

## Response ID ANON-ZDMY-MTUC-W

Submitted to **A Stronger Tomorrow - Online Submission Form**

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### A little about you

#### What is your name?

**Name:**

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#### What is your email address?

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#### What is your organisation?

**Organisation:**

Regional Capitals Alliance Western Australia (RCAWA)

#### What sector do you represent?

Local Government, Regional representative, Other

**Other :**

Consultant

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No

**Upload:**

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No

### What does the COVID-19 pandemic mean for development of the State Infrastructure Strategy?

**1 What do you think the implications of the pandemic for infrastructure will be in the recovery phase, and over the medium and long-term? Do you see any new opportunities or challenges?**

**Impact C-19:**

The COVID-19 pandemic has had a significant impact on the Western Australian regions.

The Government's response has mitigated the operations impact of the State to a degree, especially in our mining, industrial and agriculture operations that supply the global economy. The recent home grown #wonderoutyonder WA tourism campaign has supported Western Australian's holidaying within the State which has been generally positive, but unlikely to fill the gap of inbound tourism.

Definitely there are many new opportunities. For example the State's Agriculture sector is ready to thrive in a post COVID-19 future adding "virus free" to its already "Clean Green" product.

As Western Australia continues to seek to grow its role and impact on the world economies continued investment and growth in opportunities for regional Western Australia will be critical. This will assist the regions remain attractive for migrants, capitalise on comparative and competitive advantages, and improve the standard of living for its residents.

The current global economic headwinds of COVID-19 pandemic, potential trade wars and the uncertainty of China's position in the world requires a Western Australian paradigm shift. Many layers of government and private enterprise, since COVID-19, have presented the requirement for Australia to quickly move from a 'harvest' mindset to an economy that is more reliant on secondary processing of our abundant natural resources.

It is the time to facilitate and fast track economic development opportunities through faster pre-feasibility studies, opportunity approvals and development beyond the WA Government current Recovery Plan. Those actions need to clear a path for private capital investment and create an appropriate regulatory environment for private capital to navigate the complexities and challenges of approvals, which will then give comfort to investors.

## **2 Are there early learnings resulting from the pandemic around the resilience of our economy and our infrastructure that we should consider as we develop the Strategy?**

### **C-19 early learnings resilience:**

There are many learning resulting from the Pandemic.

The most poignant learning for Regional Western Australia is the ease of which people and business can do business remotely.

There are a significant number of Businesses that can operate largely online, namely in sectors such as Finance, Legal, Administration, Consulting, IT, Creative Industries, Teaching, Training and many Supervisory tasks.

This means that people can locate to regional locations and still retain their employment adding capacity to Regional Cities and Towns, increasing their economies and notably enjoying the idyllic lifestyles offered by many.

This in turn takes pressure off Perth's Infrastructure and in particular transport pressures.

## **Section 1: Introduction**

### **3 What elements should a well-developed 20-year Strategy include?**

#### **Your view of a 20-year strategy:**

An Investment Framework  
Regional Capitals – the investment case  
Why now, what is different?  
Build investment and non-build levers  
Stakeholders and their roles  
Issues and risks  
Implementation

## **Section 2: Guiding principles**

### **4 Are there any additional or alternative principles that should guide the development of the Strategy?**

#### **Guiding Principles:**

The principles outlined in the discussion paper appear logical and reasonable.

Additional Principles Summary :

Outcomes focussed on Western Australia

Outcomes should address specific State Government targets but more broadly reflect the aspiration of their residents, communities and business interests as well as the Federal Government.

Ensure alignment with :

The State's Government's Our Priorities: Sharing Prosperity – Stronger Economy has a target of an extra 150,000 jobs mid 2024 (including 30,000 regional jobs)

Diversify WA, the pre-COVID-19, Economic Development Framework for Western Australia sets out a vision for a strong and diversified economy delivering secure, quality jobs through increased investment across a broad range of industries.

The State's Planning Strategy 2050 'a future in which high standards of living, improved public health and an excellent quality of life are enjoyed by present and future generations of Western Australians. The Strategy proposes that diversity, liveability, connectedness and collaboration must be central to the vision of sustained growth and prosperity'

Planned & strategic economic development

The Regional Capital's Alliance of WA Investment Framework and vision that is also aligned with the State Infrastructure Strategy. The Regional Capitals are aligned to the premise that their proposed Investment Framework should provide a basis for, and a consistent approach, to developing and informing long term strategic investment priorities for the economic and social development of regional WA.

Is consistent with the approach of stakeholders such as the Western Australian Planning Commission, Regional Capitals Alliance WA (RCAWA), Regional Development Commissions and the Federal Government's 'Regions 2030 Unlocking the Opportunity'.

It is also aligned with the recent WALGA 'State Budget Submission 2020-21' theme of 'a strategic approach to economic development in WA'12 that supports the State's job targets set in 2019, as well as the current COVID-19 stimulus objectives.

The Regional Capitals Alliance WA recognise and agree that this provides the framework for how all stakeholders can collaborate to achieve its vision for the economic development of the country, State and region.

Regional leadership.

The Regional Capitals acknowledge and accept their regional leadership responsibilities as the gateway and connection to its region. This reframes thinking from a city/town perspective to incorporate the relevant surrounding areas. Regional capitals represent 50% of the regional Western Australian population, but as a gateway they represent greater than 75% of the regional population and opportunities.

Investment in maintaining, enhancing and investing in the Regional Capitals Alliance WA will act as a fulcrum in allowing the State to leverage untapped potential from outside the region and Western Australia with untapped or under realised local comparative and competitive advantages. .

### **Section 3: Imagining the future**

#### **5 Are there other strategic issues that we have not addressed that should form part of these objectives?**

**Objectives:**

A strategic Objective which focuses on Regional WA and its needs and priorities is lacking - "maximising Regional strengths to unlock opportunities for WA" does not cover weaknesses and issues regional WA is facing (particularly in areas of Capacity, Technology and Telecommunications and Transport).

The State's Covid-19 response plan has a discrete Regional theme and so should the States Infrastructure plan.

#### **6 What are the macro trends that you see as important over the 20-year timeframe? What risks or opportunities do they provide to the Strategy?**

**Trends:**

Movement of people to remote and regional areas in the State as people realise the benefits of less congestion, safer communities and lifestyle (as a result of changing attitudes from the Pandemic) will occur.

Technology to allow for more remote working and doing business on-line will mean the needs of Regional Infrastructure will be acute.

A worldwide problem exists with ageing assets in a climate where asset management planning has not been a priority for many governments over many years. A trend is occurring where this problem is becoming acute and will dominate asset and infrastructure for many years to come. The IWA discussion paper should not underestimate the impact this will have on its strategy.

### **Section 4: The role of the regions**

#### **7 How can regions work together to identify and deliver large scale opportunities, projects and programs which extend across regional boundaries?**

**Regional projects:**

Through the Adoption of the RCAWA's Investment Framework – It is a state-wide framework extending across regional boundaries.

The regional jobs targets of 30,000 by 2024 in the State Government's 'Our Priorities' plan remains as relevant today as it did when it was released in 2019.

Job creation is a key focus of all governments within their COVID-19 economic stimulus efforts in 2020 and is certainly a focus of the Western Australian Government. Jobs growth is a key metric of the Economic strategic goal that the Regional Capitals presents for discussion, consultation and consideration to the State Government.

Focusing on short-term, but more importantly a pipeline of jobs, or a sustainable increase in jobs will support the economy, business, people and the place we live.

There is existing fundamental infrastructure in the Regional Capitals, or an existing capacity and capability. This offers the State and Federal Government a more attractive opportunity to deliver their desired outcomes across the portfolio of people, place, business and economy in a number of ways.

A number of challenges for funding investment include:

- There is always a greater need than available capital. Regional Capitals demonstrate a more attractive, long-term and resilient option to all funders, whether government or business.
- Funding is often externally driven, is sporadic and often comes after an event rather than before. This generally creates a boom/bust investment profile from all sources of funding.

A more strategic, long-term and resilient Investment Framework toward the Regional Capitals would provide a more sustainable and scalable foundation for regional jobs growth through business investment, population growth and social outcomes. It is also likely to be a marginal cost, because of current capacity and capability, that is fundamental to economic diversification (adaptability/resilience) and sustainable State and Australian economic development.

The Regional Capitals Alliance WA would like to leverage their collective capacities, comparative advantages and to maximise their impacts on WA and Australian economies collaborate, as regional leaders, on the development and agreement of an Investment Framework that delivers common outcomes to all stakeholders and present these parameters.

#### **8 What do you think are the greatest infrastructure needs and priorities across the regions and Perth?**

**Regional needs:**

Transport, Freight and Logistics and Technology and Telecommunications Infrastructure.

**9 How can declining population in some regions be slowed or reversed?****Regional population:**

By adopting the Regional Capitals Alliance WA draft "Investment Framework" to insure strategic investment in infrastructure provides long term certainty to regional capitals and ensures alignment with, and leveraging off, their planned investment and long term forward capital works plans.

**10 Should Western Australia have a second major city of more than 200,000 people? Which of the State's existing centres should be a second major city and why?****Second city:**

The focus should be on investing through and building capability and capacity within existing major Regional Capitals (RCAWA) which will be a far more efficient way to roll our Regional prosperity across the entire State and not just concentrate investment in just two major cities.

This will have the by product of reducing congestion in metropolitan Perth and taking pressure off already stretched transport systems.

**Section 5: Focus on infrastructure sectors****11 What, if any, other infrastructure sectors should be addressed in the Strategy?****Sectors:**

The Regional Capitals have a sound portfolio of current projects at varying stages of maturity for investment consideration. These are also substantiated through many economic development opportunities identified and costed to varying degrees in the last 10 years. Projects vary from 'shovel ready' core local government projects to 10-year infrastructure that drives economic development.

These include Regional Development Commission regional economic development blueprints, State Government department strategies and policies (as mentioned before) and Regional Capital plans. Many of these reports are related and linked.

They are often industry and business lead to generate an 'at scale' sustainable investment opportunity that is larger than any one proponent or investor yet should be attractive to all stakeholders.

If the opportunities are strategic and planned then they should deliver an array of outcomes across People, Place, Business and Economy for government and returns to investors and private enterprise.

The following overview of the Regional Capital forward capital works plans highlights investment opportunities that could generate economic and community growth for their region and the State.

An initial review of plans, projects and Forward Capital Works Plans from the ten Regional Capitals amount to approximately \$3.6 billion and number near 880.

There are 15 projects that have a value above \$50 million and more than 88 projects across the Regional Capitals that are greater than \$5 million. Economic and community building projects are nearly half of the total projects and include:

- \$1.25 billion of transport projects
- \$150 million of technology projects
- \$125 million of health projects
- \$25 million of energy projects

**12 How should the Strategy address private sector infrastructure requirements?****Private sector:**

As an example of public investment that attracted business investment and economic growth by the Western Australian Government is the Australian Marine Complex is located on Cockburn Sound and is considered one of the largest ship building precincts in Australia. It contains dry dock facilities and Australia's second largest ship-lift (nominal lifting capacity of 8065 tonnes). Some of the private companies that have located in the complex include ASC Pty Ltd, Austral Ships, BAE Systems Australia and Strategic Marine.

**13 How can the Strategy assist to coordinate and integrate across infrastructure sectors? What interdependencies do you consider most important?****Coordination:**

The approach taken under the State Planning Strategy 2050 integrated infrastructure sectors by focussing on outcomes so may well be a very useful template to assist in this area.

It was always intended that this Strategy would form the foundation of the State's Infrastructure strategy so it would be timely to revisit this approach.

**14 Do the opportunities and challenges identified in this section reflect the most important and/or pressing matters in each sector?**

**Sector issues:**

Yes

**15 Are there particular aspects of infrastructure provision in these sectors which you think IWA should focus on?**

**Focus areas:**

Red Tape Reduction:

1. Reform Local Government for better regional decision making.
2. Streamline land tenure and native title processes.
3. Integrate project approvals. A single integrated land, planning, environment and development system.
4. Adopt COVID-19 Planning reforms for the longer term

Infrastructure :

1. Fast track regional capitals funding deals.
2. Adopt the Regional Investment Framework approach.
3. Include regional capitals in Energy Policy discussions.
4. Establish arts and cultural facilities funding program.

Tourism :

1. Provide more support to promote iconic attractions in regional capitals.
2. Reduce cost of regional airfares.
3. Build better collaboration between regional capitals and Tourism Australia.
4. Build tourism related infrastructure and facilities.

Employment :

1. Support skilled migration into regional capitals to match skill-based needs.
2. Reform FBT in remote regional Australia to incentivise work and living regionally.
3. Develop a State and National settlement Strategy that focuses on regional capitals.

**16 In what way do you think the core sectors may change (for example, emergence of new sectors or shifts in the importance or significance of sectors) over the life of the Strategy?**

**Sector change:**

Discussed Elsewhere

**Section 6: Methodology**

**17 What are your thoughts on the proposed methodology to develop the Strategy?**

**methodology:**

the Methodology appears sound

**18 What approaches can IWA take to compare and assess priorities across different sectors, regions and issues? What prioritisation criteria should be applied?**

**prioritisation:**

the Methodology appears sound

**19 To what extent should IWA consider the potential for infrastructure to directly promote new economic development and diversification (including in the regions), as opposed to improvements in core service delivery?**

**service delivery:**

the Methodology appears sound

**20 What is an appropriate significance threshold to apply, to enable a focus on larger and more strategic infrastructure? Should it vary across different regions and/or sectors and, if so, how?**

**threshold:**

the Methodology appears sound

**21 What specific scenarios should IWA consider from a top-down perspective, particularly as part of its 11 to 20 year outlook?**

**scenarios:**

the Methodology appears sound

## Section 7: Ongoing engagement

### 22 Do you have any comments about the proposed engagement approach?

#### consultation:

RCAWA believes it can play a critical role in the IWA future engagement processes which is outlined as follows.

#### Stakeholders and their roles

RCAWA's Regional Capitals recognise that they are uniquely placed to play a highly nuanced role in facilitating the social and economic development and associated infrastructure needs of regional Western Australia.

Rather than seeking to duplicate or undermine the activities of others or overreach beyond their obligations and functions as Local Government Authorities, Regional Capitals recognise that the emphasis of their efforts is focus on creating the circumstances and environment to enable economic and social development to flow from other stakeholders' choices and investment activities.

The Regional Capitals, are the closest organisation to local community and business stakeholders in the regions and are networked to all major government and private sector strategic investors, influencers and stakeholders.

Regional Capitals can play a critical role in maximising the engagement, coordination and alignment of all stakeholders to achieving the outcomes across people, place, business and economy.

Bounded by the overarching principle of collaboration, the knowledge and insights gained through their broad and ongoing engagement allows Regional Capitals to understand the needs of stakeholders, be socially and business lead, such that they are nuancing their efforts and the efforts of others to facilitate the desired outcomes.

Knowing what is required and calibrating their efforts at the right time to allow the local and regional environment to unlock economic and social development. The Regional Capitals accept that their role will adapt to complement and assist the role of others to unlock the social and economic opportunities from all stakeholders currently in or interested in their community.

#### Roles of Regional Capitals :

The role of Regional Capitals will be focused around four critical elements that are to Enable, Act, Lead and Influence. There are activities relating to different stakeholders and the level of authority held by the Regional Capitals as per the Local Government Act. Calibrating and adapting their roles to suit the specific circumstances, builds on the recent efforts of Regional Capitals, and formalises and clarifies the commitment of Regional Capitals to cultivating the environment for regional economic and social development.

#### Lead :

Regional Capitals will provide local and regional leadership to work collaboratively with other Stakeholders to identify opportunities, constraints and priorities for regional investment. This will see Regional Capitals, actively engaging with all stakeholders, representing their regional priorities, helping their communities to envision their regional future and planning the strategic approach and actions to get there.

#### Influence :

Building off their leadership role Regional Capitals will utilise their relationships, networks and capacities to shape and influence the priority given to regional opportunities, constraints and priorities within the region, within the State and nationally. This will see Regional Capitals advocate, sponsor and support proposals, ideas, projects and causes that further the social and economic development of their region.

#### Enable :

Recognising the unique position of the Regional Capitals as a gateway connector for a multitude of stakeholders, competing interests and a broader network, Regional Capitals will be best placed at times to play the critical enabling role allowing other stakeholders or investors to take action. Working to free up blockages, this will see Regional Capitals collaborate and partner with all stakeholders to facilitate, connect and coordinate the intent and efforts of others to unlock potential and enable their regions to benefit from investment opportunities.

#### Act :

Noting their respective powers and functions, and with a predisposition to allow the most appropriate stakeholders to take responsibility for their own roles and functionality, Regional Capitals recognise that there are times and instances where they will be required to Act in order to achieve the social and economic development outcomes sought. Where necessary and in order to create momentum, this will see Regional Capitals commence initiatives, deliver projects or programs, and operate services or activities required to promote the achievement of outcomes consistent with the regional vision for people, place, business and economy.

#### Role and functions of Government Agencies :

Regional Capitals acknowledge and welcome the roles and functions undertaken by State and Federal Government agencies. Regional Capitals recognise that their cities are the gateway to regional WA and they have the lion's share of the state significant infrastructure therefore, they play a key role in connecting metropolitan Perth and their regional communities. They take this role seriously and embrace the expectation that they engage with their broader regional

communities and represent the collective interests of the regional externally.

Acknowledging their unique positioning, Regional Capitals are keen to collaborate and partner with State and Federal Governments to provide a more connected and coordinated engagement with Government infrastructure and service agencies to maximise the success of Government investment in regional WA.

Building on the excellent work undertaken by Regional Development Commissions and Regional Development Australia, Regional Capitals see opportunities complement and contrast the efforts of State and Federal Government agencies to further investment in regional social and economic development. Through this strategic investment framework, Regional Capitals will seek to apply the variety of roles outlined above to complement and leverage off the efforts and work undertaken by Regional Development Commissions and Regional Development Australia in regional planning, data analysis and coordination to improve the timing, alignment and impact of regional investments.

Regional Capitals will also use their local knowledge and networks to tap into greater diversity of stakeholder representation and networks. This engagement with diverse voices on regional weaknesses, opportunities and constraints is likely to be more easily conducted and available to Regional Capitals than to State and Federal Government agencies.

**Business and Industry :**

Regional Capitals acknowledge the crucial role that small, medium and large businesses play in driving, creating and supporting the social and economic development opportunities in their cities and their regions.

The impacts of the COVID-19 pandemic on regional communities has reinforced the reliance on both large and small businesses in underpinning the success of Regional WA and its contribution to State and National economic performance.

While much attention is given to the activities of multinational resource companies in regional WA, for many regional communities including the Regional Capitals, their economies rest heavily on the success of small to medium businesses.

Accordingly, Regional Capitals recognise that enhanced investment of private sector capital in regional communities will be reliant on small and medium business being prepared to take the risk to invest in their regions with confidence of a strong likelihood of sustained success. As such, they are committed to actively engaging with local businesses and working collaboratively with business and industry, directly or through representative bodies such as the Chambers of Commerce and Industry, to understand what is required to provide an environment conducive to business growth and investment.

A key driver to economic growth in regional communities is harnessing the entrepreneurial spirit and supporting emerging or “disruptive” industries and businesses. This by its nature requires a willingness to consider diverse views and to challenge current thinking. Regional Capitals recognise that a willingness to embrace and champion potentially disruptive opportunities will be critical in realising their regions full potential.

Like their local government representatives (Regional Capitals), local businesses have a unique and direct understanding of the opportunities, comparative and competitive advantages and untapped potential available in Regional Western Australia. By flagging a willingness to embrace a variety of roles, Regional Capitals are signalling to the business community that they are prepared to collaborate with the private sector to invest strategic effort, political capital and local government resources to create business friendly conditions and processes in order to prioritise and encourage local business success.

In doing this, Regional Capitals will facilitate and seek the assistance of the business community to bring forward ideas, issues and opportunities and to be the innovators, the investors and the drivers of investment proposals. This would help maximise regional competitiveness, increase the attractiveness for further investment and deliver greater outcomes for Governments, the community and other businesses.

Through working together with the business community, Regional Capitals are confident that they can better understand the roles and actions they can and should take to enable and support the business community to take advantage of investment opportunities. Building off existing strong relationships with the local business sector, Regional Capitals will use their position to help industry work more effectively with all sectors to enhance regional investment.

**Community :**

As first and foremost local representatives of their local communities, Regional Capitals are committed to ensuring they actively engage with their communities to understand local issues; to identify local challenges and opportunities; and to inform their view on local aspiration. In building and implementing a long-term vision for the regional communities that responds to the community’s aspiration and is pragmatic and achievable, Regional Capitals will rely heavily on the social capital that exists in their communities.

Engaging and empowering this social capital, embedded in local residents; sporting, not for profit and community groups; and informal local leaders, will not only help to inform and shape local and regional investment priorities but more importantly will leverage local community capacity to extract maximum social benefit from continued investment in Regional WA.

Regional Capitals will actively work to connect, engage and empower local community leaders to collaborate and partner with other stakeholders to support investment in Regional WA. By continuing to promote and facilitate high standards of public participation in their local communities Regional Capitals will be well positioned to represent the interests, priorities and aspiration of their communities to all stakeholders. It will also help to create a shared ownership and commitment to the local and regional visions that will be used to inform and underpin strategic investment priorities for their regions. A shared commitment to active participation in these community engagement processes will be critical to shaping the future social and economic development of these communities.

## **Section 8: How to get involved**

**Would you like to be added to our stakeholder subscribers list, to receive regular updates from IWA?**

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**If yes, please provide your email address:**

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