

13 August 2019

## **NORTH WEST QUEENSLAND REGIONAL ORGANISATION OF COUNCILS SUBMISSION ON THE NORTH WEST QUEENSLAND ECONOMIC DIVERSIFICATION STRATEGY (August 2019)**

This submission is presented on behalf of the member councils of the North West Queensland Regional Organisation of Councils (NWQROC). Members of NWQROC include the Burke, Carpentaria, Cloncurry, Flinders, McKinlay and Richmond Shire Councils; Doomadgee Aboriginal Shire Council and Mount Isa City Council. We understand that some individual councils have also made a submission on the draft Strategy.

The primary purpose of the NWQROC is to ***make North West Queensland a region attractive for people and businesses to live, work and invest.***

In presenting our submission we wish to thank the Government for its continued focus and support for the North West region of the State through the development of this Strategy and the broader *Strategic Blueprint for Queensland's North West Minerals Province*. The NWQROC region contributes \$5.1 billion to gross regional product annually, with key industries in resources, agriculture, tourism and construction – as highlighted in the Strategy. These industries contribute significantly to local employment and the prosperity of the many towns across the region and have significant flow on benefits for other regions such as Townsville, Cairns and South East Queensland through processing, port and employment linkages.

We would also like to record our thanks to DSDMIP's North West Regional Office team who have constructively engaged with individual councils and the NWQROC in developing the draft Strategy. We note the Queensland Government has appointed an Economic Diversification Manager to oversight the finalisation and implementation of the Strategy and we look forward to working closely with this individual into the future.

### Context

Diversifying regional economies has long been the subject of public policy focus by Governments at all levels as well as other interested parties.

Most recently, the Productivity Commission undertook a review into *Transitioning Regional Economies (December 2017)*. Key findings from this review include:

- Australian, State and Territory governments already have a suite of existing arrangements aimed at redistributing resources across regions, achieving service delivery objectives and planning for regional transition and development (Finding 2.1).
- The proportion of regions in the least adaptive category increases with the degree of Remoteness (Finding 4.2).

- The main factors shaping the index value of relative adaptive capacity for each region relate to (Finding 4.3):
  - people-related factors (including educational achievement, employment rates, skill levels, personal incomes and community cohesion)
  - the degree of remoteness and accessibility of infrastructure and services.
- There is scope to achieve considerably improved outcomes for regional communities by changing the way regional programs are designed and delivered. Fundamental to this is applying rigorous and transparent processes for choosing, implementing, and evaluating regional spending (Finding 5.2).
- Strong and effective local leadership is critical in developing and implementing regional development plans. There is a case for State and Territory governments to build capacity in leadership of regional institutions and community groups and to ensure these entities can attract skilled leaders (Finding 5.3).

Further to this review, the Regional Australia Institute (RAI) is progressing a body of work relating to *Regions in Transition* (<http://www.regionalaustralia.org.au/home/regions-in-transition/>). This work focuses on three key projects:

1. Effectiveness of place-based transition packages
2. Investing in Regional Development – Competition and Collaboration
3. Procurement Practices and Regional Development

With respect to Project 2 (Investing in Regional Development – Competition and Collaboration), the RAI's December 2018 Report states the following:

“Competitive grant programs are still the status quo for most Australian regional development funding (p.2)”.

“Competitive grant programs are being used to supply infrastructure to regions, and competitive tenders determine the providers of a great many services. They are seen to provide a transparent ‘merit based’ approach, well-suited to rigorous audit processes in place across all jurisdictions. Competition is also in favour as it is thought to deliver allocative efficiency, where funds are directed to the areas of greatest need. For regions, the ability to play the competitive game determines the extent of investment in economic development infrastructure and services that they are able to marshal. It is a familiar game, with the rules well understood, and there are as many skilled players who’s regions are winners, as there are losers (p.2).

“Collaborative deal making is where one or more public agencies craft a solution to a policy issue using consensus-driven dialogue with diverse parties who will be affected by the solution or who can help in implementation. This Deal based approach is a favourite of many coordinating departments, and it has been tested across a variety of areas such as Indigenous and Cities policies. It is also recognised as the most successful approach to producing long term change in rural and regional communities (p.6)”.



“In effect, twenty years ago the global status quo of regional development was competitive grants. Now it is collaboration. Australia needs to catch-up and start delivering a wider range of collaborative regional development approaches (p.27)”.

In line with many of the findings in the Productivity Commission Review and the RAI work, in the lead up to the Federal Election, the NWQROC undertook an active advocacy campaign to secure a ‘regional’ deal for North West Queensland. In response, the Government committed that “a re-elected Liberal and Nationals Government will pursue further deals in other parts of regional Australia following consultation with States, Territories and Local Governments. This will include consideration of a regional deal for North West Queensland. The NWQROC is now pursuing these discussions with the Federal Government.

**As part of its commitment to the *Strategic Blueprint for Queensland’s North West Minerals Province* and this Strategy the NWQROC calls on the Queensland State Government to support any negotiations around a regional deal for North West Queensland.** As outlined in the RAI Report (2018, p. 3), regional deals are “suited to situations where the priority is longer-term, place-based and local outcome driven”.

*The North West Queensland Economic Diversification Strategy:*

The Strategy states (p. 12) that its objective is to align with the work of local government, the community, economic development organisations and existing state government programs. This macro level objective and the subsequent individuals objectives listed are supported by the NWQROC on the basis that they recognise the need to avoid duplication of effort (as highlighted in the Productivity Commission’s Inquiry Report) and also because they largely support the priorities identified in the NWQROC’s *Strategic Plan (2018 - 2021)*. <https://www.nwqroc.com.au/assets/Documents/Publications/d091a4cf46/NWQROC-Strategic-Plan-2018-2021.pdf> .

For similar reasons, the NWQROC supports the key ‘themes’, ‘initiatives’ and ‘actions’ identified in the Strategy.

In providing its support, the NWQROC does however question why the Strategy’s ‘scope’ does not seek to actively address the systemic challenges identified – those being the pricing and regulation of water, energy, rail and regional airfares. These issues are key priorities for the NWQROC and as stated in the Strategy (p.9) “were raised by stakeholders during consultation and development of this draft strategy”. **Hence, it is suggested that despite being considered “state-wide matters” (p.9) these issues be incorporated as additional initiatives in the Strategy, given the NWQROC believes they are fundamental building blocks to achieving many of the stated ‘objectives’ of the Diversification Strategy.**

Whilst the NWQROC supports the initiatives and actions identified, it believes **the Strategy could benefit by applying some priority or ranking to these actions noting how many there are. Likewise, assigning a broad timeframe (short, medium, long term) for when each action might be progressed will help manage, not only workload, but also stakeholder expectations.** In making these suggestions, we presume an Action Plan (with more detailed information) will be developed to support the overall Strategy. This point was also identified by Mount Isa City Council in its submission and hence, clarification of this matter would be appreciated.



Finally, whilst recognising competing priorities across Government, the NWQROC hopes that the Strategy will be supported by adequate State Government investment. Acknowledging the \$39 million already committed to the Strategic Blueprint, **increased and sustained levels of investment from the State Government will be required for both the Strategic Blueprint and Diversification Strategy if material outcomes are to be achieved.**

### *The Opportunities of Tourism*

Despite the monsoonal event in February, drought has and will continue to be an added challenge to sustaining and diversifying local economies and communities within North West Queensland. As highlighted in the Strategy (p. 16), tourism is considered “an important part of building a sustainable and diverse regional economy”. In the context of drought, tourism is seen as an emerging industry for rural and remote communities which offers an alternative to sustaining local populations and business activity when the agricultural industry is suffering economically.

As a longer-term measure of economic diversification, the NWQROC would be open to jointly investigating with DSDMIP the merit of a regionally based tourism project / program. Positive progress on tourism data capture is already occurring under the auspices of the Outback Queensland Tourism Association (OQTA) and the Remote Area Planning and Development (RAPAD) Board groups of councils. As such, it may be possible to extend this work or indeed apply the learnings to the NWQROC. **At a minimum, we would welcome a preliminary discussion with the Department noting the importance of the tourism industry as an enabler of economic diversification.**

### *Concluding Comments*

Diversifying regional economies is a complex public policy issue, which, as highlighted earlier in this submission has been the subject of repeated Government inquiries. As residents and strong advocates for their communities, the members of the NWQROC want to see tangible initiatives resulting from not only the *Strategic Blueprint for Queensland’s North West Minerals Province*, but also this Strategy. Much energy and enthusiasm has been committed to both pieces of work (the Blueprint and Diversification Strategy) over many years, and whilst a positive step forward, it is now imperative that the Government commit adequate resources (both financial and human) to implementing the initiatives identified.

As Mount Isa City Council (MICC) states in its submission “we encourage the Government to finalise the NWMP diversification strategy but to include clear and concrete outcomes. The MICC wants the final NWMP diversification strategy to include an implementation plan that has detailed actions with known timeframes. Moreover, these programs need to be effectively funded and done so for long enough to effect real change resulting in a more diversified and robust economy for the NWMP” (Mount Isa City Council 2019, p. 8).

As a ‘Partner in Government’, the members of the NWQROC also realise that they must play their part in making the Strategy a success. We look forward to working with the State Government in this regard for the benefit of the communities we collectively serve.



Should you wish to discuss any aspect of the NWQROC's submission, please contact, in the first instance,  
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Yours sincerely



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