



Australian Government

Australian Government response to the
Senate Select Committee report:

Effectiveness of the Australian Government's Northern
Australia Agenda

DECEMBER 2023

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List of abbreviations used

- Australian Carbon Credit Unit (ACCU)
- Australian Health Practitioner Regulation Agency (Ahpra)
- Australian Industry Participation (AIP)
- Australian Public Service Commission (APSC)
- Child Care Subsidy (CCS)
- Committee on Water Interests (CAWI)
- Commonwealth Scientific and Industrial Research Organisation (CSIRO)
- Community Development Program (CDP)
- Cooperative Research Centre for Northern Australia (CRCNA)
- Disaster Recovery Funding Arrangements (DRFA)
- Indigenous Business Australia (IBA)
- Indigenous Protected Areas (IPA)
- Indigenous Skills and Employment Program (ISEP)
- Infrastructure Investment Program (IIP)
- Medicare Benefits Schedule (MBS)
- Memorandum of Understanding (MOU)
- National Aboriginal and Torres Strait Islander Housing Association (NATSIHA)
- National Emergency Management Agency (NEMA)
- National Housing and Homelessness Agreement (NHHA)
- National Housing Finance Investment Corporation (NHFIC)
- National Indigenous Australians Agency (NIAA)
- National Medical Workforce Strategy (NMWS)
- National Nursing Workforce Strategy (NNWS)
- National Partnership Agreement for Remote Indigenous Housing (NPARIH)
- National Water Initiative (NWI)
- Northern Australia Indigenous Reference Group (IRG)
- Northern Australia Infrastructure Facility (NAIF)
- *Northern Australia Infrastructure Facility Act 2016* (NAIF Act)
- Northern Territory Aboriginal Investment Corporation (NTAIC)
- Northern Territory Indigenous Business Network (NTIBN)
- *Our North, Our Future: White Paper on Developing Northern Australia* (White Paper)
- Pacific Australia Labour Mobility (PALM)
- Statement of Expectations (SOE)

Overview

On 4 July 2019, the Senate agreed to establish a select committee on the effectiveness of the Australian Government's Northern Australia agenda. The committee inquired into and reported on the effectiveness of the objectives, design, implementation and evaluation of the Australian Government's Northern Australia agenda, as outlined in *Our North, Our Future: White Paper on Developing Northern Australia* (White Paper). The committee concluded its inquiry when it tabled its final report on 28 April 2021.

The Australian Government welcomes the opportunity to respond to the committee's interim (December 2020) and final reports which cover a broad range of government issues.

The White Paper, which was released by the previous Government and supported by the Australian Labor Party from opposition, made a clear and enduring commitment to Northern Australia and provided a 20-year agenda that is founded on strong partnerships with the Queensland, Western Australian and Northern Territory governments.

The development of our north is at an exciting juncture. While development in the north presents challenges, it also presents unique opportunities. Northern Australia will play a significant role in Australia's decarbonised future. It will position Australia as a renewable energy powerhouse while delivering transformative prosperity and opportunity for communities in the north and the nation.

Meeting the aspirations of First Nations peoples is essential to the Australian Government meeting its objective of resilient and sustainable growth in Northern Australia.

The Australian Government supports the Northern Australia Indigenous Reference Group to ensure First Nations people have a strong voice in policy decisions that affect the north.

The Australian Government has acted on its commitment to Northern Australia. It has implemented White Paper initiatives such as additional financing for the Northern Australia Infrastructure Facility and supporting the Cooperative Research Centre for Northern Australia (CRCNA). Significant progress has been made across a broad and diverse range of interests including:

- land reform and native title claims
- water infrastructure
- business development
- tropical medical specialisation
- enhanced biosecurity activities
- infrastructure, road and rail development
- workforce and visa management.

The White Paper provides a blueprint for forward development in the north and a basis for continued innovation and progress. The Australian, Queensland, Western Australian and Northern

Territory governments reiterated their strong commitment to developing Northern Australia at the Northern Australia Ministerial Forum meeting in Kununurra in June 2023. The forum has agreed a set of priorities, including the refresh of the White Paper, to inform a program of joint actions.

This Australian Government response should be read alongside the following Australian Government agencies' submissions to the committee's inquiry:

- Department of Agriculture, Fisheries and Forestry
- Department of Defence
- Department of Foreign Affairs and Trade
- Department of Home Affairs
- Department of Industry, Science and Resources
- Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

Part A – Australian Government response to the Final Report

The Australian Government's response to the effectiveness of the Australian Government's Northern Australia Agenda report is set out in detail below.

Recommendation 1

The committee recommends that the Australian Government refresh the Northern Australia agenda, in light of the new challenges and opportunities posed by COVID-19, with the goals of:

- broadening the agenda to:
 - take advantage of a wider range of economic opportunities arising from value adding in traditional industries and from expanding new and emerging industries; and
 - address the social and environmental challenges and opportunities facing Northern Australia;
- committing to:
 - improve social and environmental outcomes in Northern Australia;
 - address the extensive and severe nature of First Nations Australians' socioeconomic disadvantage;
 - focus on the facilitation of First Nations Australians' participation in the Northern Australian economy;
 - a stronger emphasis on value adding to the north's traditional industries and capture new opportunities in emerging industries;
 - undertaking a serious examination of, and response to, the risks posed by climate change to the region; and
 - greater engagement with local communities, especially First Nations communities;
- incorporating other recommendations made in this report.

The Australian Government **supports** this recommendation.

The Australian Government is committed to supporting sustainable and resilient economic growth to secure a strong future for Northern Australia and the nation. To achieve this, the Australian Government is working collaboratively with state and local governments, First Nations people, business and industry, and communities.

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is leading a refresh of the White Paper during 2023-24 to address new and emerging geographic and economic challenges in Northern Australia.

Improving social and economic outcomes for First Nations people in Northern Australia is key to an inclusive Northern Australia agenda. The government has confirmed its commitment to the Northern Australia Indigenous Reference Group (IRG) to advise the Australian Government on

northern development to maximise benefits and implementation outcomes for First Nations Australians.

The Australian Government remains committed to unlocking Northern Australia's opportunities in traditional, expanding and emerging industries. It supports a transformative agenda, with investment in infrastructure and resource projects to unlock economic benefit for Australia's northern regions and drive the nation's transition to a net zero economy.

The Department of Agriculture, Fisheries and Forestry develops and contributes to Australian Government policies and programs, which support and build on the contribution agriculture, fishing and forestry industries make to strong and resilient regions in Northern Australia. This includes working across government to ensure agricultural issues are considered in broader government initiatives and programs.

For example, the Indigenous Ranger Biosecurity Program partners with Indigenous ranger groups across Northern Australia to undertake fee-for-service biosecurity surveillance activities. The program builds the capability of Indigenous rangers to undertake these activities and provides economic and employment opportunities while creating biosecurity awareness in First Nations communities.

Unlocking Australia's critical minerals potential will create significant economic opportunities for communities in Northern Australia. The Australian Government's new Critical Minerals Strategy sets out a vision to grow our critical minerals industry, create jobs and downstream industries, strengthen global supply chains, help Australia to become a renewable energy superpower and contribute to global efforts to achieve net zero.

To help optimise First Nations economic development across Northern Australia, the Australian Government has overseen the establishment of the Northern Territory Aboriginal Investment Corporation, an Aboriginal-led statutory body created to promote the self-management, self-sufficiency and social and cultural wellbeing of Aboriginal people living in the Northern Territory.

The National Indigenous Australians Agency (NIAA) has a number of national programs that centre on workforce development, but it is important to view these in the context of the NIAA's continuing practice of place-based operations. The needs and priorities across First Nations communities in metropolitan, regional and remote areas of Northern Australia – as expressed by those communities – vary, and our local operations place requisite emphasis on the programs outlined below along with other areas as identified by communities directly. Further to this, the NIAA administers a range of policies and programs to help Indigenous businesses grow. Indigenous businesses build wealth for communities, create demand for employment and can be a vehicle for self-determination. NIAA provides funding to a number of different organisations that offer Indigenous business support services and build networks across Northern Australia. This includes Indigenous Business Australia (IBA), the Northern Territory Indigenous Business and Employment Hub, Supply Nation, and Many Rivers.

In addition to workforce and business initiatives, the NIAA invests significant funding in education – primarily in early years and schooling initiatives – which also supports stronger engagement in the workforce. Strong education outcomes build human capital which also contributes to self-determination and helps to create economic opportunities for individuals and communities.

The NIAA's programmatic efforts are aligned with the Northern Australia Indigenous Development Accord, an intergovernmental agreement focussed on progressing Indigenous economic development. The NIAA works closely with the Department of Employment and Workplace Relations and other agencies to promote employment and economic development in Northern Australia.

Social and environmental outcomes for Northern Australia also align with the National Agreement on Closing the Gap which was developed in partnership with the Coalition of Aboriginal and Torres Strait Islander Peak Organisations. It addresses 4 priority reforms and requires all governments to change the way they work with Aboriginal and Torres Strait Islander people, and address 19 socioeconomic targets to improve outcomes. Northern Australia-based Closing the Gap Implementation Plan programs aim to improve socio-economic and environmental outcomes. For example, Indigenous rangers assists First Nations people to manage country in accordance with Traditional Owners' objectives. Indigenous rangers use traditional knowledge and cultural practices, combined with western science, to manage land, river and sea country and deliver environmental, cultural, social and economic development outcomes. The Australian Government has committed \$636.4 million to double the number of Indigenous rangers by the end of the decade to 3,800 and work towards a target of gender equality in ranger positions, as well as a number of complimentary initiatives.

The Australian Government has taken immediate action to reprioritise Defence's capabilities in response to the recommendations of the Defence Strategic Review, including improving the ability of the Australian Defence Force to operate from Australia's northern bases. The Australian Government has committed \$3.8 billion over 4 years from 2023–24 to bolster investment in Australia's northern bases and directed Defence to deliver upgrades and development of the northern bases network as a matter of priority, including:

- \$2 billion for critical air bases stretching from RAAF Base Learmonth through Cocos (Keeling) Islands, as well as air bases in the Northern Territory and northern Queensland
- \$1 billion for upgrades to land and joint estate capabilities
- \$600 million in maritime estate investments including HMAS Coonawarra, HMAS Cairns and the Harold E Holt Naval Communications Station
- an additional \$200 million towards the acceleration of additional projects.

Strengthening Defence's northern bases network provides key economic opportunities in regional and remote areas. The Australian Government is committed to maximising these opportunities for local industry and Indigenous companies to be involved in delivering works.

The Department of Defence provides specific First Nations employment and education programs in Northern Australia. These programs offer a range of pathways for First Nations candidates to join the Australian Defence Force and the Australian Public Service. The Indigenous Development and Pre-Recruit Programs help overcome barriers and prepare candidates for entry into the Defence Force. Opportunities are also tailored to work on-country through key positions including the Army Regional Force Surveillance Units and Indigenous Liaison Officer roles working directly with First Nations communities.

The Indigenous Protected Areas (IPA) Program supports First Nations groups to manage their land and sea country in accordance with Traditional Owners' objectives. The Australian Government is providing \$231.5 million over 5 years from 1 July 2023 to continue and improve the IPA Program, supporting the management and expansion of the estate. There are currently 16 dedicated IPAs in the Northern Territory, covering over 26.1 million hectares of land (equivalent to 19.5% of the land area of the Northern Territory) and 1.8 million hectares of sea. There are 5 consultation IPA projects in the Northern Territory. If these consultation IPAs dedicate, they are expected to cover an additional 7.9 million hectares of land and 1.0 million hectares of sea.

Northern Australia's iconic environment is home to many endemic and threatened species. There are multiple threats facing the environment in Northern Australia, including the spread of invasive species and extreme weather events such as bushfires, which are exacerbated by climate change. Landscape scale action to ensure that the unique biodiversity of the area can be protected is important.

The Australian Government has a long history of supporting environmental outcomes in Northern Australia and is rolling out multiple election commitments and other funding in the region that will continue to invest in the environment and address climate risk. For example:

- The current phase of the Natural Heritage Trust is investing \$1.1 billion until June 2028. This includes funding for a range of environment protection projects including IPAs, recovery actions for species and landscapes, World Heritage and Ramsar wetlands protection. It also includes investments in urban rivers and catchments projects to restore urban rivers and waterways to improve habits for native species and water quality. Projects will be delivered in partnership with national and regional bodies, non-government entities and First Nations communities. A proportion of this investment is expected to support Northern Australia.
- Funding will also be directed towards action to respond to risks posed by climate change by supporting climate-smart, sustainable agriculture projects. Investments will support farmers to reduce emissions and build resilience to climate change, benefit from participation in carbon and biodiversity markets, improve soil health and protect natural capital and biodiversity. Investments will also strengthen First Nations engagement to enable the agriculture sector to

benefit from traditional knowledge and support First Nations agricultural enterprises. A proportion of this investment is expected to support Northern Australia.

Soil is a national asset and a critical part of a climate-smart, productive and sustainable agricultural sector. The National Soil Strategy, endorsed by all state and territory agriculture ministers, sets out how Australia will value, manage and improve its soil for the next 20 years from 2021. The National Soil Action Plan 2023–2028 identifies 4 priority actions to guide investment in soil over the next 5 years. The Australian Government is providing \$20 million in 2023–24 to establish bilateral partnership agreements with states and territories to progress the priorities of the National Soil Action Plan and the National Soil Strategy. The partnerships will drive the implementation of measures to assist farmers and other stakeholders to better understand and respond to challenges and opportunities arising from soil, which is vulnerable to the impacts of climate change and plays a role in resilience to natural disasters and the path to net zero emissions.

The Australian Government is committed to comprehensive reform of Australia's national environmental law – the *Environment Protection and Biodiversity Conservation Act 1999*. The Nature Positive Plan: better for the environment, better for business, sets out commitments to better protect, restore and manage our unique environment alongside other ambitious commitments including protecting 30% of Australia's land and seas by 2030, net zero emissions and a plan towards zero new extinctions. Key reforms include establishing National Environmental Standards to improve environmental protections and guide decision-making and establishing a Commonwealth Environment Protection Agency (EPA) to enforce the law and restore confidence. These reforms will improve environmental outcomes for Northern Australia, and improve First Nations engagement and participation in environmental decision-making while streamlining processes for business.

Recommendation 2

The committee recommends that the Australian Government prioritise the implementation of the recommendations arising from this inquiry's interim report and also the Statutory Review of the Northern Australian Infrastructure Facility.

The Australian Government **agrees in principle** to this recommendation.

The *Northern Australia Infrastructure Facility Amendment (Extension and Other Measures) Act 2021* (Amending Act), which came into effect on 27 May 2021, implemented many of the Statutory Review's recommendations, including extending the Northern Australia Infrastructure Facility's (NAIF) investment window. The NAIF is working to implement the remaining recommendations which relate to internal practices.

Recommendation 3

The committee recommends that the Australian Government facilitate strategic planning between all levels of government and other stakeholders, with a view to de-risking the investment environment in Northern Australia.

The Australian Government **supports** this recommendation.

The Australian Government facilitates strategic engagement to de-risk the investment environment and coordinate investment planning in Northern Australia. The Australian Government is investing in transformational and enabling projects through a whole-of-government approach, in partnership with state and territory governments, including:

- Australian Government funding for transformational and enabling projects in partnership with state and territory governments, through mechanisms such as the Infrastructure Investment Program and the National Water Grid Authority.
- NAIF financing to increase private sector partners aligned with Australian Government priorities.
- Regulatory reform to promote effective market operation across jurisdictions, such as water regulation, land use planning, and licensing.
- The re-establishment of overarching governance, led by the Northern Australia Ministerial Forum.
- A reaffirmed commitment to working with the IRG.
- A collaborative research program, led by the CRCNA alongside community and industry in Northern Australia.

Australian Government programs and initiatives that complement the de-risking approach include the Critical Minerals Office, the Major Projects Facilitation Agency, the broader regionalisation agenda, and the Northern Australia Biosecurity Strategy.

The Australian Government continues to coordinate and facilitate further investment in Northern Australia such as the planned investment in common user infrastructure to support the Middle Arm Sustainable Development Precinct in the Northern Territory, the Cairns Marine Precinct expansion and other significant national infrastructure priorities including the expansion of Lumsden Point in the Port of Port Hedland. The NAIF reforms have also streamlined the approval process, given projects a greater range of debt-support options, and allowed equity investments.

The Australian Government has committed \$29.3 million to make an immediate start on regional planning to guide sustainable development under national environmental law. Regional plans in Northern Australia will increase certainty for industry by indicating areas where development should be avoided due to environmental sensitivities and providing clarity about impact avoidance, mitigation and compensation expectations in areas where development may occur. Having identified areas suitable for development, regional plans will reduce Australian Government approval times. The Department of Climate Change, Energy, the Environment and Water is working with states and territories to identify suitable locations for regional plans.

Recommendation 4

The committee recommends that the Australian Government empower the Northern Australia Infrastructure Facility to open information sharing dialogues with commercial financiers, to improve investor confidence by allowing for region specific knowledge, experiences and learnings to be used to improve their understanding of investment risk and potential mitigants in Northern Australia.

The Australian Government **supports** this recommendation.

The NAIF's shareholder Ministers, the Minister for Finance, Senator the Hon Katy Gallagher and the Minister for Northern Australia, the Hon Madeleine King MP, jointly published a Statement of Expectations (SOE) for NAIF on 23 March 2023. The SOE outlines the Ministers' expectations that the NAIF will engage with proponents and other stakeholders to crowd-in private sector investment, fill financing gaps and help to distribute financial risk exposure. The NAIF will support investor confidence in Northern Australia by publicly sharing information on its processes, investment pipeline, and investment decisions, subject to commercial limitations on such publications.

The NAIF collaborates with commercial financiers on projects and shares its expertise to assist in increasing investor confidence for Northern Australia.

Recommendation 5

The committee recommends that the Australian Government, in consultation with the state and territory governments, develop and publish a timetable for the construction and maintenance of identified key freight routes.

The Australian Government **agrees in principle** to this recommendation.

The operations of key freight routes are of particular importance in Northern Australia. The Australian Government works in partnerships with state and territory governments to provide public information on individual projects being undertaken on key freight routes. However, states and territories are responsible for undertaking and scheduling construction and maintenance. While there is no long term published timetable for key freight routes, information on all land transport infrastructure funded by the Australian Government under the Infrastructure Investment Program is made publicly available, covering the expected timeframe, status and progress at <https://investment.infrastructure.gov.au/>.

The Australian Government has made a range of commitments under the National Freight and Supply Chain Strategy (Freight and Supply Strategy) that will benefit Northern Australia. This includes an additional \$22.3 million announced in the 2023–24 Budget for the National Heavy Vehicle Regulator's Strategic Local Government Asset Assessment Project which aims to improve heavy vehicle access by enhancing local governments understanding of road assets and building toward an automated road access system. As at 20 September 2023, 48 local government assets from Northern Australia have been assessed under the Strategic Local Government Asset Assessment Project. Additional information on the Freight and Supply Strategy is available at: www.freightaustralia.gov.au/.

Infrastructure Australia maintains the Infrastructure Priority List, which provides a credible pipeline of nationally significant infrastructure proposals. The 2021 Australian Infrastructure Plan, released in September 2021, details reforms to deliver improved services and sustainable infrastructure for all Australians. The Infrastructure Plan focuses on resilience and adaptability and how the infrastructure sector can best support the national recovery from the COVID-19 pandemic.

Alongside CSIRO, the Australian Government developed the Supply Chain Benchmarking Dashboard to provide detailed and interactive modelling of Australian transport and logistics supply chains. The data captures freight and supply chain performance over road and rail to assist freight operators and the businesses they support to improve their operations.

Recommendation 6

The committee recommends that the Australian Government, in partnership with the state and territory governments, outline a long-term strategy of road and rail funding for Northern Australia, with a view to creating a comprehensive and fit-for-purpose road and rail network.

The Australian Government **agrees in principle** to this recommendation.

On 1 May 2023, the Australian Government announced an Independent Strategic Review of the Infrastructure Investment Program (IIP) to ensure projects funded by the Commonwealth represent value for money and deliver lasting benefits for Australians. The Review report has now been provided to the Minister for Infrastructure, Transport, Regional Development and Local Government. The Review's findings and recommendations will inform the Government's infrastructure investment reform process, delivering a pipeline of projects which are fit for purpose and maximise productivity, sustainability and liveability.

Recommendation 7

The committee recommends that the Australian Government work cooperatively with the states and territory to expedite the completion of all announced road projects, including those in the 2019-20 and 2020-21 Federal Budgets.

The Australian Government **agrees in principle** to this recommendation.

The Australian Government is committed to a 10-year \$120 billion Infrastructure Investment pipeline, working with state and territory governments to deliver infrastructure projects which are nationally significant, economically sustainable and resilient to our changing climate. Cost pressures within the pipeline and constraints on market capacity due to workforce and materials shortages have impacted the delivery of road projects. The Independent Strategic Review of the IIP assessed projects funded under the IIP and made recommendations on the merits of projects continuing. The independent reviewers considered whether projects are deliverable, appropriately costed, align with Government policy objectives and contribute to a pipeline of sustainable projects. The Government is working with its delivery partners to ensure it invests in good projects that benefit communities and deal with the challenges facing the infrastructure pipeline.

Recommendation 8

The committee recommends that a portion of the funding from the next round of the Road Safety Program be committed to supporting projects that improve road safety in Northern Australia.

The Australian Government **agrees in principle** to this recommendation.

The Australian Government supports improving road safety in Northern Australia. Australian Government road safety expenditure will align with the National Road Safety Action Plan 2023–25 (Action Plan), agreed by all governments. The Action Plan sets out the actions all Australian governments will take over the 3 years to 2025 to implement the 9 priority areas in the National Road Safety Strategy 2021–30. In particular, actions under the regional road safety, remote road safety and Aboriginal and Torres Strait Islander people safety areas will deliver positive road safety outcomes for Northern Australia.

The Road Safety Program was intended to support the fast rollout of lifesaving road safety treatments including, but not limited to: shoulder widening and sealing, line markings, the installation of barriers and guardrails, intersection upgrades, pedestrian and cycleway improvements. Allocation of state funding under the Road Safety Program is calculated using the 'Maintenance Formula' with over 45% of the total funds allocated to the Northern Territory, Queensland and Western Australia. Jurisdictions identify the individual projects which require priority funding and this is assessed against criteria to ensure that the funding improves roads with higher risks. To date, the Road Safety Program has funded around 140 projects in Northern Australia at a total value of around \$480 million.

Recommendation 9

The committee recommends that the Australian Government increase the research capacity of the National Water Infrastructure Development Fund and other water management agencies to improve decision-making regarding water policy.

The Australian Government **agrees in principle** to this recommendation.

The Australian Government established the National Water Grid Authority in October 2019 and included a dedicated Science Program. The Science Program was established to build an evidence base for informing water infrastructure investment policy decisions through the National Water Grid Fund (formerly the National Water Infrastructure Development Fund).

The Science Program is underpinned by a Science Strategy that sets out strategic directions and priorities. The Science Strategy was updated in February 2023 to include projects aimed at improving water supply for regional and remote communities, and projects that support increasing resilience in a way that is environmentally sustainable and culturally responsive.

Projects underway to support water resource development and planning decisions in Northern Australia include:

- Three comprehensive water resource assessments (\$18.3 million in total) to underpin potential water resource development decisions in Northern Australian catchments, following from the Northern Australia Water Resource Assessment completed in 2018.
- Four projects with the Northern Territory Government (\$13.1 million in total): 3 projects to provide data and information to form an evidence base for water planning and allocation decisions and 1 project to investigate an emerging technology to increase water security.
- Projects in Queensland, Western Australia and nationally that are building a knowledge base to inform decisions in Northern Australia and state-wide or nationally.

The Australian Government works closely with jurisdictions and leading national science institutions, such as CSIRO, Geoscience Australia and the Bureau of Meteorology, as well as in partnership with state and territory governments, to deliver scientific research that will inform the next generation of water infrastructure for Australia.

The Australian Government has committed to working with states and territories to renew the National Water Initiative (NWI), Australia's blueprint for national water reform that provides for sustainable management of Australia's water resources. This work will consider lessons learnt from 19 years of water reform since the NWI was agreed, as well as the findings of the Productivity Commission's inquiries into the progress of jurisdictions in achieving the objectives and outcomes of the NWI. This process will have regard to the need for a well-coordinated approach to research priorities across jurisdictions so that decision-making is consistently supported by the best-available science and data.

Recommendation 10

The committee recommends that the Australian Government, in consultation with state and territory governments, consider expanding the remit of the National Water Infrastructure Development Fund beyond economic priority areas related to agriculture, including to areas including water security in towns, support of First Nations cultural heritage and a wider array of industries.

The Australian Government **supports** this recommendation.

The Australian Government, through Target 15 in the National Agreement on Closing the Gap, provides for First Nations people to maintain a distinctive cultural, spiritual, physical and economic relationship with their land and waters.

In addition, Target 9b provides for Aboriginal and Torres Strait Islander communities to receive essential services (including water supply and wastewater). Target 9b states that by 2031, all Aboriginal and Torres Strait Islander households:

- within discrete Aboriginal and Torres Strait Islander communities receive essential services that meet or exceed the relevant jurisdictional standard.
- in or near to a town receive essential services that meet or exceed the same standard as applies generally within the town (including if the household might be classified for other purposes as a part of a discrete settlement such as a “town camp” or “town-based reserve”).

The National Water Grid Authority leads the Australian Government's investment in water infrastructure through the National Water Grid Fund (formerly the National Water Infrastructure Development Fund). The fund was originally established as a 10-year program to improve regional water security and reliability, with the specific purpose of delivering outcomes for agriculture and primary industry. In October 2022, the Australian Government implemented its commitment to broaden the National Water Grid Fund investment policy to allow funding for a broader range of projects, including essential town water supplies in regional and remote communities.

The National Water Grid Investment Framework (the Investment Framework) sets out the objectives, principles and eligibility criteria that underpin investment through the National Water Grid Fund. The revised Investment Framework also includes an additional principle which increases the prominence of engagement with First Nations communities in project development and 3 new strategic objectives for the fund:

- Provide safe and reliable water for regional and remote communities.
- Generate public benefit through responsible investment in water infrastructure for productive use.
- Build resilient water infrastructure that is environmentally sustainable and culturally responsive.

In February 2023, the Australian Government committed \$150 million within the National Water Grid Fund to deliver crucial water security projects in regional and remote First Nations

communities. This commitment does not exclude funding from the broader National Water Grid Fund being used for First Nations water security projects. The targeted funding will support First Nations water infrastructure and provide safe and reliable water for remote and regional Indigenous communities.

The Australian Government is also committed to reforming the Commonwealth First Nations heritage protection framework. On 24 November 2022, the Australian Government tabled its response to the Juukan Gorge inquiry, committing to an overarching approach to co-designing heritage protection reforms in partnership with First Nations peoples. The Australian Government is working in partnership with the First Nations Heritage Protection Alliance and other stakeholders to reform the Commonwealth heritage protection framework.

Recommendation 11

The committee recommends that the Australian Government update the Statement of Expectations for the Northern Australian Infrastructure Facility to ensure a renewed focus on investment in new water infrastructure.

The Australian Government **does not support** this recommendation.

The role of the NAIF is to support the development of economic infrastructure to the benefit of Northern Australia. Water infrastructure projects can be considered by the NAIF if they can demonstrate eligibility against the mandatory criteria in the NAIF Investment Mandate which includes an ability to repay a loan or deliver a financial return on an equity investment.

The National Water Grid Fund is available for dedicated water infrastructure investments and has a 10-year program to improve water security and reliability Australia-wide, including through Northern Australia based projects.

Recommendation 12

The committee recommends that the Australian Government, in partnership with state and territory governments, seriously consider water supply options in Northern Australia that avoid adverse environmental, social and cultural heritage consequences and ensures that any new water harvesting that occurs in Northern Australia pays appropriate regard to those potential consequences.

The Australian Government **supports** this recommendation.

The Australian Government is committed to working with states and territories on water supply management in Northern Australia. The responsibility for water resource management predominantly lies with state and territory governments who manage supply through legislation, policy and operational processes. Australian states and territories are party to the NWI, which outlines principles and actions for the sustainable use of national water resources. Under the NWI, states and territories are responsible for water planning that considers environmental and public benefit outcomes from water management, in addition to productive outcomes. Consideration of water supply development projects also needs to take account of any potential negative impacts on matters of national significance under the *Environment Protection and Biodiversity Conservation Act 1999*.

The Australian Government has committed to working with states and territories to renew the NWI. The Australian Government and state and territory governments have jointly established the Committee on Aboriginal and Torres Strait Islander Water Interests (CAWI) to advise on First Nations interests in water and how those interests can be included in aspects of water management into the future. The CAWI is currently considering how First Nations interests can be included in future national water reforms, including a new NWI.

The Australian Government is working on establishing a national water holding mechanism for First Nations people. This holding mechanism will aim to improve First Nations peoples spiritual, cultural, environmental, social and economic health and wellbeing through accessing, managing and owning water.

The Australian Government also works closely with all parties to the National Agreement on Closing the Gap to develop a new Closing the Gap target on inland waters. The new targets aim to provide First Nations corporations with improved access to water allocations.

The Australian Government also works with state and territory governments to identify opportunities for improving Australia's water security, including through investment in water infrastructure and underpinning research, to ensure that Australia's water management policies and institutions are prepared for future challenges.

The National Water Grid Authority Science Program (Science Program) funds projects to support increased water security and responsible investment in water infrastructure that is environmentally

sustainable and culturally responsive. Projects in Northern Australia include comprehensive water resource assessments that take account of potential environmental, social, cultural and economic impacts as well as community interests, aspirations and concerns. The Science Program projects are selected through consultation with external science agencies and relevant state and territory governments, ensuring that research is relevant to inform future water allocation decisions.

Recommendation 13

The committee recommends that the Australian Government consider decreasing the review threshold for water infrastructure projects from \$250 million to \$100 million.

The Australian Government **does not support** this recommendation.

National Cabinet agreed in December 2020 that Infrastructure Australia will evaluate proposals (including water infrastructure) which are seeking more than \$250 million in Commonwealth funding, an increase from the previous threshold of \$100 million. All states and territories advocated for the increase. The increased threshold will better focus Infrastructure Australia's business case evaluation process on the key projects that will help rebuild our economy and support jobs into the future. Decreasing the review threshold is not being considered.

State and territory governments have their own review processes for projects below the \$250 million threshold. The recent Australian Government Response to the Independent Review of Infrastructure Australia reaffirms that the threshold for Infrastructure Australia assessment remains at \$250 million, with the flexibility to consider nationally significant projects under this threshold. All project proposals submitted for funding under the National Water Grid Fund undergo a robust, fit-for-purpose and risk-based assessment prior to funding recommendations being made. This includes consultation with Infrastructure Australia.

Recommendation 14

The committee recommends that the Australian Government, in partnership with state and territory governments, ensure the inclusion of First Nations' interests in water in jurisdictional planning and the management of water.

The Australian Government **supports** this recommendation.

Refer to the response to Recommendation 10.

While jurisdictional planning and the management of water remains primarily the responsibility of states and territories, the National Water Grid Investment Framework now includes an additional principle which increases the prominence of engagement with First Nations communities in project development. It also includes 2 new strategic objectives that will ensure the inclusion of First Nations' interests in the planning and ongoing management of water infrastructure proposals:

- Provide safe and reliable water for regional and remote communities.
- Build resilient water infrastructure that is environmentally sustainable and culturally responsive.

The inclusion of First Nations people in water planning and management is important in activating the Indigenous estate in Northern Australia. However, jurisdictional planning and the management of water remains primarily the responsibility of states and territories.

The Australian Government has committed to working with states and territories to renew the NWI. The Australian Government and state and territory governments have jointly established the CAWI to advise on First Nations interests in water and how those interests can be included in water management into the future. The CAWI is currently considering how First Nations interests can be included in future national water reforms, including a new NWI.

Recommendation 15

The committee recommends that the Australian Government, in partnership with state and territory governments, improve transparency of decision making when it comes to water infrastructure projects and publicly release assessments of projects against all National Water Initiative criteria.

The Australian Government **agrees in principle** to this recommendation.

The Australian Government works in partnership with jurisdictions to improve Australia's water security through a range of policies and reforms, programs, and regulation.

As indicated in the response to Recommendation 10, the National Water Grid Investment Framework sets out the objectives, principles and eligibility criteria that underpin the Australian Government's decisions in relation to water infrastructure investments through the National Water Grid Fund.

Transparency is one of the principles under the NWI, and alignment with the NWI principles is one of 8 guiding investment principles under the National Water Grid Investment Framework. The Australian Government considers alignment with the NWI principles alongside a number of other issues when assessing project proposals for new water infrastructure under the National Water Grid Fund.

Recommendation 16

The committee recommends that the Australian, State and Territory Governments increase investment in social housing in Northern Australia, in recognition of the lack of housing affordability in the region, its impact on social disadvantage and its effect on the recruitment and retention of skilled workers in the region.

The Australian Government **notes** this recommendation.

While jurisdictions are primarily responsible for the provision of social housing and homelessness services, the Australian Government has committed to a number of new initiatives to address challenges facing the housing and homelessness sectors. These initiatives support progress against Target 9a of the National Agreement on Closing the Gap.

This includes the work being delivered through the National Cabinet to provide more secure and affordable housing supply. Significant measures include:

- Federal funding of \$2 billion through the Social Housing Accelerator to deliver thousands of social homes across Australia. This will increase housing supply sooner for Australians on social housing waiting lists, including those in Northern Australia.
- Federal funding of \$3 billion through the New Homes Bonus to help incentivise states and territories to build more homes where people need them to meet a new national target of 1.2 million new homes over five years.
- A \$500 million Housing Support Program for initiatives to help kick start housing supply including connecting essential services, amenities to support new housing development or building planning capability.
- A National Planning Reform Blueprint with planning, zoning, land release and other measures to improve housing supply and affordability.
- A Better Deal for Renters to harmonise and strengthen renters' rights across Australia.

These measures are in addition to the work that is already being delivered.

On 1 July 2023, the Australian Government increased the liability cap of the National Housing Finance Investment Corporation (NHFIC) by \$2.0 billion to \$7.5 billion. The increased liability cap will enable NHFIC to support more social and affordable rental homes by providing more low cost and long-term finance to community housing providers through the Affordable Housing Bond Aggregator.

In November 2022, the remit of the National Housing Infrastructure Facility was expanded to more flexibly deploy up to \$575 million in existing funding to accelerate the supply of social and affordable housing.

In the 2022-23 October Budget, the Government announced a National Housing Accord to bring states, territories, the Australian Local Government Association, and representatives from the

superannuation and construction sectors together to set a national aspirational target of building one million well-located homes over 5 years from 2024.

Under the Housing Accord, the Australian Government will provide \$350 million to deliver an additional 10,000 affordable homes over 5 years from 2024, to be matched by the states and territories.

The Government's \$10 billion Housing Australia Future Fund will support 30,000 new social and affordable rental homes over its first 5 years. It will also provide \$330 million over 5 years to support a range of acute housing needs, including:

- \$200 million for the repair, maintenance and improvements of housing in remote Indigenous communities
- \$100 million for crisis and transitional housing options for women and children experiencing domestic and family violence, and older women who are at risk of homelessness
- \$30 million to build more housing and specialist services for veterans who are experiencing homelessness or who are at risk of homelessness.

The Housing Australia Future Fund is a vital component of the Government's housing reform agenda. Legislation to establish the Housing Australia Future Fund has now passed the Parliament. We will be working to get the fund up and running to deliver tens of thousands of new homes for Australians.

We've also established an interim National Housing Supply and Affordability Council to provide expert advice and an evidence base on how Government can improve housing supply and affordability, and legislation has passed the Parliament to create the Council as a permanent independent body.

The Australian Government has also committed to a National Housing and Homelessness Plan to establish a clear national strategy to address the significant challenges facing the housing and homelessness sector.

The largest increase to Commonwealth Rent Assistance in more than 30 years is being provided, with a 15% increase in the maximum rate.

In addition, the Australian Government has offered states and territories approximately \$1.7 billion through a one-year extension of the National Housing and Homelessness Agreement (NHHA) to 30 June 2024, to assist in delivering social housing and homelessness services. This includes an additional \$67.5 million of funding to assist the sector to address the homelessness challenges revealed in the 2021 Census.

In 2023-24, the NHHA will provide around:

- \$22 million to the Northern Territory, including \$5.9 million to address homelessness

- \$355 million to Queensland, including \$32 million to address homelessness
- \$189 million to Western Australia, including \$17 million to address homelessness.

All state and territory governments are required to match homelessness funding. However, under the NHHA, the states retain responsibility and flexibility for determining how funding is allocated.

Recommendation 17

The Australian Government re-establish a National Partnership Agreement focused on remote First Nations housing and work with the jurisdictions to fund remote First Nations housing as a critical foundation for economic and social development in the North.

The Australian Government **notes** this recommendation.

Housing is a policy priority under Priority Reform One of the National Agreement for Closing the Gap. The Housing Policy Partnership was established and endorsed by the Joint Council on Closing the Gap in late 2022. The Housing Policy Partnership will create a forum for shared decision-making between First Nations peoples and governments. The National Aboriginal and Torres Strait Islander Housing Association (NATSIHA), the national Aboriginal and Torres Strait Islander housing peak body, will co-chair the Housing Policy Partnership with the Department of Social Services. The Housing Policy Partnership convened for the first time in August 2023.

Under the National Agreement, the Australian Government has also worked with NATSIHA to develop a Housing Sector Strengthening Plan that sets an agenda for the next 3 years to strengthen the First Nations community-controlled housing sector. The Housing Sector Strengthening Plan was drafted with input from state and territory government housing representatives and was informed by extensive consultation with Indigenous stakeholders, led by NATSIHA. The policy priority actions and reforms proposed by the Housing Sector Strengthening Plan will be considered by the Housing Policy Partnership.

The Australian Government is also investing \$200 million from disbursements of the Housing Australia Future Fund, in its first 5 years, for the repair, maintenance and improvement of housing in remote First Nations communities.

The one-year Northern Territory Remote Housing funding agreement commenced on 1 July 2023, to continue housing delivery in 2023-24 while the Australian and Northern Territory governments work with key stakeholders to develop longer term housing arrangements. Under the agreement, each government is contributing up to \$111.7 million, bringing the joint contribution to \$223.4 million.

The agreement is overseen by a Joint Steering Committee which includes Northern Territory Land Councils, and Aboriginal Housing Northern Territory, and requires the delivery of at least 157 houses in communities with the worst levels of over-crowding. Joint Steering Committee members inform policies and practices in housing delivery.

This is in addition to the \$100 million investment to deliver urgent housing and essential infrastructure on Northern Territory homelands. The Australian and Northern Territory Governments have executed a Federation Funding Agreement to deliver this investment, with works already underway in some homeland communities. Aboriginal Housing Northern Territory and the Northern Territory Land

Councils have also led community engagement to develop Regional Work Plans that identify priorities, ensuring works are delivered that meet the needs of community members.

Recommendation 18

The committee recommends that the Australian Government implement the recommendations of the Cooperative Research Centre for Developing Northern Australia, which include:

- rural recruitment of rurally-based health professionals to assist with the retention of the local health workforce, particularly in medical "generalist" (and other health professional) roles.
- investment in an Aboriginal and Torres Strait Islander health workforce to continue development strategies, including in innovative community roles and in leadership positions.
- eHealth and telehealth training to ensure that health professionals in rural and remote areas can work to their full scope of practice in team-based models using tele-health.
- strengthening of comprehensive primary health care to improve health outcomes and contain health care costs.
- cross jurisdictional planning to establish a permanent cross-jurisdictional health service delivery and workforce network will enable shared strategic planning and implementation of new initiatives across the northern region and appropriately fund cross-jurisdictional systems.
- continuing to expand Aboriginal Community Controlled Health Service models of community governance.
- determining need and mechanisms to finance appropriate health service delivery models for rural and remote health service delivery.

The Australian Government **agrees in principle** to this recommendation.

The Australian Government invests more than \$1.9 billion of public funding in health workforce programs each year, the majority of which support the training, attraction and retention of rural health professionals. This includes the Australian General Practice Training program (\$240 million in 2023), which supports the training of generalist doctors for all areas of Australia. 50% of training places are reserved for regional, rural and remote communities, as well as the separate Rural Generalist Program (\$11.36 million in 2023), which supports the training of rural generalist doctors exclusively. A comprehensive list of all workforce programs and investments is available in the Department of Health's submission to a parallel Senate Inquiry into the provision of GP and related primary health services to outer metro, rural and regional Australians. Many of these programs represent long term investments in the training and support of rural health professionals, including in Northern Australia, and have been independently evaluated.

National Cabinet tasked the Australian Health Practitioner Regulation Agency (Ahpra) with progressing a suite of projects that will streamline and accelerate skills and qualification recognition while maintaining an appropriate level of safety and quality. This will encompass improvements to the management of overseas health practitioner registration processes and assist with national workforce growth.

The Health Workforce Taskforce is also collaborating with other Commonwealth agencies, state and territory governments and Ahpra on measures that will improve the timeliness of registration processes, which will help health practitioners achieve registration in their desired profession.

Through the 2022 Budget, \$13.2 million has been committed by the Australian Government to support establishment of a new rural clinical school in Cairns to create additional education and clinical training opportunities for medical students within northern Queensland, and to bolster the future medical workforce of Northern Australia. The rural clinical school will utilise an end-to-end training model to ensure that students receive training entirely within rural Australia, and will be supported through 20 commencing medical Commonwealth Supported Places.

The National Medical Workforce Strategy (NMWS), endorsed by all Australian Health Ministers in December 2021, is guiding long-term collaborative medical workforce planning across Australia. It outlines how Australia can invest in the medical workforce to meet health needs, particularly in under-served areas such as parts of Northern Australia. The NMWS focuses on retaining and building medical workforce capacity and capability in rural and remote settings through improving the geographic distribution of the medical workforce and emphasis on generalist training, cultural safety, and opportunities for rural and remote clinical practice. The NMWS also includes actions to improve doctor wellbeing and cultural safety, which are cross-cutting themes of the NMWS. Cultural safety is important for early implementation action to grow the First Nations medical workforce and provide a safe environment for First Nations people to give and receive care.

Ongoing telehealth rebates for appropriate consultation services across the Medicare Benefits Schedule (MBS) have been in place since 1 January 2022. From 13 March 2020 to 31 December 2022, 135.4 million Medicare-rebated telehealth services were provided to 18.8 million Australian patients by 97,441 individual health practitioners. This was at a cost to taxpayers of \$6.7 billion for Medicare rebates. Telehealth is a well-established modality for the delivery of health services in Australia. The Australian Government will continue to work with health professional educators, including universities, providers of continuing professional education and medical specialist colleges, to consider whether their curricula need updating to ensure competency to deliver services via telehealth.

The Australian Government, partnering with Victoria and in collaboration with the other states and territories, is developing a National Nursing Workforce Strategy (NNWS). The NNWS will provide a national-level strategic approach to nursing policy, seeking to fully realise the value of nurses and the need to ensure that this highly qualified and skilled workforce is supported in Australia. The NNWS is expected to address workforce sustainability and the nursing workforce challenges in rural and remote geographic locations, including Northern Australia.

The Australian Government recently released the Nurse Practitioner Workforce Plan and implementation has commenced. The medium-term goal (3–5 years) of the plan is to grow, expand and build the nurse practitioner workforce to increase nurse practitioner services across the country.

The plan includes several actions to support First Nations registered nurses to become nurse practitioners.

The Australian Government provides continued funding of \$6.396 million over 3 years (from 2023–24 to 2025–26) to deliver mentoring and training through the Nursing in Primary Health Care program, to continuously improve the skills and knowledge of nurses in the delivery of team-based and multi-disciplinary care. The program is also designed to support the recruitment and retention of nurses in the primary care sector, including through recruitment targets, collaboration with key stakeholders, embedding culturally safe practices and a focus on health outcomes for First Nations peoples.

The Australian Government is providing the peak professional body for remote health, CRANApplus, \$14.37 million over 3 years (from 2021–22 to 2023–24) to deliver the Training and Professional Support for the Remote Health Workforce program. The program supports health professionals working in remote areas, or other circumstances of professional isolation, with: education, training and professional development; mental health and wellbeing support; and professional services. As part of the program, CRANApplus provides a free 24-hour telephone counselling service to remote health professionals and their families. CRANApplus also supports remote First Nations health workers to participate in targeted training.

As part of the 2023–24 Budget, the Australia Government also announced funding of \$4.2 million over 4 years to deliver 6,000 student placements nationally in primary care settings. This new national placement program will provide students with practical experience of primary health care nursing and increase capacity in primary health care to meet future demand.

The Australian Government is supporting its commitment to grow the number of health workers in rural and remote areas and is increasing the number of rural generalist training pathways for different types of health professionals. For example, the First Nations Health Worker Traineeship program is supporting up to 500 First Nations trainees to undertake Certificate III or IV accredited training to enable them to work across various health settings and deliver culturally appropriate care to First Nations people. Additionally, the Higher Education Loan Program debt reduction and indexation waiver for doctors and nurse practitioners may assist in encouraging health professionals to work in rural, remote and very remote communities, including in Northern Australia.

The Australian Government is providing Aboriginal and Torres Strait Islander Health Professional Organisations \$52.9 million over 4 years (from 2022–23) to support and develop the growing Aboriginal and Torres Strait Islander health workforce. The funding will also support work to increase the cultural capability of the broader health workforce, and support better care of Aboriginal and Torres Strait Islander people.

Key stakeholders are working with the Australian Government across First Nations organisations and medical associations to develop a funding model for comprehensive primary health care under the Indigenous Australians' Health Program. The model distributes funding fairly and transparently based on activity levels, the cost of delivering services, and the relative health needs of locations.

The Australian Government broadly supports the CRCNA's recommendations for improving health services in Northern Australia. The National Agreement on Closing the Gap notes the Australian Government's commitment to improving health outcomes for First Nations people living in rural and remote areas through increased access to a highly skilled allied health workforce and culturally safe primary health care. The primary health sector has been agreed for joint national attention through a Sector Strengthening Plan.

In 2023, the CRCNA will roll out its new telehealth and e-health training packages to be delivered across Northern Australia in partnership with the University of Queensland's Centre for Online Health.

A new Telehealth Extension for Community Healthcare Outcomes will also serve to promote peer-to-peer learning and capacity building across the Northern Australia health system.

Recommendation 19

The committee recommends that the Australian Government consider, with a view to implementing, the recommendations of the National Rural Health Commissioner's 2020 Final Report and recommendations from the Medicare Benefits Schedule Review Taskforce's 2020 Final Report as soon as practicable, with particular focus on recommendations relating to telehealth, preventative health care, and healthcare workforce development.

The Australian Government **agrees in principle** to this recommendation.

Recommendations of the National Rural Health Commissioner's 2020 Final Report and the MBS Review Taskforce's 2020 Final Report are being considered as part of the work of the Strengthening Medicare Taskforce.

The MBS Review Taskforce published its Final Report in December 2020. In response to a recommendation from this report, the MBS Continuous Review was established to provide quality assurance over MBS items and engage with the health sector to ensure the MBS remains contemporary and responsive, and supports improved patient experiences and outcomes. The MBS Review Advisory Committee was established as an independent body of clinical and health system experts to support the MBS Continuous Review. This includes examining MBS items to ensure value to both patients and the community, ensure removal of rebates for low-value or potentially unsafe medical services, and identify priority areas for targeted research. The MBS Review Advisory Committee is currently considering telehealth services funded under Medicare.

The Government notes the recommendations of the National Rural Health Commissioner's 2020 Final Report and the Medicare Benefits Schedule Review Taskforce's 2020 Final Report, particularly relating to healthcare workforce development.

The 2023–24 Budget includes measures designed to address access to health services in environments where the market for health and related services is thin or failing. This includes \$17.5 million over 2 years to extend the General Practice Incentive Fund until June 2024 and expand eligibility to all primary health networks to improve access to primary care in thin markets.

The Australian Government continues to work closely with communities to develop targeted solutions to address local challenges. The Government funds Rural Workforce Agencies and Primary Health Networks to provide direct assistance to practices experiencing GP recruitment and retention issues.

Recommendation 20

The committee recommends that the Australian Government develop a dedicated plan for improving digital connectivity and mobile 'black spots' in Northern Australia.

The Australian Government **agrees in principle** to this recommendation.

The Australian Government is committed to improving digital connectivity and mobile communications in Northern Australia including through delivery on the Universal Service Guarantee. The Universal Service Guarantee provides access nationally to baseline fixed telephone, payphone and broadband services, the latter primarily through the National Broadband Network.

Northern Australia faces unique challenges due to geography and remoteness, disparate and low density of population, and the comparatively high cost of installing and maintaining digital infrastructure. Increased effort is required to deliver fit-for-purpose connectivity in the north and this is recognised by the prioritisation of communications (black spots and bandwidth) investment.

As part of the 2021–22 Budget, the Australian Government announced \$68.5 million of dedicated funding in the Connecting Northern Australia initiative to improve telecommunications infrastructure across Northern Australia through the Mobile Black Spot Program and the Regional Connectivity Program. Round 2 of the Regional Connectivity Program resulted in 34 telecommunication infrastructure projects in Northern Australia funded out of the Connecting Northern Australia initiative. These projects respond to the specific connectivity needs of rural and remote communities in the north.

The Australian Government's Better Connectivity Plan for Regional and Rural Australia (Better Connectivity Plan) was announced in the 2022–23 Budget and forms a key part of the Australian Government's telecommunications agenda.

The Better Connectivity Plan is providing \$656 million to improve mobile and broadband connectivity and resilience in rural and regional Australia.

The Australian Government is progressing implementation of the Better Connectivity Plan and has commenced stakeholder consultation focusing on key funding initiatives.

The Regional Connectivity Program Round 3 is a combined competitive grant opportunity that brings together the Mobile Black Spot Program and the Regional Connectivity Program in 2 streams. Up to \$160 million of funding is available towards projects in regional, remote and First Nations communities with:

- \$50 million is being provided towards a Mobile Black Spot Round 7 stream (new handheld 4G mobile coverage)
- \$110 million being provided towards a Regional Connectivity Round 3 stream (place-based broadband and/or upgraded mobile)

- \$32.5 million of the \$160 million is reserved for projects that benefit First Nations communities comprising:
 - \$7.5 million under the Mobile Black Spot Round 7 stream for solutions that provide new mobile coverage in First Nations communities
 - \$15 million under the Regional Connectivity Round 3 stream for solutions that improve telecommunications infrastructure in First Nations communities in eligible areas across Australia and \$10 million for solutions aimed at improving digital connectivity for First Nations communities in Central Australia.

Also announced in the 2022–23 Budget was funding of \$2.5 million to establish the First Nations Digital Inclusion Advisory Group (the Advisory Group). The Advisory Group will provide advice to the Minister for Communications on practical measures to support digital inclusion across the telecommunications, media and broadcasting sectors. A key area of focus for the Advisory Group will be addressing barriers to digital inclusion in remote communities, including those in Northern Australia.

Services Australia's network of Remote Services Centres, Agents and Access Points ensures that remote communities have digital accessibility to government services.

Recommendation 21

The committee recommends that the Australian Government allocate a proportion of Northern Australian Infrastructure Facility funds specifically for First Nations controlled projects.

The Australian Government **notes** this recommendation.

Investment to build the community-controlled sector is a commitment under Priority Reform 2 of the National Agreement for Closing the Gap.

The NAIF has strengthened its collaboration and engagement with entities that have Indigenous outcomes as their core business, in an effort to identify more opportunities to finance indigenous-led projects. NAIF's Memorandum of Understanding with the National Indigenous Australians Agency, Indigenous Business Australia and the Indigenous Land and Sea Corporation provides a firm foundation to improve coordination and information sharing generating economic opportunity for Indigenous Australians.

Recommendation 22

The committee recommends that the Australian Government explore and develop business strategies for supporting and facilitating investment opportunities for First Nations projects, with a view to optimising First Nations economic development across Northern Australia, by:

- establishing and funding an independent Indigenous Business Incubator;
- ensuring that there is adequate provision of mentoring, business development and feasibility studies to support emerging First Nations businesses; and
- reviewing the carbon industry model to ensure that benefits from the industry remain in Northern Australia and accrue to First Nations people where their land is providing carbon sequestration and emission abatement services.

The Australian Government **agrees in principle** to this recommendation.

The Australian Government supports the establishment and assistance of First Nations business in building the capacity to provide for further Indigenous economic growth. However, an independent First Nations business incubator is not being considered at this time. Measures to facilitate investment opportunities including employment hubs, business advisory programs and grant opportunities are outlined below.

An open procurement process was completed in early 2022 for the delivery of a fourth Indigenous Business and Employment Hub to be anchored in Darwin. This follows successful hubs in Western Sydney, Perth and Adelaide, and an aim to extending existing hubs, to create a nation-wide network to provide better service for the First Nations business sector. The hubs provide mentorship, business advice, training and access to financial services to ensure First Nations businesses are long-term and sustainable enterprises.

The Northern Territory Indigenous Business Network (NTIBN), as the successful provider, commenced a design phase to deliver the Hub (NT Hub) in March 2022. The NT Hub has been co-designed with local First Nations business leaders, the Northern Territory Government and other key Northern Territory stakeholders to provide the right solutions for the local market.

The NTIBN Indigenous Business & Employment Hub officially opened in Darwin in April 2023. The NT Hub is also currently operating in 2 additional satellite locations (Katherine and Alice Springs), with plans for a fourth location to open in July 2023 in Tennant Creek. Services and support will be delivered in-person in these locations, alongside a range of online programs to enable additional reach for people in remote and rural locations to access new markets and job opportunities.

The Australian Government has overseen the establishment of the Northern Territory Aboriginal Investment Corporation (NTAIC), an Aboriginal-led statutory body created to promote the self-management, self-sufficiency and social and cultural wellbeing of Aboriginal People living in the Northern Territory. The NTAIC is funded from the Aboriginals Benefit Account and will have access to \$680 million over the first 3 years of establishment to work with First Nations peoples in the NT to

create jobs, business and wealth, strengthen culture and support self-determination for generations to come.

The CRCNA has sponsored 4 research projects that focus on identifying new economic models and tools to support sustainable economic development on land and sea country across Northern Australia.

The Australian Government's Australian Carbon Credit Unit (ACCU) scheme aims to reduce emissions across the economy and includes activities such as improved fire management in Northern Australia through working with First Nations peoples. As at December 2022, First Nations peoples owned about 35 ACCU savanna fire management projects. In the 2020–21 Budget, the Australian Government committed funding through the King Review Technology Co-Investment Fund for greater participation of First Nations land managers in the Emissions Reduction Fund.

In 2022 the Australian Government appointed an independent panel to review the integrity of ACCUs. The panel concluded that the ACCU scheme arrangements are essentially sound, and identified changes to strengthen the scheme. The recommendations include:

- Providing more support for people in regional and remote communities, including First Nations Australians, to participate in the scheme.
- Reforming arrangements relating to First Nations Australian's participation in the scheme, including removing the ability to conditionally register projects without eligible interest holder consent, including from Native Title holders.
- Requiring at least one member of the independent assurance committee advising the Government on the scheme to be a First Nations Australian.

The Government has accepted all recommendations in principle and is working with stakeholders to implement them. The ACCU Review Implementation Plan provides a roadmap for the Government's approach and timeline.

The Australian Government has committed \$5.5 million to develop the First Nations Clean Energy Strategy. This is a key priority under the National Energy Transformation Partnership. The strategy will give First Nations people a say in renewable energy policies and programs. The Government has established the First Nations Clean Energy and Emissions Reduction Advisory Committee to provide input on the strategy and climate change initiatives.

The Australian Government is providing \$20.3 million over 4 years from 2022–23 to establish a Carbon Farming Outreach Program. The program will support Australian farmers and land managers, including First Nations farmers and land managers, to participate in carbon markets and integrate low emission technologies and practices into their operations.

Recommendation 23

The committee recommends that the Australian Government, in consultation with the Indigenous Land and Sea Corporation and Indigenous Business Australia, expand its investment in on-country work opportunities for First Nations communities, including on-country ranger programs, media, arts, and cultural tourism.

The Australian Government **agrees in principle** to this recommendation.

The Australian Government collaborates broadly, including with states and territories, when considering on-country work opportunities for Indigenous Australians, particularly through the Indigenous Rangers Program, the Indigenous Ranger Biosecurity Program, the IPA Program and the Great Barrier Reef Marine Park Authority programs. The IPA Program supports Traditional Owners to manage more than 87 million hectares of land and over 5 million hectares of sea country. The Australian Government has built on this through additional funding to incorporate areas of sea country into IPAs.

The Australian Government recognises the key role First Nations people play in the country's tourism sector as custodians of the world's oldest continuous culture. The Australian Government and state and territory governments collaborate to respectfully embed greater opportunities for First Nations voices and businesses throughout the visitor economy. Empowering First Nations people to share cultural experiences with visitors boosts economic activity and employment opportunities in regional and remote communities, supports reconciliation efforts and helps First Nations people maintain connection to Country.

The Australian Government's Indigenous Languages and Arts program invests over \$30 million per year to support First Nations people to express, preserve and maintain their cultures through languages and arts activities throughout Australia. Grant funding provided under the program includes elements of sectoral strengthening through annual operational funding to the peak First Nations languages organisation, First Languages Australia, as well as a network of 24 First Nations language centres throughout Australia that employ local community language workers. To support the critical role of the Indigenous Languages and Arts program in achieving Closing the Gap Target 16 for Aboriginal and Torres Strait Islander languages, the Australian Government is providing an extra \$22.8 million over 4 years from 2021–22 (and \$5 million ongoing) through the program.

The Australian Government supports employment opportunities for First Nations Australians in the arts through the Indigenous Visual Arts Industry Support program. This program contributes funding to the operations of more than 85 Indigenous-led art centres and a number of First Nations art fairs, regional hubs and industry service organisations that are at the heart of Australia's world-famous Indigenous visual arts movement. This investment provides opportunities for approximately 8,000 Indigenous artists and more than 500 Indigenous arts workers. The industry service organisations funded through the Indigenous Visual Arts Industry Support program provide professional development

opportunities to First Nations visual artists and arts workers, which is central to building workforce capacity in the sector.

IBA invests in Northern Australia through its Housing Solutions, Business Solutions and Investment and Asset Management programs. IBA has made 33 co-investments with First Nations communities, organisations, businesses and Traditional Owners groups in Northern Australia since 1993. Many of these investments have been on-country and have generated work opportunities for the First Nations communities they are located in and operate across a variety of industries including tourism (cultural tourism and eco-tourism), accommodation, resources, retail, transport and emerging technologies such as ground satellites. IBA supports First Nations entrepreneurs across Northern Australia through the provision of business finance, business supports and workshops under the Business Solutions program. The specialised business supports provided vary from due diligence and business reviews, procurement and tendering, growth strategies, marketing, book keeping and website development. IBA operates 5 of its office locations in Northern Australia.

All new National Water Grid Fund projects for First Nations communities, or projects with an Australian Government contribution over \$7.5 million, are required to complete an Indigenous Participation Plan, supporting progress toward achieving Target 8 of the National Agreement on Closing the Gap. This allows the National Water Grid Authority to work with state and territory governments to identify and facilitate employment and supplier opportunities for First Nations peoples.

The Government has committed to doubling the number of rangers to 3,800 by the end of the decade and to working toward gender equality in ranger positions. The Indigenous Rangers Program is being expanded nationally to help meet this commitment, with funding provided under the \$636.4 million Indigenous Rangers Capacity Building measure delivered under the 2022–23 Budget.

Recommendation 24

The committee recommends that the Australian Government elevate addressing the extensive and severe nature of Northern Australia's First Nations people's socioeconomic disadvantage through the facilitation of participation in the Northern Australian economy as a priority of the Northern Australia agenda.

The Australian Government **supports** this recommendation.

The Australian Government recognises that realising Northern Australia's economic potential is dependent upon improving the prosperity of Northern Australia's First Nations people. First Nations Australians have significant assets to bring to the Northern Australia development agenda. They comprise more than 16% of the population in Northern Australia, far greater than the 3.2% share of the national population. Around 78% of the land in Northern Australia is recognised under native title or statutory land rights. The First Nations population is younger and growing at a faster rate than the rest of the Australian population. As a result, First Nations Australians are projected to constitute approximately half of the working age population in the north by 2050. Outside of major population centres in Northern Australia, this is already the case.

For Northern Australia to secure a strong and sustainable future, all levels of government, the private sector, and communities must continue to work collaboratively towards a shared economic vision for the north.

The Australian Government is committed to delivering on the economic targets within the National Agreement on Closing the Gap to provide for strong economic participation and development of First Nations people and their communities.

First Nations Australians will be empowered as partners and advisors in deciding how the Northern Australia agenda will be implemented. The Australian Government's vision for Northern Australia is consistent with its other core commitments, such as the Uluru Statement from the Heart, net zero by 2050, and transitioning communities to a low carbon economy.

The IRG, established in August 2017, provides advice to the Australian Government on the Northern Australia agenda and improving the prosperity of First Nations Australians in the north. The terms of reference and membership of the IRG were renewed in 2021 and again in 2023, and the IRG continues to ensure First Nations Australians in the north participate and share in the north's growth.

In December 2019, the Australian, Queensland, Western Australian and Northern Territory governments endorsed the Northern Australia Indigenous Development Accord (the Accord). The Accord is an intergovernmental framework for jurisdictions to work together and individually to advance First Nations economic development in the north. The Accord was based on IRG recommendations and signed by First Ministers of each government. All signatory governments

remain committed to delivering the Accord implementation plan which contains the following 6 broad outcome areas:

- employment and business acumen
- research and development
- infrastructure investment
- access to capital and markets
- activating the economic value of land
- creating institutional arrangements to activate Indigenous economic development.

Providing employment services across all areas will continue to facilitate stronger labour market outcomes for First Nations Australians in Northern Australia. In July 2022, Workforce Australia delivered a modern service which allows job ready job seekers to self-report and participate through the Workforce Australia Online platform. Extra support is available through intensive case management. Workforce Australia also provides a free online service for businesses to advertise their jobs nationally and receive help to hire or train their staff.

The Workforce Specialists initiative commenced in 2023. This initiative aims to support the workforce needs of selected industries and businesses by connecting them with participants in Workforce Australia. Workforce Specialists will be responsible for developing and delivering project-based solutions that connect eligible participants in Workforce Australia to labour market opportunities with a particular focus on First Nations employment. Projects are co-designed with the Department of Employment and Workplace Relations, industry and key stakeholders.

Two key investments in employment are the Community Development Program (CDP) and the Indigenous Skills and Employment Program (ISEP). The Government is delivering on its commitment to replace the CDP with a new program with real jobs, proper wages and decent conditions – developed in partnership with First Nations people. The new program will give communities more control to determine local projects and increase economic opportunities and jobs in remote areas. As we progress towards a new program, services will continue through an extension of CDP provider arrangements to October 2024. This will not be business as usual and extensions will be dependent on the providers' ability to build on the current trials, capture learnings and further strengthen community led approaches. This will allow for the generation of further ideas to inform a new jobs program, while also allowing time to deliver on our commitment to work in partnership with First Nations people.

To support the Commonwealth's commitment to replace CDP and trial new approaches to real jobs, \$9.4 million has been committed for an additional pilot to fund 200 real jobs in remote communities. A New Jobs Program Trial will allow a broader range of organisations to test approaches to inform the new program that will replace CDP. The new program will be informed by outcomes from comprehensive consultation, engagement across multiple Commonwealth agencies and a number of trials that are underway.

ISEP is about connecting First Nations people to jobs, career advancement opportunities, and to new training and job-ready activities. ISEP supports organisations to design activities with community before implementing them, and it leverages the distinct strengths and interests of local First Nations communities and employers.

The Commonwealth Government works to address employment and economic development issues with state and territory governments, including in Northern Australia, through a range of collaborative arrangements, including:

- The National Agreement on Closing the Gap, which involves all Australian governments working with First Nations people, their communities, organisations and businesses at the national, state and territory, and local levels. In particular, under the Commonwealth Closing the Gap Implementation Plan, the Commonwealth has committed to progress Outcome 7: *Aboriginal and Torres Strait Islander youth are engaged in employment or education*; and Outcome 8: *Strong economic participation and development of Aboriginal and Torres Strait Islander people and communities*.
- Ad-hoc and issues-based processes, such as joint consultations between the Commonwealth Government and Northern Territory Government with remote communities and other stakeholders in Central Australia, as part of the Commonwealth Government's implementation of the *A Better, Safer Future for Central Australia* package announced by the Prime Minister on 6 February 2023.

The NIAA works with First Nations communities, including remote communities, on employment and economic development through a range of programs across Northern Australia. These programs, as with all NIAA activities, adopt a place-based approach where appropriate that prioritises the needs of First Nations communities:

- Community Development Program (currently being replaced)
- New Jobs Program Trial
- Time to Work Employment Service
- Indigenous Skills and Employment Program
- Indigenous Business and Employment Hubs
- Indigenous Procurement Policy
- Many Rivers business development support
- Indigenous Business Australia Business Solutions Program
- Indigenous Employment and Supplier-Use Infrastructure Framework
- Northern Territory Remote Aboriginal Investment
- Indigenous Broadcasting and Media Program
- Local Investments Funding
- Community Initiated Proposals.

In addition to the workforce-specific initiatives outlined above, the NIAA invests targeted complementary funding in supporting NT education – primarily in early years and schooling initiatives – which also supports stronger engagement in the workforce.

The NIAA also delivers two programs that help Indigenous students complete tertiary education on campus and remotely:

- In 2023, the NIAA is providing \$75.5 million to 40 universities through the Indigenous Student Success Program, which provides funding for scholarships, tutorial support, mentoring and other culturally appropriate support. Support can be accessed by all Indigenous Australians through their university, including Indigenous higher education students in Northern Australia.
- The Away from Base program provides support for Indigenous students studying via mixed mode (distance education) with the costs of travel to undertake block lectures, assessment or practical placements as part of their course. The program provides funding to 19 educational institutions to meet the travel of costs of students (airfares, accommodation and meals) who travel for their home locality to the education campus.

Many of the opportunities and challenges relating to First Nations workforce development across parts of Northern Australia are similar. These include skills shortages, remoteness, thin labour markets, undercapitalisation of the First Nations business sector, lack of access to services including education, health and child care, and lack of data to inform policy and program responses.

Opportunities for work also vary across the region depending on the economic opportunities presented. For example, primary industries and mining are major drivers of private investment and opportunities are emerging through the activities associated with the investment of mining royalties through Prescribed Bodies Corporates.

Recommendation 25

The committee recommends that the Australian Government take urgent steps to meet the education and skills needs of Northern Australia, including by:

- addressing the severe shortage of early childhood, primary and secondary education and care places in Northern Australia;
- addressing the severe shortage of teachers and other educators in Northern Australia by working with state and territory governments to recruit locals and better encourage these workers to move to the region; and
- providing additional support for apprenticeships, traineeships, vocational education and training, and tertiary institutions operating in Northern Australia to help them recover from the impact of COVID-19 and provide greater opportunities to study and train in regional communities.

The Australian Government **agrees in principle** to this recommendation.

The Regional University Study Hubs (formerly Regional University Centres) program funds community-owned facilities in regional and remote Australia which provide infrastructure and support to students undertaking tertiary study via distance (online). There are currently 7 Regional University Study Hubs in Northern Australia, located in the Pilbara and Kimberley regions of Western Australia, the Mount Isa, Cape York and Tablelands regions of Queensland, and Arnhem Land in the Northern Territory. Four of these are new Regional University Study Hubs, supporting students from 2023.

As part of the response to the Australian Universities Accord Interim Report, the Australian Government has committed \$66.9 million to double the number of University Study Hubs across Australia. This will include establishing up to 20 additional Regional University Study Hubs. Final locations will be determined through a competitive application process run by the Department of Education, which will include consideration of geographic spread.

The Australian Government is delivering a range of national programs to develop skills, educational improvements, revitalise the TAFE sector, and for apprenticeship development and scholarships. These include investment through the 12-month Skills Agreement to deliver 180,000 Fee-Free TAFE places nationally, the TAFE Technology Fund and 3 Remote Community Pilots to trial place-based delivery of language, literacy, numeracy and digital skills assessment and training.

These measures build on the Skilling Australians Fund which has supported over 150,000 additional apprentices, trainees and employment-related training commencements across Australia, including in Northern Australia.

The Australian Government is providing 20,000 additional Commonwealth supported places to deliver the skilled workforce Australia needs now and into the future. These places will be allocated to student cohorts under-represented at Australian universities including those from disadvantaged

backgrounds, First Nations students, and students from rural and remote Australia. This includes support for Northern Australia through the allocation of \$29.3 million from 2023–2028 for Charles Darwin University to deliver approximately 831 places in areas of national skills need including 195 places for early childhood, primary and secondary education courses.

Agriculture has also been identified as an area of national priority for the Fee-Free TAFE measure. For example, Western Australia has allocated 1,900 places next year for agriculture.

A \$4.6 billion Australian Government investment will see Child Care Subsidy (CCS) rates increase for families earning less than \$530,000. The increase in CCS rates from July 2023 will reduce out-of-pocket fees for around 96% of Australian families using early childhood education and care. Affordable and accessible early childhood education and care makes it easier for parents and carers to participate in paid work. This is particularly the case for women, who are more likely than men to be the primary carer of children, and more likely to have the cost of early childhood education and care factored against their earnings.

The Australian Government has also amended the CCS activity test to introduce a base level of 36 subsidised hours per fortnight of early childhood education and care for Aboriginal and Torres Strait Islander children. Commencing in tandem with the increase to CCS rates from July 2023, the additional investment of \$33.7 million over 4 years from 2022–23 will support greater access for Aboriginal and Torres Strait Islander children, by improving affordability for families already using care, as well as supporting increased engagement by children in early childhood education and care. This will support Aboriginal and Torres Strait Islander children to thrive in their early years. It is a step towards Closing the Gap Target 4, to increase the proportion of Aboriginal and Torres Strait Islander children assessed as developmentally on track in all 5 domains of the Australian Early Development Census to 55% by 2031.

The Australian Government is investing \$3.1 billion over 5 years from 2022–23 into a new Australian Apprenticeships Incentive System (Incentives System). The new Incentives System provides financial assistance to help employers meet the costs of taking on an apprentice with a wage subsidy of up to \$15,000 for priority occupations, and a \$3,500 hiring incentive for other occupations. The Incentives System targets also provides up to \$5,000 in support directly to apprentices in priority occupations. This helps apprentices meet the cost of living, while their wages are lowest.

The Incentives System is complemented by a range of non-financial supports available to apprentices and their employers delivered through the Australian Apprenticeships Support Network. The Australian Government is also investing \$54.3 million over 5 years from 2022–23 to introduce a new non-financial support model from 1 July 2024. The Australian Government is committing \$1.0 billion for the redesigned model over the 5-year contract period. This redesign will aim to improve access to jobs and apprenticeship pathways, with a focus on removing barriers for women seeking a career in male-dominated trade occupations and strengthening supports for apprentices with disability, First Nations apprentices and apprentices in remote locations.

The Australian Government is also investing \$105.1 million over 9 years from 2022–23 to support 10,000 New Energy Apprenticeships to secure the workforce needed to transition Australia's economy to net zero. New energy apprentices will receive up to \$10,000, direct, in their pocket, over the life of their apprenticeship to assist with the cost of living. They will also be eligible for tailored mentoring through the New Energy Skills Program.

The Australian Government also provides a range of programs to help individuals improve their language, literacy, numeracy and digital skills. These include the:

- Skills for Education and Employment program supporting eligible job seekers gain the skills they need to secure employment or participate in further training
- Foundation Skills for Your Future program delivering training to employed and recently unemployed Australians to help improve their employment opportunities and access to further training
- three Remote Community Pilots trialling place-based delivery working closely with community.

In the 2023–24 Budget the Government announced a redesigned Commonwealth foundation skills program, to commence from 1 July 2024, to improve access to training for all Australians seeking to develop their language, literacy, numeracy and digital skills. The Government will also work closely with First Nations people and local communities on a dedicated stream of the program to deliver place-based solutions which meet the needs of First Nations individuals and communities.

Other national initiatives that benefit the north include the Very Remote Teachers HELP debt initiative, Child Care Subsidy and Community Child Care Fund. The Productivity Commission is also undertaking a comprehensive inquiry into the early childhood education and care system, with a final report to be delivered in June 2024. The inquiry will make recommendations to support affordable, accessible, equitable and high-quality early childhood education and care that reduces barriers to workforce participation and supports children's learning and development. Additionally, the Australian Competition and Consumer Commission is conducting a price inquiry into early childhood education and care, with a final report due in December 2023.

Addressing education and skills need in Northern Australia underpins economic recovery from COVID-19 impacts and longer term sustainable economic development. The Australian Government agrees that more needs to be done to ensure a steady supply of quality teachers and educators.

In December 2019, all Education Ministers endorsed the development of a new ten-year national workforce strategy as a joint partnership between all governments, the children's education and care sector, and other key stakeholders. The co-designed Strategy, titled 'Shaping Our Future, the 10-year National Children's Education and Care Workforce Strategy', was released on 13 October 2021 and outlines 21 actions to support the recruitment, retention, sustainability and quality of the early childhood education and care sector workforce. The action most relevant to Northern Australia

is 2-1: Review and develop targeted programs to support studies and placements for Aboriginal and Torres Strait Islander and rural, regional and remote potential educators and teachers.

In the 2023-24 Budget, the Government announced new ECEC workforce grants (representing a total investment of \$72.4 million over five years) to greater support the skills and training of the ECEC workforce. This includes supporting ECEC educators, teachers and centre managers to undertake professional development training and supporting teachers to undertake paid practicum placements or participate in a practicum exchange program. In 2023-24, these initiatives will prioritise support for First Nations educators, and educators in regional and remote areas.

In December 2022, Education Ministers agreed a National Teacher Workforce Action Plan, designed to increase the number of people choosing to become teachers and ensure that existing teachers remain in the profession. The plan contains actions which address the primary drivers of teacher shortages and will have an impact on regional Australia. The actions most relevant to Northern Australia include:

- Action 2 which seeks to attract high quality candidates into teaching by providing up to 5,000 bursaries. Participants will receive up to \$40,000 (\$40,000 over 4 years for undergraduate degrees and \$20,000 over 2 years for postgraduate degrees) while undertaking an accredited initial teacher education course. A top up payment of \$2,000 will be available to students who undertake their final year placement in a remote area.
- Action 3 which seeks to expand the High Achieving Teacher program with 1,500 more places to encourage more professionals to switch careers to teaching and trial new ways of attracting and keeping teachers in the schools that need them most.
- Action 10 which will co-design actions to attract and retain more First Nations teachers. The Australian Government will work with First Nations education organisations to co-design a new national First Nations teachers' strategy.
- Action 25 which will develop and publish nationally consistent teacher workforce projections to enable a national understanding of teacher demand. This builds on the existing work supported by all governments to enhance teacher workforce data through the Australian Teacher Workforce Data initiative.

The Australian Government continues to support broader workforce policies such as automatic mutual recognition of teacher registration, Australian Teacher Workforce Data, and skilled migration, which supports the supply of teachers.

Recommendation 26

The committee recommends that the Australian Government urgently prepare a post-COVID workforce strategy for Northern Australia that identifies mechanisms to access essential overseas labour, including from Pacific nations, on a sustainable basis, with proper protection from exploitation and wage theft, that preserves the integrity of Australia's migration system.

The Australian Government **notes** to this recommendation.

The Australian Government is committed to clearing visa backlogs, and strong progress has been made in the last 12 months.

- On-hand applications are 40% lower than the nearly 1 million on-hand in June 2022.
- There has been more than a 70% reduction in the on-hand temporary visa caseload.

The best indicator of the current status of visa caseloads is this reduction in on-hand visa applications, and the number of visa applications finalised.

- Since 1 July 2022, the Department of Home Affairs has finalised over 171,000 applications (both in and outside Australia) for permanent skilled visas.
- Permanent Skilled visa median processing times decreased to 8 months in May 2023 compared with 12 months in February 2023.
- The Department of Home Affairs finalised over 97,000 temporary skilled applications since 1 July 2022, up 59% compared to same period the previous year, with lodgements having increased by 35% when compared to the same period in 2021–22.
- Temporary Skills Shortage program processing times continues to improve.
 - The median processing time for Temporary Skills Shortage program visas finalised in May 2023 (in the short and medium-term streams) was 13 days.
 - Applications in the healthcare and education sectors are being assessed, and finalised where complete, within 2 business days of lodgement.

Since 5 March 2022, all working holiday makers can count work in tourism and hospitality carried out from 22 June 2021 in northern or 'remote and very remote' areas of Australia as specified work for the purpose of applying for a second or third visa.

In the 2023–24 Budget, the Australian Government announced its commitment to further expand and improve the Pacific Australia Labour Mobility (PALM) scheme. In summary, the Australian Government will:

- strengthen oversight of domestic operations as part of improved support for the record 39,500 PALM scheme workers currently in Australia (as of June 2023)
- responsibly grow the PALM scheme and better support employers and participating countries
- support more than 1,000 PALM scheme workers to attain formal qualifications over 4 years

- increase support to make it easier for PALM scheme workers to access their superannuation savings when they return home
- provide access to Medicare for an initial 200 families who will participate in the Government's family accompaniment pilot.

Noting that the White Paper identified aged care as one of 5 industries that have 'bright growth prospects in the north' the Government has strengthened its commitment to boost the aged care workforce, and developed a new approach for employers to sponsor direct care workers on skilled visas.

Working alongside business and unions, the new Aged Care Industry Labour Agreement – which came into force on 5 May 2023 – promotes increased recruitment and retention in the aged care sector.

Growing the aged care workforce is essential for increasing care minutes, improving care systems, and restoring safety and dignity to older Australians. The labour agreement has been carefully designed to create positive incentives for aged care providers to improve workforce conditions and provide additional support to overseas workers, and also provides a flexible, expedited two-year pathway to permanent residence.

There are also 5 Designated Area Migration Agreements operating in Northern Australia, including the regions of Far North Queensland (Cairns), Townsville, East Kimberly, the Pilbara, and the Northern Territory. Employers in designated areas experiencing skills and labour shortages can sponsor skilled and semi-skilled overseas workers through these agreements.

On 2 September 2022, the Minister for Home Affairs, the Hon. Clare O'Neil MP, announced a comprehensive review of the purpose, structure and objectives of Australia's migration system to ensure it meets the challenges of the coming decades. On 7 November 2022, the Minister announced the appointment of Dr Martin Parkinson AC PSM to lead the review, alongside migration experts Professor Joanna Howe and Mr John Azarias (the Reviewers). On 21 March 2023, the Reviewers provided their final report to Government. On 27 April 2023, the Minister announced the release of an Outline of the Government's Migration Strategy, and the Migration Strategy was released on 11 December 2023.

The Australian Government has committed to implementing the recommendations of the Migrant Workers' Taskforce report to enhance workplace standards for all migrant workers. To support this commitment, on 22 June 2023 the Migration Amendment (Strengthening Employer Compliance) Bill 2023 was introduced to Parliament. The Department of Home Affairs is also working through a range of practical measures to enhance safeguards and protections for migrant workers so they can feel confident reporting exploitation without fear that it will have an adverse effect on their immigration status.

In recognition of workforce challenges in the agriculture sector, representatives of industry, employers, unions, and the Australian Government agreed through the Jobs and Skills Summit to establish the tripartite Agricultural Workforce Working Group. The working group was established for a 12-month period in September 2022 to pursue solutions to better skill, attract, protect and

retain workers in the agriculture and processing sectors. The working group successfully advocated for Jobs and Skills Australia to undertake a Food Supply Chain Capacity Study to inform how training, education and migration systems can best work together to meet the workforce needs of agriculture and the food supply chain. The working group has also provided strategic input into broader government processes such as the Migration Review and the Employment White Paper to ensure agriculture and processing perspectives are considered. Tripartite engagement on agricultural workforce issues will continue through the Agricultural Workforce Forum.

Recommendation 27

The committee recommends that the Australian Government prioritise its response and consideration of the recommendations contained in the Australian Competition and Consumer Commission's December 2020 inquiry into insurance in Northern Australia.

The Australian Government **notes** this recommendation.

The Australian Government is committed to improving insurance affordability and accessibility nationwide, including in Northern Australia. The 2022–23 October Budget included several relevant initiatives, a number of which address recommendations contained within the Australian Competition and Consumer Commission Northern Australia Insurance Inquiry. Treasury was tasked with exploring standardising natural hazard definitions for insurance purposes and reviewing the standard cover regime, and the National Emergency Management Agency was tasked with developing a national mitigation measure knowledge base, among other streams of work. The Australian Government has also established the Disaster Ready Fund, which will invest up to \$200 million per year for 5 years (up to \$1 billion) in disaster prevention projects to help communities protect themselves against the impacts of natural hazards across Australia.

The Australian Government has implemented an Australia-wide reinsurance pool for cyclones and related flood damage. As legislated in March 2022, the pool commenced on 1 July 2022 and is designed to improve affordability and accessibility of insurance for policyholders in cyclone-prone areas, which are predominantly located in Northern Australia.

Recommendation 28

The committee recommends that the Australian Government consider broadening the Northern Australian Infrastructure Facility's mandate criteria to allow for the funding of mitigation projects and schemes in Northern Australia.

The Australian Government **notes** this recommendation.

The NAIF is intended to fill an identified market gap and support the development of economic infrastructure for the benefit of Northern Australia. Economic infrastructure is defined in the *Northern Australia Infrastructure Facility Act 2016* (NAIF Act) as infrastructure that provides a basis for economic growth or stimulates population growth. Where mitigation projects deliver on one or both of these objectives and can demonstrate their eligibility against the NAIF's mandatory criteria, those projects may be considered for investment. All proposals are assessed by the NAIF on a project-by-project basis.

Recommendation 29

The committee recommends that the Australian Government increase investment in disaster mitigation in Northern Australia, and research to improve mitigation options. This may include delivering funding committed through the Emergency Response Fund, and greater investment in household resilience programs.

The Australian Government **supports** this recommendation.

The Australian Government is committed to building the resilience of Australian communities to natural hazards through risk reduction initiatives. On 1 September 2022 the National Recovery and Resilience Agency and Emergency Management Australia merged to form NEMA. NEMA operates across all stages of the disaster management continuum, with a commitment to support communities and individuals recover from disasters and build resilience against future hazards. NEMA administers a range of programs to strengthen resilience and improve preparedness for individuals, businesses and communities, including in Northern Australia. This includes considering how we can 'build back better' through recovery.

From 30 June 2023, the Emergency Response Fund was replaced with the Disaster Ready Fund. Through the Disaster Ready Fund, the Government is investing up to \$1 billion over the next 5 years to support communities to reduce risk and better prepare for future natural disasters, along with co-contributions from state and territory governments and other delivery partners. Successful projects for Round One of the Disaster Ready Fund were announced in June 2023, with \$200 million of Commonwealth investment and a further \$196 million in co-contributions for 187 projects in 2023–24, delivering a combined investment of almost \$400 million. Funded projects in Northern Australia include a \$20 million Commonwealth investment in the Queensland Household Resilience Program. A full list of successful projects can be found on [NEMA's website](#).

Addressing insurance affordability and availability challenges requires action by all stakeholders, including state and territory governments, the insurance industry, communities and individuals (Recommendation 27 also refers). The Australian Government committed \$22.6 million in the October 2022–23 Budget to fund a series of initiatives to put downward pressure on insurance premiums, including research to improve mitigation options. The Australian Government's delivery of this commitment will include the development of a national private mitigation measure knowledge base to enable more informed decisions on investments to reduce risk. This will include improving the evidence base for mitigation options.

The Disaster Recovery Funding Arrangements (DRFA), managed by NEMA, is the vehicle through which the Australian Government provides financial support to the state and territory governments to assist individuals and communities to help them recover from disasters. This financial contribution is delivered through a number of assistance measures including reconstruction of essential public assets.

In the aftermath of a disaster, there is an imperative to restore assets quickly and to a standard to enable them to cater for the immediate recovery of a community. Support under the DRFA also allows for approaches to reconstructing essential assets, not just to pre-disaster standard, but also to improve resilience to future disasters by considering current building methodologies, materials and design standards.

States and territories can also request funding under Category D of the DRFA for 'betterment' of essential public assets to increase their resilience. Betterment programs following large-scale flood events in Queensland have demonstrated that rebuilding damaged assets to a higher standard makes communities more resilient to future disasters, and is more cost effective for all levels of government over the medium and longer term. NEMA works closely with states and territories on the nature of assistance provided under the DRFA and routinely explores betterment as a part of funding package development.

Part B – Australian Government response to Interim Report

Recommendations may be further addressed in relation to final report recommendations.

Recommendation 1

The committee recommends that the Northern Australia Infrastructure Fund (NAIF) work closely with project proponents to ensure milestones are achieved and the drawdown of funds occurs as quickly as is commercially required.

The Australian Government **agrees in principle** to this recommendation.

As at 31 May 2023, more than \$1.28 billion in NAIF funds have now been drawn down by proponents to deliver on key infrastructure projects in Northern Australia.

The NAIF has worked and will continue to work closely with project proponents to ensure the drawdown of funds occurs as required by the proponent. However, the drawdown of funds is tied to specific financing and construction milestones. The timeframe for drawdown is dependent on each proponent's speed in reaching those milestones.

Part of the reforms to the NAIF included broadening the scope of project activities eligible for NAIF finance beyond physical construction. This expansion is expected to lead to an acceleration in drawdowns by future projects, as access will no longer be strictly tied to construction milestones. These reforms were implemented through amendments to the NAIF Act and the NAIF Investment Mandate.

The SOE issued to NAIF outlines the shareholder Ministers' expectations that the NAIF will maximise the public benefit of financial assistance by prioritising its timely use.

Recommendation 2

The committee recommends that the legislation giving effect to reforms recommended by the Statutory Review of the NAIF be prioritised by the Australian Government in 2021.

The Australian Government **supports** this recommendation.

The Amending Act came into effect on 27 May 2021. The reforms delivered through the Amending Act addressed the recommendations of the Statutory Review of NAIF relating to amending the NAIF Act. The NAIF is working to implement the remaining recommendations which relate to internal practices.

Recommendation 3

The committee recommends that the Australian Government consider converting part of the NAIF to a combination of small grants, equity stakes and guarantees, supported by rigorous guidelines including caps on funding and business size, to ensure that small scale projects and First Nations projects are adequately supported.

The Australian Government **notes** this recommendation.

Reforms to the NAIF have included removing the prohibition on the NAIF making equity investments, and simplifying the NAIF's use of debt tools other than loans, such as guarantees.

Small and First Nations projects are eligible for NAIF finance, including via alternative financing mechanisms, as long as they meet eligibility criteria.

The NAIF has partnered with the Northern Territory Government, through the NT Local Jobs Fund, to establish the new Territories Infrastructure Loans program. The program supports the development and expansion of enabling infrastructure, employment, and economic growth, by offering loans to businesses looking to accelerate the delivery of smaller infrastructure-led projects across the Northern Territory. The loans provided through this program also focus on improving outcomes for Aboriginal Territorians.

The Australian Government **does not** support the NAIF delivering grants. The Statutory Review of the NAIF considered whether the NAIF should include a grant component. It found that the NAIF was not the appropriate body to deliver grants and that it should retain its focus on investment.

Recommendation 4

The committee recommends that the NAIF further develop linkages with other government programs and funds that are available for building capacity among proponents of small or First Nations led projects to meet NAIF's administrative requirements, including funds to support early explorative work and feasibility studies.

The Australian Government **agrees in principle** to this recommendation.

The Northern Australia Development Program and the Business and Community Growth Program provide opportunities for business, including Indigenous business, to grow and diversify including support for business capability.

The NAIF has formalised its relationship with Indigenous Business Australia, the National Indigenous Australians Agency and the Indigenous Land and Sea Corporation through a joint Memorandum of Understanding (MOU) agreed in December 2020. The MOU is being enhanced in 2023. Through the MOU, all agencies will continue to progress coordinated discussions to support effective linkages with relevant government programs and funding to build capacity and capability of Indigenous organisations.

An Australian Government representative has been added to the NAIF Board, which will support better alignment with other Australian Government programs and funds.

The SOE issued by shareholder Ministers also outlines the Ministers' expectation that the NAIF will consult with key government agencies (both federal and jurisdictional) to maximise the opportunity for strategic alignment and project contribution.

Recommendation 5

The committee recommends that the Australian Government require project proponents to produce and publish a local procurement and employment strategy in line with and in addition to the Indigenous Engagement Strategy.

The Australian Government **agrees in principle** to this recommendation.

All projects which meet Australian Industry Participation (AIP) requirements (i.e. major projects with capital expenditure of \$500 million or more, or projects receiving Australian Government funding or investment of \$20 million or more) must complete an AIP plan.

AIP plans describe how the proponent will engage with Australian businesses and offer opportunities to bid for work on the project. Summaries of AIP plans are published at www.industry.gov.au/aip when relevant projects reach financial close.

The SOE provided to the NAIF by the shareholder ministers outlines the Ministers' expectation that the NAIF demonstrate its positive economic impact on the Northern Australian Economy, and collect and publish information – over the project lifecycle – to show the public benefit of its financing. This will include contribution to the Northern Australian economy return on investment, and the number of jobs created.

Recommendation 6

The committee recommends that the Australian Government conduct a review to determine which industries have been impacted by COVID-19 and prioritise projects within those industries.

The Australian Government **agrees in principle** to this recommendation.

Significant progress has been made since the economic impacts of COVID-19, noting that Northern Australia experienced varying degrees of localised pressures which reflect the underlying economic base of each region.

The Australian Government continues to monitor impacts through data analysis and insights from Australian Bureau of Statistics surveys, business intelligence, stakeholder advice and media monitoring. This analysis continues to inform policy development across the Australian Government as it did for the many government initiatives throughout 2020, 2021 and into 2022 providing targeted assistance to industries including tourism, aviation, transport and logistics and agribusiness.

Recommendation 7

The committee recommends that the NAIF review its policy regarding staff remuneration, to better link the payment of bonuses to funds being drawn from the facility.

The Australian Government **notes** this recommendation.

The Australian Public Service Commission (APSC) Performance Bonus Guidelines, introduced principles governing performance bonus use in corporate Commonwealth entities in August 2021. The NAIF engaged an external adviser to recommend a revised remuneration approach compliant with the guidelines.

A NAIF Board approved new remuneration structure became effective on 26 May 2022. All employees' remuneration now consists of fixed annual remuneration only. The NAIF's new structure works within the parameters of the APSC Workplace Bargaining Policy. Fixed Annual Remuneration is comprised of base salary, superannuation contributions and any non-cash benefits.

Recommendation 8

The committee recommends that the NAIF increase its transparency and accountability measures to account for changes recommended in the NAIF review, including publishing its conflict of interest decisions, and ensuring the decision-making process for projects are publicly available.

The Australian Government **agrees in principle** to this recommendation.

The NAIF publishes information regarding investment decisions, guidance on the format of an investment proposal, investment decision process and other matters, as required by the NAIF Act. The publication of this information delivers transparency and accountability of NAIF operations without compromising the commercial confidentiality required by proponents.

NAIF Board members are subject to compliance with *Public Governance, Performance and Accountability Act 2013*, which requires that board members disclose material personal interest that relate to the affairs of the NAIF. NAIF Board members are further subject to the NAIF's Conflict of Interest Policy. Publishing detailed board members' recusals for conflicts is not appropriate due to considerations associated with the *Privacy Act 1988* and because it would likely disclose confidential project information. The NAIF's Conflict of Interest Policy is broadly consistent with the approach taken by comparable government entities Export Finance Australia and the Clean Energy Finance Corporation, as well as publicly listed companies.

In line with the recommendations of the 2018–19 Australian National Audit Office audit of the Governance and Integrity of NAIF, the NAIF website has been updated to improve the accessibility of essential information, including eligibility criteria, the assessment process and the decision-making process, as well as more clearly articulating the NAIF's vision and objectives.

Recommendation 9

The committee recommends that the Advisory Group on Northern Australia provide an update on their five-year plan for Northern Australia development, and a timeline as to when the plan will be released.

The Australian Government **notes** this recommendation.

The Advisory Group on Northern Australia was established for a 12-month period with its term concluding on 6 March 2021. The Group provided advice to inform a 5-year plan and information and insights on COVID-19 impacts and initiatives.

Dissenting reports – Senator Malcolm Roberts

The Australian Government notes the content of the dissenting report made by Senator Malcolm Roberts. Senator Roberts outlines which recommendations he supports and those which he does not. He did not make any additional specific recommendations within his report.

Contributing departments and agencies to the Australian Government response

Department of Agriculture, Fisheries and Forestry

Department of Climate Change, Energy, the Environment and Water

Department of Defence

Department of Education

Department of Employment and Workplace Relations

Department of Finance

Department of Health

Department of Home Affairs

Department of Industry, Science and Resources

Department of Infrastructure, Transport, Regional Development, Communications and the Arts

Department of Social Services

Infrastructure Australia

National Emergency Management Agency

National Indigenous Australians Agency

Northern Australia Infrastructure Facility

Services Australia

The Treasury