

INQUIRY INTO REGIONAL DEVELOPMENT AND A GLOBAL SYDNEY

Organisation: Central NSW Councils

Date received: 2 June 2017

Inquiry into Regional Development and a global Sydney

June 2017



CENTRAL NSW
COUNCILS



Centroc's Mission is to be recognised as the lead organisation advocating on agreed regional positions and priorities for Central NSW whilst providing a forum for facilitating regional co-operation and sharing of knowledge, expertise and resources; effectively nurturing sustainable investment and infrastructure development.

www.centroc.com.au

2 June 2017

Reference jm:jb 061702

The Hon Greg Pearce MLC
Chair
Standing Committee on State Development
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Mr Pearce,

Re: Inquiry into regional development and a global Sydney

Central NSW Councils (Centroc) represents over 200,000 people covering an area of more than 50, 000 sq kms comprising the Local Government Areas of Bathurst, Blayney, Cabonne, Cowra, Forbes, Hilltops, Lachlan, Lithgow, Oberon, Orange, Parkes, Upper Lachlan, Weddin, and Central Tablelands Water.

It is about the same size as Tasmania with half the population and a similar GDP.

Centroc's vision is to be recognised as vital to the sustainable future of NSW and Australia.

Its mission is to be recognised as the lead organisation advocating on agreed regional positions and priorities for Central NSW whilst providing a forum for facilitating regional cooperation and sharing of knowledge, expertise and resources.

Centroc has two core objectives:

1. Regional Sustainability - Encourage and nurture suitable investment and infrastructure development throughout the region and support members in their action to seek from Governments financial assistance, legislative and/or policy changes and additional resources required by the Region.
2. Regional Cooperation and Resource Sharing – Contribute to measurable improvement in the operational efficiency and effectiveness of Member Councils through facilitation of the sharing of knowledge, expertise and resources and, where appropriate, the aggregation of demand and buying power.



Centroc was selected as one of five regional pilot Joint Organisations to assist the NSW Government strengthen and reform local government.

The Centroc Board is made up of the 28 Mayors and General Managers of its member Councils who determine priority for the region. These priorities are then progressed via sponsoring Councils. For more advice on Centroc programming and priorities, please go to our website

Thank you for the opportunity to provide feedback to this inquiry.

We understand the terms of reference to be

1. *That the Standing Committee on State Development inquire into and report on how Sydney's growing prominence as a global city enhances regional development in New South Wales, and in particular:*
 - a. *ensuring the regions benefit from the expansion of international trade, infrastructure, employment, tourism, innovation and research in the greater Sydney region*
 - b. *identify the sectors of the economy that can provide the greatest opportunities for regional development, including forecasts for jobs growth*
 - c. *how collaboration between levels of government, non-government and private sectors can assist the regions to benefit from Sydney's global position, and*
 - d. *other related matter.*
2. *That the committee report by 28 April 2018.*

Centroc members are more than enthusiastic about outcomes focussed policy to leverage Sydney as Global City be adopted by the State Government and would very much like to be part of the development and implementation of solutions. Further, we would welcome the opportunity to sit down with the Committee in our region and provide further evidence.

Centroc would recommend that effort be undertaken in aligning of local, regional, state and federal efforts on decentralisation to enable regional development. In our view, the structures, delegations and resourcing need to be in place for any meaningful change to occur.

Currently any effort is disparate and ultimately an opportunity lost. There is good reason to move in a more focussed and strategic direction leveraging a place based approach to regional development as outlined in the recent Regional Australia Institute Report, Deal or No Deal:

For every additional 100,000 Australians who choose to live in small cities rather than the capital cities, the RAI estimates that around \$42 billion dollars is be released into the economy over the next 30 years through reduced interest payments on mortgages alone. Released back into the consumption economy, this is would represent a considerable national economic stimulus.

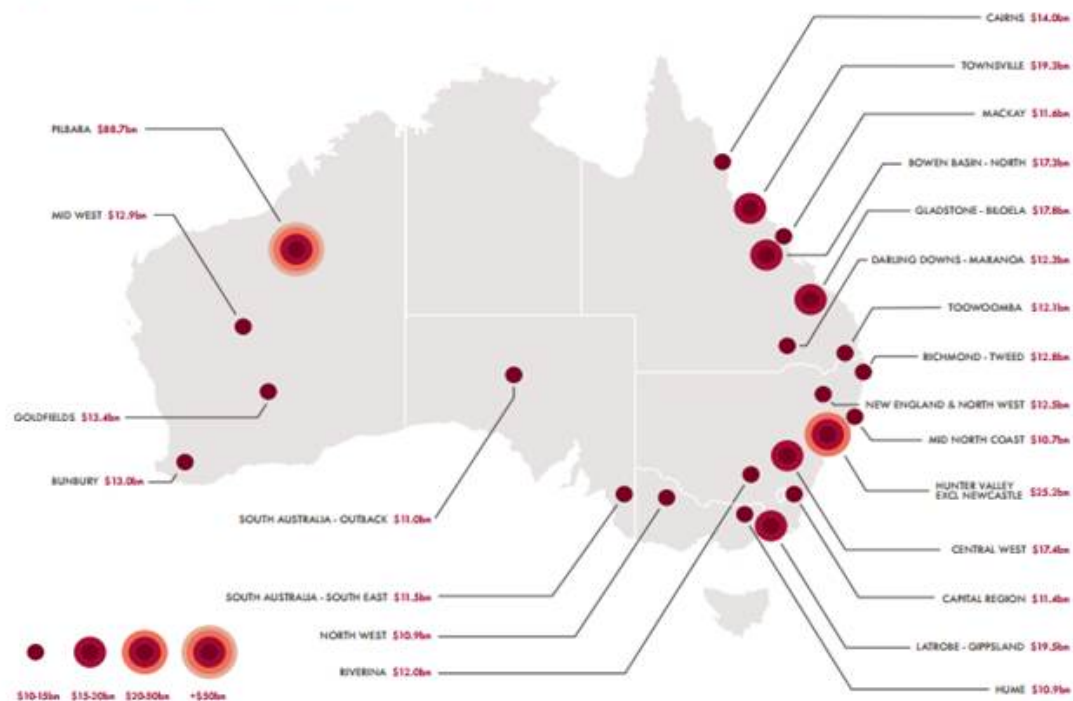
Small city growth can also play a role in reducing congestion problems in Australia's major cities. The avoidable cost of congestion in Australia's capital cities was \$16.1 billion in 2010. This takes into account both the value of private and business time, as well as vehicle operating costs and air pollution costs.

We are very proud of our region, its people, its seasonality and its livability and would be keen to work with the State Government on achieving the triple bottom line outcomes identified by the Regional Australia Institute through leveraging Sydney as a Global City.

Infrastructure Australia, in their 2015 Audit, provided advice that Central NSW will be one of the 7 top contributors to GRP in 2031. ¹

¹ Infrastructure Australia Audit, 2015

Figure 4.1: Projected gross regional product for major regional centres in 2031



Source: Australian Infrastructure Audit, 2015

For more detail regarding Central NSW please go to <http://www.rdacentralwest.org.au/projects-services/invest-central-nsw/>

Our view is that for this to occur, change needs to happen including remediating transport constraints particularly getting freight to port.

The key messages we ask you to take away from our submission are:

1. This region welcomes the NSW Government's interest in leveraging Sydney as a global city in the interest of the regions;
2. The Centroc Board supports place based, decentralised models of funding and support that recognise the pattern of settlement with its variable needs;

Local Government in Central NSW has a proud history of working collaboratively both as Local Government working together and with other State, Federal and nongovernment entities. Our approach is one of **codesign** where we seek to work with other stakeholders on defining the problem and identifying and then resourcing the solution;

3. Set stretch targets, for example the doubling overnight visitation target widely touted around NSW is not a stretch target. Set targets that grow the Local Economy, for example Intra—regional tourism is not counted and so the great work we do leveraging our visiting friends and relatives circulating the region does not get measured or *recognised in the funding framework*. Turn targets into performance indicators for staff. Ensure the staff have the resources to be able to deliver. An example would be “An increase in visitation of 50% by the Chinese into Central NSW in three years.” Given it is coming off such a low base this should be imminently achievable. We set KPIs for collaboration into programs from time to

time and find this a useful way to have State agencies thinking about ways to work *with* us rather than on us or against us. Notably we have the only MoU with an RDA in the country.

4. The mechanisms and resources are not in place to leverage our global city. Centroc seeks to be **involved** with other key stakeholders including the State Government in **shared and aligned** solutions informed from this region that address our significant risks and opportunities which include;
 - a. the challenges for agriculture and the mining sector as commodity markets. Two key questions here are
 - i. Who is doing the thinking on leveraging the rare elements in our region? A recent example is the new Synester Mine with its potential for value add including a battery giga factory. This is particularly important in a world which is stepping towards sustainable, well paid workforce;
 - ii. How can we better bring our great product to our global city and then on to the rest of the world, even simple things like regional product showcases hosted at Parliament House and linking into a deliberate strategy to have Sydney businesses using this product. Tasmania has put in place incentives for using local product.
 - b. Strategies for telecommuting including continued support for the Federal Mobile Blackspot Program and supporting communities as they try to optimise the NBN which is not performing as well as expected;
 - c. A resourced case management approach to deliberately locate new development outside Sydney;
 - d. The funding framework does not serve the regions. It is so much easier to spend money in Sydney with a funding framework skewed towards larger population centres and designed with Treasury gateways and other barriers. It would be better if the funding framework was informed from the bottom up. We are never asked about whether a particular package will work for the regions. While the work of Lt G Ken Gillespie will hopefully help turn this around, Centroc has gifted our prioritisation model to the State and can tell you in ranked order the top 500 infrastructure projects for the region. Instead of expending extensive resources on the funding framework developing competitive programs needing copious administration, a new approach that unlocks the right spending in the regions needs to happen. We would deeply welcome being part of the development of a solution;
 - e. Overcoming this region's transport constraints where somehow Queensland can have two safe swift links for road freight between Toowoomba and Brisbane while this region cannot get one 19m BDouble over the mountains into Sydney. How much is it costing the citizens of NSW every day as the corridors for the M9 and Bells Line are not secured and being built out by the development in north west Sydney?
 - f. Leveraging Inland Rail;
 - g. Leveraging the regions – Victoria has better mechanisms to reach out to the regions than NSW. This has been the case for the decade we have been providing advice into submissions of this type. While the recent efforts on Making it Happen Regional Framework are a step forward, we are not seeing much by way of resource on the ground to deliver it. While there is merit in the idea that we just need to redirect existing resource – there is not much apparent in resourcing the coordination this

redirection. In our view the Dept of Premier and Cabinet needs more resources in the region. Hopefully it is coming soon;

- h. Destination Networks continue to experience slippage, currently looking for staff and a base. Our Board have agreed to take on the role of supporting regional tourism and working with the Destination Network when it is operating as a way to preserve the great collaboration that has been undertaken over the past decades in Central NSW. There is so much opportunity for our Global City to deliberately reach out to the regions for the international tourist. Our focus is the heritage, including natural heritage, of the region and leveraging our produce. Did you know the only Chinese Bushranger, Sam Poo, was hanged at Bathurst? This region punches well about its weight for tourism and we will continue to try and work with the current framework for tourism but given our Destination Network stretches from Lithgow to Broken Hill, Quandialla to the Queensland Border we can see it struggling with the tyrannies of distance and difference.
- i. Where the current national interest is in infrastructure, we are seeing an emerging need for funding services and structures to support agriculture in the wider context of regional development. Recent research has showed that agriculture nationally has been underperforming with this region performing below national averages.² It is this region's contention that building on our strength of collaboration and regional leadership, place based structural arrangements should be supported through aligned and shared strategy followed by targeted funding for implementation. This region is very keen to work with the State Government in this regard. There is a significant and growing need for white collar services in this region. The Central West imports \$360 Million of professional, scientific and technical services each year. This represents 8.5% of all imports and the largest category of imports for the region. As the sector's services are imported by a high number of local businesses this suggests strong support and opportunity for import replacement in legal, accounting, architecture, engineering and consulting services.³ While there have been active campaigns such as Evocities, the reality is that there is a continuing trend of leakage including buying engineering, scientific and other white collar services.⁴

It is our view that Sydney is becoming increasingly congested, expensive and unliveable. It would serve our great global and beloved capital city if there was deliberative, strategic and prolonged effort to leverage the regions. We have lots of ideas and would welcome an opportunity to be part of well-resourced solutions focussed approach to really make a difference.

Yours sincerely,

Cr John Medcalf

Chair

Central NSW Councils (Centroc)

² Central West Regional Economic Analysis, Charles Sturt University, 2014

³ RDA Central West: NSW Central West Export/ Import Contribution Study", AEC Group, November 2014

⁴ Central West Regional Economic Analysis, Charles Sturt University, 2014 OP CIT