31 July 2017

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Dear Sir/Madam,

Inquiry into the Australian Government's Role in the Development of Cities

Please find attached a submission in regards to the above mentioned inquiry with a focus on growing new and transitioning existing sustainable regional cities and towns.

Yours sincerely

Claire Wiseman
Chief Executive Officer

AUSTRALIAN GOVERNMENT'S ROLE IN THE DEVELOPMENT OF CITIES
Growing new and transitioning existing sustainable regional cities and towns

Background

The Far North region of South Australia, as per the Regional Development Australia Committee boundaries, covers approximately 80% of South Australia. The area has a land mass of approximately 800,000km^2 with a population of [1]28,212 and incorporates the Anangu Pitjantjatjara Yankunytjatjara Lands. The region takes in the iconic Flinders Ranges and Outback region, popular and well visited tourism destinations in the State. The Flinders Ranges is also now recognised as a National Landscape.

The main townships in the region include (but are not limited to) Port Augusta, Quorn, Hawker, Leigh Creek, Copley, Lyndhurst, Marree, Innamincka, William Creek, Oodnadatta, Marla, Mintabie, Coober Pedy, Glendambo, Pimba, Woomera and Roxby Downs. Some of these remote townships are between 800 - 1,000 kilometres from Port Augusta.

A region's comparative advantage can stem from various resources, such as its geographical location, availability of natural resources, the existence of industry clusters, access to infrastructure or the skill profile of the local population. These underlying attributes influence the types of economic activity that are likely to be successful. They also have implications for development initiatives, which are generally more effective where they build on an existing strength.

Far North SA Case Studies

Leigh Creek
Leigh Creek is a township situated in the unincorporated areas of the northern Flinders Ranges in SA which does not fall under the traditional form of Local Government management. Leigh Creek is a purpose built down to support mining in the immediate area. The township was moved in 1982 from its original location to allow expansion of the mine and as a result, most facilities and buildings in towns are a little over 35 years old. Due to a downturn in mining production, the population of the township has slowly decreased over the years with the population dropping approximately 55% from 2001 to 2016. ([2]In 2001 the population was at 618 and down to 245 in 2016.) Due to the closure of the Leigh Creek mine in April 2016, management of the township was handed back to the South Australian Government under the Outback Communities Authority (OCA) as of 1 January 2017. The majority of mine workers sought employment elsewhere and they and their families left the township and area. However, a few of them remain with some of them having sought other work locally. Some residents have also stayed to manage the towns' assets such as the Caravan Park, service station and post office etc.

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[1] ABS Census 201
[2] ABS Census Quick Stats Data

RDAFN is working with the Outback Communities Authority, other organisations and government entities to look at sustainable options for the future of the Leigh Creek Township, which include diversifying into tourism. A major hotel company (1834) has taken on the lease on the old tavern, which is now known the Leigh Creek Outback Resort, for a term of two years which will assist in the transition and allow time for the other businesses to survive and develop.

Leigh Creek is a prime example of a township that was purpose built for the mine/resources industry, and when that industry no longer exist the township has to fight to stay viable with less resources and financial support.

Roxby Downs
Roxby Downs, like Leigh Creek, was built in 1987 to support the Olympic Dam mine and processing plant, which is located 16km north of the township. The town is subject to a specific Indenture Act and is administered by the Municipal Council of Roxby Downs. Roxby Downs has many community facilities including swimming pool, schools, cultural precinct, shopping centre etc. The population of Roxby Downs has fluctuated over the years from 3,803 in 2001; 4,055 in 2006; 4,702 in 2011 and 3,884 in 2016.   The fluctuations are in line with downturn and increased production at the mine.

Most of the residents and families that live in Roxby Downs work at the mine site, or own or work at a business that supports and services the site and township, this includes teachers, doctors, hairdressers etc.

The township is quite young in terms of its life span and certainly in terms of the long term life span of the mine. As a township it continually develops and reassess its priorities to keep in line with other towns and cities that are in similar circumstances. It is predominantly a drive-in drive-out (DIDO) mine operation for the mine employees that do not live in Roxby Downs. This DIDO market comes from not only locally (Woomera, Andamooka), or regionally (Port Augusta, Quorn) but also from as far away as Adelaide.

Whilst the town is still thriving in its current economic environment, it is still reliant on the mine operations and like Leigh Creek, should the operations ever cease, the town would shrink back to a skeleton. If the mine operations were to cease, considerable research would need to be undertaken into the sustainability of the township beyond the mine life, especially considering its remote location and the support services it provides to other regional and outback townships.

Terms of Reference Responses

Promoting the development of regional centres, including promoting master planning of regional communities

One issue that regional areas face is competing against city counterparts which are classed as "regional" e.g. Adelaide City or Sydney. The release of the recent, and still going, Building

Better Regions Fund had a good focus on what you would call "pure regional" areas in terms the requirement of being a certain distance from a major city, including Adelaide or Sydney, to be eligible. However, quite often these "cities" are included in "regional" funding programs, which poses challenges and in some cases places regional areas at a real disadvantage in competing with metropolitan areas who have much larger resources and capacity.

In terms of development and master planning, Leigh Creek is a great example of the master planning and the promotion of such in terms of a township that was purpose-built. Forums such as Leigh Creek Futures, which consists of representatives from relevant State Government bodies and other support organisations, such as OCA and RDAFN, work together to plan for the long term future of the township. The original planning of the township incorporated a hospital and school, that are no longer viable to run, therefore access to these services is required to be considered for now and the future. With a switch to tourism as a prominent industry, instead of mining, considerable effort has been, and is still to be put into the development and promotion of possible major attractions such as the Aroona Dam to attract tourists and visitors to the area and therefore the town can feed off the flow on effects of the increase in visitation. Leigh Creek also still serves as a service centre for many of the outlying outback stations in terms of access to fuel and grocery supplies etc.

RDAFN assists Local Government bodies in the Far North SA region in supporting and lobbying for infrastructure, both hard and soft, which is included in their strategic plans. RDAFN also works closely with regional businesses and community organisations to gain access to funding that enable them to build new or expand current facilities.

Promoting private investment in regional centres and regional infrastructure

RDAFN also plays a key role in promoting the region as a place for investment. For example, in the 2016/17 financial year RDAFN facilitated the following investment for the Far North SA region:
- $216,861,357 worth of investment including solar development, business upgrade, new infrastructure for tourism business, community infrastructure, not for profit organisation kitchen upgrade, new construction industry training facilities, visitor facilities upgrade and community facilities construction.
- $160,000,000 worth of potential investment including new aquaculture development, mining development, tourism development and food industry development.

RDAFN has achieved the above by working with potential new investors in gathering information about the key aspects of the project including land availability etc and connecting the investors with other key personnel and organisations that will assist with the ease of the consultation process.

Whilst private investment plays a major role in regional development it is also important to provide support for businesses and other regional organisations and entities that are seeking funding through Local, State and Federal Government programs. In the 2016/17 financial year RDAFN assisted 23 regional businesses and community organisations with funding applications

with nine of these being successful with funding to the value of $1,307,432 received (total project cost over $27.6m). Ten of these projects are still pending announcement.

The high dollar value of the Government investment can't be overlooked and whilst the potential investment and attracted investment is of a high dollar value, there is no guarantee of longevity of the invested projects and no guarantee of the potential investments proceeding.

Promoting the competitive advantage of regional location for businesses

RDAFN has produced Economic Growth and Investment Strategies (EGIS) for Port Augusta, Flinders Ranges, Outback SA and Roxby Downs with work still underway on Coober Pedy. The EGIS's are designed to build towards a robust, sustainable economic future for the region.

The EGIS show a collated forward looking approach to the future of the Far North Sa region and will inform a targeted approach to project selection to maximise the economic benefits to the region of any form of funding packages or other resources directed to the region. Executive Summaries of the four completed EGIS are attached as Attachment A.

The worth of regions'

According to the Regional Australia Institute [3]regional Australia accounts for around 40% of national economic output and employs around one third of Australia's workforce. This is a significant contribution from sometimes very remote and sparsely populated areas. The regions house some of the largest contributors to that economy, those being mining and construction industries.

The challenge regional areas face is that often with economic data for Gross State Product/Gross Regional Product is it is counted in the area it where it was sold/shipped or final value added, not always in the region where it was originally produced. This is a challenge which frustrates many regional areas and regional researchers alike. Therefore, gauging the correct value add of regions to these end results is skewed and hard to accurately calculate.

Industry Output and Value-Added

The estimated value of regional exports in some areas in the Far North SA region is as follows:
- [4]Outback Communities Authority - $3.6b (84% of the region's economic output) with mining the largest contributor with 85% of total export value comparted to 72% for the wider Far North region.
- Roxby Downs - $927.5m (77% of the region's economic output) with mining the largest contributor with 89% of total export value comparted to 72% for the wider Far North region.

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[3] The Economic Contribution of Regions to Australia's Prosperity, Regional Australia Institute, Talking Point
[4] Economic Growth and Investment Strategies (Outback SA, Roxby Downs and Flinders Ranges, SC Lennon & Associates, 2016/17

- The Flinders Ranges Council - $42.3m (42% of the region's total economic output) with accommodation and food services, agriculture and transport generate over 70% of those exports.

There are many opportunities emerging in the region, particularly in the field of renewable energy generation, defence and intermodal transport hubs. Now is the time to build on and support these as best we can to ensure the long term viability of the regional economy, which in turn feeds into the State and Commonwealth economies.

Examining ways urbanisation can be re-directed to achieve more balanced regional development

RDAFN made a submission to the Inquiry into the operation, effectiveness, and consequences of the Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016, see Attachment B.

Whilst this submission focusses on the location of Commonwealth entities in regional areas this is certainly a critical point for redirecting urbanisation.

Identifying the infrastructure requirements for reliable and affordable transport, clean energy, water and water in a new settlement of reasonable size, located away from existing infrastructure

The examples outlined previously e.g. Leigh Creek and Roxby Downs are prime example of townships being built for a single purpose, that is to support a major development/project e.g. mines. The issue with these custom built townships is that once the project life is over, the town and its population go through extreme transition onto the next phase in their lives, whatever that may be. This places huge amounts of stress on the population and in the case of Leigh Creek, leaves behind a few that are left to try and maintain the businesses and infrastructure. In turn, pressure is then places on the outback and very remote stations and businesses, and in the case of Andamooka, that came to rely on these townships as their major service centres.

RDAFN would like to see investment in the current towns and settlements in the regional areas, NOT the creation of new ones. The existing towns and settlements have the required infrastructure, or in the case of building new infrastructure to support new developments, are in a better position to expand on what they already have.

The creation of new settlements also places extra strain on support services in regional areas, where resources are already stretched. Significant investment needs to be made into building existing regional towns and cities into the best they can be to attract new development to their area and ensuring they have the capability to support these. In particular is water quality and renewable energy options. Many outback and very remote townships do not have access to potable water and rely on very little rainfall each year for that water. In addition, regional Outback SA is perfectly positioned to take advantage of the sun for solar projects.

Summary

The economic value of existing regional areas and townships is important to factor in when considering future investment opportunities and the value of this investment to the regional, state and federal economy.

Towns which are purpose built for a project/development need to take into account life beyond the project and the pressures this puts on the immediate population and provision of services outlying populations.

A considerable amount of effort is currently being put into the attraction of new investment and the growth of current businesses and developments in regional areas by organisations such as RDAFN.

We invite and would welcome the expert panel to hold a hearing within the Far North SA region in order to highlight the value of regional areas and to undertake a tour to provide an opportunity for further input via presentation to this submission.

ECONOMIC GROWTH AND INVESTMENT STRATEGY – EXECUTIVE SUMMARIES

Outback Communities Authority Region Economic Growth and Investment Strategy Executive Summary

Informed and Strategic Planning for Economic Development in the Outback
Regional Development Australia Far North (RDAFN) and the Outback Communities Authority (OCA) commissioned the preparation of this OCA Region Economic Growth and Investment Strategy to help address the region's challenges and to capitalise on new opportunities for growth and investment in the Outback.

The Strategy addresses the OCA Region's economic development challenges and prospects with a focus on providing opportunities for investment to support long-term growth. It includes a comprehensive and up-to-date analysis of the region's economic stocks and flows - both in and out of the region - identifying the Outback's connections and interrelationships with the broader South Australian, national and global economies.

The Economic Growth and Investment Strategy promotes the notion that economic development is about the mutually-reinforcing and complementary relationship between improvements in economic activity, community wellbeing, cultural diversity, a sense of 'place' and the environment.

Articulating how this holistic approach to economic development can directly translate into the organisational priorities of RDAFN and the OCA, it informs a strategic and targeted approach to facilitate change towards a prosperous future for the Outback. It does this by providing the evidence base to support the OCA's objective to have a greater say in decisions being made for the Outback, and the region's engagement with both State and Federal Governments on matters of regional significance which require further attention.

By taking an informed, strategic and targeted approach to the identification of opportunities and priorities for growth, the Economic Growth and Investment Strategy informs the short-term work planning of the OCA and RDA Far North as well as longer-term opportunities for economic development which need to be planned for now.

Meeting the Challenges and Building Opportunities for Growth
The Outback Region of South Australia (the Outback) is undergoing a period of unprecedented change and adjustment following the resources sector slowdown and the resulting reduction and cessation of mining activity in the Far North Region, where the bulk of South Australia's mining activity is located. The scale of subsequent job losses highlights the vulnerability of the Outback to a downturn in mining, with the majority of the region's industry activity directly or indirectly dependent on the prosperity of the region's resources sector.

Compounding the region's reliance on mining is the fact that a large share of the wealth generated by the resources sector is captured elsewhere due to industry expenditure and dividends flowing to areas outside the Outback and the wider Far North Region.

The challenges associated with the OCA Region's heavy reliance on one industry and the fact that a large proportion of the wealth generated by that industry is captured outside the region are Outback Communities Authority Region Economic Growth and Investment Strategy Executive Summary exacerbated by the Outback's remoteness. The OCA Region has a population of just 4,350 spread over a vast area of almost 625,000 square kilometres. It includes small towns and settlements which grew out of the need to serve the mining industry such as Coober Pedy, Leigh Creek and Roxby Downs, other settlements built on the defence industry, namely Woomera, and a number of smaller 'satellite' communities including William Creek, Andamooka, Pimba, Iron Knob and Oodnadatta.
Together, these factors - isolation and an over-reliance on mining - create challenges for the communities of the Outback, including: vulnerability to sudden economic shocks caused by downturns, particularly in 'one-industry towns'; susceptibility to demographic changes, notably in-migration and out-migration from smaller towns; dis-economies of scale hampering the delivery of physical infrastructure such as information and communications technology as well as community services like health care

and education; and distance from ports, by road and rail and from suppliers and markets, leading to relatively higher costs of goods and services and limited market reach for many local businesses.

Key Industries and Opportunities for Growth
Despite the challenges, the Outback is presented with good prospects for economic growth and development based on existing comparative and competitive advantages and opportunities to diversify the region's economic activity.

Mining is the OCA Region's principal economic driver accounting for by far the largest share of the industry output, jobs and exports out of the region. Despite the industry's decline, mining remains the anchor of the Outback economy and the sector will continue to be a significant employer and economic contributor into the future. The mining industry's backward linkages through other sectors in the Outback economy however are not strong when compared to other industries. This suggests more could be done to facilitate import replacement in the local resources sector.

Agriculture is a traditional mainstay industry of the Outback, based on sheep, grains and beef cattle production. The OCA Region's agricultural sector is a key industry in the OCA Region given its notable contribution to industry value-added, employment and regional exports, coupled with strong local linkages throughout the Outback economy.

Tourism is another industry with a solid base and potential for growth in the OCA Region as national and international market trends support opportunities to capitalise on demand for outback experiences. Tourism employs local residents across a diversity of sectors including accommodation and food services, arts and recreation services, retail and transport. Importantly, the tourism industry displays strong backward linkages into the local economy.

In order to address the challenges and to capitalise on new opportunities for growth, the OCA Region Economic Growth and Investment Strategy puts in place an informed and strategic plan of action. The Economic Growth and Investment Strategy identifies activities and projects which will have immediate, medium and long-term economic benefits for the communities of the OCA Region. It highlights planning and project priorities to facilitate change towards a robust and sustainable economic future for the OCA Region.

Strategy Themes and Actions
The OCA Region Economic Growth and Investment Strategy is defined by a set of principles which guide the preparation and implementation of the actions contained in this strategy. In essence, it:

1. Prioritises initiatives and activities that support the growth and development of the OCA Region's **traditional industries in agriculture and mining**, with an emphasis on new opportunities in value-added economic activities which target existing, new and emerging markets.

2. Promotes **a partnership approach to tourism development**, working in collaboration with other tiers of government and the industry to enhance regional branding, marketing, product development, visitor servicing and support infrastructure.

3. Prioritises activities that support **local industry diversification and the growth of 'knowledge-intensive' industries** in, for example, 'new generation' industries such as alternative energy production and scientific, technical and professional services to mining and agriculture.

4. Pro-actively **promotes the region to prospective investors**, using a strategic, informed and targeted approach.

5. Focuses on activities where there are likely to be **positive and measurable outcomes** for the Outback community and long-term strategic economic benefits.

The Economic Growth and Investment Strategy provides the framework and directions for economic development, with the focus being on 33 individual actions across four strategic activity areas that can be achieved over the next three years. The Action Areas, which have been informed by the research, consultation and analysis undertaken to prepare this strategy, are illustrated below.

Economic Growth and Investment Strategy Themes
Action Area 1:
Support the Growth of a Sustainable Pastoral Industry
Action Area 3:
Support the Development of the Outback Region's Visitor Economy
Action Area 4:
Articulate and Address the Region's Strategic Infrastructure Priorities
Action Area 2:
Support Growth and Development of Mining and Mining

In summary, the actions are:
Support the Growth of a Sustainable Pastoral Industry
1.1 Work with the OCA Region's pastoral industry to investigate education and training delivery models to support traineeships and ongoing development for station staff.

1.2 Collaborate with industry stakeholders, Port Augusta City Council and the State Government to progress the opportunity to establish cross-loading facilities at Port Augusta.

1.3 Continue to provide business advisory services to pastoralists looking to diversify into tourism and other businesses.

1.4 Explore the potential for an agricultural research and training facility targeting new and emerging value-added industry opportunities.

1.5 Continue to implement the Regional Climate Change Adaptation Plan for the Far North Region.

Support Growth and Development of Mining and Mining Services
2.1 Facilitate working relationships between resource companies and communities of interest in the Outback throughout the mining lifecycle to encourage a sustainable future for the region's mining towns.

2.2 Investigate place-based community development opportunities to promote the Outback as a location of choice for working and living beyond mining, with a focus on Leigh Creek as a pilot project.

2.3 Investigate means for informing a regional policy position on support for local procurement targets within the OCA Region's mining sector.

2.4 Work with BHP Billiton and Oz Minerals on current expansion and development projects to gain an understanding of workforce requirements and identify opportunities for additional training programs to support local employment opportunities.

2.5 Undertake a full community baseline assessment of the Outback to better inform the community engagement priorities of the major mining companies operating in the OCA Region.

Support the Development of the Outback Region's Visitor Economy
3.1 Design and implement an Outback / OCA Region visitor needs and satisfaction survey.

3.2 Review case studies and document learnings from 'best practice' region or town-based tourist attraction strategies, such as Harrow in Victoria's Wimmera Region, which reinvented itself with the establishment of the 'Harrow Sound and Light Show'.

3.3 Prepare a regional wayfinding strategy for the Outback with an emphasis on consistent, branded signage throughout the Outback and the wider Far North Region.

3.4 Undertake a short-term accommodation needs analysis for the Outback, identifying the types of accommodation currently lacking in the region.

3.5 Collaborate and co-ordinate Outback tourist destination management and marketing; formalise roles and relationships regarding conduits for State and Federal funding to help develop industry skills and investment in specific projects and tourism infrastructure.

3.6 Work with the South Australian Tourism Commission to develop a Queensland-focused marketing initiative for Outback tourism in South Australia.

3.7 Progress investigation of a business case to upgrade / seal the Strzelecki Track to serve the growing drive tourism market.

3.8 Showcase and promote the Outback through locally-produced digital and cultural content.

3.9 Investigate the feasibility and potential benefits of providing free Wi-Fi zones in selected town centres (as pilot projects) to help improve the Outback visitor experience and retain visitors for longer.

3.10 Explore funding two tourism development officers in the OCA Region - one for the Outback and one for the Flinders Ranges - to engage, liaise with and support small business operators.

3.11 Explore potential for private businesses to take over accommodation and services at Leigh Creek after the closure of Alinta, focussed on opportunities to accommodate tourists and tapping into opportunities for mine tours.

3.12 Promote excellence in visitor customer service as a priority to develop the Outback tourism industry.

Articulate and Address the OCA Region's Strategic Infrastructure Priorities
4.1 Support and promote a regular forum of all transport business leaders to discuss, agree and collaborate on the OCA Region's transport industry priorities.

4.2 Undertake an assessment of all industry infrastructure needs in the region to identify cross-industry linkages and opportunities to help prioritise projects that will provide the greatest economic, environmental and social returns to the OCA Region.

4.3 Continue to collaborate with relevant State and Federal Government departments and agencies to progress the Strzelecki Track upgrade and sealing project proposal.

4.4 Continue to review, assess and prioritise the Outback's other strategic regional road upgrade needs using standard assessment criteria; agree on priorities and advocate needs to State and Federal Governments.

4.5 Support ongoing investigations into the feasibility of establishing an intermodal hub at Leigh Creek.

4.6 Ensure there are long-term and integrated plans in place for freight.

4.7 Continue to support the rollout of the National Broadband Network (NBN) in the OCA Region.

4.8 Continue to actively pursue the extension of mobile and satellite phone coverage throughout the Outback through support for the Blackspots Program.

4.9 Promote and utilise existing State and Federal government programs to build the capability of businesses and communities to utilise digital technology.

4.10 Implement the recommendations from the 2015 market and value chain analysis of renewable energy and clean technology opportunities for the Far North Region.

4.11 As part of consideration of community owned projects, investigate the business case for a Far North Region co-operative energy purchasing arrangement.

Priorities for Action – Informing a Year 1 Work Plan
Priority projects and activities for implementation as part of a Year 1 work plan are identified based on the application of two broad sets of assessment criteria – *benefit assessment* and *capacity to implement*. They reflect priorities that the OCA and RDAFN should advance (in association with identified partners where relevant) as short-term priorities. The Year 1 priorities are:

1. Continue to provide business advisory services to pastoralists looking to diversify into tourism and other businesses.

2. Investigate place-based community development opportunities to promote the Outback as a location of choice for working and living beyond mining, with a focus on Leigh Creek as a pilot project.

3. Design and implement an Outback visitor needs and satisfaction survey.

4. Prepare a regional wayfinding strategy for the Outback with an emphasis on consistent, branded signage throughout the Outback and the wider Far North Region.

5. Progress investigation of a business case to upgrade / seal the Strzelecki Track to serve the growing drive tourism market.

6. Undertake an assessment of all industry infrastructure needs in the region to identify cross-industry linkages and opportunities to help prioritise projects.

7. Continue to collaborate with relevant State and Federal Government departments and agencies to progress the Strzelecki Track upgrade and sealing project proposal.

8. Continue to support the rollout of the National Broadband Network (NBN) in the OCA Region.

9. Continue to actively pursue the extension of mobile and satellite phone coverage throughout the Outback through support for the Blackspots Program.

10. Promote and utilise existing State and Federal government programs to build the capability of businesses and communities to utilise digital technology.

In progressing these actions, cultivating collaborative partnerships will be key.

Continuing Collaborative Partnerships for Effective Implementation
Promoting economic growth and investment in the OCA Region requires both leadership and the formation of partnerships. Using the Economic Growth and Investment Strategy as a plan of action, RDA Far North and the OCA will take the lead, working together with other stakeholders to address opportunities for improved integrated planning and management concerning matters arising from the interface of natural resources management, economic development and community wellbeing.

To this end, the Economic Growth and Investment Strategy guides the efforts of RDA Far North and the OCA to facilitate opportunities for investment to support the region's long-term growth. Using the evidence presented in this report, it also supports the OCA's objective to have a greater say in decisions being made for the Outback, and the region's engagement with both State and Federal Governments on matters of regional significance.

Flinders Ranges Economic Growth and Investment Strategy Executive Summary

Informed and Strategic Planning for Economic Development
Regional Development Australia Far North (RDAFN) and The Flinders Ranges Council commissioned the preparation of this Economic Growth and Investment Strategy to help address the Flinders Ranges Council Region's challenges and to capitalise on new opportunities for investment to support long-term growth.

The Flinders Ranges Council Region extends from the central townships of Quorn, Craddock and Hawker. The Flinders Ranges Economic Growth and Investment Strategy provides a comprehensive and up-to-date analysis of the region's economic stocks and flows - both in and out of the Flinders Ranges - identifying the local area's connections and interrelationships with the broader South Australian, national and global economies.

Specifically, the Economic Growth and Investment Strategy provides the evidence base to support the region's engagement with both State and Federal Governments on matters of regional significance that require further attention. It informs the short-term work planning of RDA Far North and The Flinders Ranges Council, as well as longer-term opportunities for economic development which need to be planned for now.

The Economic Growth and Investment Strategy promotes the notion that economic development is about the mutually-reinforcing and complementary relationship between improvements in economic activity, community wellbeing, cultural diversity, a sense of 'place' and the environment. Articulating how this holistic approach to economic development can directly translate into the organisational priorities of RDAFN and The Flinders Ranges Council, the Economic Growth and Investment Strategy informs a strategic and targeted approach to facilitate change towards a prosperous future.

Meeting the Challenges and Building Opportunities for Economic Growth
The Far North Region of South Australia is undergoing a period of unprecedented change and adjustment following the resources sector slowdown and the resulting reduction and cessation of mining in the Far North, where the bulk of South Australia's resources sector activity is located. In the wake of the mining industry slowdown, the Far North Region's reliance on mining has posed challenges for many parts of the region where resources sector activity is the backbone of the economy.

The Flinders Ranges however, with its relatively diverse economic base, has not been subject to the same extremes of resources sector peaks and troughs as other parts of the Far North Region have. Nevertheless, with mining the principal driver of wealth creation in the Far North, the Flinders Ranges is not immune to either its positive or adverse impacts. For this reason, the Flinders Ranges needs to plan a course of action to address challenges posed by economic dislocation and disturbance while also identifying and capitalising upon opportunities to build on comparative and competitive advantage.

The Flinders Ranges is presented with a number of good prospects for economic growth and development based on existing attributes and opportunities to further diversify the region's economic activity. The foundation of the region's natural comparative advantage is the scenic appeal of the Flinders Ranges itself, which is the largest mountain range in South Australia and includes a number of protected areas including the Ikara-Flinders Ranges National Park, the Mount Remarkable National Park in the southern part of the region, the Arkaroola Protection Area at the northern end of the ranges, The Dutchmans Stern Conservation Park, west of Quorn and the Mount Brown Conservation Park, south of Quorn.

Tourism is the Flinders Ranges' principal economic driver, accounting for the largest share of the region's industry output, jobs and exports. The Flinders Ranges' tourism industry has a solid base and potential for growth, as national and international market trends support opportunities to capitalise on demand for outback experiences and historical attractions. Tourism employs local residents across a diversity of sectors including accommodation and food services, arts and recreation services, retail and transport. Importantly, the tourism industry has strong linkages to other industries in the local economy. A traditional mainstay of the Flinders Ranges economy, agriculture, which is based on sheep, grains and beef cattle production, remains an important contributor to economic activity in the region. The sector's historical significance is also a feature of the Flinders Ranges' tourism offer, with a number of

old pastoral homesteads dotted around the region's arid landscape providing points of interest for the many visitors who either pass through or stay in the region to explore.

The importance of sheep and wheat farming in particular, along with copper mining (copper was mined in the Hawker-Flinders Ranges area in the late 1850s), induced the government of the day to build a narrow gauge railway line north of Port Augusta through Pichi Richi Pass, Quorn, Hawker and along the west of the ranges, eventually to Marree. Today, the Pichi Richi Railway is a prominent feature of the Flinders Ranges visitor experience.

The aesthetic appeal of the Flinders Ranges and the region's heritage towns and settlements such as Hawker and Quorn also serve to attract residents looking for a quality outback lifestyle within commuting distance of Port Augusta.

The relative economic diversity of the Flinders Ranges (compared to other parts of the Far North) is reflected in the strength of its services industries, with the health care and education sectors both accounting for a large share of the region's industry output and employment.

The Flinders Ranges also offers potential for new industries to grow on the back of a long tradition of creative industries activity in the area. The rugged beauty of the region's natural landscape also serves as the basis for the Flinders Ranges' heritage in television and feature film making with many notable productions having been shot in the region over the years, providing a welcome boost to local economic activity.

In order to capitalise on new opportunities for growth, the Flinders Ranges Economic Growth and Investment Strategy puts in place an informed and strategic plan of action. It identifies activities and projects which will have immediate, medium and long-term economic benefits for the communities of the region. It highlights planning and project priorities to facilitate change towards a robust and sustainable economic future for the Flinders Ranges.

Strategy Themes and Actions
The Flinders Ranges Economic Growth and Investment Strategy is defined by five principles which guide the preparation and implementation of the strategy actions. In essence, it:

1. Prioritises initiatives and activities that support the development of **tourism** in the Flinders Ranges, promoting collaboration amongst government agencies and industry stakeholders to enhance regional branding, marketing, product development, visitor servicing and support infrastructure.

2. Encourages initiatives and activities that support the growth and sustainable development of the Flinders Ranges Council Region's **traditional agricultural industries**.

3. Pro-actively **promotes the Flinders Ranges to prospective investors**, using a strategic, informed and targeted approach.

4. Focuses on activities where there are likely to be **positive and measurable outcomes** for the community and long-term strategic economic benefits.

The Economic Growth and Investment Strategy provides the framework and directions for economic development, with the focus being on 31 individual actions across four strategic activity areas that can be achieved over the next three years. The Action Areas, which have been informed by the research, consultation and analysis undertaken to prepare this Strategy, are illustrated below.

Flinders Ranges Economic Growth and Investment Strategy Themes
Action Area 1: Support the Flinders Ranges' Tourism Sector
Action Area 2: Support Sustainable Agriculture in the Flinders
Action Area 3: Monitor Investigations into the National Radioactive Waste Management Facility
Action Area 4: Promote the Flinders Ranges as a Location of Choice for Investment, Working, Learning and Outback Living

In summary, the actions are:

Support the Flinders Ranges' Tourism Sector - Tourism Support Infrastructure

1.1 Continue to review, assess and prioritise the Flinders Ranges' strategic regional road upgrade needs using standard assessment criteria; agree on priorities and advocate needs to State and Federal Governments.

1.2 Continue to collaborate with relevant State and Federal Government departments and agencies to progress the Strzelecki Track upgrade and sealing project proposal.

1.3 Prepare a regional wayfinding signage strategy for the Flinders Ranges and Outback with an emphasis on consistent, branded signage throughout the region and the wider Far North Region.

1.4 Continue to work together to provide a positive climate for private sector investment in new and upgraded accommodation as per the 2020 regional target: upgrade 90 rooms from 3-star to 4-star standard and build 230 new rooms with 25% of 4-star and higher.

1.5 Advocate relevant government agencies to build the infrastructure required, such as aerodrome upgrades, to support the potential for regional South Australia as an aviation destination.

1.6 Investigate opportunities to reduce operating costs for public and private aerodromes and airstrips in the Flinders Ranges and Outback through a group insurance scheme and / or through Government underwriting.

1.7 Continue to support the rollout of the National Broadband Network (NBN) in the Flinders Ranges; promote the rollout to the region's residents and businesses and include in the region's investment prospectus material as a key competitive advantage.

1.8 Continue to actively pursue the extension of mobile and satellite phone coverage throughout the Flinders Ranges and the Outback through support for the Blackspots Program and other programs as they become available.

1.9 Support The Flinders Ranges Council in its efforts to work with SA Power Networks on a solution to stabilise power supply in the Flinders Ranges.

1.10 Support The Flinders Ranges Council in its efforts to work with SA Water to construct a desalination plant to service the town of Quorn.

Tourism Sector Business Support
1.11 Continue to provide business development support to traditional and non-traditional tourism businesses in the Flinders Ranges.

1.12 Develop and promote a customer service strategy / campaign for the Flinders Ranges and Outback, targeting both traditional and non-traditional tourism businesses.

Tourism Product and Experience Development
1.13 Continue to support FRTOA in its efforts to fund and conduct a feasibility study into the development of a geological interpretative centre in Hawker.

1.14 Work with tourism agencies and operators to explore opportunities to develop and promote geo-tourism linkages between the Flinders Ranges and the Outback. Hold discussions with SATC regarding the potential to develop further linkages with the 'Dinosaur Trail' in the Queensland Outback.

1.15 Work with the Pichi Richi Railway Preservation Society on progressing a concept and feasibility study into the development of a Pichi Richi Railway interpretative centre.

1.16 Explore opportunities to promote the Flinders Ranges' history of film on location as a tourism drawcard.

Tourism Sector Collaboration and Co-ordination

1.17 Continue to encourage an integrated approach between tourism stakeholders to leading and managing the sector and develop ways to build the self-sustainability of the region's tourism management structure.

1.18 Work with FRTOA, FROSAT, the SATIC, the SATC and other key agencies to resource and implement a regional coordinated marketing approach to tourism.

1.19 Conduct regional tourism expos / tourism exchanges to showcase what is available in the broader region to operators in the Flinders Ranges and the Outback. Consider the feasibility of holding these in the low season to maximise opportunities for participation by operators and involve non-traditional tourism businesses where possible.

1.20 Work with staff and volunteers from VICs and other visitor information points to build their understanding and capacity to cross-promote towns and regional visitor products to facilitate a 'One Outback' visitor experience.

Support Sustainable Agriculture in the Flinders Ranges

2.1 Ensure that relevant land use planning policies for the Flinders Ranges reflect and support a key principle of the South Australian Government's Far North Region Plan (2010) to "retain and strengthen the economic potential of pastoral lands".

2.2 Continue to provide business advisory services to pastoralists looking to diversify into tourism and other businesses.

2.3 Continue to support the rollout of the National Broadband Network (NBN) in the Flinders Ranges; promote the rollout to the region's residents and businesses and include in the Flinders Ranges' investment prospectus material as a key competitive advantage.

2.4 Continue to actively pursue the extension of mobile and satellite phone coverage throughout the Outback through support for the Blackspots Program and other programs as they become available.

Monitor Investigations into the National Radioactive Waste Management Facility

3.1 Continue to work with relevant government agencies and other stakeholders in progressing current and subsequent phases of the National Radioactive Waste Management Facility project investigations.

Promote the Flinders Ranges as a Location of Choice for Investment, Working, Learning and Outback Living

4.1 Continue to support the rollout of the National Broadband Network (NBN) in the Flinders Ranges; promote the rollout to the region's residents and businesses and include in the region's investment prospectus material as a key competitive advantage.

4.2 Continue to actively pursue the extension of mobile and satellite phone coverage throughout the Flinders Ranges through support for the Blackspots Program and other programs as they become available.

4.3 Support The Flinders Ranges Council in its efforts to work with SA Power Networks on a solution to stabilise power supply in the Flinders Ranges.

4.4 Support The Flinders Ranges Council in its efforts to work with SA Water to construct a desalination plant to service the town of Quorn or alternative solutions for treated water.

4.5 Facilitate discussions between area schools in the Flinders Ranges and local business operators on opportunities to strengthen the alignment between vocational education and training and the region's economic growth and investment opportunities, particularly tourism.

4.6 Continue to support the capacity development of regional business operators through access to business advisory services. Explore opportunities to resource a regular program of business development workshops throughout the Flinders Ranges and Far North Region.

Priorities for Action – Informing a Year 1 Work Plan

Priority projects and activities for implementation as part of a Year 1 work plan are identified based on the application of two broad set of assessment criteria – *benefit assessment* and *capacity to implement*.

They represent activities that RDAFN and The Flinders Ranges Council should advance (in association with identified partners where relevant) as short-term priorities.
The Year 1 priorities are:
1. Continue to review, assess and prioritise the Flinders Ranges' strategic regional road upgrade needs using standard assessment criteria; agree on priorities and advocate needs to State and Federal Governments.

2. Continue to collaborate with relevant State and Federal Government departments and agencies to progress the Strzelecki Track upgrade and sealing project proposal.

3. Prepare a regional wayfinding signage strategy for the Flinders Ranges and Outback with an emphasis on consistent, branded signage throughout the region and the wider Far North Region.

4. Continue to support the rollout of the National Broadband Network (NBN) in the Flinders Ranges; promote the rollout to the region's residents and businesses and include in the region's investment prospectus material as a key competitive advantage.

5. Continue to actively pursue the extension of mobile and satellite phone coverage throughout the Flinders Ranges and the Outback through support for the Blackspots Program and other programs as they become available.

6. Continue to provide business development support to traditional and non-traditional tourism businesses in the Flinders Ranges.

7. Continue to provide business advisory services to pastoralists looking to diversify into tourism and other businesses.
In progressing these actions, cultivating collaborative partnerships will be key.

Continuing Collaborative Partnerships for Effective Implementation
Promoting economic growth and investment in the Flinders Ranges requires both leadership and the formation of partnerships.

Using the Economic Growth and Investment Strategy as a plan of action, RDA Far North and The Flinders Ranges Council will take the lead, working together with other stakeholders to address opportunities for improved integrated planning and management concerning matters arising from the interface of natural resources management, economic development and community wellbeing.

To this end, the Economic Growth and Investment Strategy guides the efforts of RDA Far North and The Flinders Ranges Council to facilitate opportunities for investment to support long-term growth. Using the evidence presented in this report (the economic stocks and flows analysis), it also supports the region's engagement with both State and Federal Governments on matters of significance.

Port Augusta Economic Growth and Investment Strategy Executive Summary

Port Augusta has two main options for economic growth. On one hand, it can build gradually on its home-grown specialisations as identified below, and role as a regional services centre for the Far North. On the other hand it can, as has been so successful in the past, look to large employers using the area as a base for working with the region's natural resources.

Interviews conducted for this study showed that there is still a strong culture in Port Augusta of waiting for The Next Big (Economic) Thing. There is currently optimism about the Defence expansion at Cultana, renewable energy, and the next OzMinerals mine. But even when Port Augusta is blessed with economic Big Things the lack of core skills, capabilities and industry links mean that the local economic spin-off has not often been maximised. The underlying theme of this Economic Growth and Investment Strategy (EGIS) is to shift the balance towards supporting *local* industry capability. This shift will have two benefits:

1. Accelerating endogenous growth – the areas in which Port Augusta businesses are already demonstrating highest competitiveness in; and

2. Providing a much stronger platform for engagement with externally driven investments.
Similar recommendations for a stronger focus on building local capability have been made in many of the industry studies done on Port Augusta over the last 20 years, but there has been little follow up in the past. With the exception of some businesses in the heavy industry/mining service field, business networks are acknowledged by the businesses themselves to be poor and needing development and maturity.

Port Augusta's growing role as a regional services centre brings a growing reliance on public sector employment. The city's dependence on government support would unravel if major industries were to close down and employers in the private sector looked to exit the region. This scenario emphasises the importance of identifying viable alternatives for private sector investment and/or retaining existing private interests by pursuing opportunities in areas in which existing skill sets could be redeployed. Given the current pressures on the region, this is not a situation that can be allowed to continue. Action needs to be taken to build local business capabilities, now.

Strategic Priorities

Many studies have reviewed the leading options for growth:
- Traditional strengths such as heavy industry, energy production, mining services, transport and logistics
- Tourism; and
- New industries like renewable energy, education and intensive horticulture.
- Economic analysis undertaken for this study shows that the industries with natural advantages in Port Augusta have been:
- Medical (other than hospital)
- Food and beverage (not accommodation)
- Public administration including waste management
- Construction and engineering
- Professional services (small but growing)
- Real estate and other local services
- Transport and transport equipment manufacturing and hiring.

Action areas
This study has identified 10 areas for action to drive economic growth and investment in Port Augusta.

1 Entrepreneurship and active business networking
- Contact new businesses
- Explore extent of demand for a Co-working space
- Prioritise a series of networking/learning opportunities around new approaches to entrepreneurialism.

- Maintain support for existing businesses, responding to local needs to foster re-investment in local business, business retention and business growth
- Active networking – foundation steps in prospective industries (like transport/logistics, heavy engineering/mining services (with Global Maintenance Upper Spencer Gulf (GMUSG), tourism, health, renewable energy, defence supplies).
- Work with GMUSG to improve capability of Port Augusta businesses to supply head contractors (mining & defence)
- Prepare network development plans for viable networks and seek funding from State and Commonwealth government programs

2 Townscape & amenity
- Foreshore and city upgrades
- Facilitate new business formation around foreshore
- Consolidate CBD revitalisation plan
- Improve town entrances
- Publicise rolling CBD works program
- Engage landowners in townscape improvements
- Develop material to support a campaign promoting Port Augusta's lifestyle attributes
- Market the Port Augusta lifestyle package.

3 Transport & logistics
- Improve ability to market capability to head contractors
- Re-open discussions with mining companies about local transport services infrastructure needs
- Formulate sound cost-benefit analyses for transport capital projects
- Explore freight flows.

4 Heavy industry
- Detail supply chain potential
- Understand expectations and requirements of large miners in relation to local suppliers in terms of capability and certification
- Build on learnings on head/sub contractor positioning from DefenceSA and Defence Teaming Centre
- Implement recommendations in KPMG Hub study with a focus on Port Augusta:
  - R1 Regional coordination and implementation (focusing on Port Augusta)
  - R2 Raise capability of (Port Augusta-based) mining services suppliers to contract with new customers through support from industry, industry bodies, State and Local Governments
  - R3 Skills training and workforce development (for Port Augusta businesses)
  - R4 (Evaluate) Common use infrastructure investment (in Port Augusta)

5 Renewable energy
- Complete Stage 2 of the *Renewable Energy Market and Value Chain* work:
  - Identify gaps in capacity
  - Connect businesses
  - Provide evidence-based information to potential investors.
- Work with State Government to ensure local business spinoffs and long term business capability in renewables
- Provide support to design and advocacy of a Port Augusta-based Centre of Renewable Energy R&D

6 Education
- Revival of RTO-industry links.
- Active support of COTEC business case
- Continue active support for Port Augusta as a Centre of renewable energy R&D and training.

7 Tourism
- Resource, develop and implement a "Stay another day" campaign
- Incorporate visitor needs into townscape changes

- Prioritise tourism business operators for entrepreneurship initiatives
- Facilitate investment to expand local tourism business capability.

8 Defence
- Active, strategic lobbying/advocacy on behalf of local capability
- Strengthen involvement in DTC and other SA Defence industry links
- Develop brokering role between local suppliers and defence procurement.

9 Health & aged care
- Integrate future aged accommodation needs into land use planning for Port Augusta
- Facilitate business-to-business connections amongst public and private health care and aged care services
- Review skills needs with employers and RTOs/COTEC
- Prepare an action-oriented strategy for growing health and aged care in Port Augusta and maximising local job outcomes.

10 Arid lands horticulture
- Facilitate discussions with RTOs around the training need
- Facilitate Council and State Government approvals for related projects
- Integrate Sundrop technical capability into work on the potential renewable energy cluster
- Facilitate commercialisation of activities at the Arid Lands Botanic Gardens.

Roxby Downs Region Economic Growth and Investment Strategy Executive Summary

Informed and Strategic Planning for Economic Development

Regional Development Australia Far North (RDAFN), the Outback Communities Authority (OCA) and Roxby Council commissioned the preparation of this Roxby Downs Region Economic Growth and Investment Strategy to help address the region's challenges and to capitalise on new opportunities for growth and investment.

The Roxby Downs Region (for the purpose of this project) includes the Council area of Roxby Downs and the towns of Pimba, Woomera and Andamooka. The Strategy addresses the region's economic development challenges and prospects with a focus on providing opportunities for investment to support long-term growth. It includes a comprehensive and up-to-date analysis of the region's economic stocks and flows - both in and out of the region - identifying the local area's connections and interrelationships with the broader South Australian, national and global economies.

The Economic Growth and Investment Strategy promotes the notion that economic development is about the mutually-reinforcing and complementary relationship between improvements in economic activity, community wellbeing, cultural diversity, a sense of 'place' and the environment.

Articulating how this holistic approach to economic development can directly translate into the organisational priorities of RDAFN, the OCA and Roxby Council, it informs a strategic and targeted approach to facilitate change towards a prosperous future. It does this by providing the evidence base to support the region's engagement with both State and Federal Governments on matters of regional significance, which require further attention.

By taking an informed, strategic and targeted approach to the identification of opportunities and priorities for growth, the Economic Growth and Investment Strategy informs the short-term work planning of RDA Far North, the OCA and Roxby Council as well as longer-term opportunities for economic development which need to be planned for now.

Meeting the Challenges and Building Opportunities for Growth

Roxby Downs and the wider Outback Region of South Australia (the Outback) is undergoing a period of unprecedented change and adjustment following the resources sector slowdown and the resulting reduction and cessation of mining in the Far North Region, where the bulk of South Australia's mining activity is located.

The scale of subsequent job losses highlights the vulnerability of the region to a downturn in mining, with the majority of local industry activity directly or indirectly dependent on the prosperity of the resources sector.

Compounding the region's reliance on mining is the fact that a large share of the wealth generated by the resources sector is captured elsewhere due to industry expenditure and dividends flowing to areas outside the Far North Region. The challenges associated with the region's heavy reliance on one industry and the fact that a large proportion of the wealth generated by that industry is captured outside the region are exacerbated by the remoteness of the Roxby Downs Region. The region has a population of just 5,000 dispersed across towns and settlements which grew out of the need to serve the mining industry, namely Roxby Downs, other settlements built on the defence industry, namely Woomera, and smaller settlements and 'satellite' communities such as Pimba and Andamooka.

Together, isolation and an over-reliance on mining create challenges for the Roxby Downs Region, including: vulnerability to sudden economic shocks caused by downturns, particularly in 'one-industry towns'; susceptibility to demographic changes, notably in-migration and out-migration from smaller towns; dis-economies of scale hampering the delivery of physical infrastructure such as information and communications technology as well as community services like health care and education; and distance from ports, by road and rail and from suppliers and markets, leading to relatively higher costs of goods and services and limited market reach for many local businesses.

Key Industries and Opportunities for Growth

Regardless of the challenges, the Roxby Downs Region is presented with good prospects for economic growth and development based on existing comparative and competitive advantages and opportunities to diversify the region's economic activity.

Mining is the region's principal economic driver accounting for by far the largest share of the industry output, jobs and exports out of the region. Despite the industry's decline, mining remains the anchor of the Roxby economy and the sector will continue to be a significant employer and economic contributor into the future.

The mining industry's linkages through other sectors in the local economy however, are not strong when compared to other industries. This suggests more could be done to facilitate import replacement in the local resources sector.

Tourism is another industry with a solid base and potential for growth in the Roxby Downs Region, as national and international market trends support opportunities to capitalise on demand for outback experiences and historical attractions.

Tourism employs local residents across a diversity of sectors including accommodation and food services, arts and recreation services, retail and transport. Importantly, the tourism industry displays strong linkages back into the local economy.

In order to address the challenges and to capitalise on new opportunities for growth, the Roxby Downs Region Economic Growth and Investment Strategy puts in place an informed and strategic plan of action.

The Strategy identifies activities and projects which will have immediate, medium and long-term economic benefits for the communities of the region and it highlights planning and project priorities to facilitate change towards a robust and sustainable economic future for the Roxby Downs Region.

Strategy Themes and Actions
The Roxby Downs Region Economic Growth and Investment Strategy is defined by a set of principles which guide the preparation and implementation of the actions contained herein. It:

1. Prioritises initiatives and activities that support the growth and development of the Roxby Down's Region's **traditional industrial activities in mining**, with an emphasis on new opportunities in value-added economic activities which target existing, new and emerging markets.

2. Promotes **a partnership approach to tourism development**, working in collaboration with other tiers of government and the industry to enhance regional branding, marketing, product development, visitor servicing and support infrastructure.

3. Prioritises activities that support **local industry diversification and the growth of 'knowledge-intensive' industries** in, for example, 'new generation' industries like alternative energy production and scientific, technical and professional services to mining.

4. Pro-actively **promotes the region to prospective investors**, using a strategic, informed and targeted approach.

5. Focuses on activities where there are likely to be **positive and measurable outcomes** for the community and long-term strategic economic benefits.

The Economic Growth and Investment Strategy provides the framework and directions for economic development, with the focus being on 17 actions across three strategic activity areas that can be achieved over the next three years. The Action Areas, which have been informed by the research, consultation and analysis undertaken to prepare this strategy, are illustrated below.

Economic Growth and Investment Strategy Themes
Action Area 1: Support Development of Roxby Downs as a Sustainable Community
Action Area 2: Support Growth and Development of:
1.1 Roxby Council, BHP Billiton and the Roxby Downs community to work together to facilitate an updated vision for Roxby Downs that is aspirational beyond its current ties to the Olympic Dam mine and the spatial bounds of the Roxby Downs township.
1.2 Review and update Roxby Council's key land use and strategic plans to reflect the updated vision as part of a broader regional spatial framework and networked hierarchy of centres and towns.

1.3 Work with BHP Billiton and local businesses on opportunities for local supply of goods and services associated with the current planned expansion and ongoing operation of the Olympic Dam mine.

1.4 Continue to deliver business development services to build the capacity and sustainability of individual businesses in the Roxby Downs Region.

1.5 Investigate place-based community development opportunities to promote the region's smaller towns as locations of choice for working and living beyond mining, with a focus on Andamooka as a pilot project.

Action Area 3: Support the Development of the Roxby Downs Region's Visitor Economy

In summary, the actions are:

Support Development of Roxby Downs as a Sustainable Community - Support Growth and Development of Mining

2.1 Work with BHP Billiton on current expansion plans to gain an understanding of workforce requirements; map skills requirements against existing training available in the Roxby Downs Region and identify opportunities for additional training programs to support local employment opportunities.

2.2 Work with BHP Billiton and the Roxby Downs Area School and Roxby Downs TAFE to explore opportunities for school-based apprenticeships and traineeships associated with the current planned expansion of the Olympic Dam mine.

2.3 Work with BHP Billiton and local businesses on opportunities for local supply of goods and services associated with the current planned expansion and ongoing operation of the Olympic Dam mine.

2.4 Continue to deliver business development services to build the capacity and sustainability of individual businesses in the Roxby Downs Region.

Support the Development of the Roxby Downs Region's Visitor Economy

3.1 Work with key agencies, communities and tourism operators to develop and promote local tourism packages to link the Roxby Downs Region more explicitly into The Explorers Way. Consider geo-tourism and other potential product/experience linkages.

3.2 Undertake a cost-benefit analysis and pre-feasibility study on options to re-align the Borefield Road to incorporate Andamooka.

3.3 Prepare a wayfinding strategy for the Roxby Downs Region as part of a broader Outback wayfinding strategy, with an emphasis on consistent, branded signage throughout the region.

3.4 Work with staff and volunteers from VICs and other visitor information points to build their understanding and capacity to cross-promote towns and regional visitor products to facilitate a 'One Outback' visitor experience.

3.5 Work with APOMA to develop and fund a program of works to support visitor access to and experience of Lake Torrens, including an all-weather road, directional and interpretative signage and walking and viewing infrastructure.

3.6 Work with Arid Recovery on options for accommodation development and associated tourism packaging opportunities in the region.

3.7 Ensure a positive climate for private sector investment in new and upgraded accommodation in the Roxby Downs Region through supportive planning, development assessment and approvals processes.

3.8 Continue to work with local communities to develop and implement Community Park Plans across the Roxby Downs Region and the Outback.

Priorities for Action – Informing a Year 1 Work Plan

Priority projects and activities for implementation as part of a Year 1 work plan are identified based on the application of two broad sets of assessment criteria – *benefit assessment* and *capacity to implement*. They reflect priorities that RDAFN, the OCA and Roxby Council should advance (in association with identified partners where relevant) as short-term priorities.

The Year 1 priorities are:

1. Roxby Council, BHP Billiton and the Roxby Downs community to work together to facilitate an updated vision for Roxby Downs that is aspirational beyond its current ties to the Olympic Dam mine and the spatial bounds of the Roxby Downs township.

2. Review and update Roxby Council's key land use and strategic plans to reflect the updated vision as part of a broader regional spatial framework and networked hierarchy of centres and towns.

3. Work with key agencies, communities and tourism operators to develop and promote local tourism packages to link the Roxby Downs Region more explicitly into The Explorers Way. Consider geo-tourism and other potential product/experience linkages.

4. Undertake a cost-benefit analysis and pre-feasibility study on options to re-align the Borefield Road to incorporate Andamooka.

5. Prepare a wayfinding strategy for the Roxby Downs Region as part of a broader Outback wayfinding strategy, with an emphasis on consistent, branded signage throughout the region.
In progressing these actions, cultivating collaborative partnerships will be key.

Continuing Collaborative Partnerships for Effective Implementation
Promoting economic growth and investment in the Roxby Downs Region requires both leadership and the formation of partnerships.

Using the Economic Growth and Investment Strategy as a plan of action, RDA Far North, the Outback Communities Authority and Roxby Council will take the lead, working together with other stakeholders to address opportunities for improved integrated planning and management concerning matters arising from the interface of natural resources management, economic development and community wellbeing.

To this end, the Economic Growth and Investment Strategy guides the efforts of RDA Far North, the OCA and Roxby Council to facilitate opportunities for investment to support long-term growth. Using the evidence presented in this report, it also supports the region's engagement with both State and Federal Governments on matters of significance.

ATTACHMENT B

9 March 2017

Fpa.sen@aph.gov.au

Dear Sir/Madam,

The operation, effectiveness, and consequences of the Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016

Please find attached a submission in regards to the above mentioned inquiry.

This submission represents the Far North SA region and takes into account the status quo, the worth of region, case studies and views of governance in remote Australia.

Yours sincerely

Claire Wiseman
Chief Executive Officer

SUBMISSION FOR THE OPERATIONS, EFFECTIVENESS, AND CONSEQUENCES OF THE PUBLIC GOVERNANCE, PERFORMANCE AND ACCOUNTABILITY (LOCATION OF CORPROATE COMMONWEALTH ENTITIES) ORDER 2016

The Far North SA Region

The Far North region of South Australia, as per Regional Development Australia Committee boundaries, covers approximately 80% of South Australia. The area has a land mass of just under 800,000km^2 with a population of [1]28,212 and incorporates the Anangu Pitjantjatjara Yankunytjatjara Lands. The region takes in the iconic Flinders Ranges and Outback region, popular and well visited tourism destinations in the State. The Flinders Ranges is also now recognised as a National Landscape.

The main townships in the region include (but are not limited to) Port Augusta, Quorn, Hawker, Leigh Creek, Copley, Lyndhurst, Marree, Innamincka, William Creek, Oodnadatta, Marla, Mintabie, Coober Pedy, Glendambo, Pimba, Woomera and Roxby Downs. Some of these remote townships are between 800 - 1,000 kilometres from Port Augusta, the largest city in the region (population of [1]13,985).

A region's comparative advantage can stem from various resources, such as its geographical location, availability of natural resources, the existence of industry clusters, access to infrastructure or the skill profile of the local population. These underlying attributes influence the types of economic activity that are likely to be successful. They also have implications for development initiatives, which are generally more effective where they build on an existing strength.

Introduction

It is worth noting that the information contained in this submission is not specific to the Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016 made by Mathias Cormann, Minister for Finance on 23 November 2016. It is in response to an invitation to submit received from Senator the Honourable Fiona Nash and the Honourable Barnaby Joyce MP. Ms Nash and Mr Joyce sought our submission based on providing regional information on the operation, effectiveness and consequences of relocating corporate Commonwealth entities, as well as the economic, environment and capability implications.

[2]Commonwealth Entities Currently in the Far North Region

The following Commonwealth Government Departments and Entities have a presence in the Far North region:

Non-corporate Commonwealth entity – commonwealth entity that is not a body corporate
Department of Defence (M, #)
- Cultana Training Facility

Department of Education and Training (M)

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[1] ABS Census Data, 2011

[2] Australian Government Department of Finance, Public Governance, Performance and Accountability Act 2013 (PGPA Act) Commonwealth entities and companies 1 July 2015. www.finance.gov.au/flipchart

- [3]Department for Education and Child Development – 18 schools (not including preschools, child care centres, occasional care centres or after school hours care) with 7,650 students (including School of the Air).

Department of Employment (M)

Australian Electoral Commission (M, #)

Department of Human Services (Centrelink and Medicare) (M)

Department of Infrastructure and Regional Development (M)

- Regional Development Australia Far North

Department of the Prime Minister and Cabinet (M)

- Department of Social Services (M)

Commonwealth Company – *Corporations Act 2001* company that the Commonwealth Controls

Outback Stores Pty Ltd (^)

- Mimili, Oak Valley and Yalata

[2](M – Material entities (comprising 99% of revenues, expenses, assets and liabilities of the total General Government Sector). All Departments of State are considered material in nature.

\# - Entities can engage officials under enabling legislation as well as *Public Service Act 1999*. These include Defence under the *Defence Act 1903,* the *Naval Defence Act 1920* and the *Air Force Act 1923.*

^ - Entities that do not engage staff under the Public Service Act 1999)

The total employment figures of these Commonwealth entities is unknown, however the contribution of these entities to the overall employment figures for the region is worth noting and taking into consideration.

The worth of the regions'

To understand why Commonwealth entities should be located in and service regional and remote Australia, we must consider the worth and contribution to the economy of these regions.

According to the Regional Australia Institute [4]regional Australia accounts for around 40% of national economic output and employees around one third of Australia's workforce. This is a significant contribution from sometimes very remote and sparsely populated areas. The regions house some of the largest contributors to that economy, those being mining and construction industries.

The challenge regional areas face is that often with economic data for Gross State Product/Gross Regional Product is it is counted in the area it where it was sold/shipped or final value added, not always in the region where it was originally produced. This is a challenge which frustrates many regional areas and regional researchers alike. Therefore, gauging the correct value add of regions to these end results is skewed and hard to accurately calculate.

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[3] Department for Education and Childhood Development, www.decd.sa.gov.au, 2015 site summary statistics

[4] The Economic Contribution of Regions to Australia's Prosperity, Regional Australia Institute, Talking Point

The Regional Australia Institute also state that [5]the co-operative development of joint regional level implementation structures has emerged as a preferred method for implementing change. Key examples of this now established preference include:

- Health and Hospital Networks and Medicare Locals
- Natural Resource Management Organisations
- Regional Development Australia Committees
- Indigenous Coordination Centres and Regional Operations Centres
- Enterprise Connect
- Job Service Providers.

However, whilst there has been some reform in the area of creating regional offices for these main Commonwealth Government services, keeping it at this current level will not benefit regions or regional populations in the long term. The provision of these services and more needs to be considered if regions are to continue to grow.

Regional Australia provides the electricity to power cities and urban areas, it's where the food is grown and sourced and its where the greatest wealth comes from in terms of major industries such as mining. Mining is undoubtedly the Far North region's dominant industry with 15 operating mines in South Australia, nine (9) of which are located in the Far North region and of the 34 developing projects, 18 of these are in the Far North region.

Industry Output and Value-Added

Economic modelling undertaken by SC Lennon and Associates in preparation of Economic Growth and Investment Strategies for the Outback Communities Authority and Roxby Downs Council shows the following gross revenue and value-added estimates:

- Outback Communities Authority – Gross Revenue = $4.4b with the regions mining sector accounting for over three quarters of economic output. Total value-added estimate = $1.7b, which is 55% of the total for the whole Far North region. The majority of the Outback Communities Authority region industry value-added is attributable to mining, which accounts for around three quarters (74%) of the regions total value-added.
- Roxby Downs - Gross Revenue = $1.2b with the regions mining sector accounting for over two thirds (70%) of economic output. Total value-added estimate = $400m, which is 13% of the total for the whole Far North region. The majority of the Outback Communities Authority region industry value-added is attributable to mining, which accounts for 60% of the regions total value-added.

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[5] Regional Australia Institute Submission, December 2013 Optimising regional investment: opportunities for reform, innovation and efficiency

The total estimated value of regional exports is as follows:
Outback Communities Authority - $3.6b (84% of the region's economic output) with mining the largest contributor with 85% of total export value comparted to 72% for the wider Far North region.

- Roxby Downs - $927.5m (77% of the region's economic output) with mining the largest contributor with 89% of total export value comparted to 72% for the wider Far North region.

There are many opportunities emerging in the region, particularly in the field of renewable energy generation, defence and intermodal transport hubs. Now is the time to build on and support these as best we can to ensure the long term viability of the regional economy, which in turn feeds into the State and Commonwealth economies.

Case Studies

[6]*"Accessibility to the APS is one indicator to gauge citizens' levels of satisfaction. Since the 1977 Coombs Commission, Australian citizens have expressed dissatisfaction with their level of access to Commonwealth public servants, about one-third of whom are based in Canberra. Citizens residing outside state capitals and in remote and rural areas are most likely to report this source of dissatisfaction, and calls to situate public services offices in rural areas are not uncommon."*

In 2003 the Western Australian Government initiated a program to roll all corporate services into one department, with the program being implemented in 2005. The amalgamation was to include 80 of the 150 government agencies corporate services such as payroll, human resources, finance and procurement with health, education and police-related agencies excluded from the program. The basis of this program was to centralise services. It was believed that the implementation of the program would result in $54 million/year savings, after an initial set-up cost of $82 million. As of 2011, 58 agencies and 37% of the public sector staff included in the review were transferred. However, due to massive cost blowouts, reported to be in the vicinity of $401 million, and with only minimal savings achieved the shared services review was decommissioned.

Another example of an unsuccessful attempt at centralising and sharing services was the Queensland Government's health payroll upgrade. With an original budget of $98 million and due for completion in July 2008, the project was the subject of a royal commission in 2013 and the cost to tax payers was estimated to be $1.2 billion by 2020.

South Australia also tried its hand at centralising services through a shared services arrangement which had a focus on Adelaide-based centralisation, with the announcement for the program being made in 2006. The original business case estimated that the implementation of the program would save $130 million over four years, offset by costs of $60 million over the same years. The 2006 budget promised savings of $60 million per year. In 2008 the project was already behind on its timeline as were its estimated savings, however, these were considered attainable over a longer period. In the 2009/10 financial year the project had suffered more delays which results in the expected savings being $43 million less, and an additional $8.3m required for implementation. At this stage the timeline was still unclear.

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[6] The State of the Australian Public Service – An alternative report, James Whelan, Centre for Policy Development, August 2011

There are several reason as to why these above examples have ultimately failed. The first could be seen to be that the Government's didn't learn lessons from the start and previously failed reforms and made the same mistakes again. Also, these were conducted at a State level therefore it could be seen that they may not have had the necessary Commonwealth backing and support needed to successful implement them. There is also the view that as Government agencies tend to work as individual organisations, attempting to bring some services together may highlight issues with them not having the same goals or issues. The reason for doing the reviews may also be an issue e.g. cost savings as the main focus when maybe a focus on service improvement should be considered a driver.

In December 2009, the Department of Human Services (which incorporates Medicare Australia, Centrelink, Child Support Agency, CSR Australia and Australian Hearing Services) looked at improving its service delivery by reforming areas such as the creation of single point access to a wider range of Government services with co-locating offices, taking services directly to Indigenous community and remote Australia through mobile offices and implementing a "tell us once" system. This reform has been successful. Why? It is believed that the reform had strong leadership and committed backing from the Government and its key staff which drove the reform. It also adds benefits to the end customer who now have a multi-agency access point, hence a focus on service improvement and delivery as a key driver, as mentioned above.

Remote Australia Governance

Many studies and research has been undertaken into the past, present, failings and successful governance models for remote or regional Australia.

In September [7]2012, Desert Knowledge Australia, through their RemoteFOCUS entity, produced a report entitled *Fixing the hole in Australia's Heartland: How Government needs to work in remote Australia*. Some poignant and relevant findings of this report are as follows:

- Remote Australia's diverse regions are confronted by common issues: issues globally familiar and presenting complex local challenges. They are common to regions where people reside remotely from centres of economic and political power but are facing rapid social and economic change. Whilst it is important to recognise the limited influence that public policy can have on some aspects of these issues, present governance arrangements which have developed incrementally over 20 years or more are not well attuned to the current circumstances and emerging trends in remote Australia. There are many potential ways of remedying these structural governance problems, but the more promising prospects involve greater degrees – and varying patterns – of community engagement and decentralised governance.
- The key outcome of the developing of new governance principles should be the creation of locally appropriate institutions that have sufficient authority, legitimacy and effectiveness to fulfil their functions. The current three-tiered system of government fails to do this adequately in remote Australia.

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[7] Fixing the hole in Australia's Heartland: How Government needs to work in remote Australia, Desert Knowledge Australia, RemoteFOCUS, September 2012 Dr Bruce Walker, Dr Douglas J Porter, Professor Ian Marsh

- What is required is an intense regional engagement around issues, needs, objectives, responsibilities and capabilities, and structures to develop new governance arrangements that meet the criteria outlined above. Such engagement across all sectors has to be mandated by political leadership in those sectors.
- A Desert Knowledge Australia remoteFOCUS workshop in November 2010 gathered a large and diverse group or community people and public servants from remote Australia to frame and refine eight key concerns that would have to be addressed in order to judge success of public sector governance reforms across remote Australia:
  - Key Concern 4: Sustained Long Term Investment in Local Communities and Institutions (Civil Society). Remote Australia is characterized by inadequate institutional capacity and governance arrangements that significantly undermine efforts to improve outcomes, delivery meaningful service and improve underlying conditions. Local communities, regions and institutions too often struggle to effectively engage with governments and with the issues that government is trying to tackle. Governments, likewise, too often do not have the capacity, capability, perspective or governance arrangements to effectively engage with the issues and with local communities and institutions.
  - Key Concern 5: Ensuring Continuity and Effectiveness of Public Servants Servicing Remote Australia. Public servants do not have attractive or rewarding career incentives to work in remote Australia. As a result remote Australia suffers from a chronically high turnover of public servants. Consequently little accumulated knowledge is retained in public institutions. There are few incentives to 'see through' specific initiatives and there is weak accountability for achieving tangible outcomes. The results is a fragmented unduly high cost and inconsistent interface between governments and remote citizens in which frustration erodes positive working relationships.
  - Key Concern 6: Closing the Gap between Intentions and Outcomes. Governments contract other institutions to deliver services in remote Australia. This model does not work. The transparency and accountability of the contracting process and the relationship between the service purchaser and provider plays a significant role in the ongoing difficulties in achieving effective service delivery and development of realistic and effective programs that address local needs and conditions. It also skews data and policy development.
  - Key Concern 7: A National Social and Economic Strategy for Remote Australia. There is not strategy, no considered development framework and, despite many successive attempts, little coordination amongst the tiers of government, the various jurisdictions or the people and communities that make up remote Australia.
- We demonstrate that governance arrangements are a threshold cause of policy failure. Centralised protocols and siloed departments undercut local responsiveness. Effective governance can ultimately be achieved with the active involvement of the affected citizens.
- Nonetheless, based on our review of experience of remote Australia, and global trends in how generically similar problems across a wide range of situations are being tackled, we feel that a higher degree or local autonomy – possibly including the creation of new authorities on a regional basis – will be required. If coupled with greater clarity and stability in the assignment of responsibilities amongst local, regional and higher level authorities and, crucially, adequate and predictable financing, this is likely to both improve the quality of outcomes and increase accountability for the achievement of those outcomes.

Whilst the above extracts relate to a study undertaken in 2012, the findings are still relevant to today. The people that know how our regions work, what the issues are, who to connect with regionally etc are based in our regions, not in capital cities. The people that work 'on the ground' have the knowledge and connections. This is evident when government departments that come to the regions to consult with residents and businesses do so through their regional counterparts or organisations, such as Regional Development Australia committees. If you want to know what our regions want....ask us. Only those that live and work in the regions can really tell you what is needed, what works well and what doesn't and what service they would like to see from government.

Regions and remote areas of Australia should have the same standard of service delivery as the metropolitan and urban based residents. In other words, they should be able to talk face to face with a Commonwealth Government/Department employee they require assistance from in the same way you can walk into an office in the city and do so.

There are some 180 Commonwealth entities and companies in total, with only approximately 4% of these having regional offices in the Far North SA region. Whilst the majority of Commonwealth entities and companies can be accessed via telephone or the internet, this in turn poses a problem for many in the remote and regional areas who do not have reliable access to phone lines or the internet. Creating more regional Commonwealth offices in the regions brings more employment options, which in turns lifts housing affordability and supports local small and medium business. It increases the population which also has flow on effects for schools and educational institutes. Whilst regional placement of staff may not save money, it may lead to increased efficiency and effectiveness as there will be a greater understanding of local delivery nuances.

Not only does it have all the economic benefits as mentioned above, but the regions offers safe and clean environments for families, easy access to schools and parks, affordable housing, no traffic jams, quiet and laid back lifestyles and a chance for residents to be part of supportive and thriving communities.

We invite and would welcome the Finance and Public Administration References Committee to visit the Far North Region and undertake a tour to provide an opportunity for further input via presentation to this submission.

[8]*There is a critical need for a different governance structure to be implemented for the Outback. A structure that is essentially one of support for the Outback, agreed to by the Australian people with implementation carried out at the regional or local level. This requires a structure that has the authority to focus solely on Outback Australia, to provide regional coordination and address the current imbalance at a cross jurisdictional level.*

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[8] Gavin, J. (2015) Outback Policy Paper. *The Future of Outback Australia*. Remarkable NRM