

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

Dear Sir/Madam

## **INQUIRY INTO INFRASTRUCTURE AND THE DEVELOPMENT OF AUSTRALIA'S REGIONAL AREAS**

The South West Development Commission, as a Western Australian regional development agency, welcomes this Inquiry and the Committee's intention to make a significant contribution to development and employment in Australia's regions. The opportunity to provide input to the Committee's deliberations is appreciated.

Following general and introductory comments, the Commission's submission takes the form of an overview of the infrastructure deficiencies experienced in the South West Region which hinder the area's growth. Comments and experiences relate to a number of key areas of infrastructure and have been drawn from the input of various organisations and individuals, including local governments and the Commission itself.

It is recognised that the lack of infrastructure provision cannot alone be held responsible for the poor growth of some regional areas, however, despite the South West growing at a steady rate, it is a significant factor impeding even more robust development in the region.

### **GENERAL COMMENTS**

The role of regional infrastructure should be considered in the context of benefiting Australia as a whole and not seen solely as a benefit to regional areas. There is a national benefit - some benefits are more obvious than others. For example, a consequence of establishing regional infrastructure is to reduce pressure on urban/metropolitan infrastructure, services and facilities.

The Commission believes that "sustainable economic development" should be thought of in terms of an increased standard of living for the existing population, with the three keys sustainability issues being protection of ecological systems, equity or fairness over generations and efficiency of resource use.

It is also recognised that it will always be difficult to spend government money where populations are minimal. The Commission suggests that enhancing development in regional areas should be on the basis of equity in delivery of services per capita not necessarily equity in government dollars spent per capita.

## **REGIONAL SETTING**

The South West Region, in the south-west corner of Western Australia, is the State's most populous and economically diverse regional area. About one-quarter of Western Australians who live outside Perth - more than 119,000 - reside in the South West and the population continues to grow.

The region consists of 12 municipalities including the City of Bunbury and the shires of Augusta-Margaret River, Boyup Brook, Bridgetown-Greenbushes, Busselton, Capel, Collie, Dardanup, Donnybrook-Balingup, Harvey, Manjimup and Nannup, and covers approximately 24,000 square kilometres. More than one-third of the region's population is concentrated in an area known as Greater Bunbury, encompassing the city itself and the dormitory centres of Australind, Eaton and Gelorup in the adjacent shires of Harvey, Dardanup and Capel respectively.

The region has a reliable rainfall, good farmland, extensive hardwood and softwood forests and valuable mineral deposits, including mineral sands and coal. The latter supplies much of the State's power needs through coal-fired power stations at Collie and Bunbury. Alumina, processed from bauxite, is the major export through the Port of Bunbury.

With a Mediterranean climate and a wealth of attractions, including national parks, forests, beaches and wineries, the South West also draws more visitors than any other regional area, some 1.5 million annually.

The South West's annual gross regional product is estimated at \$3.7 billion, with key contributors being mineral extraction, processing and manufacturing; retailing; agriculture; timber and forest products; tourism; construction; other manufacturing; and the service industries.

## **INFRASTRUCTURE DEFICIENCIES**

Infrastructure deficiencies in regional areas affect the growth and viability of industry, businesses and the community generally. Urgent consideration and action by government is needed to provide the economic and social 'environment' to entice people back into the regions and retain those already making rural areas their home.

Areas of infrastructure of vital interest to the regions are wide-ranging - from telecommunications and transportation through to medical and educational facilities.

In relation to the South West Region, the following infrastructure deficiencies are evident:

### **Telecommunications**

It is believed that telecommunications defines the gap between metropolitan and regional areas in Australia.

The greatest issues for the South West Region are to improve the availability of infrastructure and services inland from the coastal strip and increase the bandwidth throughout the whole region. This is essential to enable businesses and future developments to be competitive in the information economy.

In the South West, which has a growing economy and is a major tourist destination, mobile telephony services are not available in many of the towns. Where it is available in the town centre, the service cuts out a few kilometres from the CBD, even on the major highways between towns. This is a significant issue within the region. The lack of coverage is a barrier to development, it detracts from the region as a tourist destination, and it hinders efficient activity by businesses, local government and local residents.

It is also recognised that the volume of data communication through facsimile, e-mail and the Internet etc, is increasing. The availability of faster line speeds for cost-effective electronic commerce is vital for the future profitability of regional businesses. Areas of the South West will be seriously disadvantaged unless they have access to faster transmission speeds.

Provision of SBS television coverage throughout the whole region is required. Lack of a service currently denies the ethnic community a linkage to their cultural heritage.

ABC Radio National is also not available across the region, a major gap in radio broadcasting services.

Recent studies have been undertaken by the State Government that provide details of telecommunications infrastructure deficiencies in the South West. Attached for your information is a summary document of the latest study.

### **Sewerage and Water**

The provision of sewerage in rural townsites is becoming increasingly more of an issue, particularly along the coastal plain. This is most noticeable in towns where there is a residential growth demand. The demand is now frequently met by special rural and special residential sub-divisions (2000m<sup>2</sup> to 20,000m<sup>2</sup>) where there is not the requirement for reticulated sewerage and water. Septic tanks are allowed, and rain and bores provide the water requirements. The towns then become land-locked as it is very difficult to establish a residential estate of 800m<sup>2</sup> or less in an area that has an established rural/residential character.

One local government has advised that its industrial area is not covered by the current proposed sewerage scheme; and that one business left and another decided to build premises in the Perth metropolitan area when the uncertainties of sewerage were made known. Both businesses were value adding to local produce. (The local government also took the opportunity to indicate that the provision of a gas supply may induce other industries to the area.)

The quantity and quality of the water supply to some rural communities, also limits any reasonable development.

## **Storm Water and Flood Control**

The responsibility for storm water and flood control is in many cases unclear. In most instances, the floodwaters originate far from the localities where the flood impact occurs. Yet the flood impact areas seem to bear the full cost of flood control measures.

## **Light Industrial Areas**

Small towns find it extremely difficult to provide light industry lots. The cost of developing lots is generally around \$25,000 without the land component. As demand is only small, the investor finds that it can take many years to recoup the initial outlay. As the return is so low, private enterprise is generally not prepared to establish the infrastructure. Small towns are then left with either no industrial areas, or local governments must make their own provision of uneconomic infrastructure.

## **Roads**

The Western Australian road system, while generally of good quality, is deteriorating rapidly due to its aging network. Maintenance and re-building funds are not adequate.

Transportation of a growing plantation timber industry in the South West is an example of enormous pressure being placed on the region's road network.

State and Commonwealth governments are signatories to the *Plantations for Australia: The 2020 Vision*. Western Australia has responded to this vision to the point where commencing in the year 2000 the export of plantation bluegums will escalate from the current 50,000 tonnes to 500,000 tonnes to 3.5 million tonnes by 2008 (total export value in excess of \$300 million).

One of the consequences of this dramatic surge in economic activity is the additional road maintenance and construction that will need to be undertaken mainly by local government. Yet local governments are not being reimbursed appropriately by the chief beneficiary of the economic activity, the Commonwealth Government. This will lead a number of local governments to place such onerous conditions on plantation timber companies that they will not be able to continue that activity beyond the initial ten-year harvest.

Potential conflict between log haul trucks and tourist traffic on the region's roads is also of great concern.

Another road infrastructure issue affecting the tourist industry stems from the fact that car hire companies will not allow vehicles onto gravel roads. This means that many regional tourist facilities are disadvantaged in terms of attracting interstate and overseas visitors.

The majority of road transport to the South West is along the Perth to Bunbury Highway (Old Coast Road). This passes through the City of Mandurah. For the last ten years few delays have been experienced along this road. In the last year, however, there have been a number of instances of lengthy delays, particularly at peak holiday times. These are predicted to increase dramatically in the next few years, particularly

as it is proposed to erect up to ten new traffic lights on a stretch of road, where until recently there had been only one set of such lights. This is expected to increase the travel time between Perth and Bunbury by up to 25 per cent, and counteracts the time savings of recently completed sections of dual-carriageway. A Mandurah deviation will be required.

### **Rail**

A major issue for the Port of Bunbury is that the rail system is narrow gauge. The port is one of Australia's largest export ports handling nearly 9 million tonnes of cargo. Approximately 8 million of this is export trade. A standard gauge rail line to the region would increase the possibility of a balanced trade by encouraging imports linked to a more efficient transport distribution system.

### **Bus Services**

The rationalisation of the transport system, and the privatisation of State bus services has meant that the elderly are finding that transport to and from vital community and health facilities is becoming increasingly more difficult. Many now leave the communities they have lived in for a life time, relocating to larger urban centres in order to obtain required services. The social and monetary cost of this relocation is rarely taken into account.

Young people who don't have a drivers licence but require transport for work, education, recreation and social activities, are also affected.

### **Regional Recreational and Cultural Facilities**

Major towns, which carry the responsibility for many regional facilities, are funded in the same fashion as other local governments in the provision of recreational and cultural facilities. This means that either such facilities are not provided, or that ratepayers pay a considerably higher tax burden than those in neighbouring local government areas.

### **Local Government (Example)**

The Commission received input to the Inquiry from the City of Bunbury and the shires of Collie, Dardanup, Donnybrook-Balingup, Harvey and Nannup. While most points raised have been incorporated above, an extract is provided from the response provided by the City of Bunbury - a coastal regional centre.

*"... the regional importance and usage of the City combined with the expectation of enhanced infrastructure, particularly in the physical environment, places an unreasonable financial burden on the community and possibly on the State Government.*

*Some of these issues include:*

- *Back beach enhancement project;*
- *Ownership, preparing management plans and ongoing maintenance of parks of a regional significance;*

- *The matter of storm water drainage within the Central Business District, East Bunbury and catchment areas of the Lower Preston River and Eedle Creek;*
- *The Regional Recreation Centre proposal which involves a long overdue upgrade of the Bunbury Recreation Centre;*
- *The need for a major regional library to replace the currently outmoded, cramped and unsatisfactory workplace Library within the CBD;*
- *A perceived need for a museum facility;*
- *Transportation corridors linking external highways into the Bunbury Port;*
- *Several smaller projects identified as ideal, however not absolute needs at the present time, include creation of a City of Bunbury walk trail linking the maidens bushland area to the Preston River via Manea Park. Upgrades to Boulders Heights Reserve and completion of the Big Swamp project;*
- *From a Bunbury-Wellington perspective, the key issues of infrastructure will be the continuation of upgrades to the South Western Highway and the Bunbury Highway, formally known as the Old Coast Road, improvements required are additional funds for the dual land highway and more overtaking lanes along the South Western Highway between Bunbury and Armadale and Bunbury to Manjimup;*
- *The expected increase in plantation timber production will place enormous pressure on the existing road infrastructure. I am aware the South West Development Commission is actively monitoring this subject;*
- *The Kemerton industrial area needs water and electricity at competitive rates to attract industry, the current providers of these services require the industry prior to the provision of water and electricity at competitive rates. This is a challenge which seems to continue each year unresolved; and*
- *With the further influx of population to the Bunbury-Wellington area, infrastructure and regional development issues will become more apparent to the wider community as the existing infrastructure and services begins to strain under the pressure of additional usage unless improvements are made."*

## **ENHANCING DEVELOPMENT**

The provision of funding to address many of the problems outlined above would make rural and regional areas far more attractive.

Actions by both State and Commonwealth governments, such as incentive schemes to assist developers with infrastructure costs, are required.

The 'fail-safe' approach taken by governments could also be reassessed. For example, in small towns, land zoned for industrial development is often controlled by a government agency that is reluctant to develop unless applications for purchase of the developed land are evident. Development of that land should be viewed as a service to the community and the agency should be able to accept a certain risk factor for the good of the region. It is often the case that businesses, not able to secure the desired area of land within a reasonable time, develop their operation in Perth instead.

It is also important to recognise that regional economic development is almost certain to cross boundaries in traditional bureaucracies and ministerial portfolios. This needs to be understood and taken into account in government decision-making.

## **IN CONCLUSION**

In its deliberations the Committee should be mindful that the infrastructure requirements of the regions, particularly in Western Australia, are well documented in existing studies through the activities of the development commissions and various government agencies. I have enclosed for your interest some information on the South West Region and a selection of studies that have been undertaken.

To redress regional infrastructure deficiencies government action is required - through increased funding and flexibility, and a willingness to assist in developing regional areas in the most appropriate ways.

The Commission is mindful of the tight timeframe of the Inquiry, however, if the Committee is to undertake any regional visits we would certainly welcome personal discussions on this issue.

Thank you again for the opportunity to provide comment. Infrastructure is a vital requirement to ensure the growth, and in some cases the continued existence, of regional areas.

Yours faithfully

DON PUNCH  
DIRECTOR

April 16, 1999