

17 August 2016

The Hon Angus Taylor MP  
Assistant Minister for Cities and Digital Transformation  
PO Box 6022  
House of Representatives  
Parliament House  
Canberra ACT 2600

Via: Angus.Taylor.MP@aph.gov.au

Dear Minister,

On behalf of the Board of Regional Capitals Australia (RCA), I wish to congratulate you on your reappointment as Assistant Minister for Cities.

The RCA membership would also like to extend our congratulations to yourself and the Turnbull Government for their historic recognition of regional cities in the recent release of the Smart Cities Plan and the announcement of two 'Cities Deals' for our member cities: Townsville and Launceston.

On September 12, the RCA Chair and Deputy Chair will be in Canberra and would welcome the opportunity to meet with you and discuss how we may contribute to shaping the cities portfolio – including our response to the Smart Cities Plan which is detailed below.

### **About Regional Capitals Australia**

RCA is an alliance of regional capital cities; we seek to champion the growth and sustainable development of regional Australia.

Regional capital cities are home to almost four million people and service the needs of another four million Australians who live in surrounding rural areas. More than one-third of Australians rely on having a socially thriving regional capital to meet their everyday needs.

There are currently 30 cities that form our membership (Attachment A) and we look forward to increasing our membership in current months.

### **Senate Inquiry Interim Report**

You may also be aware that the Senate Rural and Regional Affairs and Transport References Committee undertook an investigation of "(t)he future role and contribution of regional capitals to Australia". Attached is a copy of the RCA Submission to this inquiry that you will note provides alignment with components of the Smart Cities Plan. RCA is interested in further opportunities to engage members of parliament through the Committee system to consider issues that go to the heart of sustaining the success of our member cities (Attachment B).

### **Response to the Smart Cities Plan – The Opportunities**

Many people are drawn to the lifestyle and affordability offered by regional capital cities. Ensuring these cities continue to grow in a sustainable manner is vital to our economy and the future of regional Australia.

More than 25 per cent of regional capital cities are growing faster than the national average, with one million additional people projected to live in a regional capital city in less

than ten years. We believe that this figure could be much higher with a concerted focus on growth and investment policies for our cities.

The Regional Australia Institute has also confirmed there are savings to the nation by a strong focus on the development of regional capital cities. Research highlighted that for every 100,000 Australians who choose to live in regional capital cities, instead of the metropolitan capitals, \$50 billion would be released into the national economy over 30 years in reduced congestion costs.

As the nation's \$53 billion congestion bill builds, it is clear Australia needs a solution that moves past the big five city bias that historically has been engrained in federal and state policy making. The time to shift this bias and embrace the full potential of regional capital cities is now.

### **Acknowledging and Addressing the Challenges**

The Smart Cities Plan, however, rightly identified that regional capital cities are facing different challenges to those of the major capitals. Building the capacity of our member cities to increase the level of population growth, productivity and liveability will be key to the Turnbull Government's objectives of an agile, innovative and prosperous nation.

RCA recommends that the key elements of this capacity building should be centred on:

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

*Please refer to our position papers on the full detail of these issues (Appendix C).*

### **Short Term Recommendations**

RCA understand that there is much work to be done to progress the Turnbull Government's objectives for cities, and RCA would like to be a partner in this progress. As such we make the following recommendations in relation to the implementation of the Smart Cities Plan.

### **Policy Foundations: Functional versus Population**

Past approaches to urban development have had a strong focus on population figures. The now defunct Major Cities Unit's objectives were to focus only on cities with a population greater than 100,000 people. RCA rejects the notion that a population metric will deliver long-term economic prosperity for all Australians. We recommend that a functional approach be applied to the Turnbull Government's renewed urban policy framework.

Regional capital cities have a diverse population range. These cities however share a functional role: each acting as a hub that provides a central point to access essential infrastructure, services, business, employment and education. These services and infrastructure are accessed by local residents as well as those in surrounding towns and rural areas. Regional Capitals perform a 'capital city' role within their regions.

All cities that work are enormous economic assets and play a vital role in building a strong economy. Regional capital cities – small medium and large – are vital to the regions that surround, in addition to collectively providing significant returns to national GDP. This functional role should be a key focus of urban policy that is reflective of the diverse Australian landscape.

### **Evidence - Address the knowledge gaps:**

In preparing the RCA submission to the 44<sup>th</sup> Parliament's Senate Inquiry into "(t)he future role and contribution of regional capitals to Australia", it became clear that there were large data gaps associated with regional capital cities. Particularly when seeking to understand infrastructure investment, growth and investment drivers and even in some cases – health and education attainment.

This gap was confirmed by the Regional Australia Institute when CEO' Jack Archer highlighted that data was one of the biggest challenges to the institute's work. He stated it was "factually impossible to make a decent assessment" on the level and effectiveness of investment into (regional capital) cities.

It is clear that the lack of policy focus on Australia's regional capital cities has lead to almost no detailed analysis of the urban challenges of regional Australia – this means there is an ongoing challenge to address problems with evidence based solutions.

RCA recommends that there be a dedicated regional capital city resourcing within the new cities unit and also within the Department of Regional Australia to undertake this important analysis.

### **Strategic Alignment - Coordination with Infrastructure Australia**

RCA supports investment and collaboration around the key priorities that Infrastructure Australia (IA) identified in the Australian Infrastructure Plan (AIP). The most notable recommendation is that: *efficient, liveable and productive regional hubs should be considered national economic assets and a key priority of every level of government*. The plan also recommended that long-term regional infrastructure plans be developed to enable Australia's regions to reach peak potential.

Strategic infrastructure investment is the keystone of productive and liveable cities. The infrastructure needs of regional capital cities have not been well understood, nor planned for by successive State and Federal Governments. There has been a strong reliance on self-selected, competitive grant programs funded without a broader understanding of how these projects fit into the national context.

RCA sees strategic alignment between the objectives of the Smart Cities and the Australian Infrastructure plan and believes that only national leadership will deliver the shared oversight required to meet the growth needs of both regional cities and Australia's regions.

RCA recommends that the Turnbull Government embrace this leadership role and begin working with the States to identify a process that will enable long-term infrastructure planning for regional capital cities – both through the City Deal mechanism but also IA project prioritisation.

### **Planning – Be ‘City Deal’ Ready**

There is an opportunity for RCA, as a representative of 30 regional cities across Australia, to coordinate the development of a tool kit, which can support regional capital cities to become ‘City Deal’ ready. This could be developed in partnership with the Regional Australia Institute and the Cities unit within the Department of Prime Minister and Cabinet.

RCA is in a strong position to engage regional capital cities around the challenges and needs that provide opportunities for partnership on key pieces of work. This would benefit both regional capitals and the Turnbull Government by reducing the confusion associated

with the ‘City Deals’ initiative and ensure that roadblocks that can arise due to the wrong level of preparation by ‘City Deal’ candidate cities can be overcome.

We look forward to an opportunity to explore these issues with you in more detail. If you have any questions in the interim, please do not hesitate to contact our Secretariat Rachael Sweeney on (03) 9614 7302 and [secretariat@regionalcapitalsaustralia.org](mailto:secretariat@regionalcapitalsaustralia.org).

Once again, congratulations on your new role and portfolios and our thanks also for your work with us in your previous role.

Yours sincerely,



Mayor Shane Van Styn,

**Chair, Regional Capitals Australia**