Regional Capitals Australia

PRE BUDGET SUBMISSION // 2022-23

Regional Capitals Australia

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Overview

About Regional Capitals Australia

Regional Capitals Australia (RCA) was formed in 2012 to represent the interests of Australia's regional capital cities.

Our objective is to ensure these needs are reflected in national policy and funding priorities.

Regional capital cities perform a 'capital city' role within their regions, providing a central point of access to essential services, commerce, employment and education. These services are accessed by local residents as well as those in surrounding towns and rural areas.

Regional capital cities also provide a liveable alternative to people and businesses wishing to escape Australia's congested metropolitan cities. Every year regional capital cities generate $225 billion, or more than 16 per cent of national economic activity.

All RCA members have a growth agenda and stand ready to ensure a growing Australia means a stronger and more equitable regional Australia.

Our Agenda

Vibrant and productive regional capital cities are key to Australia's sustainability and prosperity. Regional capital cities are also growing – all Regional Capitals Australia (RCA) members are striving to continue this trend and as such have a growth agenda for their communities.

The COVID-19 pandemic has accelerated the population shift from capital cities to Australia's regions and transformed the anticipated pace and nature of demographic and economic change in regional cities.

ABS figures for the March 2021 quarter reveal a net loss of 11,800 people from Australia's greater capital cities, the largest net loss on record. A total of 66,300 people made the move to the regions.

Regional growth however has a historical as well as a modern context. The growth of Australia's regional cities is a 100-year trend, which began when residents of smaller rural towns were seeking more services, infrastructure and non-agriculture based employment, began moving to the larger population centres located in their regions.

Due to this growth regional cities have taken on a 'capital city' role, acting as service hubs for their region. The city's services and infrastructure are accessed by residents as well as those in surrounding towns and rural areas; every day, more than eight million Australians rely on regional capital cities for their everyday needs.

In addition to the service hub role, growth in regional capital cities is an avenue to allow Australia to return to strong immigration rate (pre-covid). Our member cities provide urban centres that are the liveable and affordable alternative to the metropolitan capitals.

Now is the time to act to plan for a network of growing regional capital cities. Australia's borders are opening and a flood of new arrivals soon land to address the much needed skills deficit across a range of sectors.

If there is inaction to ensure a more balanced approach to population growth forgotten painful and costly impacts of congestion will once again be clear. Meeting the costs of pre-covid metropolitan city growth was unsustainable. Infrastructure Australia put the cost of addressing the national infrastructure deficit anywhere between $450 - $700 billion. As a nation we cannot afford to let history repeat by having metro-centric settlement patterns.

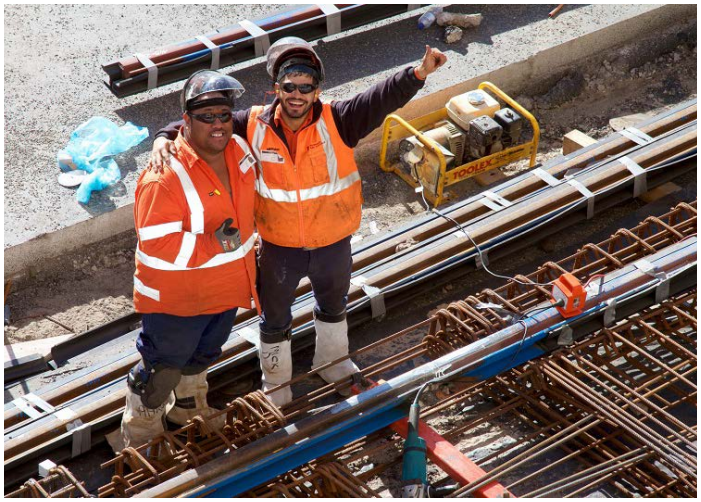
RCA's members across regional capital cities see themselves as ready to grow. The initiatives in this document have been identified to enable this growth to be realised. Now is the time to get investment in regional capitals right for the benefit of all Australian's.

Regional Capitals Australia

Policy Platform

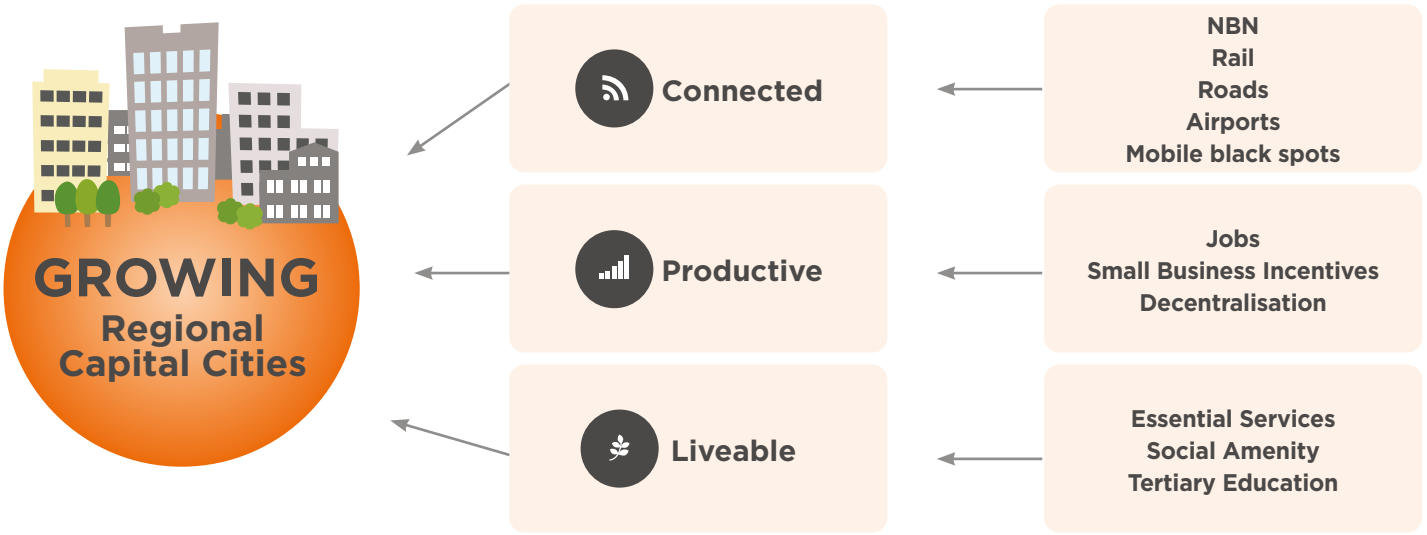
The following outlines Regional Capitals Australia's framework to grow regional capital cities that are:

1. **Strong service centres**: that continue to be a central point to access essential infrastructure, services, business, employment and education;
2. **Easing the metropolitan congestion**: encouraging regional migration and decentralisation options for new and existing residents and businesses can take the pressure of major metropolitan capitals; and
3. **An affordable alternative**: providing affordable housing and industry industrial land options for families and business seeking to avoid the inflated housing markets of the major metropolitan capitals.



To achieve this vision we must continue to build regional capital cities that are:

1. **Connected**: with roads, rail, airports (and services), broadband and mobile telecommunications;
2. **Productive**: with diverse economies that can be built with government and private sector decentralisation and skilled labour shaped through strong tertiary and continuing education opportunities; and
3. **Liveable**: with high levels of essential services, social amenities and a continued supply of affordable housing options.



Population Policy

Regional Capital Australia – Population Policy

Regional Capitals Australia membership is seeking a greater share of Australia's population, accelerated through immigration policy.

Regional capitals are not only critical regional hubs, providing services and infrastructure to local residents and those in surrounding towns and rural areas; they are increasingly an affordable alternative for people and businesses seeking to escape capital city costs and congestion.

RCA supports the development of a national population policy aimed at ensuring there is a greater share of population growth that will attract a larger workforce and increased business investment to our member cities.

RCA believes regional population growth must be underpinned by both skilled and non-skilled migration, along with continued investment in enabling infrastructure and services in order to maintain the local character and amenity that makes regional cities growth destinations.

Fast Facts

1. Net regional migration increased 66 percent in the year following the March 2020 quarter. This includes both people departing capital cities for regional areas, and people already in regions choosing to remain.
2. ABS figures for the March 2021 quarter reveal a net loss of 11,800 people from Australia's greater capital cities, the largest net loss on record.
3. Between 1996 to 2016 migrants contributed 26 percent of the population growth in regional Australia.
4. Skilled migrants account for nearly 70 percent of Australia's permanent migration program, up from 30-40 percent twenty years ago.
5. Skilled migrants and their families offset Australia's ageing population, improve labour force participation and productivity, and help businesses source skills that are difficult to develop at short notice.

Regional Capitals Australia

Accelerating Regionalisation

The 2021 Australian Infrastructure Plan highlighted that there has been a 200 percent increase in net growth to regional centres and regional areas during the COVID-19 pandemic. Much of this growth was driven by the shift to a 'work from anywhere' capability.

The report further highlighted that Australia's Smaller Cities and Regional Centres have unrealised growth potential and that the increase in net population growth in regional Australia presents an opportunity to lock in accelerating regionalisation.

With improved access to employment, education, services, housing and community facilities, many regional cities could accommodate further sustainable population and economic growth. This would support a future population settlement pattern that is more widely distributed across the country, benefiting all Australians.

The Role of Immigration

In a post-pandemic world international immigration should be a key factor in Australia's overall population growth and as such should be a significant factor in ongoing regional growth.

Skilled migrants comprise 70 percent of Australia's migrant intake. The new arrivals and their families offset Australia's ageing population, improve labour force participation and productivity, and help businesses source skills that are difficult to develop at short notice.

The government has the policy levers to encourage skilled migrants to settle outside of Australia's capital cities and RCA believes visas for skilled migration and business investment should be expanded or amended to ensure

Policy Recommendations

That an incoming Australian Government:

- Develop a population policy to encourage businesses and families to move to the regions, and that RCA be consulted during the development of this policy;
- Continue support for current 491 and 187 regional visa streams cater for skilled, non-skilled and education migration to regional capital cities;
- Expansion to business visas to establish a new range of regional visas that are based on the 188, 888 and 132 and 858 but require investment or business activity in regional economies.

Arts and Culture Policy

Overview

Regional Capitals Australia (RCA) is seeking a greater share of Australia's public funding for Arts and Culture for Regional Australia to support our growing communities.

Funding for arts and culture in Australia needs to move beyond a capital city-centric approach and better align with contemporary population distribution.

Current funding arrangements reflect population distributions of almost two decades ago and over-represent institutions in Sydney and Melbourne.

Funding needs to not only fairly recognise the almost eight million residents of regional Australia, but also take account of the current COVID-19 driven growth that is seeing people move away from the metro capitals to regional capital cities.

The Need

There is growing recognition of the role that social infrastructure such as arts and culture, plays in enhancing the liveability of our communities.

In regional Australia, arts and culture help shape the character of our communities and enable our people to express themselves and represent regional life on their own terms. However Local Government in regional areas has the greatest share of responsibility for fulling this need.

As population policy encourages businesses and families to move to the regions, there must be recognition that the 'liveability' value of arts and culture not only drives but retains growth in regional capitals.

RCA endorses the recommendation by the 2021 Australian Infrastructure Plan to capture, measure and assess the quadruple-bottom-line benefits of social infrastructure including arts and culture, and use the framework to collaboratively plan, develop and invest in arts, cultural and other infrastructure which enhances unique regional identities and brands.

Addressing the arts and culture imbalance between the capital cities and the regions is however more than an adjustment of funding and supporting population growth - it is also about recognising, valuing and enabling the creative capacity of regional Australians and regional institutions on equal terms with those of capital cities.

Policy Settings

Policy and funding need to reflect that regional and remote Australia should not simply be a passive recipient of arts and culture flowing from capital cities. Rather, the real and potential contribution of regional and remote Australia to the nation's broader cultural life should be fully supported.

The policy and funding environment must not only build the cultural and artistic capacity of regional Australia, but also facilitate the exchange of cultural and artistic output between the regions and capital cities.

Additionally RCA contends that a disproportionate burden of regional arts and culture financial support falls on regional local governments, compared with those in capital cities.

At the same time, the funding capacity of regional local governments is limited by their smaller rate base, rate caps, broader service provision to their residents and their disproportionately smaller contributions from state and federal governments.

Policy Recommendations

That an incoming Federal Government recognise the role of arts and culture in strengthening local identity, contributing to liveability and driving population growth in regional Australia:

- Realign arts and culture funding to ensure a more equitable distribution of funding for Regional Australia to better reflect existing population distribution, anticipated ongoing population growth and by doubling of the current Regional Arts and Culture Programs - $600m for 4 years;
- Establish a Regional Arts and Culture Infrastructure Fund to better the disproportionate financial burden borne by regional local governments - $300m annually for 4 years;
- Double funding for existing Regional Arts and Culture Programs - $600m annually for 4 years; and
- Develop and implement a program to facilitate the exchange of cultural and artistic output between regional and metropolitan Australia, and value and enable regional arts and culture on equal terms with that of capital cities.

Regional Capitals Australia

Regional Infrastructure Policy

Overview

At the core of liveable and productive regional capital cities are assets and services support the development and growth of communities so they places people can thrive.

To support this objective RCA is seeking long-term fund allocations for the Building Better Regions Fund (BBRF) and the re-establishment of the Regional Growth Fund (RGF to meet the various productive and liveability needs of regional Australia.

Fast Facts – Building Better Regions Fund

1. Round 1 of the BBRF was launched on 23 November 2016, superseding the previous National Stronger Regions fund (NSRF). The BBRF focused on the delivery of long-term economic, social and community benefits, and the creation of new jobs;
2. The program is capped at $10 million in federal co-contribution and is heavily subscribed in each round – meaning many deserving projects go unfunded; and
3. There have been 6 rounds of the BBRF through its Infrastructure Projects and Community Investments Streams. Previous rounds of the fund have focused on job creation, tourism and drought.

Fact Facts – Regional Growth Fund

4. The Regional Growth Fund was established as an investment program providing grants for major transformational projects, which support long-term economic growth and job creation.
5. The Program funded projects across a range of key economic categories, including communications, tourism, manufacturing and primary industries.
6. The program had only one round however funded projects of between $20-$50million catering for large scale investment into growing regional cities.

The Need

The Building Better Regions Fund marked a shift in policy towards supporting regional Australia, creating an opportunity for equitable investments that enables job creation, attracts new residents and creates connected communities.

The Regional Growth Fund was established to provide larger grants for transformational projects that support long-term social and economic growth in the regions.

While RCA has welcomed continued funding of the Building Better Regions Fund, it is clear that this fund does not sufficiently match the needs of growing regional capital cities – which often have capital projects requiring more than $10m in co-contribution.

It is the position of RCA that the Regional Growth Fund should be re-established to provide a solid base to catering for the needs of growing regional cities.

Policy Recommendations

That an incoming Australian Government:

1. Commit to topping up the Building Better Regions Fund: $1 billion over 4 years; and
2. Commit to re-establishing the Regional Growth Fund: $1 billion over 4 years, and additionally:
    a. All the funding to support the development of business cases; and
    b. Have flexible guidelines that target enabling infrastructure for regional economic and population growth.

Local Roads and Community Infrastructure Policy

Overview

The Local Road and Community Infrastructure (LRCI) Program was a very welcome and much required stimulus into regional Australia during the COVID-19 lockdowns. It is on this basis that RCA seeks a continuation of the program.

As our cities continue recover and grow as a result of the COVID-19 exodus, increasing function community infrastructure – including safe local roads - to build community cohesion and creating liveable cities will be key.

Fast Facts

1. The Australian Government's Local Roads and Community Infrastructure program has committed $2.5 billion – three rounds have been delivered to date.
2. The program supports local councils to deliver priority local road and community infrastructure projects across Australia – a welcome initiative to allow Local Government deliver important
3. The program lapses at the end of the 2022-2023 fiscal year.

The Need

The 2021 Infrastructure Australia Plan notes that for Smaller Cities and Regional Centres, quality, fit-for-purpose and adaptive social infrastructure, appropriate to the needs of each community, is central to their ability to attract and retain residents and businesses.

Regional councils are best positioned to strategically plan for and prioritise appropriate social infrastructure, then sequence it according to local community need.

In this regard the Local Roads and Community Infrastructure program has supported Australia's growing regional centres by enhancing local assets. It has helped to fund programs such as local road and footpath repairs and renewal, disability upgrades at community halls and centres, walking trail improvements, playground swimming pool and sporting facility upgrades as well as school crossing upgrades.

The program has delivered numerous direct and indirect benefits to regional communities, and has allowed councils to invest in important road and community infrastructure that would have previously struggled to secure sufficient funding.

Further, it has not only delivered funding for essential works, it has also been a significant job stimulator across regional Australia, employing local residents and supporting local businesses.

The allocation approach has facilitated the development of a wider range of projects, which is essential in ensuring a sustainable and tangible improvement in community infrastructure.

By removing the competitive element of the funding, significant burden has been taken off councils in having to prepare lengthy, expensive and complex applications. Understanding the amount of money allocated to each council from the outset, allows for better planning and prioritisation of projects.

The infrastructure improvements delivered under this program have facilitated a more connected and liveable Australia, which is essential for sustainable population growth in regional capital cities.

Policy Recommendations

That an incoming Australian Government:

1. Continue to fund the Local Road and Community Infrastructure Program on an ongoing basis.

Regional Airports Policy

Regional airports are key to the social and economic life of regional Australia, connecting regional centres and their residents to Australia's capital cities.

However, while regional airports play a critical role in their communities, the simple fact is that the majority of regional airports are under significant financial strain. Many are faced with ageing infrastructure, ever increasing security cost pressures, high staffing costs, community service costs and a disproportionately high regulatory cost burden.

Fast Facts

1. Community ownership. It is estimated that more than 200 regional airports and aerodromes are owned and operated by local governments across Australia.
2. 40 percent of Australia's 61 million annual domestic aviation passengers travel through regional airports.
3. Higher regulatory costs - On average, CASA's regulatory imposts are higher for regional and remote airports, comprising 12 percent of total expenditure, compared to about 4 percent for major airports and major regional airports.
4. 60 percent of regional airports operate at a loss. They depend upon cross-subsidisation by their local government owners who are already burdened by competing demands on their limited financial resources.
5. Almost 40 percent of regional airports expect persistent budget deficits over the next 10 years.

The Contribution

Regional airports are largely owned and operated by Local Government. During COVID-19 lockdowns these facilities allowed regional communities to keep essential workers and freight moving.

Regional airports continue to generate significant direct employment and economic activity, as well as indirectly through associated business, service and industry activity.

They support the attraction of staff to, and their retention in, regional and remote communities, make FIFO (Fly-in, Fly-out) employment possible, make businesses more efficient and facilitate freight services and same day business travel to capital cities from regional centres.

Regional airports support tourism and trade, assist regional Australians' access to specialist health, education and legal services that are otherwise not available locally, and play an essential role in saving lives by facilitating medical evacuations, collection and delivery of organ donations and search and rescue.

They also play a vital role in the protection of Australia's physical assets, enabling aerial firefighting, supporting law enforcement bodies, such as the Western Australia Police Air Support, and border protection agencies which operate out of Australia's regional airports, particularly in Northern and Western Australia.

The Challenges

The majority of Australia's regional airports are experiencing ongoing financial strain. During COVID-19 Local Government continued to operate their facilities despite suffering major financial losses. Today two-thirds currently operate at a loss and almost forty percent anticipate continuing deficits over the next decade.

Many regional airports are in need of urgent upgrades, they face an increasing burden of costly ongoing security upgrades, increasing and disproportionate regulatory costs.

Existing resources will be further strained as expenditures rise by almost 40 percent over the next ten years. RCA acknowledge the Government's existing support for regional airports, including the Regional Airports Program and the Regional Airport Security Screening Fund. However, we are concerned by the lack of certainty about ongoing funding given existing financial challenges.

As many regional cities look towards a more connected world in a post COVID recovery – support for landside investment will be sought to secure the future of agriculture and manufacturing sectors in regional communities.

Policy Recommendations

1. Implement a policy recognising the importance of regional airports in increasing the connectivity of regional Australia and to consider future planning and funding of regional airports;
2. Provide recurrent funding for the Regional Airport Fund to ensure that regional airports can be upgraded and maintained and guarantee the sustainability of the regional aviation network - $500m over 4 years;
3. Upgrade the guidelines for the Regional Airport Fund to allow for landside developments to be considered; and
4. Review the efficacy of Western Australia's Strategic Airport Asset and Financial Management Framework (as recommended by the Productivity Commission) to assess the efficacy of the Framework and determine its suitability for application across all jurisdictions. Subject to the results of the review, support the roll-out of the Framework across other Australian jurisdictions.

Regional Capitals Australia

Regional Rail Policy

Overview

The 2021 Australian Infrastructure Plan sees prioritising investment in to regional rail as a driver regional growth.

RCA strongly supports this position and sees the development of faster rail services between regional centres and capital cities as mechanism to further embed regionalisation.

Fast Facts:

1. 95 percent of Australia's almost 32,000 kilometres of open railway is outside metropolitan areas.
2. An analysis of Census 2011 data found that commuters from the Sunshine Coast, Gold Coast, Newcastle, Wollongong, Geelong and Mandurah to the respective metropolitan capitals are among Australia's largest inter-city commuter corridors.
3. Australia's rail fleet comprises about 2,200 locomotives with an average age of 36 years.

Regional Rail

Investment in rail dramatically improves the accessibility of regional capitals and appeals to a mobile workforce, enabling people to commute to capital cities while enjoying the affordable and relaxed lifestyle of regional capital cities.

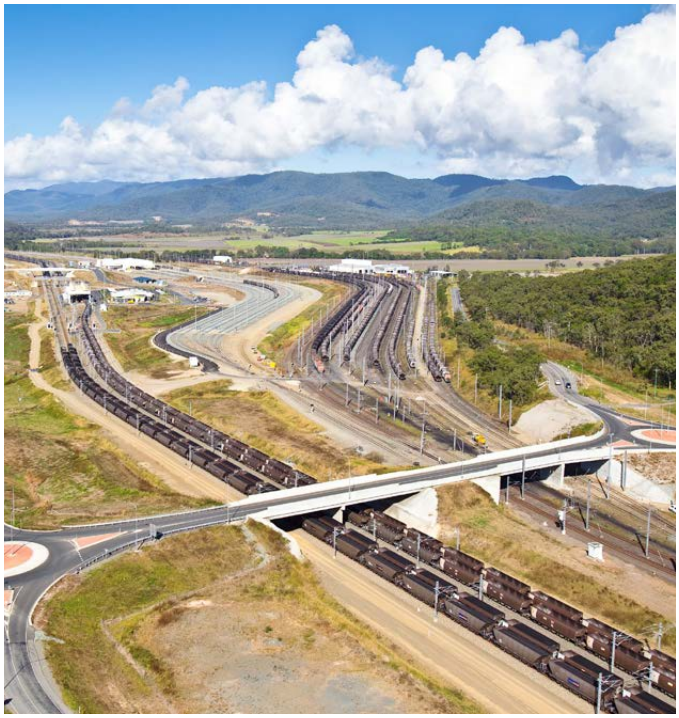
RCA has welcomed the Federal Government's Faster Rail Plan to support the development of 'faster rail' business cases, which are vital to building connected regions.

State Governments of all persuasions, who are generally responsible for funding and developing regional rail business cases, have not always prioritised this investment in the last decade, despite growing congestion in metropolitan cities.

While RCA strongly supports the development of regional rail services in Australia, the resources required to build assessable business cases is a financial burden regional capital city councils are not able to bear.

RCA believes further funding by the Australian Government should be made available to ensure regional rail projects can be identified and assessed for funding, as a matter of priority.

RCA believes it is also imperative that regional projects are prioritised for the $10 billion funding under the National Rail Program.



RCA Recommendations

1. $100 million (over four years) in additional funding to support the development of regional city rail connectivity projects under a "faster-rail" program;
2. Provide an ongoing commitment to business case development, to ensure regional rail improvements that better connects regional capitals to metropolitan cities supports a mobile workforce and aids in public and corporate decentralisation; and
3. Prioritisation of regional capital city faster rail projects under the National Rail Program.

Our Board

Executive Board

RCA Chair,
Cr Daniel Moloney
Mayor, City of Ballarat

Councillor Daniel Moloney is public relations and stakeholder relations professional who was elected to represent the City of Ballarat's North Ward. He served in the 2016 – 2020 Council term and in October 2020 was re-elected for the 2020-2024 Term. He was also elected Mayor of Ballarat from October 2020 to October 2021.

Cr Moloney brings to his role as Councillor more than 20 years of high level policy experience advising and working with corporate directors, councils, government departments and ministers.

His strong background in tourism includes work as a Board Member of Ballarat Regional Tourism and as a marketer with V/Line; his communications experience includes work advising Victorian government agencies, a London-based charity, and as a suburban Melbourne-based journalist.

Mr Evan King
CEO, City of Ballarat

Evan King commenced as the Chief Executive Officer at the City of Ballarat in February 2021. Evan has spent the past two and a half years as CEO of Hepburn Shire and has a Local Government career which includes executive roles at Pyrenees Shire Council as the Director of Corporate and Community Services and Hepburn Shire Council as the General Manager Corporate Services.

Prior to working in Local Government, Evan had an extensive career working in manufacturing and held senior management positions with Mars Wrigley and FMP (Bendix Mintex) as well as working within the social sector and notably working as the Business Manager for Salvation Army Western Victoria.

Evan has a Bachelor of Business from Federation University, is a qualified CPA and a graduate of the Australian Institute of Company Directors. Having lived and worked in rural and regional Victoria all his life, Evan is passionate about rural living and ensuring that those who live in regional Victoria have access to high quality services and facilities.

RCA Deputy Chair,
Cr Grant Henley
Mayor, City of Busselton

Mayor Grant Henley joined the council in 2009 and was elected Mayor in October 2015. Born in Hobart, Tasmania, Grant served in the Royal Australian Navy for 20 years before retiring and moving to Busselton in 2002 with his young family.

Mr Mike Archer
CEO, City of Busselton

After working in a number of local governments for over 35 years, Mike Archer joined the City of Busselton in August 2010. During his time as CEO of the City of Busselton, Mr Archer has encouraged a strong focus on strategic planning, transforming Busselton from a Shire to a City. This transformation included one of WA's largest capital works programmes, which included the Busselton Foreshore Redevelopment, townscape works and the development of the Busselton Margaret River Airport.

RCA Treasurer, Mayor Shane Van Styn
Mayor, City of Greater Geraldton

Mayor Shane Van Styn has lived, worked and invested in regional WA for the last 19 years. Between his companies, he had a peak workforce of more than 200 staff during the mining boom. Mayor Styn's role as Chair and also previously as Deputy Chair of RCA has shown me the issues in Geraldton are not unlike those faced across our nation's regions.

Mr Ross McKim
CEO, City of Greater Geraldton

Mr Ross McKim loves all things Local Government and has worked the Executive Level of Local Governments for many years and have picked up a wide range of Leadership and Management experience. Additionally, Mr McKim has technical experience in roads, project management, construction and maintenance and disaster management.

Cr George Seymour
Mayor of Fraser Coast Regional Council

Cr George Seymour was councillor of Division 10 at Fraser Coast Regional Council for six years before he was elected Mayor in May 2018. Cr Seymour works on the council's Audit Committee, the Fraser Coast Heritage Reference Group and the Ted and Maud Mungomery Vine Forest Management Committee. As Mayor of Fraser Coast Regional Council,
Cr Seymour wants to ensure that the Fraser
Coast is a healthy, happy and active community.

Mr Ken Diehm

CEO, Fraser Coast Regional Council

Mr Ken Diehm joined the Fraser Coast Regional Council as CEO in June 2017 after previous CEO and Council roles, adding up to over 30 years in local government. Mr Diehm has a Bachelor of Commerce Degree, a Master's Degree in Business Administration and a Master's Degree in Dispute Resolution.

Cr Matt Paterson

Mayor, Alice Springs Town Council

Councillor Mayor Matt Paterson is a passionate sportsperson and local sporting leader, having represented the Northern Territory in the National Indigenous Cricket Carnival. Qualified as an electrician, Councillor Paterson works for the NT Government as a Property Contract Officer and while based in Alice Springs he does enjoy the opportunity to travel to surrounding communities for his work. Councillor Paterson was a Cricket Australia Community Ambassador and Captain of a local cricket team. Outside of cricket, he is also involved in local rugby league, playing for the Central Bulls. Councillor Paterson is passionate about providing opportunities for the town's young people to grow and prosper.

Mr Robert Jennings

CEO, Alice Springs Town Council

Mr Robert Jennings has many years of local council experience. Prior to this role at Alice Springs Town Council, he was the CEO of Katherine Town Council for four and a half years. Additionally, to this he served as an executive officer in local government across three states and territories and is a member of the Northern Territory Planning Commission. Prior to working in council, he worked in the private sector for a national sustainable development company and as a Registered Architect.

Regional Capitals Australia

The following cities are members of RCA

- Albury City Council;
- Alice Springs Town Council;
- Ballarat City Council;
- Broken Hill City Council;
- City of Busselton;
- City of Greater Geraldton;
- City of Kalgoorlie-Boulder;
- City of Karratha;
- City of Wagga Wagga;
- City of Harbour City Council;
- Fraser Coast Regional Council;
- Greater Geelong City Council;
- Griffith City Council;
- Latrobe City Council;
- Shire of Broome;
- Tamworth Regional Council;
- Town of Port Hedland; and
- Warrnambool City Council.

For more information on Regional Capitals Australia, please contact the Secretariat: Rachael Sweeney, Project Manager

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