

Strategic Analysis Paper

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Future Directions for Northern Australia: Research Process

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Objective

The purpose of this Strategic Analysis Paper (SAP) is to describe the process of research and analysis required to answer the future directions of Northern Australia scoping question.

Scoping Question:

The scoping question confirmed by the Future Directions International (FDI) Board, is as follows:

Do known and possible changing global, regional and domestic conditions over the coming decades require Australia to consider its options in relation to the continent's northern regions through a process that evaluates challenges and opportunities?

The Research Process:

Northern Australia covers a broad field of research areas and elements of methodologies from various disciplines, such as political science, econometrics, intelligence and maritime studies. The SAP will use empirical data from official sources, as well as primary and secondary material, to produce an intelligence-related product. The strategic analysis of information¹ against each research task will produce a series of SAPs that forecast the future direction of Northern Australia's various challenges and opportunities.

The research process will broadly incorporate aspects of the intelligence cycle², and systematically address the following components:

1. Research tasks;
2. Literature review;
3. Methodology;
4. Data collection and collation;
5. Analysis;
6. Product and dissemination; and
7. Feedback and review.

¹ Charles Vandeppeer, "Addressing the Challenge of the Unknown", Journal of the Australian Institute of Professional Intelligence Officers, vol. 15, no. 1, 2007, p. 44. Information is defined as "data that contains meaning".

² Jerry Ratcliffe, "The Structure of strategic thinking", in *Strategic Thinking in Criminal Intelligence*, Jerry Ratcliffe (ed.), Sydney, Federation Press, 2007, pp. 4-7.

To answer the research question, four main elements have been identified:

- Defining the geographical region that encompasses “Northern Australia”³ and considering Australia’s options in this region;
- The factors that must be considered in determining possible global, regional and national change;
- The challenges in developing Northern Australia; and
- The potential opportunities in developing this region.

Within these underlying elements, there are six major factors which will be researched: security and geo-strategic issues; governance; population; resources; environment; and tourism. Within each of these factors are a series of research tasks. The purpose of studying the various research tasks is to understand the challenges that face Northern Australia and identify possible solutions. A SAP will be produced for each of the identified research tasks listed below.

1. Research tasks:

Security and geo-strategic issues:

- What are the national, regional and global circumstances most likely to affect the security of Northern Australia? What forms might they take and what would be the optimal Australian responses?
 - Are there any regional issues that could impact positively or negatively on Northern Australia?
 - Does Jemaah Islamiyah, or any other regional based group, pose a threat to Northern Australia?
 - What transnational threats do organised criminal groups have on law and order across Northern Australia?
 - What, if any, threats exist to off-shore critical infrastructure energy projects, such as oil and gas facilities?
 - Is there any potential for significant population movement towards Northern Australia?
 - Is there any potential for territorial or other competing claims, particularly in relation to mineral, energy and fishery developments?
 - Are there any potential challenges and opportunities with regard to Australia’s external territories?
 - Are there any political, economic or military factors, including force modernisation that could change the regional status quo?
 - What, if any, maritime threats exist to Australia’s regional sea lines of communication?

³ In regards to the definition of Northern Australia, the Australian Government’s Bureau of Infrastructure, Transport and Regional Economics includes the region in Western Australia which is above the latitude of 26 degrees south. This region, when referring to the Australian mainland component of Northern Australia, will therefore be included in the broader definition of what constitutes “Northern Australia”.

Governance:

- What governance structure(s) would best allow Northern Australia to realise its full economic and social potential?
 - Can the current institutional arrangements of the Northern Territory Government provide the most effective governance model for its citizens to capitalise on regional opportunities or does statehood provide a better option?
 - Does there need to be a new electoral system developed that delivers better representation for people living in Northern Australia?
 - What are the strategic implications if the Council of Australian Governments (COAG) “Closing the Gap” Targets for Indigenous Australians in Northern Australia are not met?

Population:

- What are the key population issues facing Northern Australia and how could they be addressed to benefit individuals, industry and the national interest?
 - What are Northern Australia’s current population statistics and its projected growth rates?
 - Is there likely to be an indigenously-based skilled workforce in Northern Australia to support major economic development projects?
 - Will increases in the population growth rates of countries in the Northern Australia region mean increased transnational population movements?

Resources:

- What is the future potential of the resources sector⁴ (present and future) in Northern Australia and how can it be realised? What are the principal challenges and opportunities for this sector?
 - Does the various land ownership arrangements in Northern Australia produce barriers to economic participation and development?
 - Is Liquefied Natural Gas (LNG) set to gain greater strategic significance in Northern Australia by becoming the region’s major energy export product?
 - Will the increased exploration and mining of uranium in Northern Australia contribute to a changed international relations environment?

Environment:

- What are the current and future key environmental factors affecting Northern Australia and what might be the best methods of addressing them? In terms of governance, legal and regulatory practices, is there a better means of managing the environment than the present system?

⁴ This SAP defines “resources” to include not just minerals, oil and gas, but primary industries (e.g. agriculture, livestock, fisheries, forestry, etc.) and water.

- What impact could climate change have in the movement of people across Northern Australia as “environmental refugees”?
- Which Australian industries are likely to have their profits most affected by climate change?
- What will be the outcomes for the region if pandemic preparedness plans do not mitigate risk?
- What bio-security risks does Australia face?

Tourism:

- What are the best options for expanding the tourism industry across the north so as to maximise opportunities for all Northern Australians, both indigenous and non-indigenous? What are the key markets for an expanded tourist industry?
 - Will development across Northern Australia, such as in the Kimberley region, have an adverse effect on the tourism potential of the region?

2. Literature review:

The literature review will access a variety of sources, including print and electronic media outlets, publications and reports by stakeholders, trade magazines, and academic journals. Databases such as ProQuest will be used to assist in sourcing and evaluating the content from selected publications and e-journals. Regional studies and international reports from multilateral forums and non-government organisations will be sourced via websites and e-libraries. Australian State, Territory and Federal Government agencies with direct portfolio responsibility to those factors relating to Northern Australia will be identified. From that, the various Australian Government (State, Territory and Federal) policies and announcements, judicial inquiries, parliamentary debates, inquiries and committee reports (e.g. joint / standing and select committees) will inform the research process. Additionally, the literature review will consider publications from Australian political parties and stakeholders such as Indigenous land councils, industry and commerce councils, primary industry sector, as well as bilateral business councils (e.g. Australia-Indonesia Business Council).

3. Methodology:

The purpose of a Northern Australia SAP is to disseminate products that contain an element which can be defined as providing forecasting, or an “estimative intelligence” value (i.e. what could occur?). Estimative intelligence “is that which provides forward looking assessment and predictive judgments, and attempts to project probable future developments”⁵ and by including environmental and stakeholder analysis, the SAP will present the key drivers of change, and what their future implications are. Accordingly, each research task will also seek to determine what the future possibilities are for Northern Australia, over the medium- to long-term.

⁵ Neil Quarmby, “Futures work in strategic criminal intelligence” in *Strategic Thinking in Criminal Intelligence*, Jerry Ratcliffe (ed.), Sydney, Federation Press, 2007, p. 131.

Possible analytical models for future scenarios:

3.1 Political, Economic, Sociological, Technology, Environmental, Legal (PESTEL):

This analytical method examines external factors that may affect an issue, either now or in the future. These identified factors can be viewed either positively or negatively. All six parts of this analytical approach can be applied to all the factors or specific research tasks. This can show the likely effects of each of the problems.

3.2 “What if Analysis” (WIA):

The benefit of this type of analysis is that WIA is future focused and provides a forecasting capability, with a systemic collection and analytical process. Also, “indicators are types of events that may confirm or deny the selection of a particular course of action. Indications are actual events that are likely to occur given the selection of a particular course of action.”⁶

This tool assists the analyst to make sense and understand complex situations, looking out to those possible scenarios, and from that, investigating the likely implications. This approach looks at a particular aspect of the future and tries to determine what the key drivers of change may lead to such outcomes. However, it must be noted that such an approach is not about predicting the future. Rather it is about delivering estimation on factors which have long-term consequences for the future.

3.3 Country risk analysis:

Country risk analysis is based on changes and imbalances to a state’s political, economic and/or social factors which can increase the risk in a shortfall in the expected return on an investment. These SAPs will employ a combination of qualitative and quantitative analysis measures in the application of country risk analysis.

This approach is used by many organisations as recognition that any analysis requires minimising mathematical errors (via the application of standard proxies such as using US interest rate levels as a general proxy for global monetary conditions) and/or analyst bias.⁷

Country risk analysis will be the analytical tool to assist in determining those political, economic and social factors in nation-states that occupy a place in the region defined as Northern Australia. Those states which will be assessed are Indonesia, Democratic Republic of East Timor, Papua New Guinea, Solomon Islands and Vanuatu, as well as the self-governing territory of France, New Caledonia.

Where required, SAPs will seek comment, direction and advice from FDI Associates and fellow FDI research members. These FDI-affiliated members may on occasion assist in the proofing and critiquing of the research process.

⁶ Brett Pepler, “Making Sense of Information”, Australian Institute of Professional Intelligence Officers 2007 Workshop, Hobart, 17 October 2009.

⁷ R. Scott Rodgers, “Improving Analysis: Dealing with information processing errors”, *International Journal of Intelligence and Counter-Intelligence*, vol. 19, 2006, pp. 622-641. Assessments and information gathered from numerous sources provide the base from which an analyst makes initial judgments. Recognising that there are many factors which influence the crafting of assessments, and to improve estimation, those factors must be recognised to reduce errors and bias.

4. Data collection and collation:

The capture of data and information will be done systematically and collated for analysis against an identified research task. All sources will be evaluated to ensure that the information collected is credible and reliable. Also, all information collected will give appropriate examples and case studies to an identified research task, provide information that can be challenged, as well as support or refute a particular view.

5. Analysis:

The aforementioned analytical models for future scenarios will provide the structured and theoretical framework in which the strategic analysis of the research tasks will be conducted. Strategic analysis will also provide an informed and critical understanding of Northern Australia's evolving strategic environment.

6. Product and dissemination:

The primary product which FDI will release its work on Northern Australia will be via the SAP and may even lead to the publication of Occasional Papers. Issues identified during the research process from the various research tasks will appear in the *Strategic Weekly Analysis*. Also, FDI may in time produce a Landmark Study once all the research issues have been identified and addressed.

7. Feedback and review:

A consultation register will list the individuals, organisations and stakeholders consulted during the research process. This register will also assist in the dissemination of the SAP and other FDI products relating to the future directions of Northern Australia.

Each SAP will be assessed against a yet to be determined set of criteria that could rate the product's effectiveness. The criteria could include a rating scale that measures whether a client believes that the SAP contributed to their field of endeavour, or contributed to influencing public debate on the future of Northern Australia's challenges and opportunities.