

Southern Cross University

Submission to the inquiry into infrastructure and the development of Australia's regional areas

Standing Committee on Primary Industries and Regional Services

The New South Wales State Parliament Act establishing the Southern Cross University gave it special responsibility for providing university education and support for facilitating the development of the North Coast Region of New South Wales. Since its establishment the University has sought to implement these objectives in a variety of skill development, knowledge transfer, research and innovation and local leadership ways. Regional development is one of the core responsibilities of the University's strategic plan.

The efforts of the University, and one of the core reasons for its original formation, however are being hampered by a lack of appropriate supporting and enabling infrastructure in the North Coast region to help translate knowledge, innovation and skill enhancement into regional competitiveness and through this jobs and investment. Soft infrastructure, such as that provided by universities, and hard infrastructure, such as roads, railways, ports, aviation and telecommunications, go hand in hand in the economic development equation for regional areas.

In addition there are areas where the acquisition or development of new infrastructure has been agreed, but the timetable for its implementation is so slow as to be of concern. In the following submission we have identified some of the hard infrastructure shortfalls on the North Coast region of New South Wales and identify how the full benefits of the initiatives of the University to build skills, innovation and learning are being held back by non-existent and sub-standard hard infrastructure.

1. Telecommunications Infrastructure

The Northern Rivers is a uniquely beautiful area of NSW which faces a range of major environmental, economic and social challenges.

The region, which covers 75,000 square kilometres, has a population of 250,000 people and an annual growth rate of 2.2% (i.e.: one of the highest non-metropolitan growth rates in Australia). The population is widely dispersed across the region with more than half of the population living in small towns and rural villages, many of which have only inadequate or expensive telecommunications linkages.

Difficulty of interaction and communication is increased by poor public transport and the increasing centralisation of services/ facilities, both commercial and government.

The economy of the region is in decline with more than 17% general unemployment and more than 45 % of the youth workforce unemployed. Average household incomes are low, with over 51% of households having an income of less than \$15,000 pa. Small business is central to the regional economy but the lack of investment capital and low buying power are resulting in a high failure rate. Isolation from key markets and poor communications exacerbate this problem.

Most individuals are unable to afford the capital necessary to access the Internet and lack the awareness and training to do so. Further, the Regional Chamber of Commerce has found that only 5% of its 2,500 members have Internet access. This is significantly below the national average of 44%. Those that have access are further inhibited by lack of bandwidth and complexity of local networks.

The people, organisations and businesses of the Northern Rivers Region are therefore increasingly at a disadvantage in a broader environment in which public information, services and commercial activity are more and more frequently provided and conducted electronically. They are also losing the opportunity for development of the regional community infrastructure through this medium.

Research indicates that the need for equity of access to telecommunications will not be addressed by regulatory or commercial means alone and that specific intervention is needed to enable the sustainable development of the Northern Rivers Region.

The Commonwealth Government recently provided seed funding (\$150K) for a local planning initiative (managed by Norlink) to plan and implement a regional telecommunications infrastructure which will promote economic and social development within the Region. This infrastructure will support a fast and reliable e-mail and Internet service (equivalent to that which exists in the major metropolitan areas of Australia, and at the cost of a local call) for all residents of the Region; data, voice and video services; electronic commerce facilities for business; and access to a wide range of other services (e.g. education, government and community services). The infrastructure will be linked to adjacent regions, metropolitan areas and the wider national and international arena.

Norlink Ltd is a company which consists of the eight peak regional bodies of the Northern Rivers Region, including the Northern Rivers Regional Organisation of Councils (NOROC), the Northern Rivers Regional Economic Development Organisation (NOREDO), the Northern Rivers Regional Chamber of Commerce and Industry (NRCCI), the Regional Information Technology Industry Association (RITIA), the Northern Rivers Social Development Council (NRSDC), the Northern Rivers Regional Tourism Organisation (NRRTO), the Northern Rivers Regional Development Board (NRRDB), and Southern Cross University

Norlink aims to develop business cases based on demand aggregation to attract carriers and telecommunications organisations to invest in the region. It is expected, however, that considerably more government financial assistance will be necessary to attract these organisations to invest in the Region.

While this section has concentrated on the Northern Rivers portion of the North Coast Region, the same arguments can be used for the more southerly part of the region, known as the Holiday Coast Region.

2. Roads and Transport

2.1 Roads

The North Coast of New South Wales is crucially dependent on road transport (both public and commercial), which almost exclusively uses the Pacific Highway between Taree and the Queensland Border. While there has been a continual improvement to this major road, there are still notorious areas where the Pacific Highway is grossly inadequate, and where the lack of a high quality road is costing the community in many ways, including time, money and loss of life. We submit that it is imperative to maintain an accelerated schedule to bring the highway up to parity with other major highways throughout the nation.

In addition to the Pacific Highway, regional bodies have been pressing for many years for an upgrade to the Summerland Way which runs from Grafton through Casino and Kyogle to Brisbane. While there have been verbal agreements for this upgrade, which can be achieved for a relatively modest sum (up to~\$40M), there seems to have been a lack of political will on behalf of various governments to pursue the project. The provision of a high quality alternative and speedier route to Brisbane for truck movements makes good economic sense, and will also open up access to the Brisbane Port, thereby assisting international export of goods from the region. In addition such a development would help to preserve the pristine nature of the beaches and hinterland of the North Coast.

Poor quality roads to the tablelands to the west of the region (between Casino and Tenterfield, Grafton and Glen Innes, and Coffs Harbour and Armidale) also inhibit trade, tourism and cultural links between the regions.

2.2 Rail

The rail system to the North Coast from Sydney and Brisbane is also in need of a systematic review. If considerably improved in terms of scheduling and quality of service it could be a viable alternative for both passengers and freight to the use of the Pacific Highway by buses and semi-trailers. Currently the flexibility and cheaper fares of buses sees the majority of passenger traffic from the North Coast to the two capital cities preferring this mode of transport. Developing a rail link between Robina and Murwillumbah would greatly enhance the use of rail, and open up the North Coast of NSW to Brisbane.

2.3 Ports

The region is very restricted in its access to ports, having to freight goods to and from either Sydney or Brisbane for export. Development of the Yamba port to be able to service ships of reasonable tonnage, would be a very valuable addition to the infrastructure needs. In recent times the silting of the river has prevented even reasonable size cruise ships from entering the harbour, and is a significant impediment to development of tourism in addition to other. The extra costs involved clearly reduce the return which exporters and tourism operators can generate through use of the port. These problems were identified as long ago as 1993 in *Developing Australia: A Regional Perspective*, Vol. 2, pp 18-19.

3. Services

The North Coast region of NSW has had considerable reduction in infrastructure services to centres well outside the region. These changes have resulted in considerable job losses in a region which has one of the highest unemployment levels in the state, and in a consequent environment which does not encourage development, but diminishes it.

Such services which have been removed or rationalised include, Education Offices, Tax Office and Emergency Services.

4. Education and Research

The North Coast of NSW is poorly serviced by the number of places available per head of population for university study in comparison with other areas of the country, with approximately one place per thousand persons. The inability of Southern Cross University to provide fully for the needs of the population is exacerbated by the funding arrangements which are based on a low average rate of dollars per Equivalent Full Time Student Unit, and do not enable the institution to undertake some of the higher cost activities which the widespread nature of the region and the agricultural base of the region would require. We believe that consideration of educational infrastructure is of great importance in the considerations of the Standing Committee.

Notwithstanding these comments, we believe that the approaches of the University to provide the greatest possible access to regional students are worth notice as examples of good practice. These include the provision of distributed campuses through the region (a major expense), including electronic campuses being developed at Tweed Heads and Port Macquarie, the provision of high quality distance materials, and on-line courses, with close co-operation with TAFE at Coffs Harbour and in other regional centres.

The potential for regional universities such as Southern Cross to provide a catalyst for regional development has been documented in "Creative Associations in Special Places"¹, a paper by Professor Steve Garlick in an EIP evaluation for DEETYA, and in the publication from OECD Project "Universities and Regional Engagement"² edited by Professor Zbys Klich.

The establishment of the Centre for Plant Conservation Genetics at the University in 1996 has been extremely successful, has led to approximately 50 new jobs being created. The University is looking to establish other similar research groups to provide further stimulus to the regional economy. Some of this success has been due to the correct choice of research area, which entirely fits in with the environment of the region.

Indeed the success of the Centre has led the University to develop a very exciting technology park concept which offers great opportunities for the development of the region as described below.

5. Cellulose Valley Technology Park – A Project of Southern Cross University

Cellulose Valley Technology Park is being established on 73 ha of land owned by and near to the University. Planning for the Park has been underway for some time, with a Strategic Plan released in June 1998, a Business Plan to be in April/May 1999, and a Master Plan for site development to be completed soon after.

The Park will support a range of research and development and commercial activities particularly, but not exclusively, relating to the herbal medicine industry. Planning for the Park has been undertaken in close association with Australia's leading companies with an involvement in natural and complementary products' R&D and manufacture. Successful development of the Park is expected to create up to 1,000 direct jobs in the next decade, as well as supporting the growth of a significant and competitive Australian and international industry sector.

Approximately eight companies have expressed an interest in establishing enterprises on the Park. Negotiations are presently underway with two companies who wish to commence building activity prior to the end of 1999. Building development will be undertaken by private developers, with two large companies having already expressed interest in such developments. The greatest impediment to speedy development is, however, a lack of funding to develop the infrastructure of roads, power, on-site sewer, water supply, storm water management, and walking and cycling tracks. Funding of \$4.2M is required to develop this infrastructure, thereby allowing commencement of R&D and commercial activity within the Technology Park.

This emphasises a general issue in the timing of the acquisition of infrastructure support for regional development projects. In this and other such development projects the commercial partners are expected to commit to investment while there is no certainty of infrastructure, and Governments are reluctant to provide infrastructure funding before the commercial investment is committed.

References:

1. Garlick, S. (1998), '*Creative Associations in Special Places*': ENHANCING THE PARTNERSHIP ROLE OF UNIVERSITIES IN BUILDING COMPETITIVE REGIONAL ECONOMIES, EIP Report Number 4, Canberra, Australian Department of Employment Education Training and Youth Affairs, April.

2. Klich, Z. (Ed) (1999), *Universities and Regional Engagement*, Lismore, Southern Cross University Press.

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