

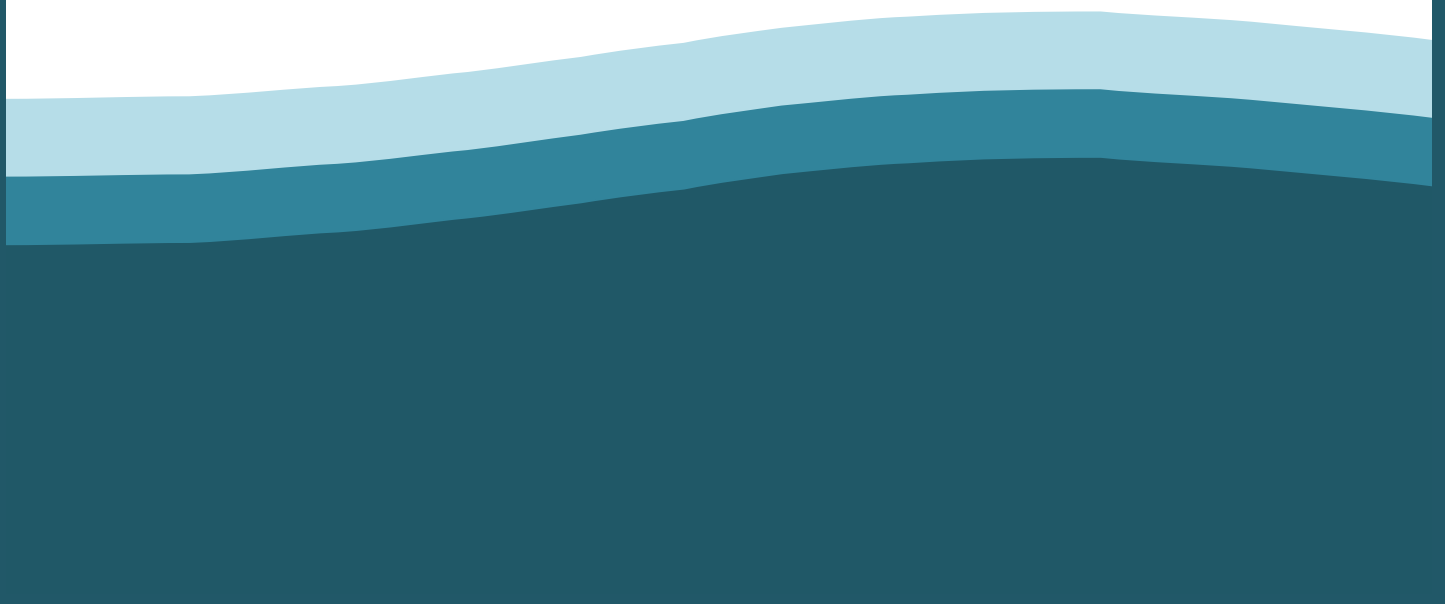
May 2015

senateinquiry

Rural and Regional Affairs and Transport References Committee

Albury Wodonga Submission

Future Role and Contribution of
Regional Capitals to Australia



1.0 TERMS OF REFERENCE

On 11 February 2015, the Senate moved that the matter of the future role and contribution of regional capitals to Australia be referred to the Senate Rural and Regional Affairs and Transport References Committee for inquiry and report by 1 December 2015.

Matters specifically identified by the inquiry include:

- a. an assessment of current demographic trends and the changing role of regional capitals;
- b. an analysis of current funding provided to regional capitals;
- c. an analysis of the benefit of additional funding regional capitals could receive based on population, demand for services and their strategic importance for the region, state or country;
- d. investment challenges and opportunities to maintain or grow regional capitals, including infrastructure, community and human services, communications and natural resources;
- e. incentives and policy measures that would support sustainable growth in regional capitals;
- f. the impact the changing environment will have on regional capitals; and
- g. any other related matters.

2.0 INTRODUCTION

Recognised as the 20th largest city in Australia, Albury Wodonga is located on the Victorian-NSW border, 300km north of Melbourne and 580km south of Sydney on the Hume Freeway. Albury and Wodonga share a unique 'twin city' relationship, with a combined population of approximately 89,000 people, and an estimated labour force of more than 42,000 people.

Servicing and supporting a broader regional catchment of approximately 180,000 people, Albury Wodonga is a vital regional capital providing access to essential infrastructure, health and professional services, business, employment, education, culture, sports and recreation.

The city's liveability and strategic location is evidenced by the presence of many national and multi-national businesses, from a variety of industry sectors; some of which have established head office's in the city. Supplying these large businesses is a key component of micro, small and medium sized businesses, many of whom perform highly specialised services.

Extending beyond local service provision, a growing number of businesses service regional, national and international markets. The combined economy is estimated at \$5.21 billion annually and is fuelled by approximately 7,000 businesses that export an estimated \$3.58 billion of products and services each year – demonstrating the strategic importance of Albury Wodonga's output to the broader region, state and nation.

From a value add perspective, the top five sectors are as follows:

- Manufacturing - \$710.4 million;
- Rental, hiring & real estate - \$605.7 million;
- Public administration (incl defence) – \$562.5 million;
- Health & social services - \$445.6 million;
- Financial services – \$335.2 million.

While the economy is diverse, the reliance on the manufacturing sector sees Albury Wodonga exposed to the structural adjustment being experienced in this sector nationwide. In recent years, companies such as Kimberly Clarke, DSI Holdings and Moore Paragon Printing have closed as operations become inefficient and uncompetitive in a global market, while others have downsized or experienced adjustment. As a result, the city is seeking to continue to diversify the economy and pursue those industries which have a clear competitive advantage in locating to Albury Wodonga. There are a range of initiatives that State and Federal governments could pursue to support the long term sustainability of the Albury Wodonga economy and its continued growth and development.

In response to the every-changing forces of globalisation and the tight financial circumstances in which regional capitals must operate, facilitating new investment through the provision of quality infrastructure, renewal of existing assets, attraction and retention of skilled workers and creating supply chain efficiencies for businesses, remains a consistent challenge.

The following submission will explore the profile of Albury Wodonga in relation to the inquiry's terms of reference noted at 1.0, highlighting the advantages, challenges and opportunities for sustainable growth. With consideration to Albury Wodonga's current and forecast economic position, the submission will also outline incentives, policy measures and funding opportunities for consideration by the State and Federal government into the future.

3.0 CHARACTERISTICS

3.1 Strategic Location & Transport Infrastructure

Albury Wodonga's location on the main Australian transport and communication corridor arguably makes its location one of the most strategically important in the country, in terms of freight and distribution movement for the Eastern Seaboard.

More than 75% of Australia's population can be reached by road/rail overnight, providing businesses with a significant competitive advantage. The strategic location on the Hume Highway corridor and the Melbourne and Sydney rail line, has made it an attractive base for many national manufacturing and logistics companies including Greenfreight, Mars Petcare, Joss Group, TNT, Border Express, Ron Finemore Transport, Woolworths Distribution Centre, Visy Industries and many others.

Albury Wodonga has the third busiest airport (located in Albury) in regional NSW with more than 250,000 passengers passing through the terminal each year and over 180 flights per week. Services are provided by Qantaslink, Virgin Australia and Regional Express, with charter services also available. Businesses dependent upon close links to aviation are also afforded a range of operations from the airport including secure document express cargo carriers and aircraft servicing.

Residents and visitors remain connected with an easy three hour drive to Melbourne and Canberra and extensive bus and train services linking the city to capital cities and numerous regional centres on a daily basis.

3.2 Cultural Hub

Like all diverse and multicultural cities, Albury Wodonga has a strong community of people who are devoted to culture and the arts, and are keen to nurture talent. The region is the epicentre for cultural facilities including the Albury Entertainment Centre, the LibraryMuseum, HotHouse Theatre and The Cube Wodonga. Art gallery spaces across Albury Wodonga include Arts Space Wodonga, GIGS Gallery and the Murray Art Museum Albury (MAMA) opening in September 2015. The city supports several community-based art and theatre groups including the Murray Conservatorium of Music and the Flying Fruit Fly Circus – an international school for circus arts.

3.3 Education and Healthcare Facilities

The region offers a wide range of quality educational options from pre-school to University. Charles Sturt University has a campus in Albury and La Trobe University in Wodonga. The Riverina Institute of TAFE's Albury campus continues to grow its reputation as a high quality education provider and Wodonga TAFE is recognised as an industry leader offering a vast range of technical training.

There are two major hospitals – one public and one private and accredited day surgeries. Albury Wodonga has a medical fraternity of more than 200 doctors consisting of approximately 90 General Practitioners including GP registrars and 120 or so specialists. These are complemented by comprehensive services for people with disabilities, mental illness, nursing homes and allied health services.

The development of a \$65 million Regional Cancer Centre in Albury Wodonga will consolidate and expand upon existing public and private cancer services. It is anticipated that the centre will be commissioned in September 2015 and will be a significant step forward in the availability of specialty healthcare services for the region.

3.4 Lifestyle Offer

Albury Wodonga offers a rich urban life in a fresh country setting. It's the unexpected contrast between experiences that helps create an enticing lifestyle offer. Nestled among scenic hills on the banks of the Murray River, Albury Wodonga is a short drive to Victorian ski fields, wine regions and wonderfully preserved historical towns. The location means easy access to the North East Victoria food bowl, time enjoyed outdoors with extensive nature trails and running tracks, Lake Hume or Wonga Wetlands.

It also boasts an emerging gastronomic scene, with an appetising range of restaurants, bars and outdoor cafés and is the retail centre for the region.

3.5 Water Quality and Security

Albury Wodonga has a high level of water security and is situated immediately downstream of two key water security infrastructure elements that underpin flows in the Murray River system – Dartmouth and Hume dams. Combined, the two dams contain more than 6.9 gigalitres of water creating a key sustainable competitive advantage. This security combined with the quality and availability means that the city is well serviced to meet the demands of its current residents and businesses, and has exceptional capacity to support future growth. It also ensures the city is an attractive location for water-intensive industry operations.

4.0 CURRENT DEMOGRAPHIC TRENDS AND THE CHANGING ROLE OF REGIONAL CAPITALS

4.1 Demographics

Albury Wodonga has experienced strong population growth over the past 11 years with the overall population increasing by almost 9,200 people since 2004.

According to the 2011 Census, the median age in Albury Wodonga is 36. This is typically low for a regional city. There is a strong representation of people aged between 15 – 44 years with almost 41% of the population falling into this category. Projections for population growth into the future remain strong with estimates of Albury Wodonga reaching 124,472 people by 2036.

There is a higher proportion of people aged 17 years and under in Albury Wodonga (24.8%) than regional Victoria (23.5%) and regional NSW (23.9%). There are also a lower proportion of people aged 60 years and over (19.4%) compared with regional Victoria (24.2%) and regional NSW (20.8%). This provides significant opportunities for expansion of education and retention of young people to fill skill vacancies and to drive the future economy.

Wodonga is the largest and fastest-growing centre in North East Victoria and the fastest-growing of the Regional Cities Victoria Group, with a growth rate of 2.2% between the 2013 and 2014 financial years. Albury has also experienced strong growth, with a reported increase of 1.7% over the same period.

In order to cater for this growth there is a need to create an additional 16,237 new jobs in Albury Wodonga by 2036 and achieving these job outcomes will be critical in ensuring the economy continues to achieve and build on its historic growth patterns.

Residential development forecasts assume the number of dwellings in the City of Wodonga and AlburyCity will increase by an average of 638 dwellings per annum to 52,236 in 2036.

4.2 Business, Investment, Employment and Skills

Albury Wodonga has a significant number of competitive advantages that assist in attracting development, investment and residents to the city.

The city hosts large scale manufacturing companies such as Geofabrics Australasia, Mars Petcare, Norske Skog Paper Mills, Overall Forge, Visy Board and Vitasoy, just to name a few.

The Department of Employment estimates that approximately 42,500 people work in Albury Wodonga. The top five sectors by employment are:

- Healthcare – 15.1%.
- Retail – 12.8%.
- Manufacturing – 12.8%.
- Public Administration and Safety (including Defence) – 11.2%.
- Education and Training – 9.2%

Small Area Labour Market Data released quarterly by the Australian Government indicates Wodonga's average unemployment rate in the 2014 calendar year was 5.9% and Albury's was 10.2%*. Combined, the city had an average unemployment rate of 8.5% over the same period, emphasising the prolific need to create new employment opportunities, and retain existing jobs to encourage economic growth and sustainability across the municipalities.

***Note:** The Department of Employment and Workplace Relations has confirmed that the published unemployment rates for Albury (Murray SA4), are statistically unreliable and should not be used a true indication of the labour market for the region.

The value of residential and business construction in Albury Wodonga in the 2013/14 financial year was almost \$299 million.

4.3 Exports

The estimated value of all domestic, national and international exports from Albury Wodonga at March, 2015 was \$3.58 billion annually. The top three sectors for exports are manufacturing, public administration & safety (defence), and health care & social assistance. The manufacturing sector accounts for 58% of all exports from Albury Wodonga.

Some of the larger international exporters in Albury Wodonga include Geofabrics Australasia, Malibu Boats, Overall Forge, Vitasoy, Wilson Transformer Company and Wodonga Abattoir.

CASE STUDY – Wodonga Abattoir

Wodonga Abattoir export meat including beef, mutton, lamb, goat, veal and associated by-products. They purchase livestock from more than 2000 suppliers across the Hume, Grampians and Gippsland regions. All products manufactured are 100% halal and are exported internationally to eighty different countries, mainly being the USA, China and the Middle East. It is estimated they export in excess of 55,000 tonne of meat per year.

CASE STUDY – Overall Forge

Overall Forge relocated from Sydney to Albury in 1996 allowing its operations to expand, with the facility now covering an area in excess of 13,200m² and employing some 90 staff. The company is a major supplier to the Australasian and South East Asian mining and quarrying industries, retaining a high profile in the world wide gas and oil exploration industry, as well as supplying componentry to the Defence and electricity generation sectors, as well as a variety of other industries.

Difficulties faced by exporters include:

- International market access
- Australian dollar
- Skilled labour
- State Government resources
- Duplication of taxes between different tiers of government
- Increasing road transport associated expenses

5.0 CURRENT FUNDING PROVIDED TO REGIONAL CAPITALS

The below table outlines the level of grant funding received from State and Federal Governments for capital works on local government assets for the past three financial years in comparison to actual Local Government expenditure:

2013/2014

	'000	Local Government	State Government	Federal Government
Albury		20,832	877	213
Wodonga		17,125	4,237	424
Total		37,957	5,114	637

2012/2013

	'000	Local Government	State Government	Federal Government
Albury		22,161	134	1,314
Wodonga		16,708	9,407	467
Total		38,869	9,541	1,781

2011/2012

	'000	Local Government	State Government	Federal Government
Albury		31,489	814	938
Wodonga		19,014	8,892	1,930
Total		50,503	9,706	2,868

While it is recognised that Albury Wodonga's economy benefits greatly from its role as a regional capital, the majority of the investment in infrastructure is related to sustaining or creating assets that do not generate additional ordinary rate or fee for service revenue. The pressure this places on the city to continue to meet the needs of the broader regional community utilising this infrastructure is significant but is not currently well recognised by State or Federal Government, as demonstrated by the comparative level of infrastructure investment outlined above.

It is also recognised the Federal Government has invested in other projects in the region during that period, the most significant being the \$65M Albury Wodonga Cancer Centre.

Albury and Wodonga acknowledge that an untied allocation is also provided by the Federal Government for local roads and general purpose funding each year via the Financial Assistance Grants program. Over time the percentage of total taxation represented by these Grants has reduced and, more recently, the indexation for inflation and population growth has been frozen which will further impact on the financial capacity of regional capitals to service local and surrounding communities.

6.0 BENEFITS OF ADDITIONAL FUNDING

As previously outlined, Albury and Wodonga Councils service a broader regional catchment of approximately 180,000 people, doubling the rate base of the respective Local Government Areas (LGAs). There is an expectation from this broader region that the city will meet both the hard and soft infrastructure demands of all of its residents. Without the support of funding from State and Federal government, meeting this expectation proves challenging for local government. As a result, when State and Federal governments approach regional infrastructure funding, consideration should be given to the role of regional capitals within a context broader than their immediate LGAs.

The Government has an opportunity to capitalise on the economies, environment and lifestyle available in regional capitals such as Albury Wodonga. Regional capitals have the potential for growth, diversification and increases in productivity. In addition, they play a vital in strengthening the appeal and sustainability of their surrounding towns and villages. Unlike some of their coastal counterparts, many inland regional capitals such as Albury Wodonga are actively seeking population increases to support the growth of their economies. Additional Government investment in both marketing and relocation assistance grants would increase the appeal of inland regional cities as places to live and invest, helping to alleviate increasing population pressures in capital cities.

7.0 INVESTMENT CHALLENGES AND OPPORTUNITIES

7.1 Drivers of Economic and Population Growth

Land supply – Industrial

Albury and Wodonga have an abundant supply of investment-ready vacant industrial land, with two large scale industrial estates strategically located on Australia's premium freight corridor.

Nexus is a 450ha industrial precinct located 10km north of the Albury CBD at Ettamogah, spanning the Hume Freeway and the main Melbourne–Sydney rail corridor. Nexus incorporates the Ettamogah Rail Hub which offers specialised rail transportation methods as well as conventional bulk freight operations from a choice of providers and is capable of handling over 250,000 tonnes of freight annually.

Similarly, Logic a 567ha industrial estate is situated 14km west of Wodonga at the intersection of the Hume Freeway and Murray Valley Hwy and adjacent to the Melbourne to Sydney rail line. The estate already hosts a number of large scale businesses including Woolworths Distribution Centre (WDC), Border Express, Wodonga TAFE National Industrial Skills Training Centre and a 24 hour Service Centre, Fatigue Management Centre and Trailer Interchange. WDC turns over \$2 billion in stock every year and generates up to 450 truck movements every day. SCT Logistics has also recently confirmed its intention to construct a rail hub within the estate in the next two years.

The volume of market ready vacant industrial land at both Nexus and Logic provides significant opportunity to attract new large scale industrial operations, whilst also providing capacity for existing manufacturers to expand.

In addition, a range of smaller scale industrial estates such as Airside North, Airport Park, Baranduda Industrial Estate and Enterprise Park provide market ready vacant allotments to meet the needs of small and medium industrial and commercial operators.

Land Supply – Residential

Albury Wodonga has an ample supply of vacant residential land with structure plans drafted for future urban expansion in Thurgoona-Wirlinga in Albury and Leneva-Baranduda in Wodonga. The Leneva-Baranduda growth area will double the size of the city in the long term, and will provide housing for approximately 35,000 people and 14,000 new homes. Thurgoona-Wirlinga will ultimately see 20,000 new homes created for 51,000 new residents.

Both Councils have created plans to facilitate the orderly development of growth corridors in the short, medium and long term to deliver practical outcomes in response to:

- Housing yields and density;
- Employment areas land provision and location;
- Activity centres land provision and location;
- Community facilities land provision and location;
- Transport and movement networks;
- Open space and recreation facilities;
- Natural systems;
- Utilities; and
- Land use conflicts.

These growth corridors are supported by high quality water and sewer facilities for which upgrade/expansion plans are in place.

City Redevelopment & Revitalisation

Albury and Wodonga have invested significant funds in the redevelopment and revitalisation of their Central Business Districts (CBD's) in order for the precincts to continue their role as key economic drivers for the cities.

Wodonga's CBD is undergoing a period of significant development, with the removal of the former railway line opening up more than 10 hectares of land for development. Significant infrastructure works are taking place to revitalise the CBD, including the realignment and reconstruction of existing roads, creation of new roads and works to improve pedestrianisation. This is regional Australia's largest urban renewal project, and over the past five years more than \$78 million has been invested in the CBD, with more needed for critical infrastructure works.

Wodonga Council has proactively developed the Wodonga CBD Revitalisation Plan to strengthen Wodonga's CBD and make it a highly attractive and functional centre for existing and new businesses, property investors, residents and visitors. The plan will guide all the decision-making of council with respect to the CBD and will provide certainty for future investment.

Similarly, Albury Council's implementation of CBD master plans for both Albury and Lavington has seen commitments of more than \$5M to capital improvements in the past 18 months and affords for:

- Long term planning framework for both the CBD's;
- Improvement of the public face of Albury at entry points;
- Improvement of public open space areas;
- Reinforcement of Albury and Lavington's role at the top of the regional hierarchy; and
- Cohesive growth of the CBD's.

National Broadband Network (NBN)

Access to technology in regional capitals is crucial in ensuring growth for the regions. The roll out of the National Broadband Network (NBN) is expected to have a positive impact in terms of the significant advancement in information and communication services that will act as a catalyst for new information services and will provide new ways of doing business.

The rollout of the NBN and advancement in the digital economy has the potential to increase Albury Wodonga's economic output by \$480 million annually if harnessed. While Albury and Wodonga have been included on the next roll phase of construction (construction due to commence prior to September 2016), unfortunately one of Albury's largest suburbs and retail centres, Lavington, is yet to be included. This disparity, if not corrected, will create significant issues for the city and is one that should be rectified as soon as practicable.

High Speed Rail

Albury Wodonga acknowledges the significant value the High Speed Rail (HSR) project can bring to Australia's regional capitals, as well as the opportunity such a project presents in managing the exponential growth of our capital cities by actively facilitating and enabling sustainable decentralisation.

Albury Wodonga is well placed to leverage off the opportunities presented by the HSR project. As a consequence, the city could become a commercial, logistics and telecommuting hub with readily available high speed broadband, close proximity to major capital cities and the advantage of being located on one of Australia's main logistics routes, which sets it apart from other locations.

The city supports the Study recommendation that regional stations should be located within 10-20km of existing built up areas "to minimise cost and avoid disruption".

Inland Rail Corridor

In 2011 the NSW Government's Bureau of Freight Statistics estimated freight volumes for Albury at almost 30,000 kilotonnes per annum projected to increase to 53,250kt by 2031. In order to ensure rail infrastructure is fully utilised in Albury Wodonga, rail freight must be competitive in every sense i.e. cost, reliability, efficiency and frequency of services. Faster line haul via an inland route will open up huge opportunities for 'just in time' freight. Presently, rail is generally only catering for 'patient' freight (especially from the regional areas) due to its

extended delivery times compared to road transport. Most importantly an efficient inland route could provide alternate freight solutions for customers in regional areas. i.e. fresh produce from food-bowls in NSW or Victoria having the option to go to a port in Brisbane by rail and being shipped to Asian markets from there to extend product shelf-life on arrival.

7.2 Barriers to Economic and Population Growth

Cross Border Issues

Albury Wodonga faces unique challenges surrounding its geographical location on the Victorian and NSW border. Cross border impediments for businesses and residents include the following:

- Building and construction works require two sets of regulations, licensing, fees and registration forms.
- Car registrations and road laws differ across the two states; with road transport laws creating costs for shifting farm machinery to field sites across the border.
- Different policies surrounding property and real estate impact the dual economic growth of cities and services.
- State government funded projects limit the ability for the two cities to work together, although create a healthy competitiveness.

Young Adult Attrition

- 26% of young adults (24-34 years) move out of the Albury Wodonga region to pursue careers, education or alternate lifestyles. Of those that move 42% are employed in higher skilled jobs and 36% have completed a Bachelor Degree or higher.
- In comparison, of the 74% that stay in the region only 29% are employed in higher skilled jobs and 17% have completed a Bachelor Degree or higher.
- The issue then becomes that through the attrition of the educated young adult population from Albury Wodonga, the region is lacking in a workforce that could support a diverse economy into the future. It is not just a question of being able to supply adequate numbers of job opportunities, but a market with specialised fields to entice a greater number of highly educated young professionals to stay or relocate. This is where business and industry attraction, once again, becomes critical for Albury Wodonga.

City Entrances

Greater assistance in maintaining the 'look and feel' of our city entrances would greatly benefit Albury Wodonga. Although the road infrastructure (internal Hume Freeway bypass) developed by State and Federal government remains functional at Albury Wodonga's key entrance points, the landscaping and aesthetic quality surrounding this infrastructure is not maintained at a high level and can detract from initial perceptions of potential investors and/or visitors considering relocation to Albury Wodonga.

8.0 INCENTIVES AND POLICY MEASURES TO SUPPORT GROWTH

8.1 Collaboration

There are a number of regional plans and policies that have been drafted with respect to the development of regional capitals, however without clear implementation plans or practical recommendations the plans become redundant. It is imperative that all levels of government work together in order to identify actionable outcomes for regional capitals that address the issues and barriers faced in regional Australia.

The establishment of Regional Capitals Australia is a key step forward in this process however a clear policy and plan to guide growth and investment in targeted regional capitals should be developed by the Australian Government in collaboration with State and Local Governments.

8.2 Funding regional capital growth

Currently the State and Federal Government provide funding programs that Albury Wodonga would be keen to see continue. The funding programs are of great assistance in easing the burden of critical infrastructure supply. These include (but are not limited to):

- Financial Assistance Grants to Local Government
- National Stronger Regions Fund
- NSW Regional Industries Investment Fund
- NSW Regional Visitor Economy Fund
- Regional Growth Fund (former Victorian government)

PROGRAM HIGHLIGHT – Roads to Recovery

The Roads to Recovery (R2R) programme run by the Department of Infrastructure and Regional Development has been of great assistance in combating the challenge of regional growth. In particular, the increase in funding for the 2015-16 financial year will be of great support for the Councils of Albury and Wodonga as it deals with an increasingly fast population growth rate up to 2.2%, enabling the quality of infrastructure to be managed and renewed to fit with the modern environment, community needs, and service demand.

PROGRAM HIGHLIGHT – Regional Development Australia Fund

The Regional Development Australia Fund made available by the previous Government provided \$3.5M toward a \$10.5M redevelopment of the Albury Regional Art Gallery into the Murray Art Museum Albury (MAMA).

PROGRAM HIGHLIGHT – Financial Assistance Grants

Financial Assistance Grants (FAGs) are a vital revenue stream received by Albury and Wodonga Councils to ensure a satisfactory level of service and infrastructure is provided to our communities. The freeze on indexation for FAG grants will result in significant losses in revenue. It is important that FAG grant indexation is restored in the short term so Albury Wodonga can continue to deliver high quality services and infrastructure to the community and wider region.

Often the transition period following a change in government results in reduced availability of infrastructure funding and regional development programs. In order to overcome this, such programs should be developed on a bi-partisan basis so as to provide certainty and continuity for regional capitals and ensure sustained support for growth and development.

The current rate cap applied to NSW Councils and that proposed to be applied to those in Victoria places significant restrictions on Council's ability to respond to local and regional community needs and expectations. It also increases Council's reliance on State and Federal government funding programs.

It is acknowledged that financial pressures on all levels of government are increasing and there is a need to deliver more with less. Regional capitals present a significant opportunity to achieve this outcome by focussing investment in areas where it benefits regional Australians most. Continued investment in targeted programs that facilitate this outcome are imperative and should be strategically developed and delivered.

8.3 Decentralisation Strategy

The growth and support of regional capitals in Australia is critical to decentralisation strategies aimed at restricting growth in capital cities. The provision of hard and soft infrastructure to increase productivity and build regional economies will ensure that regional living is an attractive alternative for capital city dwellers. The availability of high quality services and facilities sets regional capitals apart and encourages relocation, and the State and Federal Government have an important role to play in ensuring adequate funding is provided to support increased population growth.

With the roll out of the NBN across Australia and the advent of more connected regional capitals, the Government could take an active role in promoting decentralisation by identifying more public sector job opportunities for relocation to regional capitals. This would drive business and new resident relocation and redirect infrastructure investment from capital cities to increase the appeal and servicing capabilities of regional cities.

In addition to strategies and policies to encourage decentralisation, the Government should seek to support programs already in the marketplace successfully contributing to population migration from capital cities, such as the Evocities program and the Regional Victoria Living Expo.

CASE STUDY – Evocities

In an Australian first, seven of NSW's leading regional cities – Albury, Armidale, Bathurst, Dubbo, Orange, Tamworth and Wagga Wagga - have united to form the Evocities. The campaign aims to change perceptions of life in a regional city and encourage people to live, work and invest in an Evocity. It showcases the abundance of opportunities in the Evocities due to their lower cost of living, strong career and business opportunities and enhanced lifestyle. With more than 2,100 family relocations to date, the program is a proven performer.

CASE STUDY – Regional Victoria Living Expo

This event brings all the regions in Victoria together under one roof, allowing Melbournians to better understand the range of opportunities in regional and rural Victoria. The expo promotes the benefits and opportunities available in regional areas in order to attract residents, skilled workers, business and investment. The event has been held for four consecutive years and in 2015 attracted more than 10,000 visitors over three days.

8.4 Political Landscape

Geographically distanced from the heart of State politics on the border of NSW and Victoria, Albury Wodonga experiences a distinct disadvantage in securing additional State government funding.

State government representatives are generally less familiar with the geographic areas beyond their immediate capital, with the Great Divide and cities of Wagga Wagga in New South Wales and Wangaratta in Victoria regularly marking the end point of their focal radius. Furthermore, given the lack of awareness of the opportunities available within regional capitals like Albury Wodonga, and the greater political yield in focusing energies on well-known cities geographically closer such as Wollongong, Newcastle, Bendigo, Ballarat and Geelong, Albury Wodonga is more often than not overlooked in terms of its large contribution to the respective States.

As cited elsewhere in this submission, Albury Wodonga combined is recognised as the 20th largest city in Australia, however given the State boundary, NSW and Victorian State governments recognise the twin city as separate centres reducing its total output and value when viewed collectively.

8.5 Youth Unemployment

Youth unemployment in Albury Wodonga is an issue requiring attention. In February 2015 youth (15-24 year olds) unemployment in the Hume and Murray region was at 17.2%, compared to Australia (13.9%). Even more concerning is the level of disengagement (neither working nor studying) in persons aged 20-24 years in Albury Wodonga; at the time of the 2011 census Albury Wodonga recorded 14% in comparison to Victoria 11%.

The 2011 census tells us that Albury Wodonga has a lower level of Year 12 attainment among the 24-34 year age bracket (69%) than the national average (75%) meaning that many lack basic employability skills, even for lower skilled vacancies and entry level positions such as apprenticeships and traineeships. Albury Wodonga has also a recorded lower levels of attainment of Bachelor Degrees or higher in this age bracket, in comparison to the national average (23% and 35% respectively).

With the strong relationship between educational attainment and employment outcomes in the Albury Wodonga region there needs to be further emphasis on the importance of post school education in gaining employment. In addition to this, there are a range of general employability skills (customer service, communication, teamwork) and personality traits (motivation, presentation, reliability, work ethic) that could be fostered by Albury Wodonga schools.

8.6 Health and Education

Regional capitals require a commitment from all levels of government for increased investment in health and education infrastructure and services. As a central hub for the region, development is required to ensure the city is well placed to service an increasing and aging population in terms of healthcare, as well as support the development of young people in Albury Wodonga from pre-school age right through to University.

8.7 Cross Border Cooperation

Albury Wodonga faces many problems common with border communities including legislative and regulatory differences between States, distance from capital cities and geographical impediments as outlined in 7.2. While NSW has established the Office of the Cross Border Commissioner to gain an understanding of the issues affecting our location, a clear way forward in the resolution of many of these issues is still outstanding. Action is required in order to allow barriers to business, economic and social development to be resolved.

9.0 IMPACT ON THE CHANGING ENVIRONMENT

Regional capitals present a significant opportunity to better manage the impact of our growing national population on the natural environment. Directing population growth to areas where it can be sustainably supported and without compounding impacts is a key opportunity moving forward.

Albury Wodonga, like many regional capitals is surrounded by relatively large and sparsely populated rural areas. This means that particular care is taken to recognise the significance and sensitivity of local ecological assets to ensure their preservation or enhancement.

Planning for a changing environment is a key focus for both cities, as a result it is well placed to deliver and manage growth.