Strategic colocation of Commonwealth entities with CDU could enhance efforts to deliver new knowledge and foster innovation in the North.

Developing the capabilities of regional Australians

The Inquiry Issues Paper rightly establishes that there is little consensus about how regions should be developed and that there is no single approach likely to satisfy the majority of regional needs. Even all-purpose statements about 'place-based', 'bottom-up' and 'good practice' can mean completely different things to different regions. And while it may appear reasonable at the outset to support 'endogenous growth' (as growth that takes place because of the assets, abilities and talents of the region and the people within it), this may in fact be limiting, specifically in the northern context, where regions are aiming to transform their economies and alter both perceptions and real disadvantages regarding their resident human capital.

CDU is working closely with the Northern Territory Government through our unique Partnership Agreement and the NT's Economic Development Framework to consider, as far as is possible in a fairly fluid space, the workforce needs of the future and how to meet them in terms of higher education and training provision, upskilling and preparing for jobs that currently may not exist. We are also working closely with Government on its agenda for increased development of the international student market, which is a significant plank of the NT's Economic Development Framework and is seen as a potential market that Darwin, in particular, should be well placed to capitalise on.

An improved quality of life for regional Australians

CDU's provision of flexible and online education services that enable Territorians and other Australians in regional areas to access education, upgrade their skills and in doing so improve their quality of life through more satisfying and better paid employment, is a major contribution to the quality of life of regional Australians.

CDU's research also makes a significant contribution to improved quality of life in northern Australia and throughout our region. The work of CDU's Menzies School of Health Research (Menzies) is provided here as an example of a best practice approach.

Menzies, established in the NT in the early 1980s, is recognised as one of Australia's leading medical research institutes and is the only research institute dedicated to improving the health and wellbeing of Indigenous Australians. Located in Darwin, Menzies is also a global leader in tropical health research into life-threatening illnesses such as malaria and melioidosis. Over the past three decades, Menzies has made many significant achievements in the areas of tropical health, infectious disease, preventable and chronic disease, and child health, development and education. The most recent examples of Menzies' research impacting policy and practice include Malaysia's national malaria guidelines being updated based on Menzies' research; the American College of Chest Physicians guidelines being amended to include results from a Menzies led study on chronic cough in children; and Menzies' research informing the 2016 national campaign 'Don't make smokes your story'.

Menzies has consistently achieved a level of success with NHMRC grants that is significantly above the national average. In 2105, it received a 5 out of 5 ranking in the federal Government's Excellence in Research for Australia assessment, where Menzies' work was described as outstanding and well above world standard.

A recent report by Deloitte Access Economics estimated that for every \$1 invested in Menzies there is an economic and health return of \$2.70. Again, this result places Menzies well above the Australian health research sector average.

One of Menzies' greatest strengths is the 60 plus strong partnerships it has developed with remote communities across central and northern Australia. Menzies aims to increase the capacity of these communities to deliver better health services. In 2016, the first Indigenous community-based researchers graduated from the Certificate II in Community Health Research at CDU.

In 2016, Menzies was awarded a \$6million grant to lead the collaborative project *Improving Health Outcomes in the Tropical North: A Multidisciplinary Collaboration (HOT NORTH)*. The grant forms part of the federal government's northern Australia *Tropical Disease Collaborative Research Programme* derived from policies outlined in the White Paper, *Developing Northern Australia*. Menzies also received significant grants to lead a program of work for the prevention, control and elimination of malaria and tuberculosis in Southeast Asia and the Pacific, and to deliver the Aboriginal and Torres Strait Islander Brief Intervention Training Program in Queensland.

Menzies' achievements demonstrate that real investment in regional institutions can lead to significant and meaningful outcomes. Menzies will continue to achieve sustainable health improvements through excellence and leadership in research, education and capacity development and, in doing so, improve the quality of life for regional Australians.

A place-based approach that considers local circumstances, competitive advantages and involves collective governance

The example of Menzies and the other points made above show how important it is that a major education and research service provider like CDU is embedded in the regional community and economy in which it operates. Long term commitment, experience and understanding of the challenges and opportunities that regional areas face are extremely important to the success with which we are able to gain community confidence, meet community aspirations and address issues affecting access and success in tertiary education. This is particularly the case in northern Australia, which is arguably different to many other regional areas of the country.

A place based approach for research is also very important. A long term commitment to, investment in and understanding of the knowledge needs for regional advancement, delivered through targeted research, will deliver better outcomes that are tailored to community needs. Fly in fly out research can be necessary where capability in specialised areas is not sufficient locally, but ultimately those who live in the regions are best placed to know what is needed, what works and to see things like policy development and implementation through. This is particularly the case in relation to dealing with Indigenous matters, where there is suspicion of those coming in from outside seeking to 'fix' things for, or get information from, Indigenous people. In dealings with Indigenous people, trust and familiarity is important. This is something CDU recognises and respects and is in a position to nurture through our education services and research, done with Indigenous communities, not on them.

Decentralisation of Commonwealth entities or functions, as a mechanism to increase growth and prosperity in regional areas

A policy of decentralisation of Commonwealth entities or functions as a mechanism to increase growth and prosperity in regional areas is potentially very important to the North, and particularly the NT given our need to cohesively address a wide and complex array of structural challenges. This is why the approach to decentralisation must take into consideration not only the population growth imperative, but also the strategic workforce development goals that will support northern futures.

For CDU and other Northern Territory stakeholders, it is critical that any program to decentralize Commonwealth agencies be strategically aligned with the North's long-term ambition to transform its demography, society and economy, and complements current efforts to expand its infrastructure. It is important for any Commonwealth agencies to not only bring population and skills to the North, but to work with organisations such as CDU ,that hold expertise and have established relationships to tap into local knowledge of local conditions, to establish priorities and engage with a wide range of relevant stakeholders in northern development.

The objectives (2.7) and limitations (2.9) of decentralisation described in the Issues Paper appear reasonable, although narrowly focused on conventional services delivery (driving conventional regional support agendas), rather than aiming to contribute to long-term strategic developmental directions. These strategic directions require a mix of local knowledge of the social and economic environments with specific skills expertise, for instance related to export markets, the development of distribution and supply chains, and the attraction of investments.

The section in the Issues Paper on digital networks, teleworking and the impact of novel communication connections technologies is very relevant. However, what is needed in the context of the northern agenda is not simply to acknowledge that those technologies improve the ability to connect, and must ultimately affect decisions about where to locate people and services; but that there is a strong need to increase the North's expertise to foresee how various industries and sectors will be affected by those developments, and how this will shape the range of skills and knowhow that will be needed to achieve competitive advantage as infrastructure needs are incrementally addressed.

It must be noted that the use of decentralisation to counter problems faced by 'regions in difficulty' might be counterproductive if they simply delay needed economic restructure to enhance workforce growth relevant to competitive export agendas. Any program that brings new skills or expertise to the North must take place cohesively with the northern economic transformation agenda. Investments in human resources in the North must be squarely aimed at establishing sustainable economic foundations supporting competitive export advantage and contribution to national productivity agendas, and ultimately tackle the northern financial dependency on the south.

The section of the Issues Paper that considers the “characteristics of agencies and regions that lend themselves to decentralisation” provides some useful clues about physical and infrastructure pre-conditions, but fails to consider the critical role played by the precariousness of skills and workforce flows in and outside the North (although that point is touched in 3.12 in the section on corporate decentralisation in the statement by the Hon Senator Fiona Nash which refers to local skills and intellectual capacity). An important consideration that is missing in the Issues Paper is the possibility that, and extent to which, the transfers of Commonwealth public service positions to northern regions could result in crowding out local talent. This would be the case if the transfer of ‘positions’ mainly results in attracting resident local white collar employees seeking promotion or better employment conditions and proficient at moving between agencies and opportunities, which may have adverse impacts locally. Similarly, if the positions attract workers from southern jurisdictions, it would be important to consider how likely the newcomers will be willing to reside and contribute to the region in the longer term.

Finally, colocation of key Commonwealth agencies and offices with a university, and in the NT’s case with CDU, to create research and policy precincts with greater critical mass will inevitably improve regional workforce capability and delivery efficiency.