



REF: AW:KA 2769844

27 October 2017

Dr John McVeigh MP
Chairperson
Select Committee on Regional Development and Decentralisation
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Dr McVeigh,

Inquiry into Regional Development and Decentralisation

The City of Kalgoorlie-Boulder welcomes this opportunity to make a submission to the House of Representatives inquiry into regional development and decentralisation. It is strongly recommended that the Federal Government actively encourage, promote and implement decentralisation of public service entities into the regions.

The Committee Terms of Reference note a range of outcomes to enquire and report upon, including:

- a) Best practice approaches to regional development;
- b) Decentralisation of Commonwealth entities and functions, as a mechanism to increase growth and prosperity in regional areas; and
- c) Actions of the Commonwealth that would encourage greater corporate decentralisation.

This submission addresses the Terms of Reference where appropriate and relevant.

Overview of Kalgoorlie-Boulder

Kalgoorlie-Boulder is a city undergoing a transition. Traditionally known for its globally significant mining industry and rich gold and nickel mineral deposits that have made the region, in which the City is located, the second largest resource producing region in WA and one of the most significant in the world. Kalgoorlie-Boulder has built on its strengths in the mining sector to establish itself as a modern thriving regional centre, an internationally connected trade hub and a leading mining University city.



Kalgoorlie-Boulder is located in the Goldfields-Esperance region of Western Australia (WA), approximately 600km east of Perth. In terms of area, Kalgoorlie-Boulder is the largest city in Australia, and the third-largest city in the world, with a total expanse of 95,575 km². Kalgoorlie-Boulder's economic zone has over 1100 businesses and a population over 40,000. The population of the City's core is 30,871 and is forecast to grow 30% to over 40,000 by 2030.

The City's rich heritage and character dates back to 1893 and today is complemented by modern amenities and excellent education, health, retail, recreational and cultural facilities. Kalgoorlie-Boulder is also the access point to world ecologically important natural landscapes.

Economic Significance of Kalgoorlie-Boulder

Kalgoorlie-Boulder is the regional capital of the Goldfields-Esperance region and a major contributor to the WA and Australian economies, with economic zone Gross Regional Product (GRP) estimated at \$7.9 billion in 2015-16, representing 3.2% of WA's Gross State Product (GSP) of \$248.6 billion. The City's economy is continuing to diversify with the top five employment sectors being mining, retail trade, construction, manufacturing and education and training.

In September 2016, there were 51 active mining properties in the Kalgoorlie-Boulder Economic Zone with 49 of these operational and two under construction. A further 697 mining properties are classified as either under consideration or possible. These are generally gold, nickel, iron ore, uranium or lithium.

The growth of lithium mining provides an exciting opportunity for downstream processing and value adding in the region. The Mt Marion Lithium project, located approximately 40km southwest of Kalgoorlie-Boulder, is now in production and a memorandum of understanding was signed in September 2016 between the joint owners to progress the development of a downstream lithium processing plant.

ADDRESSING THE ISSUES

A) Best Practice Approaches to Regional Development

General Comments

The relocation of Commonwealth entities to regional cities, such as Kalgoorlie-Boulder, will greatly assist to in strengthening local economies through direct injection of secure jobs. This would assist the achievement of long-term population growth to the benefit the regional city and its surrounding economic zone through increased business, freight and improved service and liveability outcomes. The decentralisation of Commonwealth entities will also help diversify regional economies, support resilience and improve the ability to overcome downturns in single or volatile market sectors by leveraging long-term private and federal investment.

In the case of Kalgoorlie-Boulder the relocating of a commonwealth entity to the area would address key priorities outlined in our strategic plans to drive improved prosperity and well-being in the region, including the Goldfields. Most notably, it would contribute to the region's target of creating 13,000 new jobs by 2050.

Case Example 1

Western Australia has a network of 9 strategic regional cities and towns that are identified in the State Planning Strategy as Regional Centres. These centres are vital economic hubs and are global gateways in and out of their regions. The centres support and facilitate business activity (including mining and agriculture) and smaller economies through access to high populations, skilled workforces, training, liveability services, freight and transport. Kalgoorlie-Boulder is one of WA's 9 Regional Centres.

One of the challenges to be faced across regional Australia is the sustaining of population and employment growth. Kalgoorlie-Boulder partnered with the WA State Government to address this issue through the Regional Centres Development Plan Initiative that aimed to empower Regional Centres to strengthen their capability to grow business, investment and jobs.

Through this initiative the City has developed a comprehensive strategic economic and social development plan, titled 'Growing Kalgoorlie-Boulder' (the Plan). The Plan represents a long term strategic and collaborative approach to creating sustainable new jobs and productive investment in Kalgoorlie-Boulder. This is being achieved through an innovative governance structure (with federal, state, local government, business, industry and community representation), evidence based initiatives and creation of stakeholder groups to help identify investment projects and provide advice on how to support business operations.

The Plan was launched in April 2017 and initiatives are being prioritised using multi criteria analysis to optimise; investment, job creation, population attraction, economic diversification, aboriginal employment and economic growth.

This collaboration aims to promote Kalgoorlie-Boulder on a state, national and global scale. To date, Growing Kalgoorlie-Boulder has shortlisted twenty initiatives and has six underway that are predicted to assist in the creation of hundreds of new jobs. These include:

1. De-constraining land suitable for strategic and large industrial development
2. Establishment of a CRC CORE Kalgoorlie-Boulder Mining Innovation Hub
3. Investment Prospectus (launched on 15 November 2017)
4. Solar For the Goldfields Feasibility Study
5. Kalgoorlie Central Business District Economic Transformation Project
6. Establishment of a Centre of Excellence and Hard Rock Processing and Engineering Training Facility

Case Example 2

Diversification of the region's economy is essential for buffering the volatile market dynamics associated with key industries in the region such as the mining, agriculture and forestry sectors. A transition away from traditional economies would move the region closer to its population targets while stimulating private sector growth to support new jobs and services resulting from a long-term commitment by the public sector.

The recent completion of the \$232 million Eastern Goldfields Regional Prison redevelopment is an excellent example of a project which has created significant social and economic benefits to the region and Kalgoorlie-Boulder.

The project has not only created diversity in employment options for people in the region but generated an additional \$52.5 million in value added goods and services across various sectors according to GEDC's regional economic impact modelling, REMPLAN.

The same modelling found that benefits of an additional \$12.6 to \$18.9 million could be attracted to the region annually in earnings across all sectors in the event a Commonwealth entity of 30 people were to relocate to the area.

A further 18 new jobs could be provided, a total potential of 48 new jobs across ten industry sectors contributing to regional diversity, and between \$6.5 and \$7.89 million in wages and salaries shared across all sectors.

While these estimates are conservative they are indicative of the significant economic impacts that even a small relocation would bring to the region.

B) Decentralisation of Commonwealth Entities or Functions

Support for Decentralisation

The City welcomes and is strongly supportive of the proposed policy of decentralisation of Commonwealth entities. The policy, as outlined will achieve the aim of boosting jobs and will genuinely invest in regional communities. Further to this, the City maintains the policy will improve the ability of Commonwealth entities to perform their functions and lead to improved economic and capability outcomes.

Relocating Commonwealth bodies in regional centres such as Kalgoorlie-Boulder would be an extremely positive and welcomed step towards ensuring that Commonwealth government presence is not only displayed by geographic positioning but is also engaging with regional Australia.

Support for a Partnership Approach to Regional Growth

The City of Kalgoorlie-Boulder, the WA State Government and regional stakeholders (including Regional Development Australia) have recently developed the 'Growing Kalgoorlie-Boulder' Plan (the Plan) to drive improved prosperity and well-being in the region, including the Goldfields. The Plan's governance arrangements include representatives from all levels of government, industry and the community. This exemplifies the City's willingness and commitment to work with all stakeholders, including the Federal Government on initiatives that will assist in achieving key focus areas in the Plan, including: job creation; economic growth; and enhanced liveability.

Support for Investment in the Regions

Relocating Commonwealth entities would increase the scope for collaborative partnerships, integrated policy development and coordination of all levels of government. It is the City's view that this will provide great benefits to policy and service implementation in regional Australia. It will also maximise opportunities for program responses to issues and opportunities as they emerge but also to overall efficiencies and competitiveness in terms of government-enabling initiatives, industry engagement and overall economic output.

It is the City's view that one of the most effective ways for Commonwealth government to invest in regional Australia and develop effective partnerships that directly contribute to sustained population levels, is to locate Commonwealth entities in regional capitals such as Kalgoorlie-

Boulder. The City maintains this will have a strong positive effect on the economy and functional capability at local, regional and national levels as outlined below:

- The placement of Commonwealth entities and their staff and families will;
 - Increase the number of skilled workers and improve the capacity of the regions workforce;
 - Enrich the social capital and demographic diversity;
 - Reduce government operating costs due to lower property and rental costs in comparison to metropolitan cities;
- Aboriginal people are strongly represented in regional areas such as Kalgoorlie-Boulder and can directly contribute to workforce diversity;
- There will be increased engagement with industry, State and local government to better inform policy, program development and services;
- It will enable improved scope for synergies with State and local government program and policy development and implementation.

Benefits of Locating Commonwealth Entities in Kalgoorlie-Boulder

Kalgoorlie-Boulder is a strategically strong Regional Centre in which to relocate Commonwealth entities. As the regional capital of a vast industry diverse and economically important area, locating Commonwealth entities and functions in Kalgoorlie-Boulder would provide demonstrable benefits to the region and national economy.

Kalgoorlie-Boulder is also a significant generator of creativity, innovation and entrepreneurship supported by strong business and political leadership, regional infrastructure and access to skills and expertise. This pool of diversely skilled people could be integrated into the public service and act as a driver for improved higher education attainment rates in the region given that local career prospects for young people would improve.

Additionally, Kalgoorlie-Boulder offers a range of different lifestyle advantages which could aid in the retention and attraction of staff including affordable and quality housing, established urban centres, less congestion and short commuting times, schools, quality sport and recreation facilities and expansive transport networks. All of these factors could contribute to an improved work life balance for public sector workers compared to those in metropolitan areas.

Summary of key benefits;

- Superb livability with a relaxed lifestyle;
- A supportive and affordable business environment;
- Access to a highly skilled multicultural workforce;
- A large Industry base with significant strength in size and capability;
- High-speed communication infrastructure, including the NBN;
- Good availability of development ready sites, with new office space competitively priced relative to metropolitan locations;
- Affordable living, the median house price in Kalgoorlie-Boulder is 45% below the Perth median price and the median rent is 21.5% lower;
- Major regional airport that offers great connectivity to Perth with twice daily flights (45 minutes) and direct flights to Melbourne;
- Well connected through major highways and rail

- World class education, home to Curtin University's WA School of Mines (Ranked #2 in the World for Mining) and Central Regional TAFE.

Scope for Relocation of Broad Range of Commonwealth entities to Kalgoorlie-Boulder

The City has given consideration to the types of entities that could be ideally placed within Kalgoorlie Boulder given its geography, landscape, biodiversity and diverse spread of skills.

These include call centres or similar, units of military defense, institutions associated with renewable energy, Aboriginal and Torres Strait Islander studies, geosciences, aged care, health and mental health, agriculture, regional development, social services, biodiversity, scientific and industrial research.

An important consideration for Commonwealth entities is representation of and reach to Aboriginal and Torres Strait Islander. Kalgoorlie Boulder has approximately 8% Aboriginal and Torres Strait Islander population base and the broader region has significant Aboriginal representation.

Whilst the City does not wish to pre-empt any government decisions by nominating entities, it recognises that the creation of more service based jobs would greatly assist in the diversification of the region's economy and therefore the City would welcome any opportunity to discuss types of entities that Kalgoorlie Boulder could host.

C) Commonwealth Action to Encourage Corporate Decentralisation

A program of Federal Government decentralisation would demonstrate that Australia's regional centers are attractive and functional places for individuals and families to live and work, offering significant lifestyle advantages. It gives the private sector confidence and an incentive to develop a local presence when the Federal Government chooses regional locations, such as Kalgoorlie-Boulder, to develop or trial innovations. The use of regional facilities and infrastructure to develop and trial new innovations is highly recommended.

Conclusion

The City appreciates your consideration of the matters highlighted in this submission and would welcome any opportunity to provide further context and evidence on the significant positive impacts the relocation of government bodies to regional areas could provide.

Should you have any further questions, please do not hesitate to contact the Alex Wiese
Executive Manager Economy and Growth

Yours sincerely,

John Walker
Chief Executive Officer