

Executive Summary

- This submission represents the views of the Royal Australian Planning Institute, the professional body for all facets of urban and regional planning in Australia with over 3,000 members.
- Infrastructure is a key element in the development of Australia's regional areas and can be viewed in terms of heritage, social equity and efficiency.
- Planners recognise the importance of social as well as physical infrastructure and our concerns are the linkages between infrastructure and land use and the consequent social and economic conditions.
- RAPI's belief is that regional and infrastructure policy is a very significant area of government policy and should remain at the forefront of government activity.
- Methodologies applied by governments to decisions about regional development and infrastructure investment should include all three dimensions of environmentally sustainable development - social, economic and environmental considerations.
- We have focused our submission on the areas of current and critical importance to our members which are regional deficiencies, factors to enhance regional development, the roles of the various levels of government and the planning, coordination and cooperation required.
- At a regional level, investment in infrastructure requires coordinated strategic planning and this planning should be linked to land use planning.
- There are many strategies available to the Commonwealth government to address the serious and worsening imbalances between regional areas across Australia and we urge the government to consider these recommendations.
- As a professional body we have a responsibility to continue to lobby for regional interests and to ensure that the professional development of our members includes an informed and critical approach to regional development and investment infrastructure.

Summary of Recommendations

What Federal government can do

1. Put regional planning including infrastructure investment back on the policy agenda because it makes sense environmentally, socially and economically for the country as a whole.
2. Recognise the infrastructure decisions must be linked to social and environmental aspects.
3. Declare that the Commonwealth Government is willing to contribute as a partner in appropriate regional and infrastructure development.
4. Fund the development of methodologies to support regional development and infrastructure decisions which acknowledge the three interdependent dimensions of sustainability – economic, social and the natural environments
5. Develop a policy framework which makes linkages between and proposes a strategies to address:

- Population levels/growth and regional futures;
 - Current levels of regional imbalance;
 - The existing Commonwealth funding options to address regional imbalances;
 - The need for local community skill development in regional areas; and
 - State, Territory, local government and community preferences for partnerships.
6. Recognise and reinforce the community service obligations held by all levels of government, but particularly in the ministries of transport and regional services.

What RAPI can do

As a professional body the Royal Australian Planning Institute can undertake the following actions to address the issues discussed above and the recommendations. RAPI will

1. Continue to lobby for greater coordination between levels of government to prevent the further erosion of the infrastructure inherited in regional areas and identify the current needs for additional or different infrastructure.
2. Contribute to the discussion and policy formulation of the impact of migration on regional development and infrastructure policy. Particularly if it were considered desirable in the national interest to encourage some portion of the migrant intake, or certain categories of migrants, to locate in regional areas rather than in the capital cities.
3. Continue to ensure that the education of planners includes current approaches to regional development and a recognition of the role in infrastructure in this development.
4. Encourage through our Continuing Professional Development Programs the adoption of any new methodologies, which may assist in decision making in respect of infrastructure, particularly, where there is a clear recognition of the three dimensions of sustainability.
5. Encourage balance between urban and regional growth opportunities.
6. Encourage members to work professionally towards regional efficiency, effectiveness and equity in urban and non urban regions.

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1 INTRODUCTION

The Royal Australian Planning Institute (RAPI) is the professional body for all facets of urban and regional planning in Australia. It has more than 3000 members in Divisions in every state and territory.

The last years of the millennium are bringing with them unprecedented change. This change is impacting on every person from the workplace to the home. This change is also being carried through in the ecological, social, political and economic forces, which shape our environment. Recent elections have suggested that people in regional areas feel they are shouldering an unfair amount of these impacts.

Planning professionals are in a unique position to ensure that leadership is provided as society grapples with the issues related to such change. Planners work in all levels of government and the private sector and have to deal with the implications of infrastructure distribution.

Infrastructure is a key element in the development of Australia's regional areas. Infrastructure can also be viewed in terms of heritage, environmental quality, social capital and urban efficiency. The Institute is conscious of the legacy left by previous generations that have bequeathed a network of power stations, railways, educational facilities, community halls, hospitals, libraries and a culture of stable local government. Much of this inheritance is at risk in regional areas as local economic stagnation causes many of these public assets to be underutilised, poorly maintained or closed.

Without access to a full range of infrastructure, disadvantage and discontent will breed. This discontent has been felt through the ballot box at recent national and state elections. Such social and political momentums confirm what many planners have long understood as reasons why social equity and economic productivity cannot exist where there is inadequate access to infrastructure. RAPI has a special interest and concern with the links between infrastructure and land use and the consequent social and economic conditions, rather than purely infrastructure per se.

The Institute is concerned the investment made by our forebears, which represents significant capital assets that support our current standard of living, will be lost unless steps are taken to stop the flight from regional areas. As we shall demonstrate later in this submission not all regional areas are dying – some are prospering. Those likely to prosper are those with a range substantial and efficient infrastructure and planning strategies to address efficient and adequate infrastructure provision by maintaining or increasing population levels, strategic government and private sector investment and ensuring a good standard of local government administration.

Our submission will also demonstrate that the choices which currently shape population distribution are now associated with quality of life issues. In particular, with the assistance of telecommunications technology, those with an education or established profession and retirees are increasingly attracted to areas with attractive environmental qualities, other people with similar interests and values and a good standard of physical and social infrastructure. Conversely, other regional areas continue to experience population and economic decline as a result of limited, if any, employment prospects and sub standard health, education and cultural facilities.

1.1 Scope of this response

To protect and strengthen communities requires that their infrastructure must also be protected and enhanced to match the standard that does exist in Australia's major cities. It is the Institute's view that good planning and planners have a key role to play in this protection and development. Planners recognise the importance of social as well as physical infrastructure. In this submission, we will illustrate the key linkages between the efficiencies and economics of adequate infrastructure provision, infrastructure planning and strategic land use planning functions of State and Local government.

This document coordinates input from planners across Australia. Accordingly, this submission is structured such that issues are addressed at a national level, with specific regional examples presented to further illustrate our position. Priorities and issues vary across the country, so this submission has attempted to incorporate a range of views to address complex and variable issues.

The term 'regions' has a specific meaning, which includes a geographic area with common areas of interest including environmental, social and economic activities and boundaries. This approach does not exclude metropolitan regions, for example South East Queensland where there has been a major regional planning exercise in the form of the Regional Framework for Growth Management. We understand from the Terms of Reference that the term 'regional' will be used to equate to the non-metropolitan areas of Australia. While planners prefer the more specific definition we will assume this meaning for the purposes of this inquiry.

2 Terms of Reference

2.1 Issues to be addressed

We understand that the House of Representative Standing committee on primary industries and Regional Services is concerned that the inquiry should make a significant contribution to the development and employment in Australia's regions.

This is a coordinated response from a national professional body with members in all States and Territories and we have accepted the non-metropolitan focus of the inquiry. The scope encompassed by this inquiry's terms of reference is understandably quite broad, however the Institute has restricted its response to:

- Regional deficiencies and their social and economic costs;
- Factors to enhance regional development;
- The roles of various levels of government and private sector in infrastructure provision;
and
- Planning, coordination and cooperation in the provision of infrastructure in regional areas

These are the areas of interest and concern most currently critical to our members, but as practitioners and commentators in this often rapidly changing field it should be noted that other issues may become important to our members as this inquiry proceeds.

2.2 The Context of the Inquiry

It is important to note, that this inquiry is the latest in a long line of government activity which began in Australian Solider Settlement programs after World War I with government policies, programs and priorities waxing and waning in the period since. It has been asserted that regional policy comes to the political forefront in regular cycles with a predictability more associated with clothing fashion cycles.

RAPI's belief is that regional and infrastructure policy is a very significant area of government activity and should remain in the forefront of government policy, in spite of a propensity to fall from the national political agenda from time to time. Regardless of political or bureaucratic rationale for regional policy activity, these issues and initiatives cannot be divorced from the economic and social context of the times.

The most recent regional policy inquiry to be established was the Taskforce on Regional Development, established in 1993, with the following terms of reference.

1. *Identify key economic and industry development issues from a regional perspective.*
2. *Examine factors affecting private sector investment in regional development.*
3. *Examine whether any adjustments should be made to Commonwealth policies and programs, or whether any new programs are required to enhance the adjustment process and regional development for Australia.*

Kelty 1993:2

The report from this inquiry which became known as the Kelty Report, began with the following introduction,

...national development and regional development are inextricably linked. Australia will only reach its full potential as a nation if the regions can reach theirs.

In 1993 there is a general consensus on the direction of Australia's economic development. There is popular support for policies designed to open up Australia to greater competition, and to better integrate this country into the international economy.

Kelty 1993:3

The events of the intervening six years have challenged the notion of a general consensus about the policies designed to open up Australia to greater competition and the relevance to Asian economies, which was a major theme developed in this study, also lacks support in 1999.

Since 1993 community perceptions of the unrelenting stripping of regional infrastructure has occurred as part of the policies of economic rationalism and competition policy. These issues provide the social and economic context for this inquiry and the context of planning in 1999. This very recent round of changes has only accentuated, not caused regional imbalances. By its very nature, infrastructure requires large capital investment and therefore considerable political will or private sector confidence with regard to potential income streams.

3 How the selected terms of reference relate to planners and regional communities

As noted above we have restricted our comments to those areas currently identified by our members as critical to their role as planners in the development of infrastructure and regional areas of Australia.

3.1 Deficiencies in infrastructure which currently impede development in Australia's regional areas;

Identifying areas in desperate or even moderate need of infrastructure is not difficult nor confined to any one State or Territory. Some of the more interesting and relevant examples include:

- West of the Great Divide in New South Wales and Queensland the areas experiencing growth are those with access to reliable water;
- Byron Shire Council has had a moratorium on all commercial development due to a lack of any spare capacity in the sewage system;
- Local authorities across Australia recognise that tourism will bring money into their shires and cities, but without the infrastructure of attractive places to visit, places to stay and good transport links the tourists will not come. The Stockman's Hall of Fame in Longreach provides an example of private sector provision of tourism infrastructure. The Shire of Port Douglas provides a local government example of infrastructure provision or management to attract/appeal to tourists;
- Issues of transport infrastructure are critical in the Northern Territory where all weather access is essential to the area's development. In this part of the country the other issues frustrating regional development and infrastructure provision are the processes involved in land and Native Title claims, the lack of full statehood and the uncertain future of the Commonwealth role in management of key tourism infrastructure such as Kakadu and Uluru; and
- The Adelaide-Darwin Railway link has languished as a concept for many years due to a lack of agreement and political will across governments.

From the Institute's point of view the problems with the decisions required to meet these needs are:

- A dearth of integrated infrastructure planning particularly that linking land use and infrastructure, especially within local government and between State and Local government;
- A lack of political will to address regional imbalances and their social and economic consequences;
- A lack of methodologies to support or guide infrastructure investment and planning decisions which acknowledge the land use, environmental, social and financial implications;
- A history of federal funding which has taken great pains to address the fiscal imbalance between the States, but not within; and
- The reluctance of governments to commit to significant infrastructure due to the gap between the three or four year term of government and the time required to see benefits from this investment.

3.2 Factors that would enhance development in these areas, including the provision of infrastructure such as energy, transport telecommunications, water supplies, and facilities that deliver educational, health and financial services;

Rail closures and access to banking facilities are the highly publicised aspects of the constraints imposed on regional development by the removal of infrastructure. Provision and maintenance of the range of infrastructure listed above is not defensible without specific threshold populations, which vary depending on the exact nature of the infrastructure in question.

As the Australian population ages, and already there is considerable evidence of a far higher proportion of wealthy self-funded retirees and others in a position to relocate out of choice, these choices about relocating will be made on the basis of:

- Ability to return to family - efficient transport;
- Environmental qualities – sufficient infrastructure to protect the environmental qualities of the area;
- Entertainment facilities – libraries, halls, cinemas and other *cultural* infrastructure;
- Telecommunications – the quality and size of communication channels;
- Health facilities – is there an adequate and broad enough range of health services to match the standard available in major cities?; and
- Education – trends towards life long learning will encourage higher demands for educational facilities.

There is a clear relationship between population levels, growth patterns and the thresholds required to maintain, encourage or justify new infrastructure. Considerable effort has been applied to improving population forecasting methodologies, however without a comprehensive regional planning policy framework it is not possible to provide relevant strategies to address the problems discussed above.

There is also a need to recognise the potential to foster *desired* population trends rather than simply extrapolate from current trends. This is a critical area that, in the Institute's view has, not been well understood by key decision makers. That is, while few would seriously advocate the reintroduction of decentralisation programs dependent on government financial incentives, there is a need to recognise the self-perpetuating momentum of the closure of public and private infrastructure facilities that engender further population loss and reduced standard of living for those who remain in our regional settlements.

3.3 The role of the different levels of government and the private sector in providing infrastructure in regional areas;

Land use planning across Australia is generally administered by local government, with varying levels of State or Territory Government support.

State Governments have been broadly responsible for infrastructure provision with an increasing participation from the private sector. This separation of land use planning from infrastructure development decisions is an unfortunate and inefficient arrangement. Separation decreases the ability to ensure the maximum efficiency from infrastructure decisions, particularly about siting and threshold populations.

Across the various jurisdictions there is also some movement towards a greater integration of land use and environmental issue, however there remains a great need for government agencies within each of the three spheres to fully appreciate the greater

efficiency and effectiveness gains to be had by achieving a higher level of such integration. Many environmental programs such as integrated catchment management are adopting boundaries which require inter authority agreement and cooperation. This is a very healthy trend but needs to be replicated across the broad spectrum of government responsibilities and, where necessary, further supported by additional expertise at the local government level in particular.

While recent Commonwealth examples of community based funding of environmental projects is to be applauded, the impacts of funding across and within agreed environmental boundaries may be questionable. To avoid duplication and wasted effort, for example, a relatively simple strategy is for Natural Heritage Trust funding for any project to be conditional on compliance with the spirit and priorities of regional plans and agreements.

3.4 Planning, coordination and cooperation in the provision of infrastructure in regional areas.

In an increasingly competitive context for government and private investment it is not clear from current methodologies what sort of return on investment can be expected from infrastructure developments.

Gladstone, Queensland, provides an example of a State Government successfully identifying a regional location worthy of investment. Unfortunately the investment was limited to transport and energy infrastructure with little acknowledgment of the social needs of a growing population. The social needs have been addressed more recently, but not until further investment was justified to fix social problems (better strategic planning and earlier recognition of the social issues would have prevented many of these problems from emerging or further developing to more serious consequences). This demonstrates the fundamental requirement of social infrastructure considerations as a *standard feature* in regional planning.

Gladstone is not the only example of poorly anticipated impacts of infrastructure investment. The full impacts of infrastructure provision may not be well understood at initial stages, for example:

- Some studies have linked improvements in road infrastructure (and vehicle technology) with the hastened decline in *small rural towns* as the travelling times to large *regional centres* is reduced;
- Early adoption of information technology in Nebraska (USA) may have only slowed not prevented the decay of small rural towns, as service industries continue to re-locate to larger regional centres;
- The call centres welcome in regional locations employ new information technologies and have created many regional opportunities (estimated to be 8,000 positions in NSW alone). This technology has facilitated the reduction of face to face service for a far greater number of people in other regional (and urban) locations.
- The ill-informed copying of certain subdivision styles with curvilinear street networks and extensive backfencing along major roads has literally thrown away many of the positive features of smaller towns, which still offer relatively short distances to walk or cycle to work, school, the movies and so on, such as community cohesion and connectedness, reduced car dependency and consequent healthier physical and environmental outcomes;
- The lack of appreciation of a region's environmental quality as an *economic asset* rather than something that can either be taken for granted, or worse, destroyed for the sake of short term gain. Many parts of Central Queensland falls into this category with inadequate environmental rehabilitation of agricultural and mining areas that today

look like the beginnings of the Grand Canyon - due to severe soil erosion. Some councils such as Emerald in Qld or Dubbo in NSW, do appreciate the economic connection with environmental management, there is still a need for greater assistance and guidance from State and Federal government agencies;

- Regional locations have been disadvantaged with access to telecommunication services such as the Internet because STD calls were required which contrasted with the service level in metropolitan areas, which only required local calls. This is an example of where the community service obligation of government was not recognised for regional users and there was a mis-match between the policies of more than one department; and
- The Murray/Darling basin has very significant environmental problems which are directly related to land use issues and which can only be solved through a coordinated approach across State boundaries as well as all levels of government. It should also be noted that some governments have been quicker than others to recognise the impacts of land use on this river system with Queensland acknowledging its responsibilities only relatively recently.

At a regional level, investment in infrastructure requires co-ordinated strategic planning and this planning should be linked to land use planning. Planners are committed to the principles of ecological sustainable development and some states (Queensland and Victoria) have the concept written into planning and environmental legislation. The principles of intergenerational equity and precaution in the face of doubt, from ESD, contrast with other decision making methodologies, particularly those associated with large infrastructure investment.

The concept of private provision of infrastructure requires a significant return on investment for the project to be attractive. The decision tools used in the finance sector such as discounted cash flows and Net Present Values should be examined for compatibility with the principles of ESD where the future environmental capital and flows are not discounted. The economics of regional infrastructure investment is also found lacking when social and environmental impacts of infrastructure on a region is attempted.

This suggests that methodologies applied by governments to decisions about regional development and infrastructure investment *should include all three dimensions of environmentally sustainable development, social, economic and environmental considerations*. Any narrower basis for assessment can only be regarded as dishonest accounting and can only be expected to create further negative economic, social and political consequences at some point in the future.

3.5 The benefit to the national economy of developing regional infrastructure.

There are considerable inefficiencies in very large cities, which are generally regarded as those with populations of more than a one to one and half million. Using an environmentally sustainable approach the indicators of the inefficiencies of very large cities include:

- increased travel times and smog;
- servicing costs including additional investments in roads, and larger dams;
- deteriorating water quality;
- critical waste handling problems with more and more valuable land taken up for landfill;
- increasing amounts spent on planning schemes and development control;
- decreasing biodiversity; and

- excessive demands for new infrastructure on the fringe, as an ironic counterpoint to the social and physical infrastructure going to waste or underutilised in regional centres.

These contrast with the costs associated with improving infrastructure in regional areas which is usually lower because

- the scale of the infrastructure is far smaller;
- the costs of acquiring land are far lower; and
- environmental qualities are easier to protect and less retrofitting is required for similar benefits.

Environmental factors such as increased building costs to address cyclone coding should be noted and temper the generalisations about the relative costs of infrastructure development across the country.

Regional coordination could be addressed through relatively simple initiatives such as one stop shop front and private community organisations working together. Infrastructure costs and operating costs could be reduced while the physical presence of various government services could be maintained through this combined and cooperative approach to service delivery which, with a little imagination, could also include banking services.

Cities have been the productive centre of our information technology based industries, so there remains a need for city based infrastructure to be maintained. As the impact of information technology deepens and widens the need to invest in this type of infrastructure in regional locations becomes more critical, particularly if regions are to remain internationally competitive.

4 Possible strategies to address the problems and issues identified above

4.1 What Federal government can do

1. Put regional planning including infrastructure investment back on the policy agenda because it makes sense environmentally, socially and economically for the country as a whole.
2. Recognise the infrastructure decisions must be linked to social and environmental aspects.
3. Declare that the Commonwealth Government is willing to contribute as a partner in appropriate regional and infrastructure development.
4. Fund the development of methodologies to support regional development and infrastructure decisions which acknowledge the three interdependent dimensions of sustainability – economic, social and the natural environments.
5. Develop a policy framework which makes linkages between and proposes strategies to address:
 - Population levels/growth and regional futures;
 - Current levels of regional imbalance;
 - The existing Commonwealth funding options to address regional imbalances;
 - The need for local community skill development in regional areas; and
 - State, Territory, local government and community preferences for partnerships.
6. Recognise and reinforce the community service obligations held by all levels of government, but particularly in the ministries of transport and regional services.

It should be noted that, with the current advances in telecommunications and Australian householders' high level of access to such technology, there exists a fundamental difference in circumstances between attempts at decentralisation in the mid 1970s and any program to facilitate regional development in to the next millennium. This is especially so, given established social trends that clearly express a preference for an *alternative* to the metropolis amongst retirees, arguably the most significant group within the population and will continue to be so as the "Baby Boomers" progressively move into this stage of the life cycle.

4.2 What RAPI can do

As a professional body the Royal Australian Planning Institute can undertake the following actions to address the issues discussed above and the recommendations. RAPI will:

1. Continue to lobby for greater coordination between levels of government to prevent the further erosion of the infrastructure inherited in regional areas and identify the current needs for additional or different infrastructure;
2. Contribute to the discussion and policy formulation of the impact of migration on regional development and infrastructure policy. Particularly if it were considered desirable in the national interest to encourage some portion of the migrant intake, or certain categories of migrants, to location in regional areas rather than in the capital cities;
3. Continue to ensure that the education of planners includes current approaches to regional development and a recognition of the role in infrastructure in this development;
4. Encourage through our Continuing Professional Development Programs the adoption of any new methodologies, which may assist in decision making in respect of infrastructure, particularly, where there is a clear recognition of the three dimensions of sustainability;

5. Encourage balance between urban and regional growth opportunities; and
6. Encourage members to work professionally towards regional efficiency, effectiveness and equity in urban and non urban regions.