

## REGIONAL CAPITALS AUSTRALIA

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Regional Capitals Australia (RCA) is an alliance of 30 local government associations across the nation, representing Australia's regional cities.

Regional capital cities provide a central point to access essential infrastructure, services, business, employment and education. These services and infrastructure are accessed by local residents as well as those in surrounding towns and rural areas. Regional Capitals perform a 'capital city' role within their regions.

Regional capitals jointly generate \$225 billion per annum, or more than 15 per cent of national economic activity. Regional capitals are home to almost four million people and service the needs of another four million Australians who live in surrounding areas.

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*Just over one-third of Australians rely on having a socially thriving regional capital to meet their everyday needs.*  
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## POLICY FRAMEWORK

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Regional Capitals have the potential to play a critical role in the future prosperity of our Australia. For this to happen a national regional capitals policy framework is required.

**The objectives of this framework should be to build the capacity of regional capitals to:**

- Increase population;
- Increase productivity; and
- Increase liveability.

**The key elements of this policy:**

- Infrastructure for better economic outcomes and social amenity;
- Communication technology for better domestic and international connectivity; and
- Education and skilled pathways to enable jobs of the future and ensuring that regional Australians do not get left behind.





## COMMUNICATIONS TECHNOLOGY

The complete and efficient rollout of broadband, reduction in mobile black spots and increased competition in the telecommunications market are urgent issues, constraining population and skilled jobs growth.

### *The opportunities – Industries of the Future*

The availability of high-speed broadband services and other connectivity technologies means that people now have choices. The tyranny of distance that has reduced the connectivity for regional capitals can in part now be removed.

These technologies also mean that economies reliant on outputs such as primary production, manufacturing, health and professional services must now 'advance' if they are to remain relevant and competitive and if they are going to connect into new markets.

Additionally, this new connectivity enables a new generation of knowledge workers to become mobile - they do not have to work where they live or live where they work. They do however bring the ability to innovate and diversify the local economy, an important factor of growth, if the productivity of regional capital cities is to increase.

But better Internet connections draw jobs to regions not just by attracting businesses, but by attracting workers whose fast broadband is a baseline requirement to move to an area.

A more competitive telecommunications market in regional capitals will increase affordability and improve services.

### *Magnet Cities – A Case Study for the Future of Regional Capitals*

This factor has been confirmed by KPMG UK when completing leading research into how developed second (regional) cities from around the world improve their 'offer' and attract residents, visitors and business investment.

KPMG's research centred on nine cities and the qualities they possessed that had turned around their 'misfortunes' to enable them to become a 'magnet city.' The report found that all the 'magnet cities' became highly attractive to a specific group of educated, ambitious and energetic young people. These 'young wealth creators' generate the jobs of the future:

Designers, engineers, high-tech/low-tech entrepreneurs, researchers, biologists, physicists, artists, bloggers, filmmakers, musicians, digital animators, food experimenters, app designers, games designers, clean-tech advocates, chemical engineers, mechanical engineers, accountants and advanced manufacturing.

Regional capitals are ideally suited to be what KPMG calls 'magnet cities' that attract educated, ambitious and energetic young people, or 'young wealth creators'.

However, telecommunications access was a factor of a successful magnet city. Uneven access to high-speed broadband and mobile black spots constrain innovation and discourage such people to live and work in regional capitals.



### *The Challenges*

In Regional Capitals Australia's 2014 survey of internet connectivity, the majority of the capitals surveyed classified their current broadband coverage and quality as poor to variable. A smaller group classified their current broadband coverage as satisfactory to good.

These assessments were based on consideration of whether available broadband is adequate for the city's requirements. Variable or 'patchy' services appear to be a particular problem for regional capitals, while some areas of a city, such as new developments or CBDs, have adequate broadband coverage - this is not consistent across the entire regional city.

This is particularly relevant given the commitment to provide NBN to all new 'greenfield' sites. It will be important not to neglect 'brownfield' or existing developments that contain high priority precincts which also have valid broadband requirements.

Mobile coverage was also of concern to regional capitals. The knowledge economy, of which regional capitals can contribute to greatly, is based on mobile connectivity.

The Australian Government's Mobile Blackspot Programme aims to deliver 499 new and upgraded mobile base stations across regional and remote Australia in Round 1.

However, rollout of the programme is inconsistent and is based on state co-funding partnerships. The disparity in program rollout based on the interplay between state and federal funding is set to put capital workers further behind in economic connectivity and competitiveness.

These findings indicate firstly that providing 'fit for purpose' access should be a key consideration in rolling out all communication technology to regional capitals.

The latest Infrastructure Australia Audit projects demand for telecommunications infrastructure will continue growing faster than GDP growth. This is largely due to business and consumer demand for services that increasingly depend on high volumes of data. This includes agriculture, tourism, financial services - industries that drive regional economies.

Regional capitals require the speed and scalability of infrastructure to enable the cities to continue to remain connected and take advantage of the growing opportunities that this connection will bring.



## Recommendations

It is clear that the internet has become both a critical business and communication tool and an essential lifestyle service for existing jobs and industries, but it is vital that regional capitals have the high-speed internet to promote the practicality of moving businesses and individuals to regional capitals. To attract 'young wealth creators' and their associated high-tech industries, high-speed broadband is crucial.

### **RCA Recommends:**

- 1 Fast internet access is now a core liveability requirement and RCA recommends that all regional capitals have Full Fibre to the Premises (FttP) by 2021.
- 2 Prioritise regional capitals in the delivery of the Mobile Blackspot Reduction Programme to enable full telecommunications access for all cities.
- 3 Resourcing of the communication portfolio to reflect its economic development importance, and investing in ICT education and growth and encouraging telecommunications competition in regional capitals.

