



Department of
State Development

Our Ref: OUT16/1211

01 MAR 2016

Mr Tim Watling
Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
CANBERRA ACT 2600

Email: rrat.sen@aph.gov.au

Dear Mr Watling

On 16 February 2016, the Rural and Regional Affairs and Transport References Committee held a public hearing in Townsville in relation to its Inquiry into the Future Role and Contribution of Regional Capitals.

Please find attached a response to the question taken on notice by Mr Darren Cleland, Acting Deputy Director-General, Regional Economic Development, Department of State Development.

If you require any further information, please contact Mr Cleland on 07 4037 3218 or Darren.Cleland@dsd.qld.gov.au, who will be pleased to assist.

Yours sincerely

Michael Schaumburg
Director-General

Enc

61 Mary Street Brisbane
PO Box 15009 City East
Queensland 4002 Australia
Telephone +617 3452 7100
Website www.statedevelopment.qld.gov.au
ABN 29 230 178 530

**THE SENATE RURAL AND REGIONAL AFFAIRS AND
TRANSPORT REFERENCES COMMITTEE**

**INQUIRY INTO THE FUTURE ROLE AND CONTRIBUTION
OF REGIONAL CAPITALS**

**Response to Question taken on Notice:
Public Hearing – 16 February 2016 / Townsville**

Background

The Rural and Regional Affairs and Transport References Committee (the Committee) held a public hearing in Townsville on 16 February 2016 on the inquiry into *the Future Role and Contribution of Regional Capitals*.

One question was taken on notice by an officer from the Department of State Development.

Question

"Can you provide further information to assist the Inquiry in defining Regional Capitals including a list of local governments eligible for assistance under the Building Our Regions – Regional Capital Fund and some suggestions around criteria that could be utilised in defining regional capitals?"

Response

Round 1 of the Queensland Government's \$200 million *Building our Regions* program opened in September 2015, and is comprised of the following funding categories:

- The Regional Capital Fund
- The Royalties for Resource Producing Communities Fund
- The Remote Communities Infrastructure Fund and
- The Transport Infrastructure Development Scheme.

Under Round 1 of the program, the following councils were eligible to apply for grants under the Regional Capital Fund:

Regional Capital Fund Eligible local governments				
Bundaberg	Douglas	Hinchinbrook	Palm Island	Southern Downs
Burdekin	Fraser Coast	Livingstone	Rockhampton	Tablelands
Cairns	Gladstone	Lockyer Valley	Scenic Rim	Toowoomba
Cassowary Coast	Goondiwindi	Mackay	Somerset	Townsville
Cherbourg	Gympie	Mareeba	South Burnett	Yarrabah

Under Round 1, some 19 Councils were eligible to apply for grants under the Royalties for Resource Producing Communities Fund and 26 Councils were eligible under the Remote Communities Fund, as follows:

Royalties for Resource Producing Communities Fund Eligible local governments		
Aurukun	Cloncurry	North Burnett
Banana	Isaac	Quilpie
Barcaldine	Mapoon	Weipa Town Authority
Burke	Maranoa	Western Downs
Carpentaria	McKinlay	Whitsunday
Central Highlands	Mount Isa	
Charters Towers	Napranum	

Remote Communities Infrastructure Fund Eligible local governments			
Balonne	Diamantina	Longreach	Torres
Barcoo	Doomadgee	Mornington	Torres Strait Island
Blackall-Tambo	Etheridge	Murweh	Winton
Boulia	Flinders	Northern Peninsula	Woorabinda
Bulloo	Hope Vale	Paroo	Wujal Wujal
Cook	Kowanyama	Pormpuraaw	
Croydon	Lockhart River	Richmond	

Eligibility for funding under the Regional Capital Fund was determined on geographical grounds using the Australian Bureau of Statistics' (ABS) Remoteness Structure. The ABS Remoteness Structure divides each state and territory into several regional categories, providing a measure of the remoteness of each council. Councils eligible for funding under the Regional Capital Fund are those categorised as predominately Inner Regional and/or Outer Regional and therefore include councils of provincial cities and surrounding rural areas. A total of 25 councils were eligible under the Regional Capital Fund under Round 1.

Under Round 2 of the *Building our Regions* program, some changes are expected to be made to the lists of eligible councils under these three Funds.

Given the Committee's broader national focus, a narrower list of regional capitals may be preferred. A number of further factors may be considered to determine whether a provincial city is indeed a "regional capital". Essential factors include the relation of each provincial city to its surrounding area – that is, in terms of its economic, social and geographic significance as opposed to population being used as the only criteria.

Some key criteria could include the following:

- Do producers and industries in adjacent and surrounding areas look to send their products to market through the provincial city in question?
- Are industry and regional enterprises served by a full range of well-developed transport infrastructure?
- Are supplies and services for these industries sourced from the provincial city in question?
- Does the provincial city have diverse industries supporting a wide spectrum of advanced skills in its labour force?
- What breadth of services are provided in the provincial city and do residents of surrounding areas look to the provincial city for services such as medical care, higher education, cultural, sporting and other recreational activities and experiences?
- Does the provincial city provide the same range of consumer goods as could be expected in a metropolis?

The Committee may also like to consider following suggestions for key criteria:

- Are the resources and industries of the surrounding rural region “embedded” and integrated with the provincial city?
- Is the economy of the entire region (provincial city and rural surrounds) integrally linked and clearly forming one distinct economic region?

The Committee may also wish to consider the definition of “regional capitals” developed by Regional Capitals Australia (RCA), the “alliance of local government associations binding together to build a nation of strong, sustainable and well-planned regional capitals and connected communities”. RCA defines a regional capital as “a regional city, located outside the state metropolitan urban growth boundary. A regional capital provides a central point to access essential infrastructure, services, business, employment and education for local residents as well as those in surrounding towns and rural areas. These cities perform a ‘capital city’ role within their regions”¹.

¹ <http://www.regionalcapitalsaustralia.org/> accessed on 19/2/16