

**SUBMISSION**  
to  
**HOUSE OF REPRESENTATIVES STANDING COMMITTEE**  
**ON PRIMARY INDUSTRIES AND REGIONAL SERVICES**  
from the  
**GROWZONE DEVELOPMENT NETWORK**

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

**GrowZone Development Network**

The GrowZone Development Network (GDN) is a regional development group that collaborates with stakeholders to deliver programs that improve the economic capacity of Queensland's Southern Inland. GrowZone comprises the Darling Downs and South West Queensland a total area of 412,000 sq. kms. The population is approximately 238,000. The GrowZone website can be found at <http://www.growzone.org.au>

The GDN is successfully implementing the GrowZone Regional Development Strategy (a copy of which is enclosed). The implementation of our strategy is based on the highly effective **Nebraska Development Network** model which has been operating since 1991 in the mid west of the United States.

Since 1991, Nebraska has achieved a **13% growth in employment, a 50% reduction in unemployment and the establishment of 158,000 new businesses...** Also of significance, Nebraska has managed to improve the standard of living for all its citizens and is achieving a **positive result in reversing the trend of outward migration of young people** from its small rural communities. (Attachment 2 is an overview of the Nebraska Development Network.) Further information on Nebraska and the Nebraska Development Network can be downloaded from their website at <http://www.nol.org/home/NDN/index.html>. It is the aim of the GrowZone Development Network to achieve comparable outcomes with those achieved by Nebraska.

## **CONSIDERATIONS:**

1. International models of best practice in rural community and regional development emphasize the importance of a holistic approach with regard to development strategies, ensuring that all sectors in a region are developed in a coordinated manner.
2. The installation of new or additional infrastructure, as a sole development tool, will not provide sustainable solutions to the issues relating to education, unemployment, skill deficiencies in regional labour markets, entrepreneurial and business skills, health care and community confidence and capacity.
3. There will be a continued trend of proportionately higher development in the East of the GrowZone. The importance of our western areas is often undervalued.
  - 3.4. The SouthWestern area of our region has a population of approximately 30,000, yet this area contributes 2% of Queensland's GRP. By comparison, the east of the region, with a population of just over 200,000, contributes 6% of the State's GRP. The western proportion demonstrates a significantly higher GRP per head of population and is a substantial contributor to the eastern GrowZone economy.
  - 3.5. In summary, the majority of production from the region flows from west to east. Goods and services flow from east to west. For example the private education and health facilities in Toowoomba depend on the continued economic sustainability of the west.
  - 3.6. Major infrastructure development is expected in the region's east, to ignore the needs of the west will have a negative impact on the viability of the eastern region's economy.
4. The major transport route through the GrowZone is the Warrego Highway. Carrying around 2000 kilotonnes of product per year, this road is the largest single carrier of freight by tonnage of any road in Queensland. This provides a good indication of the volume of production in the GrowZone.

Significant statistics about the production capacity in GrowZone in certain commodity areas are as follows.

<b>Product</b>	<b>%of State production*</b>	<b>%of Australian production</b>
Grain sorghum	71.9	50.4
Maize	36.3	13.2
Panicum and millet	93.9	72.8
Soybeans	40.5	16.9
Sunflower	36.1	40.1
Cotton seed	78.7	25.8
Peanuts	49.7	48.7
Apples	100	10.1
Cattle	24.9	10.5
Pigs	50.5	11.7

\*Examples at March 1996

## **Response to Terms of Reference**

### **1. Deficiencies in infrastructure which currently impede development in Australia's regional areas.**

- 1.1. In the GrowZone region, as in most of Australia's regions, the two most critical factors in the establishment and expansion of industry is access to water and a reliable energy source.
- 1.2. The GrowZone region is involved in extensive consultation and planning in relation to water allocation. The GrowZone contains the originating basin for the Murray/Darling River system. There is uncertainty in relation to water allocations, new costing structures and the impact that this may have in relation to industry.
- 1.3. In relation to energy supply, the region has significant natural resources of both coal and gas. Over the past six years, the State has undertaken many planning activities in relation to the establishment of a new base load supply source for the State. There are two active proposals from the private sector focussing on the establishment of a base load power station and associated infrastructure. GDN strongly supports the establishment of such facilities in our region.

**2. Factors that would enhance development in these areas, including the provision of infrastructure such as energy, transport, telecommunications, water supplies, and facilities that deliver educational, health and financial services**

2.1. GDN has a clearly defined role as a lead agent in the development of regional telecommunications infrastructure through GrowZone OnLine.

2.1.1. The challenge in establishing equitable Internet access across the region is the commercial viability of installing infrastructure in areas where there is not the population to justify capital expenditure.

2.1.2. The Networking the Nation program has proven to be an excellent development tool for the region for the establishment of a community owned enterprise using public sector capital. Without the injection of funds from the Federal Government, it would have been impossible for Internet access to be delivered at equitable costs.

2.1.3. The GrowZone OnLine infrastructure and associated products will return in excess of \$3M back to the communities within five years for use on development projects. This exceeds the original public sector investment of \$2.63M through Networking the Nation. The project will return to the community the funds invested by Government as well as installing new infrastructure.

2.1.4. GrowZone Online will be a long-term sustainable source of funding that will contribute towards financial independence of development associations in the GrowZone.

**3. The potential for development in regional areas.**

3.1 There is significant opportunity for development in the GrowZone. This is highlighted in the region's Development Strategy.

3.2 International examples, like those of the Nebraska Development Network, demonstrate the importance of collaboration between sectors. The greatest successes can be achieved through motivating and supporting individuals, communities and local business & industry to work collaboratively on regional issues. The GrowZone Development Network is proving to be an effective facilitator of such processes in our region.

3.3 The GrowZone Development Strategy (page 16) lists the active and proposed infrastructure projects for our region. In addition to these following projects are also under development

- Darling Downs Vision 2000 Water Project
- Rural and Regional Development Trust
- Kogan Creek Power proposal
- Millmerran power proposal

**4. The extent to which infrastructure development would generate employment in regional Australia.**

4.1 The Queensland Department of State Development will launch this month, the results of research into “Infrastructure and Economic Development”.

4.2 International models indicate that the lowest cost option in creating new employment is through growing existing small business and industry. This challenges the belief that employment in regional areas is best created through the establishment of major infrastructure or resource extraction projects.

4.3 The challenges associated with looking to infrastructure to create employment include:

- 4.3.1 The lead-time required to expand social infrastructure e.g.: schools and hospitals to accommodate population “surges” associated with major projects. This has resulted in “fly in – fly out” labour forces that do not benefit local economies or employment.
- 4.3.2 Access to appropriate skills in the existing regional labour market
- 4.3.3 The commercial viability of infrastructure development given that it supports a lower population base than urban areas which often makes investment in infrastructure less competitive
- 4.3.4 Access to accurate statistical data that allows for quantifiable identification of opportunities that can justify infrastructure development

**5. The role of the different levels of government and the private sector in providing infrastructure in regional areas.**

5.1 Government should promote and support leadership and be viewed as a partner in the development of regional areas.

5.2 Local Government is the most appropriate mechanism to approve and conduct planning in relation to local infrastructure development.

5.2.1 In many of our Local Government Areas there is not the critical mass to attract major industry or infrastructure projects. Collaboration between LG's could offer economies of scale and greater efficiencies.

5.2.2 State Government should provide a framework through which equitable, responsive and efficient infrastructure and services are developed.

5.2.3 The State can play an effective role in establishing programs that foster an environment that is conducive to development.

5.2.4 At a State level it is important appropriate coordination and a longer-term perspective is applied to infrastructure planning and development in regional areas.

5.2.5 Uncertainty in relation to changes of Government and possible changes to infrastructure priorities impacts on the confidence of developers and investors.

5.3 The role of the Federal Government is to foster an attractive business and investment environment that makes the provision of infrastructure an attractive commercial proposition. Where possible, the Federal Government should facilitate processes that enhance returns and efficiencies across state, regional and local boundaries.

## **6. Planning, coordination and cooperation in the provision of infrastructure in regional areas.**

6.1 There is significant benefit to be achieved through integrating planning, coordination and cooperation in the development of projects between communities.

6.1.1 GrowZone OnLine is an excellent example of where significant savings have been achieved through a regional approach to telecommunications issues that will allow for the equitable provision of infrastructure with significantly reduced capital investment.

6.1.2 This program also demonstrates that through a regional approach to common local issues, those communities that lack the skills and human resources to proactively respond to change can be supported by a regional effort.

**7. The benefit to the national economy of developing regional infrastructure.**

7.1 Providing commercially viable proposals for infrastructure development within areas of weaker demand and fragmented industry development is a challenge faced by regional areas.

7.2 Infrastructure, if viewed in isolation, will always be difficult to justify in regions. If, however, **infrastructure is viewed as a development tool** and processes that support communities and industry in developing the capacity to effectively capitalise on new opportunities provided through infrastructure, a better business case for the regions could be formulated.

7.3 Where, through the provision of infrastructure, efficiencies in distribution of the abundant primary produce and extracted natural resources can be obtained, there will be a benefit to the nation. However, it will be through the provision of infrastructure that supports **greater processing of our regional commodities** that we will see higher levels of profit and employment creation returned to the regions.

7.4 We cannot ignore the importance of those regions, like the South West statistical division of Queensland, that demonstrate high levels of GRP per head of population... A decline in the levels of productivity and the wealth they generate will produce a negative impact on the more urban areas to the east. A holistic approach to infrastructure planning and development will be critical if there is to be a benefit to the national economy.

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