

Overdue

After decades of trying, efforts to realise the true potential of Northern Australia are gaining renewed momentum.

You can think big and dream even bigger in Northern Australia.

After all, the area north of the Tropic of Capricorn soaks up 40 per cent of the country's land mass.

In between its vast open spaces it's also a place full of big things – from stunning natural wonders like the Great Barrier Reef, to an iron-ore and coal industry pumping out a staggering \$80 billion a year in exports.

It's also sitting on the doorstep of Asia, a region where people are increasingly looking our way to supply their ever-growing markets and satisfy their demand for technical skills and expertise.

It's long been recognised that Northern Australia has significant opportunities and strengths, which have the potential to unleash economic benefit for the nation.

But while a future vision might be grand for some, the reality in recent decades has not been so splendid as governments have struggled to put in place policies for long-term, sustainable development and growth.

Significant challenges such as the tyranny of distance, a lack of necessary infrastructure and adequate provision of facilities and services for communities are proving hard to overcome.

Debate has raged for decades over what is the best way forward, with numerous reviews attempting to pin down workable strategies and approaches.

In recent months much of this debate has been placed before federal parliament's Northern Australia Committee which

has been busy gathering evidence on the ground for its inquiry into the region's economic future.

The committee's terms of reference outline several tasks for the committee, including investigating the potential for development of industries such as mining, energy, agriculture and tourism, and finding ways to address impediments to growth.

It has also been asked to identify critical social and economic infrastructure needed to support long-term growth. Increasing trade and investment links with the Asia-Pacific region will also be examined.

At over 20 public hearings in communities throughout the Northern Territory, Queensland and Western Australia, industry, council, business, Indigenous and community representatives have identified what they see as the issues.

This comprehensive and wide-ranging evidence has been outlined in an interim report recently tabled in parliament by the committee.

The report spells out many and varied opportunities for development in the north which can boost the country's economic output. These include through the expansion of the resources, energy and tourism sectors, more intensive agriculture and the development of new agricultural products.

Research and development and education have also been marked as major growth areas through relationships with the Asia-Pacific region, and engagement with traditional owners has been flagged as a way of unlocking economic opportunities to maximise development.

▶ PEOPLE POWER: Economic development in Northern Australia needs skilled people



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But the report has also listed significant impediments to development, such as a need for better road, rail, port and aviation facilities and telecommunications services, the cost of power and insurance, access to services and problems with keeping a skilled workforce.

Sue McCluskey is the chief executive of the Regional Australia Institute, an independent think tank which released a substantial report on the future of Northern Australia late last year. She spells out the conundrum facing policy makers.

“We believe that Northern Australia offers a unique combination of opportunities for Australia’s future, as well as the unique combination of risks and challenges,” she says.

“Navigating these challenges and risks and catering for the diverse needs of the north will require a high level of sophistication and a strategic approach by all levels of government and the community.”

Despite the vastness of scale for so many things up north, there’s one thing that is very small – its population. Just six per cent of Australians live there, spread across cities like Townsville and Darwin, mid-sized towns and mining centres, tourist hubs and agricultural regions.

Growing the population is an issue that many, including committee chair Warren Entsch (Leichhardt, Qld), have identified as one of the most critical challenges that must be overcome if Northern Australia is to prosper.

“The key to any success or initiative that we are embarking on is going to be attracting and retaining a significantly growing population across Northern Australia,” he says.

While financial incentives like tax breaks might help, Mr Entsch believes they are only part of a much bigger solution.

“This gets back to the social side of things – affordability, availability of appropriate services and a whole range of other issues for people from the cradle to the grave,” he says.

Northern Australia has to be an attractive place to live to increase demand for goods and services and to bring in the skilled workforce needed for the powerhouse industries such as mining and associated construction. The tourism industry – also very important to the north – struggles at times to attract and retain good staff across a range of professions.

It’s an area universities are well tuned into, as Professor William Dawson of CQ University Australia explains.

“If you want economic development in regional areas, universities are absolutely critical to your capacity to recruit and retain good people and keep them in the regions,” he says.

Professor Robyn McGuiggan of James Cook University points out that the economic impact of her university comes through the development of human capital.

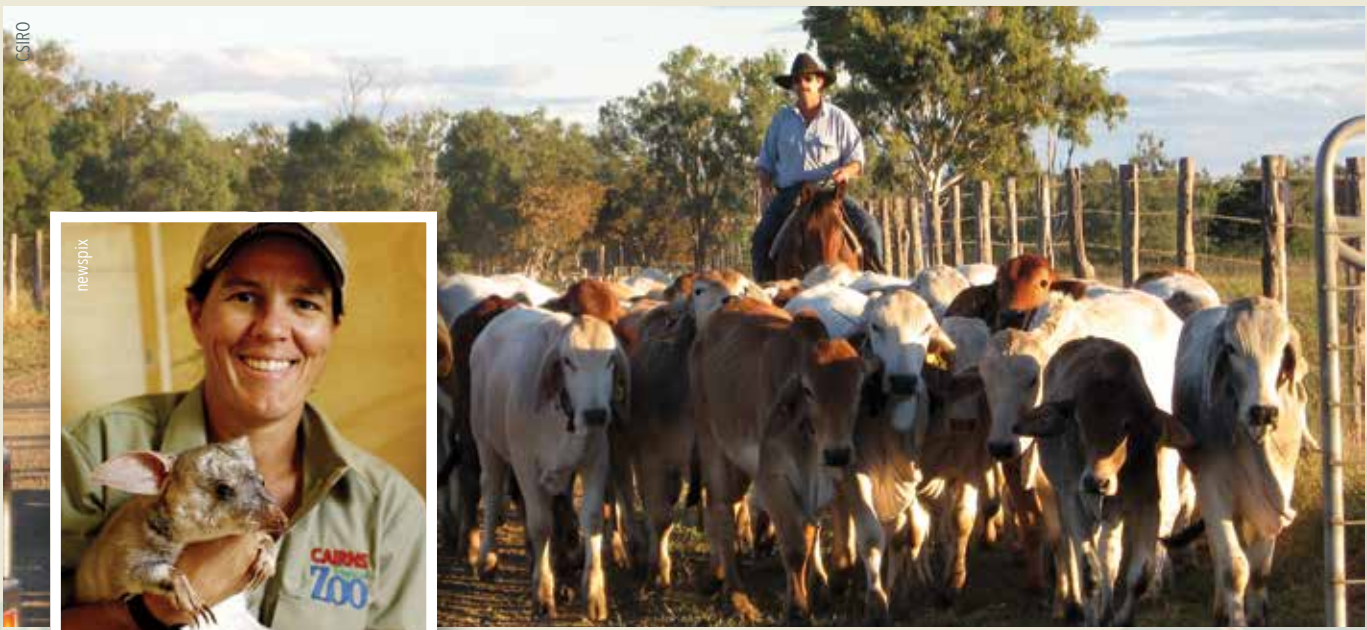
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“The presence of graduates in a region demonstrably contributes to higher wages and lower unemployment rates and provides a more educated and productive workforce,” she says.

“Provision of excellent professional education in the region is vital to ensuring supply and maintenance of a professional workforce in the region.”

Mining and tourism aside, Professor McGuiggan believes there is another crucial area where northern universities and its experts can make an impact – tropical expertise.





▶ BOUNTIFUL HARVEST:
Food, mining and tourism can help expand Northern Australia's development

Northern Australia is neighbouring a part of the globe in which 40 per cent of the world's population now lives and where 20 per cent of global economic output is produced.

"There is real value, we believe, in explicitly identifying Northern Australia with the tropics as it clearly situates Australia in one of the most dynamic and critical regions of the world," she says.

"As one of the very few advanced Western economies with a significant footprint in the tropics, there is enormous potential for Northern Australia to be a significant exporter and partner in the growth and development of tropical knowledge worldwide."

The Department of Foreign Affairs and Trade (DFAT) is also keen to emphasise to the inquiry the efforts underway to promote and increase trade and investment opportunities in the region.

Sam Gerovich of the Trade and Economic Diplomacy Division says work is focused on promoting what Australia can offer to a growing Indo-Pacific market across several priorities.

"So these are quite significant opportunities for us to work with like-minded countries in similar climactic conditions to advance our joint economic prosperity," he says.

One of the priorities identified by DFAT is agribusiness and food and it's not hard to see why.

Patricia Gleeson, a senior economist with the Australian Bureau of Agriculture and Resource Economics and Sciences (ABARES) says her organisation has looked at food demand out to 2050.

"We found that the greatest demand would be for beef, dairy products and coarse grains for servicing their pig and poultry sectors. There was greatest demand from China and Southeast Asia," she says.

There are those who believe that huge potential exists for large scale intensive agriculture, such as Integrated Food and Energy Developments (IFED) which is working on projects in north Queensland in the Gilbert River Catchment.

Its submission to the inquiry says the Gilbert River system has reliable annual water flows and the right soils and climate.

However, there's a catch, because the very areas suitable for these ventures also lack supporting infrastructure around water, processing and logistics.

"Real, transformational and enduring development from which the broader community and economy will benefit will not come from small scale, fragmented, stand-alone operations," the submission states.

"The potential for the region will not be realised if we continued to do what has been done in the past, particularly in an environment where

government cannot afford to fund the infrastructure."

While it's important to strengthen existing markets, others are looking at whether new markets can be created out of regional demand for other commodities.

The Rural Industries Research and Development Council (RIRDC) says the development of agriculture in the north is of national importance.

But as the council's Anwen Lovett points out, work must be done to ensure the region can support industry growth and innovation for primary produce.

The RIRDC has put forward a proposal to establish a cooperative research centre to do just that, with a focus on Asian demands.

"A big driver for us was to make the north an attractive place for R&D to occur and to increase activity," she says.

Also looking to capitalise on opportunities close by in Southeast Asia is the tourism industry.

Justin Wastnage, director of aviation policy for the Tourism and Transport Forum says ways must be found to attract more visitors from the tropics.

"The tyranny of distance, long a factor in slowing the north's progress, can be turned into the opportunity of proximity and this is proximity to Asia and its burgeoning middle class."

But if the north is to take advantage of the growing Asian tourism market, vital infrastructure such as ports, which can allow cruise ships to visit places like



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Broome in Western Australia, will be needed.

Glen Chidlow, chief executive of Australia’s North West Tourism says some vessels are forced to bypass Broome because the port is not big enough.

“The fact that Broome is geographically located next to Southeast Asia, which is an extremely important hub for cruise boat operators, I think is a great opportunity for us if we had more improved infrastructure to attract those vessels down from Southeast Asia to the Kimberley,” he says.

Improving infrastructure, tourism or otherwise, requires skilled workers for massive projects which may take several years.

Some industries, such as mining, rely heavily on ‘fly-in, fly-out’ workers, to fill the demand. However some communities are concerned about the detrimental effects of such a large temporary workforce, including the drain on local services and rising rent and property prices due to demand.



With high Indigenous populations in many small communities, there is also a growing belief that a crucial element in developing the north involves creating long-term economic outcomes for Aboriginal people.

Robert Rusca is the managing director of the Rusca Brothers Group, which for the past 40 years has run companies across mining and civil construction and also provides human resources and training services in the Northern Territory.

The group was originally started by his father, who came from the Borroloola community and believed that adequate training is the key to long-term employment for Indigenous people in mining and construction.

“There is an untapped group of people who are wanting to work but the reality is they have to be nurtured,” Mr Rusca says.

All up around 500 people are employed across various arms of the business, half of which are Indigenous.

On a recent road project for the Western Desert through the Roper Bar area to the port, around half of the 250 workers employed were Indigenous.

“Out of those people we had a large number of people who had never worked before from Borroloola community and from the Roper Bar region,” Mr Rusca says.

“From that opportunity and that nurturing and development ... we were able to go and offer an opportunity where the Indigenous people from Borroloola were able to 100 per cent look after, load and operate the load-up facility at the shipping port.

“Now we have 16 people that work around the clock doing 12-hour shifts, 24-hours a day.”

The group is heavily involved in the lives of its employees in order to keep them over the long-term, helping out with legal problems and providing other financial assistance such as deposits for houses.

“They work for us, the money is deducted out of their wages, but the reality is they get to own a home,” he says.

All of this contributes to a stronger local workforce and therefore stronger communities.

There’s a lot for the committee to consider and on a very tight timeframe.

Final recommendations and findings from the committee are expected to be released in September and will be considered in the the context of the federal government’s white paper due out later this year.

Committee chair Warren Entsch believes there is a determination this time round to turn the talk into action.

“There has been a lot of rhetoric,” he says. “There has been a lot of information gathered. Now is the time to put that information into a document that then becomes government policy.” ■

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www.aph.gov.au/jscna

jscna@aph.gov.au

(02) 6277 4162