

Feedback to the White Paper on Developing Northern Australia

Background

The City of Karratha (CofK) prepared a submission to the Development of Northern Australia Inquiry in February 2014. The CofK Submission's Executive Summary put the position that whilst the growth potential of the Pilbara is unparalleled, the barriers to entry are higher than anywhere else in Australia's north hence the single greatest focus for government needed to be an interventionist approach to break through those barriers (many associated with market failure) and allow development to occur.

Additionally the City's submission maintained that whilst our municipality has undergone a significant transformation, Federal Government assistance was still urgently required to strengthen and deliver a strategic long term sustainable focus to the region through infrastructure development, incentives, tax reform and legislative/regulatory change.

The CofK submission recommended 8 actions for the Federal Government for the development of Northern Australia. The City's submission was highly regarded by the members of the Inquiry during their sitting in Karratha.

The Australian Government's commitment to the development of Northern Australia is articulated in its final paper, "Our North, Our Future: White Paper on Developing Northern Australia" which was released on 18 June, 2015. The White Paper sets out a policy platform for promoting growth across Northern Australia in order to realise its economic potential.

This paper presents a summary of the relevant Northern Australia government policy directions and actions in particular those which have potentials/implications for the development of the City of Karratha and broader Pilbara region with suggested actions from the City to engage, and further lobby for, on behalf of its citizens.

A summary of the priority actions recommended by the City of Karratha in its submission to the Inquiry into the Development of Northern Australia with the relevant response as indicated in the White Paper is provided in Appendix One.

General Comments

The Australian Government should be acknowledged and commended for its initiative and foresight in preparing the Developing Northern Australia White Paper. The Australian Government's Developing Northern Australia policy provides a great opportunity to grow the Pilbara and City of Karratha as part of Northern Australia. The White Paper has addressed, in a general way, all of the key actions identified in the City of Karratha's submission to the Northern Australia Inquiry. Of particular resonance are the key aims of driving down operational business costs, increasing attractiveness for living and investing, reducing red tape, addressing critical infrastructure needs, encouraging jobs growth and tackling the cost of living.

Whilst there was little mention of Karratha specifically, many of the key policy and action statements have great potential for the economic and community development of the city and its positioning as the governance, administration, infrastructure and services hub for North West Australia.

Opportunities for the City of Karratha

One of the key areas of opportunity for the City of Karratha is in respect to accessing funding for infrastructure. It is critical that the City continue to vigorously lobby for federal support and this could be facilitated through strong partnerships with relevant regional stakeholders in securing funding for critical infrastructure not only for City specific community facilities but also for major roads, energy infrastructure, water security and port development.

Business, trade and investment presents another important area for the City to engage with key stakeholders to investigate potentials for increased local participation in industry supply chains, engage in appropriate marketing and investment attraction initiatives, investigate economic diversification opportunities, particularly tourism and downstream processing; engage with regional chambers and business groups and further develop the sister city relationship into business and industry related initiatives.

Workforce development is also a critical area given the current economic climate in the Pilbara, for the aspiration population targets to be achieved, considerable effort will need to be given to job creation, skills development and training. The City should actively support the Science, Technology, Engineering and Mathematics project for which Karratha has been identified as a regional hub. Additionally, as flagged in the City's Operation Economic Development Strategy, the development of a Karratha based workforce development network in partnership with business, employment, training and workforce development agencies would be a useful strategy in focusing efforts on job creation.

Several business and development alliances have been flagged in the white paper. In respect to The Northern Regional Development Australia (RDA) Alliance, it would be strategic for the City have a regular dialogue with RDA Pilbara to lobby for the City of Karratha's interests and development potentials. Similarly it would be strategic for the City to lobby for representatives of Pilbara business groups/CCIs to be included in the Northern Australia Alliance which initially targets economic and business groups from Broome, Northern Territory and Cairns.

To further cement Karratha's position as a regional capital there is opportunity for the City to lobby for consideration of Karratha for location of the Office of Northern Australia; the CRC for Northern Australia and/or for an AusIndustry Office to support growth, investment, research and development, innovation and commercialisation in Northern WA as currently only Darwin and Townsville have offices to support the Northern Territory and Queensland.

A more detailed analysis of the key White Paper Actions is presented below in Table 1.

Table 1: Summary of Key Actions from the White Paper with recommended actions for the City of Karratha to enhance prospects of positive economic impacts for our municipality.

Area	White Paper Action Summary	Opportunities for the City of Karratha
Simpler land arrangements to support investment	<ul style="list-style-type: none"> • More efficient native title processes that create more certainty for investors and opportunities for native title claimants and holders (through the (COAG) Indigenous land review). • More business friendly information on the different land tenure arrangements to increase the appeal of investing in the north 	<ul style="list-style-type: none"> • Enhancing the City's indigenous engagement to include promotion of investment opportunities. • Explore opportunities for economic diversification on pastoral stations.
Developing the North's water resources	<ul style="list-style-type: none"> • Implementation of a new National Water Infrastructure Development Fund • Developing the North's water resources- more water infrastructure built where it is needed and increased private sector investment 	<ul style="list-style-type: none"> • Lobby for improved water sustainability , security of supply and economic diversification options for the West Pilbara
Shipping and Ports	<ul style="list-style-type: none"> • The Government will substantially deregulate the current coastal shipping framework to ensure efficient and reliable coastal shipping services is part of the national transport system. 	<ul style="list-style-type: none"> • Investigate the potentials for enhanced trade and commerce that present themselves should this impact on Pilbara Ports
Business, Trade and Investment	<ul style="list-style-type: none"> • A Northern Australia Insurance Premiums Taskforce to investigate actions that lower the cost of insurance in the north. • Northern industries integrated with global supply chains • \$13.6 million to extend management advice and other business support services to businesses in the northern tourism industry (under the Entrepreneurs' Infrastructure Programme). • The north viewed as an attractive place for foreign investors • Strong people-to-people and business-to-business links with our neighbours • \$75 million for a new Cooperative Research Centre on Developing Northern Australia, located in the north, with an initial focus on agriculture, food and tropical health. • Stronger economic connections with the booming Asia-Pacific region by linking the north with Association of Southeast Asian Nations (ASEAN) and Asia-Pacific Economic Cooperation (APEC) connectivity agendas. 	<ul style="list-style-type: none"> • Liaise with RDA Pilbara and PRC to lobby for support of insurance premium reductions • Work with industry and business groups to lobby for enhancement of supply chain opportunities for local business • Investigate and promote tourism product and business development opportunities for local businesses arising from Entrepreneurs' Infrastructure Programme • Partner with PDC, PRC and RDA Pilbara in initiatives to promote and attract investment • Lobby for Karratha as a potential location for CRCs • Continue to lobby federal government for support for economic diversity initiatives • Explore options for enhancing the City's sister cities relationship including liaison with the Pilbara Chapter of the Australia China Business Association and Pilbara CCIs to develop Chinese business, commerce and trade linkages.

Infrastructure to Support Growth	<ul style="list-style-type: none"> Investing in infrastructure to lower business and household costs \$5 billion in concessional loans for projects through the Northern Australia Infrastructure Facility. Infrastructure Australia's Northern Australia infrastructure audit. Establish a business stakeholder group to develop a plan for improving aviation and surface transport connections in northern Australia More opportunities for Indigenous Australians from their land \$600 million for priority road projects in Northern Australia 	<ul style="list-style-type: none"> Partner with PDC, PRC and RDA Pilbara in securing funding for critical infrastructure Seek membership of aviation and transportation business stakeholder group to promote the interests of Karratha Airport Lobby for enhancement of critical Pilbara road infrastructure such as Karratha- Tom Price Road and North West Coastal Highway. Continue to lobby federal government for support for enhanced energy provision and infrastructure
A Northern Workforce for Growth	<ul style="list-style-type: none"> Continue to work with Western Australia on a Designated Area Migration Agreement for the Pilbara; A new \$6.8 billion jobactive programme to help job seekers into sustainable work, especially in regional communities Getting Australians into work by helping them gain the right skills and reducing barriers to relocating within, or to, the north. Employee relocation costs can be kept to a minimum by filling jobs with local northern workers first. 	<ul style="list-style-type: none"> Work with business organisations to develop a local workforce development network Liaise via PRC to ensure migration projects are appropriate and timely to suit market conditions Liaise with the Northern Australia Taskforce in relation to local workforce development initiatives and what synergies there may be with the City supporting the STEM Project.
Governance	<ul style="list-style-type: none"> The Office of Northern Australia (ONA) will be shifted to the north. Northern jurisdictions are encouraged to participate in ONA, including through providing staff and secondment opportunities. 	<ul style="list-style-type: none"> Lobby for Karratha as a potential site for the Office of Northern Australia
The Northern Regional Development Australia (RDA) Alliance	<ul style="list-style-type: none"> A collaboration of the eight RDA committees above the Tropic of Capricorn, which tightens the relationship between the Commonwealth and the jurisdictions, and identifies shared priority policies and investment opportunities. 	<ul style="list-style-type: none"> Liaise with RDA Pilbara to lobby for the City of Karratha's interests and development potentials
Defence	<ul style="list-style-type: none"> The Department of Defence will consider co-investing in state and territory or commercial infrastructure where it cost effectively meets Defence's capability needs. 	<ul style="list-style-type: none"> Continue to lobby for enhanced presence of defence forces in the region from a strategic and economic development perspective
Education	<ul style="list-style-type: none"> Karratha mentioned as a site for the Science, Technology, Engineering and Mathematics (STEM) Project. 	<ul style="list-style-type: none"> Liaise with key training and workforce development agencies to support and promote the STEM project.

Other Opportunities for potential follow up to seek City of Karratha Involvement		
Northern Australia Alliance	<ul style="list-style-type: none"> Strategy to unite businesses across the North through Broome Futures, NTCCI and Advance Cairns 	<ul style="list-style-type: none"> Lobby for representatives of Pilbara business groups/CCIs to be included in the Northern Australia Alliance
AusIndustry Regional Manager Network	<ul style="list-style-type: none"> Assists businesses in regional Australia access government information, services and incentives to support growth, investment, research and development, innovation and commercialisation. Currently only offices in Darwin and Townsville. 	<ul style="list-style-type: none"> Lobby for Karratha based AusIndustry Office to represent Northern WA
Tourism	<ul style="list-style-type: none"> Strategy to elevate overseas in-bound tourist's interest beyond Great Barrier Reef and Daintree Forest. Reforms to visitor visas from China and India — including further roll out of e-lodgement for China and India; trial a fast track service and a 10-year longer validity visa for Chinese visitors; and a trial of Chinese language lodgement of visitor visa applications. 	<ul style="list-style-type: none"> Lobby for inclusion of the Pilbara's iconic National parks given Australia's North West Tourism region is inclusive of Pilbara and Kimberley and for the development of Karratha as a gateway for tourism in the North West.

Conclusion

The White Paper has, to some degree, addressed all of the key actions identified by the City of Karratha in its submission to the Northern Australia Inquiry however there is a lack of specificity in relation to impact on the Pilbara and very little specific mention of Karratha in terms of identified projects apart from the STEM project. Most of the project specificity was in respect to Northern Queensland and Northern Territory with generalities for WA.

There are potentials however to lobby further for aspects such as an enhanced defence presence, Pilbara involvement in the regional business alliance, an Ausindustry presence in the region and to bid for the Karratha/Pilbara location of either the Office of Northern Australia or the Cooperative Research Centre for Northern Australia. Additionally the area of economic diversity through tourism, supply chain, indigenous engagement and education/research facility development are worthy of follow up by the City with relevant government agencies.

It would be prudent for Council to continue to advocate, lobby and engage with the relevant regional and national stakeholders in seeking support from the Federal Government through its identified Northern Australia Policies and Actions. Additionally, it would be advantageous for the City to continue to promote the potential opportunities and benefits of concentrating governance, administration, infrastructure and services for North West Australia in one place and the suitability of Karratha as that place.

Appendix One

The following Appendix shows the priority actions recommended by the City of Karratha in its' submission to the Inquiry into the Development of Northern Australia with the relevant response as indicated in the White Paper:

CofK Recommended Action Item	White Paper Response
<p>Action 1</p> <p>Urgent investment in critical social and economic infrastructure.</p>	<ul style="list-style-type: none"> • Investing in infrastructure to lower business and household costs • \$5 billion in concessional loans for projects through the Northern Australia Infrastructure Facility. • Infrastructure Australia's Northern Australia infrastructure audit. • Establish a business stakeholder group to develop a plan for improving aviation and surface transport connections in northern Australia • Developing the North's water resources- more water infrastructure built where it is needed and increased private sector investment • More opportunities for Indigenous Australians from their land • Nothing specific about Pilbara or Karratha
<p>Action 2</p> <p>Reduction of red tape.</p>	<ul style="list-style-type: none"> • Making it easier to use natural assets, in close consultation with, and the support of Indigenous communities • Consult key Indigenous groups on options to improve protections and cut red tape around Indigenous cultural heritage • Cut red tape around fisheries by shifting to single jurisdiction fisheries management; devolve aquaculture management to the states and territories; share licensing and compliance services; and extend export approvals to 10 years for low risk fisheries. • Cut red tape on tourist souvenirs and exports of low risk species, and look at options to streamline and expedite processing and extend the length of CITES permits for commercial trade in low risk industries • A Productivity Commission Inquiry to identify duplicative or poorly implemented regulations that are harming investment in Australia's fisheries and aquaculture industries. • Nothing specific about Pilbara or Karratha
<p>Action 3</p> <p>Establishment of a Conducive Regulatory, Taxation and Legislative Environment.</p>	<ul style="list-style-type: none"> • Getting out of the way of business by providing a supportive regulatory and economic environment in which businesses operate. • The Government will not be declaring the North a special economic zone as the Constitution prohibits Commonwealth taxation that discriminates between states or parts of states as well as Commonwealth laws or regulation of trade, commerce or revenue that gives preference to one state or part of a state over another. • In the 2015-16 Budget the Government announced it will amend the eligibility criteria for the Zone Tax Offset (ZTO) so that it is only available to those who genuinely live in specified remote areas. The change will exclude FIFO workers who live outside the zone, ensuring the ZTO is targeted to those who need it most and better reflects its intended purpose. • The Government also improved taxation arrangements for employee share schemes to help business attract and retain high quality staff. • Nothing specific about Pilbara or Karratha

Action 5 Seed funding for research and development.	<ul style="list-style-type: none"> • Providing a more welcoming investment environment • A new \$75 million Cooperative Research Centre (CRC) for Developing Northern Australia located in the north will foster greater innovation and leadership through dedicated R&D, biosecurity and tropical health measures in the north. This CRC will initially focus on agriculture, food and tropical medicine. • Karratha mentioned as a site for the Science, Technology, Engineering and Mathematics (STEM) Project.
Action 6 Coordinated approach and two way communication between all tiers of government.	<ul style="list-style-type: none"> • A public sector secondment programme to improve links between different levels of government and support implementation of the White Paper. • Ongoing bipartisan support for developing the north • Nothing specific about Pilbara or Karratha
Action 7 Enhanced trade and investment with Asia-Pacific	<ul style="list-style-type: none"> • Stronger economic connections with the booming Asia-Pacific region by linking the north with Association of Southeast Asian Nations (ASEAN) and Asia-Pacific Economic Cooperation (APEC) connectivity agendas. • \$2.5 million to foster business to business links with Indonesia, Papua New Guinea and Timor-Leste. • Reforms to visitor visas from China and India — including further roll out of e-lodgement for China and India; trial a fast track service and a 10-year longer validity visa for Chinese visitors; and a trial of Chinese language lodgement of visitor visa applications. • Nothing specific about Pilbara or Karratha
Action 8 Enhanced presence of Australian Government Agencies	<ul style="list-style-type: none"> • The Government will broaden the availability of the Industry Skills Fund's skills advice services and grants to businesses seeking to expand in the north. • The Office of Northern Australia (ONA) will be shifted to the north. Northern jurisdictions are encouraged to participate in ONA, including through providing staff and secondment opportunities. • The Commonwealth Government will establish a 'single point of entry' office in Darwin to help investors deal with regulatory requirements. • As all relevant APS agencies must play a part in developing the north — ONA will manage cross-Commonwealth agency collaboration, and lead coordination and reporting on implementation of the White Paper measures. • Strengthen the Defence presence in northern Australia, with details to be announced in the 2015 Defence White Paper. • Nothing specific about Pilbara or Karratha.