

SUBMISSION FROM REGIONAL DEVELOPMENT AUSTRALIA MID NORTH COAST (NSW)

DISCUSSION PAPER 1: AUSTRALIA'S FUTURE INFRASTRUCTURE REQUIREMENTS

Regional Development Australia, Mid North Coast (NSW) has consulted widely in its region to consider the issues raised in the Discussion papers. Infrastructure needs were generally considered to be both “hard” and “soft”. A key message was that provision and maintenance of both forms of Infrastructure should be closely linked to economic development needs. Sustainability and environmental issues were also seen as critical considerations.

However, it is strongly felt that currently there is no true focus on regional Australia or the potential development of this part of our economy. A “warm expansive concept of regional Australia” exists for government at both State and Federal level. The continual focus on urban areas and major cities around Australia will limit our diversity and economic base due to a lack of government expenditure in true future growth in regional Australia.

The challenges are to ask for,
and respond to,
community requirements in real terms of financial investment
and takes resolve and commitment by government.

There are cheaper or more efficient options for growth than the continued expansion of major centres such as our capital cities. Regional and rural Australia need support to develop and support their current and future population. With the rapid arrival of the baby boomer retirement point of some 1.2-1.5 million people potentially exiting major cities within the next 5 years, major challenges to regional centres will and are occurring. This will be especially apparent on the Mid North Coast of NSW. This is a proven key destination point for exiting city-based baby boomers.

There are definite links to semi-retirement and better health prospects for retiring individuals who want to scale back to part-time or less “hectic” life styles – which are highly likely to be based in regional Australia. Longer life expectancies will also add to these phenomena. This will be more likely when lessons learnt from cities are hopefully applied to regional centres. Tree and sea changers and down shifters – whatever you prefer to call them – they are all real people exiting major cities and often moving to regional areas. We have to support the financial development of these areas until they reach a stage of development that is basically self supporting - probably a population of 60,000 in a local government area.

There is a need for business and community representation
that looks at and focuses on future growth and development
that is not tied to a bureaucratic process
but is directly linked into growth and development.

By reporting to, but not being tied to, a process of delivery of services, true vision and critical thinking can occur. Strategic focus by community members combined with on-ground action and outcomes is critical and healthy for maintaining interest in the democratic process by a result of becoming involved for *“improvement of their community.”*

Two questions public and private stakeholders grappled with were:
How do you determine Regional and National Infrastructure needs? And
How do you determine and then implement Regional and National priority projects?

The answers to these questions are complicated given finite funding in the current economic climate and all the years of financial neglect; the expectations and competing priorities in and across the various States, Regions, LGA's and political considerations provides further complications.

The Infrastructure Australia Board, even given the recent release of its proposed evaluation criteria, indeed has a daunting task. It is therefore suggested that evidenced based analysis should be extrapolated from Regional data and applied to determine Regional Infrastructure priorities and project priority lists for action. This can then assist in gaining agreement and implementing National priorities.

As an example, Southern Cross University was commissioned in late 2006 to report on Mid North Coast (NSW) regional infrastructure. The report was designed to establish if there are arguments and/or observations contained in nine major reports (including Local Government Inquiry 2006, National Sea Change Taskforce 2006, and the State of the Regions Report 2005-6) that can be used to:

- a. Identify the major infrastructure needs (current and projected) for the Mid North Coast region, particularly infrastructure required to facilitate the region's growth;
- b. Determine regional infrastructure priorities.

The lack of identified specific infrastructure needs and priorities for the MNC in the reviewed reports was disappointing. However, it appears that many regions in NSW and probably Nationally, are in the same position, having insufficient information regarding current infrastructure, to record and analytically prioritise immediate and future requirements.

Nevertheless, the strong themes of increasing, ageing, and poor socioeconomic characteristics documented concerning the MNC's population suggest a variety of infrastructure needs. Hence, an overall plan for nurturing and developing the regions economy (to facilitate an increase in the MNC's gross regional product) through the provision of broadband and vital transport infrastructure; together with the provision of public transport, aged care and health infrastructure; should address the most pressing infrastructure (and many socio-economic) needs for the MNC.

In addition, the well respected consultancy company, AEC, in its Mid North Coast Regional Economic Profile Report –December 2007 provided the following information following its research and consultation throughout the region.

Competitive & Comparative Strengths

The Mid-North Coast's core competitive and comparative strengths relating to existing infrastructure and resources include:

- Abundant agriculture, forestry and fishing resources, with frost-free coastal areas and climate that supports a number of horticulture commodities.
- Education and training support in the region, particularly in the key sectors of agriculture, forestry, marine and tourism.
- Positioning along the trade route between Brisbane and Sydney, with significant road and rail infrastructure capable of freight carriage and ongoing investment in the upgrade of the Pacific Highway as a dual carriageway.

- Existing and potential to expand air, road, rail, marine and port infrastructure to cater for/ facilitate economic development initiatives.
- Potential for the development of strategically located transport interchanges and industry precincts to facilitate commodity and tourist movement between transport forms and fixed infrastructure.
- Close proximity to premium tourism markets and significant tourism support infrastructure allowing easy access to and from these markets.
- Current and future areas of available and appropriately zoned retail, commercial, industrial and residential development land.
- Current planning activities supporting the retention and protection of productive land and natural resources.
- Significant investment in water management infrastructure in specific areas.
- Positioned adjacent to the major north-south fibre optic corridor.

Gaps & Impediments

Specific gaps and impediments identified that are likely to have an increasing negative impact on the Mid North Coast as the population continues to grow include:

- Current and future capacity constraints of transport network, and lack of alternate routes.
- Current and future telecommunications infrastructure quality and capacity.
- Future capacity of electricity transmission lines and reliance on electricity generation from outside the region.
- Coordination between transport modes and activities, and irregularity of service.
- Current and future capacity of health and aged care infrastructure.
- Current predominance of detached housing encouraging urban sprawl.
- Water availability for urban and industry development.
- Exposure to climate variability (including drought, flood and fire).
- Additional commercial (203 ha) and industrial (225 ha) land required by 2031.
- A lack of understanding of the complexities and difficulties of planning.
- A lack of coordination between different levels of Government, and a lack of alignment between different programs.
- The limited availability of adequate infrastructure funding.

This evidenced based process would I expect be appropriate for many other of Australia's regions and could provide the means to establish regional priorities and National funding considerations.

The last dot point above is also reflected in the March 2008 Rural and Regional Taskforce Report to the NSW Premier which identifies, amongst other things, priority infrastructure needs but has no funding identified or committed to implement recommendations.

There is confusion on National, State or Local provision: who funds what area and who should contribute. We need rationalisation and a real definition of responsibilities of each three tiers of Government and indeed where we expect the private sector to be involved.

From a Regional perspective, the excessive number of often overlapping funding programs at the Federal, State, Local Government and private philanthropic levels overly complicate interaction. One needs to ask the fundamental question: "Are current grant funding programs the most strategic and cost effective way to deliver

infrastructure and regional development improvements / outcomes?" If the answer is "no", there needs to be a change in Government policy.

Local government infrastructure and projects for example could be funded directly to Local Government. The "Roads to Recovery" program provides a good model for the distribution of funds directly to local government with reduced administration costs and at the same time meeting ANAO reporting requirements.

There needs to be a rationalisation of the number of grant programs as well as greater coordination to stop the current "scatter gun" approach and provide a more concerted effort, directing funds to evidenced based areas of highest priority. This, along with Infrastructure Australia's analysis criteria and assessment, could assist with National priorities and their implementation.

The process to determine Regional Infrastructure priority projects is therefore recommended in the following way:

- Individual regions develop a broad strategic infrastructure plan through statistical, evidence based analysis, intensive consultation and stakeholder submission opportunities examining competitive and comparative strengths and gaps and impediments;
- A "Shared Vision" and priority areas of infrastructure in the Economic, Cultural, Social and Environmental sectors are determined through this strategic planning/consultation/engagement process;
- Regional Development Australia committees facilitate this process and gain agreement on (evidence based) strategic projects and make recommendations to its Department and the Infrastructure Australia Board based on transparent criteria and analysis considering such issues suggested at Attachment A;
- Infrastructure Australia then reviews the recommendations, determines and publishes the Regional priority list and this assists with implementing National priorities.
- The Regional Development Australia Boards, in their Solution Broker role, then similarly drive the endorsed local regional Infrastructure projects with appropriate Public and Private stakeholder input and funding;

This process should ensure that projects not only address the regional priorities but also the overall national agenda.

It would be beneficial however for:

- "regions" to be defined once and applied across all levels of Government;
- A regional capacity to use well defined research to guide planning and projects for National consideration and within regions.

Forwarded for your consideration.

Yours Sincerely

Don Phillips
Interim Chairman Regional Development Australia Board
And Chairman Regional Development Australia
Mid North Coast (NSW).

**ATTACHMENT A
SUGGESTED REGIONAL INFRASTRUCTURE PRIORTISATION CRITERIA AND
SCORING SYSTEM.**

It is suggested that analysis be based on the following with the clear use of relevant statistics to determine priority:

Sustainable Development

Does the infrastructure opportunity facilitate the sustainable utilization of resources and maintain the functionality of the natural environment (i.e. is resource use improved without impacting negatively on the environment)?

2 = Yes

0 = No

Increases Employment /Skills

Does the opportunity result in a long term increase in employment opportunities and / or labour force skills?

2 = Increases both employment & skills

1 = Increases either employment or skills

0 = No

Increases Average Income

Does the opportunity create high value employment prospects?

2 = > 1.25 x average

1 = > 1 & <= 1.25 x average

0 = <= 1 x average

Value Add

Does the opportunity provide opportunities to increase the value of production per unit of input and build on existing business/ industry production? This can be in terms of generating a new product (i.e. value adding existing agriculture or horticulture production etc) or by increasing productivity of an enterprise or business.

2 = Yes

0 = No

Competitive Advantage

Does the opportunity capitalise on or enhance the Nation's competitive advantage (i.e. does the opportunity build upon or utilise a strength)?

2 = Yes

0 = No

Return on Investment

What is the potential of the opportunity to generate a high return on investment and encourage private investment?

2 = Expected to occur

1 = Could occur

0 = Unlikely to occur

Global Connection

Does the opportunity enhance the Nation's participation in the global economy (i.e. enable the development and extension of markets beyond regional consumption)?

Market predominantly:

2 = International

1 = Interstate

0.5 = Elsewhere in State

0 = Local region