

PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

Issues Paper

House of Representatives Select Committee on Regional Development and
Decentralisation

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Introduction

On 1 June 2017, the House of Representatives passed a resolution to establish the Select Committee on Regional Development and Decentralisation. The Committee is to inquire into and report on best practice approaches to regional development, the decentralisation of Commonwealth entities, and supporting corporate decentralisation. The Terms of Reference for the Committee's inquiry are at page xi.

Purpose

The purpose of this issues paper is two-fold. First, it aims to provide more information on some of the matters set out in the Terms of Reference. Second, it provides an overview of some recent research and inquiries undertaken on regional development and decentralisation, and highlights gaps or areas that may warrant closer examination by the Committee.

This paper is not intended to replace the Terms of Reference. Nor is it intended to place more importance on some issues over others. Rather, this paper is designed to help identify some of the issues and themes arising from the Committee's preliminary insights and investigations to date. It is also envisaged the paper will help to stimulate thinking and generate ideas about regional development and decentralisation in Australia, and encourage interested people and organisations to make a submission to the inquiry.

Methodology

Information contained in this paper is largely drawn from desktop research of publically available resources. It also includes evidence provided to the

Committee at its public hearing on 7 August 2017¹, and references major research and reports on regional development and decentralisation identified by the Parliamentary Library.

This paper is structured into three parts:

- The first section provides an overview of best practice approaches to regional development, with reference to three best practice guides and frameworks from Regional Development Australia, the European Union, and Canada.
- The second section discusses the policy of decentralisation. It includes a short history of decentralisation policy in Australia, and identifies some examples of decentralisation at the Commonwealth and State Government level. This section also begins to unpack the characteristics that might lend an agency to decentralisation, and asks how this policy can be measured.
- The third section focuses on corporate decentralisation. It discusses the potential of the private sector to help grow regional and rural Australia, and looks at the role of the Commonwealth in facilitating and supporting the private sector to set up in non-metropolitan areas. It also identifies some examples of businesses that have successfully relocated to a regional town, as well as those that have withdrawn from these areas.

Four appendices accompany this issues paper. They include:

- a list of Australian experts who will be available to the Committee as an informal panel to discuss broad issues related to regional development and decentralisation;
- a chronological list of research papers that might serve as useful background material for interested people;
- a list of recent reports and inquiries that will help shape the Committee's work; and
- some examples of regional development projects identified by the Committee to date.

¹ *Proof Committee Hansard*, Select Committee on Regional Development and Decentralisation, Monday 7 August 2017.

The Committee welcomes all contributions to the inquiry. Submitters may address as many or as few matters set out in the Terms of Reference as they wish. Information on how to prepare a submission to the Committee's inquiry can be found on the Committee's website.²

² All the necessary links and brochures are on the Committee's webpage: <www.aph.gov.au/Parliamentary_Business/Committees/House/Regional_Development_and_De_centralisation> accessed 15 August 2017.

Terms of Reference

The inquiry's Terms of Reference are included in the Committee's Resolution of Appointment. They are:

- 1 This House establish a select committee, to be known as the Select Committee on Regional Development and Decentralisation, to inquire and report on the following matters:
 - a. best practice approaches to regional development, considering Australian and international examples, that support
 - i. growing and sustaining the rural and regional population base;
 - ii. the benefits of economic growth and opportunity being shared right across Australia;
 - iii. developing the capabilities of regional Australians;
 - iv. growing and diversifying of the regional economic and employment base;
 - v. an improved quality of life for regional Australians;
 - vi. vibrant, more cohesive and engaged regional communities;
 - vii. leveraging long-term private investment; and
 - viii. a place-based approach that considers local circumstances, competitive advantages and involves collective governance;
 - b. decentralisation of Commonwealth entities or functions, as a mechanism to increase growth and prosperity in regional areas, considering Australian and international examples, including:

- i. examining the potential for decentralisation to improve governance and service delivery for all Australians, considering the administrative arrangements required for good government;
 - ii. identifying the characteristics of entities that would be suited to decentralisation without impacting on the ability to perform their functions;
 - iii. identifying the characteristics of locations suitable to support decentralised entities or functions, including consideration of infrastructure and communication connectivity requirements;
 - iv. considering different models of decentralisation, including:
 - relocation of all or part of a Commonwealth entity to a regional area;
 - decentralisation of specific positions, with individual employees telecommuting, considering any limitations to this in current Australian Public Service employment conditions and rules; and
 - co-location of decentralised Commonwealth entities or employees in existing regionally based Commonwealth or State Government offices; and
 - v. examining the family, social and community impacts of decentralising;
- c. actions of the Commonwealth that would encourage greater corporate decentralisation and what can be learned from corporate decentralisation approaches, including:
- i. considering the role of the private sector in sustainably driving employment and growth opportunities in regional areas in both existing and new industries;
 - ii. comparing the access to early stage equity and or debt finance of metropolitan and regional businesses for both start up and established businesses;
 - iii. examining access to capital for regional business, including agribusiness, manufacturing and technology;
 - iv. considering the adequacy of regional businesses access to early stage accelerators and incubators, including access to business mentors, business networks and capital (debt or equity);

- v. considering the adequacy to support the private sector to attract and retain skilled labour to regional areas; and
 - vi. examining the extent to which employment and growth can be supported by growing existing and new industries in regional areas, leveraging strong transport and communications connectivity; and
- d. any related matters.

1. Best Practice Approaches to Regional Development

Recent research in regional development

- 1.1 Issues surrounding the theory and practice of regional development, including insights into best practice from Australian and international perspectives are well documented in research literature.
- 1.2 The research indicates that no consensus exists on how regions can or should be developed, or on how this 'development' can or should be measured. Indeed, there exists no consensus on how 'region'/'regional' is defined for development purposes. There is also no consensus on the relationship between 'regional cities,' 'regional areas,' 'rural areas,' and 'remote areas', or whether all of these can, or should, be subsumed under the term of 'regional development'.
- 1.3 Despite this, there are several consistent themes on best practice approaches to regional development which are relevant to the Committee's inquiry.
- 1.4 In 2015, the Regional Australia Institute (RAI) released a discussion paper, *The Future of Regional Australia: Change on Our Terms*, which summarises the main issues facing regional Australia and provides guidance on policy direction into the future.¹ The key finding was that 'government has diminishing control over the factors that shape Australia's regions'. These factors include the global economy, technological change, the environment

¹ Regional Australia Institute (RAI), *The Future of Regional Australia: Change on Our Terms*, Discussion Paper, November 2015, <<http://www.regionalaustralia.org.au/wp-content/uploads/Change-on-our-terms-FINAL-20151126.pdf>>, accessed 18 July 2017.

and population. They do, however, ‘continue to have a role in providing the right political and policy settings for fostering regional growth’.

- 1.5 The RAI suggests that more integrated and collaborative government approaches, at all tiers of government, could produce better outcomes for regional Australia.
- 1.6 The RAI further highlights that Australia’s regions are increasingly exposed to global market volatility, which engenders both risks and opportunities. The challenge for regional Australia is to ‘identify their emerging comparative and competitive advantage in a global setting and develop strategies that engage with these external demands’.
- 1.7 Similarly, the Productivity Commission recently released an initial report on *Transitioning Regional Economies*.² The report highlights that successful adaptive and development strategies for Australia’s regions need to be:
 - led by local communities;
 - aligned with regional strengths;
 - supported by targeted investment; and
 - guided by clear objectives and measurable performance indicators.
- 1.8 The importance of ‘place-based’ approaches suggested by the RAI and the Productivity Commission is a broad theme identified in the recent literature. It is an approach recommended by the OECD and presents an essential element in ‘best practice’ to regional development.³ This approach has also been referred to as ‘regionalism’ and ‘localism’ within the literature.
- 1.9 In 2010, John Tomaney, under commission by the Australian Business Foundation, examined international trends in ‘placed-based’ approaches and their implications for Australia.⁴ Tomaney concludes that successful ‘place-based’ approaches require:

² Productivity Commission, *Transitioning Regional Economies*, Initial Report, April 2017, <<http://www.pc.gov.au/inquiries/current/transitioning-regions/initial/transitioning-regions-initial.pdf>>, accessed 18 July 2017.

³ For example, see: OECD. *The New Rural Paradigm: Policies and Governance*, Organisation for Economic Co-operation and Development, 2006.

⁴ Tomaney, J., *Place-based Approaches to Regional Development: Global Trends and Australian Implications*, A report for the Australian Business Foundation, November 2010, <http://alstonvillewollongbar.com.au/members/Library/Documentation/2014/Place_based_competitiveness_australia.pdf>, accessed 18 July 2017.

- strengthened local and regional institutions that are able to assess and develop local economic assets in ways that amount to more than “tailoring national policies”;
 - the active role of stakeholder; and
 - the development of human capital and the promotion of innovation.
- 1.10 Tomaney also suggests that successful regional development is a long-term process and that, in the Australian context, ‘fiscal federalism potentially provides a supportive framework for the emergence of place-based approaches’.
- 1.11 The ‘place-based’ approach is important because it recognises that regions are different, that one-size-fits-all approaches are often inappropriate, and that local communities must be central to development efforts.
- 1.12 Implicit in this understanding is that regional development is most effective when it is a ‘bottom-up’ process—‘regions are best placed to understand and secure their own interests’.⁵ This contrasts to more traditional forms of development which have tended to be ‘top-down’ and centre-directed.
- 1.13 ‘Top-down’ models have focussed on ‘attracting industry and capital to a region from elsewhere,’ whereas ‘bottom-down,’ ‘place-based’ models promote ‘community empowerment and the development of local industries, based on local resources and closely tied to the local community.’⁶ Speaking to this point at the Committee’s public hearing on 7 August 2017, Andrew Beer noted that:
- Good practice in regional economic development is accepted as focusing upon endogenous growth—that is, growth that takes place because of the assets, abilities and talents of the region and the people within it.⁷
- 1.14 Central to the long-term viability of regional development is, of course, a sustainable population. Several studies have considered the issue of regional demographic change and the possible policy options open to government and communities.

⁵ Regional Australia Institute (RAI), *The Future of Regional Australia: Change on Our Terms* Discussion Paper, November 2015, <<http://www.regionalaustralia.org.au/wp-content/uploads/Change-on-our-terms-FINAL-20151126.pdf>>, accessed 18 July 2017.

⁶ Buultjens, Jeremy, Ambrosoli, Kim, and Dollery, Brian. The Establishment of Regional Development Australia Committees in Australia: Issues and Initiatives for the Future, *Australian Journal of Regional Studies*, Vol. 18 No. 2, 2012, p. 185.

⁷ Professor Andrew Beer, *Proof Committee Hansard*, 7 August 2017, p. 3.

- 1.15 In 2013, Graeme Hugo *et al.* traced these recent trends.⁸ While this study highlights a general decrease in regional population numbers, it notes that the decrease is not universal and there exists a significant coastal/internal divide. Whereas all regional areas have experienced a net decrease in young adults, coastal areas have seen net gains due to immigration of young families and retirees.
- 1.16 Hugo *et al.* suggest that any attempts to increase immigration to regional areas must be predicated on the economic potential of these areas to absorb any increase in population. They also suggest that return migration programmes and national immigration policy may be viable mechanisms to encourage population growth and address skills and labour shortages in regional areas.
- 1.17 Migration was raised as an issue in evidence to the Committee by Jack Archer, Chief Executive Officer, RAI. In particular, it was noted that little is done to facilitate migration to regional and rural areas across Australia:
- ...we could have more focused programs complementing what we're doing with migration policy and visas to actually find those opportunities in communities. Our work has also shown that there are a lot of rural communities that are actually workforce constrained. There are businesses that don't take on extra people, simply because there isn't a community of people to tap into locally or a clear pathway for that.
- ... our migration system doesn't do a very good job of getting people to regional Australia, and the idea that that's because there isn't any opportunity for them there is I think, frankly, nonsense.⁹
- 1.18 The Department of Immigration and Border Protection recently reviewed the academic literature on migration and regional development. The Department found that 'one of the key challenges in utilising the migration program to assist in regional development outcomes has been in ensuring that migrants who do settle in regional areas stay there over the long-term'.

⁸ Hugo, G., Feist, H., and Tan, G., 'Internal Migration and Regional Australia, 2006-11,' *Australian Population & Migration Research Centre Policy Brief*, Vol. 1 No. 6, June 2013, <https://www.adelaide.edu.au/apmrc/pubs/policy-briefs/APMRC_Policy_Brief_Vol_1_6_2013.pdf>, accessed 19 July 2017. Also see: Hugo, G., *Regional Development through Immigration? The Reality Behind the Rhetoric*, Research Paper No. 9 1999-2000, Department of the Parliamentary Library, 2010, <<https://www.aph.gov.au/binaries/library/pubs/rp/1999-2000/2000rp09.pdf>>, accessed 19 July 2017.

⁹ Mr Jack Archer, *Proof Committee Hansard*, 7 August 2017, p 14.

It is therefore necessary to understand ‘the factors that contribute to regional retention’.¹⁰

- 1.19 In 2017, the RAI provided a *Blueprint for Investing in City Deals*, an initiative of the Turnbull Government which provides funding to promote regional development.¹¹ The *Blueprint* provides a guide to best practice for stakeholders in determining whether a particular regional city is ready for a ‘City Deal’. In determining this, two considerations were identified as crucial:

- 1 understanding the city’s economic growth engine and determining the city’s growth path; and
- 2 identifying the required leadership, clarifying the structures for implementation, and understanding capacity.

Best practice guides and frameworks

- 1.20 Regional Development Australia (RDA)¹² and the European Union (EU)¹³ have both produced best/better practice guides which explore optimal ways to approach regional development. A Canadian study has also identified if not best practice, then a set of observations which can be regarded as ‘good practices’.¹⁴

- 1.21 Consistent themes across the three guides include:

¹⁰ Department of Immigration and Border Protection. *Regional retention of migrants: critical success factors*, January 2014, <<https://www.border.gov.au/ReportsandPublications/Documents/research/regional-retention-migrants.pdf>>, accessed 25 July 2017.

¹¹ Pearson, L.J., Carter, A., Houghton, K. and How, G. *Blueprint for Investing in City Deals: Are You Ready to Deal?*, The Regional Australia Institute, 2017, <http://www.regionalaustralia.org.au/mwg-internal/de5fs23hu73ds/progress?id=0Ouf711FgmYfWc7LQWEHx7T6GSsTfZjhxu9o_e-iRGs>, accessed 20 July 2017.

¹² Regional Development Australia (RDA), *Better Practice Guide*, October 2015, <https://rda.gov.au/members/.../08_October_2015-RDA_Better_Practice_Guide.pdf> accessed 17 July 2017.

¹³ European Spatial Planning Observation Network (ESPON) website, <<http://www.espon-usespon.eu/library/best-practice-guidelines-for-regional-development-strategies-grids-interreg-iiic-project-outcomes-87b4>> accessed 17 July 2017.

¹⁴ Sunderman, R., & Nicol, S., *Final Report: Regional and Rural Economic Development: Review of Delivery and Public Investment Models*, Peak Solutions Consulting and Lions Gate Consulting, 31 March 2008, pp. 50 – 54.

- consultation and engagement with and ‘buy-in’ by the regional authorities and communities is essential;
- Analysis is, of course, necessary but the EU report noted that one of the pitfalls was excessive analysis rather than a focus on the key features of importance for preparing a strategy;
- prioritising, effective communication and effective mechanisms for delivering on the strategy;
- regions should be focused on their core existing advantages and distinctive competencies, and select niches for developing and diversifying their economic bases;
- regional strategies appear more effective when they have clearly defined policies, action plans and measurable benchmarks. The EU report noted an over-reliance on simple, quantitative indicators and qualitative indicators are usually underdeveloped; and
- funding support from the central authorities (in this case the federal government or EU Commission) remains as important as ever.

Examples of successful regional development

- 1.22 Identifying examples of successful and unsuccessful regional development is problematic. This is because there are few independent and objective reviews of these initiatives.¹⁵ In the absence of ‘controlled studies’, it is difficult to determine what outcomes would have occurred in an area had the program not been put in place.¹⁶ Further, what successful regional development looks like in one location may be very different to others. That is, it is subjective.
- 1.23 The Committee acknowledges there is a difference between a regional development strategy and a regional development project. Through its inquiry, the Committee hopes to identify examples of successful regional development strategies. In particular, those that have resulted in sustained benefits to communities. Appendix D lists some examples of regional development projects identified by the Committee to date. The Committee would like to learn more about the strategies behind these projects.

¹⁵ Sunderman, R., & Nicol, S., *Final Report: Regional and Rural Economic Development: Review of Delivery and Public Investment Models*, Peak Solutions Consulting and Lions Gate Consulting, 31 March 2008, pp. 50 – 54.

¹⁶ Sansom, M., *What the UK can teach Australia about City Deals?* Government News, 31 March 2017, < <http://www.governmentnews.com.au/2017/03/26709/>>, accessed 21 July 2017.

2. Decentralisation of Commonwealth Entities

Rationale for decentralisation

- 2.1 Decentralisation can be broadly interpreted. For some people, it refers to establishing or relocating public (and private) sector jobs and functions *from* metropolitan capital cities *to* regional or rural areas. As a strategy to support regional and rural towns, decentralisation seeks to create sustainable employment opportunities as part of a broader strategy to improve growth and prosperity in these areas.
- 2.2 For others, decentralisation may also include the establishment or presence of regional offices or out-posted offices in areas where services are needed and have traditionally existed; for example Centrelink, Medicare and Australia Post offices have distributed workforces across the country. In these cases, a head office may be located in a capital city with a network of rural or regional offices elsewhere.
- 2.3 At this stage in the inquiry, the Committee has adopted a broad interpretation of decentralisation to include the presence of any Commonwealth agency or entity across Australia, including the physical relocation of an agency from a capital city to a rural or regional town, and the distribution of regional branches or offices in non-metropolitan areas.
- 2.4 On 19 April 2017, the Minister for Regional Development, Senator the Hon Fiona Nash, announced the Coalition Government had embarked on a decentralisation program:

Departments will need to either indicate that they're suitable to move to the regions or justify why all or part of their operation is unsuitable.¹

2.5 In announcing the Government's policy on decentralisation, the Minister for Regional Development said:

Moving government functions to the regions means more people in our towns, more customers in our shops, more students in our schools, and more volunteers for the local fire brigade.

... It's important for government to lead by example and invest in rural, regional, and remote Australia, creating long-term careers and breeding confidence in those communities...²

2.6 All portfolio Ministers are expected to report to Cabinet by August 2017 on which of their departments or functions are suitable for a regional move, with more substantial business cases expected by December 2017.³

2.7 While decentralisation policies generally aim to address population imbalance - that is, the issue of more people living in capital cities than regional and rural areas - and provide employment opportunities, other benefits of relocating public sector jobs to non-metropolitan areas include:

- bringing government services closer to the people;
- tapping into specialist skills and experience of people living in regional and rural areas;
- better aligning government agencies to specialist regional areas and resources; and
- potentially lower operating costs for government.

¹ The Honourable Fiona Nash, Minister for Regional Development, and Local Government and Territories. Media Release. *Coalition begins decentralisation process*. 19 April 2017 <http://minister.infrastructure.gov.au/nash/releases/2017/April/fn054_2017.aspx>, accessed 20 July 2017.

² The Honourable Fiona Nash, Minister for Regional Development, and Local Government and Territories, *Investing in the future of our regions*. Speech to the National Press Club, 19 April 2017, <http://minister.infrastructure.gov.au/nash/speeches/2017/fns001_2017.aspx>, accessed 20 July 2017.

³ The Honourable Fiona Nash, Minister for Regional Development, and Local Government and Territories, *Investing in the future of our regions*. Speech to the National Press Club on 19 April 2017, <http://minister.infrastructure.gov.au/nash/speeches/2017/fns001_2017.aspx>, accessed 20 July 2017.

- 2.8 Employment opportunities are not necessarily restricted to those within the relocated agency. Rather, employment opportunities may arise from any increased spending in the regional economy by public sector employees and their families, and from any associated private investment that follows a public sector move to a non-metropolitan area.⁴
- 2.9 Decentralisation has been associated with some negative policy implications. These include:
- loss of skilled and experienced staff who do not want to relocate;
 - costs associated with redundancies, staff separation, recruiting and training new staff;
 - expenses associated with staff travelling to capital cities or home departments;
 - issues associated with managing remote, dispersed or virtual teams;
 - short term costs of setting up new offices, re-locating staff, and disrupting business; and
 - negligible benefits to regional towns and communities to which entities are located.
- 2.10 The success of any decentralisation policy needs to be measured with regard to the net benefit or growth achieved by the transfer of public and private entities from one location to another. This includes consideration of the wider impact of job losses in the original location, compared to the gains those jobs may provide to the location where decentralisation occurred.
- 2.11 The Committee's inquiry will more closely examine the impact of recent decentralisation policy, with particular reference to family, social and community impacts.

National Broadband Network and technology

- 2.12 The Committee is interested in hearing about the impact and net benefits of communication infrastructure in regional and rural Australia. Improved efficiencies and increased automation may lessen job opportunities in

⁴ *Decentralising public agencies: regional benefits with agency risks*. Urbecon, SGC Economics and Planning, September 2016, <<https://www.sgsep.com.au/publications/decentralising-public-agencies-regional-benefits-agency-risks>>, accessed 21 July 2017.

regional areas. However, improved communication infrastructure may encourage people to live and work in regional areas.

- 2.13 For example, the availability of reliable information technology and infrastructure may lead to increased employment opportunities by providing people with more flexible employment options or arrangements – such as ‘teleworking’. Teleworking refers to ‘an arrangement whereby an employee has a formal agreement with their employer to work in a location other than the office, usually a home office’. This mode of work relies largely on information and communications technology to keep employees connected to colleagues and work systems.⁵
- 2.14 The Australian Public Service Commission cites a number of benefits teleworking provides for the employee and employers. For the employee these include cost savings by not having to travel to work, flexibility in work hours thereby increasing an employee’s ability to manage work-life balance, increased job satisfaction, and a greater ability to participate in the workforce. For the employer, the benefits of teleworking include improved recruitment and retention outcomes, reduced absenteeism, increased business resilience, reduced costs associated with office space and increased productivity.⁶
- 2.15 The current availability of the National Broadband Network may act as an enabler for decentralisation in some regional and rural areas. However, a lack of access to reliable and fast broadband can be a constraint in other areas.

Decentralising the Commonwealth public service

- 2.16 The Commonwealth public service currently comprises 114 federal departments, agencies and entities.⁷ As at 31 December 2016, there were

⁵ *Australian Public Service Commission, State of the Service Report: 2012-2013, Teleworking, Chapter 9*, <<http://www.apsc.gov.au/about-the-apsc/parliamentary/state-of-the-service/sosr-2012-13/chapter-nine/teleworking>>, accessed 9 August 2017.

⁶ *Australian Public Service Commission, State of the Service Report: 2012-2013, Teleworking, Chapter 9*, <<http://www.apsc.gov.au/about-the-apsc/parliamentary/state-of-the-service/sosr-2012-13/chapter-nine/teleworking>>, accessed 9 August 2017.

⁷ APS agency listing – Agencies covered by the *Public Service Act 1999*, (last updated 4 July 2017), <<http://www.apsc.gov.au/publications-and-media/current-publications/australian-public-service-agencies>>, accessed 21 July 2017.

153,421 people employed in the Australian Public Service (APS).⁸ The majority of Commonwealth departments and agencies are based in Canberra, which accounts for 38 per cent of all Commonwealth public servants. This is followed by New South Wales (19 per cent) and Victoria (17 per cent).⁹

- 2.17 Since the early 1960's, much of the push for decentralisation of government functions and services has been in response to growing concerns about the concentration of the Australian population in capital cities, and the need to encourage stronger development and settlement in regional areas.
- 2.18 While Australia is one of the most urbanised countries in the world, this issue is not unique to Australia. Across the world, governments are trying to manage the trend of people drawn to metropolitan cities, rather than regional and rural towns.
- 2.19 In Australia, Commonwealth decentralisation policies have been ad hoc. Many policies have either not received bipartisan support or survived a change of government. Indeed, policies aimed at supporting rural and regional areas have tended to focus on ways of improving regional development and sustainability through targeted programs and funding rather than the decentralisation of government services. Some of this history is set out below.
- 2.20 In 1964, the Premiers' Conference led to the establishment of a Commonwealth/State Officials Committee on Decentralisation, which drove many of the debates over decentralisation.¹⁰ Each of the state governments were represented on the Committee, which comprised members from fifteen Commonwealth and State Government departments.¹¹

⁸ People employed under the *Public Service Act 1999*. *APS Statistical Bulletin: December 2016*, (last updated 31 March 2017, <<http://www.apsc.gov.au/about-the-apsc/parliamentary/aps-statistical-bulletin/december-2016>>, accessed 21 July 2017.

⁹ Table 6: 'All employees: location by base classification and employment category', 31 December 2016, *APS Statistical Bulletin: December 2016*, (last updated 31 March 2017), <<http://www.apsc.gov.au/about-the-apsc/parliamentary/aps-statistical-bulletin/december-2016>>, accessed 21 July 2017.

¹⁰ Collits, P., 'Regional Policy in Post-War Australia: Much Ado about Nothing?' in *Rural and Regional Futures*, Hogan, A., and Young, M., (eds), Abingdon, Oxon New York Routledge, 2015.

¹¹ *Report of the Committee of Commonwealth/State Officials on Decentralisation*, July 1972, p vi.

- 2.21 The Committee based its inquiry on two concepts of decentralisation: as a way of promoting growth outside of the cities, while reducing the rate of growth within them.¹² Six main conclusions were drawn by the Committee in its final report. The primary conclusion was that:

The evidence before the Committee did not allow it to establish the existence of either a decisive net advantage or net disadvantage to the nation from an economic viewpoint arising from continuing centralisation. This means that the Committee considers that a properly conceived and executed programme of selective decentralisation could be undertaken without necessarily inhibiting economic growth.¹³

- 2.22 In 1973, the then Prime Minister, Gough Whitlam, in partnership with the Victorian and New South Wales (NSW) governments, established the Albury-Wodonga Growth Centre project. The aim of the project was to progress the development of Albury-Wodonga as a major regional hub, and to 'relieve the problems of what was seen as overpopulation in Sydney and Melbourne'.¹⁴

- 2.23 The Growth Centre project was essentially established as an "experiment"; a project that might be used as a model for other regional areas. Over the following decades however the project was revised by successive governments and the population targets reduced. The experiment formally ended in 1995.

- 2.24 In the 1990s, the Keating Government introduced a new regional development program that resulted in the establishment of Regional Development Organisations (RDOs) and Area Consultative Committees (ACCs).¹⁵ The introduction of these bodies signalled a shift in regional politics in Australia – one that emphasized more regional specific solutions. Rather than "top down" approaches that focused on the redistribution of economic activity, attempts were made to drive regional competitiveness

¹² *Report of the Committee of Commonwealth/State Officials on Decentralisation*, July 1972, p 1.

¹³ *Report of the Committee of Commonwealth/State Officials on Decentralisation*, July 1972, p 11.

¹⁴ *Albury-Wodonga Growth Centre Collection: Significant Assessment*, <https://eservice.alburycity.nsw.gov.au/portal/Temp/TrimDocumentViewer_913850_awCfGoEMDu.PDF>, accessed 21 July 2017, p. 9.

¹⁵ Collits, P., 'Regional Policy in Post-War Australia: Much Ado about Nothing?' in *Rural and Regional Futures*, Hogan, A., and Young, M., (eds), Abingdon, Oxon New York Routledge, 2015.

and lift productivity in all regions through “bottom-up” approaches, local leadership, and developing “local solutions to local problems.”¹⁶

- 2.25 In 1999, the then Deputy Prime Minister and Minister for Transport and Regional Services, the Hon John Anderson MP, convened the Regional Australia Summit. The Summit resulted in the establishment of a Regional Australia Summit Steering Committee and a Secretaries Taskforce to help raise the profile of regional Australia across all Commonwealth Departments. It also resulted in the introduction of a number of regional programs, the genesis of which can be found in the Summit.¹⁷
- 2.26 One of these programs was the Regional Partnerships Program. Announced in June 2000, the Regional Partnerships Program was designed to provide targeted funding to regional communities “dealing with economic stagnation or population decline due to industry restructuring and a lack of development opportunities, and to regional areas with high population growth experiencing above-average unemployment levels.”¹⁸
- 2.27 Similarly, the Sustainable Regions Program introduced by the Howard Government in 2001 sought to support those rural and regional communities in need. Twelve regions were identified and supported through a range of initiatives, which marked a shift from previous decentralisation approaches to one that focused on “regions in difficulty” and tailored approaches with local input.¹⁹
- 2.28 In 2012, the Gillard Government established a network of 55 Regional Development Australia committees (RDAs) to ‘work with businesses, community groups and all levels of government to support the development of their regions’. The committees, which replaced the RDOs and ACCs,

¹⁶ Collits, P., ‘Regional Policy in Post-War Australia: Much Ado about Nothing?’ in *Rural and Regional Futures*, Hogan, A., and Young, M., (eds), Abingdon, Oxon New York Routledge, 2015.

¹⁷ *The Regional Australia Summit*, Department of Infrastructure and Regional Development, <https://www.infrastructure.gov.au/departement/annual_report/1999_2000/RegionalAustraliaSummit.aspx>, accessed 21 July 2017.

¹⁸ *The Regional Australia Summit*, Department of Infrastructure and Regional Development, <https://www.infrastructure.gov.au/departement/annual_report/1999_2000/RegionalAustraliaSummit.aspx>, accessed 21 July 2017.

¹⁹ Collits, P., ‘Regional Policy in Post-War Australia: Much Ado about Nothing?’ in *Rural and Regional Futures*, Hogan, A., and Young, M., (eds), Abingdon, Oxon New York Routledge, 2015.

function by ‘empowering local people to develop local solutions to local issues’.²⁰

- 2.29 In 2015, the Abbott Government released a White Paper on Northern Australia which aims to develop the Northern Territory, North Queensland and northern parts of Western Australia as an ‘economic powerhouse’. While not a decentralisation policy per se, the policy does seek to promote significant public and private investment in some of Australia’s most regional areas. The Office of Northern Australia, which is responsible for coordinating the implementation of the white paper, is based in Darwin.
- 2.30 Most recently, the Turnbull Government adopted the United Kingdom’s ‘City Deals’ model as part of its Smart Cities Plan. City Deals are bespoke models for infrastructure funding and delivery that work through coordination of the three levels of government, communities and the private sector. The program aims to promote, among other things, economic growth, increased jobs, affordable housing and environmental sustainability. The program’s funding model is tailored to local circumstances, objectives and opportunities. To date, the Federal Government has entered into three ‘City Deals,’ with Western Sydney, Townsville, and Launceston.

Relocation of agencies

- 2.31 To date, only a small number of Commonwealth government agencies have established rural or regional offices in support of decentralisation. For example:
- the Grains Research and Development Corporation has established offices in Adelaide, Perth, Dubbo, and Toowoomba. Its head office remains in Canberra;
 - the Australian Securities and Investment Commission was established in Traralgon in the 1990s,²¹ and

²⁰ *Stronger Regions, Stronger Nations*: Statement by the Hon. Simon Crean, Minister for Regional Australia, 8 May 2012, < http://www.budget.gov.au/2012-13/content/ministerial_statements/rural_and_regional/html/rural_and_regional.htm>, accessed 18 July 2017.

²¹ Senate Committee Report, Finance and Public Administration References Committee, *Operation, effectiveness and consequences of the Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016*, p. 54.

- the Australian Taxation Office established a regional office in Albury, NSW in the 1970s.

2.32 At the state level, examples of decentralisation of government services from capital cities to regional towns include:^{22 23}

- the NSW Department of Agriculture moved to Orange in 1992;
- the NSW Labor Government moved at least seven agencies from Sydney to a regional centre between 2000 and 2005;
- the Victorian Transport Accident Commission moved to Geelong in 2009;
- Work Safe Victoria has commenced relocating from Melbourne to Geelong;
- the NSW Office of Local Government moved to Nowra;
- the NSW Department of Mineral Resources moved from Sydney to Maitland; and
- the Western Australian Department of Water moved from Perth to Mandurah.

2.33 Future relocation has been identified for the following Commonwealth agencies:^{24 25}

- Rural Industries Research and Development Corporation will establish an office in Wagga Wagga;

²² Senate Committee Report, Finance and Public Administration References Committee, *Operation, effectiveness and consequences of the Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016*, pp. 53-54.

²³ The Hon. Barnaby Joyce MP, Deputy Prime Minister and Minister for Agriculture and Water Resources, Media Release, *Boosting regions through decentralisation*, 18 October 2016, <<http://minister.agriculture.gov.au/joyce/Pages/Media-Releases/Boosting-regions-through-decentralisation.aspx>>, accessed 26 July 2017.

²⁴ Senate Committee Report, Finance and Public Administration References Committee, *Operation, effectiveness and consequences of the Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016*, pp. 53-54.

²⁵ The Hon. Barnaby Joyce MP, Deputy Prime Minister and Minister for Agriculture and Water Resources, Media Release, *Boosting regions through decentralisation*, 18 October 2016, <<http://minister.agriculture.gov.au/joyce/Pages/Media-Releases/Boosting-regions-through-decentralisation.aspx>>, accessed 26 July 2017.

- Fisheries Research and Development Corporation will establish an office in Adelaide;
- Australian Pesticides and Veterinary Medicines Authority will establish an office in Armidale;
- the new head office of the National Disability Insurance Scheme will be based in Geelong;²⁶ and
- the CSIRO will establish an agriculture research facility near Boorowa, NSW.²⁷

2.34 In addition, it has also been announced that planning is underway for new regional offices of the Murray-Darling Basin Authority to be established in Albury-Wodonga, Toowoomba and Adelaide.²⁸

What characteristics of agencies and regions lend themselves to decentralisation?

- 2.35 Decentralisation of any Commonwealth agency is not an end in itself. Careful consideration must be given to the government service or function to be decentralised, and the regional or rural town to where the Commonwealth entity will be relocated. Regional growth and sustainability must be driving factors of any decentralisation effort, so too must improving government service.
- 2.36 In its report, *Moving Public Servants to the Regions*, the Canadian Parliamentary Library identified some issues for consideration when determining the decentralisation of public sector agencies. For agencies, they should:

²⁶ The Hon. Christian Porter MP, Minister for Social Services. Media Release. *Jobs boom for Geelong with new NDIA headquarter*, 2 December 2016, <<http://christianporter.dss.gov.au/media-releases/jobs-boom-for-geelong-with-new-ndia-headquarters>>, accessed 26 July 2017.

²⁷ The Hon. Ian Macfarlane MP, Minister for Industry and Science. Media Release, *CSIRO purchases site for purpose-designed research farm*, 10 September 2015, <<http://www.minister.industry.gov.au/ministers/macfarlane/media-releases/csiro-purchases-site-purpose-designed-research-farm>>, accessed 26 July 2017.

²⁸ Murray Darling Basin Authority. Media Release, *MDBA progressing regional presence agenda*, 20 March 2017, <<http://www.mdba.gov.au/media/mr/mdba-progressing-regional-presence-agenda>>, accessed 8 August 2017.

- be relatively independent or specialised so not to impair interactions with partner departments or agencies; and
- not have continual interaction with public officials or develop public policy on a daily basis.

2.37 It was also recommended that specific attention be given to the demographic and professional characteristics of employees to be relocated. This was reaffirmed by Mr Jack Archer in evidence recently provided to the Committee:

... 17 per cent of Commonwealth jobs are outside the big five cities and Canberra, but very, very few of them are SES level, so there are virtually no decisions being made in regional areas about regional issues, whether that is in Indigenous affairs, which is overwhelmingly focused on remote challenges, or other areas.²⁹

2.38 For the host region, it was recommended that:

- relocation should boost the local economy and contribute to the economic base;
- labour and office space must be available, and transport constraints not detract from the agencies operations; and
- the selected town must have some appeal to public servants and their families.³⁰

2.39 Similarly, in its report, *The Decentralisation of Core Government Services*, the Urban Development Institute of Australia identified the key steps that lead to effective decentralisation. These include a well planned and executed proposal, the benefits outweighing the costs, and decentralisation leading to regional growth.

2.40 The Committee is keen to examine these factors more closely. In particular, the characteristics of regional and rural towns that would lend themselves to decentralisation. Some of these may include:

- compatibility of Commonwealth agency, function or services to regional town;
- availability of skills and experience in these areas;

²⁹ Mr Jack Archer, CEO Regional Australia Institute, *Proof Committee Hansard*, 7 August 2017, p. 5.

³⁰ Le Goff, P., *Moving Public Servants to the Regions*, PRB 05-100E, Library of [the Canadian] Parliament, 31 March 2006.

- population of host towns and cities; and
- infrastructure and services to accommodate and support employees.

2.41 It must also be recognised that regions are not identical and have their own characteristics. Professor Tony Sorenson observed:

Rural communities are hugely different in terms of their social complexions, their resource bases, their locations with respect to markets or major cities, their infrastructure and services, and other social services. Everything about rural Australia is hugely diverse and complex, and this is another thing that we will have to deal with.³¹

2.42 The Committee will examine examples of public sector agencies that have relocated to non-metropolitan areas, and the rationale for these moves.

Measuring the success of decentralisation

2.43 The Committee acknowledges decentralisation as a means to improving regional growth and development. A focus of the Committee's inquiry will be measuring the success of this policy. That is, how do we know that decentralisation has been effective in achieving its goal? What are the indicators of success? Some of these indicators might include:

- growth and prosperity of regional areas;
- jobs created;
- economic growth;
- longevity of industry, services and functions; and
- maintaining and increasing population in regional areas.

2.44 To date, measuring the success of public sector decentralisation has been subjective. There is very little domestic or international research that has quantified the economic and social reality of relocation. Most accounts have focussed on the number of jobs that moved with the agency, rather than the benefits that have flowed from the relocation. Through its inquiry, the Committee plans to examine how some of the proposed outcomes of decentralisation can be measured.

³¹ Professor Tony Sorenson, *Proof Committee Hansard*, 7 August 2017, p. 6.

3. Corporate Decentralisation

- 3.1 Corporate decentralisation and corporate investment in regional and rural Australia is as important as public investment. Through its inquiry, the Committee will examine ways to attract and retain corporate entities to non-metropolitan areas. Specifically, the Committee will examine the barriers to corporate decentralisation, and how the Commonwealth can help to overcome these.
- 3.2 Jane-Frances Kelly and Paul Donegan observed that the cities are still the main centres of economic activity:
- Eighty per cent of the dollar value of all goods and services in Australia is produced on just 0.2 per cent of the nation's land mass, nearly all of it in cities.
- The combined central business districts of Sydney and Melbourne alone – 7.1 square kilometres – generate nearly 10 per cent of the value of goods and services produced in all of Australia, three times that produced by the agricultural sector.¹
- 3.3 Entities that operate on a profit based business model are likely to establish and retain a presence in those areas where its operations and profits can be maximised. For most private sector companies, this is in the populated metropolitan cities. For example, a company whose business exports large amounts of product will need direct access to an international shipping port or perhaps an airport. Transport and logistical costs will most likely multiply significantly if that business were to relocate to an inland location where such facilities are not directly available.

¹ Kelly, J.F., & Donegan, P., *Mapping Australia's economy: cities as engines of prosperity*, The Grattan Institute, 20 July 2014, <<https://grattan.edu.au/report/mapping-australias-economy-cities-as-engines-of-prosperity/>>, accessed 29 July 2017.

- 3.4 The market realities that apply to the large cities, such as the relative ease of communications, logistics and the advantage of a large customer base, are likely to remain the main attraction for businesses.
- 3.5 Any discussion of corporate decentralisation in support of regional development must be based on a shared understanding of what this means. As with public sector decentralisation, it may be difficult to measure the outcomes of any relocation or determine if it has contributed to the improved growth and prosperity of a region.
- 3.6 For example, the expansion plans of a large hardware chain may, or may not, contribute to regional development. Although a new store opening or building in a regional centre may involve a large new financial investment, it may be the case that the company is simply purchasing existing stores from a competitor. There may be no net growth or gain, but rather, filling a gap in the market. For example, in March 2017, it was announced that Bunnings would purchase eleven former Masters Home Improvement stores across Australia and open nine new stores across NSW, Victoria and Queensland.²
- 3.7 The other issue for consideration is the profit destination of corporations. More specifically, how much of it is likely to stay or be invested back into regional communities. For example, should a national or international company purchase a locally owned enterprise, its profits may be sent to its head office in a major city, or to its parent company which may be a multinational in another country rather than remaining in the local community. In this case, there may be little return on the presence of these companies in non-metropolitan areas.
- 3.8 Some examples of corporate decentralisation in Australia include:
- Hoffman Engineering is a specialist engineering company that was started in Perth, Western Australia, in 1969 and now operates in five cities (including overseas), employing over 500 people. In 2010, the company established its eastern operations in Bendigo, Victoria. In doing so, it created approximately 65 local jobs in heavy engineering.³

² Bunnings swoops on Masters sites to drive major expansion, *Sydney Morning Herald*, 3 March 2017, <<http://www.smh.com.au/business/retail/bunnings-swoops-on-masters-sites-to-drive-major-expansion-20170301-guo83b.html>> , accessed 20 July 2017.

³ '150 New Jobs', *The Bendigo Advertiser*, 1 March 2009, <<http://www.bendigoadvertiser.com.au/story/699371/150-new-jobs/>>, accessed 26 July 2017.

- Keech Australia, has been designing and manufacturing steel products for mining, excavation, construction, agriculture, rail transport and defence, for over 80 years. In 1995, Keech moved from its Mascot foundry in NSW, to expanded premises on 11 acres in Bendigo, Victoria, where its foundry and head office are now located.⁴
- Macquarie Bank's Paraway Pastoral fund moved to Orange, NSW, in 2015 taking staff from Sydney and across NSW, as well as employing people from Orange.⁵

3.9 It is also worth noting that there are also examples of corporate entities leaving regional areas and re-locating to the state capitals.

- In April 2016, Target - a large retailer with shops in each state and territory of Australia - announced that it was re-locating its headquarters from Geelong to Melbourne with the transfer of approximately 900 jobs.⁶
- In 2011, Telstra closed down its regional call centre in Moe, eastern Victoria. A new Telstra call centre in Melbourne's Docklands, with more than 1,100 operators, was expected to take most of the Telstra customer calls that had been handled in Moe, with overflow now handled in call centres in the Philippines.⁷

3.10 The Committee hopes to learn more about the experiences of those corporations that established a base in regional areas, only to withdraw down the track.

⁴ 'Keech throughout history', Keech webpage, <<http://keech.com.au/keech-throughout-history-2/>>, accessed 26 July 2017.

⁵ 'Company banking on regional move: 17 staff open Macquarie Bank office', *Central Western Daily*, 8 August 2015, <<http://www.centralwesterndaily.com.au/story/3264736/company-banking-on-regional-move-17-staff-open-macquarie-bank-office/>>, accessed 22 August 2017.

⁶ 'Up to 180 jobs to be slashed as Target announces shut down of Geelong headquarters', *9News* website, 14 April 2016, <<http://www.9news.com.au/national/2016/04/14/15/50/target-to-axe-180-jobs-as-they-shut-down-geelong-headquarters>>, accessed 19 July 2017.

⁷ 'Telstra workers at Moe to be laid off', *Sydney Morning Herald*, 16 February 2011, <http://www.smh.com.au/breaking-news-national/telstra-workers-at-moe-to-be-laid-off-20110216-1aw7m.html>> accessed 19 July 2017.

- 3.11 The role of the Commonwealth in encouraging greater decentralisation may largely rest in incentivising private sector companies. For example, by offering:
- early stage equity or access to affordable finance;
 - debt finance;
 - public private partnerships;
 - targeted funding or grants for industry; and
 - subsidies or exemptions from levies or taxes.
- 3.12 In her address to the National Press Club on 19 April 2017, the Minister for Regional Development, the Hon Senator Fiona Nash, made reference to the idea of a regional database. This idea arose during discussions with business groups regarding corporate decentralisation. The database would list ‘the strengths and natural advantages of Australia’s regions, as they related to business’. Specifically, Senator Nash said the database would include:
- ...local workforce skills and intellectual capacity, local infrastructure including transport links, natural advantages like climate for a wine region or access to reliable irrigation water, and established local industries and businesses which an arriving business could work with or service.⁸
- 3.13 Any business interested in establishing a presence in a regional or rural area could use the database to help determine which area might be best suited to their business needs.
- 3.14 The Committee is keen to hear of other examples or ideas to attract and retain corporate Australia to the regions.

Dr John McVeigh MP
Chair

⁸ The Honourable Fiona Nash, Minister for Regional Development, and Local Government and Territories, *Investing in the future of our regions*. Speech to the National Press Club, 19 April 2017, <http://minister.infrastructure.gov.au/nash/speeches/2017/fns001_2017.aspx>, accessed 9 August 2017.

A. List of Australian Experts

Mr Jack Archer: CEO Regional Australia Institute

- Contributed to major regional reform in water, climate change, indigenous issues and industry.

Professor Andrew Beer: University of South Australia, Chair Regional Studies Association

- Research interests include the operation and functioning of Australia's housing markets, the drivers of regional growth, economic change in major cities and the impacts of an ageing population.

Professor John Cole OAM: Executive Director of the Institute for Resilient Regions at the University of Southern Queensland

- Well credentialed in promoting innovation for sustainable development and industry competitiveness and regional resilience.

Ms Anne Dunn

- Chair of the Australian Government's Regional Women's Advisory Council; Director on Board of the Australian Rural Leadership Foundation; holds a Fellowship with the Australia Council.

Professor Robyn Eversole: Professor Social Impact, Centre for Social Impact, Swinburne University of Technology

- Published extensively on participatory development, poverty, community engagement, development governance, local economic development and social enterprise.

Professor Fiona Haslam McKenzie: Co-Director/Senior Principal Research Fellow, Centre for Regional Development, University of Western Australia

- Expertise in population and socio-economic change, housing, regional economic development and analysis of remote regional and urban socio-economic indicators.

Professor Tony Sorensen: University of New England

- Fellow of both the Institute of Australian Geographers and the Regional Australia Institute. Steering committee of the International Geographical Union's (IGU) Commission on Local and Regional Development and worked with the IGU's Commission on the Sustainability of Rural Systems.

B. List of Major Research

Chronological List of Selected Works/Reports Concerning Australian and International Examples of Regional Development and Decentralisation:

- 1 Finance and Public Administration Committee. *Operation, Effectiveness, and Consequences of the 'Public Governance, Performance and Accountability (Location or Corporate Commonwealth Entities) Order 2016*, Canberra: the Senate, 2017.
- 2 Productivity Commission, *Transitioning Regional Economies*, Initial Report, April 2017, <<http://www.pc.gov.au/inquiries/current/transitioning-regions/initial/transitioning-regions-initial.pdf>>, accessed 18 July 2017.
- 3 Pearson, L.J., Houghton, K. and How, G. *Lighting Up our Great Small Cities: Challenging Misconceptions*, The Regional Australia Institute, June 2017, <http://www.regionalaustralia.org.au/home/wp-content/uploads/2017/06/Lighting-Up-our-Great-Small-Cities_Report.pdf>, accessed 24 July 2017.
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- 6 Collits, Paul. 'Regional Policy in Post-War Australia: Much Ado about Nothing?,' in Anthony Hogan and Michelle Young (eds.), *Rural and Regional Futures*, Oxon: Routledge, 2015.
- 7 Cockfield, Geoff. 'From State Direction to Community Self-efficiency: The Devolution of Responsibility for Regional Development in Australia,' in Anthony Hogan and Michelle Young (eds.), *Rural and Regional Futures*, Oxon: Routledge, 2015.
- 8 Regional Australia Institute, *The Future of Regional Australia: Change on Our Terms*, Discussion Paper, November 2015,
<<http://www.regionalaustralia.org.au/wp-content/uploads/Change-on-our-terms-FINAL-20151126.pdf>>, accessed 18 July 2017.
- 9 Regional Development Australia. *Better Practice Guide*, 8 October 2015,
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<http://www.rdv.vic.gov.au/__data/assets/pdf_file/0008/1226942/9484-DEDJTR-REDS-Review-Document-WEB.pdf>, accessed 25 July 2017.
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<https://www.anao.gov.au/sites/g/files/net3201/f/ANAO_Report_2014-2015_09.pdf>, accessed 26 July 2017.
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- 15 Department of Immigration and Border Protection. *Regional retention of migrants: critical success factors*, January 2014, <<https://www.border.gov.au/ReportsandPublications/Documents/research/regional-retention-migrants.pdf>>, accessed 25 July 2017.
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C. List of Parliamentary Reports

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Standing Committee on Infrastructure, Transport, Regional Development and Local Government, *The global financial crisis and regional Australia*, 23 November 2008, PP 406/2009.

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Senate Finance and Public Administration References Committee, *The operation, effectiveness, and consequences of the Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016*, Report, 9 June 2017.

Senate Rural and Regional Affairs and Transport References Committee, *Future role and contribution of regional capitals to Australia*, Report, 24 November 2016.

Select Committee on the Scrutiny of Government Budget Measures, *Second interim report*, Report, 29 April 2016.

Senate Finance and Public Administration References Committee, *Regional Partnerships and Sustainable Regions programs*, Report, 6 October 2005, (additional information tabled on 9 December 2005), PP 226/05.

Joint

Parliamentary Joint Committee on Corporations & Financial Services, *Money matters in the bush - inquiry into the Level of Banking and Financial Services in Rural, Regional and Remote Areas of Australia*, Report, 15 February 2004, PP 14/2004.

Joint Standing Committee on Northern Australia, Reports tabled in June 2014, September 2014, February 2016 and April 2016:

- *Advisory Report on the Northern Australia Infrastructure Facility Bill 2016*, tabled: 14 April 2016, PP 104/2016.
- *Scaling Up Inquiry into Opportunities for Expanding Aquaculture in Northern Australia*, tabled: 22 February 2016, PP 33/2016.
- *Pivot North: Inquiry into the Development of Northern Australia - Final Report*, tabled: 4 September 2014, PP 194/2014.
- *Inquiry into the Development of Northern Australia—Interim Report*, tabled: 16 June 2014, PP 92/2014.

Other

The Committee of Commonwealth and State Officials on Decentralisation, *Report of the Committee*, July 1972, Parliamentary Paper 272/1972. The Committee was established following the July 1964 Premiers' Conference.

New South Wales

Legislative Council Select Committee on the Cronulla Fisheries Research Centre of Excellence, Report, June 2012 (Chapter 2).

- Legislative Council Standing Committee on State Development:
- Regional development and a global Sydney, (established 5 April 2017).
- Regional planning processes in NSW, 28 November 2016.
- Economic and social development in central western New South Wales, May 2012.
- Regional aviation services, October 2014.
- Skill shortages in rural and regional New South Wales, (2006).

Legislative Assembly Committee on Investment, Industry and Regional Development:

- Inquiry into support for start-ups in regional NSW (commenced 31 May 2017).

Other

The NSW Decentralisation Taskforce was appointed by the NSW Government in November 2012 to undertake a review of the Decade of Decentralisation strategy and associated programs and policies to date, including the: Regional Relocation Grant; Jobs Action Plan (regional component); Restart NSW (regional component); Resources for Regions; and Government agency relocations.

- *NSW Decentralisation Taskforce, Report, 24 April 2013.*
- *Government response to the NSW Decentralisation Taskforce Report, August 2013.*

Victoria

Joint Investigatory Committee on Environment, Natural Resources and Regional Development:

- Inquiry into sustainability and operational challenges of Victoria's rural and regional councils (current).
- Inquiry into the management, governance and use of environmental water in Victoria (current).

Past Inquiries

Former Joint Investigatory Committee on Rural and Regional services and Development:

- Inquiry into the Opportunities for Increasing Exports of Goods and Services from Regional Victoria (3-09-2014).
- Inquiry into the Opportunities for People to Use Telecommuting and E-Business to Work Remotely in Rural and Regional Victoria, (5-02-2014).
- Inquiry into the Impact of Food Safety Regulation on Farm and Other Businesses (21-03-2013).
- Inquiry into the Capacity of the Farming Sector to Attract and Retain Young Farmers and Respond to an Ageing Workforce (6-06-2012).
- Inquiry into Proposed Changes to Taxation Arrangements for Managed Investment Schemes (Non-Forestry) – LAPSED (2-11-2010).
- Inquiry into the Extent and Nature of Disadvantage and Inequity in Rural and Regional Victoria (7-10-2010).
- Inquiry into Positioning the Wimmera-Mallee Pipeline Region to Capitalise on New Economic Development Opportunities (30-08-2010).
- Inquiry into Regional Centres of the Future (1-11-2009).
- Inquiry into Rural and Regional Tourism (30-07-2008).
- Inquiry into Retaining Young People in Rural Towns and Communities (3-10-2006).
- Inquiry on Regional Telecommunications Infrastructure for Business (18-07-2006).
- Inquiry into the Cause of Fatality and Injury on Victorian Farms (9-08-2005).
- Inquiry into Country Football (30-11-2004).

Queensland

Infrastructure, Planning and Natural Resources Committee:

- Inquiry into the long-term financial sustainability of local government (current).
- *Fly in, fly out and other long distance commuting work practices in regional Queensland* (Chair J Pearce), Report No. 9, 55th Parliament, October 2015.

South Australia

House of Assembly, Environment, Resources and Development Committee:

- *Coastal Development, Sixty-first report of the Environment, Resources and Development Committee*, (Presiding member: L Breuer), tabled 20 November 2007.

- *Population Strategy, Sixty-seventh report of the Environment, Resources and Development Committee*, (Presiding member: G Thomson), tabled 27 June 2012.

Tasmania

House of Assembly, Standing Committee on Community Development, *Inquiry into Triabunna Wood Chip Mill and Future Development Opportunities for the Triabunna Region* (Chair: G Barnett), Report, 18 February 2015.

House of Assembly, Environment, Resources and Development Committee (Chair: B Best), *Inquiry into the Tasmanian Industrial Hemp Industry - Final Report*, 2013.

House of Assembly, Select Committee on the Costs of Housing, Building and Construction in Tasmania, (Chair R Hiddings):

- *Final Report*, 17 December 2013
- *Interim Report*, 22 November 2011
- *Interim Report 2*, 28 March 2012
- *Interim Report 3*, 20 November 2012
- *Interim Report 4*, 6 March 2013

Legislative Council Sessional Committee Government Administration B Built Heritage Tourism in Tasmania Sub-Committee (Chair: T Rattray), *Final report*, 9 February 2016.

Legislative Council Select Committee, *Growing Tasmania's Economy* (Chair: G Hall), Final report, 6 August 2015.

Legislative Council Select Committee Dairy Industry in Tasmania (Chair: G Hall), Established 20 September 2016.

West Australia

Legislative Council Finance and Public Administration Committee, *Impact of State Government Actions and Processes on the Use and Enjoyment of Freehold and Leasehold Land in Western Australia*, Report, 15 May 2004.

D. Examples of Regional Development Projects

Since 2010, over 160 Karen (Myanmar) refugees have been resettled in Nhill in north-west Victoria. Local company, Luv-a-Duck, has directly employed approximately one-third of the refugees. Analysis by Deloitte Access Economics estimates that the resettlement plan has added a total of 70 full-time jobs and \$41.5 million to the local economy.¹

Sundrop Farms operating since 2010, has recently expanded its facilities in Port Augusta by 20 hectares under a \$150 million project, creating 200 new jobs for the region. Under the project, Sundrop Farms worked collaboratively with the government of South Australia, receiving \$6 million under the state's Regional Development Fund scheme in the expansion.²

Also under the South Australian Government's Regional Development Fund scheme, Thomas Foods International has received \$2.5 million in funding to contribute to a \$25.4 million upgrade to its capacity, resulting in 200 new jobs in Murray Bridge.³

¹ 'Small Towns, Big Returns: Economic and social impact of the Karen resettlement in Nhill', AMES Research and Policy and Deloitte Access Economics, March 2015, <<https://www.ames.net.au/files/file/Research/19933%20AMES%20Nhill%20Report%20LR.pdf>>, accessed 24 July 2017.

² Government of South Australia. 'Sundrop Farms,' Supporting Regional South Australia, Department of Primary Industries and Regional SA, <http://www.pir.sa.gov.au/regions/grants/regional_development_fund/supporting_regional_sa>, accessed 24 July 2017.

³ Government of South Australia. 'Thomas Foods International,' Supporting Regional South Australia, Department of Primary Industries and Regional SA,

Australian Paper in Maryvale has received \$5 million support from the Federal and State governments in support of a \$600 million proposal to convert household waste to energy. The project aims to provide the company with an alternative source of power. Australian Paper is the Latrobe Valley's largest private employer, providing more than 1000 jobs for the region.⁴ The new project expects to create 800 new jobs during construction and 46 full time positions.⁵

FKG Group is currently developing the Toowoomba Technology Park, a 29 hectare facility which will be Australia's first regional data centre. The Park will utilise Toowoomba's location as a logistic hub and NBN infrastructure. The Park includes the Pulse Data Centre which has been developed in partnership with the University of Southern Queensland. The Park could eventually generate between 5,000 and 10,000 jobs for the region.⁶

<http://www.pir.sa.gov.au/regions/grants/regional_development_fund/supporting_regional_sa>, accessed 24 July 2017.

⁴ Mr Darren Chester MP, Federal Member for Gippsland. 'Government support for innovative waste to energy project in Victoria's Latrobe Valley,' 6 July 2017, <<https://darrenchester.com.au/government-support-innovative-waste-energy-project-victorias-latrobe-valley/>>, 24 July 2017.

⁵ Minear, T., 'Australian Paper plan to turn waste into power,' *Herald Sun*, 6 July 2017, <<http://www.heraldsun.com.au/news/victoria/australian-paper-plan-to-turn-waste-into-power/news-story/f4c40b6f69e6ca185aa7cfc8cddd9b25>>, accessed 24 July 2017.

⁶ Backhouse, A., 'How FKG is building Toowoomba's own Silicon Valley,' *The Chronicle*, 11 May 2016, <<https://www.thechronicle.com.au/news/plans-released-100m-technology-park-toowoomba/3023028/>>, accessed 24 July 2017; and Syvret, P., 'Toowoomba's own new data and technology hub to complement its own transport and logistics sector,' *Courier Mail*, 23 February 2017, <<http://www.couriermail.com.au/goqld/goqld-toowoombas-new-data-and-technology-hub-to-compliment-its-transport-and-logistics-sectors/news-story/03e2bd58abb1b07918f06f5202020d03>>, accessed 24 July 2017.