



# REGIONAL CITIES NSW

## POSITION PAPER

### About

Regional Cities New South Wales (RCNSW) is an alliance of 15 regional cities from across the state. The alliance aims to grow regional cities in New South Wales (NSW) through increased investment that will build productive, liveable and connected regions.

### What we do:

ADVISE	PARTNER	ADVOCATE	INNOVATE	COLLABORATE
Provide advice on issues, trends and other developments affecting our members that can inform and assist a Government response.	Partner with Governments on the development of policy, planning, strategies and investment decisions.	Advocate for appropriate government funding to invest in the services and infrastructure that regional cities need to grow, innovate and thrive.	Identify opportunities and impediments for the development of regional cities and develop innovative solutions to manage them.	Bring alignment between state players responsible for regional development, urban policy and population growth.

### Why Regional Cities?

Regional cities are thriving urban centres that provide a high level of economic activity, amenity and affordability. These cities are strong regional hubs providing a central point to access essential transport, health, business, employment and education and other services.

These services and infrastructure are accessed by local residents as well as those in surrounding towns and rural areas - strong regional cities create strong regions.

Due to the service hub role that regional cities play, these cities can also provide a liveable and affordable alternative to people and businesses seeking to escape the crushing congestion of Sydney, Australia's largest city. All RCNSW members have scalable infrastructure and services that can accommodate a growing population – meaning all RCNSW members are ready to take a larger share of the state's growing population.

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### Impact of Regional Cities

RCNSW has a combined population of almost 1 million people, which is forecast to rise by about 150,000 in just over 10 years. The RCNSW cities currently share just over 12% of the state's population, indicating that more must be done to enable a greater share of the state's growing population to reside in a regional city.

The cities generate \$44 billion in gross regional product annually, have almost 420,000 jobs and more than 75,000 active businesses. The average unemployment rate in these cities is 5.4%, which is slightly higher than the NSW average of 4.8%, indicating again that more must be done to facilitate a greater share of the state's growing business sector to invest in a regional city.

Healthcare and social assistance, retail trade, education and training as well as accommodation and food services account for nearly 50% of all local jobs in these cities. The prevalence of these professions highlights the important service role that regional cities have in supporting regional NSW.

### Policy Framework

RCNSW acknowledges the work done to build a state framework that aims to further develop regional NSW. We also recognise the strong evidence base created to inform the framework through the formation of individual regional plans, the state infrastructure strategy, a long-term transport master plan and an overarching economic development strategy for the regions.

These plans also aim to position the regions to take advantage of international and digital 'megatrends,' such as the rise of Asia's economic power; rapid urbanisation; demographic and social change with an ageing population as well as digital advancement and disruption already occurring across all economies.

The alliance also welcomes the objectives within the framework aimed at ensuring a baseline of service provision across the regions while growing regional cities to be strong regional hubs and delivering economic projects that will activate regional economies.

It is the position of RCNSW that while our members should be strengthened as regional hubs, we also have the potential to play a critical and therefore greater role in the future prosperity of NSW.

Our member cities have aspirations to grow and attract a larger share of the State's population and economic activity – providing relief to a congested public and freight transport systems while also providing a liveable alternative to an overcrowded and unaffordable Sydney.

To achieve this outcome RCNSW, recommends the Government act quickly and as a first priority, build the capacity of regional cities to grow by:

1. Enabling a greater share of the state's rapidly increasing population to reside in regional cities; and
2. Growing the State's productivity through:
  - 2a. Better digital and transport connectivity that connects regions to each other as well as Sydney and international markets; and
  - 2b. Creating a regional network of special activation precincts focused on each city's special attributes and endowments.

This can be achieved through:

1. The creation of a New South Wales population plan aimed at growing regional cities; and
2. Targeted investment of some of the \$4.2 billion Snowy Hydro Legacy Fund to expediently plan for and build:
  - 2a. Regionally based digital connectivity assets;
  - 2b. Freight and public transport connectivity infrastructure; and
  - 2c. Develop additional special activation precincts located in regional cities by optimising regional city endowments.



### RCNSW Priority Investments

#### Population Planning

Australia's population is growing at an unprecedented rate; in 2018 the nation hit 25 million two decades earlier than expected. The vast under-estimation of growth over this period means that the nation is in catch-up mode and has lost 20 years of the planning and investment needed to support a liveable and productive state.

Sydney has been at the forefront of this unplanned growth, with the city now in the middle of a congestion and productivity crisis that is costing the state's economy \$5.5 billion per year. This this is expected to grow to \$14.8 billion per year by 2030.

At the same time rural NSW has been in a state of decline, with small rural towns losing population and subsequently services due to a lack of the critical mass that is normally required to maintain consistency. Regional cities however have the right level of scalable infrastructure required to support a growing businesses sector and population base.

RCNSW acknowledges the intent to support growth in regional cities through the *20-Year Economic Vision for Regional NSW*, however to manage the effects of both growth and decline, a strategic approach to population planning is now required. This approach is not evidenced in the current Department of Planning and Environment regional plans.

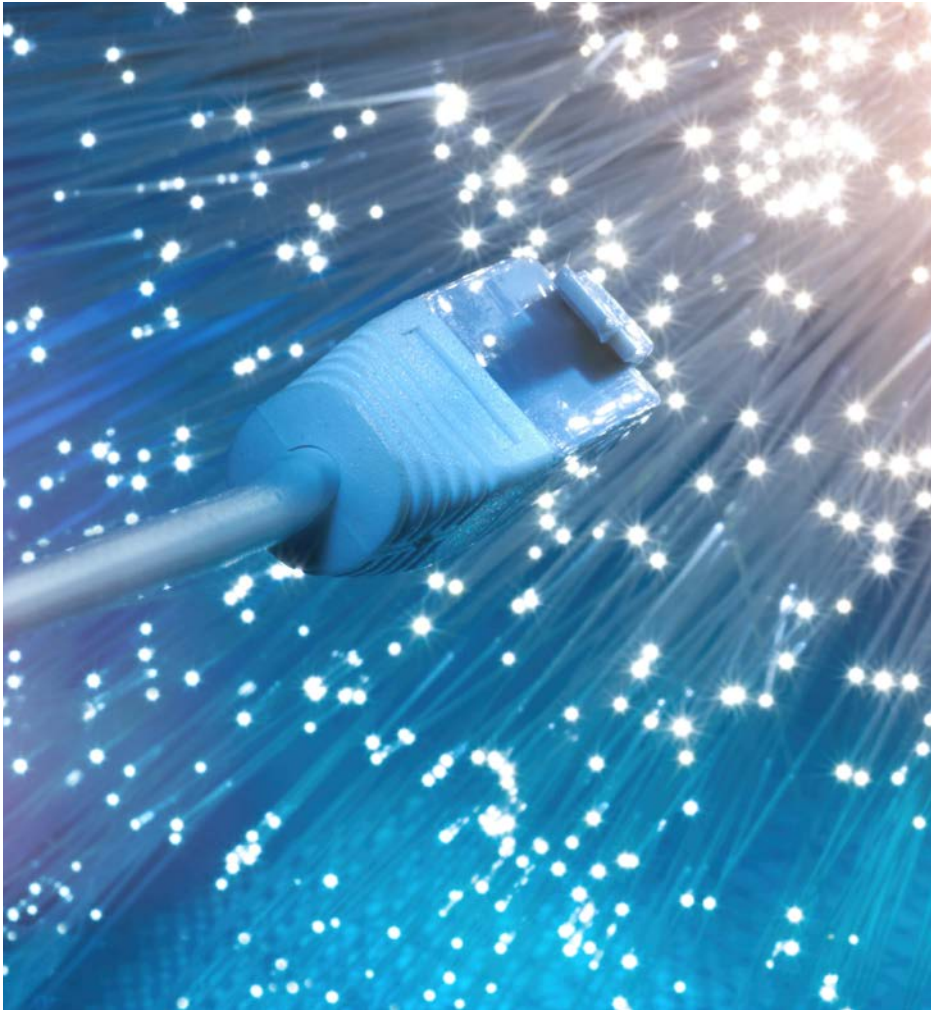
A strategic approach should act quickly to deliver a sustainable, productive and liveable NSW, where the benefits of growth are shared more equally across the state. Regional cities are key to this solution.

As the Federal Government is currently seeking to address this issue through the development of a national population plan, RCNSW also recommends the State Government develop a population plan that will encourage new migration and movement of existing Sydney growth to regional cities.

#### Recommendation

**The creation of a NSW population plan aimed at ensuring there is a greater share of population growth occurring in regional cities. The RCNSW recommends an aspirational target of 60/40 share of growth (population growth) between the Metropolitan basin (Sydney, Wollongong and Newcastle) and regional NSW.**





### Snowy Hydro Legacy Fund

RCNSW commends the initiative to ensure the \$4.2 billion secured from the sale of the Snowy Hydro stays within the boundaries of regional NSW. It is the position of RCNSW that the Snowy Hydro Legacy Fund provides a once-in-a-lifetime opportunity to bring balance to the years of solid metropolitan investment and create the required strategic and fundamental building blocks for a strong, social and economic future for those living in the regions. It is therefore important that this investment does not overfund communities in the metropolitan basin. The items below outline RCNSW's priorities for investment when targeting this funding.

#### Connectivity

Connected regional cities that have consistent air services, faster-rail, high-speed broadband and mobile access are fundamental to enabling regional economies. These connections should aim to connect regions to each other, as well as to metropolitan capitals and international markets. This should be done to overcome the tyranny of distance and provide private and public sectors with the tools required to be innovative, entrepreneurial, increase their productive output and importantly create more local jobs.

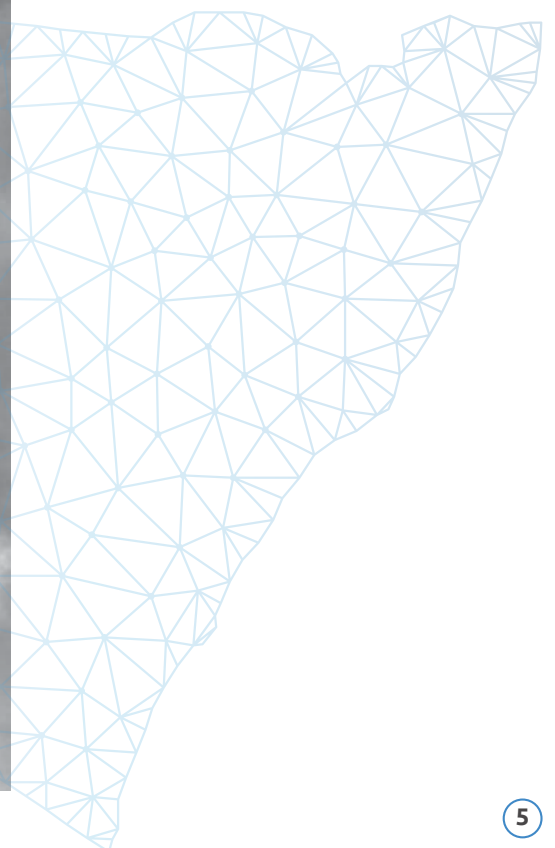
### Digital connectivity

#### Broadband and Mobile

The rapid acceleration of e-commerce and e-service delivery provides a fundamental platform to connect cities and their residents to the world and provide a basis for creating a more equitable level of service delivery. As RCNSW members seek to increase their city's role as service hubs, grow their population, economic diversity and facilitate entrepreneurship, the right digital infrastructure must be provided. The cost of not having this infrastructure in place will create economic and social leaks, where businesses and communities seek more connected places to live and work. A network of regional data centres should be examined.

While the NBN was touted as a platform for narrowing the economic and social inequity between regional cities and metropolitan capitals, the delivery of this infrastructure has not been fully realised in many parts of regional NSW. More must be done by the State Government to address the digital divide throughout the regions.

This is equally the case for mobile connectivity, where today many mobile blackspots still exist throughout the state. While mobile connectivity also provides the opportunity to enable social and economic participation, this service is now seen as the last line of defence to protect lives in emergency situations that are prevalent in regional communities. Regional cities have welcomed the ongoing investment in the Mobile Black Spot Program at a federal level but also call on the State to do more to address these gaps.



### Freight and Public Transport Connectivity

#### Rail

The state's capital Sydney, is suffering from high levels of congestion which impedes the movement of goods and people through both the public transport and freight network. A new solution is now required such as high-speed rail which can connect a regional city's people and product to other regions as well as the metropolitan capital, while supporting a mobile workforce and aiding in public and corporate decentralisation.

The infrastructure can also allow and attract more people to choose the affordable and relaxed lifestyle of a regional city while still maintaining links to a metropolitan based workforce.

RCNSW acknowledges the game changing work done to investigate new freight connectivity aimed at taking advantage of the Inland Rail Project. More work must be done to assess the investment opportunities for east-west connections across the dividing range and consider how better regional networks can reduce congestion and multi-handling in metropolitan ports.

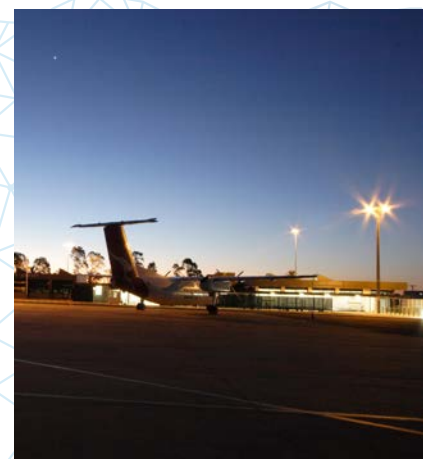
The alliance also recognises the work done to build better public transport connections for commuter cities in close proximity to Sydney, which has enabled strong growth in the cities of Wollongong, Newcastle and Canberra. It is for this reason that RCNSW would like to see the investment widened outside of the metropolitan basin to deliver projects that will have genuine growth in both inland and coastal regional cities.

#### Roads

Regional roads are enabling connectors, providing gateways to national and international markets while creating opportunities for employment, tourism and access to key services in neighbouring regional towns. Ongoing investment to build safer roads will maintain strong connectivity between Australia's metropolitan cities, regional capital cities, and rural and remote towns.

#### Airports

Airports in regional capital cities play a crucial role in connecting individuals, facilitating trade, providing employment and supporting tourism. Regional airports are also hubs for emergency and medical services and play a large role in same-day business travel to metropolitan/capital cities. The cost of urgent upgrades in regional city airports and the increasing burden of ongoing security upgrades are onerous. RCNSW acknowledges the investments made into regional city airports, but suggests that more can be done to identify how these airports can be expanded to grow domestic and international markets particularly through infrastructure investments in regional cities to create global air and port gateways. A regional freight and export airport/s infrastructure program should be explored.



#### Recommendation

Using the Snowy Hydro Legacy Fund in regional NSW to:

- Work with RCNSW members on identifying the required level of digital, freight and public transport connectivity necessary within their cities; and
- In partnership with the Federal Government identify an infrastructure delivery program to close any identified gaps and take advantage of growth opportunities.



### Special Activation Precincts

RCNSW welcomes announcements to create two Special Activation Precincts (SAP) in regional NSW. The ground-breaking initiative will seek to fast-track regional investment by undertaking detailed land use, master and infrastructure planning based on a region's endowments to attract major employers, drive local economies and create a diverse range of local jobs.

RCNSW acknowledges that this initiative will have a transformational effect on the identified regional economies. The alliance recommends further investigations take place to ensure that this transformational effect can be delivered across regional NSW, allowing all regional cities to value-add to their economies through their individual endowments.

#### Recommendation

Using the Snowy Hydro Legacy Fund, seek to:

- **Develop additional special or regional activation precincts located in regional cities by optimising regional city endowments.**

### For more information:

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