

To: [Committee, JSCNA \(REPS\)](#)
Subject: Select Committee on Northern Australia Submission (JSCNA)

Dear Dr Bill Pender

Re: Submission to the Joint Select Committee on Northern Australia(JSCNA).

Thank you for your email dated 9 January 2014 inviting a submission to the JSCNA. Australians for Northern Developing & Economic Vision (ANDEV) are pleased to be making their submission to the JSCNA.

ANDEV was established in August 2010 by a small group of private citizens led by Mrs. Gina Rinehart who have extensive experience in working and living in Northern Australia. Our membership is growing throughout Australia with the majority being people who live and or work in Northern Australia, or have done so. The founders of ANDEV and the members share a passion to see Northern Australia be given the priority it deserves in becoming a key element in the future development of Australia. A passion added to by the situation Australia faces of record debt, and desire to see improved policies to enable the North to develop and assist in elevating this debt and raising living standards.

In 1954 the Australian Institute of Political Science held a Summer School in Canberra entitled, " Northern Australia: Task for Nation". It is a poor reflection on our political system that the policy recommendations in that report (See pages 246-247) have not been adopted. ANDEV endorses these words by Mr Lowndes MSc Chairman of the AIPS back in 1954, "*We cannot be satisfied as a nation until there is speedy and vigorous action in these directions and on a scale which has never been before witnessed in the North. If we merely accept our democratic system at its lowest value, we will cynically resign ourselves to continued inaction, for the North has too few votes to matter in the scheme of party politics. If on the other hand our parliamentarians will see Northern Australia in its proper and significant relationship to Asia and demand for better use of our resources, they will be surprised at the extent of the support which will be given to **statesmanship** which takes vigorous action to promote development in the North.*"

ANDEV IPA polling carried out by Galaxy has clearly shown that the vast majority of Australians support policy action to develop Northern Australia and are looking for statesmanship and visionary action by our parliamentarians.

So in this context of 60 years of historical inaction the Coalition is to be congratulated for its 2013 Election Policy paper, "2030 - vision for Northern Development" out of which the JSCNA was promptly formed after the September 2013 election.

The formation of ANDEV and the book by our Chair Mrs Gina Rinehart entitled , *"Northern Australia and then some,"* are the 21 st century embodiments of the AIPS report's vision way back 60 years ago.

The development of the North is a "Task for a Nation" as it will bring significant benefits to all Australians at a time when the secular trends in living standards face a slow down. New income streams and jobs have to be created if Australia is to not just withstand these trends but grow at rates and provide jobs for our children and grand children that it has been used to over the last 22 years of economic and social growth.

While there are locational issues facing Northern Australia, given the scale of growth in Asia, now is the opportunity to bring about the bold long-term change Australia so desperately needs, at its time of record debt and falling investment.

Northern Australia can act as a hub within Asia for not only resource activity, but also for infrastructure, agriculture, education, medicine, defence and tourism. All of these developments bring significant multiplier effects generating new businesses in goods and services to support these projects and the increased populations. The next twenty years within the region will be crucial and Australia must get its head out of the sand and start thinking strategically about our role in our region in terms of our economy and our strategic defensive role. Development of the North policies fits well into the current geo-political developments within South-East Asia. These opportunities are presented in the Appendices. ANDEV members have themselves made submissions to the JSCNA on specific investment and project opportunities.

ANDEV wants to see a regulatory and institutional framework established in all of Northern Australia that will provide a platform that is a catalyst for long-term economic and social development. Incentives to attract Investment (including foreign investment), streamline bureaucratic tape (including reduce time for and number of approvals and their expense) and taxation cuts are key elements ANDEV wants to see introduced. The North requires such policies to act as catalysts to overcome the decades of neglect and its locational disadvantages that overtime can become less significant constraints to development given the presence of a vast and rapidly growing market in neighboring Asia.

The essence of that platform is the establishment of one (or more) Special Economic Zones (SEZ's) throughout Northern Australia. There have been over the decades so many successful uses of SEZ's across the world and it is a strange situation indeed that such SEZ's have not been used in Australia. SEZ's were and remain the catalysts for China's

amazing economic transformation that began with Deng Xiaoping shrewdly setting up an SEZ in Shenzhen in 1978 with many of the political elite being opposed to any such “capitalist” policies. Even today we have China moving to establish SEZ’s based on financial services in Shanghai while in the past the SEZ’s have focused on manufacturing. Our near neighbor, Malaysia has also been very successful in using SEZ’s- see Iskandar. All SEZ’s aim to bring in foreign investment - that is always the fuel for economic and social development.

The optimal policy is to create one SEZ across all of Northern Australia with one SEZ agency established as a one-stop shop agency for State, Territory and Federal laws. This agency while initially funded by Government funds would report annually to a joint State Premiers, Territory Chief Minister and Federal Prime Minister Forum. It would have the power to apply policy mixes to specific areas/locations to suit the existing varied conditions across Northern Australia.

It would have a board where the majority of its members are experienced private sector people and a management team with successful private sector experience. It would have relevant specific performance indicators set for it and its performance would be reviewed every 3 years.

The key policy tools available in a SEZ would be:

1. Reduced State/Territory and Federal taxation- stamp duty, payroll tax, income and company tax. For example in the Northern Territory (NT) income tax could be reduced to zero for 3 years with minimal impact on Federal tax revenues given the small numbers in the NT.
2. Streamlined regulatory requirements to reduce complexity and time in projects being assessed, across all levels of Government.
3. Lessening of all Foreign Investment thresholds across all sectors., excluding defence.
4. Tax incentivized Infrastructure bonds to attract Australian and overseas capital into infrastructure projects.
5. Consider Federal funding support for critical Infrastructure projects in transport and other key sectors like health.
6. Initial focus on the Northern Territory and especially Darwin as a key SEZ investment hub with WA and Queensland to follow.
7. Review the existing regulatory framework and policies with the aim of increasing the operation of market forces within SEZ’s.

Some of the major benefits of SEZ's, as proven across the world in successful SEZ's, are significant:

- New drivers of economic growth, jobs, incomes tax revenues, exports.

- Major private investments from overseas capital markets.
- Partnerships on investments / projects with neighboring Asian nations that cement foreign relations and reduce possibilities of conflict as trade creates a long-term friendly and complimentary relationship.
- Over the long term the development of existing under utilized resources in the North and increased returns on investments in the North.
- With a long term (20 year) integrated plan supported by significant private and Government investments within a framework of innovative and effective policies the probability of optimal success is enhanced.
- Creation of new viable permanent settlements across Northern Australia.
- The strengthening of existing settlements across Northern Australia that can attract more people to live and work in Northern Australia thereby reducing congestion costs in the major cities in Australia.
- Increased employment opportunities for indigenous communities. It is through employment that there is a sustainable empowerment of indigenous communities – The Ord river scheme and the Miriuwung Gajerrong peoples embrace of the Ord project and the renowned indigenous leader Professor Langton's call for support for economic development to lead the way in bridging the living standards gap between non indigenous and indigenous communities. Over 3000 sustainable jobs have been filled by indigenous people in the mining sector alone with many successful indigenous businesses being created on the back of the mining sector.

There are other scenarios like creation of separate SEZ's and agencies with different institutional frameworks in regards to the creation of SEZ's however the ANDEV view is that a single SEZ across all of Northern Australia is the visionary and most effective policy

that will provide the leap forward required in the development of Northern Australia. ANDEV hopes the JSCNA can arrive at visionary bi partisan policy recommendations to drive Northern Development, as **this is a historic opportunity for all of the members of the JSCNA to be statesmen and stateswomen – this is the Task of a Nation.**

ANDEV has undertaken major grass roots community consultation. Our initial work 2011-2012 was a major and long road show throughout Northern Australia conducting community meetings. This is reported on in detail in one of the many Appendices, the 2012 Annual Report to ANDEV members, which **must remain confidential** as it was produced only for the ANDEV members. The Appendices are attached to the ANDEV submission. However, requests from the JSCNA for the release of specific pieces of information contained in the Annual report will be considered.

The Appendices include a detailed study of SEZ's and the various types and policies that have been employed in SEZ's and related structures across the world. Please also go to the ANDEV website for more information as this site is updated on a daily basis with developments from around the world.

ANDEV looks forward to the public hearings and when the JSCNA comes to Perth the Co Chair of ANDEV Mr. Imants Kins BEc MA would like to appear before the JSCNA.

Yours sincerely

Mrs Gina Rinehart
Chair

Mr Imants Kins
Co Chair

www.andev-project.org



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