



Submission by Regional Development, Local Government and Agricultural committees of the National Party of Australia – Victoria to the House of Representatives Standing Committee on Primary Industries and Regional Services Inquiry into Infrastructure and the Development of Australia’s Regional areas.

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Committee Secretary
Standing Committee on Primary Industries and Regional Services
House of Representatives
Parliament House
CANBERRA ACT 2600

INTRODUCTION

The National Party holds several ‘Core Values’ these include the following beliefs:

- In the balanced development of our economy and the decentralisation of population and services.
- That all Australians should have equal opportunity to contribute to and share in the wealth of our nation.
- That initiative should be rewarded and that those prepared to work hardest should reap the rewards to match those efforts.

Coupled with these Core Values the National Party has a strong History regarding Regional Development and Decentralisation, having played a key role in many major infrastructure projects in the past.

We also have a Vision for Rural and Regional Victoria including the goal of achieving \$12 billion in food and fibre exports by the year 2010. This is a target well within reach but represents a tripling of the current \$4 billion figure.

There is enormous potential for growth within many agricultural industries including the Timber and Dairy industries along with our aim of encouraging many new value adding and manufacturing industries to establish or relocate to regional areas.

INFRASTRUCTURE

Areas of concern / challenge:

1. **Transport:** One of the major challenges if not the major, is in the area of regional infrastructure encompassing roads, rail, ports and airports.

- **Roads**

As regional industry production increases so to does road usage resulting in the maintenance and upgrading of our road network becoming crucial. The amount of funding returned to Victoria by the Federal Government has dropped and needs to be addressed.

We believe there needs to be an increase in the quantum of funding and a review of the formula used to distribute funding via the Grants Commission to Local Government.

Funding should for instance be tied to planning, performance and economic development.

The Commonwealth has a key role to play in providing funding for the upgrading of 'Roads of National Importance' such as the Princes Highway between Melbourne and Geelong and the Calder Highway between Woodend and Bendigo.

Road funding and the GST also raises concern if the agreement between the States and the Commonwealth with the exception of CPI increases is locked in, thus providing inadequate funding to meet long term needs.

- **Rail**

The Victorian National Party will continue it's support for the standardisation of track in our State, which will allow for better utilisation and potential to be realised.

At our recent Annual State Conference the Party passed a motion fully supporting a High speed Rail link to Darwin. Allowing our exports to be quickly and efficiently transported to the Markets of South East Asia.

- **Airports**

Provide a vital transport and emergency link for people living in regional areas impacting on the standard of living.

The importance of regional / metropolitan airport links needs to be recognised.

Technology also needs to be catered for and we need to be prepared to change as technological advances are made.

2. **Energy:** Power and Gas are two areas that need to be addressed as demand grows.

The lack of reliable, suitable cost effective power supplies in key regions is particularly impeding development of processing industries such as dairying. Given privatisation of electricity supply, many are concerned that private power suppliers will not undertake the capital investment required to provide suitable infrastructure, or if the investment is undertaken, the cost of utilisation on a user pays basis will be prohibitive.

Natural Gas provision is another vitally important area of infrastructure to be touched on, last years Longford incident highlighted our dependence on the fuel and the need for a national grid that insures reliant industries like the food processing sector (many of which are located in regional areas) have a reliable supply.

If business is to be encouraged to decentralise we must also continue our expansion of the natural gas network.

3. Water:

The most valuable resource we have and one that must be managed, distributed and used efficiently is water.

Additional water storage dams need to be on the agenda to meet growing demand, increase production and create wealth for the nation.

Many areas such as the Bellarine Peninsular and East Gippsland are having development impeded by the inadequate water storages in their region.

The Murray Darling Basin cap must remain.

4. Information technology / communications:

Affordable access to communications is one of the major factors in encouraging decentralisation and growth in regional areas.

Access and availability to On line services, mobile phones and the affordable transition to CDMA technology along with a review of Telstra Charging Zones to allow wider local call Internet access are all important factors.

The issue of Telstra privatisation also needs to be addressed, before any further privatisation occurs. Regional communities need to be assured that services will improve and costs will not rise.

5. Health:

Rural doctor shortages and support services, particularly in isolated rural areas is of concern and needs continuing efforts and funding to address the problems.

Medicare provider numbers could be tied to locations.

6. Education:

Educational facilities need to keep pace with demand if population is to be retained in regional areas

7. Finance:

Taxation reform needs to be implemented.

Incentives to encourage de-centralisation, taxation reform and depreciation rates are areas that need to be looked at.

As farms become larger with an increasing number operating from multiple holdings of land, regular movement of large herds of dairy cows across busy roads is both inefficient and a road traffic hazard. Cattle underpasses are clearly the answer, but at a capital cost of around \$60,000 and with a depreciation allowance of only 2.5% are not an attractive investment. Depreciation should be increased to 20%.

SUMMARY

The committee believes that balanced state development will provide greater opportunities for all Victorians.

The value of regional industries to Victoria has been immense and the continuing success of these industries relies on access to cost effective and readily accessible infrastructure.

At the recent Annual State Conference of the Party a motion was passed calling upon the Federal Government to pursue infrastructure projects that will assist the Nation alleviate unemployment and create wealth.

Population retention especially the retention of youth in rural areas is vital.

The retention or accessibility to banking services is also of high importance.

Tourism requirements such as quality accommodation, convention centres and other specific communication facilities all need to be planned for.

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