

Chapter 1

Introduction

Initial referral and terms of reference

1.1 On 11 February 2015, the Senate referred to the Rural and Regional Affairs and Transport References Committee (committee) the matter of the future role and contribution of regional capitals to Australia for inquiry and report by 1 December 2015.¹ The terms of reference determined by the Senate required the committee to inquire and report into:

The future role and contribution of regional capitals to Australia, including:

- a. an assessment of current demographic trends and the changing role of regional capitals;
- b. an analysis of current funding provided to regional capitals;
- c. an analysis of the benefit of additional funding regional capitals could receive based on population, demand for services and their strategic importance for the region, state or country;
- d. investment challenges and opportunities to maintain or grow regional capitals, including infrastructure, community and human services, communications and natural resources;
- e. incentives and policy measures that would support sustainable growth in regional capitals;
- f. the impact the changing environment will have on regional capitals; and
- g. any other related matters.²

Conduct of the inquiry

44th Parliament

1.2 During the 44th Parliament the committee advertised the inquiry on its webpage and on Twitter. The committee also invited submissions from interested organisations and individuals. The committee received 85 submissions. A list of individuals and organisations that made submissions together with other information authorised for publication is at Appendix 1.

1.3 The committee held public hearings in:

- Geelong, Victoria;
- Launceston, Tasmania;
- Geraldton, Western Australia;

1 *Journals of the Senate*, 2015, pp. 2141–2142.

2 *Journals of the Senate*, 2015, pp. 2141–2142.

- Townsville, Queensland; and
- Canberra, Australian Capital Territory.

1.4 A list of witnesses who appeared at the hearings is at Appendix 2. Submissions and Hansard transcripts of evidence may be accessed through the committee's website.³

1.5 Initially, the committee received numerous queries from Australian towns asking whether they were excluded from participating in the inquiry. Such queries were prompted by the absence of a definition of 'regional capital' in the terms of reference and by newspaper articles reporting that the inquiry would not consider the needs of certain regional areas. There was a strong perception that the committee was only seeking the views of towns within Regional Capitals Australia's definition of 'regional capital'.⁴ To address these concerns, the committee added the following statement to its website:

[T]he terms of reference do not define 'regional capitals'. The committee is interested in receiving submissions not just from representatives of regional capitals, but also from other towns and cities who have relevant views to express about the current and future role of regional capitals. Any person, organisation, town or city may contribute to the inquiry through making a submission by 30 April 2015.

1.6 The committee was pleased to receive a range of submissions from smaller cities, towns and councils.⁵

1.7 On 12 November 2015, the Senate granted an extension of time for reporting to 12 May 2016. The committee tabled an interim report on 3 May 2016. The interim report provided a snapshot of the key issues. However, differing views of submitters were not closely examined and no recommendations were made.

45th Parliament

1.8 The reconstituted committee recommended to the Senate that the inquiry be re-referred, to ensure that the issues raised by submitters could properly be examined and reported. On 15 September 2016 the Senate agreed to re-refer the inquiry with a reporting date of 1 December 2016. The Senate also permitted the committee to consider and use the records of the Senate Rural and Regional Affairs and Transport References Committee appointed in the previous parliament.⁶

3 Senate Rural and Regional Affairs and Transport Committee, *Future role and contribution of capitals to Australia*, www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/Regional_capitals (accessed 22 November 2016).

4 Regional Capitals Australia, *Submission 48*.

5 For example: National Growth Areas Alliance, *Submission 7*; Horsham Rural City Council, *Submission 9*; Temora Shire Council, *Submission 58*.

6 *Journals of the Senate*, 2016, p. 225.

Structure of the report

- 1.9 The report consists of five chapters:
- (a) Chapter 1 sets out administrative matters;
 - (b) Chapter 2 asks 'what is a 'regional capital?';
 - (c) Chapter 3 provides an overview of regional capitals across Australia and assesses current trends, challenges and opportunities facing regional capitals;
 - (d) Chapter 4 outlines the current funding arrangements for regional capitals, with a particular emphasis on federal funding;
 - (e) Chapter 5 examines two plans for how the economic and social infrastructure needs of regional capitals can be met; and
 - (f) Chapter 6 concludes with a discussion of policy measures to support sustainable growth in regional capitals, and provides committee recommendations.

Other inquiries

1.10 Since the submission closing date in May 2015, a number of other inquiries have concluded and reports have been released. These include the following:

- (a) April 2016 report by the Select Committee on the Scrutiny of Government Budget Measures⁷
- (b) Joint Standing Committee on Northern Australia⁸
- (c) Australian Infrastructure Plan published by Infrastructure Australia.⁹

1.11 Noting the important work done by the Joint Standing Committee on Northern Australia in particular, the committee has sought to avoid duplication of that committee's work.

1.12 The Australian Government has also announced changes to federal funding arrangements for regional centres, including the Smart Cities program on

7 The second interim report, tabled April 2016, focused on infrastructure and is discussed in Chapter 4 of this report: http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Scrutiny_of_Government_Budget_Measures/Budget_Measures/Second_Interim_Report (accessed 1 September 2016).

8 Reports tabled in June 2014, September 2014, February 2016 and April 2016. http://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Former_Committees/Northern_Australia/Completed_inquiries (accessed 1 September 2016).

9 Infrastructure Australia, *Australian Infrastructure Plan*, 2016, <http://infrastructureaustralia.gov.au/policy-publications/publications/Australian-Infrastructure-Plan.aspx> (particularly the factsheets titled 'Productive Regions' and 'Productive Cities'). See also Infrastructure Victoria Draft 30 year strategy: <http://www.infrastructurevictoria.com.au/30-year-strategy> (accessed 1 September 2016).

29 April 2016 and the Building Better Regions funding program on 20 June 2016.¹⁰ This report discusses these documents and programs as appropriate.

Acknowledgement

1.13 The committee thanks the large number of individuals and organisations who made submissions to this inquiry, and to witnesses who offered their time to give evidence at public hearings and provided additional information. The committee is particularly grateful for those witnesses who travelled significant distances to appear before the committee.

10 Australian Government, *Smart Cities Plan*, <https://cities.dpmc.gov.au/smart-cities-plan> (accessed 3 October 2016); Senator the Hon. Fiona Nash, Minister for Regional Development, Regional Communications, and Rural Health, *Media Release*, 20 June 2016, <http://nationals.org.au/coalition-building-better-regions/> (accessed 5 September 2016).