

Submission to
House of Representatives Standing Committee on Primary Industries
and
Regional Services

Infrastructure and the Development of
Australia's Regional Areas



Submission from Wagga Wagga City Council, NSW

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SUMMARY STATEMENT

Regional development has been an area that has attracted ongoing but inconsistent levels of consideration by governments. In the past there has been number of inquiries, studies and investigations into regional development, impediments to regional development, and various aspects of needs in infrastructure for regional development.

This paper presents some of the findings of these earlier studies and draws attention to the following:

- There has been a continuing and plentiful supply of information and data relating to regional development. There is little need to repeat these inquiries nor to restate in detail arguments that have been clearly and thoroughly enunciated elsewhere.
- This information has been supplied to decision-making bodies but action taken as a result of such information has been limited.
- What is most required at this stage is a concerted effort to synthesise such findings and put them into action in a way which reflects the need for balanced development between metropolitan and non-metropolitan Australia, and which accepts the need for long-term commitment and strategy in achieving such balanced development.
- Infrastructure provision is one significant part of a broad approach to giving balanced regional development some priority, and for developing strategic approaches to it.

Activity and characteristics of the Riverina Region and Wagga Wagga are utilised to demonstrate some of these points particularly in relation to the main aspects of infrastructure, that is infrastructure needs and opportunities for development which could be enhanced by strategic commitment to regional development through infrastructure planning.

It should be noted that another submission has been jointly provided by the Riverina Regional Development Board (RRDB), the Riverina Area Consultative Committee (RACC) and Riverina Regional Organisation of Councils (RivROC). The information in this submission complements this submission.

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GLOSSARY

CSU	Charles Sturt University
DBARD	Department of Business and Regional Development (NSW), prior to DSRD
DSRD	Department of State and Regional Development (NSW)
e-commerce	Electronic commerce
IPTAAS	Isolated Patients' Travel and Accommodation Assistance Scheme
LGA	Local Government Area
MUIM	NSW Ministry of Urban Infrastructure
NTN	Networking the Nation, the Commonwealth Government's Regional Telecommunications Infrastructure Fund
RACC	Riverina Area Consultative Committee Inc.
RAWG	Riverina Agriculture Working Group
RivREDO	Riverina Regional Economic Development Organisation
REDS	Regional Economic Development Strategy
REROC	Riverina Eastern Regional Organisation of Councils
RRT	Riverina Regional Tourism
RTIF	Regional Telecommunications Infrastructure Fund (Commonwealth)
TAG	Transport Advisory Group - a working committee of the Wagga Wagga Economic Development Board (WWEDB)
USO	Universal Service Obligation
VFT	Very Fast Train
WWEDB	Wagga Wagga Economic Development Board

1. INTRODUCTION

This submission has been prepared with the requirements of the Committee at the forefront (the House of Representatives Standing Committee on Primary Industry and Regional Services hereafter referred to as the Committee). As much as possible, it has been structured to address the specific questions and issues highlighted in the inquiry documents though often these are addressed by reference to other documents. The terms of reference of the inquiry seem to be predominantly seeking information to explain and justify the need for expenditure on regional infrastructure and to clearly demonstrate how increased funding and commitment to such infrastructure would positively and actually achieve the goals of greater regional development, increased employment and an enhanced national economy.

In preparing the submission it has been essential to include a dimension of regional development that is often overlooked. This extra dimension or goal, from a regional perspective, has been labelled as '**balanced development**' by the Country Mayors Association and the notion has been widely respected in regional Australia. It is particularly important for understanding regional issues because State and Federal governments have tended to respond to development and other needs in ways that reinforce and perpetuate the entrenched historical imbalance of population settlement.

Policy and action for infrastructure provision (and indeed other development strategies) in metropolitan and non-metropolitan areas continues to reflect the momentum of growth in metropolitan areas and, despite rhetoric, to ignore the need for some counterbalance to this trend.

To some extent, the recent history of inquiries into regional development generally, and infrastructure in particular, illustrate this point. It is, therefore, necessary to highlight and reiterate arguments and needs statements that have been in the public arena for some time. That the ideas underpinning, and the needs stated in, these past documents have been largely ignored or failed to elicit long-term commitment serves to emphasise the disparity between views of regional development. Overall, there has been a failure to provide a sustained, significant and long-term effort to achieve espoused regional development goals. Bipartisan views, or at least willingness not to reject the strategies of opposing political parties out of hand, would also contribute to this long-term commitment and a sense of continuity.

The content of the earlier investigations, studies and inquiries is extensive and the arguments they provide often cogent. This submission can only highlight the main points. Copies of most of the documents referred to can be supplied to assist the Committee, if they have not been attained elsewhere.

Thus, the arguments presented in this document will outline regional development infrastructure issues in several ways.

- First, a synthesis of past reports, papers and arguments will be presented. This will indicate the relative stagnancy of real action on regional development despite

energetic commitment and contribution from regional communities over many years.

- Second, the discussion will also incorporate and therefore re-emphasise some of the major infrastructure needs and arguments in Australia's regions.
- Third, the Riverina Region and its largest city, Wagga Wagga, will be discussed as a case scenario of how such arguments can be applied. Not only does this provide valuable and specific information relevant to this region's issues it also exemplifies some of the general arguments and needs for successful and balanced regional growth in Australia.
- Finally, the main arguments will be restated in association with the development of some recommendations that emphasise the need for governments to take a wider viewpoint in relation to regional development infrastructure policy in the future.

2. A HISTORY OF INQUIRIES AND SUBMISSIONS

There have been many inquiries and investigations into the nature and needs of regional development in the last two decades. Many organisations and individuals have contributed to these with submissions and statements. As well, many regional and local groups and organisations have developed their own strategies or assisted with the development of policies for governments. It is not possible to cover all such strategies, reports and papers. However, a selection of some of the most important and/or relevant of these will be utilised below to illustrate the broad thrust of arguments and how they may be applied in the particular context of the Riverina and Wagga Wagga.

Assessing this history shows not just the particularities of infrastructure need and broader information about the development of regional Australia but, through the frequency of inquiries, also illustrates the continuing political resistance of governments to act upon evidence that has been willingly and readily provided. It also demonstrates that regions in Australia have much capacity in terms of local initiative and energy and potential for further growth. The major publications (discussed below and those others listed in the List of References) are available for input to decision-making about infrastructure and regional development. So too there is a plethora of submissions from regions and local areas that contribute more specifically to that debate.

2.1 NSW Country Mayors Association - A Strategy for Balanced State Development (1994)

The NSW Country Mayors' Association document provided a strategic approach to state development that would lead to real, sustainable and continuing economic development. The strategy was premised on the need for balanced state development that required changing attitudes to regional development. This strategy is the most focussed one available in terms of considering development issues in a broad, comprehensive and multi-faceted manner. Wagga Wagga City Council was heavily involved in the development of the strategy.

The strategy comprised a mix of policies including a balanced state development settlement and infrastructure plan, relief of Sydney's environmental problems, programs for industry relocation and support (both 'hunting' and 'gardening'), improvement of country centres' competitive and cost structures, and long-term commitment and coordination to achieve the strategy.

The commentary and recommendations relating to infrastructure are also clear. The paper emphasises the substantial (hidden) subsidisation costs for ongoing infrastructure development in Sydney. Comparative costs of infrastructure for the expansion of population by 500,000 showed considerable savings if it were to occur in country towns. Coupled with the greater availability of non-metropolitan land, the threat to valuable agricultural land on the margins of Sydney, and the untapped potential of many rural industries (agriculture and mining in particular) there are strong arguments for increased efforts in non-metropolitan development. Social and environmental arguments are provided to reinforce these claims. Particularly, the increasing concerns of environmental degradation, traffic congestion and cost of infrastructure supply in the urban conurbation of Sydney, Newcastle and Wollongong were used to argue for commitment to policies to enhance non-metropolitan development in NSW. Even urban consolidation policies carry the threat of overload on existing infrastructure. The geographical limitations at Sydney's edges have prompted many calls for putting a ceiling on growth in the city and the competition for land between housing and employment land development has generated conflicts of interest.

Appreciation of the 'balanced' development argument hinges on understanding that original settlement patterns in Australia took place during the industrial revolution when large scale urbanisation was occurring. This precluded the development or potential development of medium sized urban centres. This means that the present pattern of development is not simply one that has naturally evolved (though landscape does clearly impact upon this pattern) but one which, under different historical conditions, may have been different.

The relatively sparse population of non-metropolitan areas and the long distances between centres means that there are often not the critical masses

to warrant the provision of needed infrastructure in many non-metropolitan areas. Certainly, this appears to be the perception on a short-term commercial or cost-benefit basis.

Also, there are significant problems of distance between the locality of producers of many goods and the markets that consume them. Balanced state development focuses on reducing the extremes of population location through encouraging resettlement and industry growth and relocation and also enhancing the competitiveness of non-metropolitan areas through infrastructure provision and other policy co-ordination. Transport and communications issues are vital in this respect.

It is important that this strategy be read in whole to embrace the comprehensive detail and arguments (economic, environmental, social, infrastructure and management) relating to balanced regional development. The strategy clearly argues for a concerted and strategic effort for regional development. Changing attitudes and coordinated efforts with long-term commitment and cooperation between different agencies is essential to achieve planned and more balanced economic development. Infrastructure is an important part of a bigger picture.

2.2 Taskforce for Regional Development (commonly known as the Kelty Taskforce 1994)

A comprehensive audit of the opinions of people, groups and organisations across Australia, this report has numerous recommendations relating to regional development and infrastructure. Indeed, many of the recommendations provided and the way in which they are categorised (Volume One) are strongly related to infrastructure. Only the most pertinent of these (to the Wagga Wagga/Riverina case study) are discussed below and it is recommended that the whole study be utilised by the Committee. Again, the original documents provide essential and valuable information.

'Financing regional development' recommendations were largely focussed on infrastructure. Modernising the infrastructure base and funding infrastructure through toll on user charges were recommended. Reallocating spending priorities was the basis of a number of other recommendations including the visible representation of infrastructure on financial statements, using infrastructure bonds to encourage private sector investment particularly by providing a number of incentives and developing a long-term bond market. All these recommendations reflect a need to put in place long-term and regionally or locally accessed funding pools for ongoing and locally sensitive supply of infrastructure. Such strategies clearly recognise the need to have regionally responsive funding rather than arbitrary political choices.

'Transport' is a prime factor in a country dominated by distance. A range of recommendations was suggested with perhaps the most significant for regional Australia being extending, improving and maintaining the national

highway system (particularly between Cairns and Adelaide and to link with major ports), and upgrading arterial roads and roads linking to highways across regions. Funding for such recommendations included ensuring local government authorities responsible for a substantial proportion of the roads were adequately funded. Fast train connections were highly recommended for investigation, and it was suggested any proposed rail closures be seriously evaluated. A number of other recommendations related to airports and ports.

One of the key recommendations relating to 'Communications' was that "the Government should aim to provide equality of access to **advanced** telecommunications services across the regions of Australia" (Volume One, p. 9). This recommendation is one which has been largely neglected in practice and which has serious implications for development in regional Australia. This point will be expanded in Section 3.

The Taskforce recommended that electricity pricing for the national grid should provide cross subsidies sufficient to prevent gross disparities in regional Australia though those with a natural advantage in electricity generation should be able to access that energy at a competitive price. There was also a call for the removal of trade barriers for interstate distribution of gas, and prevention of discriminatory fuel prices.

Other recommendations relate to Labour Market, Education, Industry Policy, Agriculture, Water, Environment, Aboriginal and Torres Strait Islander People, Culture and Heritage, Tourism, Energy, Business Support, and Empowering the Regions.

The most important implications of this document is that it reflects a broad input from regional Australia and that it gives high priority to the notion of regional development although not all recommendations are necessarily agreed with. The background information and regional profiles provide valuable overviews of regional issues, and vignettes of Australia's regions.

2.3 Other Reports

There are a number of other reports that have been prepared over the last decade which discuss these issues. It is not intended to cover these in any detail but reference to them indicates their availability and reinforces the point that information is widely available.

The Industry Commission's *Impediments to Regional Industry Adjustment* commits an entire section to infrastructure provision and pricing and considers economic (physical networks and facilities) and social infrastructure. Whilst it argues that infrastructure provision can provide a catalyst to regional adjustment and growth, it also outlines the inconclusive results of empirical studies when trying to prove a causal link (Volume 1, p. 171). This issue appears to a direct concern of the Committee. Particular examples are provided to argue a range of points relating to infrastructure

provision though some of the examples and argument may seem heavily weighted towards the apparently rational and short-term criteria of cost-benefit analyses and competitive pricing. They are, nevertheless opinions of the kind required by the Committee. The report also makes pertinent points about coordination of infrastructure provision and highlights the problems of lack of coordination between levels of government and the lack of strategic infrastructure planning and coordination (p. 183). In this respect it refers to the CMA report (discussed above).

The McKinsey Report (*Lead Local Compete Global*) is largely focussed on regional leadership but provides a brief section on infrastructure. As well as reiterating some of the main points already made, it emphasises the importance of 'soft' infrastructure - lifestyle, environment, education, healthcare, and access to sport and recreation (pp. 66-67). These aspects are important for attracting people to a region and often regional relocation decisions falter when personnel perceive (sometimes incorrectly) that these facilities and services will be substandard compared to facilities they are familiar with in metropolitan locations. The document also indicates that "exporters rate 'linkage' infrastructure such as telecommunications, road, domestic and international airports as more important than do non-importers" (pp. 67-68). In a climate of global trade and e-commerce these are significant points.

The McKinsey report affirms that the Taskforce on Regional Development "rightly identified infrastructure levels, prioritisation and management as major issues in the regions of Australia" (p. 69). Some recommendations relate to holding regular 'vision' conferences to identify needs at national and local levels and refers specifically to the effective coordination strategies adopted in Cairns (pp. 69-70).

The McKinsey *Business Investment and Regional Prosperity: the Challenge of Rejuvenation* outlines concern for hard and soft infrastructure and the need for commitment to maintaining world class infrastructure. It reiterates that there is little shared understanding of infrastructure priorities. In a survey that ranked the importance of different types of infrastructure in location decisions telecommunications was ranked as among the most important and significant infrastructure factors. Again, it supports the notion that in a context of linking to global markets this is an increasingly important criteria (pp. 49-51).

The Australian Urban and Regional Development Review also published a collection of papers in 1995 (*Investing in Infrastructure*) which draw attention to infrastructure issues. Dr Vince Fitzgerald of the Allen Consulting Group, for instance, draws attention the cases of underdevelopment in urban roads, some arterial roads, some airports and air traffic facilities and some areas of telecommunications and railways. The Bureau of Industry Economics paper, *Private Provision of Economic Infrastructure* also has a collection of conference proceedings on infrastructure. One paper by Tony Shepherd clearly provides a list of

infrastructure priorities (p. 60). Financing of projects, however, is clearly the focus of this paper.

2.4 Other Specific Inquiries with relevance to regional development infrastructure

A number of other inquiries have been conducted in recent years. Whilst none of these will be discussed here they are mentioned to indicate the nature of information that has been sought from, and provided by, regional and local organisations over the years. Specific contributions from the Riverina Region and Wagga Wagga will be discussed in the next section. Such inquiries are typified by the recent Digital Data Review Inquiry and the Australian Communication Authority's Review of Analogue Mobile Phone Coverage in Regional Australia. Others include the Senate Standing Committee on the Environment, Recreation, Communications and the Arts which sought submissions to the Telstra (Transition to Full Private Ownership) Bill 1998 and the Productivity Commission's Inquiry into The Impact of Competition Policy Reforms on Rural and Regional Australia. Whilst the focus is not always directly on regional development or infrastructure the submissions to these inquiries often express viewpoints which refer to regional infrastructure and development issues.

A recent forum (15 February 1999) organised by the NSW Ministry of Urban Infrastructure (MUIM) involved Riverina and Murray Regional Stakeholders. This forum was used to discuss infrastructure issues and priorities and it has been noted that the weighted list of broad priorities match those identified by a regional forum in January 1999, the "Maximising Rural Prosperity". The latter forum involved Riverina stakeholders who were trying to identify, prioritise and plan in relation to impediments to the agriculture sector in the region. Outcomes of both these forums are appended to the RRDB/RACC/RIVROC submission to the Committee.

The Department Planning produced in 1995 its *Cities for the 21st Century* and various NSW state departments are developing strategies in conjunction with that plan. The significance of this strategy is that 'regional development' is given a different emphasis whereby a Greater Metropolitan 'Region' (encompassing Sydney, Newcastle, the Central Coast, the Blue Mountains and Wollongong) is placing calls on infrastructure planning and funding which are the antithesis to the notion of 'balanced' regional development. The idea of 'decentralisation' is also given a different perspective whereby industry relocation is focussed on nine internal development nodes such as Bankstown and Chatswood. The mindset of this and other centralising actions of state governments clearly undermines any notions of even regional development and further encourages the exacerbation of metropolitan growth and its consequent problems (both environmental and social for the cities and marginalisation for non-metropolitan areas).

2.5 Regional and local documents explaining needs and opportunities

Many regions and localities in Australia have done, and continue to do, much to investigate their infrastructure and other development needs. A range of plans and strategies as well as audits and reports can be drawn upon in these areas to convey needs to higher governing and funding agencies. For instance, the Riverina Regional Development Board has a "Regional Economic Development Strategy" (REDS, 1994) which is updated on a periodic basis, the "Riverina Transport Economic Study" (1994) and "An Overview of Core Transport, Telecommunication and Utility Infrastructure in the Riverina" (1997). It is currently developing a Telecommunications Strategy and updating the REDS. Wagga Wagga City Council has a number of policy documents relating to its regional development strategies (prepared for the Country Mayors' Association, and/or in association with the Riverina Regional Development Board). In these and other cases collaborative efforts are apparent to synthesise and report these needs (the NSW Softwoods Strategy is a clear case of collaborative research and action for a coordinated approach to this industry).

The pool of available information is vast and reflects broad and specific issues. Often the findings of major reports reinforce and support each other. While information for decision making is continuously sought and compiled often further action is limited or short term.

Regions and local government areas are committed to the development of their own areas. However, they remain subject to the funding, policies and provision of infrastructure by higher levels of government.

Thus, there are already well established and aired arguments about regional development. In the following section the case scenario of Wagga Wagga/Riverina will be used to demonstrate how some of these arguments might be applied to a specific regional area of Australia. This analysis is intended to illustrate that similar arguments might be well applied in many Australian regions.

3. CASE OF THE RIVERINA REGION AND WAGGA WAGGA

A number of studies have identified the profile of the region and city in terms of infrastructure. While these may be extensive some of the more obvious and/or relevant forms will be discussed below. It is not possible to outline comprehensively all the issues that relate to the Riverina and Wagga Wagga areas.

It is also important to emphasise again that infrastructure initiatives must be formulated in conjunction with other policies that encourage competition, and commitment to balanced regional development across Australia. These discussions are provided in the context of the information discussed in the previous section.

a) Transport

The Riverina Transport Economic Study (1994) and the REDS (1994) outline features and needs relating to transport in the region. There are a range of issues but the most important relate to the transport of goods into and out of the region and between urban centres in the region. Freight transport is the most vital for economic development of the region and the nation. The Riverina is a significant producer of primary and processed products such as wool, timber, foods, grains, meats and wines. Manufacturing is also significant in Wagga Wagga, Griffith and Tumut and output from these outlets must be transported to markets or to other processors in the value-adding chain.

The dislocation or distance from major markets (Australian metropolitan and overseas) gives transport a high priority as an infrastructure item. Freight tonnages indicate a total of approximately 900,000 tonnes travelling to and from urban centres in the in 1996/7. Significantly more produce leaves the local government areas (LGAs) in region than enters them (a ratio of about 8:1) and much of this would be in and out of the region as a whole. The timber industry in the east of the region is one which is particularly afflicted with road infrastructure shortfalls. The need for timber haulage routes has been documented in the past (South West Timber Haulage Study) and there is clear evidence that transport could be more efficient if vehicles such as B-doubles were able to be used on some of these roads. For instance, the Tumbarumba road which is used to transport timber from forests to timber processing industries in Wagga Wagga lacks B-double route approval. While this may be due in part to resistant attitudes in local government authorities there are also problems with road pavement and width. This need has been clearly enunciated in the past but the problem still exists.

The main regional products being transported are cattle, barley, citrus fruits, eggs, pasture hay, poultry, rice and wheat for grain. The major form of transport for the produce is road at a ratio of 4:1 over rail with a small amount being transported by air. The preferred port of export for Asian markets is Melbourne but connections to this port are almost exclusively by road. More rail is utilised to Sydney. The need for interstate infrastructure coordination is apparent when it is pointed out that major centres of agricultural produce (and export products) are significantly closer to Melbourne than Sydney (for example 137 kilometres closer for Griffith). Wagga Wagga is almost equidistant (just 29 kilometres closer) to Melbourne. Rail transport is least favoured because of its unreliability and a lack of confidence in service levels. Road is generally found to be more flexible and competitive. For freight transport timely delivery is a prime concern, followed by cost and then communications concerning freight movement.

The proximity of the Riverina between the substantial domestic markets of Sydney, Melbourne, Canberra and Adelaide and the major export ports gives the region a competitive advantage as a supply point for agricultural and manufactured products. (Riverina Transport Economic Study) This location also has the potential as a hub for transport and freight movements and the Wagga Wagga Economic Development Board's Transport Action Group is currently investigating opportunities in this regard. Already major transporters and support industries are located in the region and other infrastructure supports this focus. There are, however, weaknesses in terms of fuel pricing, absence of a truck stop facility, problems with regional roads, limited b-double access, uneven access to high quality telecommunications and support for information technology. Telecommunications is dealt with below. Education of personnel and development of support industries is needed to maximise this opportunity. Also critical to the development of such a transport hub would be inclusion on fast train routes, government support for infrastructure development in the region and access to ports. The fact that Wagga Wagga is a halfway point and a change location for drivers further adds to its potential to act as a transport hub. Also competitive prices emerge from the fact that many trucks return empty from northern coastal regions come through the Riverina and pick up a backload south. This is highly beneficial to firms operating in the region (Riverina Transport Economic Study).

b) Telecommunications

The issue of telecommunications is of particular concern and relevance in the region. Telecommunications is often touted as being the means of reducing the need for physical shifts of documents and personnel between various commercial locations. It especially has the potential to overcome the 'tyranny of distance' which afflicts regional Australia.

Despite this potential provision of telecommunications infrastructure is failing much of the Riverina Region. Whilst Wagga Wagga is fortunate to have access to Optus and Telstra landlines much of the region does not benefit from this access. Similarly coverage for digital telephones is limited in the area. Cost impediments exist even within the region with some shires having to pay STD prices because zones cross shire boundaries.

Governments are pushing to rationalise competition in telecommunications but this works counter to regional areas in many respects. Whilst there are great benefits in telecommunications use there are few or non-existent if you are not adequately serviced and, in fact, further marginalisation of poorly serviced regional areas is regressive. Some areas cannot compete competitively because they do not have facilities and Telstra (now largely privatised) is unlikely to provide infrastructure as there is no cost benefit in areas of low population. Basic service provision requirements (USO) extend to voice and limited data lines to many homes and businesses in the region. This hampers the ability for intraregional, interregional, national and international communication and

commerce. The Taskforce on Regional development recognised the need for *advanced* telecommunications services but this is clearly not being implemented.

Relocation decisions are often affected by poor mobile phone coverage and more advanced telecommunications including internet and email but also capability to develop high volume and high speed communication networks for heavy business activity. Broadband activities with appropriate baud rates are insufficient in many parts of the region for activities like the Internet and e-commerce. E-commerce is an essential activity to overcome the isolation/distance issues of non-metropolitan Australia but we are being precluded from using it because of the marginalised position stated.

A large local organisation, Charles Sturt University has installed a microwave tower to minimise communication costs across a wide network of campuses and students (located all over Australia and even beyond). This is achieved by hooking into the Regional Network Organisation administered by the Australian Vice Chancellors' Committee. Operating through the Sydney hub will make it cheaper to make calls to Melbourne and other capital cities (charged at the local rate) and the ability to provide video and teleconferencing is also enhanced (Bremner, 1998, p. 4).

These sorts of strategies need to be encouraged on a regional basis to overcome the costs of telecommunications but they need to be done in conjunction with extended provision of more basic services. The ability for professional and essential e-commerce in most of the region is seriously undermined by telecommunications infrastructure deficiencies. In areas like Griffith big industries like Visyboard and value-adding food processors (that sensibly locate near their prime products) cannot play 'the game' appropriately.

Despite these deficiencies and the need to overcome them difficulty is being experienced in obtaining information about the actual availability of infrastructure in the region.

The main issue in regard to telecommunications is that there needs to be comparable provision in order to establish cost effectiveness in areas that have traditionally borne the burden of higher communication charges. Access to more sophisticated data transmission facilities would reduce transmission times and costs. Also actual availability of such services is critical in attracting new industries and conducting business in an appropriate and professional manner. The extended provision of such infrastructure also has the potential to overcome some of the unfortunate decline in provision of other infrastructure such as financial institutions and specialist shops. Therefore, equal provision of advanced telecommunications services is one means of overcoming the imbalance of development across the nation.

Whilst understanding their limitations regions and local government authorities do not have control over spending decisions or deregulation policies in this regard. Considerable detrimental effects on regional development ensue. In a country where regional production is still important to the national economy and where international trade and connectivity is vital, this is a clear case for the more even and balanced application of infrastructure.

Some support has been achieved through Networking the Nation (NTN) funding but this is insufficient to overcome extensive discrepancies between service provision in different areas.

c) Waste systems

Waste services are adequate in the region though they are never without problems. Waste management is also an area of potential development for the region and with thoroughly considered and institutionalised procedures could be an area for future infrastructure investment, both directly and indirectly.

d) Energy

Energy infrastructure is another area of interest. There has been a working group considering energy issues in the Region as well (under management of the RRDB). Outages are a problem and these impact on businesses' ongoing effectiveness. Funding of regional facilities is an area for further consideration. Improved costs for energy are often vital in industries like the forestry industry and this has been identified as an issue in the REDS (1994).

e) Land and Water

In general land and water supplies are strengths in the region. However, the management of agricultural land and water supplies (including irrigation infrastructure and catchment areas) are suffering from poor maintenance, contested pricing arrangements and degradation. There is considerable scope for improvement in these areas. They particularly affect the agriculture sector of the region that represents a major contribution to state and regional economies. It is estimated that agriculture has a flow-on effect through the region of 5 to 1 in employment and income generation (REDS, 1994, Volume 1, p. 17).

f) Education, Health and Financial services

Whilst generally satisfactory there are always uneven aspects to patterns of provision in respect to these services. More remote areas of the region and the smaller communities are most affected by deficiencies and the closure of banks in small towns has gained national media coverage.

In Wagga Wagga and the region as a whole there have been some identified needs on health provision specifically relating to radiotherapy services (dislocation to Sydney for patients and their families for 6-7 weeks imposes further costs on individuals and society by IPTAAS funding, inability to work and accommodation and childcare costs amongst others). Whilst such high cost infrastructure might still need to be centralised in a major regional centre the overall financial and social costs would be reduced. Psychiatric services is another area of obvious shortage.

This analysis outlines just some of the infrastructure impacts and needs in the Riverina and Wagga Wagga areas. It indicates that specific local and regional requirements (which are often competing) must be considered in the context of overarching strategies which support the development of Regional Australia as a whole. The provision of the most significant infrastructure, as indicated, is usually outside the control of local and regional organisations.

4. RESTATEMENT OF MAIN ARGUMENTS AND RECOMMENDATIONS FOR DEVELOPING FUTURE STRATEGIES FOR BALANCED REGIONAL DEVELOPMENT

These papers and the case scenario presented highlight a number of important and interrelated arguments. They are summarised below. Regional development (particularly the development of Australia's non-metropolitan areas) cannot be viewed in isolation. Policies and strategies for development must be considered in terms of balanced development for all areas of the states and nation, including metropolitan areas. The Committee has requested information on barriers to regional development and factors that would assist development and employment in regional areas. Some of these are presented below in conjunction with some more general points.

- These arguments are not new. There have been numerous state and Federal inquiries and responses to them. There have also been numerous independent reports and papers relating to the nature and needs of regional development (the list of references at the end of this documents is indicative of these). What has been missing is sufficient recognition of the arguments being made in these papers and coordinated pursuant policy and funding responses to them.
- Regional development strategies cannot be viewed completely independently of each other. Provision of infrastructure is a sound strategy and very much needed but provision alone is not sufficient. Infrastructure provision will be most effective in a context of widespread and overarching support and acceptance of balanced development. Policies, regulatory mechanisms and other instruments of government also impact upon the development of regions and must be planned alongside and harmoniously with, infrastructure strategies. Failure to do so might undermine the benefits of provision.
- The dynamics of economic activity and industrial choice must be understood and appreciated to realise the full impact of infrastructure decisions. Infrastructure comprises many components and these affect not only the direct development of industry and its requisite support

services but there is a further level of community or 'soft' infrastructure which affects the lives of people in regions and the choices of individuals and industries to expand and relocate. Lack of facilities (both perceived and real) for personnel and their families are often the hidden dissuaders behind industry location decisions (both individual and corporate).

- Identification of infrastructure and other strategies are not always the main impediment to regional development. Attitudinal responses which are bound in short term reactions to the inertia of metropolitan growth prevent a longer-term, more equitable and balanced approach to the development of the nation as a whole. Ultimately this imbalance will cause environmental and quality of life problems for the metropolitan centres and problems of economic and social marginalisation for many small communities.
- There has been an inconsistency in commitment to regional development by various governments and their departments and agencies. Regional development requires long-term and strategic commitment and action. It is imperative that this be put in place over a long period if any real and attribute outcomes are expected. Clearly, whilst there is a 'gap' in infrastructure provision there is another 'gap' that impedes regional development. This is the failure to actively and strategically seek a shift from the reactive response to existing circumstances. This, in turn, favours the momentum of metropolitan development (and its consequent problems) and allows the further marginalisation of Australia's regions. Much of government 'policy' is not just inactive but regressive for regional areas.
- ***Some barriers to Regional Development***
 - The cost of phone calls in regional areas compared to metropolitan areas could hinder the attraction of investments in new industries such as call centres. Bulk purchase prices in Sydney are 20c, in Newcastle 22c and in Wagga Wagga 25c. While these are not the only critical costs in such ventures (employment constitutes half the major costs) they can be pivotal in decisions about industry relocation.
 - B-double transport routes are a vital issue in regional areas. The Wagga Wagga area is a significant transport location and local councils need more funding to upgrade roads to B-double standard. Without such improvements the most efficient form of freight movement is not possible.
 - Power costs are another area of importance though the likely outcomes of present changes and their solutions are uncertain. There is a high cost associated with the distance over which power is transmitted. The further the distance from the source of power the more the costs to get the same levels of power to the user. This is a significant factor for industry location as the final costs of power use for high electricity using industries may influence location or relocation decisions. Issues such as subsidisation and competitive provision will need to be considered in the future if large-scale

privatisation occurs. The ability to have competitive energy prices is an important factor in regional development.

- Skills shortages have some impact on location decisions. In a number of regional centres there are shortages of skilled workers such as welders, boilermakers, mechanics etc. More flexible apprenticeship and training schemes would help to alleviate these shortages. Without such changes the lack of skilled workers will mean that potentially relocating industries or newly establishing industries will look elsewhere. Inevitably, metropolitan areas then become the main focus for relocation as their drawing power for a range of skilled workers is greater.
- There is a problem with an insufficient number of developers in regional centres such as Orange, Dubbo and Wagga Wagga. A single developer or a small group of developers can create an effective monopoly in such towns and, in so doing, they can control prices (land and buildings) and impact heavily upon council development and planning decisions. Funds provided to local councils would help overcome this problem as councils could facilitate the purchase of land for industry outside this monopolistic system. It would also encourage the supply of industrial buildings for lease rather than sale (there is a clear but unfulfilled demand in this respect). Such competition is only effective with 'local knowledge' – something local councils can utilise but outsiders cannot. Extending councils' ability to acquire land under 'compulsory acquisition' for the 'greater public good' would assist if they could encompass economic development under this heading.
- More money needs to be made available to councils for key public facilities which can match the public lifestyle facilities available in metropolitan areas e.g. indoor heated aquatic centres. Up to date and modern facilities are pivotal in the decisions of individuals and companies when considering expanding or relocating.
- ***Factors that would assist development and employment in regional areas.***
 - There are funds available for the facilitation of regional development endeavours but insufficient for assisting with the implementation of strategies. Many regions have moved beyond the stage of developing strategies and plans and need assistance with implementing them. Programs which are more open in their parameters would be most advantageous. This means programs that assist the implementation of strategies based on their particular merits rather than predetermined parameters. If regional strategies are to be accepted as reflecting a responsive community based planning response then the plans that emerge need to be judged on their merits, and funded where appropriate.
 - Local councils and regions often have specific projects to implement but lack of dedicated personnel prevents this. Funding for special

project officers is necessary to allow focussed concentration of development programs of merit.

- Funding for the development of key strategic infrastructure development of national importance is also required. For instance, the Tarcutta changeover site (in the Wagga Wagga LGA) is a significant hub in national transport system. The strategic location of the site makes it a natural changeover point for drivers but, as it currently operates, a potentially dangerous one. Provision of a bitumed area with appropriate facilities (toilets, shops and perhaps showers and fuel) would bring the site to a standard that is necessary and would be of benefit to the transport industry).

Wagga Wagga City Council would be pleased to participate in the Inquiry Process further. Attendance at public hearings or on-site inspections, for instance, would be facilitated to aid the Committee's investigation of the issues.

End Submission

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