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Developing Northern Australia White Paper Taskforce  
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## **ADVANCE CAIRNS SUBMISSION TO THE GREEN PAPER ON DEVELOPING NORTHERN AUSTRALIA**

“It’s not that we see ourselves as unique, rather that the issues here are different from that of regional Australia elsewhere, and need different solutions.”

### **Introduction**

Advance Cairns is thankful for the opportunity to contribute to the development of Northern Australia. As the peak regional economic development and advocacy organisation for Tropical North Queensland, we want our region to be the *World's Leading Sustainable Tropical Region*, and the best place in Australia to live, work, invest and play.

We acknowledge the significant collaboration and work to date of the Northern Australia Task Force, The Joint Select Committee on Northern Australia, and the many stakeholders who are passionate about a positive future for those who live in and love Northern Australia.

Advance Cairns also acknowledges the submissions from many of the organisations in our region, and the collective collaboration in the development of ideas and opportunities. Advance Cairns has worked closely with Regional Development Australia Far North Qld and Torres Strait, and the

Far North Qld Regional Organisation of Councils in the preparation of submissions. Many pertinent issues in the development of Northern Australia have been covered in a range of other submissions and papers to this and other forums, by Advance Cairns and others.

This paper focuses at issues that span Northern Australia, rather than a parochial view of development in our region. Advance Cairns believes that a whole of Northern Australia approach is required to secure our future growth and prosperity. Collaboration is critical to success.

## **HUMAN AND SOCIAL CAPITAL**

Northern Australia lacks strong social institutions to nurture change. We must develop human and social capital, and ensure we have a deep understanding of place.

One of the challenges of the north is for economic development where there is little opportunity and lacking population density. This is no more prominent than in indigenous communities. The indigenous population in Northern Australia is statistically significant. The desire of Australia for significant areas of Northern Australia to be declared as protected zones prevents the local population from creating wealth and a prosperous future.

Whilst there is the opportunity to further develop the ecosystems services model in such protected areas, there are limitations in the capacity of such a model to create significant employment opportunities in communities.

In most areas of Northern Australia, medical services are grossly inadequate. The levels of community health and well-being are well below national averages. This could be attributed to socio-economic factors and limited services in remote and regional areas.

Those who choose to live and work in Northern Australia do not enjoy the same level of medical services to counterparts in major urban areas. There is no level of adequate compensation other than to improve services. Citizens of Australia no matter where they live should enjoy appropriate levels of medical support.

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Improvement in health outcomes is a priority for the whole of Northern Australia. Primary Health Networks must be structured and resourced to provide more effective service delivery throughout Northern Australia.

**Recommendations:**

Further develop ecosystems service model as an economic driver for indigenous communities.

Adequately resource Primary Health Networks and medical services in Northern Australia.

**TROPICAL KNOWLEDGE**

The Tropical Knowledge Economy of Northern Australia is underdeveloped. 40% of the world's population live in the Tropical Zone, the area of global growth. Significant opportunity exists in leveraging Tropical Expertise for the benefit of humanity worldwide.

Recognition of Tropical Knowledge and Expertise as a key opportunity for growth is an opportunity for Northern Australia to develop a unique and differentiated proposition for economic benefit. These include:

- sustainable regional tourism
- sustainable tropical environment management
- tropical architecture and engineering design
- tropical agriculture
- disaster preparation, relief and resilience
- forest management and timber processing skills
- tropical medicine
- arts and culture

Northern Australia continues to quietly demonstrate global leadership and expertise in Tropical Knowledge. Already providing significant benefit in the growth of Northern Australia and other Tropical Regions, Tropical Knowledge will be a significant driver of sustainable economic growth in the developing Tropical Zone.

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**Recommendation:**

Recognise Tropical Knowledge as a unique and differentiated leverage point for economic benefit for Northern Australia and the tropics.

**INFRASTRUCTURE**

Infrastructure development must be aligned to national development objectives. Infrastructure development must be coordinated on a national basis and not on a project by project basis.

There must be alignment between programs and departments to ensure that project intentions align well with national objectives and that there is synergy and interlink between programs and departments. Assessment processes must be cohesive and nationally aligned.

Governments no longer have the capacity to single-handedly fund infrastructure development. Development partnerships must be delivered in new and innovative ways to ensure that there is sufficient private sector incentive. Seed funding, risk provision, taxation incentives, capacity building in project management and governance are examples of new infrastructure development paradigms.

Efficient infrastructure provision requires sound strategic planning, coordination and integration. This involves coordination across infrastructure modes, such as between road and rail, and across stakeholders, such as all levels of government, the private sector and the community.

Such an approach increases the likelihood of decisions being made that complement one another. However, implementing such an approach is both time consuming and costly. The challenge is to ensure that such an approach occurs in the shortest time possible and at the lowest cost.

Infrastructure drives the productivity, liveability and sustainability of cities, towns and regions. Optimising all three is a considerable challenge that requires planning, coordination and integration. This is relevant to all of Australia, and particularly pertinent to Northern Australia where risk profiles and development costs are potentially higher.

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**Recommendation:**

Ensure effective cross mode, cross department coordination of infrastructure developments that are in line with national development objectives.

**DIGITAL CONNECTIVITY**

Our regions will perform better if they are affordable, sustainable, compact, innovative and well-designed places that offer high living standards.

The current cost of living for Regional Australia is significantly higher than for major cities. In recent years, the distortion of housing prices in resource based centres only exacerbates this issue.

The lack of choice in supply side elements reduces competition in many regions for all commodities. This does not present the regions as an attractive place for investment or lifestyle. We often put forward the argument of lifestyle, usually meaning less population density. Limited services and choices are not positive lifestyle elements.

Essential services in regional areas are limited and usually dispersed, increasing the cost of access. Innovative delivery of essential services is needed to create regional efficiencies. Regional digital connectivity is a critical foundation to effective and efficient service delivery.

Emergent technology provides for effective delivery of a range of services to regional and remote areas. Services enjoyed by those in major urban areas can be extended to regional communities throughout Northern Australia, with effective connectivity.

In Australia, community social responsibility (CSR) in development of telecommunications infrastructure has largely been the responsibility of Government. In the Pacific, CSR has been incorporated into operating licences for telecommunication services, with specific development timeframes.

The vast areas of Australia may prevent a full shift of responsibility to the private sector. Private sector benefit from major urban area services could also become part of a shared responsibility for regional telecommunications

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infrastructure development.

Such infrastructure should be accessible to all network operators on the basis of shared responsibility for development, thus reducing the burden of development on the Government.

In the agricultural sector, digital connectivity provides for efficiencies in a wide range of areas, including crop and pasture management, monitoring of water sources, herd safety, and pest management.

Effective connectivity provides for these communities to be globally connected, and develop new economic development opportunities in a digitally connected world. Many of these opportunities are yet to emerge. Many regional communities have little opportunity otherwise for new economic development and prosperity.

#### **Recommendations:**

Prioritise development of effective digital connectivity to regional communities to leverage a new wave of efficiency and economic and social opportunity for Northern Australia.

Establish partnerships with telecommunications network and service providers in the development of new infrastructure in Regional Australia.

## **ROAD CONNECTIVITY**

Advances in connectivity have provided for the development of key linkages across Northern Australia. Road links were established and have been progressively upgraded. Regional Roads Forums have been useful forums to discuss issues, priorities and consensus points. These forums, however, have generally been state based, with place based priorities.

There should be a broad strategic view of road connectivity for the future Northern Australia. Much of the current work is around place based solutions, and whilst these are important priorities for communities in Northern Australia, discussion should be elevated to the National level.

Strategic road connections provide for economic efficiency, developing tourism potential, and providing for effective community connectivity. An

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example of unrealised potential is the Hann Highway in Qld. The Hann Highway was established during WW2 as a strategic inland road to Northern Australia.

Sealing of the final section of the highway (approx. 100km, at a cost of around \$70m) would provide for a more cost efficient route to southern markets, an all-weather alternative road route to Far North Queensland, and the development of new tourist routes in the region.

Much of this work can be undertaken cost effectively by local council road crews. This provides for meaningful local employment, maintenance of local capability and local economic benefit.

### **Recommendations:**

Develop a Strategic Roads Plan as a national plan for Northern Australia.

Prioritise the development of key road infrastructure, such as the Hann Highway, to unlock economic and social potential.

Prioritise local council road crews to undertake road works in respective communities.

## **BUSINESS, TRADE AND INVESTMENT**

Building a population around current urban centres provides for more efficient use of existing infrastructure. Suggestions of creating new cities in Northern Australia do not take account of the need for existing communities to thrive to survive.

Priority Development Areas/ Special Economic Zones should be established in key areas to reduce the cost and provide for development incentive. Development areas around key infrastructure nodes such as international airports gives focus to international trade and investment. These zones could promote growth in targeted industries already been identified in the Green Paper, which underpin future development in Northern Australia.

Export oriented industries could be supported through infrastructure development, export market development, establishment of research centres, tax/ duty concessions and employment incentive schemes.

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Existing air services arrangements with Asia-Pacific are cumbersome and dated, and do not encourage the growth of regional trade and investment. A broad review of air service arrangements is needed to stimulate air route growth outside capital cities.

Current limitations on air services to capital cities promote traffic through regional airports. However, with small catchment areas, route viability is often marginal. Preferential arrangements to carriers establishing routes in Northern Australia, such as on-carriage and beyond rights would provide a low cost incentive to air route development.

Establishment of advanced Customs and Immigration processing for PNG in Cairns would provide for enhanced trade between Cairns and a range of PNG destinations. Current trade is focussed on Port Moresby (air and sea) or Lae (sea), limiting the opportunity to open up new trade areas in PNG.

Cooperative activities between PNG and Australian Customs and Immigration officials could be further strengthened through co-location, resulting in training and cost efficiencies, improvement in service levels, enhanced collaboration and cross border security.

Such developments are proposed on a three year trial, and this model could also be developed for other international ports in Northern Australia.

### **Recommendations:**

Establish a Special Economic Zone around the International Airports of Cairns and Darwin to foster and develop international trade and investment.

Commence a review of air services arrangements in Asia Pacific, with a view to establishing preferential and incentive arrangements for route development in Northern Australia.

Establish a three year trial program of Customs and Immigration Pre-Clearance in Cairns for both Air and Sea passenger and cargo.

## **REGULATORY REFORM**

The Government's program of "red tape reduction" is welcomed. To support the target of reducing the regulatory burden by \$1billion per annum, we

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recommend one day in Parliament each year specifically dedicated to Northern Australian Red Tape Reduction. This would be in addition to other work impacting Northern Australia, and place a specific focus on regulation reform in support of Northern Australian development. This could focus on regulatory harmonisation which could also be applicable to the rest of Australia.

Given that recommendations from this paper will span across every Government department, the establishment of an effective body to coordinate, execute and report on the progress of the recommendations of this White Paper will be critical to successful implementation.

A specific Northern Australia Development Agency should be established to ensure appropriate influence and coordination between Departments. This agency should be established in Northern Australia, and it is recommended to be sited in Cairns, where the best air linkages exist in and between Northern Australian regions and Southern Australia.

Relocation of Government Departments to Northern Australia has been identified as an outcome of the White Paper. Elements of all Federal Departments should be located in Northern Australia so that staffs fully experience the dynamic of the region. Further, rotational postings to the region should be part of an officer's development program.

Each region will undoubtedly lobby for a significant staff allocation to their respective regions. The key element is to have an effective spread of resources through Northern Australia. Departmental allocations should be considered upon proximity and connectivity to their portfolio areas, and interaction between departments.

The White Paper on Developing Northern Australia raises an opportunity to discuss future governance structures for Northern Australia. Small dispersed populations bring unique challenges in service delivery, governance and representation.

Cross-state regulatory environments only serve to exacerbate these issues. Whilst the work of COAG to harmonise legislation is acknowledged, there is much opportunity for an accelerated and concentrated reform program, not only for Northern Australia, but also for the entire country.

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**Recommendations:**

Parliament allocates one day each year for specific regulatory reform for Northern Australia development.

Establish a Northern Australia Development Agency in Cairns to coordinate development recommendations from the White Paper.

Relocation of Government Departments across Northern Australia to be aligned to portfolio effectiveness.

Commence a dialogue on future regional governance, considering wider regional authorities that can bring the broader dynamic of Northern Australia to full effect.

**POPULATION PROJECTIONS**

The Green Paper population projections for the Cairns Region appear to be under-reported. Population growth for Cairns over the period 2000-2012 was nearly 3% - above the national average, and over the past five years, during a period of protracted economic downturn in the region.

Critical population projections and statistics are required to ensure that accurate data supports decision making. The Australian Bureau of Statistics reduced staffing in the Cairns region in 2013, and aggregated data collection for parts of the region.

This capability should be re-established and included as part of the Northern Australia Development Agency.

**Recommendation:**

Establish an ABS Officer within the Northern Australia Development Agency in Cairns.

**CLUSTERS – A PATH TO REGIONAL SUCCESS**

The establishment of industry clusters has demonstrated profound impact in many areas globally. Vertical and horizontal integration of cluster elements

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along an industry value chain provides for a strong collaborative environment to achieve success.

A whole of region approach will be critical in development in Northern Australia, as collaborative problem solving will provide useful, relevant and sustainable solutions.

Robust research will nurture innovation in Northern Australia. Regional clusters could provide a catalyst for research, innovation and development. This raises the capacity of regions throughout Northern Australia to further understand the dynamic of their region, to foster local economic development and provide a focal point for growth and trade development.

A significant body of work exists on the benefits and development of clusters. Cluster development should be explored as a key development tool. Further work on identifying specific cluster potential in Northern Australia is warranted.

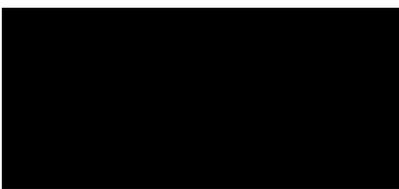
#### **Recommendations:**

Research specific cluster opportunities for Northern Australia as a key component of collaborative regional development.

Establish key clusters across Northern Australia to support industry growth.

## **CONCLUSION**

The development of Northern Australia is an enduring dialogue. Robust connectivity, collaboration and targeted incentives for growth will support the aspirations for Developing Northern Australia.



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