



## SENATE INQUIRY & REPORT

# Future Role and Contribution of Regional Capitals to Australia

Senate Rural & Regional Affairs & Transport References Committee

Submitted by: Dr Peter Adams, Chair Evocities Steering Committee

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## **1.0 TERMS OF REFERENCE**

On 11 February 2015, the Senate moved that the matter of the 'future role and contribution of regional capitals to Australia' be referred to the Senate Rural and Regional Affairs and Transport References Committee for inquiry and report by 1 December 2015:

1. An assessment of current demographic trends and the changing role of regional capitals;
2. An analysis of current funding provided to regional capitals;
3. 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;
4. Investment challenges and opportunities to maintain or grow regional capitals, including infrastructure, community and human services, communications and natural resources;
5. Incentives and policy measures that would support sustainable growth in regional capitals;
6. The impact the changing environment will have on regional capitals; and
7. Any other related matters.

This feedback is provided at the request of the Senate Standing Committees on Rural and Regional Affairs and Transport.

## **2.0 INTRODUCTION**

The Evocities of Albury, Armidale, Bathurst, Dubbo, Orange, Tamworth and Wagga Wagga are pleased to provide an overview of their resident attraction initiative in response to the inquiry into the future role and contribution of regional capitals to Australia. Together with an outline of the Evocities project, this report will also detail the campaign's achievements and the ways in which the program actively contributes to the growth and development of seven of NSW's largest regional capitals.

## **3.0 BACKGROUND**

Evocities is one of the most successful regional marketing campaigns undertaken in Australia, with over 2,300 families having relocated to date. It has attracted significant market penetration and delivered some fantastic key outcomes for all the cities involved. Indirectly, the Evocities project has raised the credibility of NSW inland regional cities with a range of different stakeholders and provides the cities with a collaborative model to achieve greater return on marketing investment.

The primary purpose of the Evocities campaign is to combat the general lack of awareness about the existence of NSW inland regional capitals amongst metropolitan residents. This is achieved by promoting the seven cities involved as vibrant and thriving locations offering fantastic employment and lifestyle opportunities. In order to achieve this objective, the campaign utilises a strategic mix of advertising, marketing and PR activities.

Since the campaign launch, over 2,864 relocation enquiries have been generated via the Evocities website, the central online portal for the campaign. The Evocities website ([www.evocities.com.au](http://www.evocities.com.au)) is supported by an Evocities branded employment website ([www.evojobs.com.au](http://www.evojobs.com.au)), a website dedicated to those seeking information about running a business or investing in the city ([www.evoinvest.com.au](http://www.evoinvest.com.au)), as well as social media presence on YouTube, Facebook, Twitter and LinkedIn.

This suite of websites enables potential relocators to quickly and easily access the necessary information to assist them in the decision making process. As at the end of December 2014, the websites have recorded the following analytics:



In addition to the impressive website traffic generated by the suite of Evocities websites, significant national, regional and local media interest has been generated by the campaign. Careful placement in niche and mainstream media has enabled the campaign's key messages to infiltrate a range of audiences, while also continuing to reach key suburban Sydney markets. Media reach as at the end of December 2014 includes:



## 4.0 DEMOGRAPHIC TRENDS & THE CHANGING ROLE OF REGIONAL CAPITALS

Regional capitals are now recognised as vital hubs and the backbone of regional growth. The Evocities acknowledge the importance of their position as progressive and populated regional cities, delivering centralised services for local residents and those from surrounding towns and villages. The Evocities' also boast diverse and resilient economies, which in turn attracts industry and development investment.

Research conducted in 2012 into the economic impact of relocators to the Evocities<sup>1</sup> has shown that the new households had a median annual income of \$90,000 to \$100,000, which was above the adjusted median income of all the Evocities. As a result, the Evocities campaign has arguably generated more than \$200 million in additional annual direct spending in the participating regional cities. This will be further boosted by indirect multiplier impacts through the regional economies.

## 5.0 PAST, CURRENT & FUTURE FUNDING

The Evocity Councils have collectively invested \$2.4 million into the Evocities brand to date. These funds, together with funding received from State (\$230,000) and Federal Governments (\$1.7 million) as well as corporate sponsors (\$395,000), has resulted in significant market penetration and brand awareness in the Sydney marketplace.

Funding has not been made available to Evocities by either the State or Federal Government since the 2011/12 financial year. As a result, the operating model now implemented by the member Councils is such that the maintenance of the Evocities brand presence and core campaign elements to 2019 will be funded by the Councils. However, it is recognised that continued State and Federal Government support for Evocities is essential to achieve greater brand awareness and implement the essential activities identified in the Evocities Marketing Communication & PR Strategy. A failure to secure ongoing partnership funding from the Federal and State Government will be directly reflected in the outcomes of the campaign, due to the significant cost associated with achieving market penetration in Sydney.

## 6.0 INVESTMENT CHALLENGES & OPPORTUNITIES

The investment challenges and opportunities required to grow the Evocities regions in terms of economic, infrastructure, community and human services, communications and natural resources have been identified as follows:

- Most inland growth opportunities will require commercial investment to sustain employment and bring income into the region. By lifting the profile of the seven Evocities and their regions, the targeted Evocities campaign and web-based infrastructure is contributing to decentralisation objectives.

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<sup>1</sup> The Right Research, *The Rationale for Regional Resident Attraction Programs: An Evocities White Paper*, July 2012.

- Industry development depends upon people being in situ or willing to relocate. More people will likely move if they understand that the services offered within regional capitals are similar to those offered in a capital city. The Evocities websites and campaign bring these needs together. A positive employment environment and an influx of new workers could bring about the critical mass required in some regions to support new value-adding sectors.
- The population shift and income-earning business growth being facilitated through the Evocities program, websites and Council follow-through, should be followed by public service expansion. Enhanced health, education, transport and communications facilities will benefit the regions as well as national productivity.
- The Evocities project is contributing to creating employment opportunities by making the market more open and accessible from a distance through seven unique and tailored Evojobs websites, one for each Evocity. These sites link directly with needs of local employers and leverage the availability of current jobs to attract relocators. Employers and investors looking for workers can, and do, utilise the sites to demonstrate work opportunities in their cities and regions.
- Evocities, through its local campaign promotion, media coverage and involvement with employers, agencies and residents in the region, is designed to encourage population retention as well as new residents. The Evojobs websites are equally useful for locals seeking employment or role changes.
- The Evocities program demonstrates that opportunities exist to maximise value for money and outcomes through established and effective working partnerships across seven regional city councils in conjunction with professional service firms.
- The Evocities campaign reflects a critical identification of regional priorities by local communities, Councils and regions, and proactive investment in those priorities. The momentum of the Evocities investment, backed by follow-through at Council and regional level, plus forward work to broaden the reach of the campaign, has potential to deliver enduring economic and community benefits, including sustained increases to economic output, and increases in social capital, skills and cultural bases, all of which are critical to sustainable growth.

## 7.0 INCENTIVE & POLICY MEASURES

The New South Wales economy is the largest in Australia and needs to be a productivity growth leader, for the wellbeing of NSW citizens and for the competitive strength of the national economy. With the regional NSW population expected to grow to 3.4 million people by 2031<sup>2</sup>, achieving higher productivity in regional capitals is essential.

Studies indicate an ongoing need for capacity development in working age people across regional capitals in order to lift productivity in the face of rising challenges, including more complex work, skills gaps, workforce shortages due to an aging population and new technologies.

Part of the productivity, capacity and skills challenge can be addressed by attracting new people of different backgrounds and educational spread into regional capitals. As indicated by research

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<sup>2</sup> Deloitte Access Economics 2014, based on data from the Department of Planning and Environment

conducted by Evocities<sup>3</sup>, relocators look for a critical mass of services and community vibrancy linked to population and progress. In turn, investing firms attracted by drivers such as the Evocities campaign, will look for the presence of quality, multi-skilled people and education systems as part of their investment decisions.

The Evocities campaign currently contributes to the sustained lifting of productivity and enhancement of skills mix and availability in inland NSW by:

- Attracting new residents, skilled workers and professionals into regional NSW, increasing workforce diversity, and providing greater choice for employers and employees, thereby enabling optimum work arrangements and higher productivity;
- Reducing workforce obstacles to industries and businesses looking to set up in regions where they can make better use of regional assets including land, natural resources and transport corridors;
- Inspiring people and investors to relocate and add to the small business community and cultural vibrancy of regional cities and surrounds, thus contributing to the mental and physical wellbeing of residents and their work productivity; and
- Providing web-based systems that open the regional jobs marketplace to a wider range of city residents and employers in regions.

Other key considerations for sustainable growth in regional capitals include:

- **Connectivity:** Access to technology in regional capitals will be crucial in ensuring growth for the regions. Each of the Evocities has identified this as a key consideration and subsequently developed Digital Economy Strategies in line with population growth goals. The roll out of the National Broadband Network (NBN) is also expected to have a positive impact on the Evocities regions. The significant advancement in information and communication services will act as a catalyst for new information services and will provide new means of doing business. Productivity gains, business diversification and improved accessibility will make the Evocities more attractive to both individuals and investors. As a result, it is important that regional capitals are prioritised in the roll out of the NBN.
- **Industry Adjustment:** Diversification and growth in key industry sectors will be facilitated by an incoming population flow and the new investment that is generated as a result. This can offset declines in some sectors as markets shift and global competition increases.
- **Productivity Gains & Improvements:** All the Evocities activities are geared toward productivity gains for their respective regions. Growth within each location will benefit surrounding areas and build regional economies. The momentum of stronger regional economies and communities will support infrastructure facilities based on economies of scale, and higher order health and education services. These factors underlie productivity gains.
- **Infrastructure Development:** The Evocities Councils service a region broader than the rate base within their Local Government Area (LGA). There is an expectation from this broader region that regional capitals supply both the hard and soft infrastructure demands of its residents. Without the support of funding from State and Federal government, meeting this

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<sup>3</sup> Charles Sturt University, *Awareness & Perceptions of Regional NSW and Attitudes Towards Relocation*, March 2012

expectation can prove challenging for local government. As a result, when State and Federal governments approach regional infrastructure funding, consideration should be given to the role of regional capitals within a context broader than individual LGAs.

## **8.0 CONCLUSION**

The Evocities program has a proven track record in convincing significant numbers of people, especially working age families to relocate from Sydney and to invest in the development of seven key NSW regional capitals. While the campaign focus is on the Evocities, outputs from population building will flow through to surrounding regions, and through to the NSW and national economies.

With population and demographics a key issue for regional NSW, opportunities exist to build economic and community strengths in the regions, but progress will be linked to population numbers, capacity and diversity including the availability of a range of skilled workers.

The effectiveness of the Evocities Campaign in attracting interest among Sydneysiders can be seen in the numbers. With more than 280,000 visitors to the Evocities website, over 1.16 million to the Evojobs sites and the increasing number of genuine enquiries through the Evocities enquiry portal, the potential for solid population increases and subsequent contribution to the regions is evident.

As a result of the efforts of decentralisation initiatives such as Evocities, expansions of public services should follow, thereby building contribution to strengthen the outputs of regional capitals. Enhanced health, education, transport and communications will benefit everyone across each region, as well as State and national productivity.

Support from the State and Federal government is critical to the development of regional capitals particularly in order to meet the infrastructure demands of a diverse regional population. Often faced with the challenge of servicing a region beyond their Local Government Areas, regional capitals have identified that economic benefits exist from the improvement in quality of public facilities and infrastructure.

Continued support is also required for soft infrastructure initiatives such as the Evocities project, which actively drives population shift from capital cities, builds the skilled labour base of the region, increasing workforce diversity, and providing a greater choice for investors and employees. By inspiring people and investors to relocate to regional capitals, Evocities adds to the cultural vibrancy of regional NSW, which in turn contributes to the mental and physical wellbeing of residents and ultimately leads to productivity gains and improvements.