

14th March, 2014

Dr Bill Pender
Committee Secretary
Joint Select Committee on Northern Australia
PO Box 6021
Parliament House
CANBERRA ACT 2600
Email: jscna@aph.gov.au

Dear Dr. Pender

Re: Northern RDA Alliance Submission to the Joint Select Committee on Northern Australia

We, the undersigned have much pleasure in presenting the attached Submission to the Joint Select Committee on Northern Australia.

The eight Northern Australia RDA Committees are broadly representative of the area north of the Tropic of Capricorn and collaborated jointly in this Submission. The eight Committees met in Darwin on the 19th February with the support of the Deputy Prime Minister and Minister for Infrastructure and Regional Development the Hon. Warren Truss MP.

At the outset it is important to recognise the broad framework provided by the Coalition's 2030 Vision for Northern Australia is a critical catalyst in again identifying the opportunities awaiting Australia's northern frontier. It is also a timely reminder that a collaborative effort is required in finding the keys which unlock many of the barriers to progress in this unique part of the nation.

As the much spoken of growth within Asia's more affluent middle class unfolds before us, so too must we unwrap new ideas and potential within Australia to approach things perhaps more differently than we have in the past, in order to take full advantage of this growth.

Our transport infrastructure and supply chain network for example is, for the most part reflective of a State/Territory interest based planning approach, as opposed to a more efficient national approach.

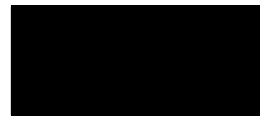
The people of Northern Australia are adventurous and resilient. The shape of the future for this frontier part of the nation will be driven largely by the removal of much of the regulation designed for more urban regions of Australia, and incompatible with the intent of the Government's commendable vision.

We thank you for this opportunity and remain available at any stage to comment on the Submission.

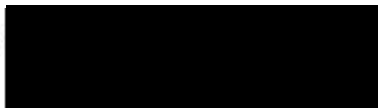
Yours Faithfully



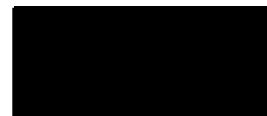
Prof Allan Dale
Chairperson
RDA Far North Queensland and the Torres Strait



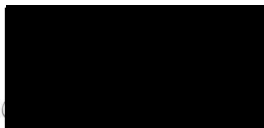
Cr Fiona White-Hartig
Chair
RDA Pilbara



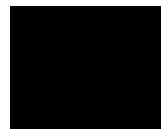
Cr Paul Bell
Chairman
RDA Fitzroy and Central West



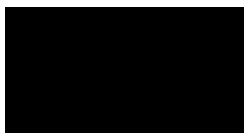
Cr Damien Ryan
Chair
RDA Northern Territory



Graeme Campbell
Chair
RDA Kimberley



Paul Woodhouse
Chairman
RDA Townville and North West Queensland



Graham Smith
Chairman
RDA Mackay Isaac Whitsunday



Ms Vickie Petersen
Chair
RDA Midwest Gascoyne

Northern RDA Alliance: Submission to Parliamentary Joint Select Committee Inquiry on Northern Australia

Background

The eight Regional Development Australia Committees from across Northern Australia have been collaborating on issues of common concern across the north. Our regions include:

- RDA Mid West Gascoyne;
- RDA Pilbara;
- RDA Kimberley;
- RDA Northern Territory;
- RDA Far North Queensland and Torres Strait;
- RDA Townsville and North West Queensland;
- RDA Mackay Isaac Whitsunday;
- RDA Fitzroy and Central West.

In doing so, we have been amazed to find the commonality of issues that we face across northern Australia. We also see great value in continuing to work together with our respective State and Territory Governments and with the Commonwealth on progressing these issues in a strategic and long-term fashion. As a consequence, we recently all met in Darwin to discuss big ideas of common interest across our regions and to explore the possibility of a joint response to the Parliamentary Joint Select Committee on Northern Australia. It was indeed symbolic that we met on the anniversary of the bombing of Darwin, reminding us of our shared history across the north, with bombing raids having been carried out from Broome to Townsville.

Having now worked through the issues we found in common, we particularly see the need for a major economic development intervention for northern Australia to achieve tangible outcomes. The following outlines the key themes that should underpin such an approach, which we wish to raise with the Committee, in support of it progressing the sustainable development of northern Australia.



Governance, Regulatory Reform and Incentives

- We consider that to effect lasting development outcomes, our overall system of governance in northern Australia needs strengthening, with a particular focus on continuing to strengthen the capacity of key northern institutions.
- We consider that the Northern Australian Ministerial Forum (NAMF) process was starting to (at least with respect to agricultural development) improve strategic problem solving and connectivity across jurisdictions. The Forum process was also research and engagement oriented. Indigenous engagement was evolving and RDAs were just beginning to play a role as key point of contact in the emerging engagement model. We are strongly supportive of the proposed First Ministers' Forum and would like to see this process similarly establish strong research and stakeholder engagement. This new approach to governance needs to have a strong secretariat based in the North and should involve a 'whole of government' approach on major policy deliberations. It should also have a strong annualised link back to the budget cycles of each of the participating governments. Such an improved governance approach will rely on a structured relationship with an alliance of Research and Development providers strongly invested in northern Australia (e.g. CDU, JCU, UWA, CSIRO, CQU, Notre Dame, etc.). This could provide the issues driven research and development framework required for the forum to develop strong evidence-based policy for the North.
- We would suggest that the new regional development model currently being developed by the Commonwealth, continue to build upon the emerging strategic engagement and facilitative role of the RDAs rather than just a focus on grants distribution. This will be essential to integrated regional development outcomes in northern Australia.
- Any strategic land use planning carried out by the States and the NT Government in the North will need to be based on the development of a strong and collaborative regional vision, clear land use and infrastructure strategies and the effective brokerage of investment into development and priority infrastructure.
- Major policy and project decision making in northern Australia must continue to be based on triple bottom line thinking to avoid ongoing major conflicts over land use.
- A particularly strong focus on building the governance and decision-making capacity of Local Governments and Indigenous communities across the North is required. In particular, we need strategic investment in building the strength of Regional Organisations of Councils and a new approach to strengthening Indigenous PBCs and Land Trusts.
- In the White Paper, very distinct and clear consideration of the need for regulatory reform and the development of strategic and sustainable business incentives are required and these must be consistent across northern Australia. Poorly engaged or knee jerk regulatory changes (like that experienced in the Live Cattle Export ban) need to be avoided. Strategic and sustainable incentives



need to be considered to reduce the very high costs of operating any form of business in northern Australia.

Energy: an Enabler in Northern Australia

- Northern Australia has a very significant exposure to energy shocks, and the price of gas and diesel in particular determines the cost of electricity in a retailer-controlled market. Compensation for current and significant transmission losses from distant generation, particularly in Queensland, cannot be sustainably funded into the future.
- At the same time the North has great opportunities for both baseline (coal and gas) generation in association with significant renewables (solar, wind, tidal and geothermal).
- To prevent serious security and affordability shocks that could devastate northern Australia, we must urgently resolve a series of policy and infrastructure barriers. The current review of the RET in particular needs to be considered with the needs of northern Australia in mind.
- We consider that there is a need for a 'whole of northern Australia Integrated Energy Strategy' with a focus on security, reliability and affordability.
- Any future strategy particularly needs to explore diversification and coordination of the development and ownership of energy generation and distribution infrastructure. Coordination of this approach particularly needs to be integrated into long term strategic land use planning and integrated with major project approval processes.
- Such a strategy might even seriously consider the potential to export energy from northern Australia to our near northern neighbours.

Regional Strategic Land Use Planning, Major Project Approvals and Tenure Reform

- Northern Australia has no consistent strategic planning regime at regional scale, and consequently there is often a lack of strategic vision and a consequent high level of land use conflict. Such problems have been acute for places like Cape York and the Kimberley. Without higher-level land use vision setting and stable processes for conflict resolution, it is difficult for investors (both from the commercial and conservation sectors) to progress strategic infrastructure coordination and targeted approaches to tenure resolution.
- Past NAMF recommendations associated with Tenure Reform dealt with these issues quite comprehensively and should be considered further, but it is important that a genuinely bilateral response does emerge. Some key reforms suggested here include:
 - bilateral approaches to regional strategic land use planning;
 - more coordinated infrastructure planning and investment coordination;



- more consistent tenure resolution systems; and
- more strategic investment in the resolution of Native Title processes.
- The NAMF tenure discussion paper recommendations particularly suggested that public sector effort to resolve these issues needs to focus initially on high priority landscapes with significant prospectivity and unresolved conflict; places facing biggest landscape pressures.
- In implementing such reforms, we also need to explore those parts of the landscape where de-regulation or better regulation would be of benefit to development.
- At the heart of these reforms are the need for public investment to help de-risk private investment via a bilateral and engaged approach to setting the vision for future development in key regions and consequent detailed land use planning, including the identification and prioritisation of key enabling infrastructure. Such approaches need to have associated linkages with the budget cycles of Federal and State/Territory government departments associated with infrastructure, but they also should explore PPP opportunities.

FIFO and Major Project Approvals

- We consider that while major projects bring real benefit to northern Australia, far more effort is needed in trying to ensure local and regional benefits are maximised. Major project development and approval processes in northern Australia simply do not have sufficiently well negotiated approaches that required real coordination and integration of effort.
- The process of regional and local negotiation around development is often 'missing in action' as there is no significant focus on managing the social and economic impacts and the coordination of cumulative impacts and opportunities. Several major mining projects in the same area, can for example, be assessed completely in isolation from each other.
- There are also major bureaucratic inconsistencies with the way that the EPBC approvals processes work and the way these are integrated with State/NT Government processes.
- A far more devolved and place-based assessment process is required to deliver higher quality and engaging processes and the effective use of social and economic impact assessment work to resolve conflict and to devise appropriate regional benefits packages.
- Of particular concern here is the need for some clearer and more consistent national policy approaches to reducing the impact of FIFO/LIFO approaches to project staffing. Such considerations need to be managed alongside the review of the deep injustices that exist within current arrangements for housing subsidies for government workers and regulatory/tax changes that might create a better environment for building regional communities. In particular, the tax incentives for people to live in the regions need to be considered as they are currently a key inhibitor to business



development / growth. This needs to be considered from the perspective of both local residents (no incentives) as well as from government workers who get the benefit of a range of employment subsidies. Additionally, FIFO workers who don't live in the region get tax benefits.

Strategic Approaches to Northern Infrastructure

- We need a more visionary northern Australian approach to managing major infrastructure priorities, connecting physical and telecommunications approaches and technologies.
- There would need to be a whole of northern Australia focus and a strategic approach (e.g. a costed Northern Australia Infrastructure Strategy) conducted in association with strategic regional land use planning and bilateral budget cycles.
- Cross modal communications needs to be a real feature of any such strategy.
- Such a strategy also needs longer-term linkages to the Infrastructure Australia Plan and the work needs to continue on auditing infrastructure needs across northern Australia.
- Linked to this is the need to focus on distribution hubs/ supply chains. There are major impediments and major inefficiencies in the North's supply chains and transport systems need to deliver northern produce to market in cost effective ways. A detailed supply chain analysis is needed that links into State/ NT transport programs and freight strategies.

Shoring Up the Future of Beef, Agriculture and Aquaculture

- Shoring up the future of agriculture in northern Australia requires a focus on the opportunities available and must build on current processes aimed at getting producers into high yield markets and new markets, before just physically expanding agricultural production. As such, there should be a real focus on identifying and exploring those areas and commodities that are most viable and suitable for agricultural expansion.
- This approach would benefit from the development of a whole of northern Australia Supply Chain and Distribution Hub Strategy.
- There needs to be a continued focus on cohesive R&D and beef genetics and plant breeding that can maintain existing productivity levels and explore new crop/livestock options.
- We support the progression of the proposed development of the Ag North CRC.
- National Water reform principles need to be adapted to enable agricultural expansion in northern Australia. Different regions, for example, have very different water problems (e.g. significant excess mine water availability in the Pilbara) and this needs to be accounted for. In undertaking any future water resource planning processes, we need to consider the transformative value of what we're trying to achieve before allocating new water.



- There is also a need for a clear and consistent northern approach to allocation and implementation of an Indigenous strategic reserve (e.g. building on the Wet Tropics example).
- Early consideration of major strategic water infrastructure priorities and associated investment raising strategies are also needed (with alignment to budget processes).

Lifestyle, Livability, Tourism and Labour in Northern Australia

- If we are to increase the population of northern Australia, there needs to be a real focus on preserving our lifestyle and building liveability in urban and regional communities, with a real focus on housing and insurance affordability and securing the basics like water quality and affordability and energy supply.
- There is also a need to focus on key cultural and sporting investments and infrastructure across northern towns as well as strategic investment in the regionally-based capacity of the human services sector and social infrastructure delivery systems. Overall, we need to equalise cost of living pressures with the south as far as possible.
- We would need significant changes in government policy in the West as the concept of 'user pays the true cost' is being rapidly introduced and reinforced.
- We can't just chase increasing the population of northern Australia for the sake of it at the expense of lifestyle and liveability. Perhaps a population plan is needed. In doing so, higher-level processes for increasing the resource base of Local Governments are critical here, and some real benefits have emerged through programs like Royalties for Regions.
- Liveability to us at least includes the 5Hs (housing, hospitals, high schools, hubs and highways), though airports and air services are also a key part of the mix.
- With the economic value of nature-based tourism in decline, it is important that we retain these natural assets, but at the same time, create more liveable cities to attract tourists.
- We need a more focused northern tourism package (domestic market focused and with strategic and place-based marketing campaigns).
- Development of linked international and domestic airports and air services (i.e. Broome to Alice or Darwin to Karratha, etc.) across northern Australia would also help drive both liveability and tourism development.
- Much greater localised attention is also required on migration brokerage into the North (with the Cairns Regional 457 Visa Outreach Officer model providing some pointers here).



Climate Adaptation/Disaster Resilience

- Any increase in the intensity of cyclones in northern Australia will have serious economic affects, including the enhancement of building codes. New planning and building ratings in the Pilbara, for example, have substantially increased the costs for development.
- Insurance reform, drought reform and renewed disaster recovery systems are the priorities for us as a result. NDRRA needs a greater focus on being **betterment based** to secure more resilient all-weather infrastructure and to help secure critical supply chains. Current handout-based response systems could be better directed to enhanced infrastructure for the long term.
- Perhaps we need investment packages to increase northern Australia's disaster resilience, including strategic investment in cyclone shelters. Better communications and emergency procedures for Indigenous communities are also a high priority.

International Relations/Tropical Knowledge

- We need to continue to build the capacity of Universities in northern Australia (particularly in North-Western WA), as they will be key to building greater northern liveability.
- Key strategic economic growth areas in the North involve taking our research capabilities into the wider tropical world. This can happen by building long term and durable international university relationships through CDU, CQU, UWA and JCU.
- Consistent with recent Inspiring Australia reports on science engagement in Tropical Australia, we need to enhance our Science, Technology, Engineering and Maths skills.

Economic Diversification

- We considered that supporting economic diversification in northern Australia is perhaps one of our biggest issues.
- Building a stronger defence and quarantine presence in the North, for example, will be critical, particularly in North West WA (Pilbara and Kimberley). We also need to appropriately explore what other Government facilities/ functions we shift into northern Australia.
- In growing more diverse economic opportunities, we also need to look at enhancing the synergies between these diversification actions to secure stronger economic outcomes. This particularly will mean greater partnerships between Government, industry and business (e.g. to secure greater diversification in the pastoral industry).
- There will be real value in considering hubs of strategic investment across the North that build on the key assets/strengths within regions through a place-based approaches/models. RDAs across northern Australia have a critical role to play in this regard.



- Incentive systems to encourage the exploration of new economic opportunities might be worth considering as similar processes have worked well in WA (for mining) and might be worth extending across northern Australia to open up new opportunities.
- The delivery of meaningful and increased economic outcomes to remote Indigenous communities needs to be a priority, and not just for coastal tourism towns.
- To secure greater diversification, we will also need to have more flexible quarantine regulations that are uniform across the borders in the North (i.e. a common national approach rather than State-specific strategies). Current arrangements are too restrictive if we want to form northern product-based cooperatives (e.g. new agricultural products).

Big Ideas for the Future

While this will be the basis for future discussions among the RDAs, we did indeed consider some of the big ideas that might unite northern Australians in securing a better future.

Some preliminary big ideas included:

- Establishing real East/West and North/South connectivity.
- Developing a truly integrated northern energy strategy and exporting energy to our North.
- Securing a strong CRC for agricultural development in northern Australia.
- Securing governance frameworks that bring the jurisdictions together and that partner with emerging alliances such as those being established among the RDAs.

We look forward to progressing these initiatives and a wider dialogue around the needs of northern Australia with the Joint Select Committee.





An Australian Government Initiative



Queensland Government