Regional Capitals Australia
Inquiry into Regional Australia Briefing Paper

Purpose

This briefing document has been prepared for Regional Capitals Australia Chair, Mayor Shane Van Styn, ahead of the presentation to the hearing for the Inquiry into regional Australia. This document includes an introduction script as well as a breakdown of the key sections of RCA's submission to the inquiry including key points and recommendations.

Hearing Structure
- Section 1 – RCA Chair to provide 5 min introductory statement
- Section 2 – Committee to undertake Q&A on RCA submission

Meeting details

Time: 11am – 12pm
Date: Thursday 30 July 2020
Location: Teleconference
        Number: 1800 173 224
        Passcode: 2849852#
Contact: Caroline Spencer - 0447 450 413

Committee Members
Members who will be in attendance have been bolded

- **Mr Tony Pasin MP – Chair (Liberal Party of Australia, Barker SA)**
- **Ms Meryl Swanson MP – Deputy Chair (Labor Party, Paterson NSW)**
- **Mrs Bridget Archer MP (Liberal Party of Australia, Bass TAS)**
- Ms Lisa Chesters MP (Labor Party, Bendigo VIC)
- **Hon Jason Clare MP (Labor Party, Blaxland NSW)**
- **Hon Damian Drum MP (The Nationals, Nicholls VIC)**
- **Hon Dr David Gillespie MP (The Nationals, Lyne NSW)**
- Dr Helen Haines MP (Independent, Indi VIC)
- Hon Barnaby Joyce MP (The Nationals, New England NSW)
- Mr Phillip Thompson OAM MP (Liberal National Party of Queensland, Herbert QLD)
- Mr Josh Wilson MP (Labor Party, Fremantle WA)
- Mr Rick Wilson MP (Liberal Party of Australia, O'Connor WA)

Section 1 - Introduction

The Hearing will open with RCA Chair, Mayor Shane Van Styn to provide a short introduction – approximately 2.5 minutes (5 minutes Max). The below outlines the key points to be included in the introduction:
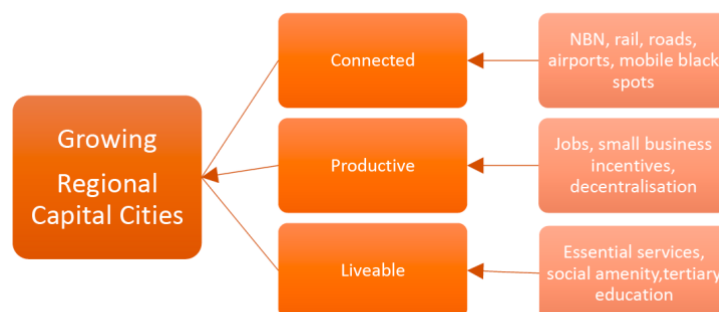
- **Formed:** Regional Capitals Australia was formed in 2012 to represent the interests of Australia's 51 regional capital cities.

- **Capital city role:** Regional capital cities perform a 'capital city' role within their regions, providing a central point of access to essential services, commerce, employment and education.

- **Service centre:** These services are accessed by the near four million local residents as well as another near four million in surrounding towns and rural areas.

- **Liveable alternative:** Regional capital cities also provide a liveable alternative to people and businesses wishing to escape Australia's congested metropolitan cities.

- **Economic activity**: Every year regional capital cities generate $225 billion, or more than 16 per cent of national economic activity.

- **Growth agenda**: All RCA members have a growth agenda and stand ready to ensure a growing Australia means a stronger and more equitable regional Australia.

- **Objective:** Our objective is to ensure the needs of growing regional cities are reflected in national policy and funding priorities.

RCA's vision is to grow regional capital cities that are:

1. **Strong service centres**
2. **Easing the metropolitan congestion**
3. **An affordable alternative**

To **achieve this vision** we must continue to build regional capital cities that are:

Thank you for your time and for inviting us to this present at this hearing. We welcome any questions you may have.

Section 2 – Committee Q&A

Following the introduction the Question and Answer section will begin. The Committee will ask questions in relation to RCA's submission to the enquiry.

The below outlines the key sections of the Regional Capitals Australia submission to the Inquiry into regional Australia, highlighting key points and recommendations. A summary of recommendations has also been provided at the end of this document. The full submission is also attached for further, more detailed information.

Population Growth

Top three messages:
- **Growing regional cities** will ease the metropolitan population squeeze, while also increasing the quality of life for those in the country.
- **Long-term population planning** with successive government commitment is essential.
- **National regional living campaign** that promotes the many benefits of living in a regional capital city.

RCA Recommendations
1. Ensure the Australian Government maintains an increasing and ongoing commitment to regional migration; and
2. The government commit to a regional living campaign that promotes the many benefits of living in a regional capital city.

The Hub and Spoke Model of Regional Development

Top three messages:
- **Service Centre:** Regional capitals play a capital city role in the region, providing a central point within regions, facilitating access to essential infrastructure, services, business, employment and education.
- **Regional benefits**: Smaller rural towns (spokes) benefit from strong regional capitals (hubs).
- **Investment Hub and Spoke**: investing in the hub and spoke model of regional development will support growing regions and assist in addressing the declining trends of smaller rural towns.

Addressing a 100 year trend

The Australian Government mapped the change that has occurred in Australian cities, towns and rural areas over the last 100 years. The three key finding are:

1. Regional cities have been growing for 100 years;
2. People want to live in a city environment;
3. As service centres to the broader region, regional cities have the ability to address the decline of rural towns through the Hub and Spoke Model.

Addressing regional decline through Hubs and Spokes

RCA partnered with the Regional Australia Institute (RAI) to map the hub and spoke networks in regions.

The outcome of this work is a report titled: ***Regional City Hubs and Hinterland Spokes: A national network supporting Australia's regional development. There were two clear finding:***

1. Hub and Spoke Networks comprise of two important areas:
   - Structural: physical infrastructure connections such as road and rail; and
   - Functional: role and service connections such as health or education.
2. The strength of the regional capital city affects the whole region:

- Smaller rural towns <u>with higher ranked</u> access to services and infrastructure are located in a region where the <u>regional capital city also had a higher level</u> of, service and infrastructure; and
- Smaller rural towns with low ranked access to services and infrastructure are located in a region, where the regional capital city also had a lower level of service and infrastructure.

RCA Recommendation
1. Further investigate the mapping of the service 'hub' role of all regional capital cities as a matter of priority; and
2. Use this information to plan create a regional development framework for investment and new policy initiatives.

Regional Capital Cities In Urban Policy

<u>Potential of Regional Capital Cities</u>

Top three messages:
- **Regional capital cities are growing** due to the service hub and amenity role the city plays within their region.
- **Government planning:** Cross portfolio planning is required to support growth through strategic investment in infrastructure etc.
- **Scalability**: The ability to scale the services and infrastructure in these cities, rather than beginning from scratch in greenfield outer suburban areas should not be under estimated in a time when a slowing economy is so reliant on population growth.

<u>Does the Size of a City Matter?</u>

- In the urban / cities portfolio some larger regional (often satellite cities) are accounted for (e.g. Ballarat, Bendigo, Geelong)
- Plan for the development of smaller regional capital cities does not exist.
- Regional city size <u>is not indicative of its success</u>
- Government policies should not only focus on the largest cities, smaller regional cities are also socially and economically important to the nation but also to regions themselves.

Missing analyses Regional Capital Cities
- Data often groups regions together, this is not conducive to understanding important trends within those regions.
- Proper planning for the future of all regional capital cities <u>requires specific analysis of all cities,</u> and <u>not just as part of a wider regional analysis.</u>

<u>Infrastructure Australia (IA) 2019 Audit Report</u>

This report was the first time IA looked at regional cities. It found **three key points**:

1. Regional cities are great places to live because of their culture, unique histories and identities; however
2. There are ongoing risks to these cities because jobs in regional cities are generally based on the <u>success of a small number of sectors</u>; and
3. The 'challenges' and 'opportunities' identified for regional capital cities are a <u>legacy of the patchy nature in which regional cities have been planned for and developed.</u>

RCA Recommendation

The Committee seek to highlight the importance of prioritising the delivery of the Government's regional city stream of City Deals to Regional Capital Cities by requesting the Government:

1. Increase the number of regional cities to be measured under the National Cities Performance Framework to 51 – to align with the objectives of the Smart Cities Plan and to enable regional city deals to be measured;
2. Develop a specific dataset measuring performance in all regional capital cities (of varying populations).

Regional and City Deals

Top messages

- **Partnership - Regional Deals** create the opportunity for partnership between the three levels of government, the private sector and the community to work towards a shared vision for productive, connected and liveable cities.
- **Aligning planning and investment:** Regional Deals stimulate prosperity and increase the liveability of regional capital cities by aligning planning, investment and the governance to accelerate growth and job creation, stimulate urban renewal and drive economic reforms.

RCA Recommendation

1. Assign appropriate funding for the Department of Regional Development, Infrastructure and Cities to design a process to allow for the next round of Regional and Regional City Deals; and
2. Use the $2 Billion Building Better Regions / Regional Growth Fund as a source of funding for the federal component of any Regional / Regional City Deals.

Investment Priorities

Connected Regional Capital Cites

Top three messages:

- **Physical connectivity:** road, rail and air connectivity is critical for people and businesses to access national and international markets and travel.
- **Digital connectivity**: The rapid acceleration of business being conducted digitally requires regional capital cities to have access to the same level of digital connectivity as their metro counterparts.

National Broadband Network (NBN) Recommendations

1. Prioritise regional capital cities in the roll-out of the National Broadband Network continues;
2. Prioritise the investment of Full Fibre to the Premise in regional capital cities; and
3. Undertake an annual review of the quality of broadband service across regional capital cities to establish connectivity gaps.

Regional Rail Recommendations

1. $100 million (over four years) in additional funding to support the development of regional city rail connectivity projects under "faster-rail" program; and
2. Prioritisation of regional capital city faster rail projects under the National Rail Program.

Regional Roads Recommendations

1. Increase investment to upgrade roads and construction in regional capital cities, particularly for regional capital cities where a hub and spoke effect enables inter-regional employment opportunities; and
2. Increase the flexibility of available funding in road programs to develop feasibility studies and business cases that will allow for potential upgrades of roads between regional capital cities.

Regional Airports Recommendations

1. Provide recurrent funding for the newly established regional airport fund to ensure that regional airports can be upgraded and maintained and guarantee the sustainability of the regional aviation network; and
2. Providing increased flexibility for programs like the Building Better Regions Fund to include funding for feasibility studies and business case development to allow regional airports to diversify their operations offering.

Mobile Blackspot Recommendations

1. Invest an additional $500 million over three years to enable the prioritisation of regional capital cities in the roll out of the Mobile Black Spot Program; and
2. Set aside funding for monitoring and evaluation post program rollout and a contingency of funding to undertake additional work as required.

Productive Regional Capital Cities

Top three messages

- **Agribusiness and resources**: Regional capital cities are the hubs through which the majority of Australia's agribusiness and resources exports move.
- **Employment centres:** They are employment centres for wider regional areas, where demand for service sectors is growing.
- **Decentralisation and private sector investment:** private sector decentralisation and investment incentives are critical to fostering the sustainable growth of regional cities.

Decentralisation Recommendations

1. Funding is allocated for an accelerated decentralisation program to enable the Australian Public Service to relocate staff to regional capital cities; and
2. Provide a teleworking budget for Commonwealth employees and set yearly targets for each Commonwealth department, corporate entity and statutory authority to offer teleworking opportunities for a percentage of its staff.

Business Incentives for Regional Investment Recommendations

3. Industry Innovation and Competitiveness Agenda – Industry Growth Centres funding is prioritised for regional capital cities; and
4. Implementing tax incentives for businesses that re/establish operations in regional capital cities.

Liveable Regional Capital Cities

Top three messages

- **Liveability:** Regional capital cities are rated highly for liveability; offering great lifestyle, short travel times, affordable housing and clean air.
- **Congestion-free alterative**: the liveability of regional capital cities offers an alternative for people and businesses seeking to escape congested metropolitan cities.
- **Investment in amenity:** To continue to build on the liveability of regional capital cities, greater investment is required in social amenity to ensure that our member cities can not only attract a mobile workforce but also retain these workers and their families.

Tertiary Education Recommendations

1. Restore the demand-driven student system for university places;
2. Provide ongoing funding for the Regional University Centres;
3. Provide more scholarship opportunities for regional students who study at regional campuses in order to cover the costs of education, accommodation and living expenses; and
4. Establish a fund that will allow the recommendations of the Regional Higher Education Expert Advisory committee to be delivered.

Generating Greater Social Amenity Recommendation

1. $2 Billion combined Building Better Regions and Regional Growth Fund (over 4 years) that will meet the various productive and liveability needs of regional Australia. This funding should:
    I.   Have flexible guidelines that target regional economic and population growth;
    II. Support the development of business cases;
    III. Serve as a funding mechanism for projects identified as part of any Regional Deals; and
    IV. Like the current Regional Growth Fund and Building Better Regions Fund be able to fund small projects up to $10 million and large projects of over $20 million.

Summary of Recommendations

Population Growth	1	Ensure the Australian Government maintains an increasing and ongoing commitment to regional migration to allow for the policy to achieve it's intended purpose.
	2	The government commit to a regional living campaign that promotes the many benefits of living in a regional capital city.
The Hub and Spoke Model	3	Further investigate the mapping of the service 'hub' role of all regional capital cities as a matter of priority.
	4	Use this information to plan and prioritise investments identified in the Government's development Regions 2030: Unlocking Opportunity Program and the Smart Cities – City Deals program.
National Urban Policy	5	Increase the number of regional cities to be measured under the National Cities Performance Framework to 51 – to align with the objectives of the Smart Cities Plan and to enable regional city deals to be measured.
	6	Develop a specific dataset measuring performance in all regional capital cities (of varying populations).
Regional and City Deals	7	Assign appropriate funding for the Department of Regional Development, Infrastructure and Cities to design a process to allow for the next round of Regional and Regional City Deals.
	8	Use the $2 Billion Building Better Regions / Regional Growth Fund as a source of funding for the federal component of any Regional / Regional City Deals.
National Broadband Network (NBN):	9	Prioritise regional capital cities for additional funding as the roll-out of the National Broadband Network continues.
	10	Prioritise the investment of Full Fibre to the Premise in regional capital cities.
	11	Undertake an annual review of quality of broadband service across Regional Capital Cities to establish connectivity gaps.
Rail Connectivity	12	$100 million (over four years) in additional funding to support the development of regional city rail connectivity projects under "faster-rail" program.

	13	Prioritisation of regional capital city faster rail projects under the National Rail Program.
Access by Roads	14	Increase investment to upgrade roads and construction in regional capital cities, particularly for regional capital cities where a hub and spoke effect enables inter-regional city employment opportunities.
	15	Increase the flexibility of available funding in road programs to develop feasibility studies and business cases that will allow for potential upgrades of roads between regional capital cities.
Regional Airports	16	Provide recurrent funding for the newly established regional airport fund to ensure that regional airports can be upgraded and maintained and guarantee the sustainability of the regional aviation network.
	17	Providing increased flexibility for programs like the Building Better Regions Fund to include funding for feasibility studies and business case development to allow regional airports to diversify their operations offering.
Mobile Black Spots	18	Invest an additional $500 million over three years to enable prioritisation of regional capital cities in the roll out of the Mobile Black Spot Program.
	19	Set aside funding for monitoring and evaluation post programme roll-out and a contingency of funding to undertake additional work as required.
Decentralisation	20	Funding is allocated for an accelerated decentralisation program to enable the Australian Public Service to relocate staff to regional capital cities.
	21	Provide a teleworking budget for Commonwealth employees and set yearly targets for each Commonwealth department corporate entity and statutory authority to offer teleworking opportunities for a percentage of its staff.
Business incentives	22	Industry Innovation and Competitiveness Agenda – Industry Growth Centres funding is prioritised for regional capital cities.
	23	Implementing tax incentives for businesses that re/establish operations in regional capital cities.
Tertiary education	24	Restore the demand-driven student system for university places.

	25	Provide ongoing funding for the Regional University Centres.
	26	Provide more scholarship opportunities for regional students who study at regional campuses in order to cover the costs of education, accommodation and living expenses.
	27	Establish a fund that will allow the recommendations of the Regional Higher Education Expert Advisory committee to be delivered.

Social Amenity	28	$2 Billion combined Building Better Regions and Regional Growth Fund (over 4 years) that will meet the various productive and liveability needs of regional Australia. This funding should:
		
		    I. Have flexible guidelines that target regional economic and population growth;
		    II. Support the development of business cases;
		    III. Serve as a funding mechanism for projects identified as part of any Regional Deals; and
		    IV. Like the current Regional Growth Fund and Building Better Regions Fund be able to fund small projects up to $10 million and large projects of over $20 million.