



Submission

July 2017

**House of Representatives Standing Committee on
Infrastructure, Transport and Cities**

Inquiry into:

The Australian Government's role in the development of
cities

SUBMISSION BY REGIONAL CAPITALS AUSTRALIA

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Introduction

Regional Capitals Australia (RCA) is pleased to present this submission for consideration by the Committee on Infrastructure, Transport and Cities (**the Committee**) into the Australian Government's role in the development of cities. RCA welcomes the potential for the inquiry's outcome to inform the Federal Government's approach to regional city planning.

Regional Capital Cities

RCA is a growing alliance of 31 local government's across the nation, representing Australia's regional cities. Regional capitals are home to almost four million people and service the needs of another four million Australians who live in surrounding areas.

Our mission is to provide a platform to champion the strategic importance and sustainable development of regional capital cities (**RCCs**) around the nation.

RCCs are not defined by size, but by the role the city plays in the wider region. RCCs act as service 'hubs' and perform a 'capital city' role within the region, providing 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. Every day, eight million Australians rely on RCCs for their everyday needs.

Australia's RCCs jointly **generate \$225 billion per annum**, or more than **15 per cent of national economic activity**.

RCCs are growing. An extra one million people are expected to call a RCC home by 2020. Our cities are seen as a desirable alternative to people and businesses seeking to escape congested metropolitan cities. Further, it is the position of RCA that a concerted focus on growth and investment for regional cities is key to securing sustainable growth in our regions.

RCA Submission

The RCA submission focuses on the second sub-inquiry: Growing new and transitioning regional cities and towns. The RCA submission comments specifically on **developing and growing our existing RCCs**.

The RCA submission has been divided into two sections:

- 1. Promoting the development of our RCCs and master planning** *(to address the Terms of Reference: (i) promoting the development of regional centres, including promoting master planning of regional communities); and*
- 2. Promoting private investment and the competitive advantage of RCCs to achieve balanced regional development** *(to address Terms of Reference (ii) Promoting private investment in regional centres and regional infrastructure; (ii) Promoting the competitive advantages of regional location for businesses; and (iii) Examining ways urbanisation can be re-directed to achieve more balanced regional development).*

To remain competitive at a local and global level, RCCs need to not only capitalise on their core strengths but ensure their cities can continue to grow. This requires Government commitment, planning and investment in our regional cities.

Rationale

The time is now to develop and grow our regional cities. As the nation's productivity continues to decline, developing a network of socially and economically thriving RCCs should be the objective of all levels of government in Australia.

Australia's population is predicted to almost double to just over 40 million people over the next 50 years. According to the latest ABS data, Australia's *overall population increases by one person every 1 minute and 23 seconds*. Further, our nation's four largest cities are projected to grow by about 45 per cent by 2031. Melbourne and Sydney are each predicted to be cities of just under eight million.

Meeting the cost of this growth will be challenging. Infrastructure Australia today, puts the cost of addressing the national infrastructure deficit anywhere between \$450 - \$700 billion. Federal and state governments cannot afford to allow this gap to widen.

The Regional Australia Institute (RAI), however estimates that for every 100,000 Australians who choose to live in RCCs rather than the big five metros, that an additional \$50 billion will be released into the economy over 30 years in reduced congestion costs and increased consumption¹. However, RCCs have different challenges to Australia's largest cities that must be addressed. Unemployment in RCCs is on average higher (2%) and worker productivity is lower (6%). These cities also have lower year 12 completion rates (42%) compared to the national average (52%)².

Changing these statistics requires urgent attention. It is clear Governments at all levels and Australian businesses need a new a solution that moves past the capital city bias that historically has been engrained in our national leadership.

All cities that work are enormous economic assets and play a vital role in building a strong economy. RAI recently highlighted that the long-term growth rates of Australia's **small cities** "have matched those in metropolitan cities". The RAI's projections of future regional city growth are positive, submitting regional cities have the potential to produce \$375 billion in output in 2031 if planning for these cities is prioritised³.

Both RCA and the RAI are of the view that regional cities in Australia are widely misunderstood; these cities are key contributors to our national output and play a pivotal role in the regions they service. Both RCA and the RAI have examined how regional city 'hubs' are pivotal to their surrounding hinterlands. It is the position of RCA that strong regional cities mean strong regions.

Growing our RCCs is critical; adequate planning and support by governments is essential to facilitate this objective. By building on the economic capability of Australia's RCCs through economic diversification and the right government investment, it is also the position of RCA that increasing the development and population density in RCCs would deliver more liveable, equitable, and efficient outcomes for all Australians.

1 Regional Australia Institute - Lighting Up our Great Small Cities: Challenging Misconceptions - 2017

2 Essential Economics – Regional Capitals Australia – Issues and Positioning Paper 2014

3 Regional Australia Institute - Lighting Up our Great Small Cities: Challenging Misconceptions - 2017

Promoting the development of regional centres, including master planning of regional communities

Context: Growth in RCCs

The growth of Australia's regional cities is a 100-year trend⁴. This trend is due to a pattern of consolidation from smaller towns to larger regional centres⁵, growth in Australia's immigration rate and more recently, a haven for people looking for a liveable and affordable alternative to the congested major capitals⁶.

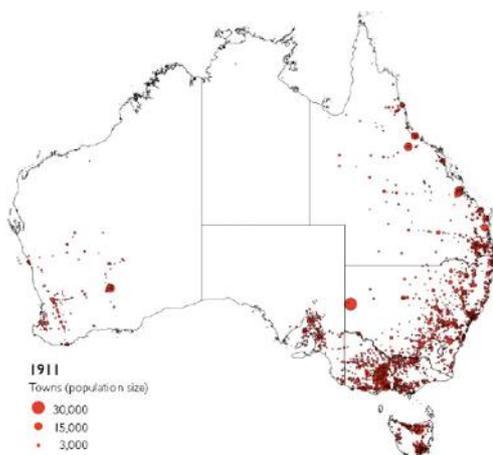
Rise of the RCCs is a long-term trend

Our regional capital cities are growing and this is a long-term (100 year) trend. The Australian Government's *Bureau of Infrastructure, Transport and Regional Economics (BITRE)* released a report: *Evolution of Australia's Towns (2014)* that mapped the change in Australian towns over a 100 period. This report clearly showed that over this period Australia's population has trended towards a preference for people wanting to live in **urban environments**.

As the images below show, in 1911 (Figure 1) the majority of people lived in towns of 3000 people or less; by 1961 (Figure 2) the preference was for cities of 15,000 – 30,000 and by 2006, large urban centres were the place of choice and regional cities were growing faster than the state capitals (Figure 3 and 4).

The report stated: "The consistent decline in the share of Australia's regional population compared to the major cities occurred in parallel with increasing urbanisation within regional areas....While the population share for towns and rural residents [in regional area] as a whole has been decliningregional cities have and continue to grow" (p66).

Figure – 1 Towns in Australia – population size – 1911



⁴ The Bureau of Infrastructure, Transport and Regional Economics (BITRE): *Evolution of Australian Towns - 2014*

⁵ Productivity Commission: *Transitioning Regional Economies – Interim Report - 2017*

⁶ Regional Australia Institute: *Census 2016: local growth across Australia - 2017*

Figure – 2 Towns in Australia – population size – 1911

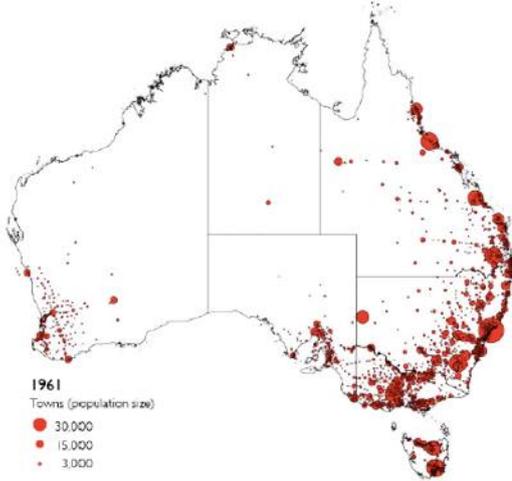


Figure – 3 Towns in Australia – population size – 1911

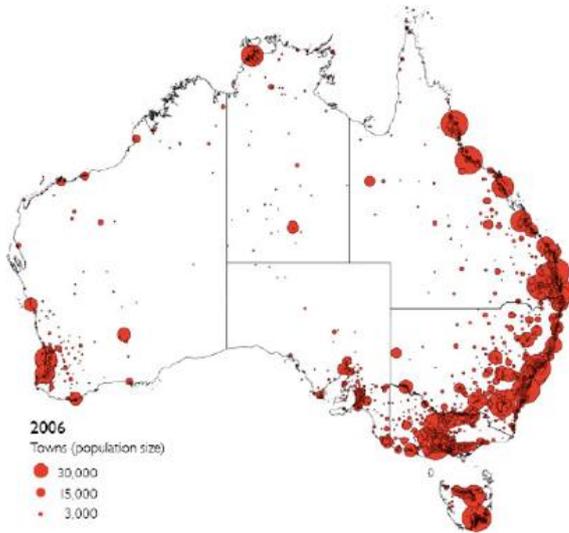
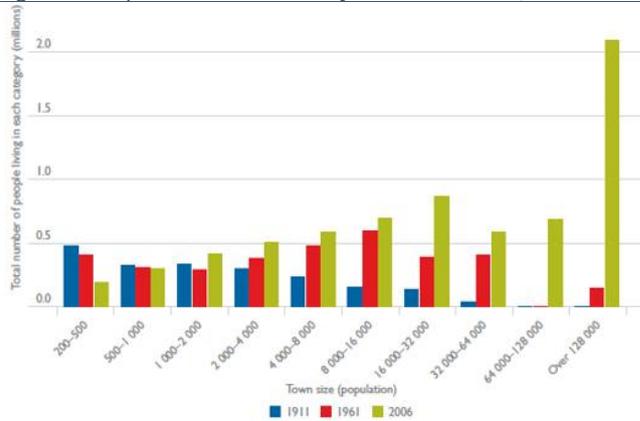


Figure 4: Populations of towns by town size 1911, 1961 and 2006

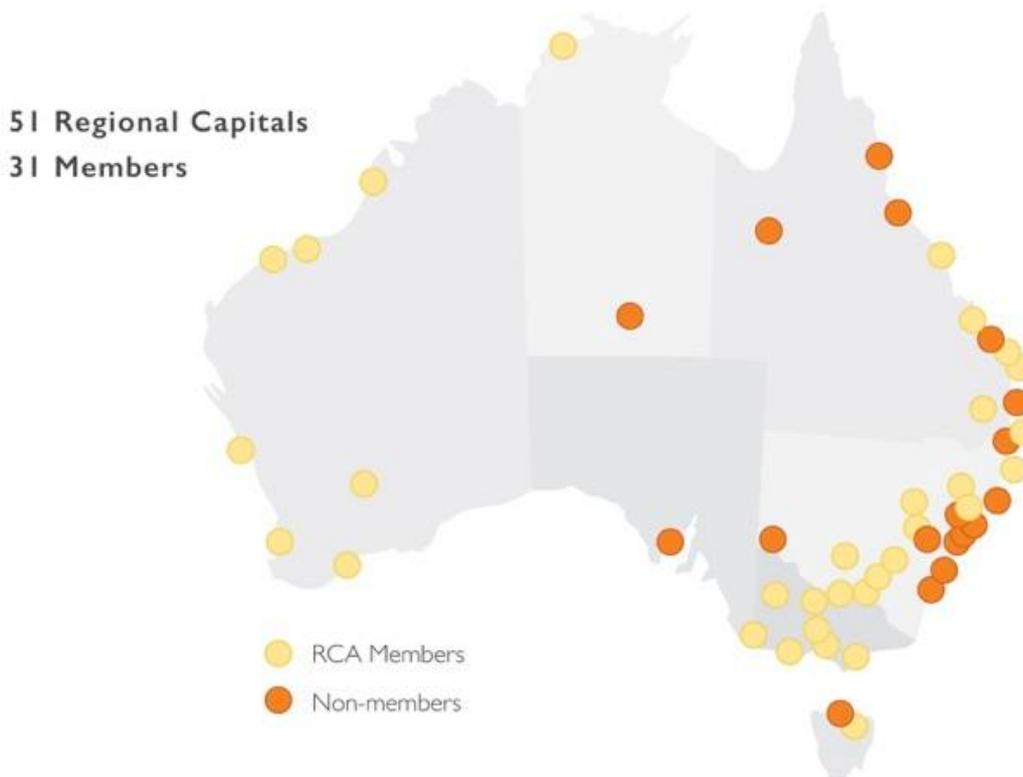


Note: Data does not include the five major capitals.
Source: BITRE analysis of ABS/CBCS Censuses 1911, 1961 and 2006.

The liveable and affordable alternative

Today, there are 51 regional capital cities that have a combined population of 4 million people – the sizes of the cities range from 15,000 to 240,000 residents.

Figure 5: Regional Capital Australia – Regional Capital City Map



These cities are growing, the growth of regional cities has also been highlighted in the recent Productivity Commission (PC) review: *Transitioning Regional Economies – Interim Report (2017)*.

The report also concluded there was a trend of consolidation from smaller towns to larger regional centres. The report found that the global transitioning economy was one reason for this growth. The report noted that while there was growth in Australia's agricultural sector (a staple of the regional Australia economy) the rise of automation and overall efficiencies in this sector meant there had been a decline in the number of people employed in this sector. A similar pattern of job losses was also occurring in the manufacturing sector. Regional cities, however, with strong service sectors had growing populations and economies.

The PC highlighted that this change in regional populations and economies could be attributed towards:

“..productivity, technological change, demography, personal choices and increasingly connected regions through trade in services. The ease of transport today and the capacity to undertake transactions using the internet, mobile phones and satellite-based communications systems has facilitated this trend. There is also greater amenity associated with larger regional centres as well as access to a wider range of services (including schools, aged care services, hospitals and universities)” (p20.)

International Migration

Another factor impacting the growth of regional capital cities has been International migration. In July, the Regional Australia Institute (RAI) highlighted that the 2016 Census provided a “refreshed view of the impact of international migration on regional economies”⁷.

Examining changes in the number of people living in regions that are born in Australia or overseas, it is evident that people who are born overseas and move to Australia are vital to regional Australia’s prosperity, and that for many regional cities and smaller rural towns international migrants have been their only source of population growth. The RAI examined the changes in settlement patterns from 550 Local Government Areas (LGAs) in Australia between 2011 to 2016. Notably in 151 regional LGAs, the arrival of international migrants helped offset local population decline by attracting international migrants. This effect was most predominant in regional capitals cities. ABS data confirmed that 35 percent of growth across our member cities could be attributed to international migration.

Housing Affordability

Please refer to page 18 of this report for the breakdown of housing prices for our member regional cities and the competitive advantages regional cities hold in housing affordability. RCA believes that the relative affordability of housing in our member cities has also contributed the population growth, particularly those cities within a commutable distance to the major capitals.

Master planning for RCCs

It is the position of RCA that the growth of our member cities has occurred somewhat organically and to obtain a larger share of Australia’s projected population growth much more needs to be done to plan for their success. Until late 2016, RCC had no place in national policy and today there is limited analysis by the Australian Government to understand the issues and of the issues and opportunities of member cities to measure and guide their future social and economic success.

Historically there have been two ‘place making’ policies in Australia:

1. **Regional Development Policy:** This policy area is focused on whole regions and industry sectors.
2. **Urban or Cities Policy:** has been focused on the big five metropolitan cities.

Master planning for RCCs should be a priority for all levels of Government and needs to be conducted under two key policy areas: *urban policy and regional policy.*

⁷ Regional Australia Institute: Census 2016: overseas migrants vital to prosperity

Urban policy

Potential of RCCs

For regional cities to reach their potential of generating \$378 billion in economic output, immediate action is needed. According to the RAI, the appropriate level of planning will allow regional cities “*produce twice as much as all the new economy industries produce in today’s metropolitan cities*” by 2031. The following section highlights RCA’s position on what the priorities for this planning should be.

City Deals

“All regional cities are predicted to grow – but City Deals could deliver more” – Regional Australia Institute, Blueprint for investing in City Deals: Are you ready to deal? June 2017

RCA welcomed the Government’s announcements in 2016 in relation to the regional cities stream of the City Deals process. The development of a network of socially and economically thriving RCCs is critical to the nation’s growth, and many of our members have cited the receipt of a City Deal as a game-changer for their community and economy.

According to the Department of Prime Minister and Cabinet (DPMC), City Deals are a new arrangement between the Australian Government, a state or territory government, and local governments, that aim to make Australian cities better places to live in and do business. Through City Deals it is intended that governments, industry and communities will develop collective plans (which could be seen as master plans) for growth. Parties to the plan intend to commit to the actions, investments, reforms and governance needed to implement them. Through making the most of new and existing investments of governments, City Deals will set out the specific investments and reforms needed to unlock business and industry development and ensure community wellbeing⁸.

On launching the government’s cities policy the “Smart Cities Plan” which City Deals encompass, both the Hon. Fiona Nash, Minister for Minister for Local Government and Territories, Regional Communications and Regional Development and the Hon. Angus Taylor – Assistant Minister for Cities stated the plan should be considered ‘a plan for the regions’⁹. The Assistant Minister went further, stating:

“Regional cities are incredibly important to the future of the regions and getting our policy right on regional cities is a very, very important piece of work.

I’m absolutely convinced that harnessing the potential of our regional cities depends on long-term planning for the future and building cities that can really attract people to work, to live, to play and to enjoy their lives.¹⁰”

In November 2016, the Assistant Minister announced a competitive process to identify future Regional City Deals (in addition to the announced Townsville and Launceston City Deals) was under development¹¹.

While City Deals have been highlighted as the new paradigm and investment for urban Australia, the Government has chosen recipient cities, so there is little understanding of how competitiveness will be assessed.

8 City Deals – Department of Prime Minister and Cabinet – Smart Cities Website

9 Smart Cities Plan is a plan for the regions – Media Release - 28 April 2016 – The Hon. Fiona Nash, The Hon. Angus Taylor

10 Regional Australia Institute City Deals Forum – Speech – 13 October 2016 – The Hon. Angus Taylor

11 Encouraging Regional City Deal proposals – Media Release 9 November 2016 – The Hon. Angus Taylor

In a submission to the DPMC, RCA outlined the collective view of our membership on what a competitive process should look like and highlighted the need for all our member cities to be considered eligible to apply. RCA made specific recommendations regarding what process considerations should be applied. This submission can be found on the [Submissions page of the RCA Website](#).

Does The Size of a City Matter?

In our submission to DPMC, RCA stated that cities of all sizes should be included eligible for a City Deal. The basis of our position has been supported by the RAI in the release of the latest release the: Lighting Up our Great Small Cities: Challenging Misconceptions report (2017).

The report examined the performance (population and economic growth) of 31 of Australia’s regional cities (populations ranging from 546,000 to 50,000). The report revealed that these cities collectively expanded their economies at 3 per cent per year from 2001-2013. They share comparable economic performance with our major cities across the key measures of growth, output, participation, and productivity (refer Figures 6 and 7 below).

Additionally the report showed that there was little difference between smaller regional cities as compared to the larger regional cities¹².

	Big regional cities	Small regional cities
Participation rate	74%	74%
Productivity workers (\$'000/ worker)	137.11	159.26
Historical GVA growth rate (CAGR)	3.2	2.2
Projected GVA growth rate (CAGR)	2.8	2.3

Figure 6 – Comparison on output between small and big regional cities

Regional and Metro cities share economic performance



Figure 7: Regional cities share of the metropolitan cities economic performance

Additionally, the report showed there was a robust historical population growth, at an average 1.6 per cent per annum from 2002 to 2013, and strong population projections to 2026 showing an expected total population increase of 16 per cent (refer 8 figure below)¹³.

¹² Regional Australia Institute - Lighting Up our Great Small Cities: Challenging Misconceptions report (2017)

¹³ Regional Australia Institute - Lighting Up our Great Small Cities: Challenging Misconceptions report (2017)

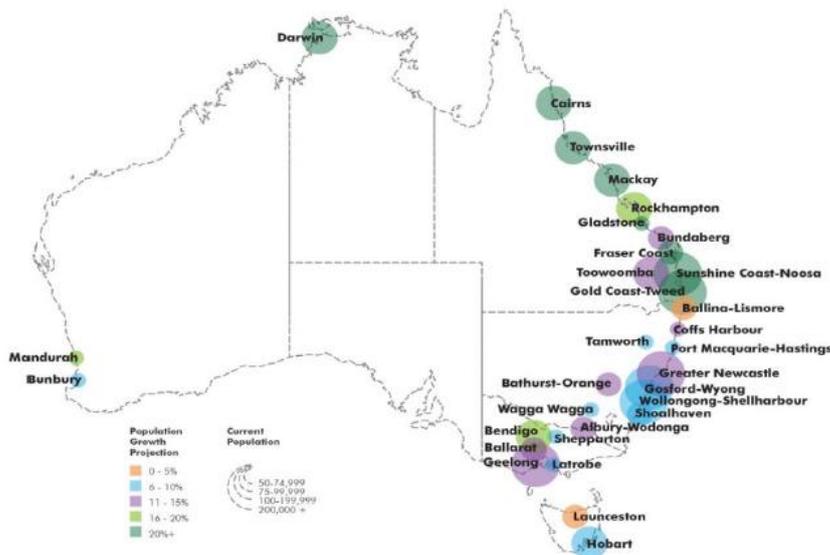


Figure 8 – Projected population growth across 31 of Australia’s regional cities

RCA believes our cities have great potential and now is the time to plan for and develop a network of economically and socially sustainable regional capital cities. As we can see above the policies should not only focus on the largest cities, smaller regional cities are also socially and economically important.

Measuring the Policy – Smart Cities Plan – City Deals and the National Cities Performance Framework

To ensure that the policy interventions are success a measurement of success must be established. It is the position of RCA that properly measuring the performance of our RCCs will support interventions designed to improve how Australian cities grow.

In April 2017, the Government released the **National Cities Performance Framework Interim Report**. Outlining how the government intended to measure how Australian cities were performing against a range of indicators. The interim report also highlighted this framework would also be used to measure the success of City Deals.

The interim framework however only includes a small number of regional capital cities – those with populations of 85,000 or more. It is our expectation that through this framework, RCA members like Albury – Wodonga, Ballarat, Bendigo, Geelong, Launceston, Mackay, and Toowoomba will continue to be shown as not only the best places to live, but also excellent choices for businesses to make their next investment. However as the work of the RAI highlights – cities of all sizes have social and economic value.

The exclusion of the remaining regional cities significantly undersells the contribution and potential of regional Australia. It is the position of RCA that **monitoring all regional cities** will significantly increase the understanding of how these cities function. The monitoring will highlight investment opportunities and identify how the service hub role can be strengthened - a stated objective of the *Smart Cities* plan.

Missing analyses for RCCs

Proper planning for the future of all RCC requires specific analysis of all cities, not RCCs as part of a region.

Work under taken by RCA to compare three sources of Government reporting (State of Australian Cities, Progress in Australian Regions and Regional Online) has highlighted there are real gaps in how the Australian government collects and reports on regional city data (refer to Appendix A).

RCA believes that this is attributed to the way the Australian Bureau of Statistics (ABS) collects data under levels of delimitation. For the purposes of this submission, we have highlighted Statistical Area (SA) 4 and Statistical Area (SA) 3 as they relate to RCCS; specifically the following:

- **SA4s** were designed using a number of criteria, which reflect a balance between respective considerations. A minimum of 100,000 persons was set for the SA4s, although there are some exceptions to this. In regional areas, SA4s tend to have populations closer to the minimum (100,000 - 300,000).
- **SA3s** are designed to provide a regional breakdown of Australia. They generally have a population of between 30,000 and 130,000 people. In regional areas, SA3s represent the area serviced by regional cities that have a population over 20,000 people.

For regional cities that have populations over 100,000 there is a suite of data available to understand how the city is performing – in many cases highlighting the many competitive advantages for potential businesses and residents has when compared to major metropolitan cities.

However in cities under 100,000 persons data is collected for that RCC as part of the regional area. This lack of an analysis of smaller regional capital cities will have an impact on the ability of the leaders of that city to highlight the competitive advantage or a barrier to investment for the city – the very things that will impact further population and economic growth. Missing indicators also mean the impact of investment into regional cities cannot easily be measured, compared and as a result, planned for. This is at odds with the stated objectives in the Smart Cities Policy.

The gaps relate to two key areas:

- **Liveability:** air pollution, housing affordability, traffic congestion, average commuting time, proximity to arts, culture and sporting facilities; and
- **Connectivity:** access (direct or indirect connections) to national and international markets by road, rail, air and reliability of broadband and mobile service.

It is the position of RCA that as data is collected against LGAs to support ABS figures, there is scope to develop a specific dataset **measuring performance in all RCCs** (of varying populations). This would enable the production of data sets, which would invariably assist in master planning for RCCs.

RCA Recommendation: The Committee seek to highlight the importance of prioritising the delivery of the Government's regional city stream of City Deals to RCCs by requesting the Government:

- ***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;***
- ***Develop a specific dataset measuring performance in all RCCs (of varying populations). This would enable the production of data sets which would invariably assist in master planning for RCCs;***
- ***Include the requirement to have consistent master plans developed for RCCs in the city deals process (interfacing with the hub and spoke model under development - below);***
- ***Release the draft guidelines on the first round of the regional City Deal competitive process; and***
- ***Ensure the guidelines include a mechanism for all 51 regional cities to compete for a city deal.***

Regional Policy: creating strong RCCs as service hubs

Use of the 'hub and spoke' model

In regions, hubs and spokes matter. It has long been the position of RCA that creating strong regional capital cities, as service 'hubs', creates strong regions. In short, regions need cities.

RCCs 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. In essence, RCCs perform a 'capital city' role within their regions.

RCA has partnered with the RAI to examine the impact of "a hub and spoke" effect of RCCs on their regional towns.

To examine the status of hub and spoke relationships in regional capitals, the RAI investigated a selection of RCCs, together with their surrounding LGAs to examine the extent that the hub/spoke model exists in regional areas.

The RAI's method was to use elements from its *Insight* dataset themed around education, health and business services in addition to census data showing place of work and residence, focusing on a selection of RCC hubs and spokes. The RAI also examined movement between place of work and place of usual residence (work flows) and the disparity between hubs and spokes across the domains of education, health and business.

The purpose of conducting the case studies was to understand:

1. How communities **moved around regions**
2. What **distance from the hub means for spokes**

The study explored the 'strength' of services in both RCC and their surrounding hinterlands across the following areas:

- Workflow between hubs and spokes
- Access to financial services (business services) as percentage of population employed
- Access to health services (as a percentage of population employed)
- Access to tertiary education (as a percentage of population enrolled)
- Population growth (ABS data)
- Distance from an airport.

Note: In each table as part of this submission the city or town (hinterland) has received a rank indicating where the city or town sits in relation to access to a service or distance from a facility (refer above). Each LGA was ranked against the other 623 LGAs around Australia. The ranks have been grouped into bands, a mark of 1 means the area ranks in the top 20 percentile of all LGAs in Australia. A mark of 5 indicates the city or town is within the bottom 20 percentile of all LGAs.

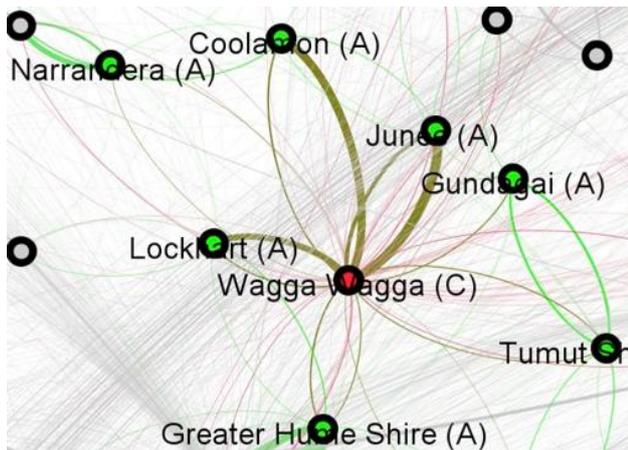
Hub and spoke findings

The RAI study focused on 4 hubs and 8 spokes across New South Wales, Queensland and Western Australia. These are explored below:

a) Wagga Wagga

The Riverina capital of Wagga Wagga has a strong hub and spoke relationship with its region, as demonstrated in Figure 2:

Figure 2: Wagga Wagga and the Riverina region



*The thicker olive-coloured lines demonstrate movement from the smaller towns into the city regarding access to employment.

The Riverina is an example of where a strong hub and spoke model is active and as such where the region is benefiting from a strong regional capital city. The flower like model between Wagga Wagga and the smaller rural towns of Junee, Gundagai and Lockhart show there are interdependencies of personal and freight transport flows. Beyond this commutable distance flows of employment tend to go towards nearby centres (Narrandera-Griffith) and to Albury (Greater Hume).

The report also revealed that the city of Wagga Wagga ranked in the top percentile of all LGA in having access to health (allied) and education services and connectivity infrastructure such as airports. The city had a lesser level of access (2nd percentile) to business services and more complex health services – for example services not available at the Wagga Wagga Base hospital or higher order accounting firms may mean people have to travel to a larger population area such as Canberra or Sydney (refer to Table 1).

Interestingly the surrounding smaller rural towns, with much smaller populations and economic activity within the Riverina also showed relatively high access and distance from (mostly second percentile) to services and infrastructure where the city access was higher or lower.

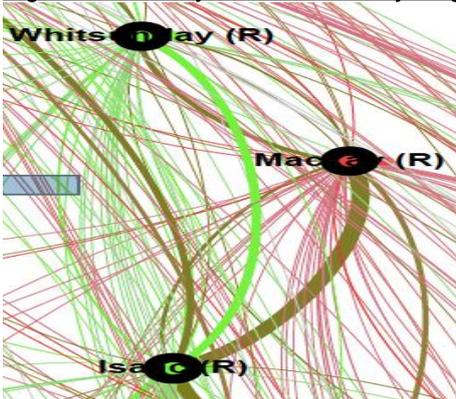
Table 1: Wagga Wagga: Riverina – hub and spoke access and distance:

Hub	City Outcome Ranked against all LGA's 1= highest 20% 5= lowest 20%	'Spoke' LGAs Ranked against all LGA's 1= highest 20% 5= lowest 20%	
Wagga Wagga	Wagga Wagga (C) Population Growth: 1.3% Access to: • Health: 1 • Tertiary Ed: 1 • Financial services: 2 Distance to: • Medical facilities: 2 • Airport: 1 • Port: 5	Narrandera (A) Population Growth: 0.3% Access to: • Health: 2 • Tertiary Ed: 1 • Financial services 2 Distance to: • Medical facilities: 2 • Airport: 1 • Port: 5	Tumut (A) Population Growth: 0.3% Access to: • Health: 3 • Tertiary Ed: 1 • Financial services: 2 Distance to: • Medical facilities: 2 • Airport: 3 • Port: 5

b) Mackay

The Mackay region data again supported showed signs of a hub and spoke model but also showed the dominance of the mining sector on the Mackay economy with large worker flows to the adjacent Isaac LGA (a popular mining town).

Figure 3: Mackay and Whitsunday Region



*The thicker olive-coloured lines demonstrate movement from the smaller towns into the city regarding access to employment.

The distance and accessibility data for Mackay also suggested the city is an important economic hub with higher percentile rankings for business services and economic infrastructure. However the city showed much lower (4th percentile) access to and distance from important social drivers such as health and education. The surrounding towns of the Whitsunday and Isaac also reflected the strengths and weakness of the region's hub – of note both towns featured in the bottom percentile for both health and education.

Table 3: Mackay – hub and spoke access and distance

Hub	City Outcome Ranked against all LGA's	'Spoke' LGAs Ranked against all LGA's
	1= highest 20% 5= lowest 20%	1= highest 20% 5= lowest 20%
Mackay	Mackay (C) Population Growth: 2.8% Access to: <ul style="list-style-type: none"> • Health: 4 • Tertiary Ed: 4 • Financial services: 2 Distance to: <ul style="list-style-type: none"> • Medical facilities: 3 • Airport: 2 • Port: 1 	Isaac (Moranbah) (R) Population Growth 2.4% Access to: <ul style="list-style-type: none"> • Health: 5 • Tertiary Ed: 5 • Financial services: 2 Distance to: <ul style="list-style-type: none"> • Medical facilities: 4 • Airport: 3 • Port: 4
		Whitsunday (R) Population Growth 2.8% Access to: <ul style="list-style-type: none"> • Health: 5 • Tertiary Ed: 5 • Financial services: 2 Distance to: <ul style="list-style-type: none"> • Medical facilities: 5 • Airport: 2 • Port: 4

c) Geraldton

The City of Geraldton shows true hub and spoke characteristics, however due to the region having a much smaller population base the movements between the city and the smaller rural towns means the relationship is less pronounced.

Figure 5: Geraldton and the Wheat Belt



*The thicker olive-coloured lines demonstrate movement from the smaller towns into the city regarding access to employment.

The city showed mid to lower levels of access to allied health services, however these were remarkably better when compared to the hinterland towns around it. Access and distance from connecting infrastructure ranked some of the highest in the nation that also impacted the access to financial services for business. Again there is a relationship of strength and weakness for the smaller rural towns based on what is available in the city of Geraldton.

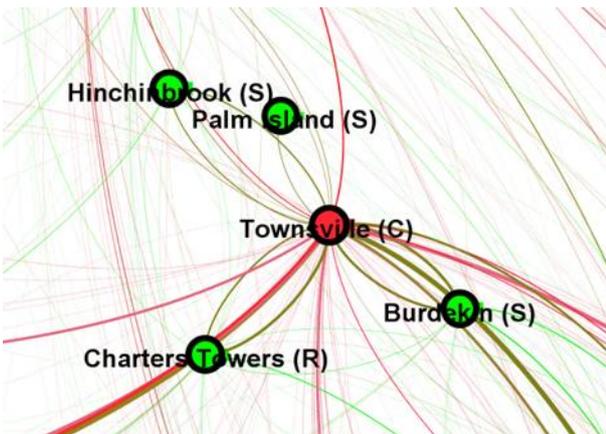
Table 6: Geraldton – hub and spoke access and distance:

Hub	City Outcome Ranked against all LGA's 1= highest 20% 5= lowest 20%	'Spoke' LGAs Ranked against all LGA's 1= highest 20% 5= lowest 20%	
Geraldton	Geraldton (C) Population Growth: 2.50% Access to: • Health: 3 • Tertiary Ed: 2 • Financial services: 2 • Knowledge services: 3 Distance to: • Medical facilities: 2 • Airport: 1 • Port: 1	Mingenew (S) Population Growth 0.40% Access to: • Health: 5 • Tertiary Ed: 5 • Financial services: 5 Distance to: • Medical facilities: 5 • Airport: 4 • Port: 3	Murchison (S) Population Growth 3.4% Access to: • Health: 5 • Tertiary Ed: 5 • Financial services: 5 Distance to: • Medical facilities: 5 • Airport: 5 • Port: 5

d) Townsville

There is a clearer hub and spoke effect in the North Queensland region where there are clear movements between Townsville and the smaller rural towns of Palm Island, Charters Towers, Burdekin and Hinchinbrook.

Figure 5: Townsville and North Queensland



*The thicker olive-coloured lines demonstrate movement from the smaller towns into the city regarding access to employment.

Again in this region we can clearly see that where the region has strengths such as connectivity infrastructure so too do the smaller hinterland towns. Where the city is weaker such as in tertiary education so too is the access for the smaller rural towns.

Table 7: Townsville– hub and spoke access and distance:

Hub	City Outcome Ranked against all LGA's 1= highest 20% 5= lowest 20%	'Spoke' LGAs Ranked against all LGA's 1= highest 20% 5= lowest 20%	
Townsville	Townsville (C) Population Growth: 1.9% Access to: • Health: 2 • Tertiary Ed: 3 • Financial services: 2 Distance to: • Medical facilities: 2 • Airport: 1 • Port: 1	Burdekin (S) Population Growth: 2.1% Access to: • Health: 3 • Tertiary Ed: 4 • Financial services: 2 Distance to: • Medical facilities: 3 • Airport: 3 • Port: 2	Charters Towers (R) Population Growth 0.0% Access to: • Health: 3 • Tertiary Ed: 3 • Financial services: 3 Distance to: • Medical facilities: 3 • Airport: 4 • Port: 3

The importance of hub and spoke analysis

RCA acknowledges that the above case studies are an interim piece of work that requires further analysis. However we believe there is an indication of a trend in the cities and towns explored. It is our position that the hub and spoke relationship could prove a valuable tool for analysing relationships between RCCs and their surrounding areas – identifying strengths and disparity in key areas which will allow both cities and regions to thrive. The challenge of delivering a high level of services and infrastructure for all Australian's is acknowledge by RCA, however this initial research may indicated that when you strengthen the RCC you will also be strengthening the whole region.

It is the position of both RCA and the RAI that the Government should further investigates this model to allow a clearer understanding of how regional capital cities can be invested in to support their regions and that this work be used to further guide the development of the Regions 2030 and Smart Cities framework.

RCA Recommendation: The Committee seek to promote the development of RCCs, including master planning of those RCCs, by requesting the Government:

- ***Develop and prioritise the mapping of the service 'hub' role of all 51 RCCs as a matter of priority; and***
- ***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.***

Promoting private investment in regional centres and regional infrastructure to promote regional cities' competitive advantage & balanced regional development

RCCs – The Investable Alternative

RCCs, are often associated with lower congestion, relaxed lifestyle and affordable living offer an attractive and competitive alternative from the capital cities for businesses and residents alike. It is the position of RCA that Government has a clear role to promote the competitive advantages inherent in locating businesses – both small and large – in our regions.

However, from the outset, it is clear that in order to promote the competitive advantage of our regional cities, we must first be able to measure it (see **National Performance Framework** commentary on Page 9).

Competitive advantages of RCCs

Lack of congestion

Congestion continues to rise in our capital cities: growth in metropolitan travel has increased steadily with annual passenger kilometres travelled in the eight capital cities growing from 3.5 billion in 1900 to almost 199 billion by 2014. A 2016 report from the Committee for Economic Development of Australia found that congestion could cost the nation more than **\$50 billion in lost productivity by 2031** unless addressed.

News reports frequently comment on congestion levels on major arterial roads – with most cities suffering much slower travel times and lower average speeds than previously recorded. Austroads named Sydney the nation's worst offender with significant reductions in speeds since 2011.

While there is an association with reduced levels of congestion in regional cities where compared to the major metropolitan cities there is little data to highlight this comparison. It is clear that in order to promote the competitive advantage of our regional cities, we must first be able to measure it (see **National Performance Framework** commentary on Page 9).

Housing affordability

RCCs have significantly lower property prices in general compared to Metropolitan areas. Appendix B shows the price differential (as measured by median house prices) are typically well below those experienced in major capitals. Anecdotally, these price differentials also extend to land and rental values.

This presents an ongoing opportunity for these cities to attract new residents through more affordable housing options (for purchasers and renters), and this includes new skilled overseas migrants as well as professionals and their families relocating from more expensive metropolitan areas.

Housing affordability in the 'big 5' capitals continue to present an issue with Sydney and Melbourne leading the charge. According to the latest data from property information group CoreLogic, the median price of a house sold in each is as follows:

- Sydney \$1,000,500
- Melbourne \$715,549
- Brisbane \$513,000
- Adelaide \$443,500
- Perth \$505,000.

FAST FACT: THE TOO-HIGH COST OF SYDNEY

Ipsos Public Affairs polling by the Committee for Sydney showed in June that nearly one-in-three people have moved within the last five years due to the high cost of buying or renting in Sydney.

Further, more than one-third are considering leaving Sydney in the next five years for that reason, a figure considerably higher — 53 per cent — among the young.

Promoting our RCCs

Government has a clear role to facilitate and promote investment, and it has long been the position of RCA that in order to promote private investment in a RCC, that city must have high levels of liveability and connectivity. High indicators in these two areas means that business is provided with an economically-sound, investable alternative and skilled workers are provided with a socially-sound, liveable alternative.

Digital readiness

Automation and the changing face of work and the increasing globalisation of most businesses necessitates that Australia must be 'digital ready'. The digital economy has enormous potential to deliver jobs and growth and diversify the nation's economy but much needs to be done to ensure this can occur.

National Broadband Network

The availability of high-speed broadband services and other connectivity technologies has given Australians choices and has reduced, to a degree, the tyranny of distance in RCCs. However, the digital divide between major and regional cities continues to exist.

Better internet connections draw jobs to regions not just by attracting businesses, but by attracting workers for whom fast broadband is a baseline requirement to move to an area. RCA's 2016 membership survey, 80% of the capitals surveyed cited communications and technology as a 'top 3' policy priority for their city.

RCA welcomed the government's legislative proposal – currently before Parliament – to establish the Regional Broadband Scheme (RBS) to sustainably fund the long term costs of regional and remote Australia's NBN satellite and fixed wireless networks. Under the proposed scheme, broadband providers will be required to pay a charge of \$7.10 per month for each fixed-line connection they supply capable of providing average download speeds of 25Mbps. RCA would like to emphasise that this development, whilst positive, needs to be viewed holistically as part of the NBN experience for regional users.

Recent news articles indicate the transition to NBN in areas such as Rockhampton have not been without issues, particularly concerns regarding equity. In June, researchers at the NHMRC Centre for Research Excellence in the Social Determinants of Health Equity¹⁴ found a "definite trend": the poorer the socio-economic conditions, the less frequently homes and businesses are receiving fibre technology. Essentially, the study found poorer areas were much more likely to have what many experts have termed "inferior" technologies, including wireless, HFC or satellite. The pattern suggests it is entrenching inequitable access to better digital infrastructure in higher socio-economic areas. This could present real issues for RCCs, and needs to be addressed.

¹⁴ The Conversation - Ashley Schram: The NBN and Australia's Digital Divide – 22 June 2017

In addition, the detailed analysis undertaken by the Standing Committee on Rural and Regional Affairs and Transport inquiry into the Future Role and Contribution of Regional Capitals to Australia also confirmed the importance of this issue and led the committee to make a clear recommendation in the final report to close these gaps. The recommendation is as follows:

“(t)he future role and contribution of regional capitals to Australia” Final Report Recommendations:

<p>Senate Inquiry Recommendation 4</p>	<p>The Australian government ‘accelerate the roll-out of the National Broadband Network to all regional capitals across Australia’.</p>
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When the NBN was announced, it was welcomed as a means of narrowing the economic and social inequity between residents in regional cities and those in metropolitan areas. RCA submits that the Government needs to prioritise the accelerated and equitable rollout of NBN in RCCs.

Mobile Blackspots Program

RCA welcomed the last year’s announcement by the Government of Round 2 of the Mobile Black Spot Program, planned to deliver 266 new and upgraded mobile base stations in regional Australia. An indicative rollout schedule for mobile towers has now been provided. Whilst a step in the right direction, RCA submits that in recognition of their strategic economic importance, regional capital cities should be clearly prioritised in Round 3 locations.

RCA Recommendation: The Committee seek the following commitments from the Federal Government to promote digital readiness in RCCs in order to leverage their private investment potential by:

- ***Ensure equity in NBN rollout, including prioritising full fibre to the premises for regional capital cities by 2025; and***
- ***Prioritising RCCs in Round 3 of the mobile blackspots program.***

Infrastructure

Regional roads, rail and airports are ultimate and imperative enabling connectors that provide access to national and international markets. Investing in infrastructure contributes directly to a city’s economy, providing jobs, increasing value-add spending and lifting productivity both within the RCC and the surrounding region.

Australian Infrastructure Plan

The Australia Infrastructure Plan (AIP) sets out the infrastructure challenges and opportunities Australia faces over the next 15 years, including 78 recommendations for reform designed to address infrastructure gaps. RCA supports evidence creation, investment and collaboration around the key priorities that Infrastructure Australia (IA) identified in the Australian Infrastructure Plan (AIP) for regional Australia. The most notable recommendations are:

Australian Infrastructure Plan (AIP) Recommendation 4.2:

- *The Australian Government should prioritise investment in regional infrastructure where the population is growing quickly and where the bulk of our regional economic growth can be found.*
- *Efficient, livable and productive regional hubs should be considered national economic assets and be a key priority for investment.*

Australian Infrastructure Plan (AIP) Recommendation 4.3:

Regional infrastructure investment should respond to each community’s particular needs, its changing demographics, and what is affordable. Where governments are providing infrastructure in slower growing regions, they should make available information on how infrastructure is being used to address efficiency and equity issues, what taxpayers can expect in return and how such investments will be maintained over time.

Australian Infrastructure Plan (AIP) Recommendation 4.5

The development of the proposed National Freight and Supply Chain Strategy should be informed by CSIRO's Transport Network Strategic Investment Tool (TRANSIT). This tool should be used to identify the most efficient routes along major supply chains and to inform funding decisions on where strategic regional projects will have the most substantial economic impact.

RCA acknowledges that the AIP and the Federal Government, through their response to the AIP, have highlighted that State governments are responsible for regional infrastructure planning, **RCA asserts that only national leadership will deliver the shared oversight required to meet the growth needs of both regional cities and Australia's regions.** As such, RCA recommends that strong consideration be given to incentivising State and Territory Governments to develop and fund long-term regional infrastructure plans to deliver on the following recommendation:

Australian Infrastructure Plan (AIP) Recommendation 4.1:

State and territory governments should deliver long-term regional infrastructure plans. These plans should:

- *Identify gaps in infrastructure networks and identify priorities to support productive regional industries;*
- *Be developed with involvement from all levels of government to help coordinate investments and remove duplication;*
- *Provide transparency for the private sector to allow for government funding to be leveraged and private investment to be maximised; and*
- *Assess the potential for regions to ease pressure on our largest cities*

The latest Australia Infrastructure Plan (AIP) Infrastructure Priority list published in February 2017 lists seven 'high priority projects' – none of which are located in RCCs. In addition, high priority 'initiatives' which list potential infrastructure solutions for which a business case has not yet been completed are also metropolitan-based. IA indicates both groups address major problems or opportunities "of national significance"; however, RCA submits infrastructure priorities in our regions should feature in either/both lists and again that State and Territory government's should be incentivised to ensure these projects feature.

RCA Recommendation: The Committee request the Australian Government:

- ***Delivers on Infrastructure Australia's AIP; specifically, recommendations 4.2, 4.3 and 4.5; and***
- ***Takes a leadership role to work with and incentivise State and Territory Governments to deliver on Infrastructure Australia's AIP; specifically, recommendation 4.1***

Regional Growth Fund

RCA welcomed the 2017-18 budget announcements of \$472 million in regional investments to support a Regional Growth Fund for local infrastructure projects.

The Regional Growth Fund will include \$272.2 million to provide grants of \$10.0 million or more for **major transformational projects** that will support long-term economic growth and create jobs in regions undergoing structural adjustment. Such projects represent game-changing investment possibilities for our RCCs. It is the position of RCA that the Regional Growth Fund guidelines should be created to allow the fund to be a potential source of funding for projects identified in regional City Deals.

RCA Recommendation: The Committee request the Australian Government consider:

- ***Regional Growth Fund guidelines be created to allow the fund to be a potential source of funding for projects identified in regional City Deals.***

Balancing Regional Development

Balancing regional development in our RCCs requires a holistic approach. It is the view of RCA that continued decentralisation initiatives, combined with encouraging migrant settlement and driving education and job opportunities should be at the forefront of government policy.

Continued decentralisation initiatives

It is the position of RCA that further harnessing decentralisation opportunities, where appropriate, in conjunction with driving education and job opportunities is a clear opportunity for Government to achieve more balanced regional development.

“The Macquarie Bank’s agricultural arm has set up offices in Orange and Albury- Wodonga, and they say to find people willing to move from Sydney was—and I quote—really easy” – Senator the Hon. Fiona Nash – National Press Club address 19 April 2017

The need to act on decentralisation while simultaneously developing regional economies has never been more relevant. Decentralisation of government departments presents a unique opportunity to facilitate this objective by building on the economic capability of Australia’s RCCs through economic diversification. Accordingly, RCA welcomed announcements by the by Federal Government in the 2017-18 Budget pertaining to its Decentralisation Program – prioritising the decentralisation of non-policy Commonwealth entities to regional areas. It is intended decentralisation of appropriate non-policy entities will “enhance existing linkages between entities and key stakeholders in the regions”.

As Senator Nash commented in April, there are successful examples of government decentralisation, *“including the New South Wales DPI in Orange and the GRDC to Dubbo, Centrelink and ASIC call-centres in Traralgon, the Transport Accident Commission, and soon the NDIS in Geelong”.*

RCA has long been in favour of strategic decentralisation initiatives, but notes that in order for decentralisation to be effective in a RCC requires a holistic approach. Appendix C details successful examples of decentralisation initiatives in RCCs.

Encouraging migrant settlement in Australia’s RCCs

RCA submits that more could be done to encourage migrant settlement in Australia’s regions; specifically our RCCs. Whilst the notion of encouraging more migrants to the regions was touted in the media in April, no Budget commitments followed.

The RAI examined the changes in settlement patterns from 550 LGAs in Australia between 2011 to 2016. Notably, 151 regional LGAs helped offset local population decline by attracting international migrants. In 2014, Essential Economics found that the important role the Regional Capitals have been playing in absorbing the nation’s population expansion. Much of the growth that Australia is receiving is due to immigration. Regional capitals are well placed to accommodate growth from new migrants. Between 2006 and 2011, 110,000 new overseas migrants have settled in a regional capital, representing approximately 35% of net population growth.

Migrant contribution to regional communities

As the RAI noted in 2015, international migration is a means of government investment in regional communities. Funding invested in services and infrastructure is repaid through the contribution immigrants make to regional communities. This contribution includes:

- More than 100,000 skilled workers; and
- More than 230,000 international migrants settled in regional Australia, helping to offset any population decline

“The long-term retention of international migrants in regional areas enable communities to enjoy the many benefits they offer including new additions to the workforce, population growth and the injection of new energy and investment” – Regional Australia Institute Submission - Migration Intake into Australia June 2015.

The Federation of Ethnic Communities’ Councils of Australia (FECCA) published *‘Community perspectives on settlement issues affecting new and emerging communities in rural and regional Australia: A case study of the Iraqi, Afghan, Congolese and Sudanese communities in Shepparton, Victoria’* in June 2015. According to FECCA, the settlement of new and emerging communities in Shepparton is regarded as *“a success story and the benefits it generated for both the local communities and those settled in the area are widely recognised”*.

However, FECCA’s report highlights the need to create adequate support infrastructure, developing targeted policies and strengthening social cohesion in the region. This view was supported by the Regional Australia Institute, which commented last year that for regional areas grappling with an ageing or declining population, *“international migration can offer population stability, diversity and create jobs”*. In short, proactive strategies to attract migrants to regional areas needs to be a top priority – as international migration can reinvigorate a community and address population challenges.

Creation of education and job opportunities

Education initiatives

“By improving opportunities for people to access higher education, RUN universities help unlock the full human and innovative potential of regional Australia for the national good. The jobs and industries of the future will need highly skilled university graduates who can connect regional Australia with the global, innovative economy” – Regional Universities Network, Clever Regions, Clever Australia 2016

As noted by the Regional Universities Network (RUN), Australia needs to generate new jobs and industries through innovation to make regional economies more resilient. University study and research generates more highly skilled students who are better prepared to be creative and entrepreneurial to meet future job challenges. A thriving university sector is critical to ensuring that RCCs can continue to provide many of the services provided by metropolitan capitals whilst continuing to grow our already substantial contribution to Australia’s economic activity.

However, there is a significant differential in higher education attainment between city and regional Australians. RUN cites that in 2011, 31% of people aged 25-64 who lived in major cities held a Bachelor degree or above, compared to 18% for Australians living in inner regional areas. Thriving regional universities are essential to help ameliorate this discrepancy.

Regional universities not only offer this opportunity more readily to our regionally-based young people, they also help to train, attract and retain skilled workers required for a successful and diversified economy. Historically, students who study in regional areas are likely to remain in the regions, thus contributing socially and economically to their communities.

To that end, RCA welcomed the announcement in the 2017-18 Federal Budget to conduct an independent review to consider the factors that impact on student learning outcomes and identify innovative and evidence-based approaches to help improve education outcomes in regional and remote education. It is recommended the Government commence this initiative as a matter of priority.

RCA Recommendation: The Committee encourage the Australian Government to:

- ***Continue its consideration of multiple decentralisation initiatives;***
- ***develop initiatives to encourage migrant settlement to RCCs;***
- ***continue and expand grants under the Regional Jobs and Investment Package; and***
- ***examine initiatives to further education outcomes in RCCs – including immediate commencement of the independent review to improve education outcomes in regional and remote education.***

SUMMARY OF RECOMMENDATIONS

RCA makes seven recommendations for the Committee to consider in undertaking its study into the Australian Government's role in the development of cities.

1

The Committee seek to highlight the importance of driving the Government's regional city stream of City Deals to RCCs by requesting the Government:

- 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;
- Develop a specific dataset measuring performance in all RCCs (of varying populations). This would enable the production of data sets which would invariably assist in master planning for RCCs;
- Include the requirement to have consistent master plans developed for RCCs in the city deals process (interfacing with the hub and spoke model under development - below);
- Release the draft guidelines on the first round of the regional city deal competitive process; and
- Ensure the guidelines include a mechanism for all 51 regional cities to compete for a city deal.

2

The Committee seek to promote the development of RCCs, including master planning of those RCCs, by requesting the Government:

- Develop and prioritise the mapping of the service 'hub' role of all 51 RCCs as a matter of priority; and
- Use this information to inform the development of the Government's *Regions 2030: Unlocking Opportunity Framework*

3

The Committee encourage the Government to:

- Promote lack of congestion and high levels of housing affordability in RCCs as a mechanism to attract both business and human capital

4

The Committee seek the following commitments from the Federal Government to promote digital readiness in RCCs in order to leverage their private investment potential by:

- Ensure equity in NBN rollout, including prioritising full fibre to the premises for regional capital cities by 2025; and
- Prioritising RCCs in Round 3 of the mobile blackspots program.

- 5 The Committee request the Australian Government:
- Delivers on Infrastructure Australia's AIP; specifically, recommendations 4.2, 4.3 and 4.5; and
 - Takes a leadership role to work with and incentivise State and Territory Governments to deliver on Infrastructure Australia's AIP; specifically, recommendation 4.1

- 6 The Committee request the Australian Government consider:
- The Regional Growth Fund guidelines should be created to allow the fund to be a potential source of funding for projects identified in regional City Deals.

- 7 The Committee encourage the Australian Government to:
- Continue its consideration of multiple decentralisation initiatives;
 - develop initiatives to encourage migrant settlement to RCCs;
 - continue and expand grants under the Regional Jobs and Investment Package; and
 - examine initiatives to further education outcomes in RCCs – including immediate commencement of the independent review to improve education outcomes in regional and remote education.
-

FOR MORE INFORMATION:

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APPENDIX A

REGIONAL INDICATORS TABLE: 2017

The following table highlights what indicators for Australia's regional cities are collected or not collected and then reported on in three Government reports:

- State of Australian Cities -2014-15
- Progress in Australia's Regions – Yearbook 2016
- Regional Online Website.

The intent of this table is to highlight that there are many gaps in how the government collects information on Australia's regional cities, which will prohibit the promotion of any competitive advantage as well as successful planning for these cities.

Indicator - Society - Part 1

Regional City	Life Expectancy at Birth	Psychological Distress	Overweight or obese	Smoking rates	Physical Activity	Children developmentally vulnerable	Homelessness	Houses with overcrowded conditions	Households that own their own home	Recognising traditional country
Albury City Council	y		y	y				y	y	
City of Wagga Wagga			y					y	y	
Coffs Harbour City Council	y	y	y	y	y		y	y	y	
Dubbo City Council			y					y	y	
Gosford City Council			y					y	y	
Orange City Council			y					y	y	
Tamworth Regional Council			y					y	y	
Palmerston City Council			y					y	y	
Bundaberg Regional Council			y					y	y	
Mackay Regional Council	y	y	y	y	y		y	y	y	
Toowoomba Regional Council	y	y	y	y	y		y	y	y	
Rockhampton Regional Council			y					y	y	
Launceston City Council	y	y	y	y	y		y	y	y	
Horsham Rural City Council			y					y	y	
Greater Shepparton City Council	y	y	y	y	y		y	y	y	
Ballarat City Council	y	y	y	y	y		y	y	y	
City Of Wodonga			y					y	y	
Greater Bendigo City Council	y	y	y	y	y		y	y	y	
Greater Geelong City Council	y	y	y	y	y		y	y	y	
Latrobe City Council	y	y	y	y	y		y	y	y	
Rural City Of Wangaratta			y					y	y	
Warrnambool City Council	y	y	y	y	y		y	y	y	
City Of Albany			y					y	y	
City Of Bunbury			y					y	y	
City Of Greater Geraldton			y					y	y	
City Of Kalgoorlie-Boulder			y					y	y	
Shire Of Broome			y					y	y	
City of Karratha			y					y	y	
Town Of Port Hedland			y					y	y	

Regional City	Life Expectancy at Birth	Psychological Distress	Overweight or obese	Smoking rates	Physical Activity	Children developmentally vulnerable	Homelessness	Houses with overcrowded conditions	Households that own their own home	Recognising traditional country
Ballina Shire Council			y					y	y	
Cessnock City Council			y					y	y	
Lismore City Council			y					y	y	
Maitland City Council			y					y	y	
Newcastle City Council	y	y	y	y	y		y	y	y	
Port Macquarie - Hastings Council			y					y	y	
Shoalhaven City Council	y	y	y	y	y		y	y	y	
Tweed Shire Council			y					y	y	
Wollongong City Council			y					y	y	
Wyong Shire Council			y					y	y	
Alice Springs Town Council			y					y	y	
Cairns Regional Council	y	y	y	y	y		y	y	y	
Fraser Coast Regional Council			y					y	y	
Gladstone Regional Council			y					y	y	
Mount Isa City Council			y					y	y	
Sunshine Coast Regional Council	y	y	y	y	y		y	y	y	
Townsville Regional Council	y	y	y	y	y		y	y	y	
Port Lincoln City Council			y					y	y	
Burnie City Council			y					y	y	
Devonport City Council			y					y	y	

Indicator - Society - Part 2

Regional City	Victims of physical assault	Victims of malicious property	Road fatalities	Vocational or higher education qualifications	Year 5 and 9 reading standards	Voluntary work	Disposable Household income	People who provide unpaid help	Attendance rate for cultural events
Albury City Council				y		y			
City of Wagga Wagga				y		y			
Coffs Harbour City Council				y		y	y		
Dubbo City Council				y		y			
Gosford City Council				y		y			
Orange City Council				y		y			
Tamworth Regional Council				y		y			
Palmerston City Council				y		y			
Bundaberg Regional Council				y		y			
Mackay Regional Council				y		y	y		
Toowoomba Regional Council				y		y	y		
Rockhampton Regional Council				y		y			
Launceston City Council				y		y	y		
Horsham Rural City Council				y		y			
Greater Shepparton City Council				y		y	y		
Ballarat City Council				y		y	y		
City Of Wodonga				y		y			
Greater Bendigo City Council				y		y	y		
Greater Geelong City Council				y		y	y		
Latrobe City Council				y		y	y		
Rural City Of Wangaratta				y		y			
Warrnambool City Council				y		y	y		
City Of Albany				y		y			
City Of Bunbury				y		y			
City Of Greater Geraldton				y		y			
City Of Kalgoorlie-Boulder				y		y			
Shire Of Broome				y		y			
City of Karratha				y		y			

Regional City	Victims of physical assault	Victims of malicious property	Road fatalities	Vocational or higher education qualifications	Year 5 and 9 reading standards	Voluntary work	Disposable Household income	People who provide unpaid help	Attendance rate for cultural events
Town Of Port Hedland				y		y			
Ballina Shire Council				y		y			
Cessnock City Council				y		y			
Lismore City Council				y		y			
Maitland City Council				y		y			
Newcastle City Council				y		y	y		
Port Macquarie - Hastings Council				y		y			
Shoalhaven City Council				y		y	y		
Tweed Shire Council				y		y			
Wollongong City Council				y		y			
Wyong Shire Council				y		y			
Alice Springs Town Council				y		y			
Cairns Regional Council				y		y	y		
Fraser Coast Regional Council				y		y			
Gladstone Regional Council				y		y			
Mount Isa City Council				y		y			
Sunshine Coast Regional Council				y		y	y		
Townsville Regional Council				y		y	y		
Port Lincoln City Council				y		y			
Burnie City Council				y		y			
Devonport City Council				y		y			

Indicator - Economy

Regional City	Qualified or skilled occupation	Employment rate	New business entry rate	Earning or learning	Unemployment rate	Employed Person	Average Duration of unemployment	Real median weekly household income	Household net worth	Labour force participation	Low-income ratio	Inter-national visitors	Inter-national freight value
Albury City Council	y	y	y	y	y	y		y		y	y	y	y
City of Wagga Wagga	y	y	y	y	y	y		y		y	y	y	y
Coffs Harbour City Council	y	y	y	y	y	y	y	y	y	y	y	y	y
Dubbo City Council	y	y	y	y	y	y		y		y	y	y	y
Gosford City Council	y	y	y	y	y	y		y		y	y	y	y
Orange City Council	y	y	y	y	y	y		y		y	y	y	y
Tamworth Regional Council	y	y	y	y	y	y		y		y	y	y	y
Palmerston City Council	y	y	y	y	y	y		y		y	y	y	y
Bundaberg Regional Council	y	y	y	y	y	y		y		y	y	y	y
Mackay Regional Council	y	y	y	y	y	y	y	y	y	y	y	y	y
Toowoomba Regional Council	y	y	y	y	y	y	y	y	y	y	y	y	y
Rockhampton Regional Council	y	y	y	y	y	y		y		y	y	y	y
Launceston City Council	y	y	y	y	y	y	y	y	y	y	y	y	y
Horsham Rural City Council	y	y	y	y	y	y		y		y	y	y	y
Greater Shepparton City Council	y	y	y	y	y	y	y	y	y	y	y	y	y
Ballarat City Council	y	y	y	y	y	y	y	y	y	y	y	y	y
City Of Wodonga	y	y	y	y	y	y		y		y	y	y	y
Greater Bendigo City Council	y	y	y	y	y	y	y	y	y	y	y	y	y
Greater Geelong City Council	y	y	y	y	y	y	y	y	y	y	y	y	y
Latrobe City Council	y	y	y	y	y	y	y	y	y	y	y	y	y
Rural City Of Wangaratta	y	y	y	y	y	y		y		y	y	y	y

Regional City	Qualified or skilled occupation	Employment rate	New business entry rate	Earning or learning	Unemployment rate	Employed Person	Average Duration of unemployment	Real median weekly household income	Household net worth	Labour force participation	Low-income ratio	International visitors	International freight value
Port Lincoln City Council	y	y	y	y	y	y		y		y	y	y	y
Burnie City Council	y	y	y	y	y	y		y		y	y	y	y
Devonport City Council	y	y	y	y	y	y		y		y	y	y	y

Indicator - Environment

Regional City	Air pollution	Domestic trips involved nature activities	Protected areas of land	Greenhouse gas emissions from road transport	Traffic congestion	Average commute time	Water quality	Active travel by bicycle or walking	Volume of freight through ports
Albury City Council	y	y			y				
City of Wagga Wagga		y							
Coffs Harbour City Council		y	y						y
Dubbo City Council		y							
Gosford City Council		y							
Orange City Council		y							
Tamworth Regional Council		y							
Palmerston City Council		y							
Bundaberg Regional Council		y							
Mackay Regional Council	y	y	y		y				y
Toowoomba Regional Council	y	y	y		y				y
Rockhampton Regional Council		y							
Launceston City Council	y	y	y						y
Horsham Rural City Council		y			y				
Greater Shepparton City Council		y	y						y
Ballarat City Council	y	y	y		y				y
City Of Wodonga	y	y			y				
Greater Bendigo City Council	y	y	y		y				y
Greater Geelong City Council	y	y	y		y				y
Latrobe City Council		y	y						y
Rural City Of Wangaratta		y							
Warrnambool City Council		y	y						y
City Of Albany		y							
City Of Bunbury		y							

Regional City	Air pollution	Domestic trips involved nature activities	Protected areas of land	Greenhouse gas emissions from road transport	Traffic congestion	Average commute time	Water quality	Active travel by bicycle or walking	Volume of freight through ports
City Of Greater Geraldton		y							
City Of Kalgoorlie-Boulder		y							
Shire Of Broome		y							
City of Karratha		y							
Town Of Port Hedland		y							
Ballina Shire Council		y							
Cessnock City Council		y							
Lismore City Council		y							
Maitland City Council		y							
Newcastle City Council	y	y	y		y				y
Port Macquarie - Hastings Council		y							
Shoalhaven City Council		y	y						y
Tweed Shire Council		y							
Wollongong City Council		y							
Wyong Shire Council		y							
Alice Springs Town Council		y							
Cairns Regional Council	y	y	y		y				y
Fraser Coast Regional Council		y							
Gladstone Regional Council		y							
Mount Isa City Council		y							
Sunshine Coast Regional Council	y	y	y		y				y
Townsville Regional Council	y	y	y		y				y
Port Lincoln City Council		y							
Burnie City Council		y							
Devonport City Council		y							

Indicator - Business

Regional City	Actively trading bussinesses	Business size	Employment in knowledge intensive industries	Structural Change Index
Albury City Council			y	
City of Wagga Wagga			y	
Coffs Harbour City Council	y	y	y	y
Dubbo City Council			y	
Gosford City Council			y	
Orange City Council			y	
Tamworth Regional Council			y	
Palmerston City Council			y	
Bundaberg Regional Council			y	
Mackay Regional Council	y	y	y	y
Toowoomba Regional Council	y	y	y	y
Rockhampton Regional Council			y	
Launceston City Council	y	y	y	y
Horsham Rural City Council			y	
Greater Shepparton City Council	y	y	y	y
Ballarat City Council	y	y	y	y
City Of Wodonga			y	
Greater Bendigo City Council	y	y	y	y
Greater Geelong City Council	y	y	y	y
Latrobe City Council	y	y	y	y
Rural City Of Wangaratta			y	
Warrnambool City Council	y	y	y	y
City Of Albany			y	
City Of Bunbury			y	
City Of Greater Geraldton			y	
City Of Kalgoorlie-Boulder			y	
Shire Of Broome			y	
City of Karratha			y	
Town Of Port Hedland			y	
Ballina Shire Council			y	
Cessnock City Council			y	
Lismore City Council			y	
Maitland City Council			y	
Newcastle City Council	y	y	y	y
Port Macquarie - Hastings Council			y	
Shoalhaven City Council	y	y	y	y
Tweed Shire Council			y	
Wollongong City Council			y	
Wyong Shire Council			y	
Alice Springs Town Council			y	
Cairns Regional Council	y	y	y	y
Fraser Coast Regional Council			y	
Gladstone Regional Council			y	
Mount Isa City Council			y	
Sunshine Coast Regional Council	y	y	y	y
Townsville Regional Council	y	y	y	y
Port Lincoln City Council			y	
Burnie City Council			y	
Devonport City Council			y	

APPENDIX B

MEDIAN HOUSE PRICES AND RESIDENT POPULATIONS IN REGIONAL CAPITALS: March 2017

Locality	State	Current Year Median Sale price	Estimated Resident Population (2014-15)
ALBURY	NSW	455,000	51,722
EAST GOSFORD	NSW	617,500	173,138
COFFS HARBOUR	NSW	440,000	72,971
DUBBO	NSW	349,000	41,934
ORANGE	NSW	349,000	41,809
TAMWORTH	NSW	335,000	61,121
WAGGA WAGGA	NSW	375,000	63,428
PALMERSTON CITY	NT	Not available	34,652
BUNDABERG CENTRAL	QLD	325,000	94,380
MACKAY	QLD	245,000	123,724
ROCKHAMPTON	QLD	165,000	83,653
TOOWOOMBA	QLD	350,000	163,232
LAUNCESTON	TAS	375,000	67,078
BALLARAT CENTRAL	VIC	369,750	101,578
GREATER BENDIGO	VIC	430,000	108,437
GEELONG	VIC	597,500	229,420
WODONGA	VIC	315,000	38,559
SHEPPARTON	VIC	265,000	63,366
HORSHAM	VIC	249,975	19,774
WANGARATTA	VIC	271,000	27,065
WARRNAMBOOL	VIC	320,000	33,644
LATROBE	VIC	200,666	73,548
ALBANY	WA	505,000	37,233
BUNBURY	WA	520,000	34,467
GERALDTON	WA	290,000	41,223
KALGOORLIE	WA	300,000	33,062
KARRATHA	WA	Not available	26,228
BROOME	WA	450,000	17,308
PORT HEDLAND	WA	395,000	16,483

APPENDIX C

SUCCESSFUL DECENTRALISATION INITIATIVES IN REGIONAL CAPITAL CITIES:

CASE STUDY: TRARALGON

Traralgon is a city in the east of the Gippsland region of Victoria. The population of the town at the 2011 Census was 24,590. It is the largest and fastest-developing city in the more prominent Latrobe Valley, which has a population of around 75,000. Key industries for Traralgon include health care and social assistance, retail, manufacturing, construction, public administration, education and training, accommodation and electricity, gas, water and waste services.

With a large commercial centre, NBN availability, and regional railway station, Traralgon has emerged as the regional centre of Latrobe Valley – boasting regional medical services, and numerous educational facilities including preschools, primary schools, State and Catholic secondary schools and a Federation Training campus. There is also a Performing Arts Centre and numerous sporting facilities (including a racing complex and the Traralgon Tennis Centre) and an airport.

A key boost for the Traralgon economy was the establishment of the Australian Securities and Investments Commission (ASIC) information-processing centre in the early 1990s. The Traralgon ASIC office currently filters, processes and files the financial documents of every registered company in Australia.

The ‘ASIC effect’ on the Latrobe Valley and its surrounding community has been significant. In 2014, Latrobe City Council commissioned Remplan to model the direct and indirect contribution of ASIC’s operations in Traralgon to the local economy in terms of output / revenue, employment / jobs, wages and salaries, and value-added benefit. The analysis was undertaken in the context of the Latrobe City Local Government Area.

Remplan’s analysis estimated of the **346 people** employed at the site, flow-on industrial effects in terms of local purchases of goods and services was expected to support a **further 100 jobs**. Direct economic activity from the site was in the order of **\$67 million annually**, and this direct economic activity estimated to generate demand for intermediate goods and services from within the Latrobe City economy to the value of **\$26.4 million**. **Overall total output, including all direct, industrial and consumption effects was estimated at around \$126.4 million annually.**

CASE STUDY: GEELONG

As the second largest city in Victoria, the City of Greater Geelong has a population of approximately 229,420 which is expected to reach 320,000 in the next 20 years. Geelong is a cosmopolitan city and an hour’s drive from Melbourne. The city is a major centre for investment with over 16,000 businesses and a highly skilled labour force of 101,040 (*2011 Census estimate*). Total residential dwellings are estimated at 106,800 across more than 50 suburbs and townships – a high proportion of which will come from new ‘greenfield’ growth areas identified for development (e.g. Armstrong Creek) as well as other suburban expansions.

Over the past decade Geelong has transitioned itself from an economy with a strong reliance on big manufacturing, to one with a focus on knowledge based sectors such as, health, research, biotechnology, education, tourism and retail. These sectors are now Geelong’s largest employers.

Geelong is perhaps the trailblazer example of decentralisation in the last decade, with multiple state and federal agency relocations – creating over 2,770 jobs:

AGENCY	EMPLOY	INDUSTRY SECTOR
Transport Accident Commission	880	Insurance & Superannuation
Australian Bureau of Statistics	260	Professional, Scientific & Technical Services
Australian Taxation Office	139	Public Administration
Centrelink – including 24-hour call centre	292	Public Administration
WorkSafe (proposed)	750	Insurance & Superannuation
NDIA (proposed)	450	Insurance & Superannuation

Modelling by Remplan estimates that these 2771 government agency jobs in Geelong:

- Support **6,858 local jobs** (2,771 direct jobs and 4,087 indirect jobs due to the flow on industrial and consumption effects).
- Increase local wages and salaries by **\$612m** annually.
- Inject **\$2,622m** of direct and indirect revenue into the local economy.
- Contribute **\$1,213m** value-added or Gross Local Product annually
- Generate a value-added multiplier of 2.1, meaning that for every dollar of value-added created, another \$1.10 would be created elsewhere in the local economy.

CASE STUDY: WAGGA WAGGA

Wagga Wagga is at the eastern end of the NSW Riverina region where the slopes of the Great Dividing Range flatten and form the Riverina plain. The city straddles the Murrumbidgee River, one of the great rivers of the Murray-Darling Basin. The city sits halfway between the largest cities in Australia, being 452 kilometres southwest of Sydney and 456 kilometres northeast of Melbourne with the Sydney–Melbourne railway line passing through. It is also an airport-linked central location between Sydney, Melbourne and Brisbane.

Wagga Wagga's population in 2016 was 65,000 people, and the city is estimated to continue to grow to 80,000 people by 2036.

Wagga Wagga itself is the largest retail, commercial, administrative and population centre in the Riverina region, and a central hub of services to a catchment of over 185,000 people. As the major regional centre for the Riverina and for much of the South West Slopes regions, Wagga Wagga provides education, health and other services to a region extending as far as Griffith to the west, Cootamundra to the north and Tumut to the east, and is also an important heavy truck depot for a number of companies including Toll Holdings.

Wagga Wagga boasts a skilled and diverse workforce – with its top three industry sectors being:

- Health Care and Social Assistance (16%)
- Retail Trade (9.7%)
- Public Administration and Safety (10%)

Whilst the move is too recent to estimate 'flow-on' economic effects, the recent relocation of Rural Industries Development Research Centre (RIDRC) **is estimated to save the corporation \$1.2 million each year in operating costs, in achieving lower rent costs.** Further, Managing Director John Harvey said he was "pleasantly surprised by the quality and quantity of applicants" applying to fill the new Wagga-based roles at RIDRC.

CASE STUDY: BENDIGO

The City of Greater Bendigo is located in the centre of Victoria, covering almost 3,000 square kilometers. With a growing population of more than 110,000, Bendigo is Victoria's third largest economy base. The city has approximately 7,589 businesses and a workforce of around 42,000 people. In the five-year period 2009-2014, there was strong employment growth in construction; arts and recreation services; transport, postal and warehousing; healthcare and social assistance; professional services and financial and insurance services.

The economy of the City of Greater Bendigo is diverse and includes a thriving retail and industrial base, tourism, agriculture, mining and mineral and stone resource exploitation. Commercial development in Bendigo is significant and is based around retailing and financial institutions, including Bendigo Bank as a major national and regional bank.

Bendigo is now the third-largest concentrated economic base in Victoria, behind Melbourne and Geelong, with the Bendigo region's economy valued at **\$10.5B** per annum.

The Bendigo CBD is the largest retail centre in the municipality and north-west Victoria, and there is a well-established hierarchy of business centres within the municipality. Accordingly, the relocation of State Trustees to Bendigo in 2012, where 100 new roles were created, proved a success for this particular RCC. This was strategic and effective decentralisation: Bendigo was already home to significant existing financial and insurance services.

Now, the finance sector is one of Bendigo's leading industries, with output of over **\$550 million per annum (12.3 per cent of GVA)**. Greater Bendigo is home to over 500 financial and insurance service businesses, including the nation's fifth largest bank, Bendigo and Adelaide Bank, which is a top 70 ASX listed company employing approximately 1000 people locally.

CASE STUDY: ALBURY WODONGA

The cities of Albury and Wodonga share a border between the States of New South Wales and Victoria. The distance between the cities is a short 10-minute car or bus ride. Combined, Albury-Wodonga is the 20th largest Australian city with more than 100,000 residents, servicing a regional population in excess of 180,000 or up to 250,000 (depending on the service being utilised).

It is anticipated that by 2036, Albury and Wodonga will have a combined population of approximately 125,000 people. The two cities are also strategically positioned on the eastern seaboard freight route with the ability to connect people, freight and knowledge to the major capitals and regions throughout Australia.

Given the location and scale of the combined cities and the congestion challenges facing Australia's 'big five' cities, there is every opportunity for Albury-Wodonga to attract more people to live and business investment to grow.

The Australian Tax Office (ATO) set up regional office in Albury in the 1970s, employing between 500 – 800 permanent staff, as well as several hundred casual employees during peak assessment periods. During the 1980s, the growing ATO workforce put greater pressure on the agency's accommodation in big, metropolitan branches, the ATO revived its decentralisation policy and planned to make the office in Albury as well as offices in Townsville and Newcastle) fully autonomous.

On 1 July 1987 the Albury branch was fully autonomous, and has been a significant employer in the region ever since. In terms of employment effects and using Remplan economic modelling, the following flow-on effects are estimated:

- Direct Job creation of 500 – 800 jobs has a flow on effect of a further 144- 230 jobs in the local economy
- Consumption effects are estimated to further boost employment by 244- 390 jobs
- Total employment including all direct and indirect jobs rises by 888 – 1420 jobs in the local economy.

Today, the ATO remains a major factor in a total job pool for Albury of 21,290 jobs (4.2% – 6.7% of jobs) and Albury Wodonga region combined of 37,296 (2.4% and 3.8% of all jobs). The City of Albury estimates the total value added contribution (including all direct, industrial and consumption effects) to the Albury economy is \$125M and \$200M per annum.

REGIONAL CAPITALS AUSTRALIA MEMBERSHIP

Regional Capitals Australia Current Members	
RCA Local Council Member	State
Albury City Council	NSW
City Of Wagga Wagga	NSW
Coffs Harbour City Council	NSW
Dubbo City Council	NSW
Central Coast Council	NSW
Griffith City Council	NSW
Lismore City Council	NSW
Orange City Council	NSW
Tamworth Regional Council	NSW
Palmerston City Council	NT
Bundaberg Regional Council	QLD
Mackay Regional Council	QLD
Rockhampton Regional Council	QLD
Toowoomba Regional Council	QLD
Launceston City Council	TAS
Horsham Rural City Council	VIC
Greater Shepparton City Council	VIC
Ballarat City Council	VIC
City Of Wodonga	VIC
Greater Bendigo City Council	VIC
Greater Geelong City Council	VIC
Latrobe City Council	VIC
Rural City Of Wangaratta	VIC
Warrnambool City Council	VIC
City Of Albany	WA
City Of Bunbury	WA
City Of Greater Geraldton	WA

Regional Capitals Australia Current Members	
RCA Local Council Member	State
City Of Kalgoorlie-Boulder	WA
Shire Of Broome	WA
City of Karratha	WA
Town Of Port Hedland	WA