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Submission to the Joint Select Committee for Northern Australia

Infrastructure and human capital are the two most serious bottlenecks for growth in northern Australia.¹ Homogenous policy approaches where “one size fits all” are unlikely to work in Northern Australia. It is therefore critical to the success of these regions that they are further empowered to play an active part in planning for the future of their regions. There is a long record of lack of social infrastructure particularly in resource regions to support and promote economic growth.

Role of the Regional Social Development Centre

The Mackay regional Social Development Council Ltd (trading as Regional Social Development Centre) is a regional social planning and community development organization designed to assist groups and individuals to address social issues which affect them. It was formed in 1974 as a result of a community decision to respond to the Pilot Commonwealth Program, the Australian Assistance Plan (AAP). With local support for its objectives, the organization has continued since then through a mixture of government funding, donations, commercial project earnings and volunteer contributions.

We believe in a holistic model of development for our region which covers the local government areas of Mackay, Isaac and Whitsunday. Our objective is to ensure that all development considers the social, political, cultural, economic and physical environment. As a lead agency for the community sector in the region, we provide a “collective voice” and a structure for regional co-ordination to identify and analyze regional needs and to facilitate appropriate action.

We would therefore ask to be included in any planning processes for the region. It is important that these processes include all aspects of the community, economic, social and environmental as equal partners around the table.

Northern Queensland Strategy

Four large Regional Development Australia (RDA) economic areas in northern Queensland have taken a consolidated and visionary approach to the development of strategic initiatives that strengthen the future of our economy as well as build upon recognized Commonwealth and State Government priorities. They cover the area of Queensland north of the Tropic of Capricorn. Consistent with State and Commonwealth priorities, the intention is to drive a long term place-based approach to secure sustainable development, directly linking the region’s well engaged priorities to annual government planning and budget cycles.

¹ Rethinking the Future of Northern Australia’s Regions, Regional Australia Institute, November 2013

The key outcomes to be achieved from this strategy include securing a region that is renowned for being open to business with second-to-none lifestyle values. This will mean:

- Improving the governance and coordination of economic, social and community infrastructure
- Supporting regions to realize their economic potential
- Building communities that are inclusive, accessible, resilient, healthy and safe
- Increasing social and economic participation at a local and regional level

We support the Northern Queensland Strategy and see it as a model for Northern Australia generally. The strategy appreciates the unique nature of Northern Queensland/Australia where a place-based approach is the most appropriate. Our organization is well positioned to provide a balanced input into this approach.

Workforce

Resource companies are moving towards 100% FIFO workforce, with two mines near Moranbah already 100% FIFO (Caval Ridge, Daunia) and a new mine (Red Hill) also seeking 100% FIFO workforce. This practice is being supported by the Queensland Government with no consideration of the impact on the nearby regional communities.

This removes genuine choice from the labour market, no longer can they choose where they want to reside in relation to their place of employment. In the case of Caval Ridge and Daunia mines, they must reside in Cairns or Brisbane to be recruited as a FIFO worker for these mines. Not only is this a form of protectionism but constitutes active discrimination against a significant proportion of Queensland's total labour market and fundamentally influences settlement patterns².

Has the Australian government got a plan to mitigate the further and rapidly increasing demographic imbalance with the migration of people from the country to the cities? Work that was recommended in the "cancer of the bush, salvation for our cities" report should be continued³.

The degree to which workers are offered a genuine choice of where to live and work impacts on the capacity of regional labour markets to respond effectively to economic, structural or demographic change. We accept that some level of FIFO and DIDO operations are appropriate however they should not become ubiquitous as seems to be the current trend.

We recognize that economic diversity is important in Northern Australia, but the skilled workforce needs to be resident to enable that diversification.

² Isaac Regional Council Submission to the Productivity Commission/s study into Geographic Labour Mobility, 2013.

³ *Cancer of the bush or salvation for our cities?*, Fly-in, fly-out and drive-in, drive-out workforce practices in Regional Australia, House of Representatives, Standing Committee on Regional Australia, February 2013.

Housing

The Housing market in Northern Australia is impacted by the economic cycles from its major industries. It therefore needs some form of government assistance to reduce the impact of the cycles and make the region attractive to residents whether they are on high incomes in resource industries or part of the social fabric that supports a healthy regional community. Appendix 1 shows some examples of the fluctuations in median rents within the region.

The National Rental Affordability Scheme is delivering improvements to housing affordability in parts of our region. One benefit is that it has introduced new housing stock into some regional markets, gradually effecting a change in that market over time. Without a scheme such as NRAS, these housing stocks had little traction in these markets as the developer could make more from traditional detached houses on 800mSq than semi-detached stock.

It is difficult however for NRAS to get traction in some of the resource communities where rental markets fluctuate greatly during economic cycles. At the peak of the cycle, the NRAS limitations on income to qualify as tenants would see participants still unable to meet NRAS rental levels at 20% less than the market rate, due to the massive over inflation in the rental market. There needs to be some flexibility to allow the target market for this scheme to claim some form of “exceptional circumstances” during these peak market conditions.

The Queensland Government is looking at transferring much of its social housing stock to regional housing companies. However there needs to be some indication that the Federal Government Rental Assistance Scheme will continue into the future. Without some form of government rental assistance for social housing tenants, no company can afford to provide this housing at rent levels affordable to the social housing tenants.

We have an ageing population and the need for social housing is going to increase per capita over the next 10-20 years. Government needs to play a lead role in ensuring that there is sufficient and affordable social housing to meet the needs of the community. Partnerships between government (all three levels) and regional housing companies would seem an appropriate model to achieve results.

Education and Training

We support the recent merger between the CQUniversity and the Central Queensland TAFE. This initiative will offer a comprehensive education and training suite to the region, with the proposed dual sector approach, allowing movement between degree and diploma/certificate qualifications with no penalty.

Continued government support to provide these opportunities in larger centres throughout the region would further assist the development of a skilled workforce to diversify the economy. It is important to retain youth within their family support structures whilst they pursue their chosen tertiary education and training as much as possible.

Government should look for opportunities for older skilled people to interact in a training/mentoring capacity. Though highly skilled with years of experience, many lack the formal qualification and are

therefore not deemed appropriate to participate within the education environment. Whilst there are opportunities to use recognition of Prior Learning (RPL) mechanisms to gain qualifications, these are often so rigorous as to discourage participation. This is denying our youth access to the wisdom that comes with years of participation in a trade. Some mechanism should be found to enable them to mentor youth within the education system and so pass on their experience. It can also provide an appropriate employment opportunity for the older person where the rigours of the trade environment are beyond their physical capacity.

Health and Wellbeing

There is a need for increased health and wellbeing services within the region. There is a high incidence of mental health problems in the region and a high suicide rate. This is due to a number of factors but is exacerbated by:

- FIFO/DIDO work practices
- Lack of support services
- Farming communities impacted by drought, commodity prices etc
- Boom and bust cycles
- Alcohol and drug abuse

Mental Health is an indication of the general wellness of the community.

Transport

Distance is a perennial issue in regional centres. There is a lack of connecting services throughout the region which particularly impacts youth, the elderly and those with disabilities. Public transport needs to be available within and between major centres as a viable transport option. This will require some form of government subsidy until a critical mass is achieved whereby the transport system has sufficient patronage to be self sustaining.

There is a high level of vehicle ownership in regional centres as it is the only available transport option.

We support the need to maintain key road infrastructure such as the Bruce Highway, and maintain the viability of the region's ports to grow and diversify the region's economy.

Heather Norris

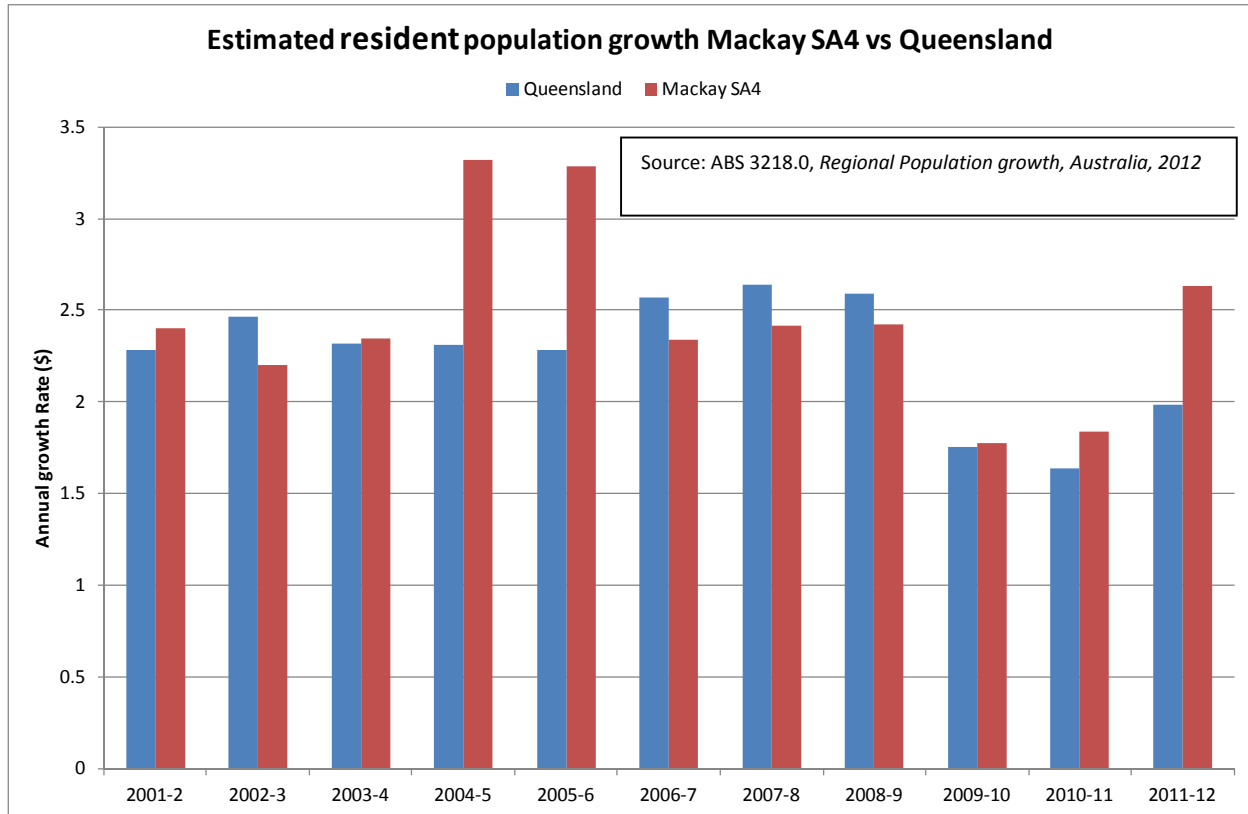
President

***On behalf of the members of the
Regional Social Development Centre***

Appendix 1 – Key Statistics

This section provides some key statistics and graphs of the region that covers the Local Government areas of Mackay, Isaac and Whitsunday. In the geography used by the Australian Bureau of Statistics, this is termed the Mackay SA4 region.

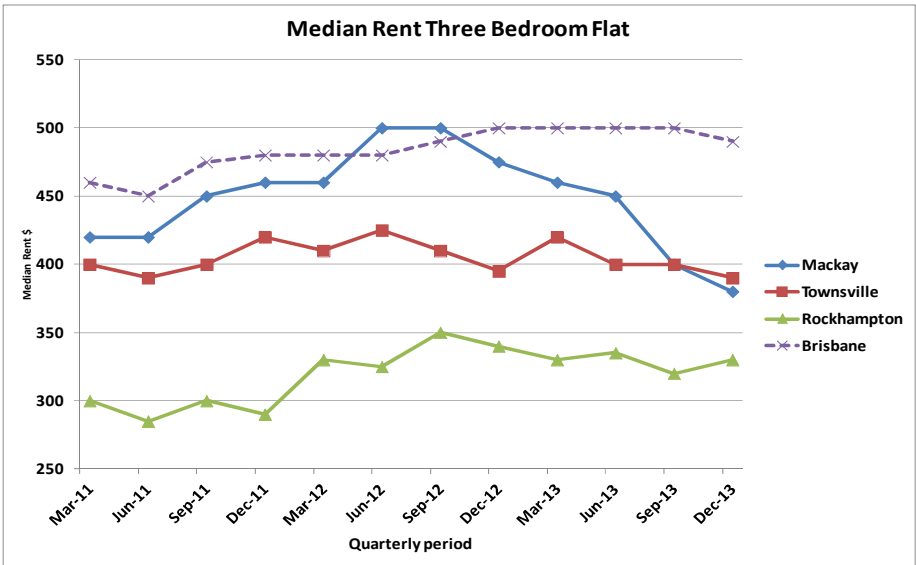
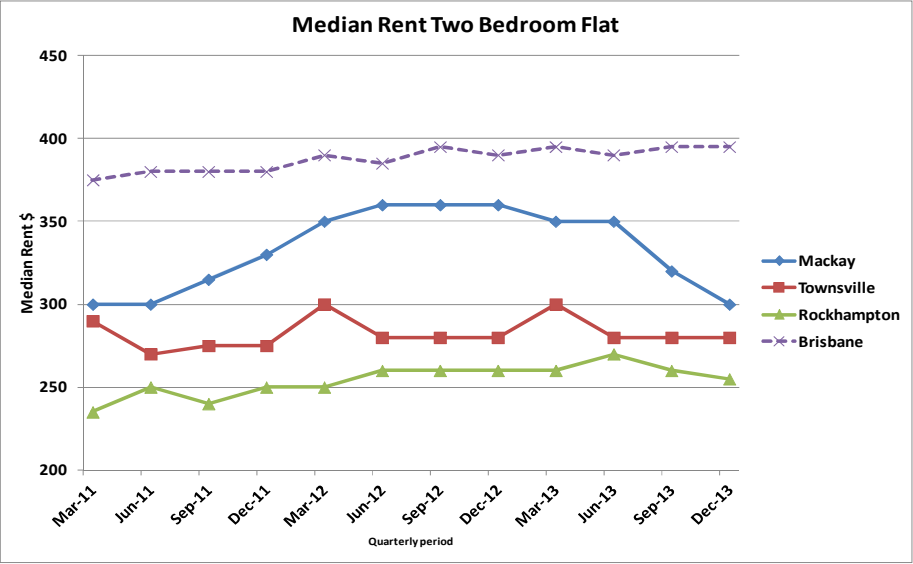
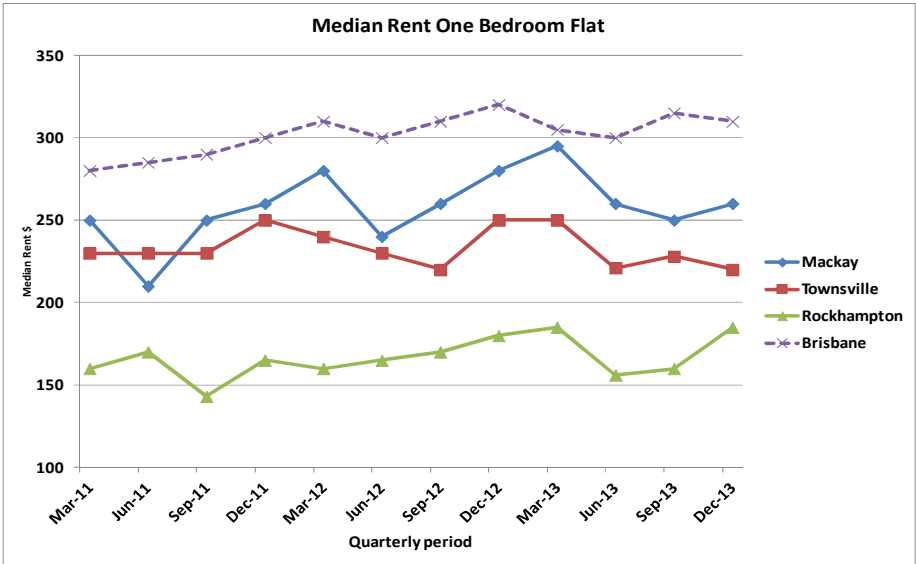
Population growth rate for the region is close to par or exceeds the Queensland growth rate for the past decade. The decline in growth rate during 2006 to 2009 was largely due to lack of housing and other key infrastructure which constrained population growth across the region.



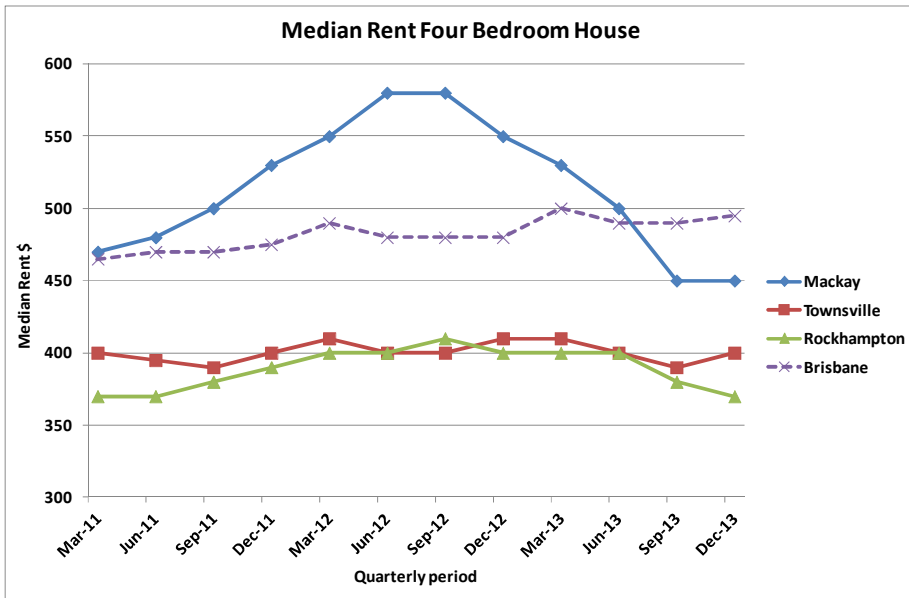
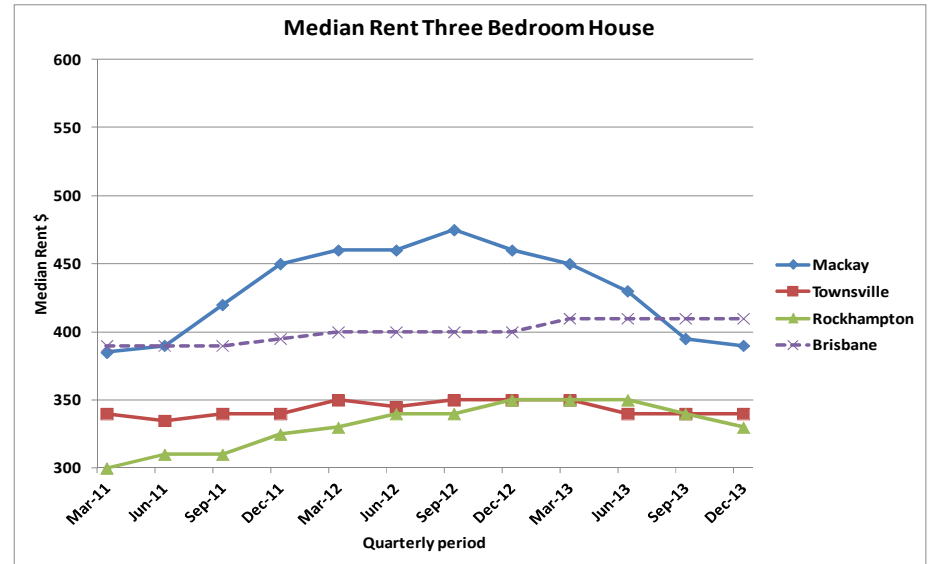
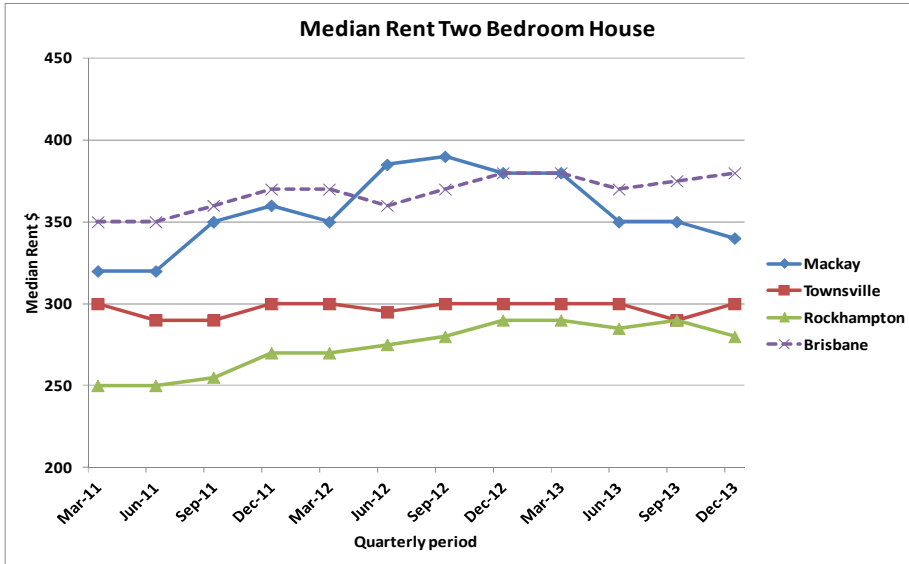
Estimated resident population by age

Area	Age Group									
	0-14		15-24		25-44		45-64		65+	
	Number	%	Number	%	Number	%	number	%	Number	%
Mackay SA4	37,021	21.0	23,368	13.3	53,147	30.2	44,685	25.4	17,862	10.1
Queensland	907,035	19.1	633,335	13.9	1,289,071	28.2	1,127,456	24.7	608,632	13.3

Mackay Isaac Whitsunday region has 10.1% aged 65+ years whilst Queensland has 13.3%. The Mackay population is generally younger than the Queensland average with higher proportions in age classes between 25 and 64. As at 30 June 2012, the median age for Mackay (R) was 35.2 years compared with Queensland median age of 36.6.

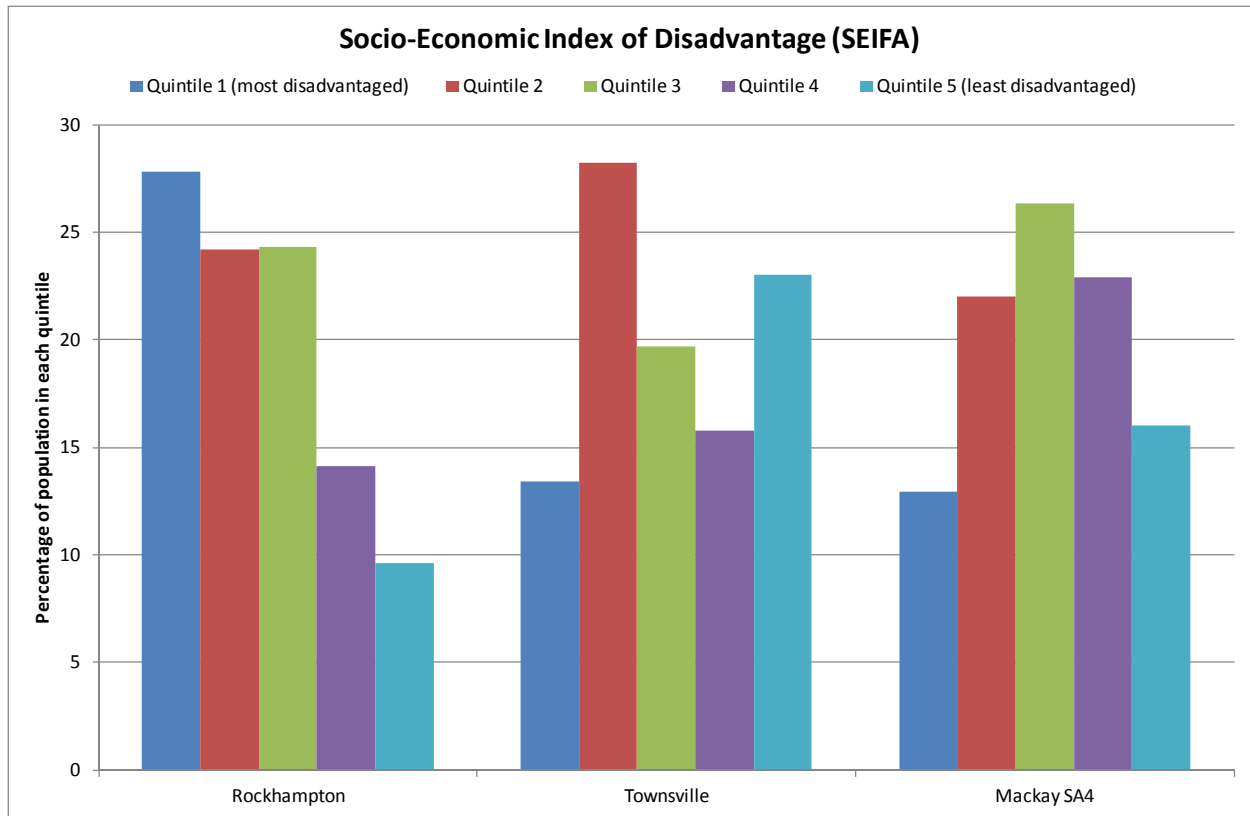


Generally flat rentals in Mackay are less than Brisbane however they are consistently higher than Townsville and in all cases much higher than Rockhampton. This puts NRAS tenants in the Mackay region at a relative disadvantage than those in Townsville or Rockhampton



Median rents of two bedroom houses are generally lower in Mackay than Brisbane except during the peak rental period of mid to late 2012. Three and four bedroom house rentals however have been consistently higher in Mackay than Brisbane since early 2011, but dropping back in late 2013 to a level less than Brisbane. Three bedroom houses have dropped to early 2011 rent levels, however four bedroom houses have dropped well below March 2011 levels in Mackay.

In all cases median rents of houses is much higher in Mackay than the other regional centres of Townsville and Rockhampton, putting NRAS tenants in Mackay at a relative disadvantage given the means testing limits.



The Mackay Isaac Whitsunday region has a good balance across the SEIFA quintiles, not as many disadvantaged as Rockhampton and less in the least disadvantaged quintile than Townsville.

Aged Care Services

Region	Aged care service provider	Community care places	Residential aged care places	Transition care places	Total places	Australian funding \$m
Mackay SA4	36	354	977	0	1,331	52.9
Queensland	1,051	11,368	33,959	733	46,060	1,812.94

There are no transition care places within the region. The number of aged care places in the region equates to 0.76 % per capita for Mackay region versus 1.01% per capita for Queensland funding of \$300 per capita for Mackay region versus \$397 per capita for Queensland. Although the Mackay region has a lesser proportion of aged persons than Queensland, there would seem to be scope for increased provision of aged care services, particularly transition care.