

Inquiry into Infrastructure and the Development of Australia's Regional Areas

House of Representative Standing Committee on Primary Industries and Regional Services.

Executive Summary

1. Regional Diversity – It is vital that the committee recognize the complexities and diversities of each region / sub region in dealing with infrastructure matters and priorities.

Terms of Reference 1 & 2

2. McKinsey found that while infrastructure is a critical factor in locational decisions and many businesses are concerned about future provision of cost competitive telecommunications and efficient road infrastructure, in practice, such issues were not decisive impediments to regional growth or “Knockout factors” in accessing markets. That is not to downplay the need to generally improve regional infrastructure and ensure equitable access, or to underestimate particular infrastructure needs of specific regional situations.
3. “Soft” Infrastructure eg lifestyle is arguably as important as “hard” eg transport, and may be the critical deciding factor in new locational (or expansion) business decision for development proposal in Regional Australia.
4. Infrastructure priorities are a vexed issue, however in respect to any particular region of Regional Australia, a “bottom up” approach, namely having due regard to the experience, views of and trust in the judgements of Regional Leaders, rather than persisting with past practice of mandated “top-down” approaches, from remote, centralized, Federal and State provision agencies.
5. Regional Australia is re re-emerging, as can now be demonstrated, thanks to recent, landmark research and study; Collectively it is the engine of national growth, the new frontier and the place to be in the coming Century —a position it held before the rise of Capital cities in the 20th Century. Mind set is the main obstacle. In the National interests of balanced, economic and ecological sustainable development, Regional Australia is the preferred future for on uncreasing percentage of urban settlement growth.
6. It is the under use of existing, available, paid for, urban and community physical and social capital infrastructure, as represented in urban settlement of Regional, Rural and Remote Australia's Cities Towns and Villages, rather than any substantial paucity or lack of new infrastructure (with few exceptions) that is the greatest and real impediment to Regional development. This is the continuing and greatest “lost opportunity” of Regional Australia.
7. It is also the huge unquestioned (by governments) cost of of new infrastructure, to service continuing, unsustainable, Capital city growth of Australia's largest cities that should also be a focus of the inquiry, on a comparative basis, with Regional Australia.
8. A case study, to demonstrate a typical regional example of under utilized urban capacity infrastructure, with indicative costings is given. (Central Goldfields Shire) The Nation cannot afford to squander current and proposed infrastructure spending on capital cities when existing urban capacity is left underused. Funding should be targeted to promote Regional development options and equality of Industrial location opportunity should be afforded.

9. It is population shift rather than infrastructure that stimulates major growth however targeted infrastructure is a definite stimulus, to population shift and economic development particularly soft infrastructure.
10. Substantial Holistic and Consequential costing are needed to properly prioritize infrastructure spending. Research and planning is also greatly lacking. Finally a National urban and regional settlement strategy and policy for the next 30 years is pre requisite to any substantial or major infrastructure spending. Eg VFT, Sydney / Canberra / Melbourne.

1. Regional Diversity

To properly understand the need for infrastructure in Regional Australia and consider appropriate approaches it is critical that the committee acknowledge the diversity and individual complexities of each of Australia's 70 – 80 identifiable Regions whether "nodal" (defined on an urban center) or otherwise. Infrastructure priorities and approaches should be tailored and factored, on a region by region basis, to suit the individual circumstances of each of the Nation's various, diverse, regions.

2. Terms of Reference (1) & (2) Regional Infrastructure Deficiencies, Development Impediments and Development enhancement factors.

Perceptions and Reality in Infrastructure Issues.

The McKinsey Report of 1994, ¹ landmark survey of 1800 companies and 200 business throughout Regional Australia (based on study of some 17 Regions) contains much very relevant material in respect to this inquiry, in both the "hard" and "soft" Infrastructure needs, of Regional Australia (particularly pages 66 – 74 appendix A).

McKinseys Regional "Constraints" and "Locational factors", Surveys (appendix B) have useful information on industry and business Infrastructure priorities compared with other locational constraints and factors. McKinsey found (predictably) that business rated infrastructure as critical in locational decisions and more than 30% of regional businesses surveyed were concerned about the future provision of cost competitive telecommunications and efficient road infrastructure. However and most importantly only 3% of businesses rated infrastructure as a "binding constraint" for investment growth. *1. They placed more emphasis on market demand, skills and attitudes. McKinsey made the following conclusion. "Most businesses in Australia's regions find they can access markets using the existing telecommunications and physical infrastructure. Even the costs involved in using current infrastructure as the method of transportation is not regarded as a 'knockout factor' in accessing markets as transport costs averaged only 5 per cent of total costs for businesses in our survey"* This vital finding, which would generally still be relevant, should not be ignored in this inquiry.

Transport

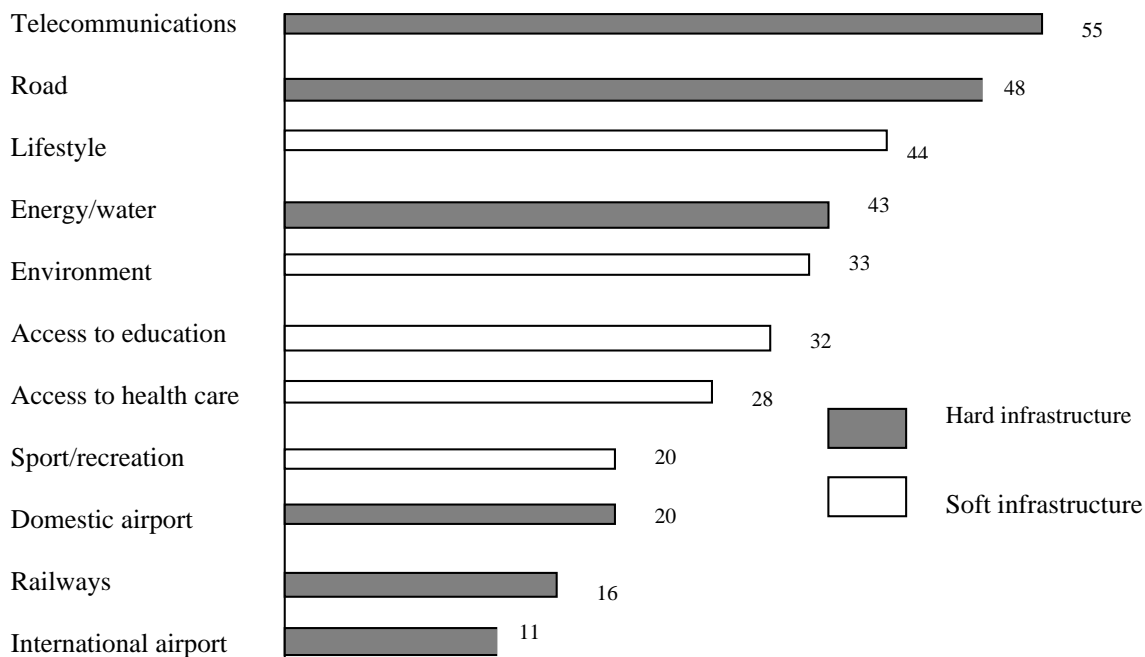
The transport costs matter can be exemplified by reference to an international (US) proposed (export) Golden Aluminum Rolling Mill for Bendigo (now abandoned). This venture had locational flexibility, in Victoria, of several hundred kilometers at a product cost (add on) factor of between 1% to 2%, between locating the proposed \$80 Million facility at the Portland Victoria Smelter (site of raw materials) or elsewhere in Regional Victoria. Bendigo, Ballarat and Albury – Wodonga were short listed as appropriate threshold size, regional centers, with the capacity to service the company's skill and

technical needs. Equally importantly was the attendant infrastructure (hard and soft) to serve the executives and wider employee (and family) lifestyle needs. The 3 short listed cities were all generally suitable in terms of infrastructure. It was subtle “bonding” factors (a “feel right” site and city and the sighting of “Skippy”, Kangaroos by US decision making Representation, on the Bendigo airstrip) that gave Bendigo the final location approval rather than any particular “hard” infrastructure advantages. Indeed in Road Infrastructure for Transport (Calder Highway) Bendigo in freeway terms, was badly served at the time by comparison with the other two competing locations

These realities (as opposed to perceptions) needs to be recongized when considering matters of Infrastructure constraint or impedement for regional growth. McKinsey found from overall survey, the following (general) priority ranking of hard and soft infrastructure in locational matters. (Appendix A page 67) which would largely still pertain. The bar chart graph following illustrates these constraint rankings.

Percentage of businesses citing factor as significant or critical in choice of location

INFRASTRUCTURE AS A MAJOR FACTOR IN CHOOSING A LOCATION



Source: Survey; McKinsey analysis – Exhibit 22

The exhibit bar chart is a general picture. On the ground, having regard to regional diversity, any specific Region may rank its Infrastructure priorities very differently. For example as shown in “Developing Australia – A Regional perspective” 1993, a new dam and water supply was indicated as a very high priority for Mackay Queensland (Appendix C page 62/63). Upgraded Capital City/Airport link eg Calder Highway Bendigo (recently declared a National Road) would (with other needs) rank in Bendigo’s highest priorities. (appendix D) It is however noted that both these Infrastructure example items figure in the first four items in the above chart. Smaller Rural communities would often rank retaining Banking Service as a very high if not critical Infrastructure priority. The Bendigo Bank, through its innovative “Community Bank” initiative, has found. (See article Credit Care Small Towns Study Appendix E) new market share and a boutique banking niche by repositioning, to remove traditional banking practices and cost structures.

Regional Infrastructure Priorities

Infrastructure levels, and management are major issues for Regional Australia however prioritization is a vexed issue. Macro projects range from VFT and Darwin Alice Springs Railway, Pacific Highway Upgrade to micro but vital issues as to retaining of key Regional Industries and banks in Rural Towns eg. Dunolly (Central Goldfields Shire). Fashion and Departmental agenda's of respective infrastructure supply bodies, at State and Federal Level, can mask both overall and region - specific needs.

McKinsey (Appendix A page 69) makes some very relevant points to this inquiry in the following terms (in respect to differing views on infrastructure spending amounts).

- *“Infrastructure is hard to value with traditional financial tools because of the difficulty in valuing the unpriced flow on benefits from providing infrastructure. People’s ‘gut feel’ on the benefits of infrastructure varies considerably, leading to views ranging from ‘build it and they will come’ on one hand to ‘give it a zero value’ on the other.*
- *Relative priorities between differing infrastructure needs of regions are difficult to judge objectively because of valuation problems. As a result, infrastructure spending is often seen as pork barreling – even if it is not.*
- *Since much of the money comes from capital cities and Canberra, infrastructure is often treated as ‘free’ and tough decisions about the real priorities are avoided.*
- *The three tiers of government and the various bodies within those levels provide the infrastructure. This makes for fragmentation which creates confusion and a lack of cohesion in many people’s minds.*
- *There is no publicly communicated infrastructure vision which describes what type of infrastructure we aspire to and what this will mean for regions over the next 20 to 30 years. For instance, do we aspire to a national highway network, hub airports and fast trains, fiber / coaxial cable to every home and a national fast freight network? Do we see university-level education as being available in every major regional centre in the nation? The Kelty reports calls for a publicly communicated vision of this kind and, in so doing, reflects the concerns of many people in Australia’s regions. “*

McKinsey’s bottom up (community driven) rather than top – down (government mandated) regional infrastructure prioritization approach (at the Regional level) and its co ordination, bears repeating and endorsing. *“Regional leaders can play a valuable role in allocating priorities for their infrastructure needs and focusing the combined efforts of the community on the highest priorities. This is beginning to happen in some regions. We saw examples in Wollongong and Cairns, with the Cairns approach most advanced”* As more than Two – Thirds of all investments in Australia’s Regions comes from the Local Businesses the relevance of this circumstance for infrastructure priorities is critical. (Appendix H)

Terms of Reference (3)

The potential for development in Regional Areas.

In many respects one of the greatest impediments for Regional Development is mind – set, eg negative perceptions and negative terms defining Regional development. These negatives are implied by the terms of reference eg “impediments” “failures”. The successes of Regional Development in “Regional Australia” far outweigh the “Failures” which most often are related to “Rural” “Remote” and single industry Regional Situations. Regional success occur despite (1) Metropolitan media coverage (reporting only the closures) and wide negative community and government perceptions to “the bush”. (2) as demonstrated shortly strong development, occurs regardless of deficiencies in infrastructure. (3) There is no cogent holistic national regional development policy as opposed to sectoral approaches (national urban settlement/ regional spatial development policy is needed to properly optimize infrastructure outlays. ie Urban policy should proceed infrastructure spending not vice versa.

“Regional Australia” represents Australia’s emerging urban future rather than leaving being seen in terms of “Bush” and “Rural” futures. It is gradually re-emerging as the place to be in the 21st Century in terms of exciting and dynamic growth of business, industry and most importantly, urban settlements.

The long dormant, non-metropolitan regions of Victoria and Australia, are again being recognised and becoming the best urban places to live, visit and invest in. Regions are the new leaders of change and growth. Natural market trends together with economic development and regional tourism directions are all favouring regions. Rural and Remote communities should, with proper urban planning, be part of this dynamic.

This dynamic was identified by McKinsey who found “a staggering one third of Australia’s non-metropolitan population live in regions that are growing significantly faster than (capital) cities. These regions are Australia’s “engines of growth”.

McKinsey found that (page 14)

“ Only 12 per cent of Australia’s non-metropolitan population lives in centres that are declining. These are mostly small rural towns that have lost population to larger rural centres nearby, and mining centres with declining resources.

Despite the relatively small number of people involved, it is the story of this 12 per cent that has captured the public imagination. Images of rural decline appear regularly in the pages of the press. It has become the story of Australia’s regions. Yet it is not the whole story.

When we compared the performance of regions to their State or Territory capitals, based on regions, net job growth records between 1981 and 1991, we identified four categories of regions.

Regions are either:

- *Growing significantly faster than their capital city*
- *Growing at about the same rate as their capital city*
- *Growing but slower than their capital city*
- *Experiencing an absolute decline in employment.”*

Between 1981 and 1991 percentage employment growth for Melbourne was 8% while for nearby Bendigo it was 23%. In the last year the Central Goldfields Shire has also experienced sustained structural employment growth.

A National study of various regions by Flinders University entitled “Beyond the Capitals” likewise found “The 79 non-metropolitan cities between 10,000 to 100,000 it view as a cluster of 1.9 million people would be the third biggest city in Australia and grew at a rate of 2.5%, 1976 to 1991, at a greater rate than the capitals.

The Flinder’s study also identified a surprising fact that Manufacturing employment growth in Regional Australia at 8.7% between 1971-91 equaled 17,000 jobs, versus a loss of 281,000 jobs in Metropolitan Manufacturing activity (-23.1%) for the same period”. When it is reflected that of the order of more than 2/3 of investment in Regions comes from Local Businesses (McKinsey Appendix H) the true strengths of regions can be seen and need to boost their infrastructure (relative to the Capitals) accordingly the National priority.

These findings of both McKinsey and Flinders, for the first time documented facts to challenge the typical perception, in the capital cities concerning regions and their potential. McKinsey observed (1994) the telling fact the “Up to date statistically reliable information on regional employment is virtually non-existent”.

This background forms a vital platform for this inquiry.

In 1999 the same observation can be claimed in respect to Infrastructure costs Metropolitan v/s Regional Australia, that will now be discussed.

A Lateral thinking Approach for Infrastructure Provision In Respect to Regional Development

This submission puts forward the following 2 basic propositions (with a costed urban example) to the inquiry deliberations:

- (1) It is the under-use of existing available, paid for, urban and community physical and social capital infrastructure, as represented in urban settlements of, Regional, Rural and Remote Australia's Cities Towns and Villages, rather than any substantial paucity or lack of new infrastructure (with few exceptions) that is the greatest and real impediment to Regional development. This is the continuing and greatest "lost opportunity" of Regional Australia.**
- (2) Secondly it is the huge unquestioned (by governments) costs of of new infrastructure to service continuing, unsustainable, Capital city growth of Australia's largest cities that should also be a focus of the inquiry, on a comparative basis with Regional Australia.**

These mammoth Metropolitan urban development infrastructure cross subsidies and lost opportunity to alternative (regional) development scenarios have never been compared and /or properly costed, despite their huge Multi Billion Dollar magnitudes.

Uncompetitive and unsustainable Metropolitan growth in major capital cities in terms of infrastructure outlays is a key factor impeding Regional growth. Infrastructure in itself is, in general, not an impediment (as indicated earlier) but could be selectively improved, to stimulate population shift to Regional Australia.

It is the rare opportunity afforded by this inquiry that such issues can be submitted for the Committees serious consideration, findings and recommendation.

The Committee should take due account of earlier findings of the House of Representatives (all party) Standing Committee for Long Term Strategies Report of August 92 "Patterns of Urban Settlement – Consolidating the future:. These vital and relevant conclusions were; (1) to seek to answer the challenge. "To find the means to ensure that capital and human resources are fully employed in cities of all sizes," based on the fundamental conclusion "Cities have no optimum size".

(2) "A more strategic approach to implementing long term key infrastructure projects"

(3) "Urban planning in Australia is separated from economic policy making and fragmented both across and within State jurisdiction. There is no system for setting national priorities and no mechanisms for coordinating the various arms and levels of government to achieve them. Planning occurs by default, with national policy goals and priorities imperfectly reflected in the separate and uncoordinated actions of the separate agencies of the government such as roads, public housing and hydraulic services. The nation pays dearly for this lack of coordination".

Seven Years later these issue still remain at large and unrealized. In the national interest this new Regional Inquiry must squarely address them and recommend cogent actions

A Case study of Infrastructure Costs and Capacities in Regional Australia – The Central Goldfields Situation.

To demonstrate the nature of spare capacity that exists in many cities and towns in the Regions a brief, infrastructure assessment of a smaller Regional city follows;

Central Goldfields Shire (Maryborough, Victoria).

The Shire was created in 1995 as part of restructure of Local Government in the State of Victoria from the merger of the City of Maryborough, the majority of the Shire of Tullaroop, the Talbot section of the Shire of Talbot and Clunes and the Bealiba/Dunolly section of the Shire of Bet Bet. The Central Goldfields Shire has a population of 12,304 (1996) people in a land area covering 1550 square kilometres. The regional centre and largest urban area is the compact heritage city of Maryborough, with a population of approximately 7366 (1996). Maryborough is located on the Pyrenees Highway some 164 kilometers from Melbourne and is close to the geographic centre of the State of Victoria. Maryborough is midway between the City of Bendigo and the City of Ballarat. A population of over 200,00 exists within a 100km radius of Maryborough. The balance of the shire population is split between the surrounding historic townships, including Carisbrook, Dunolly, Talbot and Bealiba and the rural areas. There is considerable rural residential and farmlet development surrounding both Maryborough and the heritage towns. While population growth was forecast at 3% for the next decade, recent and proposed manufacturing developments in the Shire indicate prospects for far stronger population growth patterns.

Originally a goldmining area, Central Goldfields Shire is a vital urban region based upon a regional economy centered on the manufacturing, retail and service centre of Maryborough. Maryborough has a vital retailing sector and the central business area has a full range of community services uniquely clustered around the city centre. The main areas of manufacturing activity are printing, publishing, meat and poultry products and a range of food processing including honey and confectionery. The industries eg Nestle, Capilano and Australian Print group, include national (and international) companies which are export oriented and world competitive (despite the relative size of the Shire). Gold Heritage Tourism is developing strongly.

INFRASTRUCTURE AVAILABILITY AND CAPACITY

(A) INFRASTRUCTURE AVAILABILITY

Water

Town water is available in Bealiba, Carisbrook, Dunolly, Maryborough and Talbot and to some of the “Rural Residential” type development around these centres. All the supplies to are now treated.

Sewerage

Maryborough is the only town which is currently sewered; however the Maryborough treatment plant has the capacity to service other centers. Carisbrook and Dunolly are in final stages of sewerage planing based on Maryborough Treatment Plant.

Gas

Reticulated gas is available in Maryborough and Carisbrook.

All centres have telecommunication services, electricity and rail freight services.

(B) SPARE MAJOR INFRASTRUCTURE CAPACITY IN MARYBOROUGH AND CARISBROOK TO ENABLE AFFORDABLE SUSTAINABLE URBAN GROWTH

A doubling of the Shire's population (based predominantly around Maryborough) to 25,000 would only require an upgraded of major services infrastructure investment (sewerage and water) of approximately \$1 million for the extra 13,000 population (\$77 per person).

Water

Capacity to accommodate a further Equivalent Population (EP) of 3000. Further upgrade works of approximately \$600,000 will provide an extra EP capacity of 11,500.

Tullaroop Reservoir capable of providing for an extra 50,000, plus population if bulk entitlements purchased from irrigators – infrastructure upgrade would be required.

Sewerage

Current spare capacity is an EP of 7,000. Works budgeted by the Central Highlands Water for this year will add a further 8000 EP capacity to accommodate the Nestle expansion.

An additional EP of 23,000 can be obtained at a cost of \$400,000 approximately.

Overall the site can service an EP of 80,000. The plant is currently running at an EP of 18000.

Gas

Spare capacity of at least a further 20000 EP. Fully reticulated in Maryborough and Carisbrook (80 km of mains in urban areas). Pressure is 240 K.P. at the entry gate valve.

Telecom

Unlimited capacity with old exchange system recently replaced – serviced by fibre optic cable.

Electricity

Spare capacity of 12000 EP. Electric system has a 22,000 volt capacity 3 phase power readily available.

COMMUNITY SERVICE INFRASTRUCTURE CAPACITY

Education

Primary spare capacity	430 students	= 4000 EP
Secondary spare capacity	400 students	= 4000 EP (district)
BRIT TAFE Maryborough Campus	Currently has 600 students enrolled in up to 100 at one time and has scope for increase Of 50% (up to 900 enrolments)	

Hospital

Has bed capacity to cope with 50% (8000) increase in district population – EP 8000.

CONCLUSION ON SPARE CAPACITY INFRASTRUCTURE CAPACITY FOR POPULATION GROWTH.

A 50% population increase (6000 people) is readily within existing community facilities and infrastructure capacities however a 100% increase (13000) people would require further infrastructure development. It is noted the infrastructure augmentation would be at a manifold cost advantage and more efficient scale provision than the equivalent case of metropolitan expansion. Anecdotal evidence has indicated Melbourne infrastructure for new urban development at between \$5000 - \$10000 per person versus the \$77 per person indicated for Maryborough and Central Goldfields Shire above.

The committee may find these massive infrastructure cost differentials difficult to accept on face value. However the differences in known figures of urban development, namely existing housing costs or loan repayment costs likewise exhibit similar significant variations, Regional V/S Metropolitan. This demonstrates an overwhelming and substantial competitive advantage comparing Regional to metropolitan locations. The median (conventional) house price levels in Central Goldfields shire – Victoria are around \$70,000. Markedly different from those of the capitals, e.g (REI of Aust figures for July 1996) Melbourne \$143,000, Sydney \$208,800, Canberra \$150,00, Brisbane \$141,00, Perth \$129,000, Hobart \$115,00 and Adelaide \$100,00. The housing affordability (and choice) ratios or competitive advantages (regional to metropolitan) this are of the order of 150/300% between current metropolitan housing practice (both public and private) and Housing located in the regions. The much lauded mid 1990's "Green Street" National housing costs efficiency program only achieved savings (in metropolitan settings) of the order of 15% over existing cost structures. A small housing and affordability differential in terms of the real challenges facing national affordable urban development and housing. A housing affordability survey (29/4/97 Commonwealth Bank HIA Index April '97) identified this regional advantage in (conventional) housing costs, where it stated "rural and regional Victorians are on average paying \$569 a month to service their loans – the lowest rate in Australia"

Such disparities signal fundamental implications in National infrastructure costs, priorities and location matters.

Housing (Ownership) Affordability – Monthly loan payments for the typical first home buyer.

	March 1997	March 1996
Sydney	\$1192	1388
Canberra	884	1072
Brisbane	827	1049
Perth	815	956
Melbourne	801	996
Adelaide	692	833
Hobart	626	847
National Average	859	1023
Rural & Regional Victoria	569	N/A

It can therefore be argued that one reason Metropolitan replacement and new development infrastructure costs are accepted is because of lack of fiscal planning and an overheated metropolitan housing and wider urban market. Indeed government Metropolitan infrastructure spending, rather than prioritizing spending in the most price/cost competitive market environment (in the Regions) is cross subsidizing and adding to the increasing, unsustainable, housing and urban infrastructure cost spiral in the Capital cities. Regional Australia offers a far more cost effective and sustainable housing and urban alternative in terms of Regional Infrastructure issues. Best benefit for infrastructure funds expended.

Term of Reference 4

Infrastructure Development's relationship to employment generation in Regional Australia.

Regional Population shift and Employment Generation

Manufacturing Industry, while important, particularly in many regions (including about 20% in the Central Goldfields Shire) is nationally not the largest employment generator eg 13% (1995) compared with services occupations as wholesale retail trade 19%, Community Service 18%, Finance Property and Builders 11%. Thus the generation of approx. 3 out of 4 jobs has a direct relationship to the servicing of urban population. Population shift therefor from Metropolitan to Regional cities and towns, not only can ameliorate massive metropolitan infrastructure provision costs and demand (including environmental pollution costs) but can be a major stimulus to regional employment generation activity. Although as the S.E Queensland major immigration demonstrates, with its relatively high unemployment levels, there is still a need for generate employment internally from the core economy and export dollars. The shift of approximately 20,000 people (mainly from Melbourne) to Ballarat and Bendigo in Victoria, over the last 20 years, has generated a significant impact on the growth, demographic profile, activities and facilities, hard and soft infrastructure provision and regional economic development prospects for both these developing Regional cities. The same "critical mass" growth to all regional cities and towns could apply. (Appentdix G) Accordingly the infrastructure priorities and approaches recommended by the committee should not only target business and industry needs but should also

have wider target to “soft” infrastructure and urban community service roles that supports population shift. Infrastructure that overcomes the “tyranny of distance” and gives equitable access to regional areas (in sectors as communications and education) would have high ranking in both business and urban service regional infrastructure priority.

Conclusion

The purpose of this submission is to endeavor to bring to the Committees considerations the continue regional development performance but more particularly the unrealised potential of Regional Australia’s diverse urban infrastructure. To demonstrate its development potential and its significant sustainable and competitive cost advantages over equivalent infrastructure provision in the larger capital cities. A regional perspective approach rather than a more narrow sectoral, technical, funding source, infrastructure (project) approach, is clearly needed, as infrastructure should integrate and serve planned urban and regional functions. Approaches as to how the nation can best develop its urban infrastructure outlays to stimulate and attract population growth away from the capital cities should be a key challenge for the Committee’s findings and a priority target for infrastructure spending on a region by region basis. The continuing lost opportunity costs of underutilized urban infrastructure in the cities and towns of Regional Australia compared with huge, the unsustainable and unaffordable costs, of continuing to fund unchecked (cross subsidized) Metropolitan Infrastructure, must be a high priority for the Committee’s consideration and findings.

Holistic and consequential costings for Infrastructure Prioritization

The full cost of current and future major infrastructure projects needs to be assessed holistically. That is the benefits, disbenefits, lost opportunity costs (alternative use of funds) and, most critically environmental and predictable comequential costs and impacts. Take the very fast train proposal (VFT) Sydney Canberra, Canberra Melbourne for example. If built it could negative impact on air transport markets of Regional Australia as capital city politicians, business people and visitors use fast rail rather than air transit. Airlines consequentially rationalize less profitable routes and services to contain costs. Rural and Remote communities eg Mt Isa, will in all probability find their vital air services will be seriously reduced, as a consequential (uncosted) impact of the VFT.

Capital City Infrastructure Concentration Effects

The continuing concentration of major infrastructure such as VFT etc for the capital cities, will require increasing population growth to justify the huge public outlays and return on both public (and private) infrastructure investments. This “treadmill” effect is a feature of poorly targeted infrastructure decisions, entrenching the metropolitans’ urban juggernaut and impeding regional options by sheer critical mass. Canberra and Albury – Wodonga demonstrate that special stimulus of infrastructure provision can lead to strong and progressive development and establishment of regional cities. More modest proposal can do likewise. Instead of devoting volumes to the process and financial gearing of infrastructure (the process), the purpose of infrastructure and spatial impacts on regions deserves equal consideration.

Need for Holistic Infrastructure Planning and Research

To assist targeting and prioritization holistic assessment information and research will need to be carried out. Such studies should include”

- A national Development Infrastructure Inventory listing and co ordinating (cross departmental) at National and Regional / Capital scale, (current and proposed projects) including information on timing prioritization and costings.
- An assessment of the sustainable population carrying capacity, and spare capacity of existing urban infrastructure, both in the capital cities and all Regional Australia (including regional cities rural cities and towns and remote settlements) teamed with a National urban settlements policy.
- An Holistic assessment and comparative full cost/benefit study (on a per capita basis) of future urbanization and infrastructure cost in Australia's Urban Settlements. Comparing the Capital cities and an indicative range of Regional Rural and Remote settlement. Relative costs including the provision, maintenance, replacement (or augmentation) infrastructure costs and consequential and lost opportunity costs.

Without such studies and research the location of the various infrastructure outlays and optimum use of the nation's urban assets and existing resources will remain spatially unplanned and ad-hoc.

Norm Cameron
Urban and Regional Planner
Central Goldfields Shire
15 April 1999

References and Attachments (Appendixes)

- Reference 1. McKinsey and Company
Unlocking the potential of Regions
Report to the Dept of Regional Development and Housing
- Reference 2. Developing Australia – A Regional Perspective 1993
A report to the Federal Government by the Regional Development Task Force

- Appendix A. Pages 66 – 74 McKinsey Report (Ref 1.)
Appendix B. Tabular Summaries of Regional Constants Factors and
Locational Factors (Ref 1)
- Appendix C & D Snapshots of the Mackay and Bendigo Regions from (Ref 2)
Appendix E Bendigo Advertiser article April 99 on
Bendigo Community Bank.
- Appendix F Employment Growth % in Australia (McKinsey, Page)
Appendix G Generalized Critical Mass / Activities
McKinsey (Ref 1) page 39.
- Appendix H McKinsey (Ref1) page 35.
Appendix I Supporter base of “Regional Australia – Now” Campaign
1992 -95

BIOGRAPHY

Norm Cameron is an Urban, Regional and Strategic Planner with 22 Years of professional planning experience including senior positions in a wide range of urban situations including metropolitan (Melbourne), outer suburban (Doncaster and Templestowe), provincial city (Bendigo) and smaller regional shire (Central Goldfields). Having spent 14 years in regional (urban) Victoria he believes that by promoting regional development and teaming regional location with innovative affordable housing, the non sustainable capitals and emerging National affordable urban and housing crisis can be avoided in the 21st Century. He has also extensive national experience in regional development ambits being the draftsman and conveyor (since 1992) of the “Regional Australia – Now” campaign, (a nationally supported change leadership initiative that was a catalyst for the Federal Government in national regional development). He was a member of the Federal Government Regional Development Task Force (1993). A consultant to the Country Mayors of NSW Regional Development advisory group and a member of the Australian Local Government Association urban Affairs Reference Group. He facilitated the National Regional Conference held in Wagga Wagga in 1992 entitled Regional Development in the 1990s – Fact or Fiction, the first National Regional Development conference in 20 Years.

He has also previously assisted government with submissions to the following National Government (Industry Commissions) Inquiries.

- Urban Settlements (2 written submissions) 1992, 1993, Melbourne Hearing
- Transportation 1993 Bendigo Visit, Written Submission.
- Regional Impediments 1993 Written Submissions

More recently he has focussed on developing innovative affordable housing initiatives and Life Skills Training at Regional level to serve as models for National Regional and urban growth initiatives.