

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

4 April 2014

Dear Mr Entsch,

Re: Response to the Regional Australia Institute's questions taken on notice at the first public hearing of the Joint Select Committee on Northern Australia

Thank you for the opportunity to provide evidence at the recent public hearing of the Joint Select Committee on Northern Australia. The Regional Australia Institute (RAI) took a number of questions on notice and the RAI's response to these questions are now provided.

In providing a response to the Committee's questions the RAI would also like to highlight the additional work being completed by the RAI in partnership with a number of universities in northern Australia (the Northern Australia Research Alliance). This research and policy work will explore a wide range of issues relevant to development in northern Australia.

The RAI envisages that this work will add significant depth to the questions raised below. The initial drafts of the research projects will be completed mid-2014. The RAI is happy to engage further during the interim in assisting the Committee in their work.

Examples of devolution models

The RAI has encountered a number of programs that adopt principles of devolution of power and decision making. These programs are centred on the need for people to have the flexibility and freedoms to make decisions about their own region or entities. Ultimately the devolution of decision making powers requires central and line agencies to understand the diversity of need across different regions and the realisation that one size does not fit all.

Devolution involves a high degree of trust on both sides and the design of performance based outcomes. These types of models allow more targeted and effective action and enable regions to respond and adapt to local conditions.

Examples of such models elsewhere in Australia include;

- **Education (various States)** - The devolution of powers to school principals to allow them to fire and hire staff and to make decision about the operation of their schools.

- **Health, Partners in Recovery Program** - This is a top down devolution model that includes integrated and coordinated regional responses for health care services. The model requires regional consortiums to be established between interested parties to obtain funding. The program promotes integration and joint responsibility as well as regional based decision making.
- The recently launched **Empowered Communities** project – This project looks to develop a new governance model for Indigenous communities. The project aim is to ensure more customised government initiatives and to provide greater empowerment of local Indigenous leaders over the activities that shape their communities.
- **Communities for Children** – This program is coordinated by the Department of Social Services and administered by a variety of stakeholders across each State and Territory. It was developed in response to the concerns about the impact of the geographic concentration of disadvantage on the wellbeing of children and their future life chances. The program aims to improve coordination of services for children 0-5 years old and their families; identify and provide services to address unmet needs; build community capacity to engage in service delivery; and improve the community context in which children grow up.

For northern Australians, the ability to have decision making powers over their own regions is particularly important. With long distances between the north from State and National policy makers, the ability to react and adapt on the ground is even more essential. It is envisaged that the Northern Australia Research Alliance will be exploring these issues further in its forthcoming work. The RAI will be in a more suitable position to comment on these issues in detail following this work.

Sources that highlight the importance of multiple generations to population retention

The ability to retain a population is a vital component to embedding multi-generational and sustained growth. The following research suggests that having multiple generations, particularly up to three generations living in a community at once is an important social determinant of population retention.

- Hugo, G, 2011, *Economic, Social and Civic Contributions of First and Second Generation Humanitarian Entrants*, Department of Immigration and Citizenship (DIAC), Canberra.
- Collins, J and Krivokapic-Skoko, B, 2009, *Attraction and Retention of New Immigrants in Regional and Rural Australia: Literature Review and National Survey 2008*, Rural Industries Research and Development Corporation, Barton, ACT.
- Burnley, I. (2005), *Generations, Mobility and Community: Geographies of Three Generations of Greek and Italian Ancestry in Sydney*. *Geographical Research*, 43: 379–392. doi: 10.1111/j.1745-5871.2005.00338.x

The availability of both social and economic incentives across each stage of the lifecycle is key to retaining populations. The stronger the family ties to an area, particularly over successive generations, the more closely people identify with a location. This makes them more likely to have a sense of loyalty to the community.

These cradle to grave opportunities and lifestyles are important not only to retain population, they also build the social capital needed to build strong communities, which in turn enhance the personal and economic investment of individuals in the community.

Data limitations that are considered a particular constraint for understanding northern Australia

Further to our comments at the hearing, the RAI wishes to highlight the following data constraints it has encountered in its northern Australia work to date.

- **Remoteness** - The level of data available for remote communities can be limited. The aggregating up of data sources for sample size and privacy reasons means that the local variances can often be hidden.
- **Institutional performance** - Information related to the effectiveness of institutions in supporting and leading development is scarce. Yet leadership and capacity of institutions can be an important mobilisation factor for regional communities. To build a picture of institutional performance more information is required about an institution's capacity to facilitate development, provide leadership and to obtain and prioritise funding.
- **Infrastructure** – There is no comprehensive plan for the north in terms of the critical economic and social infrastructure needed to support development. Many communities in the north lack even the basic infrastructure and adequate connectivity to promote sustainable development. A comprehensive audit and strategy for infrastructure would be a key step in advancing the development prospects of the north.
- **Time series** - The availability of time series data is a continual limitation across Australia. The ability to track population movements and resident populations in highly transient populations of the north is extremely difficult. These limitations affect the relevance of government programming, service delivery and decision making.
- **Monitoring and evaluation** - There is limited information about the monitoring and evaluation of program performance and outcomes. Hundreds of programs are delivered throughout northern Australia yet the effectiveness of these are rarely measured during and after the program. More effort in evaluating and building on lessons learnt would provide a host of information about the needs of the north and potentially produce significant savings in wasted resources.

- **Quality of life** - Data related to cost of living, quality of life and liveability can be difficult to obtain. These are the elements which may drive population and investment and are not readily available outside of capital cities. Full information for foreign investors will be a critical component of securing development in the north.

As the Northern Australia Research Alliance moves through its research program it is anticipated that more data limitations will become apparent. The RAI will advise of these limitations in presenting its final work.

Submission to the Productivity Commission's Inquiry into Geographic Labour Mobility and the RAI's Draft Population Dynamics report

The following documents are attached for the Committee's reference.

- Attachment A – Regional Australia Institute submission to the Productivity Commissions Inquiry into Geographic Labour Mobility
- Attachment B – Regional Australia Institute research report – Population Dynamics in Regional Australia (unpublished draft)

Examples of one-off projects that have led to perverse outcomes for communities in the north

Policy is often presented as a rational, evidence centred challenge where the best interests of the nation in the long term should be the driver of decisions. This is at best an idealised situation. In reality, policy is also subject to a range of other motivators which can reinforce or counter what the evidence, if it exists, might identify as the most rational approach to an issue. Policy related to economic change is particularly subject to these alternative motivators.

The following points are examples where policy decisions have been made which create unintended consequences. Reasons for this include fast-tracking of projects, economic and political interference in decision making and general lack of understanding and outcomes of decisions. Developing strong rational decision making in a timely yet thorough manner is key to avoiding these types of outcomes in the future, particularly when there is likely to be targeted efforts and interests in developing the north.

- **FIFO conditions** - The approval conditions of mining licences such as BMA in Queensland require 100% of workers be sourced from Fly-in Fly-out. This approach creates perverse outcomes for local communities who are excluded from source communities.

- **Infrastructure** – There have been large private investments in infrastructure across northern Australia in recent years. This investment has failed to alleviate some of the basic infrastructure for surrounding communities. There is now a considerable disparity in the standard of infrastructure from private mining investors and that dedicated to the communities in and surrounding those areas. This represents a missed opportunity to improve the complete infrastructure system across the north and position it for more integrated and balanced growth in the future.

The RAI wishes to reiterate that its continued work in this space will provide a high level of detail on many aspects covered by the Committee and the recent hearing. Should the Committee wish to discuss any of the above items at greater length, the RAI will be more than happy to do so.

The RAI is committed to developing a robust understanding and recommendations in response to policy challenges in northern Australia. The RAI welcomes the opportunity for an on-going relationship with the Committee on areas of mutual interest.

Should the Committee have any queries or requests in regard to this additional information, please do not hesitate to contact Jack Archer, General Manager – Research and Policy, on (02) 6260 3733 or at jack.archer@regionalaustralia.org.au or Vanessa Barnett, Manager-Policy at vanessa.barnett@regionalaustralia.org.au.

Yours Sincerely

Su McCluskey
Chief Executive Officer

Attachments:

A – Regional Australia Institute submission to the Productivity Commissions Inquiry into Geographic Labour Mobility

B – Regional Australia Institute research report – Population Dynamics in Regional Australia (unpublished draft)