The impacts of resource sector growth in regional communities

stakeholder consultation and recommendations

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Regional Development *Australia*
FITZROY AND CENTRAL WEST INC

Regional Development *Australia*
MACKAY WHITSUNDAY

Regional Development *Australia*
WIDE BAY BURNETT

CQUniversity AUSTRALIA RESEARCH

Vision

Regional liveability is the key for sustainable resource communities

Project briefing statement

Strategic message

This study has emphasised that attention to liveability, family and social wellbeing; transport and development infrastructure; and workforce planning, skills and education is critical in responding to the growth of the resource sector.

A mix of options is needed in regional communities to help manage these cumulative and cross-regional effects.

Background

The performance of the resource sector in Queensland is a key driver for growth at the regional, state and national levels. In the past decade, the strong performance of this sector has provided significant opportunities for regional economic development. However, simultaneously, this cumulative growth has placed pressure on local communities, including their economies, environment, and social wellbeing. There have also been recent concerns about slowdown in resource sector activity, and the possible impacts of this on regional sustainability.

Regional Development Australia (RDA) is a partnership between the Australian, state and local governments to support the growth and development of Australia's regions. The project partners included RDA Mackay, Isaac and Whitsunday (MIW); Fitzroy and Central West (FCW); and Wide Bay Burnett (WBB), who have agreed to collaborate with each other in order to respond appropriately to the challenges and opportunities faced by their regions. The purpose of this study was to use a partnership approach between three Regional Development Australia entities and CQUniversity to better identify, understand and plan appropriate responses to issues relating to resource sector development in regional Queensland. Specific aims for the study included:

- To identify the ways in which RDA may assist their communities to deal with unintended impacts of resource sector development, especially through advocacy on the community's behalf;

- To identify the ways in which RDA may assist their communities to engage fully with the resource sector economy for maximum benefit;

- To determine to extent to which cross-regional clustering of RDA efforts across may be useful in helping these 'resource-communities' to respond to the challenges of resource growth; and

- To identify other ways to promote the role of RDA as a lead agency for advancing the regional Australia agenda, and to maximise their effectiveness.

Project work commenced in June 2012 and was pursued in three phases:

1. a desktop review to synthesize information on the impacts of rapid development in the resource sector, especially those that are cumulative and cross-regional in nature;

2. the development and deployment of an online survey instrument, used to collect information from key regional stakeholders regarding their priority areas of concern, and suggestions for cross-regional solutions; and

3. the development of recommendations and specific actions areas for the RDA cluster to pursue, including an attendant delivery plan and communication strategy.

This report should be read in conjunction with the companion document that provides detailed findings from the desktop review exercise[1].

1   Kinnear, S., Kabir, Z., Akbar, Z., and Greer, L., 2012, *Identifying and managing cross-regional responses to the cumulative impacts of resource sector growth – phase 1 report: desktop review*, prepared for Regional Development Australia, CQUniversity Australia, North Rockhampton.

Stage one: key findings from the desktop review

A comprehensive desktop review was conducted to document the known impacts of resource sector activity on the regional communities of MIW, FCW and WBB. The review was limited to publicly available information, with data being sourced from 58 research reports (including academic, community, industry and government studies), submissions to the Parliamentary Inquiry on fly-in, fly-out (FIFO) workforce practices , various regional planning instruments, as well as the prior work undertaken or commissioned by each of the three RDA committees. The review concentrated on information that was specifically relevant to the cumulative, regional and cross-regional impacts of rapid development in the resource sector within regional Queensland, with available data being grouped under a series of ten regional development themes:

1. Demographic and labour force shifts
2. Regional governance
3. Liveability, family and social wellbeing
4. Cultural aspects
5. Housing
6. Public health
7. Workforce planning, skills and education
8. Transport and development infrastructure
9. Water and Energy
10. Environment and natural resource management

This exercise demonstrated that the regional impacts associated with resource sector activity included those from the environmental, social and economic spheres. The impacts reported were predominantly negative ones; however, this may reflect the reality that most research studies and regional planning initiatives are focussed on identifying challenges rather than reporting on positive situations.

Examples of positive impacts included stimulation of regional population growth and regional supply chains, and employment creation. The review also included information about on-ground projects that were being undertaken in each region, where these were relevant to addressing the impacts of resource sector activity.

Overall, there was much less information available about possible impacts on the Wide-Bay Burnett region, compared with its northern neighbours: this is a likely reflection of WBB being only a recent entrant to the resource sector economy, and that the involvement (to date) has occurred largely through mobile workforce provision, rather than hosting of resource development sites.

The two key findings from the desktop review were that there is a vast diversity of impacts that are being experienced by regional communities, and that many of these are interlinked; yet there is a lack of empirical data about the precise nature and extent of many of these impacts. This lack of data has already been acknowledged as a key barrier in terms of formulating regional responses (either policy and/or on-ground programs)[2].

2   Commonwealth of Australia, 2013, *Cancer of the bush or salvation for our cities? Fly-in, fly-out and drive-in, drive-out workforce practices in Regional Australia*, Report by the House Standing Committee on Regional Australia of the Inquiry into the Use of Fly-In, Fly-Out (FIFO) workforce practices in regional Australia.

Stage two: key findings from the stakeholder consultation

The stakeholder consultation phase involved the development and delivery of an online survey, distributed to over 300 key regional stakeholders across regions of MIW, FCW and WBB in late 2012. A total of 108 respondents participated in the survey, with good representation across all three regions.

The survey was focussed on collecting information about perceptions and experiences around the impacts of resource sector development, using the same regional development themes as adopted in the desktop review.

The areas that were of the highest priority included:

- Liveability/wellbeing
- Housing
- Transport and development infrastructure
- Workforce planning

The areas that were of least priority included:

- Indigenous issues
- Governance
- Water and energy supply

However, the overlap across many of the themes must also be acknowledged; for example, many stakeholders noted that the cumulative impacts across items such as infrastructure, health and housing each combined to create poor outcomes in terms of overall liveability.

Overall, participants indicated that the region's current regional development performance were:

Best in the areas of:

- environment
- governance
- demography

Worst in the areas of:

- housing
- transport and development infrastructure
- workforce planning

Based on the survey responses, stakeholders appeared to agree that collaboration was of high value; and that business participation was important in further dialogue and/or solution seeking about regional impacts. Meanwhile, respondents disagreed that 'investment in infrastructure is the best way to solve impacts', in the context that other options, or a mixture of options, may instead being preferable.

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The regional stakeholders supported a mix of actions by RDA in responding to the challenges of resource sector growth. The most popular options included on-ground activities in the areas of public health, liveability and housing; and investment in the areas of infrastructure, Indigenous issues and water and energy. This contrasts with historical data that shows that applications for the Regional Development Australia Fund (RDAF) in the three regions have been heavily focused on community infrastructure, and less so in those areas that the community indicated as important to them.

The least support was given for policy change and/ or stakeholder workshops: however, this contrasted with responses collected from participants in the later stages of the survey, which were heavily populated by ideas about policy change as a key solution to many regional challenges.

Participants consistently rated state and local Government as key players in regional development. Generally, participants cited communication, engagement and collaboration as the key role for RDA, combined with advocacy, and – to some extent – direct funding of regional initiatives. However, many respondents also indicated concerns about visibility and resourcing of RDA and the need to clarify its roles, responsibilities and capabilities.

The open-ended response component of the survey yielded a rich source of information about the challenges and opportunities across the three regions. Stakeholders were able to articulate a range of issues – particularly in the areas of liveability, housing, transport and workforce planning – ranging from the specific (e.g., loss of a particular officer or support program) to broad structural issues (e.g., wage disparities, skills shortages and fragmentation of the community).

In agreement with the desktop review, many of the impacts that were cited from resource sector development were negative, with comparatively few positive impacts being identified. It was also noted that impacts could flow from both the peak periods of resource sector activity, as well as the (more recent) downturn being experienced in some communities. Also, it was evident that the experiences of the Wide Bay Burnett region contrasted with those of its northern neighbours (MIW, FCW) in many cases.

A large number of solutions were put forward by the community as ways for RDA (and others) to help regions respond better to the challenges of resource sector activity. It is important to note that the 'solutions' presented in this document are entirely based on the participants' own responses; with no assessment in terms of the validity, feasibility or effectiveness of any particular 'solution', from either the RDAs or CQUniversity's perspective. However, to refine the large body of material that had been contributed, the ideas were grouped into the six categories of:

1. Areas for policy development and/or reform

2. Key investment areas

3. Leadership, collaboration and innovation

4. Research, monitoring and evaluation areas

5. Education, extension and engagement; and

6. On-ground initiatives.

Policy reform was consistently the largest grouping across the ten themes; and the suggestions here included those relevant for the three tiers of government as well as for practice change in industry. On-ground programs and regional investment were also strong categories, although this varied by theme.

Stage three: responding to the impacts of resource growth: recommendations for RDA

Following the desktop review and stakeholder consultation exercises, a series of recommendations were developed for (and by) the participating RDAs, being mindful of the common issues shared by all three regions, as well as their individual and unique circumstances. In order to discern the best ways to leverage effort across all thee partner regions, this exercise required a careful consideration of the existing operating context and resourcing of RDAs; as well as strategic alignment with current government policy (where possible).

The latter acknowledged the recommendations already presented in the Commonwealth Inquiry into FIFO workforce practices. The development of the recommendations was targeted to cross-regional, collaborative efforts by the RDAs. It was also strongly focussed on responding to the cues given by stakeholders in terms of the priority areas for actioning, with these being (in order of importance):

- Liveability, family and social wellbeing (including affordable housing);
- Transport and development infrastructure; and
- Workforce planning, skills and education.

Where possible, the recommendations were also framed around the six 'solution areas' that were indicated as desirable by the regional stakeholders. In total, thirteen recommendations arose from the study, with some being specific for the RDAs of MIW, FCW and WBB; some directed towards a broader group of RDAs in regions servicing the resource sector, and others being applicable for RDAs nationally.

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In order of appearance in the report, these recommendations are:

Taking a collaborative and cross-regional approach

Recommendation 1: that a network of RDAs from regions that service the resource sector should be formed (e.g., to create a 'resource sector cluster') to share knowledge and best practice with respect to seeking collaborative solutions that address the regional development issues associated with resource sector growth.

Involvement in policy development and/or reform

Recommendation 2: that RDA have an increased role in Australian and state policy development; including being involved in generating the evidence base, increasing awareness about policy positions, and bringing forward ideas for policy reform that better meets the needs of regions that service the resource sector.

Recommendation 3: that the RDA resource sector cluster spearhead a debate about the different kinds of regions that are engaged, or wish to engage, with the resources sector, and the positive and negative impacts that resource sector growth will have on each. In particular, there is a need to ensure that policy decisions and investment flows properly consider the implications for regions that host operations, as well as those that provide mobile workforces.

Facilitating key investment

Recommendation 4: that consideration be given to the structure and/or application process of the RDAF mechanism, and/or programmes of similar nature, to ensure that the applications received through this programme better reflect the preferences of regional stakeholders in terms of infrastructure investment, and encourage cross-regional collaboration and innovation where possible.

Recommendation 5: that the RDA resource sector cluster work closely with the three tiers of government and the private sector, to develop a more strategically planned approach to delivering social and community infrastructure that aligns with regional priorities.

Leadership, collaboration and innovation

Recommendation 6: there is a need to map, contrast and compare the expectations of the Federal and State Government, the RDA Committees, and the community with respect to the role and deliverables of RDAs, with the objective of clarifying the role of RDA as a lead agency on regional issues.

Research, monitoring and evaluation

Recommendation 7: RDAs should be provided with direct support from the Australian and State offices responsible for collecting, collating and/or analysing statistical information about resource sector activity and socio-demographic and socio-economic trends in regional Australia.

Recommendation 8: RDAs should play a strong role in encouraging and facilitating research on regional issues, by drawing on their local knowledge to help identify regional research gaps.

Education, extension and engagement

Recommendation 9: that the RDA resource-region cluster conducts regular consultation in order to generate longitudinal information on the issues, challenges and trends associated with resource-sector growth. This should be undertaken in a manner that is as inclusive as possible, but which also respects the risk of over-consultation in some regions.

Recommendation 10: RDAs in MIW, FCW and WBB should continue to focus on partnerships with local government (including Regional Organisations of Councils) as the preferred method of tackling regional agendas, and to help create an effective interface with the community.

Recommendation 11: there is a need for RDA in MIW, FCW and WBB to build closer partnerships with business and industry in creating solutions to the impacts of resource sector growth, particularly with respect to transport and development infrastructure.

On-ground initiatives

Recommendation 12: the resource-sector cluster of RDAs in MIW, FCW and WBB should focus its efforts into those areas that are ranked as high priority by regional stakeholders. In 2013, these comprise:

a. Liveability, family and social wellbeing issues (including affordable housing)

b. Transport and development infrastructure; and

c. Workforce planning, skilling and education.

Examples of specific actions under each of these priority themes are described more fully in Tables 6 and 7 of the report.

Recommendation 13: The RDA resource sector cluster should develop a methodology and/or best practice for capturing and testing solutions put forward by the community, regarding ways in which to reduce impacts and maximise the benefits of resource sector development in regional Australia.

Next steps

The study has emphasised that attention to liveability, family and social wellbeing; transport and development infrastructure; and workforce planning, skills and education is critical in responding to the growth of the resource sector. A mix of options is needed in regional communities to help manage these cumulative and cross-regional effects.

Action 1: We will review their Roadmaps and identify deliverables in their business plans that will progress the recommendations of this report.

Action 2: We will meet with Australian and State governments specifically to discuss the strategic role of RDAs, and the public's perception of the work of RDA.

Action 3: We will meet with Australian and State governments to communicate the project results and determine what responses will be necessary in each of the key portfolio areas.

Action 4: We will prepare Terms of Reference for an RDA resource-sector cluster and identify who will be invited to join.

Action 5: To establish a 'place-based' strategy for the three RDA regions of MIW, FCW and WBB.

In the first instance, the RDAs involved in this study intend for the recommendations to be actioned through the 2012-13 annual revision of their Regional Roadmap and business planning documents.

However, the recommendations arising from the report are expansive, and their implementation is likely to require a review of the RDAs roles and responsibilities, including how the committees are resourced.
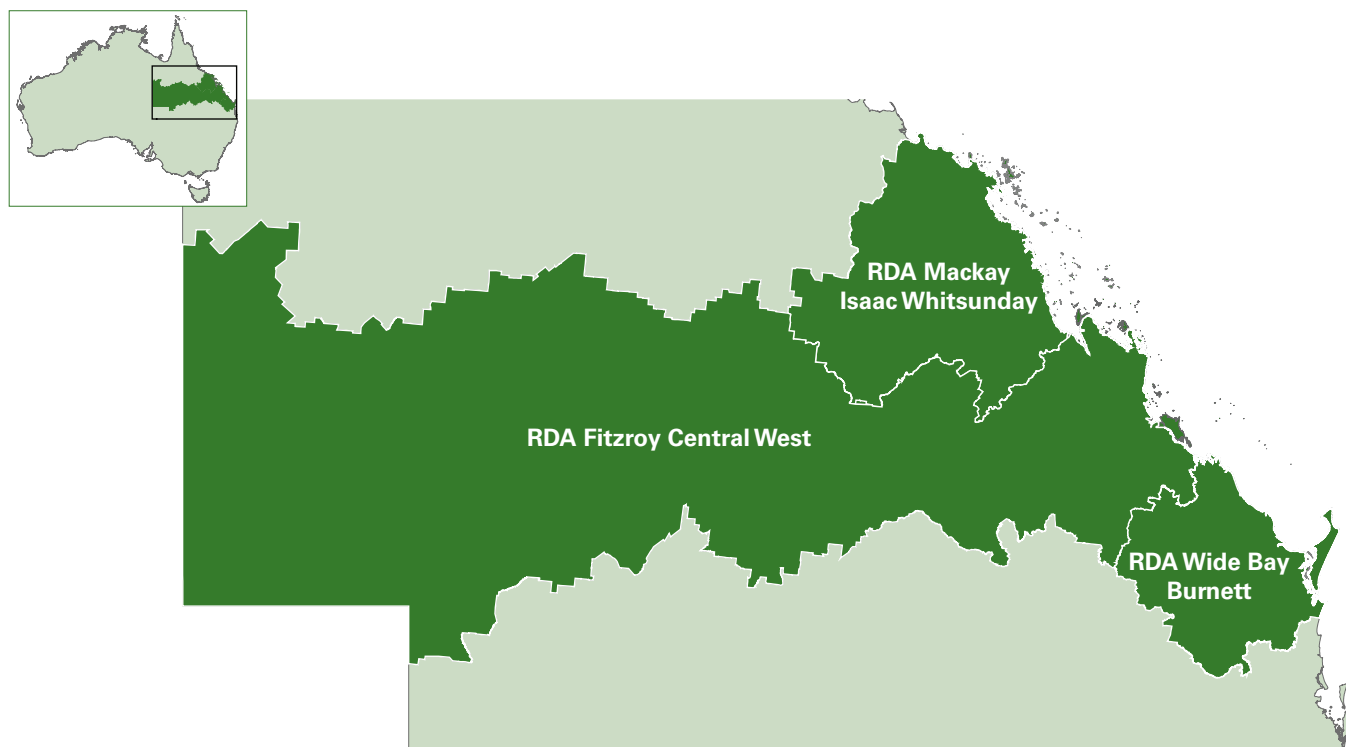
Furthermore, the participant RDAs are also determined that the study be used to establish spirited dialogue with the three tiers of government and industry, regarding how each group plans to work with RDA in order to pursue more sustainable outcomes for the regional communities that service the resource sector in Queensland.

Finally, an invitation will be extended through the national RDA network to join a 'resource-sector cluster' that will focus on reducing the impacts of, and maximising the benefits of, the resource sector in regional Australia.

Future development of the 'place-based' strategy of 'strengthening the social fabric of resource communities through liveability'.

Nicole Duguid
Chief Executive Officer

RDA Mackay Whitsunday Inc.

Level 1, Post Office Square
73 Sydney Street
PO Box 1877 Mackay Q 4740

T   07 4967 0727
M 0437 002 492

E   ceo@rdamackaywhitsunday.org.au

Rees Banks
Executive Officer

RDA Fitzroy and Central West

25 Yeppoon Road Parkhurst
PO Box 307
Rockhampton Q 4700

T   07 4923 6217
M 0429 159 308

E   eo@rdafcw.com.au

Paul Massingham
Executive Officer

RDA Wide Bay Burnett Inc.

Ground Floor
Brendan Hansen Building
50 – 54 Main Street Pialba
PO Box 1045 Hervey Bay Q 4655

T   07 4125 9272

E   paul@rdawidebayburnett.org.au