

# 21

## **New Pathways for the Governance of Northern Development**

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### **Introduction**

In the last decade, the future of Northern Australia has once again been the focus of national discussion, culminating in the development of the *White paper on the development of Northern Australia* (e.g. see Australian Government, 2014, 2015). Dale (2013, p. 2) described this wider national debate by saying:

the north has again been cast as the nation's frontier saviour through bold new resource and agricultural developments, both real and imagined. Yet others have dreamt of the north's expansive landscapes being secured as an iconic wilderness. Big human rights-centred debates have raged about the success or otherwise of Commonwealth, State and Territory interventions in Indigenous communities.

Dale (2014) went further to consider that these divergent narratives represent conflict between very different sectoral interests within Australian society and have been based on vastly different visions about the future of the north. He suggested, however, that there are real opportunities for Northern Australians within these new national debates.

With a view to learning from the past to help secure a brighter future, this chapter explores some of the deep cultural drivers behind these quite divergent visions or narratives and, to some extent, longstanding but pervasive mythologies about the best way to govern the north. It explores how these vastly divergent narratives need to be better reconciled if the nation as a whole is to benefit from the Australian Government's currently proposed and potentially new phase of northern development. Our key take-home message is that this currently unfolding future can build upon those things that are already working very well, and that new approaches do not need to repeat major policy and development conflicts and investment failures that have punctuated the story of the north since European settlement.

We consider, in particular, that the key to genuine progress relies on new governance approaches to de-risking major government and private sector decisions about policy and investment in the north by:

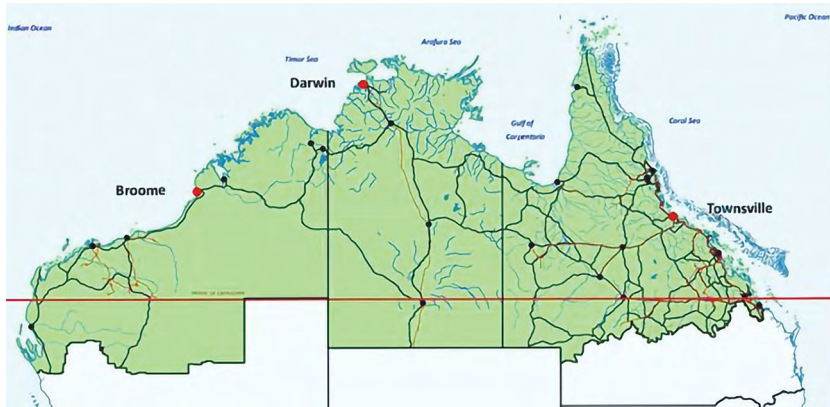
1. taking a strategic approach to building the more detailed evidence base needed to overcome some of the north's most significant tyrannies (distance and access to markets, limited soils, failed business models, labour, climate, knowledge, capacity, seasonal water availability, etc.)
2. empowering northern communities (places, enterprises, industries and people), seriously engaging with regions and building effective and long-term partnerships.

This means finding new and more effective pathways for policy development and planning at the pan-northern and the regional and landscape scale, combined with substantive reform in the way decisions are made in the assessment and approval of major development projects. While addressing power imbalances and real equity issues, this also means governments, Indigenous people, conservation interests, industries, regions and those in the north focusing on what has worked, while discarding past approaches that have not worked. This will require all the parties sitting together to jointly decide the future directions that we need to take for the long term. Quality and defensible science and evidence needs to underpin decision-making processes, and together we need to monitor joint progress towards shared goals.

## Defining the North

Northern Australia could perhaps be best defined as one of Australia's most contested landscapes. There is often a sharp contest between different visions and realities about the future visions of the north and this means that defining Northern Australia can itself be a contentious business. For the north's traditional owners, for example, there is not so much a place called Northern Australia but a series of Indigenous nation-states that share a similar culture, a long history of interaction and regular international relationships with Indonesia, East Timor and Papua New Guinea. Territorians would often not necessarily see themselves as being part of a wider Northern Australian polity, and likewise for northern Queenslanders or northern West Australians. Many others within the broader Australian society make clear distinctions between remote and developed Northern Australia (e.g. Walker et al., 2012). Other federal administrative structures view the north as variously the Northern Territory (NT), the Monsoonal Rangelands or other self-defined geo-realities depending on their particular policy and administrative needs. This suggests there are many different communities and geographies in the north that require individual attention.

We generally take the view that the north can loosely be delineated by the Tropic of Capricorn (see Figure 21.1). However, while many may not think of Northern Australia as a 'place' in a geo-political sense, its residents experience similar cultural, historical, economic, climatic, environmental and social conditions. People in the Kimberley, for example, face day-to-day realities more akin with Weipa than Perth. As such, there are many areas to the near south of that line (such as the Gascoyne-Murchison or the Alice Springs districts) that relate both to the north *and* the south. Consequently, care needs to be taken in interpreting facts and figures for 'Northern Australia'. Distinctions of 'who's in' and 'who's out' of the north are perhaps not that useful in real terms.



**Figure 21.1: Australia north of the Tropic of Capricorn.**

Source: Dale et al. (2020).

No matter how we define it though, Dale (2013) outlines several characteristics of Northern Australia that distinguish it from the vastly different south of the country. These include 1) the extent and potential of Northern Australian lands and water; 2) its location, population and strategic importance; 3) the significant Indigenous population and extent of Indigenous rights (e.g. see Sullivan, 2011); 4) the nature of land ownership and tenure; 5) the boom-and-bust history of the north's economic cycles; 6) the economic opportunity possible through the north's competitive advantage in tropical knowledge; 7) Northern Australia's vulnerability to climate change, extreme weather events and biodiversity loss; and 9) the existence of energy dependency in a land of energy opportunities. Given these features, Dale (2013) goes on to explore the fragmented nature of the north's overarching system of governance. He considers that many of the current economic, social and environmental outcomes that are being secured should be celebrated and expanded. However, along with Walker et al. (2012), he also foreshadows the need for radical governance improvements to avoid a punctuated future arising from development.

# Northern Development: A Punctuated History

## The Three Big Northern Development Narratives

There have always been and continue to be grand national narratives regarding the future prospects for the north. In exploring more recent history over the past 50 years, however, Stephens et al. (2015) suggested three big narratives have tended to reappear predictably. One is based on the perception that Northern Australia is a place of endless economic bounty and limitless opportunity (see McGregor, 2015). The second derives from those who would like to see extensive conservation within the Northern Australian landscape (e.g. see Roberts, 2009). Both these narratives are based on important realities. There are significant resource development opportunities in the north, while at the same time, the region is a largely intact biocultural landscape of immense international and national value (Woinarski et al., 2007). Both narratives, however, discount major physical, climatic, economic and social barriers (see Ash, 2014; Dale, 2014).

The third narrative is more complex and relates to the way many non-Indigenous Australians have viewed Indigenous interests in the north. At one extreme, some have failed to see that the concept of *terra nullius* was indeed a colonial myth, leading to engagement approaches that have treated Indigenous interests as marginal or inconsequential. Alternatively, others involved in policy development may have not fully grasped the fact that traditional owners are indeed self-determining, with proposed Indigenous development approaches assuming Indigenous people will simply adopt many well-intentioned national, state and territory government policies. Together, both views perhaps reflect a broader myth that traditional owners across the north do not have significant ongoing sovereignty over much of the Northern Australian domain (see JCU & CSIRO, 2013). Together, these three northern narratives have often created the foundations for grand plans and even grander failures in the distant and recent history of northern development.

In the more distant period of colonial history prior to World War II (see Reynolds, 2003), development in the north was characterised by significant frontier conflict and sometimes tenuous colonial advances and retreats—consider the determined but failed attempts to establish colonial

outposts at places like Port Essington and Somerset. Initially established in 1824, the outpost developed at Port Essington was abandoned in 1849 because of isolation, disease, cyclones and difficult climatic conditions that made it hard to attract a stable labour force. The demise of the settlement saw the end of British attempts to occupy the far Northern Australian coast. There would be one further unsuccessful attempt, by the South Australian colonial government in 1864, at Escape Cliffs (also known as Palmerston), before the first permanent settlement was established at Darwin (also initially known as Palmerston), in 1869 (Parks and Wildlife Commission of the NT, 2000).

By the start of the World War I, the main economic bulkheads were well established in places like Rockhampton (1858), Mackay (1862), Townsville (1866), Darwin (1869), Katherine (1871), Cairns (1876) and Broome (1883). Mainstream economic activity was represented by short-term resource industries (e.g. mining, forestry and crocodile hunting) or somewhat marginal harvesting regimes (pastoralism, fishing and *beche-de-mer*), often made viable only by the participation of underpaid Indigenous or indentured labour. Equally, government and church mission stations across the north also ran their own, often-failed approaches to assimilating Indigenous north Australians into the new settler culture and economy. The fear of Northern Australia being an 'empty' land on Asia's doorstep continued to drive much development effort, with the mantra of 'populate or perish' driving several government-backed schemes. The approach of World War II sparked greater fears about security in the north of the nation, and perception in both the north and the south of Australia that the government still was not doing enough to develop the region. Some, such as Ted Theodore, even called for the formation of a separate northern state (Fitzgerald, 1994).

Post-war Australian optimism saw the success of impressive nation-building projects in the south (such as the Snowy Mountains Scheme) and revived enthusiasm for nation-building public investment in the north. This happened even though the foundational barriers and issues limiting the prospects of northern development remained largely in place. These major proposals included bold schemes like the proposed Bradfield irrigation scheme, a massive irrigation scheme that envisaged turning several rivers in Queensland's Wet Tropics inland. Some of these schemes progressed to the development phase, but many fundamentally struggled to deliver a return on investment. The Ord River Irrigation

Scheme, for example, with its intended focus on cotton, initially failed to deliver a return on the significant public investment made during the late 1960s and 1970s (Greiner, 2000).

As early as 1965, Bruce Davidson summarised the core reasons why ambitious development plans for the north from the past had largely failed to deliver lasting results. His first published assessment of agricultural and pastoral development in tropical Australia concluded that most forms of agriculture north of the Tropic of Capricorn would be inefficient because prospective agricultural products could not be produced more cheaply than in the south (Davidson, 1972). In his view, several insurmountable cost impediments included transport, labour and pest management. In particular, he considered that the many arguments behind calls for major development reflected a non-economic political agenda, leaving them open to future commercial failure under changing policies or dependent on the expenditure of ongoing subsidies. He did, however, see ongoing potential for sugar and extensive cattle grazing as they could be produced in the tropics more cheaply than in temperate Australia. Not inconsistent with this, and in a deeper analysis of both privately and publicly funded agricultural development since the 1950s, Ash (2014) found that:

- the natural environment (climate, soils, pests and diseases) makes agriculture in Northern Australia challenging, but in the agricultural developments assessed, these inherent environmental factors were not, with a couple of exceptions (e.g. insect pests and cotton in the early phase of the Ord River Irrigation Area), the primary reason for lack of success
- management, planning and finances were assessed to be the most important factors in determining the ongoing viability of agricultural developments; in particular, unrealistic expectations of achieving a reasonable return on investment in the first few years. This included overly optimistic expectations of being able to scale up rapidly, and not coming to grips with the limitations in the real-world operating environment
- supply chains and markets were also important factors in determining the success of a number of the developments. For broadacre commodities that require processing facilities, these facilities need to be within a reasonable distance from production and at a scale to make them viable in the long term. In more remote regions, higher

value products such as fruit, vegetables and niche crops have to date proved to be more successful, though high supply chain costs to both domestic and export markets remain impediments to expansion.

Overall, Ash (2014) showed that for developments to be successful, all factors relating to climate, soils, agronomy, pests, farm operations, management, planning, supply chains and markets need to be thought through in a comprehensive system-scale design. He considered that particular attention needs to be paid to scaling up at a considered pace and being prepared for reasonable lags before positive returns on investment are achieved.

In a similar vein, several authors have investigated the very high level of failure of major (largely) government-funded developments inspired by federal or state Indigenous development policies. The philosophical intent behind these developments has shifted dramatically over the years. From the late 1800s, government- and church-run missions established projects aimed both to make mission communities self-sufficient, but also to provide meaningful work and skills development. Later policy phases included assimilationist, integrationist, self-determination and, later, normalisation agendas. In nearly all cases across these policy eras throughout Northern Australian history, Indigenous development projects have tended to fail for two reasons:

- the same types of technical reasons identified by Ash (2014) in his assessment of agricultural developments across Northern Australia
- a common and sharp divergence between the policy-based intent of projects and the far more localised aspirations of Indigenous project clients.

Dale (1993), for example, explored the failure behind several rural development projects in two Indigenous communities in northern Queensland. In all cases, these projects failed to achieve their stated policy and programmatic objectives because the technical constraints were too great, and/or because the projects simply did not mesh well with the aspirations of their Indigenous clients. Project success, on the other hand, emerges when Indigenous development aspirations match policy objectives and when the preconditions for successful and profitable enterprise development align.



Finally, while there have been many iconic visions, and indeed actions, to secure the wide-scale protection of Northern Australia for conservation purposes (e.g. Kakadu National Park), many of these visions have themselves sparked conflict between supportive and opposed stakeholders and communities, both within Northern Australia and beyond. Some telling examples in recent north Australian history include high levels of both support and conflict associated with the wild river declarations in northern Queensland and the listing of Cape York Peninsula for its World Heritage values. At present, several of these ambitious plans have failed to garner bipartisan political support (see Stephens et al., 2015).

While many of the above debates have raged in relation to the agricultural development and conservation protection of the north, it needs to be remembered that, since the 1960s, many of the constraints to development outlined above have become more tractable as a result of the changing locus of markets, emerging infrastructure and regulatory reform. As a consequence, agriculture and fishing have grown dramatically, while Indigenous communities also now lead and oversee significant economic activities within their land estates across a range of industries (Australian Government, 2014, 2015).

Additionally, significant mining, energy and tourism industries have now emerged across the Northern Australian landscape. In general (but with significant exceptions), these industries have worked hard to meet their environmental obligations. As an economic driver in particular, mining and energy dwarf all other industries in terms of gross product in the north, delivering significant social and economic benefit to the whole nation, but not necessarily delivering real and lasting benefit to local or regional communities (Stoeckl et al., 2013). The mining and energy industries have contributed to the overall health of the Australian economy, and the keys to the successes of mining and energy development in the north are different to agricultural development in that there is a clear competitive advantage in international terms (Port Jackson Partners, 2013). In the case of metals and ores, Northern Australia has commodities in abundance that are not available as cheaply elsewhere in the world. Hence, notwithstanding the boom–bust nature of many ventures, mining can succeed in certain contexts in the north, whereas agriculture (perhaps with the exceptions of sugar, horticulture and cattle in some regions) has less comparative value compared to other global supplies. Tourism growth has equally relied on its international competitiveness.

The vitality of the tourism, mining and energy industries, however, rises and falls with the strength of the resources sector, exchange rates and global economic confidence. Hence, while critically important, without greater diversity being built into the Northern Australian economy, these industries alone do have the tendency to subject northern regions to boom-and-bust cycles. Welters (2013), for example, showed the stabilising influence of defence spending in economies in places like Darwin and Townsville relative to the tourism-dependent economy of Cairns. The growing strength of Australia's export-focused mining and energy services sector has also been an increasingly stabilising influence.

More recently, particularly in the NT, new partnerships have formed that are working to develop a conservation economy, where several non-government and corporate organisations have been some of the strongest proponents, supporters and funders of innovative, Indigenous-led land management. Examples include the Indigenous savanna-burning programs funded by Conoco-Phillips and Caltex. The Kimberley to Cape process has also engendered a more inclusive Northern Australian dialogue on important aspects of environmental sustainability within northern landscapes. Such approaches establish a platform for new models of sustainable development across the north. These models are of great interest to multinational resources companies and leading pastoral houses (e.g. AACo and Consolidated Pastoral) who are interested in ways of supporting the active and constructive engagement of traditional owners on country in their areas of operation.

The above suggests that the key take-home message for northern development, if we are to deliver genuine economic opportunity, is that it will require real access to knowledge, collaborative capacity building and cross-governmental mobilisation of effort within Northern Australian regions, coupled with serious analysis of the global comparative advantage of the resource to be developed. The history of grand northern visions based on policy myths rather than well-informed and well-engaged reality has generally resulted in conflict, economic failure and a continuation of a boom–bust economy. The very clear result of all three narratives has been persistent underdevelopment. Indeed, Megarrity (2011) showed that political promises for northern development not based on economic and social reality have tended to be sacrificed on the altar of economic austerity once the political commitments made during election campaigns are assessed in the cold hard light of day.

Very importantly, however, as suggested by the Australian Government *White paper on the development of Northern Australia* (Australian Government, 2015), there are great opportunities and, at the same time, many complex issues to be identified, analysed and resolved. Significant trade-offs will need to be negotiated and real partnerships established between development, Indigenous interests and conservation. If we do this, the genuine opportunities in targeted agriculture, tourism, mining, fishing and forestry, carbon, conservation and ecosystem services and tropical knowledge services will grow. There is, however, a real need to ensure this effort is underpinned by stronger evidence, engagement and improved governance of the north.

## **More Recent Approaches to Northern Development**

In the last 15 years there have been at least three new Australian Government-led efforts to revitalise northern development. These have included:

- The Australian Coalition Government's formation of a Northern Development Taskforce in 2007 (the Heffernan Committee). The committee included Aboriginal leader Noel Pearson, media magnate Lachlan Murdoch, tourism leader David Baffsky and politicians Dave Tollner and Senator Ron Boswell.
- The Australian Labor Government's scrapping of the Heffernan Committee to replace it with a new stakeholder-based Northern Australia Land and Water Taskforce. Supporting and informing that Taskforce's efforts, CSIRO examined the potential for development of Northern Australian industry through the Northern Australia Land and Water Science Review (CSIRO, 2009).
- The Taskforce's efforts were complemented by the Australian Government's formation of the Office of Northern Australia, the formation of the North Australian Ministerial Forum and the commissioning of several key pieces of work informing the deliberations of the Forum through the Northern Australia Expert Advisory Panel, established to provide in-depth analyses of issues (e.g. see CSIRO, 2014; JCU & CSIRO, 2013).

The evidence emerging from these landmark processes and studies and subsequent Green and White Paper development work, all of which have drawn on an ever-growing knowledge base and wide engagement, have identified significant growth prospects for major industries and attendant impediments and enablers. In effect, while the prospects for both development and extensive conservation are good, the focus on building the evidence and engaging local communities remain critical. The new Australian Government's Green and White Paper processes and the aligned Northern Australian Joint Parliamentary Committee present an additional new opportunity (Joint Select Committee on Northern Australia, 2014). With the exception of deep engagement with the north's traditional owners, these processes are both heavily engaged (via the Parliamentary Committee) and evidence based (through the White Paper process) and early thoughts are emerging about the long-term governance arrangements required to institutionalise the changes needed to deliver on the policy intent.

## Opportunities and Possible Futures

The Australian Government's 2015 White Paper assessed the significant economic opportunities available to Northern Australia. This process, however, did not focus as much on the north's Indigenous development and environmental sustainability challenges. With all three of these key themes in mind, we explore the opportunities ahead given the megatrends facing our global future (Hajkowicz et al., 2012). We first need to speculate about how the future of the north might look if we do not resolve or reconcile some of the critical mythologies and cultural divides from the past. In a topical book regarding the future of Northern Australia, Dale (2014) posited that, depending on how successful the nation is in charting this next critical phase of northern development, two vastly different scenarios could emerge. He suggested that, if future governance and decision-making about the future of the north goes spectacularly wrong, then a failed state scenario is indeed possible. However, with engaged decision-making based on sound evidence, a much brighter future is a real possibility. While this unfolding opportunity represents many possible futures, this could look something like the emergence of a stable alliance of dynamic regional economies across Northern Australia.

## What Might a Failed State Scenario Look Like?

In envisaging such a scenario, one could imagine more fast-growth mining towns with limited infrastructure and services and no sense of community, and significant boom–bust features based on the strength of the resources sector, exchange rates and commodity prices (e.g. see Laurie, 2008). Second, one could imagine the further decline of social function in remote Indigenous communities, housing sometimes the third and fourth generations of people facing social dysfunction and abject poverty. Finally, under this scenario, one could imagine a wider (non-Indigenous) population retreat from Northern Australia. Climatic risks could see an insurance redline from Rockhampton to Port Hedland, above which the insurance industry would seek to reduce exposure. Rising fuel prices could push the cost of travel and domestic cooling beyond reach for many. We could, at the same time, see north Australia continue to lose market share from international and domestic tourism (Prideaux, 2013). Equally, under this scenario, regulatory complexity and increasing corporate takeovers may cause the demise of family-based pastoralism. Pockets of deep rural resentment could build in hinterland communities nearer the coast once people migrate there from the bush. Without capable, resourceful individuals out in the landscape, it would no longer be manageable, leaving it exposed to the consequences of rampant hot fires late in the dry season and weed and feral animal invasion.

## A Stable Federation of Dynamic Regional Economies

Consistent with Dale (2013, 2014), we see a better scenario being one of several stable and vibrant regional economies linked together by a common purpose and direction. Each region would have their own economic and service centres, ensuring we have both an urban and rural dynamic to maintain home-grown capacity locally and attract and retain human capital from elsewhere. The vibrant economic regions could at the very least include the Gascoyne, the Pilbara (based on Karratha/Port Headland), the Kimberley (maybe even the eastern region based on Kununurra and western based on Broome), the Darwin Top End, the Katherine-Daly-Roper region, Arnhem Land (based on Jabiru), the Centre (based around the Alice Springs region), the Torres Strait and Northern Peninsula Area, the Southern Gulf (based on Mt Isa), the northern Gulf (based on the vibrant towns of Mt Surprise, Georgetown, Normanton and

Karumba), the Wet Tropics (based on the Cairns, coastal and tablelands areas), Cape York Peninsula (based on Cooktown, Weipa and Coen), Longreach, Townsville, Mackay and Rockhampton and their western hinterlands. Under this scenario, there would need to be a greater spread of national investment across these regions, rather than simply a focus on Cairns, Townsville and Darwin. For the first time, government money aimed at securing the future of Indigenous communities would be devolved more effectively to regions and communities. A real effort would be put into preparing the Australian workforce to go bush and stay there. Land and tenure reform in Indigenous communities and the pastoral landscape would have also led to more equitable outcomes and a decentralised spread of wealth and power from bigger towns. Nevertheless, under this scenario, Darwin, but also Townsville and to a lesser extent Cairns, would enjoy considerable growth as major centres for service industries (health, education, welfare and public administration) and defence industries, and export ports and technology hubs for the resources sector.

A regionally aggregated and managed ecosystem services economy could also see a new layer of economic activity that is gradually emerging (e.g. see CSIRO, 2012). Under this economy, traditional owners and pastoralists across the north would gain a real and paid role for the management of landscapes to deliver environmental services such as habitat conservation, protection of water resources and abatement of greenhouse gas emissions. New agricultural development would retain a good mix of larger corporate and small to medium enterprises. The key resource extraction industries in each of these regions would start strategically reinvesting in the region's social and economic future. A better process for managing project assessment and approvals would have resulted in real and lasting community development initiatives being established alongside major project development (e.g. through sustaining employment for Indigenous ranger groups). However, such improvements would need to provide greater certainty to both mining companies and communities alike. More money would not just stay in the region; this investment would be more effectively used to help build infrastructure and a better region for the future.

These regions would also be more resilient to natural disasters. Strategic investment in transport and communications infrastructure and new technologies would mean they are not cut off from the rest of Australia for various periods of time in most years. Planning laws would ensure that communities are not located in harm's way (e.g. within storm surge zones)

and all dwellings would have appropriate building standards, designs more suited to the tropics and greater cost efficiency. This capacity for dealing with risk would itself present a major opportunity for the region, with Northern Australia being well placed as a high-end knowledge provider and exporter in disaster risk reduction, management and response, climate change adaptation, and water, food and energy security.

While discussing the knowledge opportunity, it is worth stressing that the potential of the knowledge-based economy in the north, both with an Australian focus on lifting productivity and also an export-revenue focus, is extensive. Health, education and training, public administration, retail and tourism will likely remain the big employers in the north, and jobs in professional and technical services will likely exceed those in the resources and agriculture sectors over the longer term.

If we are to get things right, Australia needs to be picking up on the White Paper themes about the size and growth rate of the global tropical economy, the need for knowledge services as a key element of that growth and the need to make Australian research institutions globally competitive in this dynamic region. Of all OECD countries, Australia is arguably the most 'tropical', with the largest percentage of its land mass in the tropics. There are few globally competitive research institutions headquartered in the tropics, and for the time being Australia has a disproportionate share of them. With clever investment centred on Australia's tropical universities (e.g. JCU, Charles Darwin University [CDU] and Central Queensland University), we could develop a leadership position in this market, while delay may leave us far behind emerging institutions across the tropical world.

Additionally, these northern regions already have a clear cultural and climatic link to Southeast Asia and the Pacific, so they should be actively supported by government policy and the location of key agencies to be Australia's face to those cultures and economies. Given their shared histories and experiences, Indigenous cultures in these northern regions could also play a bigger role in building cultural relationships with our near northern neighbours. These regions would also play a bigger role as Australia's customs, biosecurity and defence frontlines. Regional communities in the north already have an important role in international trade, research, education and defence-related relationships.

These regions would also have greater energy security and affordability. Well planned and carefully designed water storage and harvesting schemes (more likely based on groundwater in carefully targeted districts rather than large dams on major rivers) would also have generated innovative local water supply projects and a diversification of the economy into some major new agricultural and industrial opportunities. Development that is mindful of minimising environmental impacts would ensure the continued strength of nature-based tourism. Flexible land tenure and regulatory arrangements would also help facilitate change. Investment in renewable energy, particularly in off-grid situations to reduce dependence on diesel, would reduce costs and increase resilience for remote communities, mines and pastoral enterprises. For the first time, there would be coordinated Australian, state, territory and local government investment in supporting each region to have a clear vision for the future and the durable regional institutions needed to mobilise the international, national, regional and local community effort and investment needed. Lifestyle and liveability would be a big and consistent theme in rural/urban planning, making each region's residents feel that they are making genuine progress while achieving the lifestyles they desire.

## **What Will Deliver Genuine Northern Development?**

To secure the future, it has been important to analyse the contemporary opportunities that could be used to secure key reforms and to escape past mythologies and southern dreams of Northern Australia. In anticipation and support of the Green and White Paper process, a Northern Australia research and development (R&D) dialogue emerged to inform critical debates about the future. It comprised R&D and education institutions with historic experience and a substantive footprint in Northern Australia: CDU, CSIRO, JCU and the University of Western Australia. In addition to specialist capabilities these and other institutions such as the new Collaborative Research Centre for Northern Australia (CRCNA) bring:

- an established history of successful collaboration on large-scale R&D projects across Northern Australia
- demonstrated capacity, such as through the Tropical Savanna Cooperative Research Network (CRN), Tropical Rivers and Coastal Knowledge consortium, National Environmental Research Program



Hubs and the Northern Research Futures CRN, to draw on robust national and international networks that can generate world-class research capability in the north

- commitment and experience in working collaboratively and in culturally respectful ways with Indigenous people and organisations.

As the White Paper has confirmed, with economic foundations in pastoralism, mining, agriculture, health, education, defence and tourism, the north is poised to play a larger role in Australia's economic future. With the nation's largest reserves of iron ore and with globally significant offshore and onshore gas and coal reserves, Northern Australia has the energy and raw materials to help fuel the rapidly expanding economies to the north. Seasonally abundant water supplies and significant interest from Australian and foreign investors have also led to a re-examination of the potential for the north to increase the supply of food to the wider region. These are economic opportunities of a scope and scale that could position the north to play a critical role in delivering energy, mineral, food and water security for Australia and beyond. Given the combined needs of government, conservation, Indigenous and industrial interests, however, we also have an unprecedented opportunity to develop the north in a new way—a better way. If we seize this opportunity, northern development could be inclusive and secure a prosperous future for all people of the region.

We consider, however, that the north is not as well understood as southern Australia. Consistent with the White Paper, we consider that there are six key uncertainties and challenges that must be understood and solved to provide the confidence to unlock future investment:

- resolving regional-scale land use and tenure-related conflict
- assessing the capacity of soil, water and other resources, their suitability and the environmental consequences of alternative uses
- improving production technologies, practices and sustainability
- enhancing/informing new and improved markets and labour access, including appropriate opportunities for participation of Indigenous organisations and communities
- increasing the efficiency and resilience of transport and supply chains
- enhancing policies, regional and project governance and the capacity for informed decision-making processes.

Northern development could secure certainty around both resources for industry and the future of the natural and cultural assets that define the region. Indeed, if done well, northern development could avoid the mistakes that have left many other Australian regions with social, economic and environmental legacies that are costly or impossible to repair. Getting it right in Northern Australia, however, will require cohesive and integrated cross-jurisdictional decisions about policy and investment that are engaged, transparent, defensible and based on sound evidence. Achieving this will mean addressing some significant challenges.

## **Evaluating Opportunities**

It is not just the climate that is different in Northern Australia. The high proportion of Indigenous people within the population requires solutions that fully empower and involve them in the pursuit of secure and sustainable development. Further, in comparison to other parts of Australia, Indigenous and government-controlled lands dominate tenure arrangements. With the exception of a few small cities, population density in the north is very low and is highly dispersed across a very wide region. Relatively poor infrastructure and vast distances inhibit service delivery, resulting in logistic challenges and poor connections to markets. This contributes to a challenging environment for industry development, a situation exacerbated by the challenges of attracting and retaining a skilled and stable workforce. Finally, a high level of government investment is common across the north as it supports all aspects of the economic and social fabric of the region.

Despite these challenges, opportunities abound for further sustainable development in primary industries, resources and tourism and in the development of a range of smart, specialised enterprises and industries. Many of these opportunities, however, are at different stages of development and some are just starting out along the innovation pathway. Further, there is generally a history of opportunities in Northern Australia being overstated, resulting in under-delivery or unexpected and adverse outcomes. The primary reason for poor outcomes has been limited evaluation of the opportunities and the risks that attend them.

There is great value and a public interest in employing integrated (across institutions), cross-cutting (employing several disciplines and cross-sectoral) analysis of opportunities to inform government policy, reduce the risk and lower the threshold for investment. Unlocking

potentially significant new investment and development also requires investor confidence about the scale of the opportunities and the risk associated with their development. Hence, embedding an integrated R&D and education capacity as a key part of the future governance arrangements for Northern Australia can provide the engine needed for the smart evaluation of these opportunities.

## Securing Opportunities

Working with Northern Australians to progress development opportunities is not a new endeavour. Australia has more than 100 years of experience to draw on, some successes to build on and some key failures to learn from. From the R&D perspective, the notion of ‘securing opportunities’ conveys two meanings, both of which are important for Australia’s overall development. On one hand, there is a need to build the momentum for development as local industries and communities have legitimate development aspirations that align with their local interests and values. The wider Australian nation also looks to Northern Australia to play a more vital role in our social and economic future—including as our interface to a rapidly changing Asia-Pacific region.

On the other hand, to be real and sustained, the development opportunities in the north have to be ‘secure’ in the following ways:

- only development that does not generate unexpected or unacceptable damage to the unique mix of natural assets of Northern Australia (land, water, ecosystems) will deliver long-term value
- development that fails to recognise and align with the diverse mix of cultural values and aspirations of Northern Australian people will generate divisions and will also be insecure and of lesser value
- investors and other stakeholders in development activity need security of resource access and this requires deep knowledge and analysis of short-term variability and long-term change in resource trajectories
- past and considerable legacy effects, which continue to be exacerbated by policies that treat the north as a social problem, need to be overcome
- communities need the assurance of long-term planning that identifies and works towards opportunities beyond extractive resource projects

- Northern Australia is uniquely placed to contribute to Australia's engagement in the wider tropical world and the Asia-Pacific region in particular, and this can add to national security, including helping to address particular challenges such as cross-border illegal activity
- Northern Australia is exposed to a host of natural hazards (cyclone, drought, fire, etc.) and development needs to be progressed in ways that are resilient to these hazards
- Northern Australia is also in the front line of the many national biosecurity challenges that can quickly turn into serious threats to industry viability, environmental integrity or human health—securing development opportunities in the north implies that we fully embrace a proactive biosecurity stance.

Progressing development opportunities without taking on board what is needed to secure these opportunities for local communities, for the wider national interest and for the long term will lead to disappointment and wasted resources and may cause irreversible damage to our largely intact natural asset base. The R&D community can partner with initiatives led by governments, the northern community and proponents to help avoid such disappointments. Similarly, the education community can also help contribute to the longer-term development of the skills and institutions needed to secure a positive future for Northern Australia.

## **Doing Things Differently in Northern Australia**

This particular moment in time presents a great chance to rethink the approaches needed to secure the best future for the north that arise from emerging opportunities. This rethink needs to include the role of R&D within that wider governance system, ensuring a strong foundation for evidence-based private sector investment, community-led strategy and government policy and program development. Overall, improved evaluation based on integrated knowledge can reduce risks and lower the thresholds for public and private investments. Some early steps in the right direction have recently emerged through cross-jurisdictional government processes with the three Northern Australian jurisdictions and the Australian Government working together on strategic issues, seeking advice and evidence from the wider science community in the north, and engaging major northern stakeholders (e.g. Indigenous people and the beef industry) in finding the right solutions.

Building on these emerging approaches and making them more effective can deliver on northern development needs and showcase best-practice approaches to evidence-based and inclusive governance across the tropics. This knowledge could become an exportable smart specialisation across the tropical world. To this end, a more enduring and more widely based Northern Australian R&D dialogue could form to:

- strengthen Northern Australia's R&D capacity through a collaborative network of key research and education institutions with a major footprint in Northern Australia
- broker a much wider range of R&D capabilities nationally and internationally to help secure emerging Northern Australian opportunities
- provide pathways for cohesive engagement with northern jurisdictions, stakeholders and the private sector to help inform major policy, program and investment opportunities
- more broadly, apply smarter technologies for solving problems (e.g. new generation remote sensing and an ability to analyse 'big data')
- coordinate northern efforts to lift human/institutional capability via teaching/training, knowledge building and increasing the critical mass of R&D capability within the north
- provide integrated science to solve complex problems beyond the capacity of any single R&D agency.

The additional benefit of a pan-northern R&D dialogue would be to drive demand-driven R&D, resulting in improved public and private sector decision-making. This engaged and evidence-driven approach could be the key to securing real opportunities for Northern Australia.

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