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12 May, 1999

Committee Secretary
House of Representatives Standing Committee
on Primary Industries and Regional Services
Parliament House
CANBERRA ACT 2600

Dear Committee Members

**RE: INQUIRY INTO INFRASTRUCTURE & THE DEVELOPMENT OF
AUSTRALIA'S REGIONAL AREAS**

Forwarded for consideration of the Standing Committee on Primary Industries and Regional Services is a submission on behalf of the Bega Valley Shire Council in conjunction with the South East Regional Strategic Planning Forum.

We have submitted our comments, an overview of our region, the impediments to growth (social and economic), and a range of recommendations.

We request you take our comments into consideration when recommending policy direction and if required are available to give evidence at the inquiry.

Yours sincerely

W T Collins
Mayor

BEGA VALLEY SHIRE COUNCIL in conjunction with the SOUTH EAST REGIONAL STRATEGIC PLANNING FORUM

SUBMISSION INTO INFRASTRUCTURE AND THE DEVELOPMENT OF AUSTRALIA'S REGIONAL AREAS

Understanding of Standing Committee's requirements

1. The Bega Valley Shire Council understands that the Transport & Regional Services Standing Committee seeks suggestions on how to stimulate regional development through the provision of infrastructure in pursuit of economic development and job creation.

Perception of Regional Development

2. 'Regional infrastructure development', 'job creation', 'investment', 'economic development', etc, etc. These are common phrases heard throughout regional communities and toyed with by successive governments. There is no easy answer to the problems associated with developing regional Australia.
3. In the pursuit of regional development, many regional communities have established development organisations or used existing structures such as chambers of commerce to actively seek development. State governments attempt to facilitate major projects and local government bodies are increasingly taking the initiative and becoming more focussed on being regional leaders in their charter of seeking sustainable development and jobs.
4. The perception of the Commonwealth Government is that it is not serious about regional development. This strong message came through when the Howard Government was first elected and the Regional Development Unit within the Department of Transport & Regional Development was decimated. Despite the fact that the previous Government saw regional development as outer metropolitan areas, the perception created by the reduced role of this Department continues to blight the Commonwealth's regional policies. It is now time that the Commonwealth Government takes a lead role in facilitating regional development as opposed to leaving the task with under resourced State and Local governments. It must be seen that this is being achieved within the rural electorates.
5. No single formula can be pillared above the rest. It is very much an issue that varies from community to community. What is required is identification of infrastructure projects that will enhance and encourage private investment and stop the migration of rural people to the city.

Bega Valley Shire overview

6. The Bega Valley Shire lies within the Eden-Monaro electorate and for the past four- (4) years the Council has paid particular focus on building on its strengths and minimizing its weaknesses. It is a large rural and coastal shire comprising approximately 30,000 citizens. History shows that our major industries of timber, fishing, tourism and agriculture have suffered in recent years through a mix of government decisions, downturns in rural investment and drought.
7. The Shire's development program is currently negotiating new investments that total in excess of \$100M across our major industries. Several of these are being privately funded and are currently undertaking market demand studies. This would be bolstered by the successful negotiations with Governments on larger infrastructure projects.
8. The Bega Valley Shire forms part of the Australian Capital Region, which comprises seventeen (17) local shires in the south east of NSW and the ACT Government. It is important to recognise that when discussing regional development shires need to work within regions and build on their combined strengths.
9. Current impediments to the Australian Capital Region's growth centrally revolve around transport. The ACT Government is actively pursuing the development of the VFT from Canberra to Sydney and the development of the Canberra Airport as an international terminal and regional hub.
10. The Bega Valley Shire Council is eagerly pursuing the development of the Navy Ammunitioning Facility for Eden that requires an investment of approximately \$60M. Through creating this infrastructure the benefits flow widely to the commercial sector of the Australian Capital Region and to potential importers. The links to the Canberra Airport and the establishment of a 'commercially accessible' Navy wharf for in excess of 300 days per year, would be the catalyst for the regional communities in the south east to become self sustaining through the encouragement of private investment and economic growth as a result of a government providing key infrastructure.

South East Regional Strategic Planning Forum

11. Business and community leaders in the south east recognised the need for a coordinated approach to strategic business planning. Funding was obtained to engage a broad cross section of the community in a proactive strategic planning exercise led by an independent consultant.
12. Participants were invited from major existing industries in the region, Local, State, and Commonwealth Governments, chambers of commerce, industry and community sectors.
13. The value in bringing together such a diverse cross section of community representatives to focus on issues of regional economic importance has been proven by the development of the business plan. (Refer attached)

14. This Forum's structure is now on-going through the Bega Valley Shire Council's – Economic Development Committee and its successes are already evident through the achievement of more than half of its projects.

Social infrastructure

15. Our experience shows that the migration of people from our region to the city is caused by a mix of social and economic problems that centre on a lack of key infrastructure to facilitate growth and employment. Social impacts can be highlighted through a lack of education facilities and less than adequate health and other community facilities. The development and support of Governments is required to create 'Tertiary Access Centres' which allows universities to use one central facility and through the use of advanced telecommunications, can deliver classes from their main campus. In our region, the Bega Valley Council has been working with Wollongong University to deliver this form of education. Courses are due to commence in March 2000.
16. As a progressive Council seeking development, one of the key questions posed by developers is what community facilities are available. If they are insufficient or are unable to be funded by government the developers tend to become skeptical of investing their own funds.
17. The interaction between social and economic infrastructure is very much linked in regional areas and should be carefully considered when developing policy.

Economic infrastructure

18. Key government funded infrastructure must be identified and funding options pursued. Cocktail funding arrangements between Commonwealth, State, Local and private investment should be a focus of this Committee.
19. Three examples in the Bega Valley Shire are the Navy Ammunitioning Facility, which will be a wharf open to commercial users for some 300 days per year. Through funding this infrastructure, commercial users will be able to use a wharf creating the stimulus for economic development in our region. A number of potential users have already made enquiries.
20. The second example relates to infrastructure required for the Bermagui Boatharbour at a cost of approximately \$1.55M. A cocktail funding arrangement for this by Commonwealth, State and Local governments can create the mechanism for tenders to be sought from the private sector for the establishment of a marina (estimated at \$2M). Through providing this stimulus the Council will establish Bermagui as a precinct for additional fishing and tourism related businesses resulting in value adding and the creation of investment and jobs.

21. The third example is common throughout regional Australia. The lack of quality telecommunications. Many regional areas are trying to increase broadband access yet are faced with either no infrastructure to provide the service or even if it is provided Telstra are making it near impossible for private carriers to access the facility. The Department of Communication and the Arts are trying to overcome regional telecommunication problems through the RTIF but are faced with all regional areas requesting infrastructure it just can't afford to fund.
22. These two examples give rise to industry clustering, i.e. building on a region's strengths and creating value-adding opportunities to support its development.

Superannuation funds

23. Superannuation funds tend to be only interested in projects in excess of \$20M. The harsh reality is that many regional areas that require the investment of superannuation funds find that most individual projects either do not meet the \$20M threshold or are unviable.
24. Can Governments assist in creating this stimulus? For example by looking at a range of regional infrastructure projects and packaging them for consideration by the superannuation funds.

Recommendations for the Committee

25. That the Committee advises the Department of Transport and Regional Services and the Department of Agriculture, Forestry and Fisheries that they should be adequately funded to assist regional areas facilitate and promote regional development.
26. That the Committee considers a review and promotion of superannuation funds investing in regional infrastructure.
27. That the Committee endorses and promotes cocktail funding arrangements to establish identified infrastructure projects in regional areas between Commonwealth, State, Local and private investment.
28. That the Committee requests an audit of key infrastructure impeding the development of regional areas.
29. That the Committee note that in our region the primary infrastructure issues are:
 - Eden multi purpose wharf,
 - Telecommunications,
 - Bermagui boatharbour,
 - transportation (Canberra Airport, VFT, and Princes Highway improvements for B Double access)
 - Natural gas pipeline
 - University annexes.