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*Council Chambers,
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5 February 2014

The Hon. Warren Entsch MP
Chair
Joint Select Committee on Northern Australia
P.O. Box 6021
Parliament House
CANBERRA ACT 2600

Dear Mr Entsch MP

SUBJECT: SUBMISSION TO INQUIRY INTO DEVELOPMENT OF NORTHERN AUSTRALIA

Flinders Shire Council wishes to thank the Committee for the opportunity to make a submission and congratulates the Government on this initiative.

Flinders Shire Council is a rural and remote local government in North West Queensland. Attached is a copy of Council's corporate plan for the period 2013-2018. The corporate plan provides general statistics on the Shire as well as Council's key strategies for the environment, community development, economic development, infrastructure and governance. Local government corporate plans would be a key reference document for the Committee's considerations.

Primarily, Council believes that any new policy initiative for Northern Australia has to drive population growth in the Region. Communities in North West Queensland have been experiencing population decline since the 1940's (Shadur, Grow Mid Western Queensland Towns Project, MITEZ, 2012). Without a reversal in this decline, continued community sustainability cannot be guaranteed.

A strong, financially sustainable local government sector will be vital for the continued development of Northern Australia. Local governments in North West Queensland, with small populations and very large geographic areas to manage, are experiencing difficulty in maintaining both financial sustainability and community sustainability. There is evidence (Comrie, J. 2013, In Our Hands: Strengthening Local Government Revenue for the 21st century, Australian Centre of Excellence for Local Government, University of Technology, Sydney) that this is so for many rural and remote local government throughout the whole of Australia.

It is Council's firm belief that the Committee deliberations must cover the issue of financial sustainability for small rural and remote local governments in Northern Australia, where a good deal of the mineral, energy, and agricultural resources are found and developed. In particular the Committee deliberations must cover the contemporary issues around the distribution of financial assistance under the Commonwealth's Local Government (Financial Assistance) Act 1995 and the recent inquiry by the Commonwealth Grants Commission. A copy of Council's Submission on this matter to the North West Queensland Organisation of Councils (NWQROC) is attached. The recommendation was fully supported by the NWQROC at its meeting of 4 December 2013.

Set out below is a list of issues that Flinders Shire Council would like to raise:

- Challenges of long term population decrease and the impact this is having on communities throughout North West Qld. Over the period 2002 to 2012, the combined resident populations of the Councils of Burke; Carpentaria, Cloncurry, Doomadgee, Etheridge, Flinders, McKinlay and Richmond, fell from 12,690 in 2002 to 12,225 in 2012. These local governments represent some 18 per cent of the total area of Queensland but only around 0.27 per cent of the State's total population of some 4.6 million. It is understood that some 70 to 80 people have left Hughenden in 2013 and suspect inward migration to Hughenden has been a fraction of this. Flinders Shire Council has lost approximately 9 per cent of its population over the period 2002 to 2012. Richmond Shire Council has lost approximately 22 per cent of its resident population of the same period.
As you are aware population drives everything; quality of education and health services, lifestyle opportunities, social capital, commercial and industrial business activity. Continual loss of population leads to loss of confidence and ultimately the whole question of community sustainability becomes a focus. It is critical therefore that issues around population decline are addressed and policies developed to make it attractive to live and work in rural and remote areas. In particular, where the provision of public services such as health and education cannot be provided locally, residents in rural and remote areas should not be disadvantaged compared to residents in urban areas in obtaining such services. For example, if residents have to travel for medical assistance, suitable financial compensation should be made available. The same can be said for education where students are considerably disadvantaged through limited in-house curriculum.
Council does support tax incentives and increases in the tax zone allowance for permanent residents in rural and remote areas, but it is important to point out that without employment opportunities and businesses being able to make profits it is unlikely that such initiatives will be 'game changes'.
- The agricultural sector does have huge issues at present with the viability of the current business model of average size family operations having to continue to get bigger or get out. This is stretching such family operations to breaking point. While the current drought is exacerbating the financial situation of land owners and commercial businesses, it is crucial for the committee to look at all issues around the long term sustainability of agricultural sector.
- Challenges facing rural and remote local governments maintaining financial sustainability and having the ability to contribute to long term economic development and improvements to lifestyle needs to be examined.
- Federal Government needs to take the lead role in providing the key infrastructure to support the growth and development of the northern and inland regions. If this does not happen, population will continue to drift to the coast, and the inland region will be not much more than a tourist attraction devoid of population. Challenges are:
 - Lack of suitable road infrastructure, in particular the need to upgrade and maintain the National and State highways to all-weather standards, to promote economic development across a number of industries. For example, for relatively small costs, very significant economic development opportunities could be achieved through the sealing of the remainder of the Hann Highway between the Lynd Junction and Hughenden. This would provide all-weather access between Cairns and the capital cities and markets in the South.
 - Need to improve rail, road and port infrastructure generally to enable product to get to markets more efficiently, particularly export markets for agriculture and livestock.
- Opportunities to grow population in the Region through:
 - Value-adding to agricultural production in the Region – for example the North West Queensland cattle industry is predominantly breeding, with the transport of livestock to coastal and southern meat processing facilities the only option. However, by value-adding to beef production through the development of a North West regional meat processing facility significant structural issues impacting the beef industry would be addressed, and opportunities for jobs growth and associated population growth provided. All levels of Government need to support industries to establish in the Region and ensure that infrastructure is adequate to get products to markets.

- Development of new intensive agricultural industries around a whole range of products including cotton, peanuts; sorghum; chick pea and rice. Also important to look for ways to value-add to such production in the Region instead of always looking to export raw product to other regions and overseas.
- Development of new housing design and construction methods, more suited to inland conditions, and using environmental friendly products and promoting energy efficiency needs to be examined. Provision of new housing is an expensive business in rural and remote areas with materials having to be transported long distances and associated construction costs considerably higher than in the coastal areas. Council would like the committee to examine housing provision in rural and remote areas to identify the most efficient construction methods and design and consider what incentives can be given to rural and remote residents to invest in appropriate housing to improve overall liveability.

Once again, Council thanks the Committee for the opportunity to make a submission and wishes the committee every success with its Inquiry.

Yours Faithfully

Graham King
ACTING CHIEF EXECUTIVE OFFICER