

The Hon Warren Entsch MP
Joint Select Committee on Northern Australia
PO Box 6021
Parliament House
CANBERRA ACT 2600

Submission Number: 154
Date received: 13/03/14

13 March 2014

Dear Mr Entsch,

Re: Submission to the Joint Select Committee on Northern Australia

Thank you for the opportunity to provide a submission to the Joint Select Committee on Northern Australia. The Regional Australia Institute (RAI) welcomes the opportunity to provide input into a process that offers a great occasion to tap into the enormous potential of northern Australia.

Northern Australia offers a unique combination of opportunities for Australia's future. The pursuit of these opportunities has been the subject of widespread debate over many decades.

While there is great potential in northern Australia, all opportunities come with a range of risks and challenges. Realising national ambitions for progress in the north has historically been a difficult task. This is because northern Australia has too often been the recipient of hastily conceived, one-off strategies that, while positive in isolation, add up to little significant change

... to bring some new sophistication and focus to the discussion of northern Australia. The work of the Joint Select Committee on Northern Australia, along with the development of a Northern Australia White Paper, provides a platform for this vital progress to be made. It also provides an opportunity for the wide ranging voices of northern Australia to be heard and contribute to the policy decisions that will shape their future. This is essential if we are to find a lasting vision and strategy for development.

The RAI is seeking to be an active contributor to the development of good policy for northern Australia over the coming months and the long term. Independent and informed by both research and ongoing dialogue with the community, the RAI develops policy and advocates for change to build a stronger economy and a better quality of life in regional Australia – for the benefit of all Australians.

Our work to date and future program of activity as it relates to the work of the Committee are outlined below and in the attachments to this submission.

Rethinking the Future of Northern Australia

In November 2013, the RAI published *Rethinking the Future of Northern Australian Regions: More than mines, dams and development dreams*. The report reviews the competitiveness profile of the seven Regional Development Australia (RDA) regions and 74 Local Government Areas (LGA's) in northern Australia, leveraging the common data platform provided by *[In]Sight: Australia's regional competitiveness index*. Extensive consultation with a range of stakeholders throughout the north and analysis of recent literature on key policy issues also informs the work.

Rethinking the Future of Northern Australian Regions clearly demonstrates that infrastructure, health and education are the most serious bottlenecks to growth in northern Australia when the region is viewed as a whole, with overall outcomes lagging behind most regions of Australia.

However the report also challenges the tendency to see northern Australia as one region requiring one approach. Instead the report identifies three distinct regional types that should be considered separately when identifying future strategies for economic development in northern Australia. These include:

1. *Northern cities* – northern Australia's large regional cities (Cairns, Darwin, Mackay, Rockhampton and Townsville).

These cities do not share many of the constraints we associate with northern Australia on their own right. They are well positioned for growth but need an approach and strategy that understands their unique potential.

For these cities, long term sustained growth will require leveraging export opportunities. These opportunities are varied but include leveraging links to Asia, increasing the value of tropical expertise and education as well as mining and agriculture related services.

2. *A diverse group of mid-size towns* – this group includes communities with different opportunities and risks driven by location and industry situations including proximity to regional cities, mining activities, agriculture and tourism.

Some mid-size towns have diverse opportunities and are located close to major cities which provides additional opportunity for tapping into domestic and international markets.



Others are both isolated and heavily reliant on particular industries. Any economic development strategy for these towns needs to be prepared to manage fluctuations in key industries that are beyond the control of the communities and government.

3. The very remote pastoral areas and remote Indigenous communities – this group of communities have the least economically competitive profiles of northern Australia and are isolated from the broader Australian economy.

In these areas we must work hard to get the basics conditions in place that are taken for granted elsewhere in Australia. It is also important to recognise that conventional economic development strategies are unlikely to work for these areas as they might for other regions in the north.

The RAI recommends that the Committee considers the challenge of development in the north from this integrated spatial perspective as well as looking at a range of issues in general and considering broader industry development strategies. Our assessment is that this will provide the

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A copy of *Rethinking the Future of Northern Australian Regions: More than mines, dams and development dreams* is provided for the Committee's consideration. The underlying data for each LGA and RDA in northern Australia is also available for use and analysis by the Committee through *[In]Sight: Australia's regional competitiveness index* online interactive map.

insight.regionalaustralia.org.au.

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To further progress policy work on northern Australia in 2014, the RAI has formed a collaborative alliance with Charles Darwin University (CDU), Central Queensland University (CQU), James Cook University (JCU) and the University of Notre Dame Australia (UNDA).

The Northern Australia Research Alliance (the Alliance) intends to generate a range of papers on topics of interest throughout 2014 to directly support the Joint Select Committee on Northern Australia and the development of the Commonwealth Government's Northern Australia White Paper. Work will be completed by each partner using existing resources.

During 2014 the Alliance will prepare a series of papers analysing northern Australia policy issues. The Alliance will also be available to provide the Committee with an independent review of submissions or provide policy advice through written and verbal briefings as required.

The RAI is working with Alliance partners now to confirm the topics for papers to be prepared by Alliance members and the teams of researchers who will lead each piece of work. The likely economic opportunity from tropical expertise, opportunities from Free Trade Agreements, the impact of liveability issues on population growth, costs and benefits of land tenure changes and different infrastructure strategies are amongst the topics currently being considered by the Alliance.

It is expected that the Alliance will be in a position to provide a briefing on initial findings from each of the papers in May 2014. The RAI will make contact with the Committee Secretariat to provide more detailed advice on the work program of the Alliance in March to ensure this can, where possible, fit in with the Committee's tight timelines.

Further support and input to the work of the Committee

The RAI looks forward to an opportunity to discuss the potential for northern Australia with the Committee and is happy to provide further support or information if required.

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Yours Sincerely

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Attachments:

- A. Research Report: *Rethinking the Future of Northern Australian Regions: More than mines, dams and development dreams*
- B. Fact Sheet: *[In]Sight – Australia's regional competitiveness index*