



**Submission**

**March 2017**

**Senate Finance and Public Administration Committee  
Inquiry**

into:

The operation, effectiveness and consequences of the *Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016*.

***SUBMISSION BY REGIONAL CAPITALS AUSTRALIA***

## Table of Contents

|  |           |
|--|-----------|
| <b>INTRODUCTION</b>  | <b>3</b>  |
| <b>RCA SUBMISSION</b>  | <b>4</b>  |
| <b>RATIONALE</b>   | <b>4</b>  |
| <b>DECENTRALISATION – BENEFITS</b>   | <b>4</b>  |
| <b>CASE STUDY: TRARALGON</b>   | <b>5</b>  |
| <b>CASE STUDY: GEELONG</b>   | <b>5</b>  |
| <b>CASE STUDY: WAGGA WAGGA</b>   | <b>6</b>  |
| <b>CASE STUDY: ALBURY WODONGA</b>  | <b>7</b>  |
| <b>DECENTRALISATION VALUE ADDING - TELEWORKING</b>                                   | <b>9</b>  |
| <b>POLICY TO SUPPORT SUCCESSFUL DECENTRALISATION</b>                                 | <b>10</b> |
| <b>FOR MORE INFORMATION</b>  | <b>13</b> |
| <b>APPENDIX A: REGIONAL CAPITALS AUSTRALIA MEMBERSHIP</b>                            | <b>14</b> |
| <b>APPENDIX B: MEDIAN HOUSE PRICES AND RESIDENT POPULATIONS IN REGIONAL CAPITALS</b> | <b>15</b> |

## **INTRODUCTION**

Regional Capitals Australia (RCA) is pleased to present this submission for consideration by the Senate Finance and Public Administration Committee ('the Committee') into the operation, effectiveness and consequences of the *Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016*. RCA welcomes the potential for the inquiry's outcome to inform the Federal Government's approach to regional policy.

RCA is a growing alliance of 29 local government associations 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, jointly generating **\$225 billion per annum**, or more than **15 per cent of national economic activity**.

### **Regional Capital Cities**

RCA is an alliance of local governments from across the nation representing Australia's regional capital cities. The alliance has 29 members but represents the interest of 50 regional cities (Appendix A).

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 statistically, but by the role the city plays in the wider region. RCCs act as service 'hubs' and perform a 'capital city' role within the regions, 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.

RCCs are home to almost four million people and service the needs of another four million Australians who live in surrounding areas. 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 – and as confirmed in the recent Demographia International Housing Affordability Survey – far more affordable alternative for people and businesses seeking to escape congested metropolitan cities. A concerted focus on growth and investment for regional cities is key to securing sustainable growth in our regions.

### **RCA Position**

RCA welcomes the inquiry conducted by the Senate Finance and Public Administration Committee (**the Committee**) to examine the '*policy of relocating corporate Commonwealth entities with agricultural policy or regulatory responsibilities*'; specifically, the application of such a policy to the Australian Pesticides and Veterinary Medicines Authority.

RCA submits that the investigation into decentralisation should have a wider application, as such a policy has the potential to trigger enormous economic stimulus for RCCs, and facilitate the diversification of regional economies.

It is the position of RCA that the time is right to have a national conversation about moving more government jobs to RCCs, and hopes the outcomes of the inquiry will help the Federal Government recognise the potential productivity of RCCs, and the importance of including more decentralisation initiatives as part of regional development objectives.

## **RCA SUBMISSION**

The RCA submission focuses on three key areas:

1. The positive impacts of Government agency decentralisation in Australia's regions to date, including case studies in Geelong, Bendigo, Wagga-Wagga, Albury-Wodonga and Latrobe;
2. Value adding to decentralisation objectives;
3. The need to consider decentralisation as part of the formulation of a comprehensive regional development policy in 2017 to ensure RCC are connected and liveable RCCs.

## **RATIONALE**

The need to act on decentralisation while simultaneously developing regional economies has never been more relevant. 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. 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 alone. However, RCCs have different challenges to Australia's largest cities that must be addressed. Unemployment in RCCs is on average higher (2%), as is worker productivity (6%). These cities have lower year 12 completion rates (42%) compared to the national average (52%).

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 thinking 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.

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. It is the position of RCA that increasing the development and population density in regional cities would deliver more liveable, equitable, and efficient outcomes for all Australians.

## **DECENTRALISATION – BENEFITS**

Distribution of Australia's population and attempts to create a balance between urban and regional localities dates back to the early years of federation, but the most notable attempt was during the Whitlam Government of the 1970s. Here, the National Growth Centre Policy was developed and federal investment in regional centres was initiated. However, these attempts lost momentum with a change in government at the end of 1975.

Much has changed since decentralisation in the 1970s. The rapid rise of connectivity technology, the move to high levels of urbanisation throughout the country – particularly in many of Australia's regional cities –

the changing drivers of Australia's economy towards knowledge roles present numerous opportunities. These opportunities are clear for the Australian government: embrace the modern work practices through teleworking and run organisations from a variety of locations through decentralise government operations.

RCA challenges the notion that there are limited benefits to decentralisation and seeks to highlight through live case studies on the success and many benefits regional to our member cities through current decentralised practices.

## 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                               |
|---|--------|---|
| <b>Transport Accident Commission</b>              | 880    | Insurance & Superannuation                    |
| <b>Australian Bureau of Statistics</b>            | 260    | Professional, Scientific & Technical Services |
| <b>Australian Taxation Office</b>                 | 139    | Public Administration                         |
| <b>Centrelink – including 24 hour call centre</b> | 292    | Public Administration                         |
| <b>WorkSafe (proposed)</b>                        | 750    | Insurance & Superannuation                    |
| <b>NDIA (proposed)</b>                            | 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 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.

The economy of the City of Greater Bendigo is diverse and includes a thriving retail and industrial base, tourism, agriculture, forestry and mining and mineral and stone resource exploitation. Commercial development in Bendigo is significant and is based around retailing and financial institutions. Bendigo Bank is a major national and regional bank, and the Bendigo Stock Exchange is one of only three licensed stock exchanges in Australia. The exchange provides a local focus for small to medium sized companies that would otherwise not be able to list as public companies on the Australian Stock Exchange. The economic output of the municipality is substantial at **\$3.2 billion per year**.

Accordingly, the relocation of State Trustees to Bendigo in 2012, where 100 new roles were created, has 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.

In addition, the Victorian Premier has indicated interest in having Bendigo to become home to the proposed Regional Investment Corporation, currently being established by the Federal Government as administrator for the \$4.5 billion in national agriculture and water resources.

## 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.

**RCA Recommendation: The Committee seek action from the Australian Government to:**

- Formally recognise the success of current decentralisation action in Australia's regional capital cities on creating economic diversification and new job opportunities.



## DECENTRALISATION VALUE ADDING - TELEWORKING

A viable alternative to the relocation of Commonwealth agencies and corporate entities is teleworking or outposting – defined by the Australian Public Service Commission as ‘an arrangement whereby an employee has a formal agreement with their employer to work in a location other than the office, usually a home office. Telework uses the medium of information and communications technology to stay connected to other employees and work systems’.

It is the position of RCA that in addition to decentralisation initiatives, the Government should further examine teleworking opportunities in the APS.

A report prepared by Deloitte Access Economics in 2010: *Next Generation Telework: A literature review* examined the benefits of teleworking, and highlighted a number of advantages for both employees and employers. Benefits for the employee included cost savings by not having to travel to work, flexibility in work hours and therefore increased ability to manage work-life balance, increased job satisfaction, and a greater ability to participate in the workforce where traditionally this may not have been possible. The benefits to the employer include improved recruitment and retention outcomes, reduced absenteeism, increased business resilience, reduced costs associated with office space and increased productivity.

In 2013, the majority of Australian Commonwealth agencies (78%) had fully developed telework strategies in place, with only a small proportion (8%) reporting they had no policy in place. Furthermore, of the agencies that collect information on teleworking, 79% reported they had received applications from employees to telework, with a large proportion of these applications approved. Of agencies that collected the information and had received an application for telework, 35% reported they had approved all applications and another 37% had approved more than half of applications. The most common reason for not supporting an application for telework was that the nature of the work was not suitable for telework.

To date, IP Australia appears to be the sole entity to embrace teleworking and uses teleworking ‘*to attract and retain high-performing employees*’. Telework is available to all IP Australia employees on a case-by-case basis, subject to certain prerequisites. It has increased within the agency from approximately 7% in 2007 to 12% in 2013.

The Australian Public Service Commission has noted that it would appear the proportion of Australian employees who engage in home-based employment or telework may be falling. Of the APS employees who did not telework in 2013, the highest proportion indicated this was because telework was not an option in their agency. While this response option was not available in the 2012 employee census, a higher proportion of employees in 2012 reported they did not telework because they needed to be physically at their workplace and/or they were not allowed to do so, **even though they had the kind of job that might enable them to**. These results, although not directly comparable to those of 2013, indicate that for a relatively large segment of the workforce, agency and/or workplace characteristics are perceived as the main inhibitors to telework, rather than employee-centred or technological reasons.

Facilitating further teleworking opportunities throughout all sectors of the APS presents an enormous opportunity for those located in RCCs to engage in skilled, long-term employment – a key factor in growing our regions.

### **RCA Recommendation: The Committee seek action from the Australian Government to:**

- Formally incorporate teleworking/outposting of Commonwealth employees as a key component of the Government’s imminent 2017 Regional Development Policy;
- As part of the above initiative, set yearly targets for each Commonwealth department, corporate entity and statutory authority to offer teleworking opportunities for a percentage of its staff.

## POLICY TO SUPPORT SUCCESSFUL DECENTRALISATION

### Integrated Regional Development

RCA welcomed the January 2016 Australian Government announcement to create a new Australian Government Regional Development policy.

It is the position of RCA that the success of decentralisation objectives rely on an integrated regional development policy. RCA members know that to drive jobs and economic growth within a RCC, the 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. To that end, investment in RCC must be focused on enabling the city to be:

- **Connected** – with high speed broadband, telecommunications, roads, rail, ports and airports; and
- **Liveable** – regional access to tertiary education, health, sporting facilities, arts and cultural centres and well-planned and activated CBDs.

#### **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.

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 innovation and diversification to their destination economies, vital factors for growth and productivity. 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.

The detailed analysis undertaken by the Standing Committee on Rural and Regional Affairs and Transport inquiry into RCCs also confirmed 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:

|  |   |
|--|---|
| <b>Senate Inquiry<br/>Recommendation 4</b> | <i>The Australian government ‘accelerate the roll-out of the National Broadband Network to all regional capitals across Australia’.</i> |
|--|---|

The NBN rollout – a crucial component of regional connectivity – requires attention. 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 rollout of NBN in RCCs.

#### **Mobile Blackspots Program**

The 2015 Infrastructure Australia Audit has projected: “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. RCCs require the speed and scalability of infrastructure to connect cities and take advantage of the growing opportunities of an increasing technology-focused economy.

RCA welcomed the December 2016 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. RCA submits that in recognition of their strategic economic importance, regional capital cities should be clearly prioritised in Round 3 locations, due to be announced in 2017.

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

- Prioritising full fibre to the premises for regional capital cities by 2025; and
- Prioritising RCC 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. Effective infrastructure investment, however, requires strategic planning based on probative evidence to inform those priorities. In order for decentralisation to be effective in a RCC requires a holistic approach: cities must have adequate infrastructure to be productive and liveable.

**Australian Infrastructure Plan**

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 states 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 an infrastructure investment stream that will incentivise 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.*

### **Regional Tertiary and Education Availability**

There is a significant differential in higher education attainment between city and regional Australians. The Regional Universities Network cites that in 2011, 31% of people aged 25-64 who lived in major cities held a Bachelor degree or above. This figure declined to 18% for Australians living in inner regional areas, to 15% for outer regional areas and down to 12% for very remote 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 the 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. Evidence shows, for example, that 60-80% of graduates within the Regional Universities Network are employed in regional Australia a few months after graduation, with around two thirds remaining employed in regional areas five years after graduating.

A thriving regional university sector is critical to ensuring that RCC can continue to provide many of the same services provided by metropolitan capitals, whilst continuing to grow our already substantial contribution to Australia's economic activity.

Regional universities also have enormous potential in driving regional innovation, and regional economic, social and cultural development. The Regional Universities Network has stipulated regional universities perform a growing share of Australia's highly ranked research, much of which is undertaken in close partnership with regional Australian industries and communities.

Increasing the accessibility of regional tertiary education and skills development should be a key Government priority in preparing regional economies for transition.

### **RCA Recommendation: The Australian Government to drive jobs and growth in regional areas in order to diversify economies entering a period of transition, by:**

- *Setting aside funds for regional universities and TAFEs, giving better support to regional research and education facilities.*

### **City Deals**

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.

RCA highlights that decentralisation of government departments could form a key platform for regional city deals and as such recommends the government look to highlight opportunities to work with all levels of government to move departments to regional cities as part of this key government initiative.

### **RCA Recommendation: The Committee seek to highlight opportunities for decentralising government departments where a city has a key competitive advantage, through the Government's regional city stream of City Deals.**

## FOR MORE INFORMATION:

Rachael Sweeney  
Secretariat  
Regional Capitals Australia  
[secretariat@regionalcapitalsaustralia.org](mailto:secretariat@regionalcapitalsaustralia.org)  
(03) 9666 3368

## **APPENDIX A: REGIONAL CAPITALS AUSTRALIA MEMBERSHIP**

## Regional Capitals Australia Current Membership

| <b>RCA Local Council Member</b> | <b>State</b> |
|---------------------------------|--------------|
| Albury City Council             | NSW          |
| City Of Wagga Wagga             | NSW          |
| Coffs Harbour City Council      | NSW          |
| Dubbo City Council              | NSW          |
| Central Coast Council           | NSW          |
| Orange City Council             | NSW          |
| Tamworth Regional Council       | NSW          |
| Palmerston City Council         | NT           |
| Mackay Regional Council         | QLD          |
| Toowoomba Regional Council      | QLD          |
| Rockhampton Regional Council    | QLD          |
| Bundaberg 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 |
| City Of Kalgoorlie-Boulder | WA |
| Shire Of Broome            | WA |
| City of Karratha           | WA |
| Town Of Port Hedland       | WA |

*Current member count: 29*  
*Last updated: March 2017*



## **APPENDIX B: MEDIAN HOUSE PRICES AND RESIDENT POPULATIONS IN REGIONAL CAPITALS**

March 2017

| <b>Locality</b>   | <b>State</b> | <b>Current Year<br/>Median Sale<br/>price</b> | <b>Estimated Resident<br/>Population (2014-15)</b> |
|-------------------|--------------|---|--|
| 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   |