

Report

to the

**Inquiry into Infrastructure
and the Development of
Australia's Regional Areas**

by

**The North Queensland Economic
Development Board**

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Preamble

Australia is a strong and dynamic country with an equally strong and dynamic economy. Australia has continued to prosper in spite of the recent Asian/World currency crisis. While this statement is generally true, it is equally true to point out that the development boom in Australia is particularly evident in only some parts of our great land.

Development growth has also been limited to several industry sectors, whilst many others and in particular the rural industries, have suffered extreme downturns. These downturns can be attributed to several key conditions viz. world commodity prices and sustained dry seasons.

It is a long held view, that for a Country to reach its full development potential then every region within the country must reach its own full potential. At present in Australia this phenomenon is not occurring. Some regions are striving ahead and reaching for their goals and others are regressing from their performance potential's and are struggling to hold onto present economies.

This regression leads eventually to declines in standards of living, as communities fail to retain a critical mass for commercial entities such as banking and health related facilities. The greatest resource that is lost to many of these communities is its residents, most especially its youth.

This recent Australian ailment is commonly known as *urban drift*. Governments have always given assistance to regions with high unemployment. However rural centres that are not meeting their performance potential's normally do not suffer from high unemployment. This is due to the fact that residents who do not have employment in these rural centres often leave and take up residence in the more populated urban centres. The drift causes a strong demand for services and drives a need for expansion in urban centres. Government listening to this need expends more money on building further infrastructure and urban centres then consume the *lion's share* of the infrastructure dollar.

It is easy for Government to say that this infrastructure is demand led, therefore has priority. However this shows that Government is not undertaking the style of planning required to develop all of the regions of Australia. While development cannot be totally infrastructure

led, Governments have the responsibility to strategically place infrastructure in regions to plan for their requirements to reach their development potential.

The infrastructure required to assist industry development normally relates to items such as roads, rail facilities and water reticulation. Just as all living things wither if not allocated adequate water, it is the most essential item of infrastructure required to prevent regional potential from withering.

Many of Queensland's rural and remote regions fall within the category of a centres presently prevented from reaching their development potential. Traditional industries are under-performing due to a decline in commodity prices and seasonal restrictions. It is suffering a drain on its population resource due to urban drift and it lacks the infrastructure requirements to diversify into non-traditional industries. Adequate irrigation water is seen as the single most important factor in shifting the ability for western centres to reach their development potential.

The North Queensland Economic Development Board

The North Queensland Economic Development Board (NQEDB) is a peak Regional Development Organisation covering the North Queensland region. It covers the region from Tully in the North, to Proserpine in the South and Westward to Pentland. Its membership consists of Local Government, Development Organisations and Industry groups from across the North.

NQEDB Region

The NQEDB region consists of one major provincial centre consisting of the cities of Townsville and Thuringowa and many small rural towns whose major industries are agriculturally based. The cities have strong and vibrant economies and all of the smaller centres are suffering. Many are undergoing both population and industry decline.

The Greater North Queensland Region

As you venture further West or Northwest from the coast the situation greatly worsens. These centres are at the mercy of significant urban drift and are losing some of the most important of their demographic resources such as their productive employment age-groups. This urban drift is also placing great strain on provincial centres, necessitating the hurried expansion of social resources such as schools, hospitals etc. while these facilities lay under-utilised in rural and remote centres.

The Problem facing Rural and Remote Australia

The Australian people are becoming a society of fringe dwellers with the only significant population living on a very thin coastal strip. Australia will only truly reach its full potential when all of the regions of this great land are reaching their full potential. At present many of the regions of Australia are striving towards their potential and many others are languishing far behind.

Traditional industries in these regions are experiencing great hardship and hence are not being the economic drivers that they historically have been. There needs to be mechanisms to assist these industries and to find new opportunities for these regions to diversify into.

Government has a role to play

Government has a role to play in reversing this dilemma. While we congratulate the Rural Transaction Centre Program, it is not enough to halt the retreat of services. Governments need to be pro-active and be involved in the provision of appropriate infrastructure to provide the correct environment for development. The responsibility for this rests with all spheres of Government.

What Type of Infrastructure

The type of infrastructure required to stimulate these rural and regional economies is items such as:-

- Transport facilities (road systems, transport interface facilities etc);

We need to ensure that produce can quickly and easily reach target markets and industry consumerables can quickly and cheaply reach rural industries.

- Water infrastructure (water storage and water harvesting facilities);

Irrigatable water will make a significant difference to many rural industries.

- Telecommunications (telephone and internet access)

Industries in rural and remote areas need access to modern telecommunication services to remain viable in relation to the rest of the new global village.

How will providing infrastructure assist?

There have been many theories on mechanisms for reversing urban drift but our organisation believes that the most successful process involves creating jobs in rural and remote Australia. Making irrigation water available would have a significant effect on much of Western Queensland.

Role of Private Enterprise

There is a role for Government to smooth the path for private enterprise to be involved in the provision of public infrastructure. Government needs to provide the right environment for private enterprise and actively work to remove the hurdles for private enterprise. This process will not happen of its own volition, it requires a structured and manageable process to make projects in rural and remote Australia attractive for private investors.

Provision of soft Infrastructure

There is a role for Government to provide an appropriate level of business assistance and enhancement programs for rural and regional Australia. These programs need to be developed in such a manner that business in rural, regional and remote Australia can access them. In doing so it is meant that many of the service thresholds that are placed on business in metropolitan areas are way too difficult to achieve in regional areas.

Empowering regions

There is a clear role for the regions themselves to assist in overcoming their problem. These areas will only succeed if the residents within them have the drive to see their areas succeed. There needs to be a strong push from committed residents and they are the ones that need to set the goals for their district. Government can assist by providing resources for these regions to coordinate, prioritise and strive for their goals. Communities can not do this process alone, they need resources and the expertise to capture the correct requirements of their particular locality.

Conclusion

It is, without a doubt, that there is a major crisis in rural and remote Australia. The Commonwealth Government has a responsibility in working towards alleviating the problem. The Commonwealth must be involved with the States and private enterprise in delivering infrastructure facilities for rural and remote Australia. The Commonwealth also needs to be involved with the soft infrastructure of mechanisms for building capacity and leadership and providing resources and expertise to assisting these groups.

Government needs to do more than halt the reduction of services to Rural and Remote Australia they need to be pro-active in seeking new opportunities and industries for these regions.

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