



INQUIRY INTO REGIONAL DEVELOPMENT

SELECT COMMITTEE ON REGIONAL DEVELOPMENT

NOVEMBER 2013

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RESOLUTION OF APPOINTMENT

At its meeting on Thursday, 28 February 2013, the Assembly passed the following resolution:

“That:

- (1) this Assembly notes:
 - (a) that the ACT acts as a regional centre to the surrounding regions of NSW; and
 - (b) that the ACT Government has an ongoing relationship with the NSW Government and surrounding local governments;
- (2) a Select Committee on Regional Development be established;
- (3) the select committee shall consist of two members nominated by the Government and two members nominated by the Opposition, to be nominated to the Speaker by 4 pm on this sitting day.
- (4) that a Government Member shall be elected chair of the committee;
- (5) the select committee shall inquire and report into the ACT’s relationship with the surrounding region, including, but not limited to:
 - (a) the identification of opportunities and supporting governance structures to coordinate economic development, including tourism and transport across the region;
 - (b) the coordination of service planning and service delivery, particularly in the areas of health and education;
 - (c) the opportunities for collaborative procurement by ACT Government with surrounding local governments;
 - (d) further cooperation at the local government level on environmental and conservation matters and building community resilience to deal with natural disasters, extreme weather events and climate change; and
 - (e) any other relevant matter; and
- (6) the select committee shall report no later than the last sitting week in September 2013.”

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RECOMMENDATIONS

RECOMMENDATION 1

2.108 The Committee recommends that the ACT Government make arrangements in the ACT, and make representations to the NSW Government, so as to improve coordination at the state and territory level and across local government areas.

RECOMMENDATION 2

2.113 The Committee recommends that the ACT Government define, in consultation, its present and future relationship with each of the Local Government Areas in the region to produce an articulated picture of its engagement with the region, and a basis on which to develop its regional relationships.

RECOMMENDATION 3

2.119 The Committee recommends that the ACT and NSW Governments refer to the region, consistently, as the Australian Capital Region as defined by the Australian Bureau of Statistics.

RECOMMENDATION 4

2.120 The Committee recommends that the ACT and NSW Governments, in collaboration, develop a brand and marketing strategy for the region that draws on its agricultural production, including wine and specialty foods; its 'clean, green' image; renewable energy production; and natural assets including the Snowy Mountains and the South Coast.

RECOMMENDATION 5

3.106 The Committee recommends that the ACT Government work, in association with the NSW Government, under the auspices of the Memorandum of Understanding process, to develop template arrangements which can be applied in different areas to resolve regulatory inconsistency and duplication, and to provide for equitable funding arrangements between the two jurisdictions.

RECOMMENDATION 6

3.107 The Committee recommends that the ACT Government work in association with the Government of NSW to advocate on behalf of legislative arrangements, such as model legislation, which will foster inter-jurisdictional cooperation across borders within the Australian Federation.

RECOMMENDATION 7

3.108 That the ACT Government work in association with the Government of NSW to create regulatory conditions and funding streams favourable to the areas of expanding economic activity and employment growth identified in the *Greater Capital Region Strategy—Stage 1* report.

RECOMMENDATION 8

4.210 The Committee recommends that the ACT Government form coalitions within the region based on common interest to lobby for Commonwealth funds for transport infrastructure, and that grants applications should be based on data collected on current and projected use, accident rates, projected economic benefits if the infrastructure is built, and opportunity cost.

RECOMMENDATION 9

4.213 The Committee recommends that the ACT Government work, in consultation with the NSW Government and local government authorities in the Australian Capital Region, to establish priorities and an agenda for a program of transport infrastructure upgrades, to inform applications for federal funding for infrastructure upgrades, and to provide a work program for upgrades.

RECOMMENDATION 10

4.223 The Committee recommends that the ACT Government improve inter-modal transport connections noting the significance of Canberra Airport within the region.

RECOMMENDATION 11

4.231 The Committee recommends that the ACT Government's Red Tape Committee place a high priority on resolving cross-border regulatory conflicts and duplications on public transport, so that effective public transport links can be established between locations in the ACT and those in NSW.

RECOMMENDATION 12

4.235 The Committee recommends that the ACT Government review workplace policies on working from locations in the region (that is, teleworking) to ensure that this is an option available to ACT Public Service employees.

RECOMMENDATION 13

4.239 The Committee recommends that the ACT Government, in association with the NSW Government, monitor progress on the roll-out of broadband services to locations in the Australian Capital Region and if necessary advocate on behalf of effective broadband services for locations in the region.

RECOMMENDATION 14

5.122 The Committee recommends that the ACT Government, in association with the NSW Government, establish a process to define and promote a tourism brand for the Australian Capital Region based on its 'clean green' image, natural attractions, and wine and food producers. This will entail working with individual businesses and local government authorities in the region to position their attractions within the overall brand.

RECOMMENDATION 15

5.127 The Committee recommends that the ACT Government:

- ensures that the growth of renewable energy generation in the region is not obstructed by inconsistent or duplicate regulation;
- works to create and maintain a favourable legislative and regulatory conditions for renewable energy in the ACT and region; and
- continues to foster demand for renewable energy in the ACT.

RECOMMENDATION 16

5.137 The Committee recommends that relevant agencies of the ACT Government, working in collaboration with those of the NSW Government, build on the collaborative and coordinated approach amongst defence contractors present in the region, with a view to supporting bids for large Defence contracts in the region.

RECOMMENDATION 17

6.201 The Committee recommends that the ACT Government work to promote Canberra as a University City focused on attracting and retaining students from within the region. The ACT Government should develop programs designed to retain students within the region, including assisting them to identify work opportunities.

RECOMMENDATION 18

7.39 The Committee recommends that the ACT Government, in association with the NSW Government, as a matter of priority develop template arrangements to allow it to enter into collaborative procurement with local government in the region, and to allow local governments to participate in contract processes initiated by the Territory.

RECOMMENDATION 19

8.130 The Committee recommends that the ACT Government makes a request of the ACT Commissioner for Sustainability and the Environment to do additional

collaborative work with SEROC member councils to improve environmental reporting in the region.

1 INTRODUCTION

THE INQUIRY

- 1.1 The Select Committee's inquiry into regional development considered the ACT's relationship and engagement with its surrounding region, in particular in the matters of:
- economic development;
 - service delivery;
 - collaborative procurement; and
 - the environment, conservation, and community resilience.

CONDUCT OF THE INQUIRY

- 1.2 The Committee was established by the Legislative Assembly on Thursday, 28 February 2013. It advertised the inquiry in both the ACT and regional New South Wales (NSW), and received 19 submissions. It heard from 34 witnesses at three public hearings, held on 23 May, 29 May and 22 August 2013.

STRUCTURE OF REPORT

- 1.3 This report begins with this introduction, three chapters providing background, followed by five chapters which respond to the terms of Part 5 of the Committee's Resolution of Appointment, in the same sequence.
- 1.4 This introduction gives an overview of key issues considered in the report, an account of the conduct of the inquiry and this description of the report's structure.
- 1.5 The second and third chapters are background and context for the inquiry.
- 1.6 The second chapter is in two parts:
- The first part describes formal arrangements providing for links between the ACT Government, the NSW Government, and local councils in regional New South Wales. These include the ACT Government's Memorandum of Understanding with the NSW Government; its membership of the South Eastern Regional Organisation of Councils (SERO), and its part in the Greater Capital Region Strategy.

- The second part describes the demographic characteristics of the region, its sub-regions, its local government areas; different ways of grouping the component parts of the region; and different ways to define the region.
- 1.7 The third chapter provides four different global perspectives on the region, from the point of view of Regional Development Australia ACT (RDA ACT), the NSW Cross-Border Commissioner, Communities@Work and the *Greater Capital Region Strategy —Stage 1* report. These furnish a snapshot of challenges and opportunities faced by the region across a range of areas.
- 1.8 The balance of the report responds in detail to the Committee's terms of reference, as follows.
- 1.9 The fourth and fifth chapters consider Term 5(a) from the Committee's Resolution of Appointment, 'the identification of opportunities and supporting governance structures to coordinate economic development, including tourism and transport across the region'.
- Chapter 4 considers transport and related matters; and
 - Chapter 5 considers tourism, energy, agriculture and other areas of economic activity.
- 1.10 The sixth chapter considers Term 5(b), 'the coordination of service planning and service delivery, particularly in the areas of health and education'. It begins with a consideration of health and education and then moves to consider water as a further significant service which is negotiated across ACT and NSW borders.
- 1.11 The seventh chapter considers Term 5(c), 'opportunities for collaborative procurement by ACT Government with surrounding local governments', reflecting the opportunities in this area flagged by contributors to the inquiry, and precedents for this kind of activity.
- 1.12 The eighth chapter considers Term 5(d), 'further cooperation at the local government level on environmental and conservation matters and building community resilience to deal with natural disasters, extreme weather events and climate change'. It describes significant challenges in environmental and sustainability for the region, and factors promoting or detracting from the resilience of regional communities.
- 1.13 A ninth and final chapter concludes the report. This presents the overall reflections of the Committee on the inquiry, summarising and synthesising the views put forward by the Committee at the end of each chapter.

2 CHARACTERISTICS OF THE REGION

INTRODUCTION

- 2.1 At present, the ACT's regional engagement takes the form of a series of formal agreements and memberships, including:
- a Memorandum of Understanding between the ACT and NSW governments;
 - the ACT Government's move to join SEROC, the South Eastern Organisation of Regional Councils; and
 - the ACT Government's participation, together with the Commonwealth and NSW governments, local government bodies, and RDA ACT, in the Greater Capital Region Strategy.
- 2.2 These are discussed below.

ACT—NSW MEMORANDUM OF UNDERSTANDING

THE AGREEMENT

- 2.3 The ACT Government submission to the inquiry advised the Committee that the MoU was signed by the ACT Chief Minister and the NSW Premier in December 2011. The MoU, it suggested:
- strengthens collaboration between the two jurisdictions to optimise regional outcomes and service delivery to the ACT and surrounding South East NSW region. Closer collaboration allows for a regional approach in the areas of health, education, transport, emergency services, justice, tourism, planning and economic development.¹
- 2.4 Priority areas had been identified by the ACT and NSW Governments as:
- strategic regional direction and priorities including developing a statement that identifies opportunities for maximising economic development;
 - landuse planning and infrastructure expressed through a strategic land use and infrastructure plan, including a mechanism to apportion infrastructure costs to each jurisdiction; and

¹ ACT Government, Submission No.16, p.9.

- integrated service planning, initially focusing on health and education sectors.²
- 2.5 The submission advised that implementation of matters being progressed under the MoU was being administered by ACT Chief Minister and Treasury Directorate (CMTD) and the NSW Department of Premier and Cabinet (DPC).³

REACTIONS TO THE AGREEMENT

- 2.6 The *Greater Capital Region Strategy — Stage 1* report stated that the MoU ‘heralded in a new era of cooperation between the ACT and NSW governments’.⁴ It suggested that, together with the Commonwealth’s involvement and ‘place-based approach’, the MoU represented ‘a unique opportunity’ to address ‘many of the constraints to regional development’ and ‘seize a range of economic development opportunities in the Greater Capital Region’,⁵ and that:

With the involvement of other key stakeholders including the Southern Inland, Far South Coast and ACT Regional Development Australia (RDA) Committees and the South East Regional Organisation of Councils (SEROC) this [was] a significant opportunity to exploit the competitive advantages of the region.⁶

- 2.7 The NSW Cross-Border Commissioner, in his submission to the inquiry, also adopted a positive view of the agreement:

The level of cooperation that is occurring under this MoU is very encouraging and reflects the changing dynamics in the south east region as the regional population, including that of the ACT, continues to grow.⁷

ROOM FOR IMPROVEMENT

- 2.8 In spite of these positive views, witnesses suggested that the relationship provided for by the MoU could—and should—be improved. The Chief Minister gave an example, referring to NSW transport and road planning for South East NSW:

There is a big white hole in one of the maps that they have used, and that white hole is Canberra. So all roads that go to Canberra are not seen as a priority in terms of infrastructure planning. They just end.⁸

² ACT Government, Submission No.16, p.9.

³ ACT Government, Submission No.16, p.9.

⁴ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.7.

⁵ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.7.

⁶ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.7.

⁷ NSW Cross-Border Commissioner, Submission No.17, p.1.

⁸ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.47.

2.9 As a result, she told the Committee:

When you look at the pressure on roads, it is those roads leading to Canberra, like Macs Reef Road, the Kings Highway and the Barton Highway. They do not feature strongly in priorities for regional commonwealth funding increases because they are not mapping the traffic coming out of Canberra and into Canberra. They are looking at it just from a New South Wales point of view.⁹

2.10 For this reason, she told the Committee, it was important to 'get the New South Wales government to start thinking like a region' and that this, in her view, was a key aspect of the Memorandum of Understanding (MoU) with NSW.¹⁰

ACT AND SEROC

ACT MEMBERSHIP OF SEROC

2.11 The ACT Government became a 'formal member' of the South East Regional Organisation of Councils (SEROC) in May 2012. Previously it had held 'observer status'. As for the relationship with NSW, in this instance the ACT's membership was formalised by means of a Memorandum of Understanding.¹¹

2.12 The South East Regional Organisation of Councils (SEROC) comprises regional local governments from Bombala, Boorowa, Cooma-Monaro, Eurobodalla, Goulburn-Mulwaree, Harden, Palerang, Queanbeyan, Snowy River, Upper Lachlan, Yass Valley and Young.¹²

2.13 Activities by SEROC in the region were noted in the ACT Government's submission.¹³

REACTIONS TO MEMBERSHIP

POSITIVE REACTIONS

2.14 Reactions to the ACT's membership of SEROC were largely positive, from both the ACT Government and SEROC local council members.

2.15 On 29 May 2013 the Chief Minister told the Committee that in the previous week the ACT had hosted 'first SEROC meeting where the ACT has been a full member'. She said that the meeting

⁹ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.47.

¹⁰ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.47.

¹¹ Chief Minister and Treasury Directorate, 'Engagement with NSW Local Councils', viewed 23/08/2013, <http://www.cmd.act.gov.au/policystrategic/regional/local>

¹² Chief Minister and Treasury Directorate, 'Engagement with NSW Local Councils', viewed 23/08/2013, <http://www.cmd.act.gov.au/policystrategic/regional/local>

¹³ ACT Government, Submission No.16, p.14.

had provided 'the opportunity to look at some of the achievements', and that the 'part of the work that [needed] to be finalised' was 'unanimous agreement about what the priorities should be for the region'.¹⁴

- 2.16 From among SEROC local council members, the Mayor of Goulburn Mulwaree Council told the Committee that he believed that 'the membership of the ACT in SEROC and their participation in our debates and our ongoing projects is invaluable':

Their contribution has been strong. Regardless of whether the Chief Minister attends the meetings, there is always representation there from her department. And that is strong, collaborative, suggestive and very helpful to what we are trying to achieve for the whole region with SEROC.¹⁵

- 2.17 The Mayor of Palerang Council also put forward a positive view:

I think that, simply by being involved with SEROC, the ACT government have provided a commitment. The very fact that they are in there, in one sense, even if they do not turn up to meetings, makes it easier to talk to other sectors of the ACT government, to get assistance, by virtue of the fact that they are there.¹⁶

- 2.18 A submission by Palerang Council expanded on this:

The mutual benefit to be derived from simply working together on projects or within groups such as the RDA workshops on Renewable Energy, the recent ABS demography workshop, SEROC activities etc., cannot be overestimated. These opportunities provide a forum for representatives to learn about projects that are being undertaken in adjacent regions, building relationships and broadening experience that feed into other application areas. These sorts of opportunities should be encouraged whenever possible.¹⁷

'OPPORTUNITIES FOR IMPROVEMENT'

- 2.19 SEROC member councils also indicated that there were also 'opportunities for improvement' in the relationship between the ACT and SEROC.¹⁸

- 2.20 The Mayor of Cooma-Monaro Shire Council told the Committee that although it was 'fantastic' that the ACT Government had become a SEROC member, he thought that 'some of the

¹⁴ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.36.

¹⁵ Mr Kettle, *Proof Transcript of Evidence*, 23 May 2013, p.24.

¹⁶ Mr Harrison, *Proof Transcript of Evidence*, 23 May 2013, p.24.

¹⁷ Palerang Council, Submission No.13, p.7.

¹⁸ Mr Harrison, *Proof Transcript of Evidence*, 23 May 2013, p.25.

engagement from ACT into SEROC has been poor', and that process within SEROC board meetings could be changed to address this.¹⁹

2.21 In particular, he told the Committee:

... we are here today at this meeting discussing things like tourism, education and what have you. This should be done ... at that SEROC board level. I believe that if that is an issue for the Chief Minister ... that should be raised, minuted and then there has to be submissions from all the local government agencies into something that you require some information on. I think that structure is already there if you need it.²⁰

2.22 The General Manager of Palerang Council agreed, telling the Committee that:

If we and the ACT are going to get the full benefit of that cooperation, it should be on the board meeting agendas and discussed seriously.²¹

THE NSW LOCAL GOVERNMENT REVIEW

2.23 A number of contributors to the inquiry noted the potential significance of a NSW Government review of local regional councils for the ACT's engagement with regional councils.

VIEWS OF THE ACT GOVERNMENT

2.24 The ACT Government's submission referenced the review process, and indicated that within SEROC member councils four county councils were proposed:

- Capital: Queanbeyan as the regional centre merging with Palerang, Yass Valley, Goulburn;
- Mulwaree, Upper Lachlan and incorporating Wingacarrabee;
- Snowy-Monaro: Snowy River, Cooma-Monaro and Bombala;
- South Coast: Shoalhaven, Eurobodalla and Bega Valley; and
- Central West: Harden, Boorowa, Young, along with other councils further west.²²

2.25 The submission also quoted an acknowledgement by the panel conducting the review of the importance of 'cross-border economic and social links and provision of essential services' between the ACT and regional NSW and a commitment to 'local and regional governance [which would] facilitate cross-border collaboration'.²³

¹⁹ Mr Lynch, *Proof Transcript of Evidence*, 23 May 2013, p.24.

²⁰ Mr Lynch, *Proof Transcript of Evidence*, 23 May 2013, p.24.

²¹ Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, p.25.

²² ACT Government, Submission No.16, p.26.

²³ ACT Government, Submission No.16, pp.26-27.

- 2.26 The Chief Minister, in her contributions to the inquiry, also acknowledged the influence of the council review on regional councils, among other things:

From my dealings with the region, every local government is under huge challenges. They have got ageing infrastructure. They do not have the capacity to raise revenue in New South Wales because of the rate pegging. They have got this huge change underway. The paper is out about county councils. So a lot of change is underway. That is forcing the councils to have a much closer consideration about what their priorities are going to be.²⁴

VIEWS OF SEROC MEMBER COUNCILS

- 2.27 The General Manager of Palerang Council noted this as a matter of concern for SEROC members, and put the view that the attention of local council SEROC members was necessarily divided between this and engagement with the ACT. As a result he had wondered 'whether the ACT [was] getting the full benefit of their membership yet'. However, in his view 'it [could] only get better from now on'.²⁵
- 2.28 These concerns were reflected in comments by the Mayor of Goulburn Mulwaree Council, who suggested that in light of the local government review, that '[e]verything could change, having regard to the way we are at the moment'.²⁶
- 2.29 This point was continued by the Mayor of Bega Valley Shire Council, who raised the possibility that one possible result of the NSW local government review was that Regional Organisations of Councils, such as SEROC itself, may no longer exist. He proposed two scenarios for successors. First, he suggested, the 'mix of county councils' proposed under the review 'might become the means of engagement between the ACT and ... local government'.²⁷
- 2.30 He went on to say that there was however a better, second option through which to provide a successor to SEROC. This was to:

move away from that and think more about the Regional Development Australia committee structure, which completely surrounds the ACT, the south coast and so forth. I understand in the main that general managers or councillors are at least represented on all of those RDA committees. There is already evidence of the strength of the combined integrated activity between the southern inland, the ACT and the south coast RDAs. It pulls together the best of local government in terms of the

²⁴ Ms Katie Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.46.

²⁵ Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, p.25.

²⁶ Mr Kettle, *Proof Transcript of Evidence*, 23 May 2013, p.17.

²⁷ Mr Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.12.

projects and initiatives from an infrastructure point of view, as well as the initiative and ideas of the private sector.²⁸

2.31 This would, he suggested, in terms of economic development:

may well be a structure that would work better because it already engages federal and state government, and obviously the ACT government. That might be a better forum to try and pool the economic development initiatives.²⁹

2.32 Moreover, 'most economic development initiatives coming forward so far [were] infrastructure led' and this, in his view, 'bodes well for local government involvement'.³⁰

GREATER CAPITAL REGION STRATEGY

2.33 The ACT Government submission to the inquiry refers to the development of 'a statement that identifies opportunities and priorities for maximising economic development' in the region.

2.34 This, the submission advised, was 'being progressed as the Greater Capital Region Strategy', a 'cross-border initiative, which is a place-based approach for the ACT and South East NSW region', centred on 'maximising economic development through improved cross-border coordination'.³¹

2.35 The submission described a steering committee for the Strategy, comprising representatives from three levels of government, RDAs and SEROC:

the First Assistant Secretary, Regional Strategy and Coordination Division DRALGAS, Deputy Director-General CMTD, Regional Coordinator Illawarra and South East NSW DPC and the Chairs of the RDA Committees for SI [Southern Inland], FSC [Far South Coast] and ACT. A working group- comprising: DRALGAS, CMTD, DPC, the Executive Officer of the South East Regional Organisation of Councils (SEROC) and the Executive Officers of the RDA Committees for SI, FSC and ACT- supports the progress of the projects.³²

2.36 This initiative had attracted some funding support from the Commonwealth:

The Australian Government, through DRALGAS, has committed \$150,000 from its Strengthening RDAs Initiative. This funding will provide for the development of a Strategic Regional Directions Statement and the identification of economic

²⁸ Mr Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.13.

²⁹ Mr Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.13.

³⁰ Mr Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.13.

³¹ ACT Government, Submission No.16, p.10.

³² ACT Government, Submission No.16, p.10.

opportunities and activities for the Greater Capital Region that encompass the three RDAs and focus on collaboration by the NSW and ACT Governments.³³

2.37 The submission went on to outline the process and sequence of the Strategy in these terms:

- Stage 1 -An economic opportunities scanning project, which includes an examination of existing plans and information to analyse and (based on that analysis) articulate potential opportunities for maximising economic development for the region, and to identify potential constraints and gaps.
- Stage 2 - Development of an action plan for RDAs, NSW and ACT Governments as well as other relevant stakeholders drawing upon the evidence base assembled and analysed in stage 1.
- Stage 3- Implementation of the action plan dependent upon what funds are available.³⁴

2.38 The report of Stage 1 of the Strategy has been considered in the introduction to this report above.

DEMOGRAPHIC FEATURES

2.39 The ACT Government submission to the inquiry presented features of the demographic profile of the region. These are considered below.

POPULATION, DISTRIBUTION AND GROWTH

2.40 In relation to the distribution of population in the region and projections for growth, the submission noted that:

- 'The ACT has the majority of the ACR population. At June 2012 the ACT represented 60.7 per cent (374,658) of the total ACR population estimated at 617,071.
- Over the decade to 2011, the ACR grew by almost 70,000 or 12.9 per cent. The ACT accounted for nearly 70 per cent of this growth, with a 21,000 increase in population coming from the balance of the ACR.
- Current projections, compiled by the ACT and NSW Governments, indicate that the ACR will reach 688,200 people by 2021 and 756,000 by 2031. The main centres for growth in the decade to 2021 include the ACT, Queanbeyan, Eurobodalla and Bega Valley.'³⁵

³³ ACT Government, Submission No.16, p.10.

³⁴ ACT Government, Submission No.16, p.10.

³⁵ ACT Government, Submission No.16, p.5.

AGE PROFILES

2.41 In relation to the age profile for the region, the submission noted that:

- 'In 2011, the age profile of the ACR population was approximately one-third aged between 15 and 39 years, a further third aged between 40 and 64 years, while the remaining third was split between children aged less than 15 years (19 per cent) and older people aged 65 or more (13 per cent).
- The ACT had the largest share of the population comprising people aged between 15 and 39 years, reflecting the importance of the ACT, both within and beyond the region, for education and employment purposes.
- Eurobodalla and Bega Valley had the highest share of people aged 65 years or more, demonstrating their role as retirement destinations. Many of the rural parts of the ACR also had relatively large shares of the population aged 65 years as young people traditionally depart these locations in search of jobs or further education opportunities.
- As with other regions, over the next 20 years the ACR is projected to see an increase in people aged over 65 years, with the largest increase in females aged between 70 and 79 years.'³⁶

POPULATION MOVEMENT

2.42 In relation to population movement, both into and out of the region, the submission noted that:

- 'The 2011 Census indicates that, of those people moving to the ACR from elsewhere in Australia, important source locations included the Riverina, Sydney, Melbourne and Brisbane.
- There is considerable population movement between the ACT and surrounding parts of NSW. However, over the past five years to 2011, more people moved from the ACT (9634) to the Capital Region (which excludes Cootamundra, Gundagai, Tumbarumba and Tumut) than in the other direction (7652).
- For people aged between 50 and 59 years who moved from the ACT in the five years to 2011, the main destinations were Queanbeyan (260 people), Eurobodalla (259 people), Palerang (211 people) and Yass Valley (204 people). This illustrates the strong connections within the region for ACT residents choosing other residential or lifestyle locations. While Eurobodalla as a destination probably suggests these people have moved for retirement purposes, the other main destinations were within commuting distances to the ACT.'³⁷

³⁶ ACT Government, Submission No.16, p.5.

³⁷ ACT Government, Submission No.16, p.5.

PROFILE OF COMMUTERS

2.43 In relation to commuters to the ACT the submission noted that:

- 'In 2011, 27,800 people indicated that they worked in the ACT, but lived elsewhere, with 84 per cent from the balance of the ACR. This illustrates the strong economic linkages between the ACT and the surrounding parts of the ACR. Queanbeyan (56.6 per cent or 13,229 people) was [p.6.] the largest source of interstate workers to the ACT, along with Palerang (16.8 per cent or 3916 people) and Yass (15.7 per cent or 3678 people).'³⁸

GROWTH IN THE C + 1 REGION

2.44 'C + 1' refers to an area within one hour's journey by car from Canberra. In relation to population growth within the C + 1 region, the submission noted that:

- 'In relation to the C Plus 1 region, new data released on 30 April 2013 shows that this region's rate of growth of 1.7 per cent between 2011 and 2012 was faster than the Greater Sydney region (1.3 per cent), Newcastle and Lake Macquarie (0.9 per cent), the Central Coast (0.8 per cent), the Southern Highlands and Shoalhaven (0.6 per cent), and the Illawarra (0.5 per cent).
- In terms of total population growth, the C Plus 1 region increased by 8173 people between 2011 and 2012. Only the Parramatta Statistical Area had a larger population increase (9425 people) with all other statistical areas in NSW growing by smaller amounts (Coffs Harbour- Grafton declined by 94 people).
- Absolute population growth in the C Plus 1 region (8173 people) was also larger than most NSW areas. The Hunter Valley excluding Newcastle area grew by 4456 people, the Newcastle and Lake Macquarie area grew by 3126 people, the Central Coast by 2464 people and the Southern Highlands and Shoalhaven by 918 people. Growth in the C Plus 1 region was also above that recorded in Sydney's inner west (5214 people) and Blacktown (5101 people).'³⁹

2.45 In addition to this regional demographic profile, the submission provided detailed information on current population and recent growth trends; projected growth trends; patterns of migration; journey to work patterns; school age population; and Canberra plus one recent growth figures.⁴⁰

³⁸ ACT Government, Submission No.16, pp.5-6.

³⁹ ACT Government, Submission No.16, p.6.

⁴⁰ ACT Government, Submission No.16, pp.32, 33, 36, 37-38, 38-39, and 40.

SUB-REGIONS

2.46 The submission to the inquiry by Regional Development Australia ACT (RDA ACT) differentiates between sub-regions within the region as follows:

- 'The Capital Core — In general terms, the closer the locality is to the ACT, the more its demography takes on the attributes of the ACT. For example, residents in Queanbeyan, Palerang and Yass Valley are more likely to work in the ACT, and have similar levels of educational attainment, individual and household incomes and participate in activities as a Canberra resident would. However, the local government areas that are further away from the ACT have a quite different, but distinct set of characteristics.'⁴¹
- 'The Snowy Monaro — This area of the region relies heavily on a few vital sectors, tourism and agriculture being prominent. Cooma has a wide range of businesses and sectors, and the rural lands provide good grazing for beef cattle, however without the mountain-based tourism, the Snowy- Monaro would be less vibrant. Due to geographical constraints, the Monaro sub region is highly dependent upon the ACT for a wide range of services.'⁴²
- 'The Coast — The South Coast of NSW also relies heavily on tourism, but is developing a growing niche in quality aged care and retirement lifestyle. Agricultural production (dairy cattle) and value adding processing in the Bega Valley is significant. Traditionally the coastal strip has suffered from a high level of unemployment. This is less true in recent times. Of the coastal LGAs, the Eurobodalla is most closely linked to the ACT, with Shoal haven and LGAs to the north being more closely linked to Wollongong and the Illawarra, and the Bega Valley Shire having also a strong shared interest in the western Gippsland in Victoria.'⁴³
- 'The Agricultural Tablelands and Slopes — The lands to the north and north-west of the ACT are productive and fertile and have quality agricultural production capabilities. From wine (grapes), canola and wheat, grazing merinos and cattle to cherries, poultry and pork in the Young district, this sub-region has a significant agricultural output. This agricultural sub-region has strong connections to the Riverina and to the Central West agricultural producing regions, as well as to the ACT.'⁴⁴
- 'The Sydney Corridor — The areas surrounding Goulburn and northwards along the Hume Highway towards Sydney are being impacted by the growth of Sydney to the south-west. Freight, logistics, manufacturing and value adding industries are growing in this corridor. There is also the potential for significant population growth for the towns and communities to the north east of Goulburn.
Over time, and with the combination of further development of South West Sydney and

⁴¹ RDA ACT, Submission No.10, p.13.

⁴² RDA ACT, Submission No.10, p.13.

⁴³ RDA ACT, Submission No.10, p.13.

⁴⁴ RDA ACT, Submission No.10, p.13.

improved commuting times, this sub-region will have increased connectivity with the north and north east, whilst retaining connection with the ACT- although connections with Canberra could be weakened over time.’⁴⁵

PORTRAITS OF LOCAL GOVERNMENT AREAS

2.47 Local government representatives from SEROC member councils appeared before the Committee at its first public hearing, 23 May 2013. Early in the hearing a number of representatives provided a portrait of their local government area.

2.48 This, in the Committee’s view, added to the picture of significant local variations emerging from demographic data and the description of sub-regions considered above. In particular, these variations appear to occur as a function of distance from the ACT. Local government areas close to the ACT share common characteristics and challenges, of quite a different kind to areas at the periphery of the region.

YASS VALLEY COUNCIL

2.49 The Mayor of the Yass Valley Council told the Committee that the Yass Valley was ‘one of the fastest growing rural areas of New South Wales in terms of additional people’, and that this was confirmed by recent NSW Government statistics.⁴⁶ As a result the Council was waiting on the NSW Government to gazette a new Local Environmental Plan (LEP) for the local government area which would allow for:

additional growth to try and meet some of the needs and the pressures that we are under in terms of new businesses, areas for growth in housing, as well as commercial, retail and business growth.⁴⁷

2.50 She told the Committee that the Council was ‘under quite a bit of pressure on all sorts of facets to provide more availability for growth in our area’, which was ‘quite strong’.⁴⁸

QUEANBEYAN CITY COUNCIL

2.51 The Mayor of Queanbeyan City Council told the Committee that it was a local government area that was ‘until some six years ago, often reported to be the fastest growing inland regional city

⁴⁵ RDA ACT, Submission No.10, p.14.

⁴⁶ Ms Abbey, *Proof Transcript of Evidence*, 23 May 2013, p.2.

⁴⁷ Ms Abbey, *Proof Transcript of Evidence*, 23 May 2013, p.2.

⁴⁸ Ms Abbey, *Proof Transcript of Evidence*, 23 May 2013, p.2.

in Australia, including Canberra'.⁴⁹ He went on to say that while growth had slowed over the last seven years, it was:

expected to regain that very high growth status over the next 20 years. The population is now 42,000, our local government area, and over the next 30 years we are projecting, along with the department of planning of New South Wales, a population in the order of 70,000 to 75,000.⁵⁰

- 2.52 This, he told the Committee, carried with it 'enormous pressures with regard to infrastructure and transport—roads and transport—and a number of other aspects'.⁵¹

PALERANG COUNCIL

- 2.53 The Mayor of Palerang Council told the Committee that like 'our immediate neighbours in Yass and Queanbeyan, we are also experiencing fairly rapid growth, in recent times in particular'.⁵² He told the Committee that:

In our particular case, the impact on our infrastructure is primarily associated with our population moving into the ACT and effectively providing economic benefit to the ACT.⁵³

- 2.54 He went on to say that while 'it is recognised that there is not necessarily going to be a direct financial transfer out of the ACT' to address these infrastructure requirements, there was significant benefit to the local government area through 'simply having access to groups of people, organisations, committees, that are dealing with the same problems that we are dealing with'. This, in his view, helped the local area's challenge in being 'a relatively small population centre with a fairly large area to service'.⁵⁴
- 2.55 Another significant characteristic was that the local government area did not 'have a major commercial centre', so that 'growth is all tied to growth in the ACT and Canberra'. 'In that sense', he told the Committee, 'our growth, or the economic benefit of our growth, is flowing and facing the ACT'.⁵⁵

⁴⁹ Mr Overall, Transcript of Evidence, 23 May 2013, pp.2-3.

⁵⁰ Mr Overall, Transcript of Evidence, 23 May 2013, p.3.

⁵¹ Mr Overall, Transcript of Evidence, 23 May 2013, p.3.

⁵² Mr Harrison, Transcript of Evidence, 23 May 2013, p.4.

⁵³ Mr Harrison, Transcript of Evidence, 23 May 2013, p.4.

⁵⁴ Mr Harrison, Transcript of Evidence, 23 May 2013, pp.4-5.

⁵⁵ Mr Harrison, Transcript of Evidence, 23 May 2013, p.4.

EUROBODALLA SHIRE COUNCIL

- 2.56 Eurobodalla Shire Council administers a coastal local government area which includes Moruya, Batemans Bay and Narooma and is more distant from the ACT than the local government areas considered above.
- 2.57 The Mayor of Eurobodalla Shire Council told the Committee that a significant challenge in this local government area exhibited a 'very low area of development capability', while at the same time experiencing 'continuing and increasing pressures' arising from 'people relocating into the area'. This produced a mismatch between services required and the council's ability to fund them:

Currently we have, if not the highest, the second highest of non-resident ratepayers in the state; 37 per cent of our ratepayers do not live inside the shire. Hence we have a great number of vacant properties down there. Obviously we need to provide services to accommodate those properties, yet we do not have the money or the investment in the local area—so our businesses are struggling in that way. I think 11 per cent of our ratepayers are from the ACT, and obviously quite a large number are from the regional area, the Waggas, the Gundagais and the surrounding areas.⁵⁶

BEGA VALLEY SHIRE COUNCIL

- 2.58 Bega Valley Shire Council administers a more southerly coastal local government area which is further again from the ACT.
- 2.59 The Mayor of Bega Valley Shire Council told the Committee that

Bega Valley Shire is a relatively large shire, like many of those here. We have a long stretch of coastline. We are about 7,000 square kilometres. We have, again, a relatively small population for that area—33,000 people. For a coastal shire, that is relatively small.⁵⁷

- 2.60 He told the Committee that this combination of a small and a spread-out population led to significant challenges for this local government area:

Because we are so spread out along a relatively narrow coastline, we have a number of towns and villages with relatively small populations. That means that we operate 10 sewage treatment plans. We operate three water schemes. We have six swimming pools. We have four libraries. And 75 per cent of our land area is state national park or state forest.⁵⁸

⁵⁶ Mr Brown, Mayor, Eurobodalla Shire Council, Transcript of Evidence, 23 May 2013, p.5.

⁵⁷ Mr Taylor, Transcript of Evidence, 23 May 2013, p.6.

⁵⁸ Mr Taylor, Transcript of Evidence, 23 May 2013, p.6.

2.61 This made it more difficult to achieve efficiency through economies of scale:

When you split those up amongst 30-odd thousand people, you find that we have a sewage treatment plant for every 3,000 people in the shire.⁵⁹

2.62 The Mayor also told that Committee that despite these challenges there were 'great opportunities' in the local government area and that the Council would 'welcome more synchronisation and collaboration with the ACT and surrounding councils to make sure that we are all working in the same direction'.⁶⁰

BOMBALA COUNCIL

2.63 Bombala Council administers a local government area at the southern-most edge of NSW, immediately adjacent to the NSW-Victorian border.

2.64 The Mayor of Bombala Council told the Committee that this local government area was 'one of the smallest shires in New South Wales, with 'only about 2½ thousand people' in an area of 398,000 square kilometres.⁶¹

2.65 He told the Committee that the economy of the area was reliant on 'rural and timber'. This brought challenges and opportunities. On one hand the Council had been successful in securing, after a significant period of time, the interest of an overseas company which had committed to building and operating infrastructure for milling and processing of wood grown in the area.⁶²

2.66 This had given rise to challenges with 'heavy haulage transport' for wood products. He told the Committee that there was no 'good model of funding for that, to keep our rural roads up to a reasonable standard for our residents', as maintaining these roads was 'a big challenge for a small community'.⁶³

2.67 The Mayor welcomed the advent of wind farms in the area, both under construction and proposed, and referred to the possibility of the further development of the Port of Eden as something that could have a significant positive effect on the area administered by the Council as would recent upgrades to Canberra Airport.⁶⁴

⁵⁹ Mr Taylor, Transcript of Evidence, 23 May 2013, p.6.

⁶⁰ Mr Taylor, Mayor, Bega Valley Shire Council, Transcript of Evidence, 23 May 2013, pp.6-7.

⁶¹ Mr Stewart, Transcript of Evidence, 23 May 2013, p.7.

⁶² Mr Stewart, Transcript of Evidence, 23 May 2013, p.7.

⁶³ Mr Stewart, Transcript of Evidence, 23 May 2013, p.7.

⁶⁴ Mr Stewart, Transcript of Evidence, 23 May 2013, p.7.

GOULBURN MULWAREE COUNCIL

- 2.68 In its submission to the inquiry, Goulburn Mulwaree Council described the local government area under its administration.
- 2.69 In the submission, the Council advised the Committee that the Goulbourn area relied on the ACT for 'higher level services', especially in health and education, and that this was supported by good transport connections.⁶⁵
- 2.70 The submission also indicated ways in which the Goulbourn area could contribute to the ACT, primarily through the availability of housing at lower cost relative to the ACT, and in providing storage functions at lower cost to large agencies based in the ACT.⁶⁶

'C PLUS ONE' AND 'C PLUS 2.5'

'C PLUS ONE' AS AN AREA

- 2.71 The ACT Government submission to the inquiry indicates that the term 'C plus one' is used to denote the 'area that includes Canberra and those surrounding NSW Council areas with an approximate one hour commute'.⁶⁷ According to the submission C plus 1 comprises the ACT and the local government areas of Yass Valley, Palerang, Queanbeyan, Goulbourn Mulwaree, Upper Lachlan and Cooma-Monaro.⁶⁸
- 2.72 The Act Government submission presented statistical information about the population of the C plus one region, in particular:
- that the 'region's rate of growth of 1.7 per cent between 2011 and 2012 was faster than the Greater Sydney region (1.3 per cent), Newcastle and Lake Macquarie (0.9 per cent), the Central Coast (0.8 per cent), the Southern Highlands and Shoal haven (0.6 per cent), and the Illawarra (0.5 per cent)';⁶⁹
 - that 'the C Plus 1 region increased by 8173 people between 2011 and 2012', and only 'the Parramatta Statistical Area had a larger population increase (9425 people) with all other statistical areas in NSW growing by smaller amounts';⁷⁰

⁶⁵ Goulburn Mulwaree Council, Submission No.2, p.1.

⁶⁶ Goulburn Mulwaree Council, Submission No.2, p.1.

⁶⁷ ACT Government, Submission No.16, p.v.

⁶⁸ ACT Government, Submission No.16, p.4.

⁶⁹ ACT Government, Submission No.16, p.6.

⁷⁰ ACT Government, Submission No.16, p.6.

- that population growth in the C Plus 1 region (8173 people) was also larger than most NSW areas' and 'was also above that recorded in Sydney's inner west (5214 people) and Blacktown (5101 people)'.⁷¹

2.73 In relation to these figures, the submission suggested that this increase in population 'along with the actual and forecast rates of growth for the region' would 'require a coordinated approach to planning future service delivery and infrastructure requirements'.⁷²

'C PLUS ONE' AS A FORUM

2.74 The General Manager of Palerang Council told the Committee that the term 'C plus one' also referred to a relatively new forum comprised of the ACT and NSW governments and local councils in the C plus one area, due to meet for the first time on the day of the hearing. This forum was created to discuss challenges—particularly those arising from growth due to close proximity to the ACT—which have emerged in those areas.⁷³

2.75 The Mayor of Yass Valley Council told the Committee that she thought the C plus one forum would deal with 'specifically at issues that relate to cross- border development—water, sewerage, services et cetera'.⁷⁴ In this sense it was 'more on the ground', looking at 'how to deal with and how to get power across from the ACT into New South Wales, how that gets costed, serviced and managed'.⁷⁵

2.76 She told the Committee that the local government areas in the C plus one sub-region all faced similar challenges:

obviously one of the big issues for most of us who adjoin the ACT border is actually growth that has, from the ACT perspective, reached its boundaries and is wanting to expand. For example, there is Mulligans Flat, which is just outside the Yass boundary. It is in the ACT area. I know Palerang, Queanbeyan, Goulburn and Upper Lachlan all have many of the same issues. I think it is something that we have to keep a little focus on in terms of a collaborative approach between planning and development, because there are big issues around water, sewerage and the provision of services ...⁷⁶

⁷¹ ACT Government, Submission No.16, p.6.

⁷² ACT Government, Submission No.16, p.6.

⁷³ Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, pp.14, 16.

⁷⁴ Ms Abbey, *Proof Transcript of Evidence*, 23 May 2013, p.16.

⁷⁵ Ms Abbey, *Proof Transcript of Evidence*, 23 May 2013, p.17.

⁷⁶ Ms Abbey, *Proof Transcript of Evidence*, 23 May 2013, p.10.

- 2.77 She thought that 'everybody is sort of bursting at the seams and wanting to get on with things'. Planning to meet these new requirements was 'one of the things that if we do not get it right, it will be a problem for us all down the track'.⁷⁷
- 2.78 A number of representatives of councils spoke in positive terms of the C plus one forum. The mayor of Queanbeyan and the General Manager of Palerang Council both suggested that this group held some promise for 'a more consultative, collaborative structure' and closer cooperation between councils and the ACT.⁷⁸
- 2.79 There was also a degree of consensus on the usefulness of having smaller groups to implement policy directions. The Mayor of Yass Valley Council told the Committee that the smaller working groups created within SEROC, which held ownership of specific initiatives, was critically important in having projects successfully concluded:
- We all know that there are many things going on, and to get something done you actually have to have people saying, "This is your task. It must be completed."⁷⁹
- 2.80 The General Manager of Palerang Council also contributed in this vein when he told the Committee that the reason the previous regional leaders' forum—precursor to SEROC— had failed 'was that it was simply too big'.⁸⁰

C PLUS 2.5

- 2.81 While representatives of councils closer to the ACT were enthusiastic about the C plus one forum, there were others who were either not so sure, or who wanted to propose a wider concept.
- 2.82 Consistent with this, a representative of Snowy River Shire Council put the view that the regional leaders' forum 'did not deliver anything' because it had met only 'two or three times a year'.⁸¹ He rated SEROC a much more useful forum and questioned the need for further sub-groupings.⁸²
- 2.83 The General Manager of Bega Valley Shire Council spoke in favour of a more embracing concept:

... could I urge the ACT to look past the nose and on to the horizon and think of Canberra plus 2.5. What I mean by that is that the basis around Canberra plus One was

⁷⁷ Ms Abbey, *Proof Transcript of Evidence*, 23 May 2013, p.11.

⁷⁸ Mr Overall, *Proof Transcript of Evidence*, 23 May 2013, p.11, Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, p.14..

⁷⁹ Ms Abbey, *Proof Transcript of Evidence*, 23 May 2013, p.12.

⁸⁰ Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, p.13.

⁸¹ Mr Thomson, *Proof Transcript of Evidence*, 23 May 2013, p.12.

⁸² Mr Thomson, *Proof Transcript of Evidence*, 23 May 2013, p.12.

about the commuter traffic—where their employees and residents are moving to and from. If you extend that horizon to Canberra plus 2.5, basically most of the LGAs around Canberra, including the coast, are then accessed within that circle ...⁸³

- 2.84 The General Manager of Palerang also proposed consideration of C plus 2.5, and suggested that some decision-making was needed on the part of the ACT Government, to decide what 'its level of involvement in the region is going to be': that is, whether it would focus most on the C Plus One local government areas or maintain a wider focus across the region as a whole.⁸⁴

DEFINING THE REGION

- 2.85 A number of contributors to the inquiry advised the Committee of challenges in defining the region.

VIEWS OF THE ACT GOVERNMENT

- 2.86 In its submission to the inquiry the ACT Government noted two dimensions to this question.
- 2.87 On one hand, there was an Australian Capital Region as defined by the Australian Bureau of Statistics:

... taking in the ACT and surrounding 17 local government areas (LGAs) of the South Coast, south to the NSW-Victorian border, west to Tumbarumba and Gundagai and north to include the councils of Young, Boorowa, Upper Lachlan and Goulburn Mulwaree.⁸⁵

- 2.88 On the other hand, the submission suggested that regions are generally defined through 'common interests of some form'. Consistent with this approach, the submission advised that the ACT Government does not apply a single definition of the region 'as the regional parameters change according to the issue being addressed'.⁸⁶

The tertiary health services within the ACT are accessed by people from as far west as Wagga Wagga and south to Bega. However, for education, infrastructure and land use planning purposes, the region is generally concentrated to those LGAs within an approximate one hour commute, referred to as the 'C Plus 1' region ... This takes in Queanbeyan, Palerang, Yass, Goulburn Mulwaree, Cooma-Monaro and Upper Lachlan.⁸⁷

⁸³ Mr Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.15.

⁸⁴ Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, p.16.

⁸⁵ ACT Government, Submission No.16, p.2.

⁸⁶ ACT Government, Submission No.16, p.2.

⁸⁷ ACT Government, Submission No.16, p.2.

- 2.89 As a result, the submission went on to say, 'the ACT-NSW Memorandum of Understanding (MoU) for Regional Collaboration is deliberately silent in defining the region, 'given the diversity of issues being progressed'.⁸⁸
- 2.90 These views were supported when the Chief Minister appeared before the Committee at its public hearing of 29 May 2013. When asked which areas she saw as crucial to the development of the region, she responded by saying:
- It depends on whether you are C plus One, C plus Two or C plus Three in a way, because priorities will be different against that. For example, in C plus One, I think is probably around land use, infrastructure planning, transport, getting in and out of Canberra, basically. They are the big pressures. Then, when you move out a bit, tourism opportunities start becoming a bit more of a focus and access to health care, in particular. Then moving down to Eden, looking at your own economic base and what opportunities there are there.⁸⁹
- 2.91 Given these differences, she told the Committee, she hoped to reach agreement with SEROC councils 'on a couple of areas where we can demonstrate ... that we can work with our borders', and she suggested that 'what in the end will matter for the mayors, councillors and for us is ... people seeing that you can think and act and talk like a region'.⁹⁰
- 2.92 She went on to say that while this 'sounds very easy ... I think it will be hard' because 'there is a huge discrepancy between priorities for the region':⁹¹
- Some want to focus on tourism; some have more interest in focusing on transport, some have particular demographic pressures within their local communities. Perhaps it is ageing and access to primary health care. So that will all be different. I think the challenge for SEROC will be to agree on a couple of areas to work on and whether or not we can reach agreement on that. So time will tell.⁹²
- 2.93 The Chief Minister also thought that the Local Government Areas would have to differentiate themselves— that is, that they were 'going to have to look at an area where they special'— if they were to prosper within the regional framework.⁹³

⁸⁸ ACT Government, Submission No.16, p.2.

⁸⁹ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.46.

⁹⁰ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.46.

⁹¹ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.46.

⁹² Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.46.

⁹³ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.46.

OTHER VIEWS

- 2.94 Two other views were put to the Committee which acknowledged the challenges involved in developing a more settled definition of the region, but also emphasised the importance of doing so.

RDA ACT

- 2.95 The submission to the inquiry by RDA ACT noted the range of 'regional descriptors' that were in 'current use' in the region— the SEROC Region (including the ACT and 12 LGAs), the C+ 1 Region (the ACT plus 6 LGAs), the Capital Region, and Greater Capital Region'—and noted that in the past 'the Australian Capital Region' had been used.⁹⁴

- 2.96 However, the submission suggested, it was important to try for something more determinate:

Prior to tackling regional development issues, the 'region' as it pertains to the ACT would benefit from geographical definition.⁹⁵

- 2.97 'Such a definition', it suggested, 'could be used holistically'.⁹⁶

not only for regional engagement and regional development purposes, but to also provide a brand that can be used both to identify and promote this region.⁹⁷

- 2.98 The submission went on to say that:

Although a region is defined by its shared sense of place, or a common purpose or destiny, and thus has a pervious and fluid border, for the purposes of development the region would benefit from a consistent name, a brand that is succinct, descriptive and unique.⁹⁸

GREATER CAPITAL REGION STRATEGY STAGE 1 REPORT

- 2.99 The Greater Capital Region Strategy Stage 1 Report put similar views.

- 2.100 First, the report noted difficulties in providing a clear definition:

Defining the Greater Capital Region is a challenge. The centre of the region is undoubtedly the Australian Capital Territory (ACT) which not only houses the majority of the region's population but is also a major service centre for many of the surrounding Local Government Areas (LGAs). The influence and pull of the ACT

⁹⁴ RDA ACT, Submission No.10, p.5.

⁹⁵ RDA ACT, Submission No.10, p.5.

⁹⁶ RDA ACT, Submission No.10, p.5.

⁹⁷ RDA ACT, Submission No.10, p.5.

⁹⁸ RDA ACT, Submission No.10, p.5.

however varies depending upon the sector that is being examined. The geographic importance of the ACT for regional health services is far more widespread than is the case for education for example.⁹⁹

2.101 There were similar variations in the degree to which cross-border issues affected business activities:

Cross border constraints to economic development also tend to reduce with distance from the border. This is particularly the case with constraints caused by regulations or “red tape”. Trades people on the Far South Coast and in Young are less likely to need a NSW and ACT trade licence to practice their trade than tradespeople in Queanbeyan and Yass Valley for example.¹⁰⁰

2.102 Second, the report noted perceptions that definitions of the region were not sufficiently clear to allow the region to attract the interest of governments—state and federal:

A consistent theme throughout the workshops and many of the interviews was related to perceptions of and recognition of the region. Despite being the third fastest growing region in Australia, the Greater Capital Region was perceived to be overlooked by the Australian and NSW Government ...¹⁰¹

2.103 The report noted wider perceptions, from within the region, that a clearer definition was critical to its ability to its capacity to attract the interest of governments, and to attract residents, tourist visitation, and economic development:

In terms of attracting new residents from elsewhere in Australia or overseas it was felt that the region should work on a combined campaign focusing on sub regional lifestyle choices (e.g. a metropolitan lifestyle with restaurants, bars and clubs; a rural residential lifestyle and a village lifestyle) that also highlights some of the regions attractions such as cultural institutions, skiing, coasts and wilderness. There were similar suggestions related to tourism campaigns. The “you’ll love every piece of Victoria” campaign was cited as an effective model.¹⁰²

2.104 This, if successful, would amount to a ‘brand’ for the region. The report stated that:

It was ... considered that from an economic development and attraction perspective it was important to brand the region. The concepts of clean, green, innovative, cultural and sustainable were all highlighted, which link the region’s agricultural products, renewable energy projects and cultural attractions.¹⁰³

⁹⁹ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.11.

¹⁰⁰ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.11.

¹⁰¹ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.38.

¹⁰² Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, pp.38-39.

¹⁰³ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.39.

2.105 The report went on to say that this 'important issue' was 'the target' of many existing initiatives set out in documents reviewed for the Strategy report, including:

- 'Develop a more progressive view and brand of Canberra, particularly in the domestic market. This should focus on Canberra as an 'International City of Design' (Innovation, Creativity and Leadership study).
- Market the region to attract new business investment and help the expansion of the existing industry base (NSW 2021 Regional Action Plan: South East NSW Community Discussion Paper).
- Ensure economic strengths are part of Canberra's branding (ACT Business Development Strategy).
- Promote regional cultural tourism alongside the food sector (RDASI Strategic Plan).
- Improve the marketing of the region as a place to produce, experience and live on sustainably produced food (South East Food Plan)¹⁰⁴.

COMMITTEE COMMENT

2.106 The evidence presented in this chapter leads to a number of matters being considered.

2.107 First, the Committee notes the formal ties, of various kinds, that have been forged between the ACT and NSW: not only the Memorandum of Understanding between the ACT Chief Minister and the Premier of NSW, but a number of other instruments which establish understandings and channels of communication between the two governments. The Committee views these as important early stages of what it hopes will be increasing coordination between the two jurisdictions over time, with respect to the Australian Capital Region.

Recommendation 1

2.108 The Committee recommends that the ACT Government make arrangements in the ACT, and make representations to the NSW Government, so as to improve coordination at the state and territory level and across local government areas.

2.109 Second, the Committee notes the high degree of diversity in the region, evidenced in demographic data cited in this report and in the views of local government representatives presented to the inquiry. In the Committee's view this diversity, with some important characteristics seemingly determined as a function of proximity to the ACT, represents both a

¹⁰⁴ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.39.

challenge and an opportunity. To respond to these effectively, all stakeholders must astutely chart a course through these obstacles and opportunities.

- 2.110 In relation to this diversity, the Committee considers that there are decisions to be made about relationships between the ACT and different Local Government Areas (LGAs) in the region. The discussion regarding 'C plus 1' and 'C plus 2.5', and descriptions of conditions in different LGAs, show that there are very different kinds of relationship. Some will be close because residents in the LGA work in the ACT, while some provide holiday and tourism facilities, while others may be relatively peripheral to the ACT and, may indeed affiliate more closely with other regional centres.
- 2.111 In the Committee's view the ACT Government should establish, in consultation with LGAs in the region, the most constructive type of relationship between it and each LGA. Some of these relationships will be more tightly integrated than others, but with astute planning each of these relationships can add something to the region, not least in terms of contributing to the overall definition of the region, and its branding. Working to create a clear sense of the relationship between the ACT and each LGA will clarify strengths and weaknesses in the region and provide a shared understand about the future development of those relationships in each case.
- 2.112 In view of this, the Committee recommends as follows.

Recommendation 2

- 2.113 The Committee recommends that the ACT Government define, in consultation, its present and future relationship with each of the Local Government Areas in the region to produce an articulated picture of its engagement with the region, and a basis on which to develop its regional relationships.**
- 2.114 Third, the Committee notes the need, identified by contributors to the inquiry and other sources, for the region to be more clearly defined and for a brand to be projected based on this clearer definition. This was in contrast to views offered by other contributors which took the view that the region was defined differently depending on which community of interest was being considered in each case.
- 2.115 In the Committee's view, a stable definition of the region is necessary in order to give the region a personality which would allow it to be promoted and marketed in terms of attracting residents, industry, and tourism. There are two aspects of this: a formal definition and the branding and promotion that can be done on the foundation of a stable definition.
- 2.116 In relation to formal definitions of the region, the Committee notes the various names that have been given to the region, and that more than one formulation is currently in use. In the Committee's view the most stable definition is likely to be that used by the Australian Bureau

of Statistics (ABS), which refers to the region as 'the Australian Capital Region'. Recognition of the region by the ABS is significant in according the term weight and recognition, as is the provision of demographic data on the region by the ABS.

2.117 In relation to branding for the region, it is in the Committee's view clear that there are a number of characteristics, identified by the *Greater Capital Region Strategy—Stage 1* report, and others, that naturally align and could be packaged as an effective regional brand. The combination of high rates of agricultural activity, a 'clean, green' image, the presence of vineyards, specialty food producers, and accommodation, an increasing profile for renewable energy generation, in combination with natural assets such as the Snowy Mountains and the South Coast, and an ACT transport hub serviced by a high-capacity airport, readily support a distinctive, consistent, and attractive image for the region, able to be marketed and developed.

2.118 In view of this the Committee makes the following recommendations.

Recommendation 3

2.119 The Committee recommends that the ACT and NSW Governments refer to the region, consistently, as the Australian Capital Region as defined by the Australian Bureau of Statistics.

Recommendation 4

2.120 The Committee recommends that the ACT and NSW Governments, in collaboration, develop a brand and marketing strategy for the region that draws on its agricultural production, including wine and specialty foods; its 'clean, green' image; renewable energy production; and natural assets including the Snowy Mountains and the South Coast.

3 FOUR VIEWS ON CHALLENGES AND OPPORTUNITIES

INTRODUCTION

- 3.1 This report considers global matters across the region as well as the specific terms contained in section five of its Resolution of Appointment.
- 3.2 Three contributors to the inquiry, in particular, highlighted global challenges and opportunities for regional development in the area:
- Regional Development Australia ACT (RDA ACT);
 - the NSW Cross-Border Commissioner; and
 - Communities@Work.
- 3.3 Also considered in this chapter is a consultant's report commissioned by the Greater Capital Regional Strategy. This was not provided as a submission or exhibit to the inquiry. The Committee views this report as a recent, relevant presentation of the challenges and opportunities faced by the region, and finds it useful to consider it in combination with the submissions and witness testimony provided to the inquiry.
- 3.4 These are considered below. Following the present chapter this the report turns to considering the inquiry's specific terms of reference.

RDA ACT

THE ACT AS REGIONAL HUB

- 3.5 The submission to the inquiry by RDA ACT described the ACT as 'the hub' of a surrounding region that included 'some 600,000 residents who rely on Canberra for a range of services and opportunities', which were 'centralised services'—'health and education, facilities- recreation, retail and cultural, major airport and employment opportunities' and also 'retail, arts, entertainment and culture, and sport'. A wider range of these services was available in the ACT than could be accessed from regional centres in the area.¹⁰⁵

¹⁰⁵ RDA ACT, Submission No.10, p.7.

POSITIVE AND NEGATIVE EFFECTS

- 3.6 The RDA characterised this aspect of the relationship between the ACT and its region as mutually-beneficial, in which regional areas gained services and the ACT, as centre, acquired 'economies of scale':

The ACT | South East NSW region provides a good example of cross-jurisdictional synergies where the surrounding region population helps to build the economies of scale that allow for the continuing growth in the provision of high level services, facilities and opportunities.¹⁰⁶

- 3.7 However, in its submission RDA ACT did not regard this as an entirely positive effect. Rather, the influence of the ACT as a central provider of services could 'be viewed as having adverse effects on surrounding regional towns'.¹⁰⁷

By way of example, a city the size of Queanbeyan (approximate population 42,000)- were it not for its proximity to Canberra- would be expected to have a much larger and more diverse retail sector, more entertainment options and opportunities, and a greater number of sporting and cultural facilities. Similarly the SE region of NSW would have greater self-sufficiency in health and education services were these services not provided from the ACT.¹⁰⁸

- 3.8 Moreover, it suggested:

Whilst regional residents appreciate access to the levels of service that Canberra provides, they would often prefer to have these opportunities within their own towns and local government areas to allow for more convenient accessibility.¹⁰⁹

COMPARATIVE DISADVANTAGE

- 3.9 This pointed to another dimension covered by the submission, the concept of 'comparative disadvantage' and its distribution across the ACT and surrounding region. In this regard the submission advised the Committee that:

In broad terms, across the Capital Region, the geographical proximity of a community to the ACT is a strong determinant as to its level of disadvantage, with the region referred to as 'C+1' -within an hour's commute of Canberra- more closely sharing in the ACT's comparative advantages.

Venture further out from the ACT, and it becomes more apparent that communities- especially smaller communities- have access to lower level of services, have smaller

¹⁰⁶ RDA ACT, Submission No.10, p.8.

¹⁰⁷ RDA ACT, Submission No.10, p.8.

¹⁰⁸ RDA ACT, Submission No.10, p.8.

¹⁰⁹ RDA ACT, Submission No.10, p.8.

employment markets from which to obtain meaningful employment, and generally have reduced levels of income, education and social connectedness.¹¹⁰

3.10 The submission also noted demographic trends that were consistent with this, noting that Local Government Areas (LGAs) with larger populations were growing while 'those with smaller populations continue to decline'.¹¹¹

3.11 This too correlated with proximity to the ACT:

Over the decade to 2011, Queanbeyan was the fastest growing LGA (after the ACT), followed by Palerang, Yass Valley and Eurobodalla. However across the seven smaller LGAs, only Boorowa and Young grew in each of the last four years, while the other five experienced low growth or population decline, including Bombala, Cooma-Monaro, Harden, Snowy River and Upper Lachlan.¹¹²

3.12 There were similar trends in terms of income distribution across the region:

Results from the 2011 Census show that within the SEROC region, the largest increases in the number of high income earners occurred in the Queanbeyan, Palerang and Yass Valley LGAs.

In 2011 there were 28,876 people living in the SEROC region whose personal incomes were in the lowest category- earning between \$1- \$199 per week. The largest increases in the number of low income earners occurred in the Eurobodalla, Cooma-Monaro and Goulburn- Mulwaree LGAs.¹¹³

3.13 The submission contrasted the feature of regional communities, especially those further away from the ACT, with the 'comparative advantage' enjoyed by the ACT:

The ACT benefits from having a large and well-paid public sector employment base which accounts for around 50% of the workforce- and a vibrant and flexible private sector that supports public administration, and provides services to the residents of the territory. Canberrans have significantly higher than (Australian) average incomes- both individual and household.

ACT residents are more likely to have a higher educational qualification resulting in higher than (Australian) average educational attainment. The ACT- as a jurisdiction- benefits from having two high quality universities that attract significant numbers of international students each year. The ACT has a primary and secondary education system that compares very favourably with the rest of the country.¹¹⁴

¹¹⁰ RDA ACT, Submission No.10, p.11.

¹¹¹ RDA ACT, Submission No.10, p.11.

¹¹² RDA ACT, Submission No.10, p.11.

¹¹³ RDA ACT, Submission No.10, p.11.

¹¹⁴ RDA ACT, Submission No.10, p.12.

- 3.14 It also noted high levels in the ACT of: online engagement and digital literacy; sporting and social participation; attendance at cultural events; public sector research and development spending; and 'social tolerance'.¹¹⁵

PROPOSED RESPONSES

- 3.15 RDA ACT proposed two main responses to this situation when it appeared before the Committee at a public hearing on 22 August 2013.
- 3.16 One approach proposed by the Chair of RDA ACT was to emphasise the reciprocal advantages provided by the relationship between the region and the ACT. The region was not solely a client of services furnished by the ACT, but also made resources available to the ACT, particularly in terms of providing housing choice and affordability. This was regarded as positive which provided an alternative objective to having 'everybody living in the ACT'. Rather, the ACT needed 'a very strong regional community' for it 'to continue to grow and to prosper', and trends toward the wider distribution of commuters around the ACT served to support this.¹¹⁶
- 3.17 A second approach, the Chair of the RDA told the Committee, was to work toward helping 'those communities to grow and maintain their communities', rather than 'having the ACT sucking the life out of them by bringing everybody into Canberra':¹¹⁷

If that happens, we are going to have a belt around the ACT that is pretty dead. That is not what we want. If we can have a vibrant region—particularly with C+1—it will stretch into the broader region as it links up the corridor towards Sydney and certainly as it links down to the coast. So we are not about stopping people or trying to stop developments in the region. It is more about the ACT making sure it is doing enough to make Canberra an attractive place for its residents and for business as well.¹¹⁸

- 3.18 The third proposal concerned how these objectives could be pursued. The Executive Officer of RDA ACT told the Committee that there was a vital role for private enterprise in this regard. Making the region work effectively was 'it is not just a challenge for government; it is a challenge for the whole community':

We often get caught up in thinking about what the government does or what particular governments do, whether it is ACT, New South Wales, commonwealth or local.

- 3.19 He told the Committee that there were 'so many other factors to society than just governments', including community groups, the business sector and not for profits. These

¹¹⁵ RDA ACT, Submission No.10, p.12.

¹¹⁶ Mr Sloan, *Proof Transcript of Evidence*, 22 August 2013, p.69.

¹¹⁷ Mr Sloan, *Proof Transcript of Evidence*, 22 August 2013, p.70.

¹¹⁸ Mr Sloan, *Proof Transcript of Evidence*, 22 August 2013, p.70.

could also enhance their activity by thinking in broader terms about the catchment offered by the region in total, by 'thinking more broadly than just the ACT and thinking not just of a population of 370,000-odd people but of 400,000, 500,000 or 600,000'.¹¹⁹

3.20 By taking this approach, he told the Committee, they could 'actually extend the range of their services, become a lot more productive at what they do and expand their area of delivery'. By this means these entities could capitalise on 'a real potential benefit there' by 'extending that relative advantage that we have here in the ACT out into the region'.¹²⁰

3.21 The Chair of the RDA elaborated on these points, emphasising the role of entities outside of government:

at the last SEROC meeting there was probably a bit of a feeling of, "This is what all the local governments want from the ACT." I said in that meeting that it should not be about what the ACT government can provide to local governments; it should be about local governments identifying what their needs are, bringing them back through a network like the RDAs, where we connect in with the community, to see what we have outside government that can provide services. So a lot of it is about where we use the smarts of the ACT to provide those goods and services into the region rather than everyone seeming to be heading down to the Chief Minister's door and saying, "This is what we want." It should not be about that. If we do need to get government support, that is when we should come knocking.¹²¹

3.22 He went on to tell the Committee that:

Our businesses and community organisations here in Canberra will benefit significantly once they understand the ability to tap into providing services into the region. We are very good at looking overseas, but, to me, there are a lot of opportunities for our businesses to be doing more in the region, and I think that is what we need to really work closely on to make it happen.¹²²

¹¹⁹ Mr van Aalst, *Proof Transcript of Evidence*, 22 August 2013, p.71.

¹²⁰ Mr van Aalst, *Proof Transcript of Evidence*, 22 August 2013, p.71.

¹²¹ Mr Sloan, *Proof Transcript of Evidence*, 22 August 2013, p.71.

¹²² Mr Sloan, *Proof Transcript of Evidence*, 22 August 2013, p.72.

NSW CROSS-BORDER COMMISSIONER

THE ROLE OF CROSS-BORDER COMMISSIONER

3.23 The NSW Cross-Border Commissioner appeared before the Committee at its public hearing of 22 August 2013.

3.24 He told the Committee that he had been in his present role since March 2012. Prior to his appointment, he told the Committee, there had in the past:

been various mechanisms to resolve cross-border issues, particularly on a jurisdiction-to-jurisdiction basis, but perhaps not a very clear process for resolving issues that residents, business et cetera might want to raise in a public sense and try and get resolution to those issues.¹²³

3.25 Rather, people with concerns about cross-border issues had 'relied on going through local members ... and then trying to get into the bureaucracies in various ways'.¹²⁴

3.26 He told the Committee that his role as Cross-Border Commissioner involved considering cross-border issues between NSW and all of the jurisdictions with which it shared borders: Queensland, Victoria and South Australia, in addition to the ACT. This included conducting 'listening tours' which gave residents the opportunity to raise matters of concern with him regarding cross-border issues.¹²⁵

A COMPARATIVE PERSPECTIVE ON CROSS-BORDER ISSUES

3.27 This range of involvement, on his part, brought a comparative perspective on cross-border issues for the ACT and NSW. A case in point were matters under discussion between the Tweed Shire Council in NSW and the Gold Coast City Council, where the two councils had 'shared a common list of cross-border issues that they both see as relevant to each council' and then 'passed those up to their respective state governments and also to me'. He told the Committee that this had been 'a great process' for identifying 'issues that are of common interest to both sides', and he drew a parallel 'with the ACT and its surrounding councils ... to come up with some common issues ... and work on as a basis to get them clearly into government's eyes'.¹²⁶

¹²³ Mr Toms, *Proof Transcript of Evidence*, 22 August 2013, p.57.

¹²⁴ Mr Toms, *Proof Transcript of Evidence*, 22 August 2013, p.57.

¹²⁵ Mr Toms, *Proof Transcript of Evidence*, 22 August 2013, p.57.

¹²⁶ Mr Toms, *Proof Transcript of Evidence*, 22 August 2013, p.58.

3.28 He also referred to other examples, in particular in Albury-Wodonga, where 'the Albury hospital [is] actually becoming part of the Victorian health service'.¹²⁷ He told the Committee that this process had begun 'about three or so years ago'. While there had at times been 'teething problems', the 'principle of sharing resources within ... a common community of interest obviously makes sense'.¹²⁸

3.29 In relation to this initiative he observed that difficulties with cross-border issues can be resolved where 'there is goodwill on the ground and people want to work together':¹²⁹

I think fundamentally that is the greatest requirement. Where that exists and where people recognise their joint communities of interest and work within that, through MOUs and so forth, I think it is certainly very positive.¹³⁰

3.30 He drew parallels between this arrangement and the current health agreement between the ACT and NSW which he understood to be 'a very positive relationship' for sharing health services.¹³¹

MATTERS SPECIFIC TO THE ACT-NSW BORDER

3.31 Having spoken to the Committee about matters in common between cross-border issues for NSW and other jurisdictions, the Commissioner went on to identify matters where concerns had been raised specific to the ACT-NSW border.

CHILD PROTECTION

3.32 One of these areas was child protection. Concerns in this area, he told the Committee, centred on situations in which 'somebody might report in one state'. If the child or children concerned moved across the inter-jurisdictional border, it had been unclear 'what the jurisdictional or legislative responsibilities are as to how the follow-up works' and 'how the protection processes work'. He also noted that similar matters had been 'raised very critically on the Queensland border'. This had been a subject of discussion during his recent listening tour of the ACT, and it was 'certainly one aspect that is on the radar for further attention'.¹³²

BREAST SCREENING

3.33 Screening for breast cancer was another matter that had been raised with him. In this instance New South Wales residents had been being serviced within the ACT but 'that process had

¹²⁷ Mr Toms, *Proof Transcript of Evidence*, 22 August 2013, p.58.

¹²⁸ Mr Toms, *Proof Transcript of Evidence*, 22 August 2013, p.58.

¹²⁹ Mr Toms, *Proof Transcript of Evidence*, 22 August 2013, p.59.

¹³⁰ Mr Toms, *Proof Transcript of Evidence*, 22 August 2013, p.59.

¹³¹ Mr Toms, *Proof Transcript of Evidence*, 22 August 2013, p.58.

¹³² Mr Toms, *Proof Transcript of Evidence*, 22 August 2013, p.61.

dropped off'. Hitherto, 'in the order of 2,000 New South Wales residents were normally having breast screens done in the ACT'. When 'ACT breast screening were unable to deal with those New South Wales residents', problems had arisen around the sharing of records held by the ACT as a result of its previous work. However, the records had now been shared and a process was underway toward a Memorandum of Understanding between 'the two breast screening organisations on either side of the border' to 'resolve the impasse'.¹³³

EDUCATION

3.34 The Commissioner noted a number of matters relating to cross-border relations and education. Again, they tended to relate to an absence of coordination between jurisdictions. One was the 'whole question of school student enrolments and the way tracking of students works in terms of student records'. Here, inadequate coordination between jurisdictions brought 'the risk of kids falling through the cracks and missing out in both systems or not being properly accounted for by either'.¹³⁴

3.35 Differences in school holidays had also been raised as a matter for concern during the Commissioner's listening tour. He told the Committee that on this point ACT and NSW education agencies were considering harmonisation of school holidays as one of their considerations in framing the 'next school terms blocks', for the period 2016 to 2020. In relation to this, he told the Committee:

The feedback I have got is quite positive in that what I am hearing from New South Wales education is that, for the first time, the two authorities have actually started talking together ahead of determining the school terms. Whilst I think that process is still being sorted out, I am fairly hopeful that there will be give on both sides and that it will move fairly close to being coordinated school terms, which obviously results in school holidays that match each other much better.¹³⁵

EFFECTS ON INDUSTRY

3.36 The Commissioner told the Committee that discrepancies in education also affected the construction and similar industries, relating to vocational training and the training of apprentices. In addition, the building industry had raised concerns about differences in arrangements for long service leave and licensing requirements, although he also noted that some of these would be addressed through a national reform process of occupation licensing.¹³⁶

¹³³ Mr Toms, *Proof Transcript of Evidence*, 22 August 2013, p.60.

¹³⁴ Mr Toms, *Proof Transcript of Evidence*, 22 August 2013, pp.59-60.

¹³⁵ Mr Toms, *Proof Transcript of Evidence*, 22 August 2013, p.59.

¹³⁶ Mr Toms, *Proof Transcript of Evidence*, 22 August 2013, p.60.

PUBLIC TRANSPORT

- 3.37 The Commissioner told the Committee about cross-border difficulties with 'bus driver authorities'. Bus driver authorities arise from the legislative requirement for would-be drivers of public passenger buses and tour vehicles to apply for the authority to do so under the jurisdiction's relevant legislation.¹³⁷ This was, he told the Committee, an issue 'that comes up [on] all borders':

Certainly, up in the Tweed-Gold Coast area, where a common bus line offers services on both sides, they need joint driver authorities and it is creating a lot of frustration for them.¹³⁸

- 3.38 He told the Committee that in the case of the ACT and NSW there had been 'some positive work' toward integration 'between Deane's bus service in Queanbeyan ... and the ACT bus service in terms of service levels'.¹³⁹

COMMUNITIES@WORK

- 3.39 Communities@Work both lodged a submission to the inquiry and appeared before the Committee in public hearings.

THE ORGANISATION

- 3.40 The Communities@Work website states that the organisation provides programs in the areas of: services to children, disadvantaged youth, and families; food, victims of crime and utilities; and services to older people and people with a disability. It also provides specialised education and training, and runs a number of community engagement programs.¹⁴⁰

NEEDS AND OBSTACLES

- 3.41 The submission by Communities@Work advised the Committee that, in relation to the need for communities services in the region:
- 'The availability and ability to access social and community services is very mixed across the regions, and in general declines with the size and remoteness of communities'; and that

¹³⁷ In NSW this is governed by the *Passenger Transport Act 1990* (s11); in the ACT, by the *Road Transport (Public Passenger Services) Regulation 2002* (s26).

¹³⁸ Mr Toms, *Proof Transcript of Evidence*, 22 August 2013, p.61.

¹³⁹ Mr Toms, *Proof Transcript of Evidence*, 22 August 2013, p.61.

¹⁴⁰ Communities@Work, 'What we do', viewed 5 September 2013, <https://commsatwork.org/what-we-do>

- 'Local Councils have historically been major providers of services but, in recent times, cost pressures and issues of priorities, funding shortfalls from State and Commonwealth agencies seems to have resulted in some councils withdrawing from the provision of services leaving the funding agencies to make replacement arrangements'.¹⁴¹

3.42 The submission also advised that cross-border issues presented significant obstacles to delivering the services required:

While a concept of the ACT acting as a hub for the Greater Capital Region is simple in concept, the intersection of all levels of governments at this junction is a major challenge in constructing policies and viable operational and financial arrangements to the benefit of both the regional and the ACT communities.¹⁴²

CROSS-BORDER ISSUES IN PRACTICE

3.43 The Chief Executive Officer of Communities@Work appeared before the Committee at its public hearing of 22 August 2013, where she elaborated on matters discussed in the submission.

3.44 She told the Committee that for Communities@Work 'clients come from New South Wales as much as they do from the ACT', and that 'those people who are coming in to use our services ... regard Canberra as their region'.¹⁴³ This was because services in the New South Wales regions 'do not provide the level of skills, quality or reach that they need, and Sydney is not an option for them'.

3.45 However, cross-border issues intrude:

If they were in an area that was slightly closer to Albury or Wagga, it would be New South Wales visiting New South Wales, but because they live around the ACT and want to access, it is very difficult for them. We find with some federal moneys we can serve the broader community, and certainly with fees-for-service-paying clients we can serve the broader community. But with certain ACT funding grants, we just cannot serve.¹⁴⁴

3.46 As a result, the organisation:

... end[s] up cobbling together all sorts of bits and pieces and saying, "Well, if we have so many fee-paying clients from over here and we have so many ACT residents then we can supplement the rest from some New South Wales people."¹⁴⁵

¹⁴¹ Communities@Work, Submission No.6, p.3.

¹⁴² Communities@Work, Submission No.6, p.3.

¹⁴³ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.88.

¹⁴⁴ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.88.

¹⁴⁵ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.88.

3.47 This, she told the Committee, seemed:

like a very archaic way to put a program together, just because of where somebody lives when, in their minds, they live in this greater capital region and Canberra is their base.¹⁴⁶

IMPLICATIONS FOR TRAINING ACTIVITIES

3.48 The Chief Executive Officer went on to provide other examples, in other areas of activity. One was:

that we have now combined our RTO with what we call the professional support coordinator, which is a federal-funded program which is about professional development of children's services. So we have combined those two areas to actually alleviate some of the complications of not being able to serve New South Wales.¹⁴⁷

3.49 In connection with this, Communities@Work was just about to hold a biannual conference. Three hundred childcare educators would attend, 'a quarter of whom are coming from New South Wales':

They are coming from as far afield as Jindabyne, Eden and just south of Wollongong. In actual fact they have expressed their excitement at being able to come.

3.50 She told the Committee that due to their distribution across different jurisdictions, Communities@Work had only been able to do this by putting 'together a couple of different funding areas to enable that broader reach than just being siloed to one stream'.¹⁴⁸

3.51 This required considerable effort on the part of the organisation:

... just from a database management perspective, you are constantly mindful of, "Does this person live over the border or do we have to put them in that part of the database?" It is not just a natural flow of operating a program; it is very much a calculated, conscious decision of putting people in the right boxes to make it all work.¹⁴⁹

IMPLICATIONS FOR WORK SUPPORTING PEOPLE WITH A DISABILITY

3.52 The Chief Executive Officer went on to tell the Committee of similar challenges in the organisation's work to support people with a disability. Again, much was determined by location of clients in one or other jurisdiction:

¹⁴⁶ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.89.

¹⁴⁷ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.89.

¹⁴⁸ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, pp.89-90.

¹⁴⁹ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, pp.89-90.

Once again, it depends on what funding stream people are in as to whether they can access the ACT—New South Wales residents. We even have people in Jerrabomberra who we cannot service from certain funding sources. That is where the ridiculous nature comes across.

- 3.53 Geographical location was a key determinant for which source of funding could be accessed, creating considerable complexity for providers:

Right now, if you are a person with a disability, it depends whether you get an ISP, whether you get HACC funding, whether you are getting general ACT disability money. We have a couple of programs that are FaHCSIA funded which we can serve everywhere and then we have ACT moneys where we cannot. So right now it is pot luck.¹⁵⁰

- 3.54 This results in a situation where '[w]hat we find is that there are people very close by, just over the border, who really need more servicing support, and we simply cannot give it to them'.¹⁵¹ This contributes to areas of unmet need:

... there are people a bit further afield and, if their family member needs some particular treatment or service, it would be really worthwhile them coming in and maybe being in respite or having family disability-friendly accommodation where they can do all the things they need to do. That is just not available either.¹⁵²

- 3.55 Another area was also identified:

One of the biggest areas we did research on was a real unmet need, which is people with a disability who do have a reasonable disposable income and who want disability-friendly accommodation here in Canberra, either to be with their family or to be on their own and travel, and who also want wraparound services with that—maybe personal care, transport et cetera. That is potentially an area that could be self-funding. Definitely, all of those logistics are very relevant.¹⁵³

- 3.56 In relation to these matters, the Chief Executive Officer told the Committee that DisabilityCare would, in the long run, be likely to resolve some of these obstacles, but it would take time because in the short term the program 'will be chaos'.¹⁵⁴

¹⁵⁰ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.93.

¹⁵¹ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.93.

¹⁵² Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.93.

¹⁵³ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.93.

¹⁵⁴ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.93.

PATIENT TRANSPORT

3.57 Similar difficulties were encountered in relation to patient transport between NSW and the ACT.

3.58 The Chief Executive Officer told the Committee that the ability to move patients between jurisdictions depended on funding sources in each instance:

... it depends on what funding source we are using for transport. If we are using classic HACC transport funding, no, because we cannot even serve Jerrabomberra. We have to stick to our areas. If we are using ACT-funded community transport, no, because we cannot go outside the ACT. In actual fact, we have to stick to the inner regions of the ACT. However, we do have some FaHCSIA federal funding that we can provide.¹⁵⁵

3.59 When asked whether local governments took part in this aspect of patient care, she told the Committee that this also depended on their funding sources: 'If you can tap into a service that has more flexible funding, they can'.¹⁵⁶

3.60 However, if 'a funding provider in New South Wales has just got New South Wales state funding and a provider in the ACT has just got ACT funding, there is no crossing the border'.¹⁵⁷ If 'either party have got some federal funding which has a broader jurisdiction, you can get more creative', but meant spending 'half your time getting creative with pots of funding'.¹⁵⁸

3.61 Other workarounds were also resorted to. This included, often, day-to-day agreements in which vehicles involved in patient transport meet on the border and transfer patients to the other jurisdiction's vehicle.¹⁵⁹

FOSTER CARE

3.62 The Chief Executive Officer told the Committee that Inter-jurisdictional complexities also affected the organisation's ability to provide for foster care of children. This was because:

By nature, many of our foster carers come from the surrounding districts. They have the small holdings and the farms and the land, the space and the land that is actually conducive to them being foster carers.¹⁶⁰

¹⁵⁵ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, pp.93-94.

¹⁵⁶ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.94.

¹⁵⁷ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.94.

¹⁵⁸ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.94.

¹⁵⁹ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.94.

¹⁶⁰ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.94-

- 3.63 She told the Committee that changes in arrangements threatened this supply of potential foster carers:

It was spoken about recently that they are going to absolutely formalise the jurisdiction so that if a carer is living in New South Wales they must be sorted out through DOCS and through New South Wales, not through the ACT. My question there was: we need to change our strategic approach to gaining foster carers because 50 per cent or more of our foster carers are from regional New South Wales. That is a more appropriate area for them to live and that is what gives them the ability to be foster carers in the first place. It is rules like that. I am sure that whoever is developing a policy or a strategy is doing it with good intention, but they have got no practical application as to what that means on a service delivery level.¹⁶¹

INSURANCE AND CHARITIES

- 3.64 This kind of difficulty also applied to insurance and charities.

- 3.65 In relation to insurance, the Chief Executive Officer told the Committee that Communities@Work had 'a lot of volunteers coming to work with us as well', 'over 300 active volunteers'. Of those, 'about 20 per cent ... are New South Wales residents' and, as a result, 'we have to have both lots of insurance'.¹⁶²

- 3.66 In relation to charities, problems largely arose by virtue of different legislative requirements for each jurisdiction:

Where we are finding it most problematic at the moment is actually with our charities. There is the charities act of the ACT, there is a charities act of New South Wales and then there is the ACNC—and they all want different things from us. They say bizarre things like, "If you are attracting donations from interstate, you must have the full New South Wales charities act."

- 3.67 However, she told the Committee, 'we do not know on our database, especially if they are email databases, if people are interstate'. About this, she commented that complexities arose because there were 'certain things that are not geographically bound' but 'the rules are geographically bound'.¹⁶³

¹⁶¹ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, pp.94-95.

¹⁶² Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.91.

¹⁶³ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.91.

SOLUTIONS: COMMUNITY INITIATIVES

3.68 The Chief Executive Officer told the Committee of two kinds of solution to these cross-jurisdictional problems: community coalitions of interest and red-tape reduction fostered by government.

3.69 The first had its roots in community-based activity, where different players formed communities of interest to create the conditions for an initiative or service:

A good example is our Yellow Van. So our Yellow Van serves Queanbeyan and Yass and it is about to start serving Cooma. In actual fact, we have done that with the local communities. In Yass we have had full backing from the Lions Club, the Rotaries, the Anglicans and the St Vinnies up there. They actually put together the package of how we could afford to go to Yass and serve the Yass community. We are currently doing that with Cooma, with the business council and the chamber of commerce down there, as well as the local service groups.¹⁶⁴

3.70 With regard to this kind of process, she told the Committee that:

We find that the local communities are equally very innovative and flexible and equally understand the complexities of getting us to go and serve them. Queanbeyan is the same. We work very closely with the local communities.¹⁶⁵

3.71 However, these processes also encounter the similar obstacles to those seen in other scenarios:

We find everybody indicatively is helpful and willing but we find that then you just get hit with bureaucracy and process and, "Well, that can't work because we have to do it this way," et cetera. So the intentions are good wherever we go. It is process that lets us down or makes life complicated.¹⁶⁶

SOLUTIONS: RED-TAPE COMMITTEE

3.72 The Chief Executive Officer told the Committee that the second line of response was to work deliberately to reduce 'red-tape'—that is, undue and / or illogical regulation—in association with government. She told the Committee that she herself was directly involved in a committee on red-tape auspiced by the ACT Government:

From my perspective one of the things that has been a very useful revelation over the last 12 months is the red tape committee that the CSD has been overseeing. I am on the forum there. I think that rigorous forum has been a forum to really talk about what

¹⁶⁴ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.90.

¹⁶⁵ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.90.

¹⁶⁶ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.90.

are some of the really nonsense procedures that exist and that, if we removed them or we made them easier or more flexible, would really make life different.¹⁶⁷

3.73 She described the committee this as:

... open, rigorous forum like that where real players with real issues can discuss and we can actually work towards, “Well, that is a silly process. How can we”—and it is all parties at the table working towards the efficiencies of multi-jurisdictional government process and how it affects day-to-day management of business.¹⁶⁸

3.74 It was, she told the Committee:

... one of the best government committees I have ever been on because it actually does things. We rigorously talk and rigorously give real-life examples and we rigorously work towards how we can alleviate some of those nonsense obstacles that get in the way when one hand does not know what the other hand has to do to achieve things.¹⁶⁹

GENERAL COMMENTS

3.75 Overall, the Chief Executive Officer told the Committee, it was dealing with multiple layers of government which represented the greatest risk for large-scale regional service providers such as Communities@Work. This included ‘the extra administration and the extra explaining we need to do to keep all levels together’. She told the Committee that while ‘geography creates its own challenges’, these were not challenges that could not be overcome.

3.76 In her view, while this was a source of risk for the organisation, there were significant opportunities:

I certainly see that there are some different issues in the more rural areas than there are in the ACT. It is about being very mindful of that and making sure we do not just have a one-size-fits-all methodology for that. But, apart from that, I actually do not really see much risk. I see opportunity. I see that, if we are all focusing on this greater capital region of 750,000 rather than the concise 400,000 of Canberra, it as an opportunity for us all.¹⁷⁰

3.77 A big part of this arose from economies of scale:

Certainly, there is so much scope for the region by us being a whole region rather than just a city. Somebody quoted the other day that the reason IKEA is coming to town is because we are a region of 750,000, not a city of 300,000. We would not get an IKEA.

¹⁶⁷ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.91.

¹⁶⁸ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.91.

¹⁶⁹ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.91.

¹⁷⁰ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.89.

Whether you like IKEA or not, that is a good example of how we benefit from being a bigger region. If we applied that a bit more to our policy and to our decision making—and if those who are making decisions could make sure they understood the practical applications of their decisions—it would certainly make my life easier and our life as a service deliverer easier.¹⁷¹

GREATER CAPITAL REGIONAL STRATEGY REPORT

- 3.78 The Greater Capital Region Strategy report *Stage 1: Economic Opportunities Scanning Project*, identifying assets, opportunities and challenges for the ACT and its region, was published in December 2012.
- 3.79 The report stated that the ACT is a net exporter of services to the region, for which it was partly compensated. The region in turn facilitated economies of scale for larger health and education facilities in the ACT, and provided a source of labour to meet the ACT's workforce requirements.¹⁷²
- 3.80 Other characteristics were more complex. The Greater Capital Region was 'one of the fastest growing regions in Australia' but 'its ability to capitalise on the region's competitive advantages' had been constrained by 'a number of factors, not least of which [were] the impacts of the ACT-NSW border and different regulatory regimes'.¹⁷³

VARIATION ACROSS THE REGION

- 3.81 The report noted differences in demographic characteristics across the region, as have a number of contributors to the inquiry, indicated above.
- 3.82 One dimension for which this was true was employment:
- Unemployment rates across the Greater Capital Region are variable. In the ACT and the LGAs around Canberra unemployment is below the national and state average. Unemployment is higher than the national average along the far south coast with Eurobodalla and Shoalhaven having the highest rates in the region.¹⁷⁴
- 3.83 Similar variation was observable in educational achievement:
- There is also considerable variation in the percentages of each LGAs population with post school qualifications. With the exception of the LGAs directly surrounding the ACT

¹⁷¹ Ms Harwood, *Proof Transcript of Evidence*, 22 August 2013, p.95.

¹⁷² Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.4.

¹⁷³ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.7.

¹⁷⁴ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.16.

(Queanbeyan, Yass Valley and Palerang) and Snowy River, percentages of post school qualifications were below the national average, in some cases significantly. The ACT performed above the national average. These results are even more marked if vocational education and training is removed and only degree and above qualifications are included.¹⁷⁵

3.84 This pattern was also evident in terms of income:

ACT residents have, on average, higher incomes compared with the wider Australian population and the surrounding region and data from the 2011 Census showed the median household income for the ACT was \$1,920 per week, compared to \$1,033 for the NSW South East Region and \$1,234 [p.17.] for Australia as a whole.¹⁷⁶

3.85 These demographic variations were far from incidental. In fact they were, the report suggested, 'one of the influences behind the large numbers of people crossing the ACT NSW border each day for work': a phenomenon well attested to in contributions to the inquiry.¹⁷⁷

DEFINITION

3.86 This and other variations across the region contributed to a further challenge: one of definition:

The Greater Capital Region is a complex and dynamic area. But unlike the Hunter Valley which is readily identifiable as a distinct region with 11 local government areas contained within a valley, the Greater Capital Region has no defining regional boundaries or even a consistent name.¹⁷⁸

3.87 In practice, the report suggested:

The extent of the Greater Capital Region is often defined by communities of interest which change depending on the interest of individuals and organisations. For some the Greater Capital Region extends along the far south coast to the Victorian border, west to Young and north to Crookwell. For others the Greater Capital Region is the Australian Capital Territory and the immediately adjacent NSW local government areas.¹⁷⁹

¹⁷⁵ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.16.

¹⁷⁶ Elton Consulting 2012,, *Greater Capital Region Strategy — Stage 1*, pp.16-17.

¹⁷⁷ Elton Consulting 2012,, *Greater Capital Region Strategy — Stage 1*, pp.16-17.

¹⁷⁸ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.4.

¹⁷⁹ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.4.

REALISTIC HORIZONS FOR EMPLOYMENT GROWTH

- 3.88 The report suggested that employment growth for the region would be gradual and unlikely to come from unexpected quarters:

Unfortunately for the region the scan and the consultations failed to reveal any economic development “silver bullets” such as a burgeoning new resources industry for the region.¹⁸⁰

- 3.89 There were areas where deliberate action would foster employment, but most of ‘the opportunities identified [would] only result in a small number of jobs’.¹⁸¹ However, they were considered important:

for diversifying the economy and its employment base, enabling growth in other sectors in the respective supply chains and insulating the economy from shocks to individual industries.¹⁸²

- 3.90 Most employment growth would, it suggested, be in line with those predicted at national level:

In terms of big picture employment opportunities, health and social assistance, construction, professional and technical services and education/training have been identified as the industries with the highest levels of expected employment growth over the next few years.¹⁸³

KEY AREAS OF OPPORTUNITY

- 3.91 In response to the challenges identified in the report, it identified key opportunities in the following areas:

- Infrastructure, including the potential of existing regional infrastructure such as Canberra Airport and Port of Eden, as well as leveraging the potential from proposed infrastructure such as high speed rail.
- Sustainability, including renewable energy and waste recovery.
- Agriculture, including a regional strategy to identify bottlenecks, processing opportunities and value chain gaps.
- Business innovation.
- Regional marketing and branding.¹⁸⁴

¹⁸⁰ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.5.

¹⁸¹ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.5.

¹⁸² Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.5.

¹⁸³ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.5.

¹⁸⁴ ACT Government, Submission No.16, p.10.

COMMITTEE COMMENT

3.92 The Committee notes the important points put forward by these contributions to the inquiry, and by the *Greater Capital Region Strategy—Stage 1* report.

3.93 Of these, RDA ACT put forward the following points, among others:

- that the region provides critical mass which improves services across the region, including in the ACT, in addition to providing a larger market for private sector firms which are able to grasp the reality of this market and cater to it; and
- that there are region-wide advantages in fostering a distributed pattern of services in regional LGAs rather than having all services drawn into the regional centre (that is, the ACT).

3.94 The NSW Cross-Border Commissioner put forward these points, among others:

- that experience across other jurisdictional borders is relevant to experiences and dilemmas across the ACT / NSW border, both as a comparison and to provide examples of ways to resolve difficulties; and
- that examples of current challenges, and solutions, across the ACT / NSW border lay in the areas of child protection, screening for breast cancer, tracking of students and coordination of school holidays, and the effects of inconsistent and duplicated regulation on industry and on public transport.

3.95 Communities@Work put forward these points, among others:

- that local councils in the region have a reduced capacity to provide care services, generating higher demand for services provided from the ACT;
- that the ACT is widely seen as the centre for care services across the region;
- that jurisdiction-specific funding streams place a heavy burden on providers of care in the community sector in that they need to make complex administrative arrangements if services are successfully to be delivered to clients across the region;
- that differences jurisdictional regulator differences also place a heavy administrative burden on providers of care in the community sector; and that
- the ACT Government Red Tape Committee was proving to be an effective mechanism to resolve inter-jurisdictional regulatory differences and duplications.

3.96 The *Greater Capital Region Strategy Report* put forward these points, among others:

- that the region was a highly diverse community, which required a concerted effort to define it as an identifiable region;
- that there was 'no silver bullet' for employment growth in the region: incremental employment growth was a realistic aspiration, harnessing the network of activities currently pursued; and

- that there were clearly-defined areas of economic activity and investment that would put the region in the best possible region for further development.

- 3.97 Reflecting on these points, the Committee notes the challenges and opportunities which confront efforts to further develop the region and strengthen ties between its constituent parts.
- 3.98 Among the challenges which are presented, it is clear that the cross-border regulatory burden is a heavy one, and it must necessarily represent a dead-weight on all cross-border activity, whether in the public or private sector. Among the most concerning effects must be the increase in costs, across all sectors, generated by this feature of regional operation.
- 3.99 This influence appears to pull in the opposite direction to the higher levels of coordination, that are necessary across the region in order to generate greater prosperity and create more beneficial distributions of wealth and services. In the Committee's view, referenced above, that there was 'no silver bullet' on employment growth, and that hopes must ride on incremental growth across a pattern of economic activities in the region, is a realistic one. It is notable that it also places a greater burden on the capacity of the region to coordinate effectively if this aspiration is to be pursued effectively.
- 3.100 This is an important feature of the outlook for the growth of economic activity and employment in the region, but similar imperatives appear to apply for the provision of services and other activities which require clear, consistent regulatory principles and funding streams. Most activities significant to the region, in fact, fall into this category.
- 3.101 Across the board, then, the Committee considers it clear that constructive efforts on behalf of the region will involve clearer and more consistent regulation, and funding streams.
- 3.102 It is apparent to the Committee that there are two ways of approaching this, broadly speaking. One is to seek *ad hoc* solutions in each instance to resolve differences. Communities@Work clearly has extensive knowledge and practice in this, and its experience illustrates the inherent expense of this approach. While these are the options open to an organisation operating in this part of the wider picture, it shows its limitations.
- 3.103 A second way is to seek more general solutions. While community sector organisations are generally not in a position to formulate these, government is: in this case by making representations to the government of the other jurisdiction with which it shares a border. These could be 'template' solutions with an application that was transferrable from area to area and instance to instance. Once developed, such solutions could be recognised under the MoU process between the ACT Government and the Government of NSW. Another more ambitious route is to make representations to the Commonwealth Government and governments of other jurisdictions to facilitate formal frameworks which could foster cross-border cooperation.

3.104 In the Committee's view, these approaches should be pursued in parallel. In the broad, the various kinds of solution considered here—from *ad hoc* to template arrangements to advocacy within the Australian federation for enabling and / or model legislation to foster cross-border cooperation—represent a spectrum of types of solution extending from the more particular to the more general. While it may be expedient to pursue *ad hoc* solutions, particularly where more time-critical solutions are required, it is solutions at the more general end of the spectrum which can be regarded as more stable and persistent, and which offer some hope of reducing the time-consuming pursuit of *ad hoc* solutions, vulnerable to changes of lower-level policy and regulation.

3.105 Accordingly, the Committee makes the following recommendations.

Recommendation 5

3.106 The Committee recommends that the ACT Government work, in association with the NSW Government, under the auspices of the Memorandum of Understanding process, to develop template arrangements which can be applied in different areas to resolve regulatory inconsistency and duplication, and to provide for equitable funding arrangements between the two jurisdictions.

Recommendation 6

3.107 The Committee recommends that the ACT Government work in association with the Government of NSW to advocate on behalf of legislative arrangements, such as model legislation, which will foster inter-jurisdictional cooperation across borders within the Australian Federation.

Recommendation 7

3.108 That the ACT Government work in association with the Government of NSW to create regulatory conditions and funding streams favourable to the areas of expanding economic activity and employment growth identified in the *Greater Capital Region Strategy—Stage 1* report.

4 ECONOMIC DEVELOPMENT AND TRANSPORT

INTRODUCTION

- 4.1 This chapter considers Term 5(a) of the inquiry's Terms of Reference, that is:
- the identification of opportunities and supporting governance structures to coordinate economic development, including tourism and transport across the region.¹⁸⁵
- 4.2 An initial background section presents information on the economic state of the region and priorities for economic development identified by the ACT Government and the Greater Capital Region Strategy.
- 4.3 The body of the chapter considers: transport and transport infrastructure and a related area: smart work hubs.
- 4.4 A further chapter, chapter 5, considers other aspects of economic development, including: tourism; renewable energy; and agriculture. A final section considers other areas of economic activity, including: defence contracting, waste management, and skills and training.

BACKGROUND

- 4.5 The 2012 *Greater Capital Region Strategy — Stage 1* report made a number of observations about economic activity in the region.

SIGNIFICANCE OF PUBLIC SECTOR

- 4.6 The report noted that the ACT economy 'has a strong public sector component',¹⁸⁶ and noted the risks associated with this and the potential for volatility in the public sector:
- Public sector employment has been quite variable as it has also been subject to periods of fairly rapid decline or growth in response to Commonwealth Government policy priorities.¹⁸⁷
- 4.7 Although the contribution of the public sector to economic activity was proportional to proximity to the ACT: 'The importance of the public sector generally declines in proportion to

¹⁸⁵ Select Committee on Regional Development, 'Terms of Reference', http://www.parliament.act.gov.au/in-committees/select_committees/Regional-Development/regional-development/terms-of-reference?inquiry=441181

¹⁸⁶ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.18.

¹⁸⁷ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.18.

distance from the ACT'.¹⁸⁸ On the other hand, public sector activity further out in the region was increased in that:

many of the region's s mid-sized settlements have a strong 'regional service' public sector component to their employment mix as well – especially in public administration, health, education and community and social services.¹⁸⁹

- 4.8 The report also put the view, based on a 2008 Access Economics report, commissioned by the ACT Government, that the public sector 'declining in share' in the ACT, proportionally, due to an expansion in private sector employment.¹⁹⁰

CONTRASTS IN ECONOMIC ACTIVITY IN THE ACT AND REGION

- 4.9 The *Greater Capital Region Strategy — Stage 1* report also drew on the 2008 Access Economics report to describe the broader complexion of the region in relation to economic activity, highlighting differences between the ACT and the Australian Capital Region (ACR), and drawing comparisons between the rate of activity in particular sectors and the national average:

The farm and forestry and fishing sector is the largest industry by employment in the ACR: it is two and a half times larger as a share of the ACR's employment base than it is of the national employment base. The ACR is also relatively over-represented in the Government administration and Defence sector, in part due to the strong Defence presence that spills over from the ACT into the ACR. In contrast, the combined public service sectors (Commonwealth and Territory), Property and Business Services and Retail Trade – the three largest employers – account for about 52% of employment in the ACT.¹⁹¹

- 4.10 The report went on to show the implications of this picture for interactions between the region and the ACT:

The porous border between the ACT and the surrounding region is demonstrated by the flow of goods and services. For example Access Economics (2008) showed that the relative overrepresentation of government services in the ACT (and under-representation in the surrounding LGAs relative to the ACT) will tend to suggest that the wider region buys such services from the ACT. That is because, along with the rest of Australia, the region buys the centralised government services that the ACT offers as the seat of national government and its administration.¹⁹²

¹⁸⁸ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.18.

¹⁸⁹ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.18.

¹⁹⁰ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.18. The report referred to was Access Economics, 2008, *The ACT and its Region: Economic relationships and key drivers of economic growth*, available at http://www.cmd.act.gov.au/data/assets/pdf_file/0004/119722/ae-act-linkages.pdf

¹⁹¹ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.14.

¹⁹² Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.14.

- 4.11 This extended to the dependence of the region on services provided out of the ACT, noted above in the present report:

Similarly, the ACT is the largest economy in the region, and residents of the wider region may often turn to the ACT in their purchasing of professional services (such as financial planning) and finance and insurance.¹⁹³

- 4.12 The report also indicated that the ACT was missing out on some opportunities for economic activity and value adding in connection with its strengths in agriculture and similar industries. There were, it said, signs that:

the ACT is less important in the flow of goods produced within the region and then exported outside the region, with much agricultural and manufacturing production going direct to Sydney, Melbourne or even Adelaide for distribution or export.¹⁹⁴

AVENUES FOR GROWTH IN ECONOMIC ACTIVITY AND EMPLOYMENT

- 4.13 In terms of the outlook for growth in economic activity and employment in the region, the *Greater Capital Region Strategy — Stage 1* report suggested that:

The big picture, medium term employment trends for the region will to a large degree reflect the national trends identified consistently over several years by the Department of Education, Employment and Workplace Relations in its annual Australian Jobs publication.¹⁹⁵

- 4.14 The implications of this were that:

Just four industries will account for the majority of employment growth expected in Australia over the years to 2015-16:

- Health care and social assistance (323,000 more jobs expected nationally)
- Construction (196,000 more jobs expected nationally)
- Professional, scientific and technical services (150,000 more jobs expected nationally)
- Education and training (96,000 more jobs expected nationally).¹⁹⁶

- 4.15 These were, it said, 'largely "population servicing" industries, with employment growth tracking growth in populations'¹⁹⁷, which could 'be expected to play a significant role in employment creation in the Greater Capital Region as well'.¹⁹⁸

¹⁹³ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, pp.14-15.

¹⁹⁴ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.15.

¹⁹⁵ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.18.

¹⁹⁶ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.18.

¹⁹⁷ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.23.

4.16 Other avenues were expected to provide only modest gains in employment:

Outside these four industries, the scale of employment growth is expected to be smaller, and many of the initiatives highlighted for the Greater Capital Region will be net suppliers of only modest amounts of new jobs. Direct employment in new sea port, airport, waste processing or energy generation facilities, for example, will each be quite small in comparison to the number of new jobs to be created in the region in the health & community services and aged care sectors.¹⁹⁹

4.17 'Overall', however, 'the employment impact of particular projects will generally be quite small'. Importantly, there were 'no signs of 'breakthrough investment' projects that would have a dramatic impact on the region's economy'.²⁰⁰ 'Most opportunities', the report suggested:

do not involve the attraction or development of new industries rather they are opportunities already present in the region which, with the right assistance, have the opportunity to develop.²⁰¹

4.18 While this involved smaller degrees of employment growth over a number of areas, it remained important because:

such initiatives play an important role in diversifying the economy and its employment base, enabling growth in other sectors in the respective supply chains, and insulating the economy from shocks to individual industries.²⁰²

4.19 The report referred to this approach to employment growth as 'economic gardening' because 'these opportunities are based on cultivating existing components of the regional economy'.²⁰³

4.20 This was, the report suggested, consistent with 'OECD experiences in regional development, which':

emphasise the importance of having multiple capacities growing in parallel rather than relying on/investing in one capacity and expecting it to grow and drive all the others.²⁰⁴

¹⁹⁸ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.18.

¹⁹⁹ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.28.

²⁰⁰ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.28.

²⁰¹ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.28.

²⁰² Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.28.

²⁰³ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.28.

²⁰⁴ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.28.

AREAS OF FOCUS

- 4.21 In response to these conditions, the report stated that it focused on two constraints—red tape and regulation, and skills and training—and the following opportunities:
- infrastructure – including harnessing the potential of existing infrastructure such as the Canberra International Airport, and leveraging the potential of proposed infrastructure such as high speed rail and the Port of Eden;
 - sustainability – including the region’s resource base in terms of renewable energy and possibilities of developing waste markets, and enhancing the agriculture and value adding sectors;
 - defence – involving cross-border collaboration to increase defence and associated industry in the region;
 - tourism;
 - business innovation; and
 - regional marketing and branding.²⁰⁵
- 4.22 A number of these areas are discussed in this chapter on economic development, beginning with a consideration of transport, then smart work hubs; tourism; energy; agriculture and other industries. Some elements are also considered below in other parts of this report.

TRANSPORT

- 4.23 For the most part, concerns conveyed to the Committee about transport in the region were concerns about transport infrastructure. The exception to this was public transport, where the focus of concern was regulatory differences across the ACT-NSW border.
- 4.24 Transport Infrastructure is considered below in relation to roads, airports, rail, and ports. This is followed by a section on concerns raised about public transport in the regional context.

BACKGROUND

- 4.25 The regional dimensions of transport for the ACT and South Eastern NSW were considered at some length in the *Great Capital Region Strategy – Stage 1* report.
- 4.26 The report noted that its scan of regional strategic plans, and the ‘targeted consultations’ conducted for the Strategy ‘revealed that gaps in critical infrastructure were hampering the economic development potential of the region’.²⁰⁶

²⁰⁵ Elton Consulting, 2012, *Greater Capital Region Strategy – Stage 1*, p.5.

- 4.27 It stated that the most important of these 'infrastructure gaps' were related 'to road and rail transport primarily for freight purposes':

For example, there are issues around the prohibition of B Doubles and Triples entering the ACT (and also parts of the Far South Coast) that have implication for the economic development of the region including the growth of the Canberra Airport as a freight hub.²⁰⁷

- 4.28 It stated that 'hopefully' this issue would be addressed by an ACT Freight Strategy to be developed in 2013, however at present the National Land Freight Strategy Discussion paper 'effectively excludes south east NSW from the freight network'.²⁰⁸

- 4.29 Importantly, the report noted:

In terms of critical infrastructure and priorities for investment there was no clear consensus amongst the various strategic planning documents or consultations as to the most important "gap" to address to drive economic growth ...²⁰⁹

- 4.30 It went on to say that:

This absence of a clear consensus on critical economic infrastructure in the Greater Capital Region, and the lack of a "business case" to support this, hamper the region's ability to lobby for funds to address the critical gaps.²¹⁰

PRIORITIES

- 4.31 Responding to what the report considered an absence of this consensus, it sought to establish priorities in this area.

- 4.32 In its list of 'critical infrastructure' the report listed existing infrastructure, such as the Canberra International Airport, and proposed new infrastructure such as 'high speed rail, the Port of Eden and the National Broadband Network'.²¹¹

- 4.33 These new infrastructure projects were 'considered to be catalyst projects', that is:

projects that will have a wider impact than the developments themselves. For example high speed rail has significant social as well as economic benefits, and the Port of Eden

²⁰⁶ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.28.

²⁰⁷ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.28.

²⁰⁸ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.29.

²⁰⁹ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.29.

²¹⁰ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.29.

²¹¹ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.29.

development will potentially facilitate export/ import and tourism ventures and the growth of the regional timber industry.²¹²

4.34 However, other projects that had been canvassed would 'not have such wide ranging impact':

Moruya and Merimbula airports were perceived by some to be important infrastructure requiring investment to drive economic development. However there was little evidence that enhancing these airports would significantly influence the regional economy.²¹³

4.35 In terms of roads, the report said that 'numerous stakeholders' had identified a number of roads as requiring attention, including the Princes Highway, the Kings Highway, Barton Highway and Main Road²¹⁴

4.36 It also noted that:

The absence of high speed and reliable information and communication technology was consistently identified as a major gap particularly with distance from the ACT.²¹⁵

PLANNING GAPS

4.37 Contributors to the inquiry noted the absence of arrangements for the ACT and South East NSW in planning documents initiated by the NSW Government, and considered this a significant deficit.

4.38 The Mayor of Eurobodalla told the Committee that the New South Wales long-term transport master plan included 'everybody except the ACT', and that NSW had not 'even had a conversation with the ACT' in relation to the plan.²¹⁶

4.39 The General Manager, Bega Valley Shire Council agreed with this view, saying that the south-east of NSW had been 'left out of the state transport master plan', which had 'ignored the existence of the ACT'.²¹⁷

4.40 Evidence about the NSW master plan given by the Chief Minister of the ACT, when she appeared before the Committee, was also consistent with this:

²¹² Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.29.

²¹³ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.29.

²¹⁴ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.29.

²¹⁵ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.29.

²¹⁶ Mr Lindsay Brown, *Proof Transcript of Evidence*, 23 May 2013, p.13.

²¹⁷ Mr Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.20.

There is a big white hole in one of the maps that they have used, and that white hole is Canberra. So all roads that go to Canberra are not seen as a priority in terms of infrastructure planning. They just end.²¹⁸

- 4.41 The submission to the inquiry by SEROC noted this deficit and advised the Committee that steps were being taken to remedy the situation. Noting that local councils had been concerned that ‘the South East Region of New South Wales appeared to be the only region in the State where there were no plans for the development of a Regional Transport Strategy’,²¹⁹ the submission advised the Committee that:

Following representations to the NSW Minister for Transport and with the development of the NSW Long Term Transport Master Plan a regional transport strategy will now be developed for this region.²²⁰

- 4.42 This appeared to be a positive development. However, SEROC noted, this still did not entail consultation with the ACT Government. In SEROC’s view ‘the development of this regional strategy must involve consultation with and participation by the ACT Government’. This was ‘vital in developing a whole of region approach’ to transport infrastructure.²²¹

RESPONSES

- 4.43 Contributors to the inquiry supported such an approach. The Mayor of Queanbeyan, when he appeared before the Committee, spoke in favour of:

a joint regional and integrated transport study be commissioned to address priorities and time frames involving the ACT, New South Wales and commonwealth governments, and regional councils.²²²

- 4.44 RDA ACT also spoke in favour of a more regionalised approach, saying that this was more consistent with the approach being taken by the Commonwealth government—the major investor in the area—and that this could boost the capacity of the region to attract funding support:

Much of today’s large infrastructure investment is made by the Commonwealth Government, or by the Commonwealth in partnerships with local and state/territory governments. Increasingly Federal infrastructure programs are seeking a regional approach to prioritisation and to needs assessment. Adopting a regional approach to

²¹⁸ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.47.

²¹⁹ SEROC, Submission No.11, p.3.

²²⁰ SEROC, Submission No.11, p.3.

²²¹ SEROC, Submission No.11, p.3.

²²² Mr Tim Overall, *Transcript of Evidence*, 23 May 2013, p.3.

infrastructure planning and prioritisation could increase the range of Commonwealth funding opportunities.²²³

- 4.45 The ACT Government submission to the inquiry noted past discussions on transport infrastructure between the ACT Government and Queanbeyan City Council. These discussions, it said, had touched upon 'road networks, integration of public transport and implications arising from residential development of Googong and South Tralee'.²²⁴ Steps had been taken in this direction in 2010, when:

the former Chief Minister, Jon Stanhope, the former Member for Monaro (the Hon Steve Whan) and Queanbeyan City Mayor (Tim Overall) formed an Eastern Regional Transport Taskforce to consider transport infrastructure, transport planning and service integration, pricing and concession arrangements, as well as alignment between the Canberra and Queanbeyan transport systems and transport-related cross-border land use and planning matters.²²⁵

- 4.46 The submission stated that the work of this taskforce was 'being incorporated' in the ACT-NSW MoU for Regional Collaboration under its 'land use planning and infrastructure priority'.²²⁶

- 4.47 In the submission the ACT Government advised the Committee that transport infrastructure was also being considered under an ACT-NSW Land Use and Infrastructure Plan currently in development. It advised that road infrastructure and transport services would be 'a significant consideration in the Plan', and that a Transport Working Group had been established 'under the Land Use and Planning and Infrastructure priority action comprising members from Transport NSW, DPC, CMTD and ESDD'. The focus of this group was to improve 'the integration of cross-border transport services and infrastructure'.²²⁷ Thus far, it had discussed:

transport implications from the Eastern Broadacre development, including options for the Kingston Railway Station, transport networks between the ACT and Queanbeyan and the draft NSW Transport Master Plan.²²⁸

- 4.48 The submission went on to say that the release of a new NSW Transport Master Plan was a significant event that would lead to further opportunities to improve transport infrastructure in the Capital Region:

With the release of the NSW Transport Master Plan, the commencement of work on a Regional Transport Plan, coupled with the data compiled for the C Plus 1 initiative,

²²³ RDA ACT, Submission No.10, p.16.

²²⁴ ACT Government, Submission No.16, p.14.

²²⁵ ACT Government, Submission No.16, pp.14-15.

²²⁶ ACT Government, Submission No.16, p.15.

²²⁷ ACT Government, Submission No.16, p.11.

²²⁸ ACT Government, Submission No.16, p.11.

there is an opportunity to improve the development and integration of transport services and infrastructure in the region.²²⁹

ROADS INFRASTRUCTURE

- 4.49 Contributors to the inquiry accorded roads a high priority amongst potential transport infrastructure projects.
- 4.50 For many, the key driver for this concern was the increase in numbers of people working in the ACT and living in regional NSW.
- 4.51 The Executive Office of RDA ACT told the Committee that there were 'increasing numbers of commuters from Yass—from all areas, actually—Queanbeyan, Goulburn, Cooma and the Wamboin area as well'. As a result, these roads needed to be 'capable of handling the traffic on a daily basis' and to be 'up to scratch to handle the increased load as the years go by'.²³⁰
- 4.52 The Executive Officer told the Committee that in a process of seeking to improve roads infrastructure, it was necessary to work effectively across different levels of government:

Road funding is a complicated beast, and it has been probably forever. Local governments spend a lot of money on roads, but very little of it do they put in themselves. They normally get assistance from the state and/or federal government. As you increase the cost or the size of the project, you need to get a greater cocktail of funding from different sources.²³¹

- 4.53 It was also critically important to have a grasp of economic arguments, and the economic effects, of road infrastructure projects in order to argue the case:

It is a complicated beast, and I think it probably always will be. It requires, I guess, an understanding across the community and all levels of government and all the stakeholders involved that the improved infrastructure, the improved roads, will actually benefit the region. You then need to fight on a competitive level against other parts of the state and other parts of the country for the funding. You need to argue the case. I think that is the important thing; there needs to be an understanding that having those transport links efficient and effective is critical to the local economy.²³²

²²⁹ ACT Government, Submission No.16, p.11.

²³⁰ Mr van Aalst, *Proof Transcript of Evidence*, 22 August 2013, p.67.

²³¹ Mr van Aalst, *Proof Transcript of Evidence*, 22 August 2013, p.68.

²³² Mr van Aalst, *Proof Transcript of Evidence*, 22 August 2013, pp.68-69.

4.54 In addition, the President of RDA ACT told the Committee, it was important to have a clear sense of priorities over which projects should be progressed, because:

It is not about every road. I think in the ACT our role is to say which are the important linkages into the ACT rather than trying to support everything. Funding is not endless and we have to cherry pick which ones we want to support.²³³

KEY ROADS INFRASTRUCTURE

4.55 The *Greater Capital Region Strategy—Stage 1* report proposed a list of the ‘important “hard” infrastructure linkages between the ACT and the broader region’, as follows:

- The Federal Highway - a 80km dual carriageway road that connects the northern end of Canberra to the Hume Highway.
- The Barton Highway - a 62km highway that forms part of the main route from Canberra to Melbourne, and more locally connects Yass and Murrumbateman with the ACT.
- The Monaro Highway - runs south of Canberra to Cooma, connecting Canberra to the NSW ski fields and is the main freight link around the outskirts of Canberra.
- The Kings Highway - the main road from Canberra to the NSW south coast.
- Canberra Avenue -the busiest road link between Queanbeyan and the ACT and the only dual carriageway road between the two cities.²³⁴

4.56 In its submission to the inquiry, RDA ACT also identified what it regarded as critical roads infrastructure for the region:

The quality and capacity of the roads into the ACT from NSW is also a significant issue. For example, the Monaro Highway from Cooma/Royalla/Burra/Michelago, The Kings Highway from Braidwood and Bungendore to both Queanbeyan and Canberra (via Macs Reef Rd), the Barton Highway from Yass and Murrumbateman all remain inadequate to cope with the current and increasing traffic flows.²³⁵

4.57 And put the view that:

The Federal/Hume Highway connection to Goulburn is recognised as the standard quality that major roads into, and out of, the ACT should all be built.²³⁶

4.58 In addition, the submission argued that the availability of public transport was a significant factor in determining demand for road infrastructure. This was due, it said, to the fact that ‘over 20,000 people cross the border each week day to work in the ACT’. As a result, the

²³³ Mr Sloan, *Proof Transcript of Evidence*, 22 August 2013, p.69.

²³⁴ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.14.

²³⁵ RDA ACT, Submission No.10, p.15.

²³⁶ RDA ACT, Submission No.10, p.15.

'inability for bus and taxi operators to freely provide cross-border services' was 'a major issue' which should be addressed.²³⁷

VIEWS FROM THE REGION

- 4.59 Contributors to the inquiry provided further views on priorities for road infrastructure, speaking from a regional perspective.

QUEANBEYAN CITY COUNCIL

- 4.60 The Mayor of Queanbeyan told the Committee about population pressures which generated demand for expanded road infrastructure:

The population is now 42,000, our local government area, and over the next 30 years we are projecting, along with the department of planning of New South Wales, a population in the order of 70,000 to 75,000. That carries with it enormous pressures with regard to infrastructure and transport—roads and transport—and a number of other aspects.²³⁸

- 4.61 However, in his view this was not well catered for, and there was:

... clearly an opportunity for a much better coordinated approach to the development of transport-related matters right across the region.²³⁹

- 4.62 He told the Committee that Queanbeyan Council had, in particular, concerns about the Kings Highway and Barton Highway:

They seem to be managed in a somewhat ad hoc manner. The transport demand is already significant in terms of Queanbeyan, as over 70 per cent of Queanbeyan residents travel across the border every day, and that includes 2,000 school students commuting into the ACT.²⁴⁰

- 4.63 He said these figures reflected conditions at a previous point in time, derived from the 2006 census. However regional transport demand was 'projected to double as the C plus one region population grows to over 600,000 in the next 20 years'.²⁴¹

²³⁷ RDA ACT, Submission No.10, p.15.

²³⁸ Mr Tim Overall, Mayor, Queanbeyan City Council, *Proof Transcript of Evidence*, 23 May 2013, pp.2-3.

²³⁹ Councillor Tim Overall, *Proof Transcript of Evidence*, 23 May 2013, p.3.

²⁴⁰ Councillor Tim Overall, *Proof Transcript of Evidence*, 23 May 2013, p.3.

²⁴¹ Councillor Tim Overall, *Proof Transcript of Evidence*, 23 May 2013, p.3.

- 4.64 This was, the Mayor of Queanbeyan told the Committee, exacerbated by deficits in public transport:

Public transport in the regions, whilst well catered for in the ACT, is really poorly serviced in adjoining New South Wales. A lot of cross-border legislative processes and regulations frustrate the regional approach to public transport, as has been highlighted during our discussions over the last couple of years in terms of publicly owned bus services, privately owned bus services and different regulatory regimes. This has contributed to an increasing am-pm peak travel problem.²⁴²

- 4.65 At this point the Mayor put the view that while traffic congestion at the border of ACT and New South Wales was 'a high priority for the local regional community', it seemed to have 'a low-priority status for both the ACT and New South Wales governments' on his assessment of interest in resolving cross-border problems with public transport.²⁴³

- 4.66 The Mayor told the Committee that significant further work was needed to ACT roads if these challenges were to be met effectively. In particular, he told the Committee that the Majura Parkway, currently under construction, would lead to requirements for the upgrade of roads linking the ACT to Queanbeyan, and that upgrades of other ACT roads would also be required as a result of increased traffic flows associated with the Parkway.²⁴⁴

EUROBODALLA SHIRE COUNCIL

- 4.67 The Major of Eurobodalla Shire Council told the Committee of concerns over the Kings Highway which, he said, was at that time 'closed for the next five weeks for three days at a time'. While this was 'very concerning' to the local community, it also had 'an impact on those on the other side of the hill, especially Canberra and Queanbeyan'. He said that the Kings Highway was 'the only viable access we have'. When it was not accessible, it was 'about a five-hour drive to get from Canberra to the coast via Nowra'. As a result, he suggested, this needed to be addressed collectively. While Eurobodalla was collaborating with Palerang and Queanbeyan councils on the matter, he said that they would 'like to have a lot more input for the ACT government' because 'they are a major player in this and a lot of their residents invest locally in our community'.²⁴⁵

²⁴² Councillor Tim Overall, *Proof Transcript of Evidence*, 23 May 2013, p.3.

²⁴³ Councillor Tim Overall, *Proof Transcript of Evidence*, 23 May 2013, p.3.

²⁴⁴ Councillor Tim Overall, *Proof Transcript of Evidence*, 23 May 2013, p.3.

²⁴⁵ Mr Lindsay Brown, *Proof Transcript of Evidence*, 23 May 2013, p.5.

PALERANG COUNCIL

4.68 The submission to the inquiry by Palerang Council stated that:

While the draft NSW Transport Master Plan (September 2012) attracted widespread comment on the fact that infrastructure needs associated with travel across the ACT border were largely ignored, it is noted that the final Plan (December 2012) at least acknowledges that this traffic flow exists.²⁴⁶

4.69 And it went on to say that:

Certainly, the most heavily used transport infrastructure in the Palerang LGA are those roads leading across the ACT border, the commuter routes and those providing access to the south coast in particular.²⁴⁷

BOMBALA COUNCIL

4.70 The Mayor of Bombala Council put a different view, both in terms of the problems faced by the Council in terms of road transport infrastructure and on who might be expected to provide it.

4.71 He told the Committee that there were 'challenges for us with heavy haulage transport', due to significant activity in the forest industry. As a result, he said:

We have a lot of trucks going through. We do not have a good model of funding for that, to keep our rural roads up to a reasonable standard for our residents. We are in negotiation with the state government to try to get a better model to service these types of areas. We take significantly more heavy haulage over pretty ordinary roads and to maintain them is a big challenge for a small community.²⁴⁸

4.72 However, the Mayor told the Committee that rather than look to government for transport infrastructure, his local government area looked to the private sector: 'our main thing is that we work with industry to supply good infrastructure, whether it is in roads, water or health'.²⁴⁹

4.73 In this case, he told the Committee, Bombala Council had been successful in securing investment in a development for a mill to process locally-grown softwood. After 'many meetings over many years' the Council had been able to attract 'a major Asian company' — Dongwha — 'that put their money forward to do the job and to bring that infrastructure improvement'.²⁵⁰

²⁴⁶ Palerang Council, Submission No.13, p.3.

²⁴⁷ Palerang Council, Submission No.13, p.3.

²⁴⁸ Mr Robert Stewart, *Proof Transcript of Evidence*, 23 May 2013, p.7.

²⁴⁹ Mr Stewart, *Proof Transcript of Evidence*, 23 May 2013, p.14.

²⁵⁰ Mr Stewart, *Proof Transcript of Evidence*, 23 May 2013, p.14.

4.74 He went on to say that:

We are only a small part of Australia but we are a productive part. But we need private industry to work with us to help us to develop infrastructure and for that investment pipeline to come into our area. If we get that investment pipeline, I think a lot of our issues will be solved with better infrastructure.²⁵¹

BEGA VALLEY SHIRE COUNCIL

4.75 The General Manager, Bega Valley Shire Council, noted the tenor of discussion which suggested that transport was a key driver of regional economic development. He told the Committee that within this a focused approach was critical if it were to yield positive economic outcomes, that if 'we can aggregate activity, aggregate freight, aggregate movement of people in and out of Canberra on a hub system', then 'regional activity and economic cooperation will take place'.²⁵²

4.76 This could be implemented, he told the Committee, by ensuring sufficient freight capacity for road links to the region in and out of Canberra:

if the major corridors in and out of Canberra to the north, south, east and west were able to take B-doubles and therefore able to aggregate weight for freight out of airports, in and out of Canberra Airport or out of Eden port, for example, suddenly those freight corridors will lead to economic activity taking place ...²⁵³

4.77 This would, he told the Committee, 'lead to opportunities for residents to move out of Canberra, if need be, to take the infrastructure population pressure out of Canberra, and then populate the areas in the region which have the infrastructure that already exists'. As a result, 'optimal use of infrastructure' would take place and lead to growth in regional centres. This would 'be the strength in the region', by 'ironically, decentralising'.²⁵⁴

AIRPORT INFRASTRUCTURE

4.78 Contributors to the inquiry tended to regard Canberra Airport as a central part of transport infrastructure in the region. In general it was seen as an asset upon which the region could capitalise more effectively through better integration of different modes of transport. This was seen as having significant potential for the economic development of the region as a whole.

²⁵¹ Mr Stewart, *Proof Transcript of Evidence*, 23 May 2013, p.14.

²⁵² Mr Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.15.

²⁵³ Mr Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.15.

²⁵⁴ Mr Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.15.

BACKGROUND—GREAT CAPITAL REGION STRATEGY REPORT

- 4.79 The *Greater Capital Region Strategy—Stage One* report made a number of observations about airport infrastructure for the region, in particular focused on Canberra Airport.
- 4.80 First, it suggested that Canberra Airport was ‘an important asset for the ACT and broader region’, in that it provided air links to ‘destinations such as Sydney, Melbourne, Hobart, Brisbane, Coolangatta, Perth and Adelaide’, as well as to regional centres such as Newcastle and Albury.²⁵⁵ This ‘significant role’ that the Airport played in the regional economy had been ‘widely recognised’ in consultations conducted for the report.²⁵⁶

CURFEWS

- 4.81 There were specific attributes that underscored this role for the Airport, in particular the lack of a curfew on flight take off and landing, ‘unlike most major Australian airports’, and the absence of congestion which, it suggested, was a characteristic of Sydney Airport. These attributes could, the report suggested, allow Canberra Airport to ‘expand its role in relation to freight overflow and international passenger flights’.²⁵⁷
- 4.82 It also suggested that this was potentially under threat as a result of a new development approval:
- 4.83 It should be noted that the newly approved residential development at South Jerrabomberra/Tralea in Queanbeyan could jeopardise this curfew free status thereby limiting growth opportunities.²⁵⁸

SIGNIFICANCE OF INTERNATIONAL FLIGHTS

- 4.84 The report noted that in its consultation process, ‘it was widely regarded that the introduction of international flights would be a “potential game changer” for the region’.²⁵⁹ This would increase passenger numbers through Canberra Airport. Opportunities for ‘domestic and international passenger’s hubbing through Canberra’ would, it suggested, encourage them to ‘spend some time in Canberra itself visiting the city’s cultural monuments and other attractions prior to continuing their flights thus boosting tourism’.²⁶⁰

²⁵⁵ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.14.

²⁵⁶ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.29

²⁵⁷ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.29

²⁵⁸ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.29

²⁵⁹ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.29

²⁶⁰ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.29

- 4.85 This role for the Airport would also increase access to markets by local producers, first by virtue of access to flights direct to overseas markets, but by virtue of access to a customs port situated within the region itself:

Apart from the tourism potential that international flights would generate (both direct flights and “hubbing”) it is the establishment of a customs port at the Airport that could result in significant economic development opportunities.²⁶¹

- 4.86 Currently, the report noted:

A number of Canberra and region businesses are currently exporting internationally but have to send their produce via other ports including Sydney, Adelaide and Melbourne. Exporting through Canberra would save costs and the added convenience factor could encourage more regionally producers to export internationally.²⁶²

- 4.87 The export of a particular type of product was likely to be facilitated if this were to occur, largely centred on high-value products from the agricultural sector:

A range of potential exports were identified, including products from outside of the region. Regionally produced food products (e.g. diary, seafood, wine) and niche products (e.g. certified organic skin care products, flowers) were highlighted.²⁶³

POTENTIAL ROLE AS SECONDARY SYDNEY AIRPORT

- 4.88 The report also considered the potential for Canberra Airport to play a part as a secondary airport for Sydney, thus relieving air-traffic congestion there. This included the option of Canberra Airport being connected to Sydney via fast rail. However the report noted differing views by state and Commonwealth governments on the best solution for air-traffic congestion in Sydney, including various preferred sites for new airport facilities in the Sydney area.²⁶⁴

COMMENTS BY OTHER CONTRIBUTORS

- 4.89 A number of contributors to the inquiry made comments consistent with the Greater Capital Region Strategy Report.
- 4.90 In its submission to the inquiry, SEROC advised the Committee that:

The continued development of Canberra airport is ... of great value to the region. In particular, its development as an International airport would open up new markets

²⁶¹ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.30

²⁶² Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.30

²⁶³ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.30

²⁶⁴ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.30

including the exporting of fresh produce from the region, together with inbound tourism.²⁶⁵

4.91 The Mayor of Bombala agreed, saying that he thought 'the upgrade of Canberra Airport is a great advantage for regional development and tourism for the whole region, not only for Canberra'; and he hoped that these developments would receive wide support.²⁶⁶

4.92 In its submission, RDA ACT advised the Committee in similar terms:

The vast majority of stakeholders across the Capital Region see the Canberra Airport as a major asset, not only for domestic passenger movement, but also future international passenger movements (both in and out). There is also a significant potential to increase the freight capacity of the airport. This potential would be further enabled as the airport operates on a fully international scale.²⁶⁷

4.93 The submission also noted that such developments would place a burden on transport links to the airport, which should be attended to so that airport could make the greatest possible contribution to the productivity of the region:

4.94 Along with an increasing role for air freight at the airport, would be a growing need for further road transport infrastructure out of a freight and logistics hub that would be created. The construction of the Majura Parkway is a positive step in this regard, allowing easier access to both the Federal/Hume corridor to the north and the Monaro Highway to the south.²⁶⁸

4.95 This was especially the case in that the 'demand for air freight is most often in time critical goods, which are light (in weight), not bulky (in size) and not heavily processed. As a result, it was 'critical that connecting local freight networks allow for quick and efficient distribution or on forwarding'.²⁶⁹

APPEARANCE BY CANBERRA AIRPORT

4.96 Representatives of Canberra Airport appeared before the Committee at its public hearing of 22 August 2013.

4.97 Prior to the hearing Canberra Airport had lodged a submission with the Committee. Among other things, the submission recommended that the Airport 'be acknowledged as Territory and State Significant Infrastructure', saying that this would facilitate:

²⁶⁵ SEROC, Submission No.11, p.3.

²⁶⁶ Mr Robert Stewart, *Proof Transcript of Evidence*, 23 May 2013, p.7.

²⁶⁷ RDA ACT, Submission No.10, p.18.

²⁶⁸ RDA ACT, Submission No.10, p.18.

²⁶⁹ RDA ACT, Submission No.10, p.18.

- Protection of the ongoing 24/7 operations of the airport by incorporation into Canberra and NSW Regional Local Government statutory planning documents.
- The Airport's expanding role as the primary public transport gateway to the Greater Canberra Region delivering domestic and international tourism and business connection to Australia and the world.
- The Airport's significant role in the economic development, employment diversity, connectivity and productivity of our region.
- Modal connection with the future High Speed Rail.²⁷⁰

4.98 When he appeared before the Committee, the Director, Planning and Government Relations at Canberra Airport initially highlighted four things.

4.99 First, he highlighted the Airport's bid to have Singapore Airlines fly direct to Canberra Airport, as part of its efforts to internationalise the airport.²⁷¹

4.100 Second, he suggested that the local catchment for Canberra Airport could be calculated at '800,000 people within two hours of Canberra'. He suggested that a regional focus was a natural response to this situation and detailed the Airport's consultations with regional stakeholders.²⁷²

4.101 Third, the Director emphasised the significance of continued 24/7 operations, stating that Canberra Airport was the only 'one between Brisbane and Melbourne, the 24-hour operation', and that this had been acknowledged in a 2009 white paper process that 'recognised Canberra Airport as a vital link in the freight chain and network of Australia and maybe cross-Tasman'. This view had, he suggested, been further supported in a Sydney second airport study, published in March 2012, which 'reinforced that we were the closest to Sydney to play that role'.²⁷³

4.102 He told the Committee that Canberra Airport believed that 'now we are positioning the airport with a heavy aircraft runway and a terminal with international capability we can play a major role'.²⁷⁴ He also said that new facilities at the Airport, expected to be completed around Christmas 2013, would bring its capacity to eight million passengers, with the ability to extend so that it could manage twelve million. Current levels of activity saw the Airport catering for three million passengers.²⁷⁵

²⁷⁰ Canberra Airport, Submission No.9, p.2.

²⁷¹ Mr McCann, *Proof Transcript of Evidence*, 22 August 2013, p.80.

²⁷² Mr McCann, *Proof Transcript of Evidence*, 22 August 2013, p.80.

²⁷³ *Proof Transcript of Evidence*, 22 August 2013, p.85.

²⁷⁴ *Proof Transcript of Evidence*, 22 August 2013, p.85.

²⁷⁵ Mr McCann, *Proof Transcript of Evidence*, 22 August 2013, p.86.

4.103 The document associated with the bid to Singapore Airlines talked 'about us being the newest international gateway to Australia' and that, in the Airport's view, was 'role for the community'.²⁷⁶

4.104 He told the Committee that Canberra Airport had been able to attract some government support for the proposal, but this was uneven. It needed the backing of three governments—Commonwealth, ACT and NSW—to bring this to fruition:

The whole thing has been recognised by the commonwealth but we do not see a lot of recognition from the New South Wales government. In fact, we see none. We would like the ACT government to help us to convince them that we are very important to the region. If we have got 800,000 people in our catchment and we have got half of those inside the territory then New South Wales has a lot of skin in the game.²⁷⁷

INTER-MODAL CONNECTIONS

4.105 A significant proportion of the comments by Canberra Airport concerned intermodal transport connections: that is, the capacity for patrons to move seamlessly between air and other forms of transport—such as rail and road: including public transport in the form of bus and taxi services. These are considered below.

HIGH SPEED RAIL

4.106 In relation to links with rail transport, one of Canberra Airport's specific concern was with proposals for high speed rail.

4.107 Speaking about this, the Director told the Committee that Canberra Airport believed that it was important that high speed rail came to Canberra.²⁷⁸

4.108 Noting discussion as to whether high speed rail would stop at the Airport or in Civic, the Director told the Committee that:

We believe the operator will make the decision as to whether Civic is the right location or the airport. We think they will get more passengers out of the airport. That will be something for the operator and the developer of the high speed rail.²⁷⁹

4.109 The Director told the Committee that Canberra Airport was of the view that the federal government should 'market test' the high speed rail project rather than 'kill it by committee ... and just talk about it'.²⁸⁰

²⁷⁶ *Proof Transcript of Evidence*, 22 August 2013, p.85.

²⁷⁷ *Proof Transcript of Evidence*, 22 August 2013, p.85.

²⁷⁸ Mr McCann, *Proof Transcript of Evidence*, 22 August 2013, p.84.

²⁷⁹ Mr McCann, *Proof Transcript of Evidence*, 22 August 2013, p.84.

LIGHT RAIL

4.110 The Director told the Committee that Canberra Airport was also interested in light rail links to the Airport. He said the Airport would be 'going public' with a proposal for:

a light rail network connecting employment and future employment and residential areas of the city to the lake, the airport, East Lake, around Lake Burley Griffin and so on.²⁸¹

4.111 He said that this plan, which involved 'a high speed train link and then a light rail link and a regional bus link all in one area of the airport'. He said that this had been part of the Airport's thinking since 2000, when it developed a similar proposal.²⁸²

ROAD

4.112 The Director also put forward the views of Canberra Airport on road infrastructure in the ACT.

4.113 In particular, he suggested, there was a need to increase capacity in an east-west direction, to facilitate movement by road both within the ACT and to support links to the region. Travelling in a north-south direction had been made easier to the west of Canberra by virtue of the Gungahlin Drive Extension, and the Majura Parkway, currently under construction, would serve a similar purpose in the east. This left east-west road movements requiring further attention, and the Director indicated a number of traffic bottlenecks as evidence for this requirement.²⁸³

4.114 The Director noted challenges entailed in attracting road funding from the Commonwealth, in particular a requirement that projects be 'shovel-ready': that is that all 'designs and approvals' for projects be finalised before funding is considered.²⁸⁴ He expressed uncertainty on the effectiveness of ACT Government lobbying for funds for road infrastructure, and said that he intended to look further into this in discussions with the ACT Government concerning the 2014 transport master plan.²⁸⁵

PUBLIC TRANSPORT AND THE AIRPORT

4.115 The Director told the Committee that Canberra Airport had significant concerns about public transport links to the Airport, and more widely in the region, in relation to both buses and taxis:

²⁸⁰ Mr McCann, *Proof Transcript of Evidence*, 22 August 2013, p.84.

²⁸¹ Mr McCann, *Proof Transcript of Evidence*, 22 August 2013, p.84.

²⁸² Mr McCann, *Proof Transcript of Evidence*, 22 August 2013, p.84.

²⁸³ Mr McCann, *Proof Transcript of Evidence*, 22 August 2013, pp.81-82, 83.

²⁸⁴ Mr McCann, *Proof Transcript of Evidence*, 22 August 2013, p.82.

²⁸⁵ Mr McCann, *Proof Transcript of Evidence*, 22 August 2013, pp.81-82.

As we go out and talk to the region about them using our airport as their international and domestic airport, they are giving us back the issues of, "There's a problem with cabs, there's a problem with buses, there's a problem with how we do business in and out of the territory."²⁸⁶

4.116 In connection with bus services, the Director told the Committee that the Airport encountered significant regulatory obstacles in having the Airport serviced by bus routes. He said that in the past the Airport had subsidised a regional bus operator, Deane's, 'to operate in and out of the airport from Queanbeyan and Civic'.²⁸⁷ However:

There was a constraint on them. If they went past Russell hill they could let people out but not pick them up to take them into the city and so on. Therefore, we think that it should be seamless. Even now, a bus line coming into the territory is [only] allowed to do a small amount of picking up and letting down ...²⁸⁸

4.117 Speaking to the regional dimension of this problem, he told the Committee that as a result of consultations by the Airport, it had been found that:

Even down in the snowfields, lodge owners or lodge people have shuttle buses and they are not registered in the ACT. They can pick up and set down their customers at the airport but nowhere else in the ACT. They are registered in New South Wales but not in the ACT.²⁸⁹

4.118 In relation to taxi services, the Director said that similar challenges arose with regulation across the ACT-NSW border. He told the Committee that the Airport's view was that:

We would ... like no border—no regulation stopping cabs from Queanbeyan picking up and dropping people off. They can take people to the airport from Queanbeyan or Bungendore but they can only pick up people that are going back to New South Wales. We think that is just a small part of the issue.²⁹⁰

4.119 However the Director told the Committee that, from the Airport's point of view, more significant issues for taxi services were 'a lack of supply and a lack of competition'. In relation to supply, he told the Committee that:

We went to the airport in 1998. The airport was handling around 1.8 million passengers, and we are now doing three million. We were doing 3.3 million passengers prior to the efficiency dividend impact, but the taxi plates have nowhere near grown

²⁸⁶ Mr McCann, *Proof Transcript of Evidence*, 22 August 2013, p.82.

²⁸⁷ Mr McCann, *Proof Transcript of Evidence*, 22 August 2013, p.81.

²⁸⁸ Mr McCann, *Proof Transcript of Evidence*, 22 August 2013, p.81.

²⁸⁹ Mr McCann, *Proof Transcript of Evidence*, 22 August 2013, p.82.

²⁹⁰ Mr McCann, *Proof Transcript of Evidence*, 22 August 2013, p.80.

with the city and nowhere near maintained the level of service that is acceptable to the airport and to most of its customers.²⁹¹

4.120 Overall, he told the Committee, there were similar obstacles in the way of successfully providing a sufficient, coordinated, supply to service public transport needs in terms of bus and taxi services:

It seems as though we have a problem in our transport hierarchy. They are a public service, or serving the public might be a better term—they are there to service the public. Inefficiency and not having adequate cabs or relationships with buses and interlining is part of the issue that I think we need to work out across the region, and not just keep it separate as we do at the moment.²⁹²

4.121 He told the Committee that Canberra Airport was 'very supportive of trying to help to drive to break down what are inefficiencies in the system', and that major target areas in this respect were 'the red tape issues, the non-alignment issues and the highway issues' which were standing in the way of an effective, integrated transport system in the Airport's catchment area.²⁹³

RAIL INFRASTRUCTURE

4.122 In relation to rail infrastructure, the Greater Capital Region Strategy—Stage 1 report noted that Canberra is currently serviced only by 'a spur on the Sydney-Melbourne line', and that there had been 'significant interest' in establishing a high speed rail link between Canberra and Sydney.²⁹⁴

4.123 The report went on to note that the Australian Government was engaged in a 'strategic study' on the implementation of high speed rail on the east coast of Australia, in two phases, which was considering potential routes and the economic viability of such a project.²⁹⁵

4.124 The report referenced the webpage for Stage 1 of the study. Findings were that a high speed rail network could:

- cost between \$61 billion and \$108 billion (in \$2011) to build, and involves laying more than 1,600 kilometres of new standard-gauge, double-track;

²⁹¹ Mr McCann, *Proof Transcript of Evidence*, 22 August 2013, p.81.

²⁹² Mr McCann, *Proof Transcript of Evidence*, 22 August 2013, p.81.

²⁹³ Mr McCann, *Proof Transcript of Evidence*, 22 August 2013, p.82.

²⁹⁴ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.14.

²⁹⁵ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.30.

- achieve speeds of up to 350 kilometres per hour and offer journey times as low as 3 hours between Brisbane and Sydney and Sydney and Melbourne; just 40 minutes from Sydney to Newcastle; and 1 hour between Sydney and Canberra;
- carry around 54 million passengers a year by 2036 including, for example, about half those who would have flown between Sydney and Melbourne—currently the world’s fifth busiest air corridor; and
- offer competitive ticket prices, with one way fares (in \$2011) from Brisbane to Sydney costing \$75–\$177; Sydney to Melbourne \$99–\$197; and \$16.50 for daily commuters between Newcastle and Sydney.²⁹⁶

4.125 The report also referenced phase 2 of the study which had not, at time of publication, yet been released. The report for phase 2 of the study was released on 11 April 2013. The website for the study stated its findings. These were that:

- The HSR network would comprise approximately 1,748 kilometres of dedicated route between Brisbane-Sydney-Canberra-Melbourne.
- The preferred alignment includes four capital city stations, four city-peripheral stations, and stations at the Gold Coast, Casino, Grafton, Coffs Harbour, Port Macquarie, Taree, Newcastle, the Central Coast, Southern Highlands, Wagga Wagga, Albury-Wodonga and Shepparton.
- Once fully operational (from 2065), HSR could carry approximately 84 million passengers each year, with express journey times of less than three hours between Melbourne-Sydney and Sydney-Brisbane.
- The optimal staging for the HSR program would involve building the Sydney-Melbourne line first, starting with the Sydney-Canberra sector. Subsequent stages would be Canberra-Melbourne, Newcastle-Sydney, Brisbane-Gold Coast and Gold Coast-Newcastle.
- The estimated cost of constructing the preferred HSR alignment in its entirety would be around \$114 billion (in 2012 dollars).
- The HSR program and the majority of its individual stages are expected to produce only a small positive financial return on investment. Governments would be required to fund the majority of the upfront capital costs.
- If HSR passenger projections were met at the fare levels proposed, the HSR system, once operational, could generate sufficient fare revenue and other revenue to meet operating costs without ongoing public subsidy.
- HSR would substantially improve accessibility for the regional centres it served, and provide opportunity for—although not the automatic realisation of—regional development.²⁹⁷

²⁹⁶ Australian Government, Department of Infrastructure and Regional Development, ‘High speed rail—Phase 1 study, http://www.infrastructure.gov.au/rail/trains/high_speed/phase1.aspx, referenced in Elton Consulting, *Greater Capital Region Strategy — Stage 1*, pp.30-31.

4.126 The *Greater Capital Region Strategy — Stage 1* report also referenced other comment on the high speed rail proposal, including views on what were seen as the substantial economic implications of the project:

A study by the Institute of Transport and Logistics Studies (ITLS, 2012) on behalf of the Australasian Railway Association revealed that in today's dollars, a 250km/hr High Speed Rail network from Sydney to Melbourne via Canberra will provide non-work related economic and social benefits worth \$5.1 billion per annum nationally. The ITLS study (2012) also found that a 250km/hr High Speed Rail link will increase the household income of regional Australians by 1.3 percent per annum or almost \$1000 per regional Australian household.²⁹⁸

4.127 However, the *Strategy* report suggested, it was the

non work related economic and social benefits that potentially will have the greatest impact on regional economic development in the Greater Capital Region with increased ease of access of regional residents to tertiary education institutions, health services, cultural and retail facilities and employment in the ACT.²⁹⁹

4.128 In its submission to the inquiry, RDA ACT advised the Committee that it had been involved in 'a range of events and activities that have highlighted the potential benefits that an East Coast High Speed Rail (HSR) might bring to the country as a whole; and to this region specifically'.³⁰⁰

4.129 Noting the Australian Government study into high speed rail, the RDA argued that it was significant for the Capital region that the study had found that:

if Government was to support the construction of an East Coast HSR network, then it should start with the Sydney to Canberra leg- being one of the least expensive legs (in total and in cost per kilometre) with a shorter construction time, and being the first stage of a Sydney to Melbourne segment which the Report identified as providing the highest benefit/cost ratio.³⁰¹

4.130 The RDA advised the Committee that it, and other RDAs along the proposed high speed rail route, would continue to 'advocate the benefits of HSR as an efficient, environmentally sound, and economical long distance rapid transit solution for Australia'. The project would, it suggested, have the potential not only to 'assist the development of regional Australia, but also to help relieve pressures in a range of other areas including urban congestion'.³⁰²

²⁹⁷ Australian Government, Department of Infrastructure and Regional Development, 'High speed rail', http://www.infrastructure.gov.au/rail/trains/high_speed/index.aspx

²⁹⁸ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.31.

²⁹⁹ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.31.

³⁰⁰ RDA ACT, Submission No.10, p.9.

³⁰¹ RDA ACT, Submission No.10, pp.9-10.

³⁰² RDA ACT, Submission No.10, p.10.

PORT INFRASTRUCTURE

4.131 Discussion of ports infrastructure by contributors to the inquiry centred on the potential to further develop the Port of Eden.

BACKGROUND

4.132 The *Greater Capital Region Strategy—Stage 1* report made a number of comments about the Port of Eden.

4.133 First, it suggested that the development of the port was ‘another potential catalytic program for the region’. If progress were made on such a project it would, the report suggested, ‘benefit regional NSW as far afield as Tumut and possibly further’ and ‘also provide economic development opportunities in Victoria’.³⁰³

4.134 The report noted that the Port of Eden was a ‘declared port’ with ‘well established port service providers including harbour tugs, launch services, stevedores, marine engineers and ships chandlers’.³⁰⁴ It was also ‘located approximately half way by sea between Sydney and Melbourne’ and had ‘harbour depth and navigability equivalent to Sydney’. It noted that the Port ‘accommodates an Australian Naval wharf and munitions depot (nearby) and provides the primary woodchip export site in Australia, recently achieving \$2 billion in export revenues’.³⁰⁵

4.135 The report also noted that the Port ‘enjoying an increased profile amongst ocean cruise liners and the growing super yacht market’ and was ‘a major marine fishing port’.³⁰⁶

4.136 Regarding potential for expansion in demand for the services of the Port, the report noted that it was ‘currently servicing a number of oil and gas field supply vessels’, and that:

‘the expansion of the Bass Strait fields eastwards will push the Port of Eden into strategic and logistic prominence as [it] becomes substantially closer [than] the Victorian ports.’³⁰⁷

4.137 The report went on to say that:

In addition to the Port of Eden potential role in supporting the Bass Strait gas and oil fields there are also opportunities to increase the amount and types of exports from the port, increase tourism and visitation by cruise ships. It has also been suggested that

³⁰³ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.31.

³⁰⁴ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.32.

³⁰⁵ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.31.

³⁰⁶ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, pp.31-32.

³⁰⁷ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.32. At this point the report references Bega Shire Valley Council.

the Port of Eden, along with marinas at Batemans Bay and Shellharbour could have positive impacts on tourism and cruising including catering for super yachts.³⁰⁸

4.138 As a result of the potential for expanded cruise ship activity associated with the Port, the report suggested that it was important for the region to be 'closely involved' in the development of a 10-year Cruise Development Plan proposed by the NSW Visitor Economy Taskforce, the plan for which would:

- plan for the forecast growth in cruise ship calls and passenger numbers
- ensure NSW captures a larger share of the economic benefits from the growth in the cruise market, including provisioning of ships and pre- and post-cruise tours
- develop financial models to identify capacity needs
- identify the level and timing of future Government funding of cruise sector infrastructure, for example, White Bay funding commitments.³⁰⁹

4.139 In relation to the overall economic benefits of greater activity at the Port of Eden, however, the *Greater Capital Region Strategy—Stage 1* report added an important caveat, saying that despite benefits to NSW and Victorian regional areas it was 'hard to determine a direct benefit to the ACT', 'except possibly as a result of cruise based tourism'.³¹⁰

VIEWS OF BEGA VALLEY SHIRE COUNCIL

4.140 The Port of Eden lies within the area administered by the Bega Valley Shire Council. In the course of the inquiry the Council made a number of observations regarding an expansion to facilities and activity at the Port.

4.141 In its submission to the inquiry, the Council suggested that movement between the ACT and the South Coast, in terms of residents, visitors and freight were 'likely to escalate', although 'ease of private transport, or access to public transport, may influence the frequency and scale of those movements'. It also suggested that in the order of '50 cruise ships a year are anticipated into Eden Port'. In connection with this, 'land-based tour packages along the south coast and into snowy mountains and the ACT' were proposed.³¹¹

4.142 The submission advised the Committee that the Council had prepared Eden Port and Merimbula Airport master plans 'for their development to attract and accommodate visitor, recreation and freight growth'.³¹²

³⁰⁸ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.32.

³⁰⁹ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.32.

³¹⁰ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.31.

³¹¹ Bega Valley Shire Council, Submission No.15, p.2.

³¹² Bega Valley Shire Council, Submission No.15, p.2.

4.143 In relation to these proposals, the submission suggested that 'the south coast and the ACT hold strategic transport, visitor and freight advantages in that:

- [the] ACT has air, road, rail access to capital cities
- [the] South coast has air, sea, road access to capital cities
- Travel times between south coast and ACT [are] 2-2.5hrs
- Canberra airport [can act as a transport] hub to south coast.³¹³

4.144 Moreover, the submission suggested, there were ways in which the Port of Eden could be favourably compared with major ports in Sydney and Melbourne. It advised the Committee that freight 'from ACT to Sydney and Melbourne by road takes [more than] 3 hrs and is subject to congestion and intermodal double handling'. However, if 'bulk freight was aggregated and/or containerised through Eden Port, then those supply chain delays and costs could be eased'.³¹⁴

4.145 To capitalise on this potential, the submission suggested, 'collaborative advocacy and planning' should be devoted to:

- Conversion of east/west corridors (Snowy Mountains and Kings Highways) to 8- Double standard, enabling direct access to 8 Triple/HPV Hume corridor
- Development of Eden Port for freight and cruiseship access
- Development of Merimbula Airport leisure and business air travel to Canberra
- The maintenance of the east/west corridors (Snowy Mountains and Kings Highways)³¹⁵

4.146 To further these proposals, the submission recommended that the:

ACT government and south coast councils collaboratively plan and lobby government, tourism bodies and transport operators to utilise east-west corridors, and Eden and Canberra as transport hubs.³¹⁶

4.147 The Council added to these statements when it appeared before the Committee at its public hearing of 23 May 2013.

4.148 At these hearings, the Council's General Manager told the Committee that the Port of Eden was distinctive by virtue of its 'ability to be a single-handled modal facility rather than a multi-handled modal facility that exists in all the other ports along the east coast'.³¹⁷

³¹³ Bega Valley Shire Council, Submission No.15, p.2.

³¹⁴ Bega Valley Shire Council, Submission No.15, p.2.

³¹⁵ Bega Valley Shire Council, Submission No.15, p.2.

³¹⁶ Bega Valley Shire Council, Submission No.15, p.2.

³¹⁷ Mr Peter Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.20

4.149 By this he meant that freight being processed through the Port of Eden would be subject to a single transfer between modes of transport (that is, from sea to road) rather than multiple transfers at other major ports, resulting in more efficient freight handling. This would constitute a competitive advantage for the Port of Eden.³¹⁸

4.150 In order to capitalise on this potential, he told the Committee, it was necessary to address road infrastructure and capacity. It was, he said 'all about building scale and scope':

We have got to the point now where Imlay Road can be nominated as a freight corridor out of Eden directly through Monaro Highway and Majura parkway out onto the Hume.

4.151 This, he suggested, could be the basis for a whole new freight system based on a combination of an enhanced Port of Eden and improved road freight capacity:

We think we are starting to get the state government to see that they should not necessarily be trying to improve the freight systems they currently have; they need to think differently and create a new freight system, or influence a freight system by creating opportunities through those east-west corridors and then utilise the Hume Highway as the B-triple HPV [High Productivity Vehicle] corridor north and south.³¹⁹

4.152 Central to this proposal was the view that a road link, suitable for freight movements of this kind, could be established between the Port and the Hume Highway. It was, the General Manager suggested that it was a matter of 'a very short trip from the Hume Highway to Eden, three hours, with containerised high mass vehicle loads'. He suggested that while there was already the capacity to do this, 'we can we can improve capacity through Snowy Mountains, Imlay or Kings Highway if we make them B-doubleable [that is, able to be used by B-double High Productivity Vehicles]'.³²⁰

4.153 The most important element in this was the single-mode nature of the model:

There is only one means of shipping in and out of the country via Eden port—that is, putting freight back on the truck. The truck has more access, of course, to other regions or cities along that corridor. The freight does not need to get on and off a train. It does not need to get on and off a truck before it gets on and off a boat. That single means of modal transport will reduce the freight per tonne per kilometre significantly.³²¹

4.154 The Mayor of Bega Valley Shire Council added to this, saying that:

³¹⁸ Mr Peter Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.20

³¹⁹ Mr Peter Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.20.

³²⁰ Mr Peter Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.20.

³²¹ Mr Peter Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.20.

A ship comes to Port Kembla, waits out for a day, two days, three days—who knows?—and at Port Botany it is the same. At Eden they can come in and out in a day.³²²

4.155 A further component of this model was the possibility of using the Port, and its regional neighbours, into a model in which green and putrescible waste, produced in the region, was processed into an exportable commodity and shipped to overseas buyers:

I drive into Canberra and see that mountain of waste you have got in south Canberra. In Pambula, which is close to Eden, we have a local company that is actually an engineering company manufacturing and exporting to Europe a process that takes putrescible waste and turns it into fertiliser. But that leads to the possibility of thinking of all the organic waste from the south-eastern region. If there is a market worldwide, particularly in Asia, for organics, whether they be putrescible or just green waste, we should accumulate those and ship them out of Eden. But the bulk of that would come out of the ACT and would certainly give scale to any thought like that.³²³

4.156 More broadly, the General Manager told the Committee that the Council was 'hopeful of significant federal and state government funding' to further develop the Port:

both in terms of a freight centre and a leisure transport freight centre from the point of view of 50 cruise ships a year coming in via Eden port, 2,000 or 3,000 passengers per visit.³²⁴

4.157 In this scenario, he suggested, passengers landing at Eden would travel widely through the region, 'heading west, they will be heading north, they will be heading south out of Eden'. This would 'significantly change regional economic activity here and ... the transport demands in the region'.³²⁵

PUBLIC TRANSPORT

4.158 As noted above, in the account of testimony by Canberra Airport, the adequacy of public transport forms is a significant question in the overall picture of transport for the region.

4.159 In that section, the main question under consideration was the adequacy of connections to air passenger routes commencing and terminating at the Airport, and the overall efficiency of the transport network in the ACT and its region. This section focuses on views of public transport from the region: distinct but related questions which go toward a wider picture of transport in the Capital region.

³²² Mr Taylor, *Proof Transcript of Evidence*, 23 May 2013, pp.19-20.

³²³ Mr Taylor, *Proof Transcript of Evidence*, 23 May 2013, p.32.

³²⁴ Mr Peter Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.21.

³²⁵ Mr Peter Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.21.

- 4.160 Comment on public transport by contributors from outside of the ACT focused, for the most part, on deficiencies in public transport services, and confounding factors of cross-border regulatory inconsistencies.
- 4.161 The Mayor of Queanbeyan was one such contributor. When he appeared at a public hearing of 23 May 2013 he told the Committee:
- Public transport in the regions, whilst well catered for in the ACT, is really poorly serviced in adjoining New South Wales. A lot of cross-border legislative processes and regulations frustrate the regional approach to public transport, as has been highlighted during our discussions over the last couple of years in terms of publicly owned bus services, privately owned bus services and different regulatory regimes.³²⁶
- 4.162 He told the Committee that this was directly related to other problems with transport infrastructure, in that it had contributed to ‘an increasing am-pm peak travel problem’ between Queanbeyan and the ACT.³²⁷
- 4.163 The Mayor of Cooma-Monaro Shire Council put a similar view, with a further emphasis on pressures arising as a result of ‘more and more people living in our community and commuting to Canberra’. He said that at one stage there had been a commuter bus ‘operating on a trial basis for three months’, and that there had been attempts to institute a further two-year trial, without apparent success, although it was in his view ‘definitely something that is going to happen’.³²⁸

QUEANBEYAN-MONARO GREENS

- 4.164 These matters were considered in a submission to the inquiry by the Queanbeyan-Monaro Greens.
- 4.165 In the submission the Queanbeyan-Monaro Greens were critical of what they saw as insufficient action on public transport between the region—Queanbeyan in particular—and the ACT, both by Queanbeyan Council and participants in a cross-border transport forum, the Eastern Regional Transport Taskforce.
- 4.166 In relation to Queanbeyan City Council, the Queanbeyan-Monaro Greens put the view that its response to ‘increasing traffic volumes’ had been ‘inadequate’. In particular, it was critical of the approach which it said the Council had taken in a study of transport options between Queanbeyan and the ACT in that it made ‘critical assumptions’ that ‘there would be no change to ... modal shares’, that is that ‘most people would continue to rely on private vehicles. This,

³²⁶ Mr Tim Overall, *Proof Transcript of Evidence*, 23 May 2013, p.3.

³²⁷ Mr Tim Overall, *Proof Transcript of Evidence*, 23 May 2013, p.3.

³²⁸ Mr Dean Lynch, *Proof Transcript of Evidence*, 23 May 2013, p.5.

they said, subtracted from the Council's ability to work to imperatives of environmental sustainability.³²⁹

4.167 Evidence for this was adduced from past and proposed plans for road expansions, based on the premise that private cars would be the primary mode of transport, which had, or would, result in loss of natural habitat in the Queanbeyan area.³³⁰

4.168 On the basis of these observations, the Queanbeyan-Monaro Greens argued that 'Queanbeyan City Council has taken little to no interest in improving sustainable transport planning or services' and that despite 'undertakings in the Queanbeyan Community Climate Change Action Plan', it had not proved to be a strong advocate for better public transport services.³³¹

4.169 In relation to the Eastern Regional Transport Taskforce, a forum initiated by the ACT Government, the Queanbeyan-Monaro Greens put the view that 'nothing of substance [had] emerged from this forum in three years'.³³²

4.170 The submission contrasted policy by Queanbeyan City Council and the ACT Government, and raised questions about the implications of these differences:

Queanbeyan City Council has taken little to no interest in improving sustainable transport planning or services ...

In contrast, the ACT Government is actively promoting sustainable transport by increasing the cost of car parking in Civic and town centres, introducing express bus services (the Rapid series), and constructing park and ride facilities for cars and bicycles. The two cities' policies are working at odds with each other. Without an improvement in public bus services, most Queanbeyan commuters will continue to rely on private vehicles, undermining the ACT Government's policy objectives of reducing vehicle trips in peak periods. Under existing policy settings, this problem will grow with the increase in Queanbeyan City's population. It will also be difficult to encourage more ACT residents to use public transport for commuter journeys to Queanbeyan.³³³

4.171 In response, the submission put forward a number of proposals on how to resolve the problems it identified. Saying that it was, in view of the ACT Government's policy, 'in [its] interests to work for better integration of cross-border transport planning and service delivery' one option, it was suggested, was for 'the ACT and NSW Governments to reach agreement for the ACT to provide a commuter service in Queanbeyan City'. This, the submission suggested,

³²⁹ Queanbeyan-Monaro Greens, Submission No.12, p.2.

³³⁰ Queanbeyan-Monaro Greens, Submission No.12, p.2.

³³¹ Queanbeyan-Monaro Greens, Submission No.12, p.2.

³³² Queanbeyan-Monaro Greens, Submission No.12, p.3. The Eastern Regional Taskforce is referenced in Hansard for the Legislative Assembly for 25 August 2011, available at: <http://www.hansard.act.gov.au/hansard/2011/week09/3896.htm>

³³³ Queanbeyan-Monaro Greens, Submission No.12, pp.2-3.

'could be done on a similar basis to payment of a fee for treatment of NSW patients in Canberra hospitals'.³³⁴

4.172 The submission proposed a funding mechanism and routes as follows:

Currently, the NSW Government requires Deanes Transit Group to provide a commuter service as part of its contract but previous owners of Deanes told us that the commuter service does not generate a profit. Removing this requirement from Deanes' contract, and adjusting the contract fee accordingly, would provide funds for the NSW Government to redirect to paying the ACT Government to help cover the costs of extending the 200 Service to Queanbeyan CBD. A second service could operate from Queanbeyan CBD through Karabar (picking up Googong 'park and ride' passengers), on to Jerrabomberra and then to Woden, where passengers could pick up the 300 Service to travel north or south.³³⁵

4.173 Evidence was presented in support of these services being viable based on observations of current services, used by Queanbeyan residents, available only from within the ACT:

Some of our members are regular users of the Red Rapid (200) Service from Fyshwick, having combined cycling and bus travel on this route for more than two years. These members have noticed a steady increase in the number of Queanbeyan City residents using the 200 service, some combining with a cycling trip but most driving to the DFO and using the associated car parking facilities. Some bus users also park their bicycles in the DFO facilities. Some people even walk from Queanbeyan to the DFO to use the 200 bus service. This increased patronage demonstrates that people will use a bus service that meets their needs and is well priced.³³⁶

4.174 In the view of the Queanbeyan-Monaro Greens, it was possible in view of this anticipated patronage that extensions to bus routes could end-up being cost-neutral to their provider, the ACT Government:

It is possible that extending the bus service through to Queanbeyan would pose no additional cost burden on ACTION, or only a small marginal cost, because there would likely be strong revenue from high patronage.³³⁷

4.175 The submission went on to identify further elements which would make such services more attractive to patrons, and noted resulting environmental benefits:

The provision of bus services to Queanbeyan by ACTION offers a particular benefit of providing seamless travel. Currently, people using ACTION and Deanes services for a

³³⁴ Queanbeyan-Monaro Greens, Submission No.12, p.3.

³³⁵ Queanbeyan-Monaro Greens, Submission No.12, p.3.

³³⁶ Queanbeyan-Monaro Greens, Submission No.12, p.3.

³³⁷ Queanbeyan-Monaro Greens, Submission No.12, p.3.

single journey have to negotiate two different bus systems, routes, timetables and fare structures. Extending ACTION operations to Queanbeyan would also provide a benefit to ACT residents travelling to Queanbeyan and likely encourage more ACT residents to choose bus travel over a car journey.³³⁸

4.176 In the submission, the Queanbeyan-Monaro Greens acknowledged that cross-border regulatory hurdles could be an obstacle to this solution, in that 'ACTION buses are currently prohibited from operating in NSW', but observed that 'we have been unable to ascertain the nature of the obstacle'.³³⁹

4.177 In addition to observations directly centred on public transport between Queanbeyan and the ACT, the submission also made comment issues arising in connection with public transport between the ACT and other regional areas. As for Queanbeyan, this was driven, the submission suggested, by increased commuting into the ACT:

The increasing number of commuters from Goulburn, Bungendore and Cooma to Canberra, some travelling through Queanbeyan. There is no commuter rail service for these people. The NSW Government has decommissioned the Cooma line. The CountryLink coach service to Cooma is not a commuter service (arriving in Canberra mid- morning).³⁴⁰

4.178 Similar scenarios were observable in other regional areas around the ACT:

A similar trend of people moving to Yass for more affordable housing raised another regional transport issue that needs attention. Deanes provides a service from Yass but it is infrequent and expensive. There are no evening or weekend services.³⁴¹

4.179 More broadly in the region, the submission suggested:

Provision of sustainable transport services for smaller towns and villages surrounding the ACT is also a problem, particularly for ageing residents. This is a significant issue because the ACT is the major centre for many services, in particular health, in south-east NSW.³⁴²

4.180 Moreover, the submission suggested, high-speed rail was is 'a generation away, according to the latest report from the Federal Government', which rule this out as a near-term solution to regional public transport problems.³⁴³

³³⁸ Queanbeyan-Monaro Greens, Submission No.12, p.3.

³³⁹ Queanbeyan-Monaro Greens, Submission No.12, p.3.

³⁴⁰ Queanbeyan-Monaro Greens, Submission No.12, p.4.

³⁴¹ Queanbeyan-Monaro Greens, Submission No.12, p.4.

³⁴² Queanbeyan-Monaro Greens, Submission No.12, p.4.

³⁴³ Queanbeyan-Monaro Greens, Submission No.12, p.4.

SMART WORK CENTRES/HUBS

4.181 A number of contributors to the inquiry viewed smart work centres or hubs as being cognate to regional transport.

GOULBURN MULWAREE COUNCIL

4.182 The General Manager of Goulburn Mulwaree Council told the Committee what this concept entailed:

The smart work centre idea is the concept of providing a work centre in a regional area to reduce the need to commute from the region into Canberra on a daily basis. By providing a smart work centre, the idea is [to provide] a contemporary office and meeting space so that people, rather than commuting, can actually go there and work, instead of contesting the commuter traffic on a daily basis.³⁴⁴

4.183 He told the Committee that his council had applied for funding for a trial smart work centre, using one of council's buildings, 'to see if we can actually prove the concept'.³⁴⁵

4.184 So far, he told the Committee experience suggested that the concept would be effective 'where you have got a large commuter population'. He noted that Yass and Queanbeyan and Palerang had existing large commuter populations, and that the area under the administration of Goulburn Mulwaree Council was also experiencing growth, so that there were: 'about 600 to 700 people commuting to Canberra on a daily basis'.³⁴⁶

4.185 It was hoped, he told the Committee, that implementing smart work centres could reduce 'that number of people every day of the working week by two-thirds at least'.³⁴⁷

4.186 The General Manager then went on to describe some of the broader thinking behind the concept of smart work centres, in particular a concept of differentiation, in which the urban centre in the ACT provided employment opportunities while regional areas provided a broader range of housing affordable options than those available in the ACT. The concept of smart work centres, he told the Committee, was 'linked in with the idea that the regional areas provide a potential solution to some of the urban problems of Canberra'.³⁴⁸

For instance, in Goulburn we have a range of housing types, and it is certainly significantly more affordable—about 50 per cent cheaper than the median house price in Canberra. So it is an affordable housing solution, but recognising that some of the

³⁴⁴ Mr Chris Berry, *Proof Transcript of Evidence*, 23 May 2013, p.8.

³⁴⁵ Mr Chris Berry, *Proof Transcript of Evidence*, 23 May 2013, p.8.

³⁴⁶ Mr Chris Berry, *Proof Transcript of Evidence*, 23 May 2013, p.8.

³⁴⁷ Mr Chris Berry, *Proof Transcript of Evidence*, 23 May 2013, p.8.

³⁴⁸ Mr Chris Berry, *Proof Transcript of Evidence*, 23 May 2013, p.8.

jobs would still be provided in Canberra, the smart work centre works in well with that idea of reducing the commuter need and providing benefit to the ACT as well as to the local community.³⁴⁹

4.187 Goulburn Mulwaree Council also made comment on smart work centres in its submission to the inquiry, in which it stated that it was in the process of establishing a trial centre in conjunction with Yass Valley Shire Council and if the 'concept proves viable', there would be an 'opportunity to provide similar centres in many of the commuter towns and villages around the ACT' such as Bungendore, Murrumbateman, Yass, Boorowa and Harden.³⁵⁰

4.188 Regarding facilities for smart work centres, the submission went on to suggest that many of 'these smaller communities have under utilised State Government facilities that could easily be adapted to become "Smart Work Centres", and that this would provide :

a unique opportunity for Local Government to work in direct partnership with the NSW and ACT Governments to deliver Smart Work Centres across the Region.³⁵¹

RDA ACT

4.189 The Executive Officer of RDA ACT made comment on smart work hubs when he appeared before the Committee at its public hearing of 22 August 2013. He told the Committee that 'the telework option' (that is, smart work hubs) would add:

not only to the sustainability of increasing that catchment of the ACT and to those regions; it gives people that extra lifestyle option as well.³⁵²

4.190 He noted that the federal government had 'a policy of 12 per cent of all public servants doing some form of telework by 2020', and that this had been a 'catalyst for us looking at what we could do to advocate that for this part of the world'. He told the Committee that an important consideration in so doing was to help the local regions 'keep employees in their area in the daytime so that they spend their money locally on child care or buying their lunch or services during the day'.³⁵³

4.191 The Executive Officer also noted, however, that there were caveats and conditions that needed to be considered. For one thing, it needed 'to be a mix because not everybody can telework: there were 'obviously a lot of positions that have to be front and centre, the front-line services et cetera'. In addition, there had to be a consideration of 'that connection from the region into the ACT', which needed to be 'physical':

³⁴⁹ Mr Chris Berry, *Proof Transcript of Evidence*, 23 May 2013, p.8.

³⁵⁰ Goulburn Mulwaree Council, Submission No.2, p.2.

³⁵¹ Goulburn Mulwaree Council, Submission No.2, p.2.

³⁵² Mr van Aalst, *Proof Transcript of Evidence*, 22 August 2013, p.67.

³⁵³ Mr van Aalst, *Proof Transcript of Evidence*, 22 August 2013, p.67.

... there does need to be a physical connectivity with roads—but there also needs to be the capability for people to telework and to commute electronically on a daily basis as well.³⁵⁴

4.192 The RDA made comment on these matters in its submission to the inquiry. This characterised the ACT and region as prime candidates for smart work hubs and telework in general:

With its high proportion of knowledge and service sector workers, and a large number of employees travelling great distances from rural lifestyle communities each day, the ACT and near region present a significant opportunity to showcase the potential of telework to reduce travel time, decrease transport congestion, reduce carbon emissions whilst at the same time adding to the viability of regional communities.³⁵⁵

4.193 A common view of this had led, the submission advised the Committee, to a number of regional local governments considering plans for smart work hubs:

...many local governments see the benefit of investment in local facilities that would encourage local residents to remain in the community to work- enabling expenditure on local services such as child care, food and beverage, as well as reducing the peak hour congestion on the roads that lead into the ACT each day. There are as many as six local governments that are at early stages of examining the possibility of creating a Smart Work Hub in their town/city.³⁵⁶

4.194 The submission also suggested that other purposes could be served by smart work hubs other than supporting telework alone, saying that there was:

an opportunity for innovative local governments to combine Smart Work Hubs with other council facilities, or perhaps with remote educational or health facilities, that might link to Canberra-based providers.³⁵⁷

EDUCATION AND OTHER SERVICES

4.195 Other contributors to the inquiry noted possibilities for smart work hubs to be employed in an educational setting. The Mayor of Palerang noted this possibility when he spoke to the Committee at its hearing of 23 May 2013.³⁵⁸

³⁵⁴ Mr van Aalst, *Proof Transcript of Evidence*, 22 August 2013, p.68.

³⁵⁵ RDA ACT, Submission No.10, p.20.

³⁵⁶ RDA ACT, Submission No.10, p.20.

³⁵⁷ RDA ACT, Submission No.10, p.20.

³⁵⁸ Mr Harrison, *Proof Transcript of Evidence*, 23 May 2013, p.18.

4.196 The Deputy Mayor of Boorowa Council made further comment, saying that smart work hubs offered the prospect of a solution to a difficult of which he had earlier become aware:

When I was the mayor of Boorowa I had young people come to me, when we were making developments and changes in a small town like Boorowa, saying, "Don't change it too much." I said, "We've got to progress. Do people want these things?" They said, "No, we don't want that. We left that in Canberra. We want to come back to the town we grew up in." They want to bring their kids home, especially for their primary education, because they feel it is a safe environment where they have family and friends.³⁵⁹

4.197 In speaking to this point, he highlighted the need for a diversity of options, including making it possible for people who wish to live locally being able to access employment and services, including those in education and health, via internet connection, while being situated in the region:

We do not want all the jobs in Boorowa, we do not want all the jobs in Goulburn and we do not want all the jobs in Canberra. We want our young people to come home. They will come home if the opportunities are there. What we need is the internet. We can talk about transport, but we do not really think that is the big issue. We just want to give them opportunities. Those opportunities are there. They do want to come home and live in a safe, quiet environment. They want to take advantage of health and education and secondary education in places like Canberra. So there is a balance. I think we can come up with that balance. Our general manager is pushing this smart hub thing very strongly. It is a clever idea. It is thinking outside of the square and we should be going down that path.³⁶⁰

4.198 A submission to the inquiry by Goulburn Mulwaree Council put a similar view:

Council has previously been supportive of tertiary education facilities being established in the city. The Smart Work Centre can offer the opportunity for existing tertiary institutions in the ACT to deliver education programs to rural students reducing the expense and need for commuting or to live away from home.³⁶¹

SEROC

4.199 SEROC, in its submission to the inquiry, also stressed the potential of 'the digital economy' for the well-being of the region:

The digital economy has the potential for enormous positive social change in the South East region, bringing communities closer together through improved communication,

³⁵⁹ Mr Corcoran, *Proof Transcript of Evidence*, 23 May 2013, p.18.

³⁶⁰ Mr Corcoran, *Proof Transcript of Evidence*, 23 May 2013, p.18.

³⁶¹ Goulburn Mulwaree Council, Submission No.2, p.2.

contact and economic opportunity. These include a particular focus on health and education, as well as business and community take-up to facilitate improved accessibility to goods, information and services.³⁶²

4.200 However the submission noted a risk to plans for smart work hubs in the region due to delayed installation of broadband infrastructure under the National Broadband Network. It suggested that while 'roll out work has commenced or about to commence in the ACT and Queanbeyan' it could be 'many years before the rest of the South East region has access to the NBN'. As a result, it said, SEROC was 'keen to press for an earlier commencement date for the rest of the region' and asked the ACT Government for assistance in pursuing this aim.³⁶³

GREATER CAPITAL REGION STRATEGY

4.201 The *Greater Capital Region Strategy—Stage 1* report noted potential benefits to the region of greater connectivity:

The National Broadband Network has important economic benefits for the region because of its importance to improving services and education, enabling more efficient teleworking, home-based business and increasing general business and transport efficiency.³⁶⁴

4.202 It also noted that a recent analysis of teleworking options in the region had shown that :

6-8% of Bungendore-residing workers have a work-from-home arrangement with their employers, with a similar percentage again working from home under ad hoc conditions.³⁶⁵

4.203 However, it went on to say that the same source had noted 'barriers' to the extension of telework:

While many workers appear keen on this option, the report noted that barriers exist – particularly from the employer's perspective:

- Suitability of work (that it can be done efficiently from home)
- Lack of contact with workplace culture
- Quality of home-based telecoms
- Security (including security concerns over remote access to employer servers)
- Social isolation
- OHS (inability for employer to control the home office or hub working environment)

³⁶² SEROC, Submission No.11, p.5.

³⁶³ SEROC, Submission No.11, p.5.

³⁶⁴ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.32.

³⁶⁵ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.32.

- Cost (to employers of setting up suitable remote access hardware and software).³⁶⁶

COMMITTEE COMMENT

ECONOMIC DEVELOPMENT

- 4.204 The Committee acknowledges economic development as a primary focus for the well-being and prosperity of the region.
- 4.205 With regard to matters considered in this chapter's introduction, the Committee considers it important, as suggested in the *Greater Capital Strategy—Stage 1* report, that the region's current reliance on public sector employment, particularly in the ACT, be counter-balanced by growth in other sectors of the region's economy.
- 4.206 In the Committee's view, it is important to foster the areas for economic and employment growth identified in the *Greater Capital Strategy* in order to achieve this vision of a mixed economy which can protect itself from too great an influence from the fortunes of one part of the economy by maintaining a healthy engagement in others.

TRANSPORT INFRASTRUCTURE

- 4.207 With regard to transport infrastructure in particular, the central focus of this chapter, the Committee believes that paying due regard to transport infrastructure will be central in efforts to achieve a healthy, diversified regional economy.
- 4.208 It is noteworthy that the *Greater Capital Strategy—Stage 1* report stated unambiguously that gaps in transport infrastructure in the region were 'hampering economic development', and that the 'lack of a "business case" ' was hampering 'the regions ability to lobby for funds to address ... critical gaps'. In view of this, and in the absence of indications of this kind of approach in any of the contributions to the inquiry, the Committee considers it essential that stakeholders in transport infrastructure adopt a considered, evidence-based approach to applying for (most usually federal) funding with which to upgrade transport infrastructure. The evidence base should include data on current use, projected use, accident rates, contributions to growth if built, and opportunity cost. The grants application process should be characterised by deliberate efforts to form coalitions of stakeholders based on common interest.
- 4.209 Accordingly, the Committee makes the following recommendation.

³⁶⁶ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, pp.32-33.

Recommendation 8

4.210 The Committee recommends that the ACT Government form coalitions within the region based on common interest to lobby for Commonwealth funds for transport infrastructure, and that grants applications should be based on data collected on current and projected use, accident rates, projected economic benefits if the infrastructure is built, and opportunity cost.

4.211 A further matter of concern is the state of planning on transport infrastructure. Various projects for transport infrastructure upgrades are proposed, but there needs to be a clear sense of priorities and sense of how these upgraded transport modes would work together as they are upgraded, for the benefit of the region as a whole. The absence of the ACT from NSW transport planning is a further matter of concern which underscores the comparative vacuum in establishing priorities and an agenda for infrastructure upgrades in the region.

4.212 In view of this, the Committee makes the following recommendation.

Recommendation 9

4.213 The Committee recommends that the ACT Government work, in consultation with the NSW Government and local government authorities in the Australian Capital Region, to establish priorities and an agenda for a program of transport infrastructure upgrades, to inform applications for federal funding for infrastructure upgrades, and to provide a work program for upgrades.

ROADS INFRASTRUCTURE

4.214 In the Committee's view it appears clear that these are urgent imperatives in connection with roads infrastructure. Contributors to the inquiry reported significantly increased road use as a result of changes in population distribution.

4.215 They emphasised the need for grants applications to the Commonwealth for funding support for roads upgrades in the region to compete effectively with applications from other jurisdictions. This adds further support for the recommendations the Committee has made above.

4.216 Other important points were:

- that road transport between certain parts of the region was hampered by heavy reliance on one particular road;
- that public transport links with regional locations currently failed to meet demand, and that if effective provision were made it would go some way toward relieving current pressures on roads in the region;

- that the lack of suitability—and permission—for B Double vehicles was a significant economic impediment; and
- that good roads infrastructure in the region would support a more even distribution of population and services across the region, moderately tendencies for populations and services to centralise in and around the ACT.

4.217 In the Committee's view, these matters should be taken into consideration in the ranking and coordination of the transport infrastructure upgrades process outlined above.

AIR INFRASTRUCTURE

4.218 With regard to airport infrastructure, the Committee notes the high importance placed on Canberra Airport by contributors to the inquiry, and is persuaded of its status within a larger picture of the region's development.

4.219 The Committee notes the ACT Government's participation in a bid by Canberra Airport to attract direct international flights to Canberra Airport. In the Committee's view this is a constructive line of inquiry.

4.220 The Committee was also impressed by the analysis of inter-modal connections put forward by Canberra Airport. It is the Committee's view that this 'systems-based' view of transport connections with Canberra Airport is an important focus if the region is to receive maximum return from Canberra Airport as a transport 'asset'.

4.221 In the Committee's view, and reflecting the views of contributors to the inquiry, this has implications not only for passenger traffic in and out of the region, and therefore for tourism and trade, but also for the region's capacity to export fresh produce. The Committee notes that these matters lie close to the heart of the proposed branding for the region.

4.222 In light of this, the Committee makes the following recommendation.

Recommendation 10

4.223 The Committee recommends that the ACT Government improve inter-modal transport connections noting the significance of Canberra Airport within the region.

RAIL INFRASTRUCTURE

4.224 The Committee notes current proposals for a High Speed Rail link on the Eastern seaboard of Australia, with a link between Sydney and Canberra as a likely first step in construction. This is clearly a project of immense significance to the region, as it is to other locations on the proposed final route.

4.225 Given the long lead times involved, the Committee seeks to make few recommendations about the project, except to suggest that an effective inter-modal link could be achieved, when the line is built, by co-locating an ACT High Speed Rail terminal with Canberra Airport, and that in any future expansion of the Capital Metro light rail network consideration is given to providing a light rail connection between the Airport and significant metropolitan destinations in the ACT.

4.226 Accordingly, the Committee makes the following recommendation.

PORTS INFRASTRUCTURE

4.227 The Committee acknowledges the notable attributes of the Port of Eden as a port, and current activity connected with it. It notes proposals for the expansion of the Port's freight business based on upgraded road connections with the Hume Highway. Given the high cost of such upgrades, the Committee takes the view that planning in support of this proposal should include a careful consideration of a business case, most of all to make accurate projections of the economic and other benefits anticipated in relation to the likely cost of infrastructure upgrades.

4.228 The Committee also considers that there should be further investigation of the implications of this development for the region as a whole, in order to gauge its significance in the wider picture of development for the Australian Capital Region.

PUBLIC TRANSPORT

4.229 The Committee notes the consist view of contributors to the inquiry that cross-border public transport in the region is plagued by inconsistent and duplicated regulation. Improvement on this score also holds out the possibility of relieving some of the increased burden on road usage as a result of increasing populations in the Local Government Areas closer to the ACT. In the Committee's view public transport regulations should take a high priority in the current work plan of the Red Tape Committee, and of future coordinating bodies that may be created by the ACT Government in association with the NSW Government.

4.230 In view of this the Committee makes the following recommendation.

Recommendation 11

4.231 The Committee recommends that the ACT Government's Red Tape Committee place a high priority on resolving cross-border regulatory conflicts and duplications on public transport, so that effective public transport links can be established between locations in the ACT and those in NSW.

SMART WORK HUBS

4.232 In relation to smart work hubs, the Committee notes the importance attached to these initiatives by representatives of Local Government Areas, and others. In brief, these contributors consider that smart work hubs can:

- support regional employment while allowing residents to remain in-place in the regions (that is, telework), for at least part of the working week, thus supporting the local economy;
- support the delivery of education services to Local Government Areas in the region, particularly for tertiary and skills-based education, at lower cost, while allowing students to remain-in place; and
- reduce demands on transport infrastructure.

4.233 The Committee notes that many of these sites have been initiated by local government, and that the ACT may have a limited part to play in these. On the other hand, it is within the purview of the ACT Government to have effective workplace policies which allow for working from remote locations. As noted by contributors, there are potential advantages and disadvantages, and ACT Government policies should make advantages more possible while working against potential disadvantages

4.234 In light of this, the Committee recommends as follows.

Recommendation 12

4.235 The Committee recommends that the ACT Government review workplace policies on working from locations in the region (that is, teleworking) to ensure that this is an option available to ACT Public Service employees.

4.236 The Committee notes that it is also open to the ACT Government to sponsor, support and in some cases direct ACT-based educational providers to make online educational services available to locations in the region, and to support this form of engagement with students through limited face-to-face contact.

4.237 In relation to all of these matters, the Committee notes the National Broadband Network as a key enabling factor.

4.238 In view of this, the Committee makes the following recommendation.

Recommendation 13

4.239 The Committee recommends that the ACT Government, in association with the NSW Government, monitor progress on the roll-out of broadband services to locations in the

Australian Capital Region and if necessary advocate on behalf of effective broadband services for locations in the region.

5 OTHER ASPECTS OF ECONOMIC DEVELOPMENT

INTRODUCTION

- 5.1 The previous chapter considered economic development as it related to transport and transport infrastructure, and smart work hubs.
- 5.2 This chapter, chapter 5, considers other aspects of economic development, including tourism, renewable energy, and agriculture. A fourth section considers other areas of economic activity, such as defence contracting, waste management, and skills and training.

TOURISM

- 5.3 A number of contributors to the inquiry indicated that tourism was a significant source of income and employment in the Capital Region, and were consistent in identifying, as a high priority, a greater level of coordination between the ACT and NSW governments on a specifically regional marketing strategy.

ACT GOVERNMENT

- 5.4 In its submission to the inquiry, the ACT Government indicated to the Committee something of the size and importance of the tourism industry. It advised the Committee that:

The tourism industry currently contributes around \$1.3 billion to the ACT economy and is one of the territory's largest private sector employers, supporting 15,000 jobs. In 2012, Canberra attracted 2.1 million overnight visitors, accounting for nearly 10 million visitor nights and 1.5 million day-trip visitors.³⁶⁷

- 5.5 The submission also referred to the importance of tourism in 'nearby regional NSW':

A study commissioned by Tourism Research Australia in 2011 found that direct visitor expenditure represented 17 per cent of total economic output in the Snowy Mountains, the fourth highest of any region in Australia.³⁶⁸

- 5.6 A strong link was proposed between tourism in the ACT and the effectiveness of tourism marketing and service delivery NSW:

³⁶⁷ ACT Government, Submission No.16, p.22.

³⁶⁸ ACT Government, Submission No.16, p.22.

The economic value tourism provides to the ACT economy is closely linked to the quality of product and experiences available in regional NSW. NSW experiences play an important role in supporting Australian Capital Tourism's destination campaign activity and provide reasons for people to visit Canberra.

For example, food and wine experiences are one of the four key pillars of Australian Capital Tourism's destination communication. The Canberra District wine region is home to 33 wineries, 32 of which are located in NSW.³⁶⁹

5.7 As a result, the submission suggested:

The growth of tourism's value to the ACT and the region's economy relies on strong working partnerships with regional tourism businesses, regional tourism organisations, the NSW Government and the Australian Government. Australian Capital Tourism has facilitated these relationships through a range of forums including representation on the Boards of Tourism Snowy Mountains and Capital Country Tourism.³⁷⁰

5.8 In the submission, the ACT Government noted two avenues for the expansion on the tourism industry in the ACT and region.

5.9 The first related to Canberra Airport and its potential to increase inbound tourist traffic:

Aviation and the opportunity to secure direct international air services for the ACT have the potential to significantly and positively stimulate the economies of the ACT and regional NSW. Canberra Airport has undertaken a \$420 million transformation-with impending capability for hosting direct international flight services. While the majority of the ACT's overnight visitors are currently sourced domestically, the international market offers significant growth potential.³⁷¹

5.10 Moreover, the submission advised:

the development of Canberra as an international gateway will result in increased traffic of the regional population into Canberra to take advantage of outbound services.³⁷²

5.11 The submission noted that the ACT Government was involved in efforts to foster this expansion in the Airport's role:

The ACT Government's Economic Development Directorate (EDD), through Australian Capital Tourism, is currently leading a project in conjunction with the Canberra Airport Group to attract services from New Zealand and Singapore.³⁷³

³⁶⁹ ACT Government, Submission No.16, pp.22-23.

³⁷⁰ ACT Government, Submission No.16, p.23.

³⁷¹ ACT Government, Submission No.16, p.23.

³⁷² ACT Government, Submission No.16, p.23.

³⁷³ ACT Government, Submission No.16, p.23.

5.12 The submission suggested that while ‘a decision by an airline to establish direct services to Canberra will be made purely on a commercial basis’, success in attracting direct international flights into Canberra Airport ‘would go a long way to securing the long term future of Canberra and the region as a key business and tourism hub’.³⁷⁴

5.13 The second avenue for expansion, the submission advised, lay in the participation by the ACT in the Tourism 2020 strategic plan, ‘committed to supporting the tourism industry in maximising its economic potential’. The submission noted, regarding the plan, that:

In achieving a national 2020 stretch target of doubling overnight expenditure to \$140 billion, priority projects include growing demand from Asia, investment in new product and infrastructure, regulatory reform, attracting investment in tourism product, increasing the uptake of digital technology by small business, and addressing labour and skills shortages.³⁷⁵

5.14 The submission advised the Committee that the ACT Government had contributed to the development of the plan, and that Australian Capital Tourism—a sub-agency of the ACT’s Economic Development Directorate—was ‘in the process of determining 2020 targets for the ACT’:

The plan will focus on identifying the drivers of tourism demand and critical factors that influence competitive performance for tourism in the ACT and region. Australian Capital Tourism will assess where a whole-of-Government effort can contribute to meeting the 2020 tourism potential for the ACT. This will include working with regional partners.³⁷⁶

RDA ACT

5.15 Comments by RDA ACT on tourism focused on opportunities for greater collaboration between the ACT and NSW.

5.16 The submission by the RDA advised the Committee that:

Historically the tourism marketing efforts of the ACT and Canberra have been separate efforts from those of the surrounding Capital Country- which have been aligned with and financially supported by the NSW Government.³⁷⁷

5.17 However, the submission noted, even this uncoordinated state of affairs had deteriorated due to changes in NSW:

³⁷⁴ ACT Government, Submission No.16, p.23.

³⁷⁵ ACT Government, Submission No.16, p.23.

³⁷⁶ ACT Government, Submission No.16, p.24.

³⁷⁷ Regional Development Australia - Australian Capital Territory, Submission No.10, p.18.

In recent years ... funding to inland NSW regional tourism groups has been reduced and consolidated to larger regions, and some argue they have become less effective at developing and implementing marketing strategies for local tourism regions.³⁷⁸

- 5.18 This relative absence of effort in NSW , the submission proposed, created a vacuum which the ACT could fill:

An opportunity exists for the ACT tourism body- Australian Capital Tourism- to start taking responsibility for the 'ACT and (Capital) Region' tourism strategy and product development as well as marketing. The two tourism 'offerings' complement each other and already the Canberra visitors centre is branded as the Canberra and Region Visitor and Information Centre.³⁷⁹

- 5.19 The submission went on to say that, in view of present circumstances, this 'change could be implemented with minimal effort'. However, such a change should be pursued without subsuming the profile or personality of established destinations in the region:

... the areas of the South Coast and Snowy Mountains are distinct and vibrant tourism destinations in their own right and should continue to operate independently, as they currently do.³⁸⁰

SEROC

- 5.20 Comments made on tourism in the submission by SEROC were largely consistent with those made by RDA ACT.

- 5.21 The submission noted that currently there were 'many opportunities for economic development within the region'. At present 'each Local Government Community and Canberra promote the economic and tourism benefits and opportunities that exist within each area'.³⁸¹

- 5.22 This, the submission suggested, should be supported by 'supported by a regional marketing approach which provides a greater focus on the region as a whole'. The region was host to 'three marketable sub regions' — the Capital Region, Snowy Region and the South Coast Region. These were 'all connected' and could 'provide joint benefits by the effective marketing of regional tourism experiences and regional economic opportunities'.³⁸²

- 5.23 It also noted that SEROC had made a similar point in a previous inquiry by the Legislative Assembly, into Current and Potential Ecotourism in the ACT and Region:

³⁷⁸ Regional Development Australia - Australian Capital Territory, Submission No.10, p.18.

³⁷⁹ Regional Development Australia - Australian Capital Territory, Submission No.10, p.18.

³⁸⁰ Regional Development Australia - Australian Capital Territory, Submission No.10, p.18.

³⁸¹ SEROC, Submission No.11, p.2.

³⁸² SEROC, Submission No.11, p.2.

that a regional approach which can showcase our natural assets, build environmental awareness and promote ecological conservation will enhance the funding opportunities at all levels of Government. This in turn will contribute to the Region's economy and - provide incentives to protect and enhance our natural assets and attractions.³⁸³

LOCAL COUNCILS

- 5.24 Local councils from the region also made comment on the perceived need for greater collaboration so that a specifically regional marketing approach was employed for tourism.
- 5.25 Palerang Council, in its submission to the inquiry, noted the 'wide range of attractions within the Palerang LGA' and suggested that 'the region could benefit from more focused development of the opportunities they provide'.³⁸⁴
- 5.26 The submission suggested that the 'immediate interest within Palerang would be to integrate local attractions into a broader program', in two ways.
- 5.27 First, in the short term, involvement would be 'driven by pragmatic considerations' in that:
rather than bearing the entire cost of developing and promoting local attractions in isolation, an appropriate subset of attractions, wineries, cafes or craft shops, for example, might be integrated into a larger program with only an incremental cost outlay.³⁸⁵
- 5.28 Second, the approach in the longer term would entail the:
... establishment of community-based support organisations to manage specific areas or attractions might provide a greater opportunity for engagement with the broader community that would, in turn, enhance the experience for visitors.³⁸⁶
- 5.29 The submission noted that such a group had recently approached the Council with plans for Braidwood, and the Council would 'be seeking to encourage a similar approach in other parts of our shire'.³⁸⁷
- 5.30 Submissions by the Bega Valley Shire Council advised the Committee of the scale and importance of tourism to 'the south coast economy', saying that domestic tourism to the area

³⁸³ SEROC, Submission No.11, pp.2-3. The earlier submission was made by SEROC to the Standing Committee on Climate Change, Environment and Water regarding its Inquiry into Current and Potential Ecotourism in the ACT and Region. For submissions, transcripts and the inquiry report, please see: <http://www.parliament.act.gov.au/in-committees/previous-assemblies/standing-committees-seventh-assembly/standing-committee-on-climate-change-environment-and-water/08.-inquiry-into-current-and-potential-ecotourism-in-the-act-and-region>

³⁸⁴ Palerang Council, Submission No.13, p.3.

³⁸⁵ Palerang Council, Submission No.13, p.3.

³⁸⁶ Palerang Council, Submission No.13, p.3.

³⁸⁷ Palerang Council, Submission No.13, p.3.

'generates over 2 million visitors and \$500m', much of which 'is weekend/short trip travel to and from ACT'.³⁸⁸

- 5.31 The Council's second submission addressed two issues. The first was a request to the ACT to broaden the scope of its attention to the region, saying that the:

ACT should perhaps lift its horizon from a 1 hr to a 2.5hr drive from Canberra to capture the leisure and freight travel market into the region.³⁸⁹

- 5.32 The second underscored the implications of 'the prospect of significant growth in regional tourism brought about by the introduction of around 50 cruiseships a year into Eden Port'. Each of these would, it suggested, bring ashore 'over 2000 passengers and 1000 crew', for 'nature, adventure, recreation, cultural and other tours along the south coast and into the Snowy Mountains and ACT'. It went on to say that the 'logistics of providing transport, packages, cafes, wineries, galleries and the like' was likely to generate business opportunities' in the region.³⁹⁰

GINNINDERRA FALLS ASSOCIATION

- 5.33 The Ginninderra Falls Association is a community group which advocates a 'Murrumbidgee-Ginninderra Gorges National Park' centred on Ginninderra Falls. Currently, the Falls are on private land on the northern edge of the ACT, and a park as proposed would comprise land in the ACT and NSW.³⁹¹
- 5.34 In its submission, the Association noted that it had also made a submission to an earlier 2012 Assembly inquiry, the Standing Committee on Climate Change, Environment and Water inquiry into *Current and Potential Ecotourism in the ACT and Region*. The submission to the present inquiry noted that this earlier report had recommended, at Recommendation 4, that the ACT Government consider creating:
- a new nature park to preserve, maintain and make accessible Ginninderra Falls with sufficient surrounding land to constitute a sustainable nature park asset.³⁹²
- 5.35 In its submission, the Association proposed that such a park should be seen under the banner of 'ecotourism', and indicated other agencies and private sector operators involved in this segment of tourism in the region.³⁹³

³⁸⁸ Bega Valley Shire Council, Submission No.15, p.1.

³⁸⁹ Bega Valley Shire Council, Submission No.15A, p.1.

³⁹⁰ Bega Valley Shire Council, Submission No.15A, p.1.

³⁹¹ Ginninderra Falls Association, Submission No.4, p.x

³⁹² Ginninderra Falls Association, Submission No.4, p.6.

³⁹³ Ginninderra Falls Association, Submission No.4, p.5.

5.36 While it suggested that 'the primary value of a national park (as an IUCN category II reserve) is for biodiversity conservation', this was not incompatible with economic development. Rather:

Well- managed ecotourism, if compatible with protecting high conservation value areas and sensitive species, can generate significant revenue which will benefit society and can contribute to protecting and maintaining the natural values of the reserve.³⁹⁴

5.37 To make this happen, the Association suggested, ecotourism required:

a sustained effort by National, State/Territory and Local Governments to create environments and landscapes that visitors will spend significant sums of money to experience.³⁹⁵

5.38 This included 'the provision of appropriate infrastructure', upon which ecotourism destinations heavily relied.³⁹⁶ Given this support, however, the Association believed that the:

proposed Murrumbidgee- Ginninderra Gorges National Park stands out as a potential popular intra-Region tourist destination with high conservation values that will greatly encourage associated private enterprises.³⁹⁷

5.39 In the context of this proposal, the Association acknowledged the competitive nature of the tourism market, and the effort required to market the ACT region effectively in terms of ecotourism:

One only has to consider the attractions of Australia's coastlines and reefs to the domestic and international traveller to realise that the National Capital Region cannot take the tourist revenue for granted. Tourist destinations must be attractive and be promoted widely within the wider Australian communities.³⁹⁸

5.40 As a result, the submission suggested, the 'Region must make the effort to develop and promote its own tourist destinations', including 'wilderness areas, national parks and public lands of various types' and activities 'of different types and special events must be encouraged and promoted'.³⁹⁹

GREATER CAPITAL REGION STRATEGY-STAGE 1 REPORT

5.41 The *Greater Capital Region Strategy—Stage 1 Report* made a number of observations that supported those of contributors to the inquiry.

³⁹⁴ Ginninderra Falls Association, Submission No.4, p.7.

³⁹⁵ Ginninderra Falls Association, Submission No.4, p.7.

³⁹⁶ Ginninderra Falls Association, Submission No.4, pp.7-8.

³⁹⁷ Ginninderra Falls Association, Submission No.4, p.7.

³⁹⁸ Ginninderra Falls Association, Submission No.4, p.6.

³⁹⁹ Ginninderra Falls Association, Submission No.4, p.6.

- 5.42 The report highlighted two obstacles to the development of tourism in the region.
- 5.43 One was the 'lack of an "integrated offering" between Canberra and the surrounding region'. This had been considered, in its consultations, to be a significant factor in the region 'not maximising [its] tourism potential'.⁴⁰⁰
- 5.44 The report went on to say that 'most' of its consultations had 'highlighted the opportunity for the two jurisdictions to work more closely together to market the region'. These opportunities were noted in particular for 'short escapes':
- three or four day trips taking in the cultural attractions of the Capital, food and wine offerings, the coast and the highlands (winter or summer activities) etc.⁴⁰¹
- 5.45 If put in place, the report suggested, this approach 'could meet the needs of domestic tourists as well as international visitors'.⁴⁰²
- 5.46 The report noted that there had been various recommendations made for greater cross-border collaboration on regional tourism between the ACT and NSW, including the NSW Visitors Economy Taskforce of 2012, which had identified an imperative to 'develop cross-border arrangements with destinations adjacent to the borders of NSW'.⁴⁰³
- 5.47 Despite these sentiments, however, and the presence of tourism strategies in both the ACT and NSW, the report commented that 'there seems to be scope for ... closer cooperation' between the ACT and NSW on tourism. Although Canberra, the Snowy Mountains and the South Coast had 'a strong tourism-related identity', the report stated that there was 'as yet ... little cross-region collaboration and strategic planning' on tourism.⁴⁰⁴

RENEWABLE ENERGY

- 5.48 A number of contributors to the inquiry saw renewable energy as an area of economic development into which the ACT and region could distinctively expand.

GREATER CAPITAL REGION STRATEGY—STAGE 1

- 5.49 The *Great Capital Region Strategy—Stage 1* report made comment on this area.

⁴⁰⁰ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.36.

⁴⁰¹ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.36.

⁴⁰² Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.36.

⁴⁰³ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.36.

⁴⁰⁴ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.36.

- 5.50 It noted that most strategic plans it had viewed and ‘all consultations’ which it had conducted for the report had had ‘a strong sustainability theme flowing through them’. Areas highlighted, along with renewable energy, were waste recovery and ‘clean’ food supplies. This, the report suggested, was consistent with a strong identification with ‘the idea of being “clean” and sustainable’, and that this linked ‘to one aspect of ...“regional brand” ‘.⁴⁰⁵
- 5.51 The report went on to say that in consultations conducted for the Strategy support for increased production of renewable energy in the region was evident ‘across the board’, and most consultations ‘supported the concept of the region becoming the renewable energy “powerhouse of Australia” ‘.⁴⁰⁶
- 5.52 In specific terms, this entailed exploration of a number of renewable energy sources, including ‘wind, large and small scale solar, biomass, geothermal, wave and waste’. It also commented that in addition to the region having ‘the required physical characteristics’ to support this kind of development, ‘participants highlighted the role that the research institutions in the region could play, in particular the role of the Australian National University and CSIRO’.⁴⁰⁷
- 5.53 Noting the stated goals of the 2012 NSW Renewable Energy Action Plan, the report noted that a 2011 Climate Institute report had estimated that ‘6,000 new jobs will be created in regional NSW over 20 years through construction, installation, manufacture and operation of renewable energy technologies’, and that the majority of these would be ‘located in the NSW/ACT border region, the Central Tablelands, the Snowy Monaro region, the South Coast and the New England Tablelands’.⁴⁰⁸
- 5.54 The report also noted the advent of the South East Region of Renewable Energy Excellence (SERREE), a ‘partnership between RDA committees covering the southeast NSW-ACT region, as well as relevant ACT and NSW Government agencies’, which had first met in May 2012.⁴⁰⁹
- 5.55 SERREE is discussed further below.

RDA ACT

- 5.56 In its submission to the inquiry, RDA ACT described its role in the SERREE network:

Recognising the regional synergies of a renewable energy industry in the Capital Region, RDA ACT has, over the past eighteen months, been leading a coalition of regional stakeholders- that include the three RDAs- ACT, Southern Inland and Far South Coast, the ACT, NSW and Australian Governments, and including the industry, business,

⁴⁰⁵ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.33.

⁴⁰⁶ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.33.

⁴⁰⁷ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.33.

⁴⁰⁸ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.33.

⁴⁰⁹ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.34.

education and training, research and community sectors, to progress the renewable energy agenda across the ACT and SE NSW region.⁴¹⁰

5.57 Moreover, the RDA advised the Committee, SERREE had in December 2012 been successful in attracting federal funding 'for an 18 month project to map the Greater Capital Region's renewable energy sector needs and capability with a view to further developing the capability of the industry'.⁴¹¹ The Chair of the RDA later told the Committee that this funding had allowed SERREE to 'set up a secretariat officer' who was 'developing that network and working very closely with the local mayors and other key stakeholders'.⁴¹²

5.58 In its submission to the inquiry, the RDA described further elements of the regional context for renewable energy production in the region.

5.59 In so doing, it noted that the ACT Government had adopted an updated climate change policy in which committed it to 'three actions with regard to transitioning to large-scale renewable energy', including:

developing large-scale renewable energy generation capacity, determining a new renewable electricity consumption target of 90% renewables by 2020, and developing a detailed mapping of the ACT electricity distribution network.⁴¹³

5.60 The submission went on to say that:

The ACT Government has also made a significant commitment to solar energy generation and is committed to developing 40MW of solar farm facilities within the ACT. There is also significant research and development being undertaken at the ANU in a range of discrete areas of solar technology (eg in solar PV, solar thermal [trough], solar thermal [parabolic dish]).⁴¹⁴

5.61 Moreover, the NSW-ACT Border Region had, it said, 'one of NSW's largest and most competitive wind resources, with a large number of new wind farms to be developed in coming years'. The region also hosted 'around half of NSW's current hydro capacity' by virtue of the Snowy Hydro Scheme, and it was estimated that overall the NSW-ACT Border Region was capable of producing 'over 5,370 MW of renewable energy' by developing these resources.⁴¹⁵

5.62 In its submission, the RDA commented on the 'additional value' generated by this activity 'through the significant number of job opportunities being created in the region by this

⁴¹⁰ RDA ACT, Submission No.10, p.17.

⁴¹¹ RDA ACT, Submission No.10, p.17.

⁴¹² Mr Craig Sloan, *Proof Transcript of Evidence*, 22 August 2013, p.65.

⁴¹³ RDA ACT, Submission No.10, p.17.

⁴¹⁴ RDA ACT, Submission No.10, p.17.

⁴¹⁵ RDA ACT, Submission No.10, p.17.

burgeoning industry'. In addition, there was 'direct expenditure that can be made in a local region from a wind farm development', in that landholders could 'expect to make approximately \$10,000 per turbine per annum'. This was considered 'particularly valuable' in that wind turbines could 'co-exist with the more traditional agricultural enterprises'.⁴¹⁶

LOCAL COUNCILS

- 5.63 Local councils in the region spoke to the Committee about renewable energy production in their local government areas (LGAs) when they appeared at a public hearing on 23 May 2013.
- 5.64 The General Manager of Palerang Council told the Committee that the Palerang LGA was host to the Capital Wind Farm and had 'an approved 100-hectare solar farm plus an approved 40-hectare solar farm yet to proceed'. There was a further solar farm planned for Royalla, with associated concern by residents regarding planning decisions.⁴¹⁷
- 5.65 The General Manager also proposed a model for a 'community solar farm' in which:
- people, perhaps apartment dwellers—and you have a few of those—that do not necessarily have the ability to put solar panels on their roof can buy a share in a solar farm and actually reap the benefits of solar generation rather than having their own panels. Plus there are economies of scale and so forth. We have the land and potentially you have the population.⁴¹⁸
- 5.66 The General Manager of Upper Lachlan Shire Council told the Committee that his LGA could be considered 'the energy capital of all the shires around here':
- We have got 12 wind farms either under approval, approved or under construction. And we have got four gas-fired power stations as well, either approved or under the approval process.⁴¹⁹
- 5.67 The General Manager also referred to SERREE project, noting that its objective was to:
- to boost growth and diversity in the regional economy, assist the region to grow towards greater environmental sustainability, [and] enhance the provision of jobs and liveability in all of our local regional towns.⁴²⁰
- 5.68 This, in his view, represented 'an opportunity ... that should be grabbed with both hands'.⁴²¹

⁴¹⁶ RDA ACT, Submission No.10, p.17.

⁴¹⁷ Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, p.29.

⁴¹⁸ Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, p.29.

⁴¹⁹ Mr Bell, *Proof Transcript of Evidence*, 23 May 2013, p.10.

⁴²⁰ Mr Bell, *Proof Transcript of Evidence*, 23 May 2013, p.10.

⁴²¹ Mr Bell, *Proof Transcript of Evidence*, 23 May 2013, p.10.

5.69 The General Manager of Bega Valley Shire Council also made comment in this area. He told the Committee that the 'south-east corner [of NSW] has some of the greatest opportunities in terms of the range of renewable energy projects'. In addition to wind and solar farms, there were pilot projects for tidal and wave energy at Eden and Bega. Moreover there was, he suggested, 'tourism attached to that'.⁴²²

People actually want to see how it works and how it operates and so forth. That happens already in Europe.⁴²³

5.70 The General Manager put forward a proposal on how to fund the further development of renewable energy in the region, in which 'councils form a company in renewable energy on the same bases as Southern Phone where all the councils own the company, with a \$2 share'. This was, he told the Committee, 'already registered, [and] established' and required 'a simple change to articles of associations for the company' in order begin operations.

5.71 The role of this company, he told the Committee, would be to:

bulk-purchase power ... redistribute that power through our customers through the Southern Phone network, by way of example, or ACTEW, whatever the case may be. The margins [would] go ... back into investment in renewable infrastructure and, therefore, [would] reinforce investment in renewable infrastructure in this region.⁴²⁴

AGRICULTURE

5.72 Limited comments were made by contributors to the inquiry regarding agriculture, despite its apparent significance to the region. These are considered below.

GREATER CAPITAL REGION STRATEGY — STAGE 1 REPORT

5.73 In terms of proportion of employment accounted for by agriculture, The *Greater Capital Region Strategy — Stage 1* report noted that:

The farm and forestry and fishing sector is the largest industry by employment in the ACR: it is two and a half times larger as a share of the ACR's employment base than it is of the national employment base.⁴²⁵

5.74 The importance of this sector to the region economy was, the report suggested, reflected in most strategic plans it considered and most consultations it conducted. In these, there was:

⁴²² Mr Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.29.

⁴²³ Mr Tegart, *Proof Transcript of Evidence*, 23 May 2013, pp.29-30.

⁴²⁴ Mr Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.30.

⁴²⁵ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.14.

... concern expressed in some consultations about the viability of agriculture in the region and its need to adapt and innovative to cope with a variety of impacts including climate change, generational change and competition for land.⁴²⁶

- 5.75 The report noted that cross-border planning in this area was 'crucial' because 'in many ways the ACT "outsources" much of its need for agricultural production to NSW'.⁴²⁷
- 5.76 There were perceptions that the agricultural capacity of the region could be made more of:
There is definite support within both the ACT and surrounding region for the Greater Capital Region to leverage the region's potential to market products locally (particularly into the ACT market) and also to export produce both domestically and internationally.⁴²⁸
- 5.77 The report suggested that expanding in this area was important because its potential role in enhancing the regional brand:
The "clean" and "sustainable" image of the region could be a strong marketing theme with the brand being synonymous with quality (similar to King Island Produce).⁴²⁹
- 5.78 In order to achieve this, due to 'the diversity of the region' there may, the report suggested, this may entail fostering 'a number of brands' such as 'Hilltops, south coast [and] highlands'.⁴³⁰
- 5.79 Value adding was another area where there was potential for improvement. At present, the report suggested much of 'the region's agricultural produce is transported out for processing and distribution'. If this were addressed, so that 'more processing and sales took place within the region', the industry 'could have a bigger economic impact' on the region itself.⁴³¹
- 5.80 One example of efforts in this direction were those of the Southern Harvest Association which, the report noted, was 'running activities to link producers with buyers'. This included a regional NSW barbeque challenge and 'a digital trading platform' which enabled buyers—private and commercial—to 'source locally grown produce with vetted provenance easily and quickly'.⁴³²

⁴²⁶ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.35.

⁴²⁷ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.35.

⁴²⁸ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.35.

⁴²⁹ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.35.

⁴³⁰ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.35.

⁴³¹ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.35.

⁴³² Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, pp.35-36.

5.81 In light of these challenges and opportunities, the report proposed a regional strategy which should seek to:

identify bottlenecks, processing opportunities and value chain gaps that, if addressed, would enhance the economic performance of agriculture and food processing in the region.⁴³³

5.82 Such a strategy, the report suggested, could also:

provide significant 'economies of scale and value' by drawing in region-wide resources to address a key issue for each of the rural LGAs individually – managing the structural changes in agriculture which are reducing employment and the local importance of agriculture in most of the region.⁴³⁴

RDA ACT

5.83 In its submission to the inquiry, RDA ACT made similar arguments.

5.84 The submission advised the Committee that opportunities existed 'to better link the agricultural production across the region to customers in the ACT'.⁴³⁵

5.85 The submission also suggested that while 'the agricultural production region around the ACT would not rank as one of the most productive in the country', there were 'many examples of leading edge production':

for example, in beef cattle on the Monaro, dairy in the Bega Valley, merino wool production in the Goulburn region, wheat and canola production to the north west, as well as cherries, poultry and pork production in the Young area.⁴³⁶

5.86 In addition, there was 'growing niche production and localised processing across a range of sectors', including in the 'significant wine producing region that encompasses the ACT and the surrounding region'.⁴³⁷

5.87 The submission suggested that there were opportunities to ' , and to 'better integrate these regional agricultural production capabilities with the demands of the 400,000 plus Canberra/Queanbeyan marketplace'. These efforts could also extend, usefully, to markets further afield, drawing on and therefore support of transport infrastructure in the region:

⁴³³ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.36.

⁴³⁴ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.36.

⁴³⁵ RDA ACT, Submission No.10, p.19.

⁴³⁶ RDA ACT, Submission No.10, p.19.

⁴³⁷ RDA ACT, Submission No.10, p.19.

A focus on high value, time critical produce from around the region would support the development of the airport as a major air freight hub and allow for exports to a wider range of markets.⁴³⁸

EUROBODALLA SHIRE COUNCIL

5.88 The General Manager of Eurobodalla Shire Council, when she appeared before the Committee at its public hearing of 23 May 2013, provided an example of how products in this sector could be more effectively marketed from within the region.

5.89 She told the Committee about the recent launch of 'Australia's Oyster Coast', a collaboration between three local councils. This was, she said, an example 'of bringing economic development together into a group that can then make sure that it has a common brand'. This was intended to support oyster growers from the South Coast who would under these arrangements 'be able to have their oysters on plates in Canberra and Sydney that afternoon'.⁴³⁹

5.90 This was, she suggested:

a really good example of collaborative working together in terms of having all the oyster growers across 300 kilometres of coast come together and launch a brand that will, I think, become exceptionally important into the future.⁴⁴⁰

5.91 She also told the Committee that further development of regional airports, in this case at Moruya, was 'a really critical part [of] economic development in that it was this kind of infrastructure that would 'move the freight or the oysters or whatever that might be into the major centres'.⁴⁴¹

OTHER AREAS OF ECONOMIC ACTIVITY

5.92 A number of other areas of economic activity were considered by contributors to the inquiry, and in the *Greater Capital Region—Stage 1* report. These included activity in the areas of defence industries, waste management, and facilities for large-scale storage.

5.93 These are considered below.

⁴³⁸ RDA ACT, Submission No.10, p.19.

⁴³⁹ Dr Dale, *Proof Transcript of Evidence*, 23 May 2013, p.11.

⁴⁴⁰ Dr Dale, *Proof Transcript of Evidence*, 23 May 2013, p.11.

⁴⁴¹ Dr Dale, *Proof Transcript of Evidence*, 23 May 2013, p.11.

DEFENCE INDUSTRIES

5.94 The *Greater Capital Region Strategy—Stage 1* report made comment on defence industries in the region.

5.95 The report noted that ‘Defence already has a significant presence in the region’:

both within the ACT and also at Bungendore (The Australian Headquarters Joint Operations Command (HQJOC)), HMAS Albatross (Shoalhaven), HMAS Cresswell (Jervis Bay Territory) and the HMAS multi purpose wharf at Eden. In areas immediately adjacent to the region there is an RAAF base in Wagga and the University of Wollongong’s Defence Materials Technology Centre node.⁴⁴²

5.96 It said that both the ACT and NSW ‘currently engage with Defence and consider defence an important industry’. However, they engaged ‘separately’ and ‘in the case of NSW, the engagement is at a whole-of-state level rather than referencing a particular region’,⁴⁴³ and there was:

little cross-portfolio or cross-jurisdiction collaboration on linking Defence-related investments and facilities expansion into wider regional economic development goals.⁴⁴⁴

5.97 In considering responses to this gap in arrangements, the report noted the activities of the peak industry association for small-to-medium enterprises ‘wishing to do business in the Defence and Security sectors’, the Australian Industry & Defence Network Incorporated (AIDN). However it suggested that the effectiveness of this network was qualified by virtue of the ACT and NSW having separate chapters. This, again, worked against achieving a specifically regional focus in this area of economic activity.

5.98 In view of this mix of conditions the report proposed an ‘approach similar to that undertaken by the South Australian Government’:⁴⁴⁵

South Australia has a government funded body in Defence SA (www.defencesa.com) which coordinates the State’s defence industry efforts, using a high level advisory board to package up the State’s defence related skills and market these to Defence and head contractors . The complementary industry body is the Defence Teaming Centre. A similar body could be established for the Greater Capital Region.⁴⁴⁶

⁴⁴² Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.36.

⁴⁴³ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.37.

⁴⁴⁴ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.37.

⁴⁴⁵ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.37.

⁴⁴⁶ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.37.

5.99 This, the report suggested, could:

increase Defence and defence industry employment and expenditure in the region, increase defence export initiatives, and improve linkages between defence firms, education and research institutions.⁴⁴⁷

5.100 This emphasis placed on this area of economic activity in the report was consistent with figures presented in the ACT Government submission to the inquiry, which noted that employees in the defence sector made up the second largest group of 'interstate workers resident in adjacent areas in NSW' who were resident in the Capital Region and worked in the ACT.⁴⁴⁸

WASTE MANAGEMENT

5.101 Contributors to the inquiry indicated opportunities for expanding waste management activities in the region, suggesting that this would have positive economic effects.

5.102 The *Greater Capital Region Strategy—Stage 1* report also made comment in this area.

GREATER CAPITAL REGION STRATEGY—STAGE 1 REPORT

5.103 The *Greater Capital Region Strategy—Stage 1* report noted that the ACT Government's Waste Management Strategy 2011-2025 (2012) indicated that the ACT Government would 'further develop waste markets in the ACT and surrounding region'. This included 'exploring and implementing options for regional resource recovery' and working in association with SEROC, which is considered 'the primary regional waste organisation of local governments in the region'.⁴⁴⁹

5.104 The report suggested that waste management could be improved by adopting 'an integrated regional approach', as:

at present it is fragmented and consists of plans consists of plans designed by individual jurisdictions (ACT and each LGA) with some collaborative relationships between LGAs.⁴⁵⁰

5.105 The report noted that a study undertaken for SEROC into the economic effects of waste management in the region suggested that:

regional economic growth per capita might increase by 0.08 percentage points to 0.16 percentage points per annum if more diverted waste were to be processed into marketable products within the region.⁴⁵¹

⁴⁴⁷ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.37.

⁴⁴⁸ ACT Government, Submission No.16, p.38.

⁴⁴⁹ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.35.

⁴⁵⁰ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.35.

5.106 Moreover, economic impacts could be increased if:

the region become an established hub for waste brought in from other regions and then converted to marketable products for selling locally and for export outside the region.⁴⁵²⁴⁵³

5.107 Impacts would be further increased if 'more waste products were converted into saleable commodities', potentially increasing the number of 'direct and indirect jobs related to waste management' from 'from 1.5 people to 3 people per 1,000 tonnes of waste'.⁴⁵⁴

5.108 The report noted that there were particular industries which offered the 'largest potential' for 'regional economic development from regional waste diverted to recycling and reuse'. These were:

building and construction materials; agriculture, fishing and forestry (greenwaste); mining and quarrying materials, aspects of manufacturing (food and beverage, wood product and furniture), wholesale and retail trade (eg rubber tyres); tourism, restaurant and accommodation and household purchases (including ewaste).⁴⁵⁵

RDA ACT

5.109 RDA ACT, in its submission to the inquiry, suggested that the ACT Government 'has a good track record' in 'waste reduction and maximising recycling ... especially in the area of domestic waste'. The submission noted 'emerging opportunities' for the 'conversion of organic waste to energy', and 'job creation opportunities' arising from these activities.⁴⁵⁶

5.110 The key to realising this potential, the submission suggested, was a greater level of coordination:

Co-ordination is required across governments to be able to best maximise regional recycling opportunities and to better utilise non-recyclable organic waste for (biomass) energy generation.⁴⁵⁷

5.111 The submission noted that discussions had 'commenced between local governments and the ACT Government in order to pursue this opportunity'.⁴⁵⁸

⁴⁵¹ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.35.

⁴⁵² Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.35.

⁴⁵³ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.35.

⁴⁵⁴ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.35.

⁴⁵⁵ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.35.

⁴⁵⁶ RDA ACT, Submission No.10, pp.17, 18.

⁴⁵⁷ RDA ACT, Submission No.10, p.18.

⁴⁵⁸ RDA ACT, Submission No.10, p.18.

BEGA VALLEY SHIRE COUNCIL

5.112 When the Mayor of Bega Valley Shire Council appeared before the Committee on 23 May 2013 he put forward views in favour of an increased focus on waste management and the opportunities it entailed, particularly in connection with the Port of Eden:

In Pambula, which is close to Eden, we have a local company that is actually an engineering company manufacturing and exporting to Europe a process that takes putrescible waste and turns it into fertiliser. But that leads to the possibility of thinking of all the organic waste from the south-eastern region. If there is a market worldwide, particularly in Asia, for organics, whether they be putrescible or just green waste, we should accumulate those and ship them out of Eden. But the bulk of that would come out of the ACT and would certainly give scale to any thought like that.⁴⁵⁹

FACILITIES FOR LARGE-SCALE STORAGE

5.113 When the General Manager of Goulburn Mulwaree Council appeared at a public hearing on 23 May 2013 he told the Committee that the Council was working on a niche for Goulburn in providing large-scale storage facilities.

5.114 He told the Committee that ‘we like to think of ourselves as the shed down in the backyard’, and that the local government area was ‘quite happy to provide all the storage facilities at a fraction of the price that it costs in Canberra’, and that there was a significant level of collaboration underway with:⁴⁶⁰

a number of federal institutions as well as some state institutions in Sydney to provide storage facilities for collections—museum collections, library archives, [and] that type of activity.⁴⁶¹

5.115 This, he told the Committee, provided ‘an opportunity at a lower price in a regional area’ and ‘a small number of jobs’, while maintaining a ‘strong connection back to where the main institutions are, such as the National Museum, state archives and the like’.⁴⁶²

5.116 He told the Committee that:

We are pretty far down the track of finalising our business case, and we are using that at the moment to sit down with the institutions themselves to present them with a

⁴⁵⁹ Mr Taylor, *Proof Transcript of Evidence*, 23 May 2013, p.32. *NB: This is also referenced above.*

⁴⁶⁰ Mr Berry, *Proof Transcript of Evidence*, 23 May 2013, p.8.

⁴⁶¹ Mr Berry, *Proof Transcript of Evidence*, 23 May 2013, p.8.

⁴⁶² Mr Berry, *Proof Transcript of Evidence*, 23 May 2013, p.8.

business case that we think is pretty compelling and will make it a fairly easy choice for them at the end of the day.⁴⁶³

COMMITTEE COMMENT

5.117 In relation to other aspects of economic development, the Committee makes the following observations and recommendations.

TOURISM

5.118 The Committee notes the importance accorded to tourism by contributors to the inquiry, and the current level of employment it accounts for in the region. It also notes the prominent position tourism would take in proposed definition and branding exercises which focus on the Australian Capital Region's strengths in food and wine production, its 'clean green' image, and assets in terms natural of natural features and attractions.

5.119 The Committee notes the advice it received of reduced capacity, at regional level, in NSW to promote tourism and the resultant opportunity for the ACT to influence efforts to shape a regional 'brand' which would put together the strengths of the region in terms of attracting tourism, industry, and markets for locally-produced produces.

5.120 The Committee also notes strong representations by contributors that the region was needed a coordinated 'single offering' in terms of tourism. This would be a marketing and branding effort that would establish a presence for the region within the wider tourism marketplace, and provide an overarching framework under which individual tourist attractions could be marketed more effectively.

5.121 In view of this the Committee makes the following recommendation.

Recommendation 14

5.122 The Committee recommends that the ACT Government, in association with the NSW Government, establish a process to define and promote a tourism brand for the Australian Capital Region based on its 'clean green' image, natural attractions, and wine and food producers. This will entail working with individual businesses and local government authorities in the region to position their attractions within the overall brand.

⁴⁶³ Mr Berry, *Proof Transcript of Evidence*, 23 May 2013, p.8.

RENEWABLE ENERGY

5.123 The Committee notes advice given to it by contributors to the inquiry, noting the uptake of renewable energy generation in the Australian Capital Region; the work of SEREE in coordinating and advocating on the behalf of renewable energy in the region, and aspirations for the region to be a flagship for renewable energy in Australia.

5.124 In view of the cross-jurisdictional nature of current distributions of renewable energy generation, and the more-or-less spontaneous growth of this activity in the region, the Committee takes the view that there is a limited role for the ACT Government.

5.125 There are things that the Government can do, however, to foster the growth of this industry.

5.126 With this in mind the Committee makes the following recommendation.

Recommendation 15

5.127 The Committee recommends that the ACT Government:

- ensures that the growth of renewable energy generation in the region is not obstructed by inconsistent or duplicate regulation;
- works to create and maintain a favourable legislative and regulatory conditions for renewable energy in the ACT and region; and
- continues to foster demand for renewable energy in the ACT.

5.128 The Committee considers that these should be part of the ACT Government's strategy to implement its policies on climate change and the environment.

AGRICULTURE

5.129 The Committee considers it an important item of information that the farm, forestry, and fishing sector in the region — which could loosely be termed 'agriculture' represents a high proportion of employment in the region, as noted by the *Greater Capital Region Strategy— Stage 1* report.

5.130 The Committee considers that other significant matters noted by the report were:

- that there were concerns in the region regarding the viability of the sector and its capacity to respond to pressures such as climate change;
- the reliance of the ACT on NSW for much of its agricultural produce;
- the importance of adding further value to produce before it ships to markets;
- the importance of removing 'bottle-necks' and 'value chain gaps'; and
- the importance of this sector for the branding proposed for the region.

- 5.131 The Committee also considers noteworthy contributions by RDA ACT that there were 'many examples of leading edge production' in this sector in the region, and that a focus on exporting 'high value, time critical produce' would not only leverage the region's strengths in this sector, but would help to solidify the role of Canberra Airport as a significant regional freight hub.
- 5.132 The Committee also notes the development and marketing of the 'Australian Oyster Coast' in Eurobodalla Shire as an example of how primary production, marketing, and tourism could be fused, as suggest in branding proposal put forward by the *Greater Capital Region Strategy—Stage 1* report.
- 5.133 In the Committee's view, these are important considerations, which engage the region in 'playing to its strengths'. It is crucial that this sector be given focus if the region is to prosper.
- 5.134 In the Committee's view, the most important measures to assist the fortunes of primary production in the region have already been the subject of recommendations above. In order to make the most of primary production the region needs to, as noted, construct higher-level governmental structures to sponsor coordinated effort between the ACT and NSW; project a focused persona or brand and invest in marketing that brand; and achieve the most efficient transport network possible. Progress on these matters, in concert, will create favourable conditions and see the development and expansion of innovative and appropriate forms of primary production and value-adding, to the advantage of the region as a whole. The same measures will improve liveability in the region and support a semi-decentralised distribution of populations and services, and this too will add to the sustainability of the primary sector.

OTHER AREAS OF ECONOMIC ACTIVITY

- 5.135 In relation to other areas of economic activity, the Committee notes the proposition that defence contractors, although maintaining a presence in the region, do not work in concert as they do in South Australia. There is little basis for arguing against the utility of a more coordinated approach, and this is something that could be encouraged by relevant government agencies in the ACT and NSW.
- 5.136 In light of this, the Committee makes the following recommendation.

Recommendation 16

- 5.137 The Committee recommends that relevant agencies of the ACT Government, working in collaboration with those of the NSW Government, build on the collaborative and coordinated approach amongst defence contractors present in the region, with a view to supporting bids for large Defence contracts in the region.**
- 5.138 The other additional area of economic activity for which contributors saw a potential for future expansion was waste management. Some contributors saw the primary object of this exercise as increasing efficiency to governments of various kinds active in the region. Others envisaged

an export opportunity for products derived from a more efficient and coordinated approach to waste management. In the Committee's view the scope of this second option is relatively untested, but that the conditions for improvement to the regional transport network recommended above would reduce supply chain bottle-necks for this type of product as well, and would provide better conditions for testing the market in this regard.

6 COORDINATION OF SERVICE PLANNING AND DELIVERY

- 6.1 Part 5(b) from the Committee's Resolution of Appointment requires it to consider: 'the coordination of service planning and service delivery, particularly in the areas of health and education'. This chapter considers these areas and a third area of service planning and delivery— water.

INTRODUCTION

- 6.2 Views were put forward regarding the financial implications of overall service delivery by the ACT to persons based in the region.

ACT GOVERNMENT

- 6.3 The ACT Government's submission advised the Committee that while the ACT provided services to people in the surrounding region, and therefore incurred costs beyond its tax base, it was not adequately recompensed for this.
- 6.4 The submission noted that the principle mechanism for recompense was the Commonwealth Grants Commission:

Equalisation of GST is undertaken by the Commonwealth Grants Commission (CGC), which is responsible for developing methodologies used to distribute the GST pool among the states and territories. The CGC's methodology includes a cross-border disability assessment for the ACT, recognising the level of service provision into NSW.⁴⁶⁴

- 6.5 This was significant because 'Canberra, in providing capital-city type services, attracts clients from the surrounding region'.⁴⁶⁵
- 6.6 In light of this, the ACT had found it necessary to continue to argue to the Grants Commission that:

Canberra is the principal service centre for government, commercial, tertiary education, retail and transport services for residents of the surrounding local areas.⁴⁶⁶

⁴⁶⁴ ACT Government, Submission No.16, p.17.

⁴⁶⁵ ACT Government, Submission No.16, p.17.

⁴⁶⁶ ACT Government, Submission No.16, p.17.

6.7 And that:

Significant numbers of NSW residents regularly use ACT Government education, health and welfare, law and order, recreational and transport services.⁴⁶⁷

6.8 The submission noted that this led to a fiscal imbalance, 'since these residents do not reside in the ACT, they do not generally contribute to ACT Government revenue through the payment of ACT taxes and charges'. Moreover, the 'state share of GST for these residents goes to NSW'.⁴⁶⁸

6.9 The submission went on to say that while the ACT supported the Commonwealth Grants Commission's (CGC's) 'recognition of the cross-border impacts and its fundamental policy neutral approach to equalisation, the long term reliance on the CGC may be problematic' for the following reasons:

- changes to methodologies used to assess claims are ongoing- the CGC and larger states want to simplify methodologies, but this can lead to smaller disabilities not being included;
- funding impacts mainly affecting the ACT do not affect other states to the same extent;
- the CGC has previously expressed concern with the ACT's continuing reliance on its equalisation process to compensate for cross-border services; and
- compensation through the CGC is usually calculated on national average cost rather than the actual costs of service cost incurred;
- CGC reviews are only performed every five years and, until then, the ACT Government's GST revenue will be calculated based on the 2010 CGC Review; and
- claims require a robust case, based on high quality and validated data.⁴⁶⁹

6.10 In addition, the submission suggested, a recent Taxation Review in the ACT had 'identified issues with the GST base' as follows:

- it has grown at a slower rate than the economy because of a rising share of Australian consumer spending on GST exempt items, such as health and education;
- it does not capture all imported online sales, which are growing; and
- while the Commonwealth is responsible for the collection of the GST, there is little incentive for it to protect this base as it is a state tax.⁴⁷⁰

⁴⁶⁷ ACT Government, Submission No.16, p.17.

⁴⁶⁸ ACT Government, Submission No.16, p.17.

⁴⁶⁹ ACT Government, Submission No.16, p.17.

⁴⁷⁰ ACT Government, Submission No.16, p.17.

GREATER CAPITAL REGION STRATEGY—STAGE 1 REPORT

- 6.11 The *Greater Capital Region Strategy—Stage 1* report also made relevant observations in this area.
- 6.12 The report noted the status of the ACT as a ‘service centre’ for the region, and that ‘the flow of ACT services to NSW residents far exceeds the flow of NSW services to ACT residents’.⁴⁷¹

The ACT population is around 357,000 but the population using ACT services – particularly health and education services is larger. The Canberra Hospital, as the largest public hospital in the region, supports a population of almost 540,000 ...⁴⁷²

- 6.13 The report made observations about current and future levels of service provision, by the ACT to the region, that may be anticipated:

Demand for health and education services is forecast to increase, particularly for health due to the ageing population. In terms of education, a significant number of students enrolled in schools in the ACT are residents of NSW; in 2007 these students totalled 1,607 in government schools (4.42% of total enrolments) and 3,021 in non-government schools.⁴⁷³

- 6.14 ‘Unfortunately’, the report noted, the accuracy of this information was qualified because ‘updated data on crossborder school enrolments’ was not available.⁴⁷⁴

- 6.15 The report also referenced projections made in a 2008 Access Economics report, which predicted that:

- As the population ages at a faster rate in the ACR, public hospital separations will increase. That is important because ACR separations are often more expensive than the average separation for the ACT population as these are often related to chronic (age related) conditions.
- For education this trend works in reverse, with the number of school age children expected to decline in the ACR population, therefore reducing the cost to the ACT Government of providing cross-border education services.
- For most other service provision categories (such as Law and Order, Road Usage and Employment), the overall increase in the number of people in the service population leads to increasing demand for service use.⁴⁷⁵

⁴⁷¹ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.13.

⁴⁷² Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.13.

⁴⁷³ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.13.

⁴⁷⁴ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.13.

⁴⁷⁵ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.13.

6.16 A further factor, the report noted, was that:

Retirees from the ACT moving into the region over the coming decade may also augment the ageing of the population in the surrounding LGAs.⁴⁷⁶

6.17 Taken together, the report suggested, these trends added 'pressure to the cost of service provision in the ACT both in terms of the aggregate numbers and their demographic composition'.⁴⁷⁷

COMMITTEE COMMENT

6.18 In the view of the Committee, the trends identified in the Greater Capital Region Strategy—Stage 1 report, combined with the incomplete arrangements to recompense the ACT for its service provision, make it a matter of urgency that these issues are resolved.

6.19 The ACT Government should continue to make representations to the CGC, using most accurate current figures and future projections, to make a case for a more equitable arrangement on funding. Fundamentally, in the view of the Committee, what is at stake more than the fiscal well-being of the ACT: rather, it is the sustainability of these critically important services that hangs in the balance while fiscal arrangements fall short of reflecting the actual quantum of services provided.

HEALTH SERVICES

INTRODUCTION

6.20 Contributors to the inquiry regarded health as a key area of service provision by the ACT to the surrounding region.

6.21 Contributions by the ACT Government, local councils, and the Health Care Consumers Association are considered below.

ACT GOVERNMENT

SUBMISSION

6.22 The ACT Government lodged a submission to the inquiry, providing background and detail on the provision of health services by the ACT Government to the region.

⁴⁷⁶ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.13.

⁴⁷⁷ Elton Consulting, 2012, *Greater Capital Region Strategy — Stage 1*, p.13.

- 6.23 The submission advised the Committee that ACT hospitals provided 'a tertiary referral service for the surrounding region of NSW', in addition to 'lower acuity services to residents living in the areas closest to the ACT'.⁴⁷⁸
- 6.24 The submission also advised that 'half of all southern NSW residents treated in ACT public hospitals live within 100 kilometres of the ACT, and almost 90 per cent within 200 kilometres', and that NSW residents comprised 'around 23 per cent of all hospital separations from ACT public hospitals'.⁴⁷⁹
- 6.25 In relation to this, the submission stated that:
- The ACT cannot refuse access to ACT hospital services on the basis of residence. This is a longstanding principle of intergovernmental agreements on health agreed in 2008 (Medicare principles).⁴⁸⁰
- 6.26 Regarding funding for providing these services, the submission stated that:
- Funding for ACT health services provided to NSW residents is being resolved under an agreement between the ACT and NSW in line with the terms of the National Health Reform Agreement, which has a section on cross-border arrangements (clause A88-A101), and was agreed by COAG in 2011. The 2012-13 NSW payment for ACT hospital services provided to NSW residents is expected to be \$120 million.⁴⁸¹
- 6.27 The submission went on to describe the ACT's response to this situation.
- 6.28 First, it described the ACT's working relationships with the Southern NSW Local Health District (LHD), the Murrumbidgee LHD and the SENSW Medicare Local (through the SNSW LHD). The closest of these relationships, it suggested, was with the Southern NSW LHD.⁴⁸²
- 6.29 Second, the submission described the work of a Joint Departmental Committee (JDC) which had been established between NSW and the ACT, which had developed:
- a Work Plan aimed at developing and implementing a long term framework for delivering coordinated regional health services to the people of the ACT and to NSW residents, particularly those living in areas adjacent to the ACT.⁴⁸³
- 6.30 It was intended, the submission advised, that the work of the Committee would contribute to 'improvements in the organisation and delivery of health services within the short to medium term' while 'also allowing the necessary time to undertake the more detailed research,

⁴⁷⁸ ACT Government, Submission No.16, p.17.

⁴⁷⁹ ACT Government, Submission No.16, p.18.

⁴⁸⁰ ACT Government, Submission No.16, p.19.

⁴⁸¹ ACT Government, Submission No.16, p.19.

⁴⁸² ACT Government, Submission No.16, p.18.

⁴⁸³ ACT Government, Submission No.16, p.18.

analysis and evaluation of options that could result in new long term regional health networking arrangements'.⁴⁸⁴

6.31 The submission detailed initiatives under the aegis of the JDC. These included the expansion of surgery at Queanbeyan Hospital, where in 2012 a number of elective gynaecology and urology procedures had been performed on behalf of the ACT, and with further discussion centred on adding orthopaedic joint surgery to this arrangement.⁴⁸⁵

6.32 Initiatives under the JDC included the development of a regional Cancer Services Plan 'in collaboration with' Southern NSW LHD and concluding an agreement on provision of renal services in the SNSW LHD.⁴⁸⁶ A number of other regional health initiatives were also indicated, including:

- A critical care Telehealth pilot project operating from a base at The Canberra Hospital and supporting emergency departments in Queanbeyan, Batemans Bay, Moruya and Cooma.
- Patients with cardiac reperfusion within one hour of Canberra are now taken directly to the Canberra Hospital, bypassing local Emergency Departments.
- The ACT Health Directorate has participated in the SNSW LHD District Healthcare Services Plan and Yass and Moruya Oncology service planning.
- SNSW LHD has participated in the ACT Health Directorate Clinical Services Plan and the Palliative Care Service Plan.
- SNSW LHD was invited to contribute to ACT Health Directorate's policy on Inter-Hospital Transfers (significant as transfers between ACT and NSW hospitals can present challenges to continuity of care for patients).
- An agreement for a joint project on discharge planning/transfer of care between ACT and SNSW LHD.⁴⁸⁷

CHIEF MINISTER'S APPEARANCE

6.33 Ms Gallagher, ACT Chief Minister, Minister for Regional Development, and Minister for Health appeared before the Committee at its public hearing of 29 May 2013.

6.34 At the hearing, the Chief Minister told the Committee that service provision by the ACT Government was best understood in relation to health. This, she told the Committee, entailed

⁴⁸⁴ ACT Government, Submission No.16, p.18.

⁴⁸⁵ ACT Government, Submission No.16, p.18.

⁴⁸⁶ ACT Government, Submission No.16, p.18.

⁴⁸⁷ ACT Government, Submission No.16, pp.18-19.

a payment of 'around a \$100 million ... a year for the provision of services to New South Wales residents using ACT health services'.⁴⁸⁸

6.35 However, the Chief Minister told the Committee, it was better not to look at service provision in this context in terms of '[w]e did this; therefore, we should charge you that' because 'because there are benefits from being the regional centre that probably cannot be costed'.⁴⁸⁹

6.36 Specifically, she told the Committee, this centred on economies of scale:

The fact that we are the centre of a larger region means that we are actually able to provide more services than we would if we were just an isolated community of 360,000.⁴⁹⁰

6.37 She went on to tell the Committee that there was:

just no way you would be able to provide the level of tertiary care that we do in Canberra if we were a population of 360,000. But, because we are a population of 600,000, we actually provide a whole higher level of care.⁴⁹¹

6.38 An example was the presence of a neonatal intensive care unit which, she told the Committee, 'would be very unusual in a stand-alone community of this size, because you would not get the volumes through to retain the specialist staff that you need to do that'. She told the Committee that 'Canberra benefits from that' and 'Canberra families and babies benefit from that'.⁴⁹²

6.39 A further example, she told the Committee, was cancer treatment where 'until recently you had to send a lot of people interstate for specialised cancer treatment'. This was 'starting to change ... because we are a larger region'.⁴⁹³

6.40 The Chief Minister noted that the ACT received financial compensation for this through the Commonwealth Grants Commission, but that it was 'not clear whether that entirely cost recovers'. She thought it 'probably [did] not'.⁴⁹⁴

6.41 Nevertheless, she told the Committee, 'those services are here to benefit ACT residents even though they might be accessed from New South Wales'.⁴⁹⁵ Consistent with this, she told the

⁴⁸⁸ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.47.

⁴⁸⁹ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.47.

⁴⁹⁰ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.47.

⁴⁹¹ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.48.

⁴⁹² Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.48.

⁴⁹³ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.48.

⁴⁹⁴ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.48.

⁴⁹⁵ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.48.

Committee that she thought the ACT needed to 'better articulate the positives that come from being a regional service centre':

You can look at it in two ways: we can either be the honey pot where people are attracted to the ACT for certain things and then leave; or we can see a broader picture of this actually being good for Canberra as well.⁴⁹⁶

- 6.42 In putting it this way, she told the Committee, she was seeking to flag both the costs and the benefits of cross-border service provision, and that the ACT Government would 'continue to focus energy on better understanding ... cross-border costs and benefits'.⁴⁹⁷
- 6.43 A further aspect of cross-border health service provision which the Chief Minister highlighted in her testimony to the Committee was the potential for health services in the region to offer specialised services in a particular area, thus easing pressure on other services for that particular speciality.
- 6.44 She told the Committee that 'Goulburn is going to open some extra subacute beds in its hospital in the not-too-distant future'. This would generate local employment opportunities in the region, help to 'get people home quicker from Canberra Hospital into the region', and increase capacity in the region to support 'the local provision of health services'.⁴⁹⁸
- 6.45 The Chief Minister told the Committee that a similar proposal had been received in relation to Yass, expressing a wish 'to specialise more in convalescent care', while 'acknowledging that Canberra is the tertiary centre'. If this were to go ahead, she told the Committee, it would be likely that this regional hospital would need to change 'from a jobs point of view and a services point of view' in order to 'meet the needs of a regional health service'.⁴⁹⁹
- 6.46 Seen from a regional perspective, she told the Committee, this pattern of specialisation and collaborative differentiation was preferable to :
- trying to operate a number of different services—a schizophrenic health service, in a way—and offering a whole lot of little programs which are probably unsustainable in the long run ...⁵⁰⁰
- 6.47 She told the Committee that it was better, instead, to look 'at what opportunities there are to specialise and complement services that feed off Canberra'.⁵⁰¹ Her description of examples of

⁴⁹⁶ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.48.

⁴⁹⁷ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.48.

⁴⁹⁸ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.38.

⁴⁹⁹ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.38.

⁵⁰⁰ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.38.

⁵⁰¹ Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, p.38.

this process referenced the initiatives, such as the Telehealth pilot to support emergency departments in Queanbeyan, Batemans Bay, Moruya and Cooma, indicated above.⁵⁰²

VIEWS FROM REGIONAL COUNCILS

- 6.48 Local councils from the region provided views on the cross-border provision of health services. These are considered below.

PALERANG COUNCIL SUBMISSION

- 6.49 The submission to the inquiry by Palerang Council advised that there were a number of problems with the provision of health services to the region.
- 6.50 One issue the submission considered was presence or otherwise of an organising principle for service provision. It advised the Committee that 'NSW regional communities adjacent to Canberra have different relationships with the ACT health system'. To some extent this was a result of 'the services that are provided in individual localities', but in many cases, the submission suggested, movement between the ACT and NSW health systems was 'problematic' and could 'lead to serious disruption in the delivery of critical services'.⁵⁰³
- 6.51 The submission suggested that service delivery often appeared 'to be dependent on postcode', rather than 'any relationship with a particular Community of Interest or local government structure'.⁵⁰⁴ This, it said, was 'certainly problematic' in a 'a relatively large and diverse local government area like Palerang'.⁵⁰⁵
- 6.52 The submission gave three examples of the effects of this in practice. The first of these was coronary care. Suggesting that patient care in this setting could be 'dictated by ambulance scheduling', it noted that present practice appeared to be that 'acute care patients are initially directed to Queanbeyan', however if they were having a heart attack 'they might then be sent on to the Cardiac Catheter Lab in the ACT'.⁵⁰⁶
- 6.53 In relation to this, the submission suggested that:
- Providing a mechanism that would expedite access to critical services has the potential to avoid unnecessary delays and improve outcomes in such cases.⁵⁰⁷

⁵⁰² Ms Gallagher, *Proof Transcript of Evidence*, 29 May 2013, pp.36-37.

⁵⁰³ Palerang Council, Submission No.13, p.4.

⁵⁰⁴ Palerang Council, Submission No.13, p.4.

⁵⁰⁵ Palerang Council, Submission No.13, p.4.

⁵⁰⁶ Palerang Council, Submission No.13, p.4.

⁵⁰⁷ Palerang Council, Submission No.13, p.4.

6.54 The second example centred on the management of acute mental health cases, in which case:

Palerang residents are directed to Goulburn, even though the nearest tertiary facility is in the ACT. Early intervention facilities for mental health patients are also available within the ACT, but are difficult, or even impossible to access.⁵⁰⁸

6.55 The effect of these arrangements could be that:

Patients may be forced to endure disruptive relocation, may be separated from their families at a time when they most need their support, or may simply not receive the treatment they need.⁵⁰⁹

6.56 'These factors', the submission suggested, 'all [had] an impact on the broader community':⁵¹⁰

The ACT and NSW Local Health District systems involve different access lines for mental health services, which creates further difficulties, for adolescents in particular. NSW residents, even if they attend school in the ACT, are obliged to access services in Queanbeyan, rather than potentially more appropriately in Canberra. The outreach services that can be provided in this environment are also limited with the result that the lack of integration often confounds early intervention.⁵¹¹

6.57 The third example provided in the submission concerned 'patients treated in the ACT' who often found 'their care lacking when they return home, due to inadequacies in interagency communications':

As an example, a patient who recently suffered a stroke and was treated in Canberra Hospital, was initially discharged within the ACT to a rehabilitation unit, but then to their NSW residence. In spite of the fact that the patient was still in need of intensive speech pathology, the services were discontinued because the patient was no longer within the ACT. The required services may have been available within the NSW system, but the carer was not aware of them nor did it appear that there was any communication between agencies to help in this case.⁵¹²

6.58 The submission noted similar problems in the areas of post natal care, children with special needs, as well as discontinuities in care relating to screening for breast cancer:

... women in the Palerang area used to attend what was known as ACT & Southern NSW Breast Screen, in the ACT. In the event that an abnormality was detected, the assessment was continued at the same facility, apparently with contributions from NSW Local Area Health. This arrangement apparently collapsed in 2011, with the

⁵⁰⁸ Palerang Council, Submission No.13, p.4.

⁵⁰⁹ Palerang Council, Submission No.13, p.4.

⁵¹⁰ Palerang Council, Submission No.13, p.4.

⁵¹¹ Palerang Council, Submission No.13, p.4.

⁵¹² Palerang Council, Submission No.13, pp.4-5.

establishment of a new service, offered through a facility in Queanbeyan, but managed from Wagga. The service has suffered due to staffing shortages and as a result patients may be sent to Goulburn or even Albury for further assessment, rather than availing themselves of the services provided in Canberra.⁵¹³

- 6.59 Commenting on these examples, the submission put the view that while 'these issues are more complex than might be solved by a simple regional planning agreement', a solution could be developed 'as part of a broader recognition, on the part of the NSW Government, of the dependence of regional areas adjacent to the ACT on services provided in Canberra'.⁵¹⁴

OTHER VIEWS

- 6.60 Two other councils made comment on different aspects of the coordination of health services in the region.
- 6.61 The submission to the inquiry by Goulburn Mulwaree Council described a positive scenario in which the local hospital had taken on a number of constructive roles within the regional healthcare system:

The Goulburn Base Hospital already acts as a hub for smaller medical centres surrounding the city. In turn Goulburn forms part of the network hubbed into Canberra. The Base Hospital currently provides training opportunities for ANU rural medical students. In addition Council continues to support the Rural Doctors Network Scholarships to provide the valuable experience of working in a rural area to medical students. The health facilities in Goulburn provide an opportunity for teaching institutions in both medical and allied health areas to utilise.⁵¹⁵

- 6.62 In contrast, the Mayor of Bega Valley Shire Council, when he appeared before the Committee at its public hearing of 23 May 2013, identified a potential risk if insufficient coordination was achieved in the face of a new federally-funded hospital in the local government area under the administration of the Council.

- 6.63 As a result of this, he told the Committee:

Within three years the daily drift of people from the South Coast to Canberra and Queanbeyan is going to change. I do not know, at a local government—and I pretty sure our general manager does not know—what impact that is going to have on ACT health services. Does the ACT know what impact that will have? That is going to be a

⁵¹³ Palerang Council, Submission No.13, p.5.

⁵¹⁴ Palerang Council, Submission No.13, p.5.

⁵¹⁵ Goulburn Mulwaree Council, Submission No.2, p.2.

significant change within three years. It is going to be operating in three years time. That will affect Eurobodalla certainly. It will affect Cooma-Monaro.⁵¹⁶

- 6.64 In relation to this he observed that this highlighted a need for enhanced coordination and cooperation across the region:

That leads to the point that we need to collaborate on studying what movements are going to happen in the future as these things change. We are doing it in isolation. Maybe the state government are doing it in isolation; I do not know. Maybe they have liaised with you; I do not know. We do not know. There are some areas where we need to sit together and say, "Where are we going?" These things are happening right now.⁵¹⁷

HEALTH CARE CONSUMERS ASSOCIATION

- 6.65 The Health Care Consumers Association contributed a submission to the inquiry.
- 6.66 In the submission, the Association put the view that regional health services 'need to be effectively interlinked with other social determinants of health, including housing, transport, literacy and health literacy'.⁵¹⁸ There was a need for collaboration between 'all areas of the ACT and NSW Government' so that 'an approach similar to Health in All Policies (HiAP)' could be taken to address these determinants.⁵¹⁹
- 6.67 The Association's submission emphasised a need for planning and design decisions for a regional health system to be made on the basis of 'sound advice, based on identified clinical and community needs and sound economic judgment' and that, to do this, cross border collaboration was 'essential'. The Association was committed to a regional model of health care which included smaller regional hospitals and health services in the region. Health services could not be 'planned effectively in isolation', but required a 'coordinated approach that enables continuity of care for consumers at all levels of the health system'.⁵²⁰
- 6.68 The submission noted areas flagged for attention under the Memorandum of Understanding between the ACT and NSW, and talks between the ACT and NSW Ministers for Health. These, the Association noted, included agreements to:

⁵¹⁶ Mr Taylor, *Proof Transcript of Evidence*, 23 May 2013, p.19.

⁵¹⁷ Mr Taylor, *Proof Transcript of Evidence*, 23 May 2013, p.19.

⁵¹⁸ Health Care Consumers Association, Submission No.7, p.1.

⁵¹⁹ Health Care Consumers Association, Submission No.7, p.4. For more on Health in All Policies see SA Health, 'Health in All Policies', <http://www.sahealth.sa.gov.au/wps/wcm/connect/public+content/sa+health+internet/health+reform/health+in+all+policies>

⁵²⁰ Health Care Consumers Association, Submission No.7, p.1.

- establish a common information base on the trends in demographics and population for the South East region of NSW and the ACT;
- map current and anticipated future service demand;
- support discussions about where future services should be located;
- identify appropriate sequencing of strategic infrastructure; and
- examine cost sharing arrangements.⁵²¹

6.69 In practice, the Association advised, these processes had resulted in the following examples of cross-border collaboration on health:

- SNSWLHD and the ACT Health are establishing a common renal network that gives NSW residents access to specialist renal services as well as dialysis and post-transplant care [5].
- NSW ambulance paramedics are able to transmit an ECG to the Canberra Hospital emergency department before the patient arrives. This is an excellent development as it has allowed decisions to be made regarding appropriate treatment for heart attack patients prior to their arrival at the Hospital. [5]
- A new telehealth project links regional emergency departments to the Canberra Hospital emergency department, enabling ACT clinicians to make life-saving decisions more quickly by remotely accessing critically ill patients. ACT clinicians are also providing clinical support and backup to those health professionals working in the smaller regional hospitals.
- Emergency medicine specialists from Calvary and Canberra specialists will visit hospitals across southern NSW to train local doctors in areas such as [p.3.] paediatric resuscitation and advanced vascular access and airway management [6].
- The Snowy Hydro Southcare helicopter retrieval service provides emergency support for people in the South Eastern regions of NSW, allowing efficient transport to the Canberra Hospital for care. This service enables fast access to the major trauma centre for residents of the surrounding region that would be impossible by other means of transport.⁵²²

6.70 In relation to this last item, the Snowy Hydro Southcare helicopter retrieval service, the Association's submission noted that it provided emergency support for people in the South Eastern regions of NSW, thus 'allowing efficient transport to the Canberra Hospital for care'. This enabled 'fast access to the major trauma centre for residents of the surrounding region that would be impossible by other means of transport'.⁵²³

⁵²¹ Health Care Consumers Association, Submission No.7, p.2.

⁵²² Health Care Consumers Association, Submission No.7, pp.2-3.

⁵²³ Health Care Consumers Association, Submission No.7, p.3

6.71 The submission also noted the use of Queanbeyan Hospital for elective for consumers in the region. This, it said, was 'not only an efficient use of our region's health facilities' but also an 'effective means of improving access for patients to have their operations sooner'. On the basis of this, the Association suggested that there was 'scope to include Queanbeyan Hospital into the network of public hospitals, along with Canberra Hospital and Calvary Public Hospital'.⁵²⁴

PLANNING

6.72 In relation to 'the need for a regional approach to *planning* health services', the submission noted the region's growing population, and the multiplicity of public hospital and community health services involved in governing health care provision, including the ACT Local Hospital Network (LHN), the Southern NSW Local Health District (SNSWLHD) and Murrumbidgee Local Health District (MLHD). It also noted the presence of three Medicare Locals: ACT, Southern NSW and Murrumbidgee.⁵²⁵

6.73 The 'health reform agenda' had presented an opportunity 'to move towards an integrated health care system', but this had proved to be 'a lost opportunity' in that 'the areas for the Medical Local and LHN in the Canberra region were confined to the ACT border'.⁵²⁶

6.74 Emphasising the importance of a population health approach, including for 'people living in the surrounding regions', the submission expressed concern 'that regional planning for health services is made more difficult due to multiple layers of bureaucracy'. It was 'crucial' to overcome this so as to support 'integration and seamless transitions across the continuum of care for consumers'. To facilitate this, the submission suggested, there must be 'strong and coherent arrangements between the LHN and Medicare Locals' and between 'the policy and planning sectors of ACT Health and the NSW Ministry of Health'.⁵²⁷

DELIVERY

6.75 In relation to 'the need for a regional approach to *delivering* health services', the submission emphasised the importance of smaller regional hospitals and health services in the region, noting that 'around 25% of ... total services are provided to people who live within the Capital Region in NSW'.⁵²⁸

6.76 While the Association acknowledged 'the practical obstacles' preventing a more integrated approach 'in the short to medium term', including 'differences in legislative frameworks and

⁵²⁴ Health Care Consumers Association, Submission No.7, p.3.

⁵²⁵ Health Care Consumers Association, Submission No.7, p.3.

⁵²⁶ Health Care Consumers Association, Submission No.7, p.3.

⁵²⁷ Health Care Consumers Association, Submission No.7, p.3.

⁵²⁸ Health Care Consumers Association, Submission No.7, p.4.

industrial relations', it 'strongly' encouraged the ACT Government 'to develop a strategy to address these obstacles so that a regional model can be implemented in the longer term'.⁵²⁹

- 6.77 In particular, the submission suggested, there needed to be 'a focus on improving clinical handover and transport between health services throughout the region'. Noting that as at '30 June 2011, the ACT estimated it was owed \$16.4m by NSW for Cross Border Health services for non-disputed activity', there needed to be 'better arrangements in place' so that there was 'less time spent by public servants on negotiating and pursuing payments for Cross Border Health Services'.⁵³⁰
- 6.78 At present, however, anomalies 'around geographical and service provision boundaries' could mean that 'consumers fall through the cracks'. Moreover, a need for an embracing approach to the social determinants of health would also require a more coordinated effort to interlink regional health services with 'housing, transport, literacy and health literacy'.⁵³¹

EDUCATION SERVICES

- 6.79 Contributors to the inquiry rated education as the second most important service rendered by the ACT to residents of the Capital Region. Their submissions and testimony are considered below.

ACT GOVERNMENT

PRIMARY AND SECONDARY ENROLMENTS BY NSW-BASED STUDENTS

- 6.80 In relation to primary and secondary enrolments, the ACT Government's submission advised that in 2012 an ACT school census found that 4.8% of the 40,074 students enrolled in ACT public schools were NSW residents. They made up 12.2 % of the 27,462 students enrolled in ACT private schools. In aggregate, NSW-resident students made up 7.8% of all students in ACT schools (public and private). Divided into different year-level cohorts, this made up 5.0% of total students enrolled from preschool to year 6; 11.3% for years 7-10, and 11.9% for years 11-12.⁵³²
- 6.81 However, the submission also noted that these figures were likely to underestimate the true number of NSW students enrolled in ACT school, due to the practice of NSW-resident students

⁵²⁹ Health Care Consumers Association, Submission No.7, p.4.

⁵³⁰ Health Care Consumers Association, Submission No.7, p.4.

⁵³¹ Health Care Consumers Association, Submission No.7, p.4.

⁵³² ACT Government, Submission No.16, p.19.

using an ACT residential address. It advised that this undercount 'may be as high as 5 per cent of total public school enrolments'.⁵³³

- 6.82 The school census also found that of the 1890 students accessing Disability Education programs in the ACT, 80 students were resident in NSW, and that this was supported by established lines of communication between the ACT Education and Training Directorate and the NSW Department of Education and Communities.⁵³⁴
- 6.83. Most NSW students at ACT public schools were found to be resident in Queanbeyan, Murrumbateman, Jerrabomberra, Bungendore, Wamboin, Yass, Bywong, Royalla, Sutton and Gundaroo. NSW-based students also attended vocational education and training providers, such as the Canberra Institute of Technology (CIT).⁵³⁵

HIGHER EDUCATION

- 6.84 In relation to higher education, the submission advised the Committee that '35 per cent of the domestic student population in the ACT is from interstate'. Of these, the 'majority' of the University of Canberra's interstate enrolments were from NSW and made up 'approximately 25 per cent' of the university's total enrolments. Twenty-seven per cent of Australian National University's enrolments were interstate students.⁵³⁶

SKILLS AND TRAINING

- 6.85 In relation to skills and training, the submission advised that of the 163 registered training organisations currently hold an ACT Funding Agreement 'enabling them to apply for government funded training initiatives in the ACT', 64 had a head office location in NSW.⁵³⁷
- 6.86 The submission stated that the Education and Training Directorate (ETD) 'regularly' liaised with:
- stakeholders that are based in the ACT and also service surrounding regions, including Job Services Australia, Australian Apprenticeships Centres and registered training organisations. The Directorate also liaises with NSW State Training Services in relation to Australian Apprenticeships.⁵³⁸

⁵³³ ACT Government, Submission No.16, p.19.

⁵³⁴ ACT Government, Submission No.16, p.19.

⁵³⁵ ACT Government, Submission No.16, p.19.

⁵³⁶ ACT Government, Submission No.16, p.20.

⁵³⁷ ACT Government, Submission No.16, p.20.

⁵³⁸ ACT Government, Submission No.16, p.20.

6.87 The submission went on to say that ETD was undertaking a project to 'identify and address cross-border issues affecting funding for training initiative in the ACT under the National Partnership on Skills Reform.'⁵³⁹

6.88 This entailed consideration of:

issues relating to the introduction of a national entitlement to training, interstate transfers of Australian Apprentices, interstate block release, and interstate students training with the ACT's public training provider.⁵⁴⁰

6.89 The submission stated that ETD would also liaise with other states and territories 'to consider a governance structure for the management of cross-border issues'.⁵⁴¹

6.90 There were, the submission advised, particular challenges for a small jurisdiction in putting arrangements in place for skills and training:

As the ACT is a small jurisdiction, many of its industries consist of a small number of enterprises that employ limited numbers of new employees in any year. Consequently, local registered training organisations may not service some industry sectors ...⁵⁴²

6.91 In response, the submission stated, ETD and training organisations worked together to seek solutions:

Registered training organisations (RTOs) are encouraged to discuss ideas for delivery of training to such markets with the ETD and negotiate funding to develop new, flexible and innovative arrangements. Such arrangements could include cooperative arrangements between industry and registered training organisations, partnering arrangements between registered training organisations or a mix of on-the-job training with mentoring, management and assessment support services from the registered training organisation.⁵⁴³

6.92 Another challenge lay in the 'small number of Australian apprenticeship qualifications not delivered by any RTOs operating in the ACT'. In these cases, the submission advised:

Australian apprentices in an ACT training contract for such qualifications are required to travel interstate to undertake their structured (off-the-job) training. This normally occurs in 'blocks' of time (also known as interstate block release). A fixed contribution is paid to apprentices required to travel interstate for structured (off-the-job) training to assist with transport and daily living costs.⁵⁴⁴

⁵³⁹ ACT Government, Submission No.16, p.20.

⁵⁴⁰ ACT Government, Submission No.16, p.20.

⁵⁴¹ ACT Government, Submission No.16, p.20.

⁵⁴² ACT Government, Submission No.16, p.20.

⁵⁴³ ACT Government, Submission No.16, p.20.

⁵⁴⁴ ACT Government, Submission No.16, pp.20-21.

- 6.93 Such arrangements were, the submission suggested, also being considered under the National Partnership Agreement on Skills Reform.⁵⁴⁵

BROADER CROSS-BORDER ISSUES

- 6.94 The submission made a number of observations about efforts by ETD to improve data collection with respect to providing educational services to NSW residents of the Capital Region.
- 6.95 First the submission noted ETD's involvement in 'planning for integrated cross-border service delivery' in collaboration with the NSW Department of Education and Communities (DEC). In connection with this, the submission observed, of 'particular interest' was:
- the exchange of information on the provision of school education services in the ACT and surrounding region, and on the demand for schooling from students in the surrounding NSW region.⁵⁴⁶
- 6.96 Collaborative planning between ETD and NSW DEC, under the ACT-NSW MoU for Regional Collaboration, focused on 'the ACT and the south east region of NSW', with 'a specific project area incorporating areas within a one hour commute of Canberra'.⁵⁴⁷
- 6.97 Above all, the submission suggested, ETD was:
- seeking to understand current patterns for use of education and training services in order to anticipate and plan for future provision of services and to facilitate equal opportunity for regional students to participate in higher education.⁵⁴⁸
- 6.98 Importantly, the submission stated that in contrast to arrangements to support health service provision by the ACT to NSW residents of the Capital region, there was 'no specific agreement with NSW on funding ACT Government education services for NSW residents'. Rather, it was necessary for the ACT to seek recovery of funds expended in this way through the Commonwealth Grants Commission.⁵⁴⁹

RDA ACT

- 6.99 The submission to the inquiry by RDA ACT also made comment on the ACT's provision of education services to the region.

⁵⁴⁵ ACT Government, Submission No.16, p.21.

⁵⁴⁶ ACT Government, Submission No.16, p.20.

⁵⁴⁷ ACT Government, Submission No.16, p.20.

⁵⁴⁸ ACT Government, Submission No.16, p.20.

⁵⁴⁹ ACT Government, Submission No.16, p.21.

6.100 The submission suggested that the ACT was 'well served by educational institutions'. It had a 'high quality primary and secondary schooling system across both the public and private sectors' and a vocational sector with a 'large number' of private providers and TAFE.⁵⁵⁰

PRIMARY AND SECONDARY EDUCATION

6.101 In relation to primary and secondary education, the submission suggested that many school aged children 'cross the border each day' to attend schools in Canberra, 'with the majority of them attending private schools'. This 'daily migration' indicated a 'high level of demand for private schooling', and the ACT college system, from residents of Queanbeyan and 'the rural lifestyle settlements'.⁵⁵¹

VOCATIONAL EDUCATION

6.102 The submission noted that there were two 'primary providers' of vocational education in the region: CIT and the Illawarra Institute of TAFE, based in Wollongong. It advised that these two providers had recently signed an MoU 'aimed at fostering collaboration in the provision of educational offerings across the Capital Region'. With regard to this, the submission suggested that there was potential 'for this relationship to develop further', to provide 'significant efficiencies in courses offered, and to remove areas of duplication'. It also suggested that there was an opportunity to 'better link in the training and skills development offerings of these institutions ... with the needs of the regional industry base'.⁵⁵²

TERTIARY EDUCATION

6.103 In the tertiary sector in particular the ACT was:

advantaged in having a range of University education providers including being the home of the world ranked Australian National University (ANU), the University of Canberra (UC) and having campuses of three other institutions; University of NSW (UNSW) at the Australian Defence Force Academy (ADFA), an Australian Catholic University (ACU) campus in Watson, as well as a small Charles Sturt University (CSU) footprint.⁵⁵³

6.104 This was, the submission suggested, this 'level and quality of tertiary education' was one of the ACT's 'natural competitive advantages':

Not only are there up to five Universities offering courses across a wide range of disciplines, there are the two government supported vocational education institutions

⁵⁵⁰ RDA ACT, Submission No.10, p.20.

⁵⁵¹ RDA ACT, Submission No.10, p.20.

⁵⁵² RDA ACT, Submission No.10, p.21.

⁵⁵³ RDA ACT, Submission No.10, p.20.

across the region. In addition there are a large number of private and industry specific providers that service the market.⁵⁵⁴

6.105 Regarding the two major universities in the ACT, the submission advised that the Capital Region was viewed as part of their 'catchment area', and that these universities were 'at times keen to explore opportunities to better serve students across the ... region'.⁵⁵⁵

6.106 Students from the region attended universities in Canberra, but also frequently exercised choice to attend elsewhere:

Many students already enrol and attend Canberra campuses from the region. There are also a large number of students from the Capital Region who attend universities elsewhere; such as Wollongong, Wagga Wagga, Sydney and Melbourne.⁵⁵⁶

6.107 The submission also indicated the potential represented by digital communications in the higher education sector:

The progressive roll out of faster broadband technologies and the ongoing development of online teaching methodologies (MOOCs and the like) should be harnessed to provide an increasing range of educational services to regional students, and should be able to better link the physical universities with remote partners. These improving online methodologies provide significant opportunities, making it easier to deliver education remotely...⁵⁵⁷

6.108 However, suggested the submission, these methodologies also presented 'a significant challenge' in 'increasing significantly the number of educational competitors that are able to offer services to Canberra and the region'.⁵⁵⁸

6.109 These approaches were made more significant, the submission suggested, in that previous efforts 'at building significant university infrastructure' in regional centres had been 'less than successful', and opportunities remained to 'better link these ACT based learning institutions with potential students' from the region.⁵⁵⁹

6.110 This was consistent with the contribution made by the President of RDA ACT when he appeared at the Committee's public hearing of 22 August 2013, where he commented on the quality of the educational and research institutions present in the ACT, and suggested that there was a need to 'push those services out into the region rather than suck the people from the region into it'. He told the Committee that this entailed 'working ... to see how we provide

⁵⁵⁴ RDA ACT, Submission No.10, p.21.

⁵⁵⁵ RDA ACT, Submission No.10, p.21.

⁵⁵⁶ RDA ACT, Submission No.10, p.21.

⁵⁵⁷ RDA ACT, Submission No.10, p.21.

⁵⁵⁸ RDA ACT, Submission No.10, p.21.

⁵⁵⁹ RDA ACT, Submission No.10, p.21.

our businesses here in Canberra with the opportunity to provide services into the region' and asking 'how do we cleverly enable the universities, the CITs, to provide their courses in the region rather than the students having to come in to Canberra to attend or partake'. He told the Committee that this was an area, in the RDA's view, where 'a lot of work' could be done, to good effect.⁵⁶⁰

CANBERRA INSTITUTE OF TECHNOLOGY (CIT)

6.111 The Canberra Institute of Technology (CIT) provided a submission to the inquiry, in which it described CIT as 'the major provider of Vocational Education and Training ... in the ACT and surrounding region'.⁵⁶¹

6.112 The submission stated CIT's support:

- for 'learning and development opportunities across the breadth of the community', including acting as 'a significant stakeholder in supporting marginalised and disenfranchised members of the community';
- for 'cross-border industry collaboration' through 'the delivery of trade apprenticeships to large numbers of NSW apprentices'; and
- for 'providing a framework for Employment Service Agency client training engagement'.⁵⁶²

6.113 The submission noted the MoU with TAFE Illawarra, indicated above, stating that discussions were taking place 'in consideration of maximising facilities and training expertise across the region'. 'Initial discussions', it suggested, had:

focused on the development and management of activities in automotive trades, construction and the health sector with a view of securing a jointly delivered project/s utilising national development funding opportunities.⁵⁶³

6.114 The submission also noted CIT's participation in the National VET E-Learning Strategy in 2012-2013, under which it had delivered:

- Remote Skills Acquisition for Fire Investigators; and
- The Horton House E-learning for regional NSW aged care training project.⁵⁶⁴

⁵⁶⁰ Mr Craig Sloan, *Proof Transcript of Evidence*, 22 August 2013, pp.70-71.

⁵⁶¹ CIT, Submission No.14, p.1.

⁵⁶² CIT, Submission No.14, p.1.

⁵⁶³ CIT, Submission No.14, p.1.

⁵⁶⁴ CIT, Submission No.14, p.2.

LOCAL COUNCILS

6.115 Representatives of NSW local councils from the region made comment on education, including at the public hearing held by the Committee on 23 May 2013. These are considered below.

COOMA-MONARO SHIRE COUNCIL

6.116 The Mayor of Cooma-Monaro Shire Council told the Committee, at its public hearing of 23 May 2013, that a particular concern was 'the issue of people leaving the region', including for the purpose of seeking further education, and commented that 'Once that knowledge is gone, it generally does not return'.⁵⁶⁵

6.117 In view of this, the Mayor spoke to the Committee about the Council's efforts to make it possible to access educational services on-site in the local government area. He told the Committee that in order to do this the Council employed 'a collaborative approach' which involved 'no government input':

We have collaborated with Snowy Hydro. We have brought an optic fibre into that centre. Students can study there full time via broadband, via optic fibre. We were hoping to get 10 students in the six months and we have got 40 already.⁵⁶⁶

6.118 He told the Committee that while this had not 'hit the schools yet', it was 'expanding massively'. It was 'a great project' and 'a great way of using the businesses there to see that progress'.⁵⁶⁷

6.119 Nevertheless, he told the Committee, 'We probably need to expand on that'. To this end there had been 'some preliminary discussions' with the University of Canberra, which had encountered some challenges regarding 'education across borders', in particular with 'issues with money coming out of the ACT and New South Wales and going backwards and forwards'.⁵⁶⁸

6.120 Council were hoping that this process of liaison and discussion would lead to a 'fully-fledged campus' being established in the local government area, 'whatever it may be', and commented that 'That is where I will need some help, particularly using the University of Canberra'.

6.121 However he also noted that benefits would accrue to both sides of this arrangement, as the University of Canberra had 'already highlighted' that they needed to expand, as 'one of the

⁵⁶⁵ Mr Lynch, *Proof Transcript of Evidence*, 23 May 2013, p.17.

⁵⁶⁶ Mr Lynch, *Proof Transcript of Evidence*, 23 May 2013, p.17.

⁵⁶⁷ Mr Lynch, *Proof Transcript of Evidence*, 23 May 2013, p.17.

⁵⁶⁸ Mr Lynch, *Proof Transcript of Evidence*, 23 May 2013, p.17.

smallest universities in the country'. As a result, what was proposed in the form of a higher presence in the local government area would 'help them as well'.⁵⁶⁹

SNOWY RIVER SHIRE COUNCIL

6.122 A councillor representing the Snowy River Shire Council at the public hearing of 23 May 2013 told the Committee that it was important to link education with the skills needed in the region.

6.123 He said that the Council had done a skills audit in order to facilitate this process because, in his view, 'we very much need to be able to match that education with the skills shortages that we have', because a university education alone 'is not necessarily going to get you a job'.⁵⁷⁰

6.124 He told the Committee that significant mismatches were evident, and needed to be addressed:

Cooma may well have some jobs that they cannot fill, but we are not training people for those jobs. We need to match those two together, otherwise we are still going to have that lack of opportunity. The opportunities are there; we do not have the skilled people to fill those opportunities. I think we need to match those two to make it work.⁵⁷¹

GOULBURN MULWAREE COUNCIL

6.125 The Mayor of Goulburn Mulwaree Council, appearing at the public hearing of 23 May 2013, told the Committee that 'Goulburn, significantly placed location-wise, can also be at a disadvantage when you are looking at tertiary education'. The Council had 'embraced' online distance education 'along the lines that ... Cooma has done', but 'not in as big a fashion'.⁵⁷²

6.126 The Mayor told the Committee about the presence of tertiary education providers in his local government area, including 'ANU with their rural doctors and Canberra with their nurses; the presence of Charles Sturt University in connection with a police academy, and a proposed presence in Goulburn by the Australian Catholic University'.⁵⁷³

6.127 He told the Committee said that Council had held discussions with the University of Canberra about 'the possibility of a campus' in Goulburn, but he was 'resigned to the fact that that is probably not going to happen'.⁵⁷⁴

⁵⁶⁹ Mr Lynch, *Proof Transcript of Evidence*, 23 May 2013, p.18.

⁵⁷⁰ Mr Thomson, *Proof Transcript of Evidence*, 23 May 2013, p.19.

⁵⁷¹ Mr Thomson, *Proof Transcript of Evidence*, 23 May 2013, p.19.

⁵⁷² Mr Kettle, *Proof Transcript of Evidence*, 23 May 2013, p.21.

⁵⁷³ Mr Kettle, *Proof Transcript of Evidence*, 23 May 2013, p.21.

⁵⁷⁴ Mr Kettle, *Proof Transcript of Evidence*, 23 May 2013, p.21.

BOMBALA COUNCIL

6.128 The Mayor of Bombala Council also appeared at the public hearing of 23 May 2013, where he told the Committee about education and training in his local government area.⁵⁷⁵

6.129 In particular he told the Committee about a trade training centre which had just been built in Bombala 'under the government's investment in schools'. This, he said, was 'just starting off', and he thought it was 'is going to be quite successful in helping develop the skills of the young people that want to stay around our area'.⁵⁷⁶

6.130 He told the Committee that a strength of the centre focus was its focus on skills that were needed in the area:

Shearing is quite a big industry in our area. We have quite a sizable sheep population down there. It is a big resource for us. They brought in professional trainers to come down to take these high school kids that do not want to move on to tertiary education but want to get skills so they can go out into the workforce. I think it is a good model.⁵⁷⁷

6.131 The Mayor also told the Committee that the Donghwa company, which had entered into agreements to process and export wood grown in the area, was also 'investing to get the younger people trained up' through the trade training centre.⁵⁷⁸

6.132 With regard to the Centre, he told the Committee that he thought it was 'good to have these sorts of facilities'. The Centre was 'very well set out' and gave 'many of those kids an opportunity to stay locally and develop their skills'. These, he said, were 'great things', and helped to counter 'a drift out' as young people from the area sought to access educational opportunities.⁵⁷⁹

BEGA VALLEY SHIRE COUNCIL

6.133 At the public hearing of 23 May 2013, the Mayor of Bega Valley Shire Council told the Committee about tertiary education providers with a presence in his local government area. This included the presence of the University of Wollongong for the past '10 to 15 years' and, over the same period, 'an increasing use by the Australian National University of our hospital for rural training of doctors'.⁵⁸⁰

⁵⁷⁵ Mr Stewart, *Proof Transcript of Evidence*, 23 May 2013, pp.21-22.

⁵⁷⁶ Mr Stewart, *Proof Transcript of Evidence*, 23 May 2013, p.21.

⁵⁷⁷ Mr Stewart, *Proof Transcript of Evidence*, 23 May 2013, p.21.

⁵⁷⁸ Mr Stewart, *Proof Transcript of Evidence*, 23 May 2013, pp.21-22.

⁵⁷⁹ Mr Stewart, *Proof Transcript of Evidence*, 23 May 2013, p.21-22.

⁵⁸⁰ Mr Taylor, *Proof Transcript of Evidence*, 23 May 2013, p.19.

6.134 The Mayor also spoke about a 'marine discovery centre' at Eden which, he said, was 'in its infancy' but had attracted interest from the University of Canberra and ANU. He predicted that 'in time—maybe not in my lifetime' this would become

a major ... marine research centre worldwide because of the various physical aspects of the marine environment down there and the fact that Twofold Bay provides the basis of that marine research.⁵⁸¹

PALERANG COUNCIL

6.135 The Mayor of Palerang Council also spoke at the public hearing of 23 May 2013.

6.136 He told the Committee that his local government area, situated closer to the ACT, often attracted people 'for primary education because it is a nice, safe environment'. There was not 'a lot of opportunity for secondary education and for higher education', and for this the local population had to make use of ACT education facilities. However, he said, this had in recent years encountered some problems because the ACT had imposed 'constraints' on 'which schools can take New South Wales students into their numbers'.⁵⁸²

6.137 These matters were also taken up by the Council's submission to the inquiry, which advised the Committee that:

The current practice of identifying catchment areas for individual schools is a concern for families who do not reside in the ACT, as there is no ultimate correlation between their place of residence, or the parents' place(s) of work and their children's school(s).⁵⁸³

6.138 The submission also suggested, consistent with points reflected above, that:

In recent times, it has been increasingly difficult to gain placement in the ACT public school system, with priority given to ACT residents.⁵⁸⁴

6.139 'This', the submission suggested, was 'not not an entirely unreasonable position' if there was 'no subsidy being provided by the NSW government, for NSW residents attending school in the ACT'. However, the matter 'should probably be considered in the context of the economic benefit that these families bring to Canberra, through both working and shopping in the ACT'.⁵⁸⁵

⁵⁸¹ Mr Taylor, *Proof Transcript of Evidence*, 23 May 2013, p.19.

⁵⁸² Mr Harrison, *Proof Transcript of Evidence*, 23 May 2013, pp.18-19.

⁵⁸³ Palerang Council, Submission No.13, p.5.

⁵⁸⁴ Palerang Council, Submission No.13, p.5.

⁵⁸⁵ Palerang Council, Submission No.13, p.5.

6.140 Moreover, the submission suggested, this problem was 'due to escalate in the future' given changing demographics 'in parts of Canberra that have traditionally received out of area students'. In light of this, 'consideration of this issue would be beneficial' in the 'context of regional development, and service delivery to the greater ACT region'.⁵⁸⁶

WATER SERVICES

6.141 Over the course of the inquiry water and sewerage services emerged as a further significant area of service provision by the ACT to the region. This is considered below.

ACTEW SUBMISSION

6.142 In its submission to the inquiry, ACTEW advised the Committee that it saw regional development, in the context of the inquiry, as being:

the implementation of measures which enhance the economic, social and environmental well-being of both the ACT and neighbouring New South Wales local council areas.⁵⁸⁷

6.143 In this process, the submission suggested, water and sewerage services provided 'the backbone' for development, of which it provided examples:

- The provision of water and sewerage infrastructure in turn allows for the development of housing, commercial and public infrastructure;
- Clean, treated water and robust sanitation systems are fundamental tenants of public health;
- By undertaking water security projects, water operators provide the foundation upon which businesses and governments may make substantial, long-term investments in the region; and
- Water utilities have a very large incentive to protect the integrity of water sources, which in turn aligns with environmental objectives of regional development.⁵⁸⁸

6.144 The submission stated that ACTEW had initiated a program 'to actively identify and then implement projects of mutual value to itself and local councils'. It suggested that there was 'tremendous scope' for ACTEW to work councils in the area of water and sewerage services, and proposed that this could take the form, among other things, of:

⁵⁸⁶ Palerang Council, Submission No.13, p.5.

⁵⁸⁷ ACTEW, Submission No.8, p.1.

⁵⁸⁸ ACTEW, Submission No.8, p.1.

- Designing water and sewerage networks in the ACT and surrounds in a manner which gives priority to efficient network design over ACT and council boundaries. Opportunity for such cooperation already exists in connection with property developments planned or occurring in the vicinity of the ACT border;
- The supply of water from the ACT's catchments to surrounding local councils (in addition to Queanbeyan), and potentially vice-versa. This could occur in conjunction with a coordinated approach to demand forecasting and drought planning;
- ACTEW's participation, either in partnership with NSW local councils or otherwise, in the ownership and/or operation of other water and sewerage networks in the surrounding NSW region. For both local councils and ACTEW, this may result in reduced operating and procurement costs. As water and sewerage treatment plants increase in complexity, such arrangements might also allow a pool of qualified operators to be available on a regional basis. Risks to the regional environment and health might also be reduced through coordinated approaches to maintenance, operation and investment;
- Streamlining of standards and approval practices; and
- The sharing of corporate, engineering, environmental, scientific, IT systems, procurement, educational, risk management and other services across water and sewerage operations.⁵⁸⁹

6.145 In the submission, ACTEW suggested that the ACT Government could contribute to this process by:

- 'Supporting commercially sound investments by ACTEW in water and sewerage networks outside the boundaries of the ACT';
- 'Being an active supporter of specific cross-border projects as they arise';
- 'Potentially lending weight to NSW local council applications for project grants';
- Removing any ACT 'red-tape' and reinforcing 'the desirability of facilitating cross-border projects within the Territory's public service';
- Removing the regulation of ACTEW's activities by the ACT Independent Competition and Regulatory Commission (ICRC);
- 'Pursuing regional development projects in a forthrightly commercial and transparent manner';
- 'Taking a long-term perspective' on regional proposals in water and sewerage; and
- 'Assessing the benefits to the ACT of individual regional development projects in a holistic manner'.⁵⁹⁰

⁵⁸⁹ ACTEW, Submission No.8, p.1.

⁵⁹⁰ ACTEW, Submission No.8, p.3.

APPEARANCE

6.146 The Managing Director and the Group Manager, Business Development, for ACTEW appeared at the Committee's public hearing of 22 August 2013, where they added to the comments made in the submission.

REGIONAL OUTLOOK

6.147 In his opening statement, the Managing Director told the Committee that ACTEW had been 'involved in regional matters for a long time':

Our biggest dam is in New South Wales. We are the bulk water supplier to Queanbeyan. Our second largest water processing centre is in New South Wales. Of course, we deliver our used water—be it stormwater that has gone through a system of lakes, ponds and other systems, or sewage which is treated largely at the lower Molonglo and is released as effluent—into New South Wales. It becomes part of the water supply of New South Wales.⁵⁹¹

CATCHMENT MANAGEMENT FROM A REGIONAL PERSPECTIVE

6.148 ACTEW's interest in the region, the Managing Director told the Committee, was underscored by its understanding that it was 'dependent upon regional development and cooperation in respect of catchment management', because:

if we want good water quality at the catchment level, we depend not only on Canberra and the ACT to deliver that good water quality but on a whole range of people.⁵⁹²

6.149 When asked about risks to catchments, especially those arising from development in the region, the Manager Director told the Committee that:

Catchment development is always a risk to a catchment. Like our Brindabella catchments, you like them to be as pristine as possible.⁵⁹³

6.150 He told the Committee that if it were the influence of 'wild horses and other things' on catchments being considered, this was not so much a matter for concern, but higher development posed risk. However, where developments occur, the 'more large scale the development, the lower the risk', and Googong Township he considered 'a very good example of risk mitigation' in this respect. The biggest remaining concern in this instance was erosion control, and this brought challenges as to 'what measures you can put in place with the

⁵⁹¹ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.73.

⁵⁹² Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.73.

⁵⁹³ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.76.

agreement of landholders, councils, water authorities and others' to maintain catchment water quality.⁵⁹⁴

6.151 Regarding this, the Managing Director went on to tell the Committee that:

That is why we are now working in, say, the upper Murrumbidgee, and working closely there with land groups, and are willing to invest money in assisting, say, a landowner to address erosion control where we can find, through imaging, during a storm event where major silt and clay flows are coming from.⁵⁹⁵

6.152 There were benefits in adopting a constructive posture with these stakeholders:

You generally find that the landowner is very appreciative of someone who, rather than saying, "Here's a notice; fix up your land," says, "Look, how can we all assist in this?"⁵⁹⁶

6.153 The Managing Director noted that it was inevitable that as 'more development encroaches on catchments, the risk profile goes up' and, as a result, 'you have got to mitigate that risk'. However risk mitigation was 'not beyond us', and it was his view that ACTEW had 'a reasonable chance of managing catchments' compared with 'large urban catchments in Sydney' and the like.⁵⁹⁷

REGIONAL FOCUS AND COMMERCIAL OPPORTUNITY

6.154 The Managing Director told the Committee that a regional focus represented 'a clear commercial opportunity' for ACTEW.⁵⁹⁸

6.155 He provided a number of examples. One was Googong township:

Googong is a particular, real example where we have been cooperating with the developers of the Googong township as well as Queanbeyan City Council. The supply of water to Googong required some new infrastructure outside the bulk supply of water to Queanbeyan. So a pump station has been built within the confines of the Googong Dam area. We will own, operate and utilise that to deliver potable water to the reservoir servicing Googong township.⁵⁹⁹

6.156 There were other opportunities on the Western side of Canberra 'between the Canberra and Murrumbateman' where there was 'clearly an area where Yass and developers ... have

⁵⁹⁴ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, pp.76-77.

⁵⁹⁵ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.77.

⁵⁹⁶ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.77.

⁵⁹⁷ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.77.

⁵⁹⁸ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.73.

⁵⁹⁹ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.74.

ambitions beyond farmlets', and population movement to those areas represented a further commercial opportunity for ACTEW to supply water and sewerage services.⁶⁰⁰

6.157 A third area of opportunity for ACTEW in the region stemmed from an 'inevitable rationalisation', possibly at 'the council level in New South Wales but certainly at the water processing level', due to the fact that New South Wales had 'more water utilities than the rest of Australia combined'. These were 'generally small' and there was 'probably an unsustainable economic model in terms of funding them'. Moreover, there were possible concerns as to whether these smaller water utilities could 'provide water to Australian drinking standard quality on a long-term, sustainable basis'. If this were to occur, ACTEW could 'be part of the commercial opportunities that come from such a movement'.⁶⁰¹

6.158 The Group Manager, Business Development, for ACTEW told the Committee that many of the opportunities being considered by ACTEW in the region were 'not actually infrastructure opportunities'. Rather, they lay within the realm of 'the provision of services':

When you talk with the local councils, they are often resource poor and they are constrained just in the number of staff they have available to operate treatment plants, for example. Particularly when they are upgrading plants to more sophisticated systems, there is a gap between the knowledge and expertise of their existing personnel compared to what ACTEW have.⁶⁰²

6.159 The resulting services required, he told the Committee, could:

include everything from simply helping to train up their staff and earning a fee for doing so through to providing ad hoc operational staff on an as-needs basis, through to other areas of their operations, such as combined procurement and other non-capital-intensive services.⁶⁰³

6.160 The Managing Director went on to expand on the kind of regional opportunities currently being explored by ACTEW. He told the Committee that ACTEW were working with Palerang, Queanbeyan and Yass councils, and had held discussions with Goulburn and Cooma councils, regarding a 'the range of possibilities' from 'the delivery of soft services, like advice and expertise, right through to potentially we could own and operate plant on their behalf'.⁶⁰⁴

6.161 He noted the importance of water security for the region's development:

Clearly, if the region is going to develop, as important as it was for Canberra to have water security for it to develop—and Canberra is in a unique position in the inland

⁶⁰⁰ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.74.

⁶⁰¹ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.74.

⁶⁰² Mr Duncan Edghill, *Proof Transcript of Evidence*, 22 August 2013, p.75.

⁶⁰³ Mr Duncan Edghill, *Proof Transcript of Evidence*, 22 August 2013, p.75.

⁶⁰⁴ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.77.

cities at the moment of being able to say that we have secured water for our development, which attracts business and attracts people.⁶⁰⁵

6.162 All of these councils, he suggested, carried risk with regard to water security, and ACTEW were in a position to respond to these concerns:

If you look at those councils, Queanbeyan would say, "Well, we're okay. We run off the back of Canberra." Yass has added to its dam capacity, but Yass is probably still marginal in terms of water security. It would not take a large drought to see Yass back in water restrictions. Yass has no capacity whatsoever to provide water and other services, as I say, probably including Murrumbateman and certainly from Murrumbateman back to the border.⁶⁰⁶

6.163 While ACTEW would 'talk to any council in our region', about these 'mutual opportunities', he told the Committee that the 'ones that matter most to us' were those 'who are involved in our catchment': Palerang, Queanbeyan and Yass.⁶⁰⁷

STREAMLINING OF STANDARDS AND APPROVAL PRACTICES

6.164 The Committee asked the Managing Director about the 'streamlining of standards and approval practices'.

6.165 Asked for examples, he said that if 'you deal cross-border' there was a 'multitude' of environmental compliance issues and went on to tell the Committee of ACTEW's experience in the area of environmental approvals for projects. An instance was the Murrumbidgee-to-Googong water pipeline which, he said, 'involved environmental studies for the Commonwealth, the ACT and the New South Wales governments'.⁶⁰⁸ As a result:

You had to write them in a style that each of them required. So it gave a consultant three writing styles to write the same report to meet the compliance requirements of three jurisdictions. It was good business for a consultant. The base data did not change at all. We probably had three primary areas of discussion with three authorities being slightly different. So you said, "Well, our biggest concern is this," "Our biggest concern is this," "Our biggest concern is this," and you wondered why they were not the same.⁶⁰⁹

6.166 Another example the Managing Director provided was to do with standards for drinking water:

⁶⁰⁵ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.77.

⁶⁰⁶ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.77.

⁶⁰⁷ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, pp.77-78.

⁶⁰⁸ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.78.

⁶⁰⁹ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.78.

When we supply drinking water to Queanbeyan, while we have a banner which is Australian drinking water standards, we can have a whole set of New South Wales requirements in respect of that water going into Queanbeyan. We fulfil all sorts of compliance obligations into New South Wales which are different to the compliance obligations we meet in the ACT.⁶¹⁰

6.167 He Director told the Committee that this could become important in particular scenarios:

If we, for instance, agreed that in the end there could be a joint infrastructure proposal which was taking water out of Canberra towards Murrumbateman, it would be important that we try and avoid the fact that we have another compliance regime, which is New South Wales-based, on water that is coming straight out of a processing centre which is meeting all of the ACT standards.⁶¹¹

6.168 The likely result of this kind of scenario was increased cost, because:

The thing business does around compliance regimes is add them up and sometimes add a margin and say that is a cost [and it] can be a significant cost in water.⁶¹²

6.169 In relation to these issues of 'streamlining of standards and approval practices' might be resolved, the Managing Director suggested that:

If a region is seeking to develop and it is in a cross-jurisdiction I think there needs to be effort on both sides to say, "How can we align?" There are plenty of models on how to do it. There are agreements in place where the commonwealth have said, "If we trust a state or territory process, we will regard it as being the equivalent of ours." It may be that an approach to New South Wales would say, "If these approvals come from this side of the border, they hold for the other side of the border."⁶¹³

RED TAPE

6.170 The Committee also asked the Managing Director about 'red tape', defined by the Oxford English Dictionary as 'Rigid adherence to official rules and formalities; (excessive) bureaucracy, esp. in public business'.⁶¹⁴

⁶¹⁰ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.78.

⁶¹¹ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.78.

⁶¹² Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.78.

⁶¹³ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.78.

⁶¹⁴ Oxford English Dictionary, viewed 17 October 2013, <http://www.oed.com/view/Entry/160492?rskey=dE2iQe&result=1&isAdvanced=false#eid>

6.171 The Managing Director gave an example drawn from the history of water supply by the ACT to Queanbeyan:

If you look at the history of the water agreement between the ACT and Queanbeyan, there was a period not long ago when the ACT sought to condition the supply of water to Queanbeyan basically by requiring almost a veto of Queanbeyan development ambitions.⁶¹⁵

6.172 However, he told the Committee there had 'been improvement' in this case by means of:

negotiation ... between the ACT government, the Commonwealth and New South Wales on Googong Dam, which resulted in the ACT finally securing a lease on the Googong Dam and then subleasing it to ACTEW, we saw the removal of that.⁶¹⁶

6.173 As a result of this, he told the Committee:

We saw basically a recognition by the ACT that, so long as Queanbeyan's development ambitions are in line with New South Wales planning processes, they would not seek to, if you like, become the de facto planner of Queanbeyan. I think that lifted a hell of a lot in the relationship between both the ACT and Queanbeyan and ACTEW as a supplier of services.⁶¹⁷

6.174 Speaking more widely, he told the Committee that:

Clearly, we will always face working across borders. Working across jurisdictions means that some would say we will necessarily see duplication, whether you call it red tape or whether you call it other things—regulation, compliance, reporting. If you work cross-border, you tend to accept there should be duplication.⁶¹⁸

6.175 And that:

That is where we probably still see some frustration. If you build, for instance, a pipeline that crosses the ACT into New South Wales and it discharges into a creek in New South Wales going into a dam in New South Wales but which is part of the ACT's water supply, you understand what cross-jurisdictional issues can do in terms of red tape. Wherever you go on this matter, you will strike them.⁶¹⁹

6.176 However, on a more optimistic note he told the Committee that he would:

⁶¹⁵ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.73.

⁶¹⁶ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.73.

⁶¹⁷ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, pp.73-74.

⁶¹⁸ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.74.

⁶¹⁹ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.74.

hope [that] down the track that we should not accept the fact that there should be duplication, and that if you can file a set of compliance regulatory documents with a jurisdiction, they should be accepted by another jurisdiction.⁶²⁰

QUEANBEYAN CITY COUNCIL

6.177 Queanbeyan City Council also made comment on the provision of water by ACTEW.

6.178 When the Mayor of Queanbeyan City Council appeared the public hearing of 23 May 2013, he told the Committee that 'Queanbeyan's only water supply option is to purchase water from ACTEW', and that the Council was currently engaged in negotiating a new bulk water agreement with ACTEW for a five-year period.⁶²¹

6.179 He proposed that future bulk water purchase agreements should embody 'a no-disadvantage provision regarding water access and pricing'.⁶²² He explained this proposal as follows:

[currently] negotiations are going on with Queanbeyan City Council where ACTEW are putting forward that Queanbeyan council needs to pay an additional \$7 million on behalf of its residents for a shortfall in revenue over the last five years during which we had water restrictions and did not use as much water. Therefore we did not pay ACTEW as much and, therefore, there is a revenue shortfall which needs to be caught up.⁶²³

6.180 However, he said, 'What we are proposing is an MOU between the two jurisdictions for no disadvantage in water pricing for consumers'. This was to propose that 'pricing principles should apply equally to end consumers irrespective of dotted lines on a map', and that this should include 'any revenue shortfall pricing that may apply'.⁶²⁴

6.181 In connection with this, the Mayor referenced an inquiry into water pricing by the ACT Independent Competition and Regulatory Commission (ICRC). The ICRC had, he said, in its interim report had proposed 'a reduction in water prices and no revenue shortfall pricing adjustments'.⁶²⁵

6.182 In the event, however, the ICRC's final determination differed from that proposed in its interim report.⁶²⁶

⁶²⁰ Mr Sullivan, *Proof Transcript of Evidence*, 22 August 2013, p.74.

⁶²¹ Mr Tim Overall, *Proof Transcript of Evidence*, 23 May 2013, p.3.

⁶²² Mr Tim Overall, *Proof Transcript of Evidence*, 23 May 2013, pp.3-4. This was also referenced in the Council's submission to the inquiry: see Queanbeyan City Council, Submission No.3, p.2.

⁶²³ Mr Tim Overall, *Proof Transcript of Evidence*, 23 May 2013, p.4.

⁶²⁴ Mr Tim Overall, *Proof Transcript of Evidence*, 23 May 2013, p.4.

⁶²⁵ Mr Tim Overall, *Proof Transcript of Evidence*, 23 May 2013, p.4.

⁶²⁶ For successive documents from this process, see Independent Competition and Regulatory Commission, 'Regulated Water and Sewerage Services 2013-2019', <http://www.icrc.act.gov.au/water-and-sewerage/inquiries-and-investigations/>

COMMITTEE COMMENT

- 6.183 The initial part of this chapter considered the various means by which the ACT was compensated for providing services— notably, health services—to residents of NSW. The ACT Government in particular suggested that was not fully compensated despite the work of the Commonwealth Grants Commission (CGC). The GST tax-base, moreover, to which the ACT might look as a further avenue for financial reconciliation in this respect, was seen as not sufficiently keeping pace, and not being sufficiently protected, to serve this purpose. This appeared to be a more pressing concern in the light of projections of increasing demand for health services in the region, and the higher cost of rendering those services in the region than in other parts of Australia.
- 6.184 In the Committee's view, these matters are best addressed by pursuing the cooperative and coordinating measures recommended earlier in this report. This need for fiscal equalisation shows the need, again, for more formal arrangements and an identified body to take the lead on progressing refinements of inter-jurisdictional arrangements. These, and the other inter-governmental and inter-departmental bodies and working-groups they can oversee, will have the capacity to open channels of communication and, importantly, generate data about use.
- 6.185 In the Committee's view, accurate data collecting is essential, both for the best possible prediction of service provision and costs in a particular area and, subsequently, reconciliations based on actual services provided. This requires good, established channels of communication, inter-operability between systems, and bodies and positions of sufficient standing in the system of government to be able to advocate solutions where necessary.

HEALTH

- 6.186 In relation to the provision of health services by the ACT to the region, the Committee considered a number of points put forward by contributors to the inquiry.
- 6.187 This included the existence of:
- an agreement between the ACT and NSW governments providing for payments for health services under a section in the National Health Reform Agreement on cross-border arrangements;
 - developing relationships between the ACT and NSW Local Health Districts; and
 - an ACT-NSW Joint Departmental Committee to foster coordination and research on the cross-border provision of health services.
-

6.188 The Committee received contributions which identified a benefit to the ACT in providing health services to the region, in that this larger catchment provided a service population which supported the presence of more advanced services in the ACT than may otherwise be the case. It also heard evidence that health providers in the region, such as hospitals, were responding to the regional environment by establishing areas of specialisation, which both left certain areas clear to be managed in the ACT and sought to take the burden of some functions, such as convalescence, from the shoulders of facilities at the regional centre.

6.189 The Committee considered this largely encouraging evidence about the ACT's health provision to the region.

6.190 However, the Committee also notes the contributions from local councils, which produced evidence of less than fully effective coordination at a regional level. Councils told the Committee that of scenarios in which:

- there were concerns regarding disruptions in critical care services;
- it was difficult to discern rational principles for decisions over the provision of services, and the appearance of care being determined 'by postcode';
- discontinuities in the care of individual patients when they return home to a regional location after receiving care in the ACT, 'due to inadequacies in interagency communications'; and
- disruptions in screening for breast cancer in the region, due to a transfer of responsibility from the ACT to NSW and a subsequent delay in sharing patient records to allow that work to continue.

6.191 Council representatives also flagged the need for a higher level of coordination and information-sharing overall in the region, in order to respond to new conditions, such as the development of a new federally-funded hospital in the South Coast part of the region.

6.192 On the more positive side, councils and other contributors also noted the advent of greater specialisation in regional hospitals, to respond to regional needs for particular services to be provided, and described as important the Memorandum of Understanding between health agencies of the ACT and NSW Governments.

6.193 Again, as for matters considered above, it is the Committee's view that the challenges and opportunities revealed in this snapshot of regional health provision are best responded to by formal inter-governmental bodies and constructs situated in a sufficiently prominent part of government to allow them to make progress on these matters. For that reason the Committee makes no specific recommendation about health other than to note the need for further rationalisation, coordination and continuity between the ACT and NSW health systems, including interoperability in terms of medical records and systems.

EDUCATION

- 6.194 The evidence tendered to the Committee on the provision of educational services in the region makes up a picture which is in some ways similar to that for health, but less developed.
- 6.195 An important case in point, in the Committee's view, are the gaps in data about NSW students enrolled in ACT schools. This would seem to be a fundamental element of information about the regional dimension of education, and should be addressed.
- 6.196 There was also limited evidence as to formal initiatives between the ACT and NSW governments, seeking to elevate coordination and cooperation between the two jurisdictions.
- 6.197 A case in point, in this instance, lay in evidence of there being unpredictable avenues through which NSW students could obtain a position within the ACT education system.
- 6.198 Both examples above indicate that there is a significant opportunity for the development of the education sector into the region. In the Committee's view, constructive directions would include:
- improved data collection of the provision of education services to ACT and NSW-resident students;
 - the development of agreements and understandings between the ACT and NSW governments to address the cost of educational provision to NSW-resident students; and
 - on the basis of those agreements and understandings, planning and analysis to anticipate future demand, and to provide rational and predictable pathways into educational institutions.
- 6.199 In addition, it is in the Committee's view clear, from evidence tendered to the inquiry, that opportunities exist for the ACT government, in association with the NSW government, to foster distance education in the region. This would include the online services and facilities discussed by local councils, but should also attract various forms of face-to-face and other support if it is to make a constructive contribution to skills and education in the region, and to allow persons to seek educational development while staying in place. As noted above, this forms part of a proposed wider approach that would see the region support a degree of decentralisation rather than acceding to tendencies for further centralisation of populations and services in and around the ACT.
- 6.200 In view of this the Committee makes the following recommendation.

Recommendation 17

- 6.201 The Committee recommends that the ACT Government work to promote Canberra as a University City focused on attracting and retaining students from within the region. The ACT**

Government should develop programs designed to retain students within the region, including assisting them to identify work opportunities.

WATER

6.202 From evidence tendered to the inquiry, it is clear in the Committee's view that there are significant opportunities for the provision of water services by ACTEW to the region, and that its water business, by its nature, naturally spans jurisdictional borders.

6.203 The clearest means by which this process could be assisted would be for regulatory inconsistency and duplication to be addressed under the high-level collaborative process proposed in this report. The Committee also notes the reported effectiveness of the ACT Government Red Tape Committee, and suggests that thought be given to making a successor to this part of the formal, cooperative body which, it considers, should be created to progress continuity and consistency overall between the ACT and NSW.

7 COLLABORATIVE PROCUREMENT

INTRODUCTION

- 7.1 Part (5) (c) of the Committee's Resolution of Appointment requires it to consider 'the opportunities for collaborative procurement by ACT Government with surrounding local governments'.
- 7.2 This is considered below.

ACT GOVERNMENT

- 7.3 The ACT Government's submission to the inquiry stated that:

In establishing the ACT Government's Regional Development portfolio late last year, the Chief Minister expressed her intention to examine a regional approach to procurement activities.⁶²⁷

- 7.4 The submission noted that this was consistent with SEROC's stated objective, by developing through 'Regional Cooperation and Resource Sharing' to:

Contribute to measurable improvement in service delivery and the operational efficiency and effectiveness of Member Councils through facilitation of the sharing of knowledge, expertise and resources, promoting innovation and, where appropriate, the aggregation of demand and buying power.⁶²⁸

- 7.5 The submission advised that discussions had begun between ACT Government's Share Services Procurement and the SEROC General Managers' Advisory Council, but noted some impediments.⁶²⁹

- 7.6 First, regional local councils:

operate in a different procurement environment to the ACT Government, principally due to the Free Trade Agreement obligations with which the state, territory and Commonwealth governments must comply.⁶³⁰

⁶²⁷ ACT Government, Submission No.16, p.24.

⁶²⁸ ACT Government, Submission No.16, p.24.

⁶²⁹ ACT Government, Submission No.16, p.24.

⁶³⁰ ACT Government, Submission No.16, p.24.

7.7 Second, NSW councils were 'already able to access NSW State Contracts, rather than necessarily having to undertake their own individual procurement for goods and services'.⁶³¹

7.8 Third, the submission advised, NSW councils were:

also able to access contracts established by Local Government Procurement Pty Ltd- a wholly owned subsidiary of the Local Government and Shires Association of NSW.⁶³²

7.9 This was, the submission suggested, different from current settings in the ACT:

Unlike the NSW Government, the ACT Government currently does not have processes in place to support other entities that may use ACT government contracts.⁶³³

7.10 Moving to this kind of arrangement would:

require the Territory to establish processes to register other contract users and provide contract management support and assistance as required.⁶³⁴

7.11 On a more positive note, the submission suggested that the ACT 'could support the sharing of knowledge and expertise of procurement practices', and highlighted efforts by Shared Services Procurement 'in providing tendering opportunities to small and medium enterprises (SMEs) across the region'.⁶³⁵

RDA ACT

7.12 RDA ACT made comment on the matter of collaborative procurement when it appeared before the Committee at its public hearing of 22 August 2013.

7.13 At the hearing, the RDA's Executive Officer told the Committee that 'some of the local governments are already sharing stuff':

They are sharing their IT, they are sharing their procurement and their HR services. That is being done more and more, not just across local government and governments but across other sectors as well.⁶³⁶

7.14 The Executive Officer noted the risks and challenges entailed by this approach, but emphasised the potential for improved outcomes, particularly in fiscal terms:

⁶³¹ ACT Government, Submission No.16, p.25.

⁶³² ACT Government, Submission No.16, p.25.

⁶³³ ACT Government, Submission No.16, p.25.

⁶³⁴ ACT Government, Submission No.16, p.25.

⁶³⁵ ACT Government, Submission No.16, p.25.

⁶³⁶ Mr van Aalst, *Proof Transcript of Evidence*, 22 August 2013, p.70.

It is really up to those organisations to go through those hard negotiations. In many cases they do not like to lose the power. But there are benefits to be gained, probably, and especially in costs.⁶³⁷

- 7.15 RDA ACT also made comment on collaborative procurement in its submission to the inquiry, where it stated that:

Government procurement has been recognised as an area where the local governments in the Capital Region can benefit from combining buying power not only across the SEROC local governments (which is already being undertaken), but also including the ACT Government.⁶³⁸

- 7.16 In doing so the submission highlighted not only the collaborative procurement already available to NSW regional local councils, noted above, but the additional effect of adding the ACT Government to arrangements for collaborative procurement.

COUNCILS

- 7.17 A number of local councils from the region made comment on collaborative procurement. This is considered below.

PALERANG COUNCIL

- 7.18 The submission provided to the inquiry by Palerang Council noted that the ACT, 'as a city-state' held 'true responsibility for many services that are similar to those provided by local government in NSW'. The main contrast lay in differences in 'the scale of operations' between the ACT and neighbouring councils rather than the types of services offered. This 'similarity in service offerings', suggested the submission, provided an 'opportunity to share information and procurement processes' between these two layers of government.⁶³⁹

- 7.19 The submission proposed civil works as an area where this kind of collaborative procurement could be pursued:

Many of the ACT's neighbouring Councils also undertake significant civil works including road construction and maintenance, and the construction and maintenance of water and sewerage reticulation networks.⁶⁴⁰

⁶³⁷ Mr van Aalst, *Proof Transcript of Evidence*, 22 August 2013, p.70.

⁶³⁸ RDA ACT, Submission No.10, p.15.

⁶³⁹ Palerang Council, Submission No.13, p.6.

⁶⁴⁰ Palerang Council, Submission No.13, p.6.

7.20 As a result, the submission suggested, the Council believed that 'both the ACT and Palerang would benefit' if Palerang Council were to undertake such civil works for the ACT government, even allowing for challenges which could arise from a 'disparity in scale'.⁶⁴¹

7.21 The submission then went on to provide a broader view of this kind of relationship between the ACT and neighbouring councils, and noted another factor which could impede progress toward this kind of relationship:

Many of the ACT's neighbouring Councils also undertake significant civil works including road construction and maintenance, and the construction and maintenance of water and sewerage reticulation networks. Palerang Council believes that both the ACT and Palerang would benefit if Palerang Council were able to undertake such civil works for the ACT government. There is a perception, however, that the procurement policies within the ACT are a barrier to Palerang, and other regional Councils, successfully bidding for work within the ACT.⁶⁴²

7.22 The General Manager added to these remarks when he appeared before the Committee at its public hearing of 23 May 2013. In particular he highlighted the common needs of governments, both local and Territory, in the region. He told the Committee that 'we all need ... a reseal contractor to maintain our sealed roads'.⁶⁴³

7.23 Library services were another common requirement. The General Manager told the Committee that the Palerang and Queanbeyan councils collaborated in this area to provide a single 'Palerang-Queanbeyan library service as a joint operation between the two of us'. This, he said, could be extended, together with similar arrangements for other common requirements, such as 'phone centres, after-hour emergency callouts and so forth', if sufficient coordination could be achieved.⁶⁴⁴

EUROBODALLA SHIRE COUNCIL

7.24 The General Manager of Eurobodalla Shire Council appeared at the Committee's public hearing of 23 May 2013.

7.25 She told the Committee that the kind of collaborative procurement under discussion had long been accepted practice in Victoria, where she had been a CEO in local government for some time. It was her view that Victoria was, in this respect, 'a long way ahead of New South Wales'. Victorian councils had been 'operating under Procurement Australia for many years'. Local governments 'more broadly link in', and 'most procurement is done on a state or national

⁶⁴¹ Palerang Council, Submission No.13, p.6.

⁶⁴² Palerang Council, Submission No.13, p.6.

⁶⁴³ Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, p.23.

⁶⁴⁴ Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, p.23.

basis'. There were 'huge potential savings' and 'significant' productivity gains available through this approach. As a result, she told the Committee, 'we need to fast-track this as quickly as we possibly can'.⁶⁴⁵

- 7.26 These reports of established practice were supported by the General Manager of Palerang Council, who had also worked in local government in Victoria. He agreed that there were 'a lot of services ...that we can share and procure on a regional basis' in order to achieve economies of scale.⁶⁴⁶

BEGA VALLEY SHIRE COUNCIL

- 7.27 During this discussion, the Mayor of Bega Valley Shire Council asked whether there was a directory 'of the services that are available across the south-eastern region', and suggested that if such a directory did not exist, it should, so that 'we can start to think and act more locally rather than being committed to the state contract system or whatever'.⁶⁴⁷

- 7.28 This was supported by the General Manager of Bega Valley Shire Council, who told the Committee that there were precedents for this kind of mapping:

There have been opportunities already taken up through Geoscience and ABARE, and through the ACT sustainability and environment commissioner some years ago, to map the resource base across the region. The idea behind that is that it is not just the natural resources but also the physical resources available through the business activity generated through the regions.⁶⁴⁸

- 7.29 The General Manager went on to say that could be 'a critical tool to understand what is available and therefore the extent to which we can interact economically in the region'.⁶⁴⁹

OTHER COUNCIL VIEWS

- 7.30 Other council representatives put views at the Committee's public hearing of 23 May 2013.
- 7.31 The General Manager of Upper Lachlan Shire Council reported on progress toward collaborative procurement through GMAC, the General Manager's group of SEROC, in association with the ACT. He told the Committee that at that time the GMAC was 'looking for a joint working party to be established', comprising the 'senior officers responsible for procurement functions within the ACT government and SEROC councils'. He said that this was

⁶⁴⁵ Dr Dale, *Proof Transcript of Evidence*, 23 May 2013, p.22.

⁶⁴⁶ Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, p.23.

⁶⁴⁷ Mr Taylor, *Proof Transcript of Evidence*, 23 May 2013, p.23.

⁶⁴⁸ Mr Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.25.

⁶⁴⁹ Mr Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.25.

'about as far as we have got', at the time of the public hearing, but was an ongoing initiative of the group.⁶⁵⁰

7.32 A representative of Snowy River Shire Council emphasised, in his comments to the Committee on collaborative procurement, the distinctive element of current proposals in that the ACT would be involved. This, he said, was significant, suggesting that the 'purchasing power or the lobbying power of the total population now that we have Canberra involved' was 'immense'. As a result, he suggested, 'our negotiating power is enormous', and this could be beneficial both to the region and the ACT itself.⁶⁵¹

7.33 The Mayor of Yass Valley Council told the Committee that there were considerable fiscal pressures on local councils. This included limits on councils' capacity to earn revenue, such as rate-pegging. In such an environment, she told the Committee, 'all of us are in trying to make cost savings and stretch our dollars further', and if there were 'some synergies to be had between all our groups, then obviously that would be a big help'.⁶⁵²

COMMITTEE COMMENT

7.34 In the Committee's view, its consideration of collaborative procurement was one of the most interesting aspects of the inquiry. It transpired that collaborative procurement was well underway in Victoria and had a proven track-record of producing significant savings to local government. There were similar, although reportedly less developed, avenues for this in place in NSW.

7.35 Local government representatives contributing proposed a number of points, including the suggestion that local governments could themselves become providers under a more developed framework for collaborative procurement in the region. As noted above, another representative indicated the need for a directory of services in the region which could be drawn upon under such a model. A further point was that contemporary fiscal pressures on local government made potential savings under collaborative procurement a more pressing imperative.

7.36 The most important part of this discussion, in the Committee's view, was the potential inclusion of the ACT Government in the pool of government entities involved in collaborative procurement. This was seen by local government representatives as a significant and distinctive aspect of what was being discussed.

⁶⁵⁰ Mr Bell, *Proof Transcript of Evidence*, 23 May 2013, p.22.

⁶⁵¹ Mr Thomson, *Proof Transcript of Evidence*, 23 May 2013, p.24.

⁶⁵² Ms Abbey, *Proof Transcript of Evidence*, 23 May 2013, p.22.

7.37 On the other side of the equation, it also emerged that unlike the NSW Government, the government of the ACT had no provision for local governments to participate in contracts and contract processes under the aegis of the ACT Government. This points to the need for the ACT Government to develop procedural structures that will facilitate collaborative purchasing. Once these are in place, significantly increased purchasing power of the collective will reduce costs of procurement for both Territory and local governments, resulting in lower cost and greater efficiency for government. These arrangements would also result bigger contracts for suppliers, making the region both a more attractive market and one more capable of supplying services required.

7.38 In view of this, the Committee makes the following recommendation.

Recommendation 18

7.39 The Committee recommends that the ACT Government, in association with the NSW Government, as a matter of priority develop template arrangements to allow it to enter into collaborative procurement with local government in the region, and to allow local governments to participate in contract processes initiated by the Territory.

8 ENVIRONMENT AND COMMUNITY RESILIENCE

INTRODUCTION

- 8.1 Part (5)(d) of the Resolution of Appointment requires the Committee to consider:
- further cooperation at the local government level on environmental and conservation matters and building community resilience to deal with natural disasters, extreme weather events and climate change.
- 8.2 These matters are considered in this chapter in two sections below. The first deals with environmental and conservation matters, the second with community resilience.

ENVIRONMENT AND CONSERVATION

- 8.3 The ACT Government, the ACT Sustainability and Environment Commissioner and local councils made representations regarding the environment and conservation. These are considered below.

ACT GOVERNMENT

- 8.4 In its submission to the inquiry the ACT Government advised the Committee of a regional focus in its environmental and conservation work, in a number of areas.
- 8.5 One instance of this, the submission advised, was that the ACT Government had been 'reviewing its Nature Conservation Strategy', and that implementation of the Strategy would 'depend on cross-border collaboration with government and non- government organisations', particularly in relation to management of invasive weeds and animal pests, 'where regional approaches reduce or slow reinvasion'.⁶⁵³
- 8.6 Such a focus was becoming increasingly important due to the effects of climate change on wildlife. Under these conditions, the submission suggested, 'the maintenance of viable wildlife corridors across the region will be critical to allowing wildlife to respond over time and migrate to suitable new habitat'.⁶⁵⁴

⁶⁵³ ACT Government, Submission No.16, p.29.

⁶⁵⁴ ACT Government, Submission No.16, p.29.

8.7 The submission noted a close working relationship between the ACT and NSW environmental agencies, which were 'progressing a number of initiatives that have cross-border coverage due to the connectivity through the region'.⁶⁵⁵

8.8 These included:

cross-border native vegetation and habitat connectivity initiatives in the vicinity of the north and northern eastern margins of the ACT- in particular, work in the Greater Gorooyarroo area (which represents the largest landscape of intact box-gum woodland in Australia) and the Southern Tablelands Flyway (a migratory route stretching from the central Lachlan River Catchment down to northern ACT).⁶⁵⁶

8.9 Another instance of cross-border cooperation, the submission advised, had arisen in response to concerns about water quality in Lake Burley Griffin. In relation to this:

Following a referral by the ACT Assembly, the ACT Commissioner for Sustainability and the Environment undertook an Investigation into the State of the Watercourses and Catchments for Lake Burley Griffin. The ACT Chief Minister met with the Mayors of Queanbeyan, Palerang and Cooma- Monaro as well as ACT Government and National Capital Authority representatives, commencing the preparation of an Action Plan in response to the Commissioner's report with the aim to improve the water quality of the lake.⁶⁵⁷

8.10 In relation to this the submission observed that a 'coordinated catchment management approach across the jurisdictions to improve water quality' was the Government's preferred approach, and that 'mechanism and governance arrangements' to achieve this were under consideration.⁶⁵⁸

8.11 A further instance of cross-border cooperation in this area, the submission advised, was a protocol signed between ACT and NSW Environment Protection Authorities in 2012. This protocol provided:

a strategic framework for interstate cooperation and mutual assistance and will result in strengthened cross-border operations to control pollution and more effective regulatory actions.⁶⁵⁹

8.12 Among the specific purposes of the protocol, the submission stated, were to 'enhance regional collaboration by the EPAs and streamlines joint regulatory operation' and, through the

⁶⁵⁵ ACT Government, Submission No.16, p.24.

⁶⁵⁶ ACT Government, Submission No.16, p.24.

⁶⁵⁷ ACT Government, Submission No.16, p.24.

⁶⁵⁸ ACT Government, Submission No.16, p.24.

⁶⁵⁹ ACT Government, Submission No.16, p.25.

associated Working Group, to 'oversight an initiative to reduce illegal waste dumping across the region'.⁶⁶⁰

COMMISSIONER FOR SUSTAINABILITY AND THE ENVIRONMENT

8.13 The ACT Commissioner for Sustainability and the Environment made a submission to the inquiry and appeared before the Committee at its public hearing of 22 August 2013.

8.14 His contributions are considered below.

8.15 The Commissioner lodged a submission to the inquiry, in which he noted environmental pressures in the region:

The growing population of the ACT and region is a factor placing pressure on all aspects of environmental management and sustainability. This brings many challenges relating to land use, transport for commuters, the use and availability of infrastructure and services and the pressures this places on the ecology of the region.⁶⁶¹

CHANGES IN REPORTING

8.16 The submission noted a change in reporting on the environment in the region. Previously, prior to 'recent legislative changes in regard to Local Government reporting requirements', councils in the South East Region of NSW 'were engaged with the ACT Office of the Commissioner for Sustainability and the Environment in developing and producing Regional State of the Environment Reports'. Now, however, councils were 'required to report on the environmental objectives contained in their Community Strategic Plans as part of the new Integrated Planning and Reporting (IPR) framework'.⁶⁶²

8.17 The effect of this, in simple terms, is that while the Commissioner's office produced reports, including one overriding report for the region, now each council produced its own report. This was outlined by the Commissioner when he appeared before the Committee on 22 August 2013, where he said that:

The commissioner's office has in the past written state of the environment reports for the region, from about 1994 until 2009, on a cost recovery basis. In 2009 there were changes to the local government act which changed the way local councils reported on their environment. It also linked them more closely to their community strategic plans.⁶⁶³

⁶⁶⁰ ACT Government, Submission No.16, p.25.

⁶⁶¹ Commissioner for Sustainability and the Environment, Submission No.5, p.6.

⁶⁶² SEROC, Submission No.11, p.5.

⁶⁶³ Mr Neil, *Proof Transcript of Evidence*, 22 August 2013, p.50.

8.18 As a result of these changes, he told the Committee:

it was decided mutually by the councils and me that we would not do a regional report⁶⁶⁴

8.19 However, the Commissioner told the Committee, he had:

left with them the thought that if they want my office to do a regional report for them in 2016, when all the councils align and have a single formal reporting time frame, I am happy to do it.⁶⁶⁵

8.20 This would be done, he told the Committee, on a fee-for-service or cost-recovery basis, as had been the case 'since Dr Baker wrote the first regional state of the environment report' in 1994.⁶⁶⁶

8.21 'In the meantime', he told the Committee:

we are trying to keep in touch with the region—and I think it is very important that we do that—through some of the workshops around the environmental things that they deal with. We have also gone through all of their draft state of the environment reports and tried to pick out the common themes across the region and in the ACT.⁶⁶⁷

OVERVIEW OF STATE OF THE ENVIRONMENT REPORTS

8.22 The submission noted that the 2011 ACT State of the Environment Report had recommended a regional approach to 'managing all aspects of our environment and for achieving sustainability and resilience'.⁶⁶⁸

8.23 It went on to consider the review, by the Commissioner's office, of 2011-12 State of the Environment reports produced by councils in the region.

8.24 In connection with these, it noted that there were five particular areas of focus which emerged. These were:

atmosphere (including air quality), biodiversity (including invasive species management), land (land use and management), solid waste, and water (including quality and availability).⁶⁶⁹

8.25 These are considered below.

⁶⁶⁴ Mr Neil, *Proof Transcript of Evidence*, 22 August 2013, p.50.

⁶⁶⁵ Mr Neil, *Proof Transcript of Evidence*, 22 August 2013, p.50.

⁶⁶⁶ Mr Neil, *Proof Transcript of Evidence*, 22 August 2013, p.50.

⁶⁶⁷ Mr Neil, *Proof Transcript of Evidence*, 22 August 2013, p.50.

⁶⁶⁸ Commissioner for Sustainability and Environment, Submission No.5, p.3.

⁶⁶⁹ Commissioner for Sustainability and Environment, Submission No.5, p.3.

AIR QUALITY

- 8.26 The Commissioner was asked about air quality when he appeared before the Committee at its public hearing of 22 August 2013.
- 8.27 In response to questions, he told the Committee that the region did not 'have the level of industry so that we have severe problems with air pollution' and that this was 'just one of the common themes that each council had actually looked at'. This was 'not to say that they have a problem', but was 'one of the things that they were very keen to look at' and was 'part of their thoughts on what environment reporting would contain'⁶⁷⁰.

BIODIVERSITY

- 8.28 Regarding biodiversity, the submission emphasised the link between action to support biodiversity and data collection:

Managing biodiversity includes a number of factors including habitat protection and effective reporting and monitoring.⁶⁷¹

- 8.29 And noted a recent finding that regional biodiversity data had been found lacking:

The 2011 SoER [State of the Environment Report] found that the lack, and sometimes inadequacy, of relevant data is an ongoing challenge for not only reporting but also for the effective monitoring and management of the ACT environment.⁶⁷²

- 8.30 Broadly speaking, there was a strong connection between the preservation of biodiversity and the quality of relevant data:

Good environmental management requires good data in order to produce, and improve on, evidence-based strategies.⁶⁷³

- 8.31 The availability of quality data was, the submission suggested, of immediate importance to local councils in the region in their efforts to support biodiversity:

Access to reliable data is also important to regional Councils and the availability of regional data sets would be an important step in improving biodiversity management.⁶⁷⁴

⁶⁷⁰ Mr Neil, *Proof Transcript of Evidence*, 22 August 2013, p.53.

⁶⁷¹ Commissioner for Sustainability and Environment, Submission No.5, p.3.

⁶⁷² Commissioner for Sustainability and Environment, Submission No.5, p.3.

⁶⁷³ Commissioner for Sustainability and Environment, Submission No.5, p.3.

⁶⁷⁴ Commissioner for Sustainability and Environment, Submission No.5, p.3.

8.32 The submission noted recommendations made by the Commissioner in his 2011 ACT State of the Environment Report. One was to:

strengthen research, planning and practical projects to enhance biodiversity conservation in the ACT through collaborating with NSW Government and regional organisations to contribute to regional and national biodiversity data sets.⁶⁷⁵

8.33 Another recommendation proposed ‘a more strategic approach to planning and development across the region’, recommending that there be:

1. better integration of biodiversity values within urban planning through:
 - a. integrating biodiversity corridors and habitat connectivity in the Territory Plan process; and
 - b. identifying, where possible, appropriate clearance thresholds for ecological communities across the ACT to maintain and improve biodiversity values and guide development decisions. To complement this, the draft biodiversity offset policy should be finalised to ensure no net loss in ecosystems.⁶⁷⁶

8.34 When he appeared before the Committee at its public hearing of 22 August 2013, the Commissioner noted another example of cross-border collaboration on biodiversity:

The recently released nature conservation strategy is consistent with the New South Wales biodiversity strategy in that it recognises the vital role of biodiversity and connectivity across the region. It specifically recognises the collaboration between the ACT and New South Wales—the Kosciusko to coast project. There is also a focus on the greater Goorooyarroo area.⁶⁷⁷

8.35 This, he said, was a case of adopting ‘a more collegiate approach, rather than ‘having the ACT looking at their side and New South Wales looking at their side over the border’ and this, in his view, was part of encouraging signs that there was ‘some genuine engagement within the region’.⁶⁷⁸

LAND

8.36 In relation to land, the Commissioner’s submission emphasised that land (and water) management ‘into the future’ should treat them ‘not as commodities but as part of the total ecosystem’.⁶⁷⁹

⁶⁷⁵ Commissioner for Sustainability and Environment, Submission No.5, p.3.

⁶⁷⁶ Commissioner for Sustainability and Environment, Submission No.5, p.3.

⁶⁷⁷ Mr Neil, *Proof Transcript of Evidence*, 22 August 2013, p.51.

⁶⁷⁸ Mr Neil, *Proof Transcript of Evidence*, 22 August 2013, p.51.

⁶⁷⁹ Commissioner for Sustainability and Environment, Submission No.5, p.4.

- 8.37 Water catchments engage questions of both land and water. With regard to catchments, the submission noted that 'We are part of the wider Murray Darling Basin and catchment management should not stop at jurisdictional boundaries', and that such projects as 'the Murrumbidgee Reach Demonstration Project illustrate the benefits of cross- jurisdictional and multi-partnered community engagement in catchment management'.⁶⁸⁰
- 8.38 In addition, when he appeared before the Committee at its public hearing of 22 August 2013, the Commissioner told the Committee that biodiversity (that is, connectivity) corridors were being provided for under an integrated approach to land use planning.⁶⁸¹

WASTE

- 8.39 In relation to the management of solid waste, the Commissioner's submission advised the Committee that the '2011 SoER did not provide specific recommendations around managing waste on a regional scale'. However, it suggested, it was recommended that:
- waste management be considered on a broader regional scale, particularly as this is an issue identified both within the SEROC Management Plan and in SoERs produced within the region.⁶⁸²
- 8.40 The submission went on to say that within this proposed approach it was:
- appropriate that this process looks not only at how and where to dispose of and handle solid waste produced by communities within the region, but also looks at educative measures that can be employed within the region to reduce the amount of waste going to landfill.⁶⁸³
- 8.41 When he appeared before the Committee at its public hearing of 22 August 2013 the Commissioner added to these comments.
- 8.42 He told the Committee that he thought 'we have a common problem with the waste that we generate', and noted collaborative work between the NSW and ACT Environmental Protection Agencies (EPAs) on transporting waste interstate. Regarding this, he told the Committee that 'We all have a common need to get rid of our waste' and as a result it 'may be that, on a regional basis, some of the recycling becomes cost effective'.⁶⁸⁴
- 8.43 In connection with this, he told the Committee that SEROC had conducted a 'waste stream mapping exercise' across all member councils, which he thought 'a really good idea', to 'at

⁶⁸⁰ Commissioner for Sustainability and Environment, Submission No.5, p.4.

⁶⁸¹ Mr Neil, *Proof Transcript of Evidence*, 22 August 2013, p.54.

⁶⁸² Commissioner for Sustainability and Environment, Submission No.5, p.4.

⁶⁸³ Commissioner for Sustainability and Environment, Submission No.5, p.4.

⁶⁸⁴ Mr Neil, *Proof Transcript of Evidence*, 22 August 2013, p.52.

least try to get some things in common that we all share and that there is no contention around', as a basis for further efforts in the area.⁶⁸⁵

WATER

8.44 References by the Commissioner's submission to collaborative efforts on water catchments have been made above. In addition, the submission referenced a recommendation of the 2011 ACT State of the Environment Report, to:

1. Establish cross-boundary management of the ACT's water resources including:
 - a. developing catchment policy and an integrated water supply catchment management strategy, as recommended in previous State of Environment Reports; and
 - b. strengthening integrated management action by facilitating improved exchange and use of information, such as spatial information, between government agencies, Natural Resource Management groups and Catchment Management Authorities, and by promoting sustainable catchment management with landholders and the community.⁶⁸⁶

8.45 When the Commissioner appeared before the Committee at its public hearing of 22 August 2013, he noted 'water quantity and water quality' as 'one common issue' of concern across the region, and noted that these factors were influenced by land use and development.

8.46 He went on to say that this was 'one area where I think there is a very strong opportunity to improve outcomes, not just for the local region but the broader Murray-Darling system':

You need to coordinate some of the restoration work that you are doing in rivers, otherwise we could be doing a whole lot of work in one part of the river when there is a more problematic area that needs higher preference in terms of remediation further up the river or further down. There is definitely a need to look more broadly at a catchment level. There is no question about that.⁶⁸⁷

8.47 The Commissioner told the Committee that the ACT Government's response to his report on Lake Burley Griffin would be a test of the impact of these factors in practice:

there is a will and they have a task force. There are local council representatives on that task force and the NCA. So there is a genuine attempt to try and look at that.⁶⁸⁸

⁶⁸⁵ Mr Neil, *Proof Transcript of Evidence*, 22 August 2013, p.51.

⁶⁸⁶ Commissioner for Sustainability and Environment, Submission No.5, p.4.

⁶⁸⁷ Mr Neil, *Proof Transcript of Evidence*, 22 August 2013, p.54.

⁶⁸⁸ Mr Neil, *Proof Transcript of Evidence*, 22 August 2013, p.54.

8.48 At the same time, however, he understood that the NSW Government was 'looking at paring back the catchment management authorities' and the results were difficult to predict. However, he said, one thing that was 'quite apparent' was that 'everyone shares the concern of the final outcome, which is poor water quality and polluted lakes and rivers'. He expressed interest in how 'they transfer that common concern for outcome into actions' and looked forward to seeing 'how it all plays out'.⁶⁸⁹

CLIMATE CHANGE

8.49 In addition to comments on the areas of common concern in the region, discussed above, the Commissioner's submission made comment on the impact of climate change on the region. This is considered in the second section of this chapter, below, which deals with the second part of the inquiry's Term (5)(d), 'building community resilience to deal with natural disasters, extreme weather events and climate change'.

OVERALL ASSESSMENT

8.50 At the Committee's public hearing of 22 August 2013, the Commissioner was also asked for an overall assessment of progress on these indicators in the regional context.

8.51 He responded positively on a number of indicators, saying that:

- renewable energy had expanded 'not quite exponentially, but quite dramatically through the region, from Upper Lachlan virtually through to Cooma-Monaro';
- that the 'potential' for water security had been improved for the ACT and Queanbeyan;
- that 'we are working more closely to improve ... biodiversity links'; and
- that the advent of the ACT nature conservation strategy and 'some of the demonstration reaches, such as the Murrumbidgee demonstration reach' was encouraging.⁶⁹⁰

8.52 These, he told the Committee, all provided 'some indication that there [were] improvements'.⁶⁹¹

8.53 On the other hand, he told the Committee, the emphasis placed on different elements within the overall approach to environmental challenges should be re-balanced. 'As with most things', he told the Committee, I think we focus on the economic' and there needed be 'more weight behind the social and the environmental' if efforts were to be effective.⁶⁹²

⁶⁸⁹ Mr Neil, *Proof Transcript of Evidence*, 22 August 2013, p.54.

⁶⁹⁰ Mr Neil, *Proof Transcript of Evidence*, 22 August 2013, p.53.

⁶⁹¹ Mr Neil, *Proof Transcript of Evidence*, 22 August 2013, p.53.

⁶⁹² Mr Neil, *Proof Transcript of Evidence*, 22 August 2013, p.53.

COUNCILS

- 8.54 Local councils from the region made comment on environmental and conservation matters.
- 8.55 Palerang Council provided comment in its submission to the inquiry.
- 8.56 The submission noted that: 'Neighbouring Councils and the ACT are clearly linked through their shared local environment'. The 'most obvious example' of this was 'the fact that a large part of the catchment of Lake Burley Griffin lies within the Palerang LGA'.⁶⁹³
- 8.57 The submission went on to describe 'a history of cooperation' between the ACT and Palerang, 'together with other Councils'. This included:
- the regional State of the Environment report, which 'grew out of the [former] Regional Leaders Forum';⁶⁹⁴
 - 'support received by Palerang from the ACT to undertake inspections of On-Site Sewerage Management Systems in the Googong / Lake Burley Griffin catchments';⁶⁹⁵
 - exchanges of 'project information' between Palerang Council and the ACT Office of the Commissioner for Sustainability and the Environment;⁶⁹⁶
 - the involvement of Palerang Council staff in 'establishment of the Lake Burley Griffin Water Quality Taskforce' and 'efforts to secure funding to continue studies on water quality issues in the rural catchments upstream of Lake Burley Griffin';⁶⁹⁷ and
 - projects being developed by the Palerang Council Environmental Services Group 'for erosion gully mapping and/or road crossing assessments in the Googong catchment', which were 'two key pollutant sources whose assessment would benefit from improved data'.⁶⁹⁸
- 8.58 The submission also stated the important of cooperative agreements in view of the 'limited resources' available to 'smaller Councils such as Palerang'. Ideally, it suggested, these would be expanded.⁶⁹⁹
- 8.59 The Mayor of Yass Valley Council, when she appeared before the Committee at its public hearing of 23 May 2013, also told the Committee that in general councils were 'quite under-resourced in this sustainability area, in terms of general access to resources'. Comparing this to the larger quantum of resources available to the ACT, she told the Committee that:

⁶⁹³ Palerang Council, Submission No.13, p.6.

⁶⁹⁴ Palerang Council, Submission No.13, p.6.

⁶⁹⁵ Palerang Council, Submission No.13, p.6.

⁶⁹⁶ Palerang Council, Submission No.13, p.6.

⁶⁹⁷ Palerang Council, Submission No.13, p.6.

⁶⁹⁸ Palerang Council, Submission No.13, p.6.

⁶⁹⁹ Palerang Council, Submission No.13, p.7.

We should be looking, I would hope, to work towards some more cooperation to put together plans for sustainability in terms of weeds, threatened species and all sorts of other things, and actually using some of the resources of the ACT.⁷⁰⁰

8.60 'Generally', she told the Committee, the ACT was 'better resourced in this area than most of us councils', and councils did not 'not have the numbers of staff to actually be able to work on those sorts of projects, to put something together properly'. As a result, 'a collaborative process ... could be very useful', as there were 'quite a few synergies that could help us as a group going forward to put together some broader plans'.⁷⁰¹

8.61 The General Manager of Bega Valley Shire Council also made comment at the Committee's public hearing of 23 May 2013. He told the Committee that there was:

a group called Location- Leadership, which is cutting edge technology in terms of spatial imagery and forming relations amongst all agencies to have a collaborative approach to gathering information, doing the analysis, storing it on cloud and making it available to all agencies.⁷⁰²

8.62 He told the Committee that 'Of course, the ACT is the island in the middle of that', and that it would 'make sense to have some arrangement with the [NSW] state government to also have access to that information'.⁷⁰³

8.63 He noted that the NSW Government had changes its 'shared services model', so that 'where they do exchange between agencies, they are doing it at a cost rather than at a profit or having a margin attached'. In relation to this, he suggested:

there may be some opportunity for the ACT to jump inside that and then, in turn, be able to relay that information through the state of the environment, state of the region type of reporting ...⁷⁰⁴

WEEDS

8.64 Challenges faced in regional management of the environment were highlighted in a discussion of weed management that took place at the Committee's public hearing of 23 May 2013.

⁷⁰⁰ Ms Rowena Abbey, *Proof Transcript of Evidence*, 23 May 2013, p.27.

⁷⁰¹ Ms Abbey, *Proof Transcript of Evidence*, 23 May 2013, p.28.

⁷⁰² Mr Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.29.

⁷⁰³ Mr Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.29.

⁷⁰⁴ Mr Tegart, *Proof Transcript of Evidence*, 23 May 2013, p.29.

YASS VALLEY COUNCIL

8.65 The Mayor Yass Valley Council told the Committee that her local government area faced a number of problems regarding weeds. These included:

- a 'weeds authority' which 'in different areas, is different things';
- differences in classification of weeds by different councils, so that land holders can be obliged to spray for a particular weed 'on one side of a fence', but the landholder of a neighbouring property may not because they are part of 'a different council area';
- the need for a 'bigger picture across a wider area' on weeds management; and
- 'a resourcing problem from a council perspective'.⁷⁰⁵

8.66 The Mayor told the Committee that these factors worked together to undermine efforts at weed management. This occurred as a result of interactions between cost, resourcing, and the classification of weeds:

I think what happens, particularly when there is a large outbreak of different kinds of weeds, is that in a council area there is no way for it to be controlled. So they actually take it off the noxious list just because it got too hard, which is not necessarily the right reason for doing it. It covers too much of the area and they cannot afford to actually manage it. So they take it off the list. I think that is a problem.⁷⁰⁶

8.67 This, she told the Committee, was 'is a regional problem', and was 'something that we probably need to look at from a bigger picture point of view'.⁷⁰⁷

PALERANG COUNCIL

8.68 The General Manager of Palerang Council agreed that a significant problem in weed management was 'the different jurisdictions having different classifications of weeds'.⁷⁰⁸

8.69 'The other one', he told the Committee, was:

the state actually sort of giving up on certain weeds and saying, "We've lost the battle. It's too late. We're not providing any funding for control of those. We'll concentrate on new and emerging weeds."⁷⁰⁹

⁷⁰⁵ Ms Abbey, *Proof Transcript of Evidence*, 23 May 2013, p.30.

⁷⁰⁶ Ms Abbey, *Proof Transcript of Evidence*, 23 May 2013, p.30.

⁷⁰⁷ Ms Abbey, *Proof Transcript of Evidence*, 23 May 2013, p.30.

⁷⁰⁸ Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, p.30.

⁷⁰⁹ Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, pp.30-31.

8.70 This led to a situation where, councils 'get paid more to map them than to control them'. This, he told the committee, was true for all local councils:

We can tell you where they are, but we have absolutely no money to actually do any control work on them.⁷¹⁰

8.71 This, he said, was 'a real issue'.⁷¹¹

8.72 The General Manager told the Committee that councils needed to strike a delicate balance when it came to compliance and enforcement on weeds:

Theoretically, we can bankrupt a farmer by requiring spraying. But clearly, we cannot do that. Particularly during the drought we took a very, if you like, softly, softly approach and worked with the farmer to develop a five-year plan or a 10-year plan to manage those weeds, and that has created some grief among farmers across fences who might have had a more aggressive policy. But we had to work within the means of the individual farmer to afford the control program.⁷¹²

8.73 Furthermore, he told the Committee, councils were 'not in a position to assist [farmers] at all' whereas, 'in the past, we may have been [able to assist] with state funding'.⁷¹³

BOMBALA COUNCIL

8.74 The Major of Bombala Council told the Committee that it was 'unfortunate, with the weed problem, that the funding from the state government keeps decreasing each year'. Also, he said, 'the rules are changing'.⁷¹⁴

8.75 The Mayor told the Committee that his local government area had 'quite a good weed control program' because 'we are very rural based'.⁷¹⁵

8.76 A problem for councils, he said, was that 'as you get more lifestyle farmers come into your area and they do not know how to maintain the land', and 'that is when the problem grows'.⁷¹⁶

I think that is what you will find up here where a lot of the traditional rural land has gone into urban lifestyle development. The people there are genuine but they just have not been brought up to control the thing.⁷¹⁷

⁷¹⁰ Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, p.31.

⁷¹¹ Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, p.31.

⁷¹² Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, p.31.

⁷¹³ Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, p.31.

⁷¹⁴ Mr Stewart, *Proof Transcript of Evidence*, 23 May 2013, p.31.

⁷¹⁵ Mr Stewart, *Proof Transcript of Evidence*, 23 May 2013, p.31.

⁷¹⁶ Mr Stewart, *Proof Transcript of Evidence*, 23 May 2013, p.31.

⁷¹⁷ Mr Stewart, *Proof Transcript of Evidence*, 23 May 2013, p.31.

- 8.77 He told the Committee that there were strong economic and other incentives for professional farmers to manage weeds effectively:

you will find in areas like ours, where most of the area is managed by professional farmers and that, the problem is maintained because it is their responsibility. It is an asset for them to maintain. If they let the weeds take over their business, that is a deterioration factor.⁷¹⁸

- 8.78 These incentives did not apply, however, to 'lifestyle development':

when you get into the areas where the land is getting changed to lifestyle development, if they were on five acres or 10 acres, to keep the land clean and to be productive, that means nothing. It is a lifestyle thing, and that is where you run into problems. And I do not know how you are going to address it.⁷¹⁹

GOULBURN MULWAREE COUNCIL

- 8.79 The Mayor of Goulburn Mulwaree Council told the Committee that, in contrast to Bombala Council, his local government area had 'not got a significant area of rural land', although 'we do have some'. However there was 'a lot of council land', which made work on compliance difficult when the Council was 'difficult to keep up with weed control on our own land, to go down the road and smack somebody' for not managing weeds on private property. As a result, he told the Committee, the Council had to 'work very collaboratively' with private landholders.⁷²⁰

UPPER LACHLAN SHIRE COUNCIL

- 8.80 A representative from Upper Lachlan Shire Council told the Committee of measures currently in place in the local government area to combat weeds. This included four weeds officers employed by Council, and a 'helicopter scheme', where Council hires a helicopter for spraying, makes it available to farmers and supplies chemicals at cost:

We run what we call a helicopter scheme in our shire. The council hires a contract helicopter spraying vehicle. We advertise through the tender process, and we also put out the chemical to tender, and council supplies that chemical spray to the landholders with no mark-up. Our staff oversee the program. They load the helicopter and that sort of thing.⁷²¹

⁷¹⁸ Mr Stewart, *Proof Transcript of Evidence*, 23 May 2013, p.31.

⁷¹⁹ Mr Stewart, *Proof Transcript of Evidence*, 23 May 2013, p.31.

⁷²⁰ Mr Kettle, *Proof Transcript of Evidence*, 23 May 2013, p.31.

⁷²¹ Mr McCormack, *Proof Transcript of Evidence*, 23 May 2013, p.34.

- 8.81 However there were other factors that were more challenging, especially in relation to particular weeds that were difficult and expensive to control:

in our area, adjoining the Abercrombie River, which runs through the northern part of our shire, for a lot of that country, the cost of eradicating serrated tussock, which is one of our major weeds, would cost more than the land is worth. It is more than the land is valued at. So we really cannot force those landholders to try and eradicate serrated tussock because it is going to keep coming up for 30-odd years. You can spray it this year, but in 10 years time it will be back there thicker than ever. That is the problem that we have.⁷²²

- 8.82 Under these conditions, he told the Committee, Council were 'certainly pushing landholders to keep weeds off their boundaries and to protect their neighbours', but he believed that the control of serrated tussock 'in the rougher and steeper country [was] virtually impossible'.⁷²³

BEGA VALLEY SHIRE COUNCIL

- 8.83 The Mayor of Bega Valley Shire Council indicated the potential influence of NSW state government administrative changes on weeds management in the region. He told the Committee that this entailed the establishment of Local Land Services, commencing operations on 1 January 2013. 'This' he said, would have:

a major but at this stage unknown impact on environmental issues, because we do not know what is going to happen to the work that has been done and is being done by the catchment management authorities.⁷²⁴

- 8.84 More specifically, he said:

it has already been flagged that weed control is on the list to be taken over by Local Land Services at some point in the future.⁷²⁵

- 8.85 Overall, he said, 'the local government role in environmental issues in terms of what we are allowed to do and what we have to do, I think, is still in a state of flux in New South Wales'. He told the Committee that 'the ACT needs to be aware of that', as regional councils did not 'quite know how it [was] all going to settle out over the next few years'.⁷²⁶

⁷²² Mr McCormack, *Proof Transcript of Evidence*, 23 May 2013, p.35.

⁷²³ Mr McCormack, *Proof Transcript of Evidence*, 23 May 2013, p.35.

⁷²⁴ Mr Taylor, *Proof Transcript of Evidence*, 23 May 2013, p.31.

⁷²⁵ Mr Taylor, *Proof Transcript of Evidence*, 23 May 2013, pp.31-32.

⁷²⁶ Mr Taylor, *Proof Transcript of Evidence*, 23 May 2013, p.32.

SUMMARY

- 8.86 The discussion with council representatives on weeds management revealed a number of confounding factors, including:
- inconsistencies in proscribed species between different local government areas, resulting in a lack of coordination on weed control;
 - scarce resources available to councils with which to fight weed infestation, apparently decreasing over time;
 - the practice of discontinuing the classification of some species as weeds due to cost pressures and perceived enormity of the control task;
 - uncertainty due to administrative changes by the NSW state government;
 - lower levels of commitment for weed control where land use changes from conventional farming to 'lifestyle' land use; and
 - characteristics of strongly invasive and persistent weed species, resulting in high cost for control.

COMMUNITY RESILIENCE

- 8.87 The second part of Term (5)(d) requires the Committee to consider the matters of 'building community resilience to deal with natural disasters, extreme weather events and climate change'. These are considered below.

NATURAL DISASTERS AND EXTREME WEATHER EVENTS

ACT GOVERNMENT

- 8.88 Commenting on one possible area for natural disasters, the ACT Government submission to the inquiry stated that climate change projections suggested that 'the ACT's fire risk will increase over time'. As a result, it said, ongoing 'cross-border cooperation will be vital to protecting Canberra, through both fuel reduction burns and wildfire responses'.⁷²⁷
- 8.89 In a broader context, the submission advised of the establishment of an Emergency Management and Disaster Recovery Working Group, which was to:

⁷²⁷ ACT Government, Submission No.16, p.29.

identify existing cross-border arrangements for emergency management and disaster recovery, and any issues that could be progressed through new or refined cross-border arrangements.⁷²⁸

8.90 The Working Group was chaired by NSW DPC and comprised 'representatives from both jurisdictions' fire, ambulance, police, emergency services, environment protection authorities and the rural fire service'.⁷²⁹

8.91 Over 2013, the submission advised, the Working Group would:

examine the benefits of extending the ACT's Emergency Services Single Point of Truth (SPOT) Information Distribution function to capture events across the border. It will also develop a Regional Disaster Plan that covers the ACT and South East NSW region.⁷³⁰

RDA ACT

8.92 The submission to the inquiry by RDA ACT advised that there was 'already increasing coordination in the area of regional emergency management and the coordination of responses'. The stimulus to bring these 'closer together' stemmed from 'recent disaster recovery activities including the bushfire emergencies in 2003 (and since), and the severe drought and water supply issues over the past decade'. The submission suggested that this regional coordination needed to continue 'to best address disaster management' and 'importantly preparation and risk minimisation'.⁷³¹

8.93 The submission proposed the Snowy Hydro Southcare regional aero medical rescue service as an 'exemplar of regional coordination in this area'. This operated out of Canberra and provided a service 'across a wide area of South East and South West NSW', and operated with financial support from the NSW and Act Governments 'as well as significant financial contributions from regional local governments, regional and local communities and service groups'.⁷³²

COUNCILS

8.94 Regional local councils put their views on preparedness for natural disasters at the Committee's public hearing of 23 May 2013.

⁷²⁸ ACT Government, Submission No.16, p.25.

⁷²⁹ ACT Government, Submission No.16, p.25.

⁷³⁰ ACT Government, Submission No.16, p.25.

⁷³¹ RDA ACT, Submission No.10, p.16.

⁷³² RDA ACT, Submission No.10, p.16.

PALERANG

- 8.95 The Mayor of Palerang was asked if a new generation of regional residents were less engaged with local volunteer fire brigade or emergency services. He responded by telling the Committee that his 'personal experience would be exactly the opposite of that':

Being involved with the rural residential areas along the eastern border of the ACT, one of the things that we promote as one of the greatest features of our communities there is the willingness that people display in contributing to the voluntary labour community ...⁷³³

- 8.96 He told the Committee that in a particular part of the local government area there could be 6,000 people, of whom there might be 600 people who belonged to voluntary organisations, but this was 'still a very good contribution'.⁷³⁴

- 8.97 The Mayor told the Committee that there were 'a lot of different ways that people can contribute in a voluntary sense':

It is not everybody's game to go and play with fire, but that is not the only way that people contribute in a voluntary sense.

- 8.98 He went on to say that he saw this willingness to contribute as 'a fundamentally positive part of the communities that we have in the rural residential areas'.⁷³⁵

- 8.99 In relation to extreme weather events, the General Manager of Palerang Council told the Committee of the experience, in his local government area, of flooding in Captains Flat in December 2010. This had resulted in 30 houses being flooded.⁷³⁶

- 8.100 He told the Committee that this had occurred 'after the Bureau of Meteorology removed the storm warning for the area'. The Council later learned that 'the ACT government was actually mapping that storm and could have been able to advise us that it was going to dump on the catchment immediately above Captains Flat'.⁷³⁷

- 8.101 He told the Committee that 'the fact that we did not have access to that and we were responding to the broader Bureau of Meteorology information led us to be behind the eight ball, if you like, when it did actually drop'.⁷³⁸

⁷³³ Mr Harrison, *Proof Transcript of Evidence*, 23 May 2013, pp.33-34.

⁷³⁴ Mr Harrison, *Proof Transcript of Evidence*, 23 May 2013, p.34.

⁷³⁵ Mr Harrison, *Proof Transcript of Evidence*, 23 May 2013, p.34.

⁷³⁶ Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, p.28.

⁷³⁷ Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, p.28.

⁷³⁸ Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, p.28.

As everybody knows, the topography of Captains Flat is like a huge bathtub with a very big tap at one end and a very small plug hole at the other end. And 30 houses had up to a metre of water come through in a bit over an hour following that rainfall.⁷³⁹

- 8.102 Regarding this, he said that a 'greater level of cooperation in sharing that level of information would have been great'.⁷⁴⁰

YASS VALLEY COUNCIL

- 8.103 The Mayor of Yass Valley Council told the Committee of the importance of regional coordination in bushfire control, especially in light of recent fires in that area:

In terms of emergency services and other things, obviously, the more coordination the better, having just been through the joys of a very large fire in January.⁷⁴¹

- 8.104 In particular, she emphasised the importance of 'coordination between all of those emergency services', based on her own first-hand observations of 'a very strong coordination' across emergency services in the 'last couple of months'. On the basis of this, she told the Committee, she 'would encourage the continuation and expansion of that'.⁷⁴²

SNOWY RIVER SHIRE COUNCIL

- 8.105 A councillor representing Snowy River Shire Council told the Committee that local government in New South Wales had been 'lobbying for a long time is to try to get an emergency services fund or all emergency services coming under one umbrella'.⁷⁴³

- 8.106 This was particularly important because climate change was 'no longer a debate', and it was only 'what form it takes [which could] be debated'. As a result, 'we recognise are that we are going to have more extreme events' and that many of those would impact on the residents of councils represented on SEROC.⁷⁴⁴

- 8.107 The councillor told the Committee that the risks arising from these conditions were shared risks across the region. The 'playground' of the area represented in total by SEROC comprised Bega Shire, Eurobodalla Shire and the Snowy Mountains. Those 'playgrounds' were something shared by region, and were also places where 'a lot of those extreme events are going to happen and going to impact'.⁷⁴⁵

⁷³⁹ Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, p.28.

⁷⁴⁰ Mr Bascomb, *Proof Transcript of Evidence*, 23 May 2013, p.28.

⁷⁴¹ Ms Abbey, *Proof Transcript of Evidence*, 23 May 2013, p.28.

⁷⁴² Ms Abbey, *Proof Transcript of Evidence*, 23 May 2013, p.28.

⁷⁴³ Mr Thomson, *Proof Transcript of Evidence*, 23 May 2013, p.32.

⁷⁴⁴ Mr Thomson, *Proof Transcript of Evidence*, 23 May 2013, p.32.

⁷⁴⁵ Mr Thomson, *Proof Transcript of Evidence*, 23 May 2013, p.32.

8.108 In light of this, he told the Committee that it was important to recognise that ‘we are actually looking after your residents and your people who are placed at risk’. This, he said, ‘sometimes that places a quite extreme burden on local government areas’, and this was particularly the case in coastal areas. It was the recognition of these conditions that had led to local governments lobbying ‘to get all of those emergency services falling under one financial pool’.⁷⁴⁶

8.109 The Councillor went on to elaborate on the proposition that the regional local governments and the ACT are linked by the risk they bear for ACT residents present in the region. He illustrated this by saying that:

I know that several years ago, when we caused a furore here in the ACT when we decided we were not going put lifeguards on a beach or beaches, very much the people’s perspective in the ACT was: “That’s where we go to enjoy our holidays. You will look after us. Therefore, you will put on lifeguards.”⁷⁴⁷

8.110 This showed, he told the Committee, that ‘We are not immune and we are not isolated from the needs of the community of the ACT, Queanbeyan, and Goulburn, whatever’.⁷⁴⁸

8.111 In light of this, he told the Committee

anything that we do from a ROC point of view to try to push to get this better financial arrangement for all our emergency services—fires in Canberra spread to Queanbeyan or whatever—is something we need to work together on to get a better outcome so that we can better deal with those extreme events.⁷⁴⁹

QUEANBEYAN CITY COUNCIL

8.112 The Mayor of Queanbeyan City Council also told the Committee about tight integration between the ACT and his particular local government area in terms of risk and management of natural disasters:

In terms of natural disasters [there is a risk arising from] Lake Burley Griffin because of Queanbeyan being located in a floodway and the sewerage treatment plant adjoining the Molonglo River. As we saw in the December 2010 flood, one of the retention dam walls was eroded and that affected waters downstream quite significantly.⁷⁵⁰

⁷⁴⁶ Mr Thomson, *Proof Transcript of Evidence*, 23 May 2013, p.33.

⁷⁴⁷ Mr Thomson, *Proof Transcript of Evidence*, 23 May 2013, p.33.

⁷⁴⁸ Mr Thomson, *Proof Transcript of Evidence*, 23 May 2013, p.33.

⁷⁴⁹ Mr Thomson, *Proof Transcript of Evidence*, 23 May 2013, p.33.

⁷⁵⁰ Mr Overall, *Proof Transcript of Evidence*, 23 May 2013, p.33.

UPPER LACHLAN SHIRE COUNCIL

8.113 A councillor representing Upper Lachlan Shire Council told the Committee of a problem which had arisen for regional bushfire-control capacity.

8.114 He told the Committee that:

The problem we are seeing today in the rural areas is that the regulations now are impacting on the volunteers. To drive a tanker, you have to be qualified. It does not matter if you have been a truck driver all your life; you still have to have the paperwork now. You cannot have a chainsaw on a tanker unless you have a qualified person with a ticket to use that chainsaw.⁷⁵¹

8.115 He said that this 'red tape ... is really affecting the rural brigades' and was having a direct impact on membership:

In my area, when I went there 30 years ago, 50-odd members used to attend the bushfire meeting. Now you would be battling to get five.⁷⁵²

8.116 He told the Committee that a further factor was 'the fact that the younger people have left the area as well'.⁷⁵³

8.117 However, he told the Committee that there was further cause for concern in increased costs for fighting fires:

We are now switching over to fighting fires in a lot more modern way with aeroplanes and that sort of thing. I think we saw at Bookham and in different areas that planes really played the major part in fire suppression. That is what is happening, but it is costing a hell of a lot of money.⁷⁵⁴

SUMMARY

8.118 In summary, the views put forward on fostering community resilience in the face of natural disasters were:

- that considerable efforts had been made to improve coordinated action after the region's 2003 bushfires, with particular examples of success in this area;
- that gaps in coordination still existed, such as in the coordination of meteorological information that could have implications for response to natural disasters;

⁷⁵¹ Mr McCormack, *Proof Transcript of Evidence*, 23 May 2013, p.34.

⁷⁵² Mr McCormack, *Proof Transcript of Evidence*, 23 May 2013, p.34.

⁷⁵³ Mr McCormack, *Proof Transcript of Evidence*, 23 May 2013, p.34.

⁷⁵⁴ Mr McCormack, *Proof Transcript of Evidence*, 23 May 2013, p.34.

- that the level of volunteering for emergency response organisations in the regions is stronger than sometimes believed;
- that the populations affected by natural disasters included ACT residents, and that regional councils carried risk in connection with their safety and well-being, particularly in holiday seasons, resulting in a high level of interdependency between councils and the ACT;
- that action—or inaction—by one government in the region could have significant repercussions for other governments, as in the linkage between Lake Burley Griffin and Queanbeyan; and
- that the rate of volunteering in rural fire services was threatened by increased training requirements being placed on volunteers.

CLIMATE CHANGE

8.119 The submission to the inquiry by the ACT Commissioner for Sustainability and Environment advised the Committee that ‘in the coming decades, impacts from climate change are likely to become increasingly prevalent in the ACT’:

The most likely future climate scenario for the ACT includes the strong likelihood of mean temperatures continuing to increase, along with more frequent and severe heatwaves for the ACT and region.⁷⁵⁵

8.120 As a result, the submission advised, ‘in planning for climate change, the ACT and ACR must include adaptation and resilience’.⁷⁵⁶

8.121 The submission went on to reference a recommendation of the 2011 ACT State of the Environment Report, that the ACT:

2. Develop a climate change adaptation planning and implementation response through:

- a. building on existing, and undertaking additional, sector vulnerability risk assessments;
- b. establishing a monitoring, evaluation, reporting and improvement methodology and framework as a consistent guide for Government, to develop, progress and report against adaptation planning; and
- c. integrating adaptation planning outcomes into existing ACT planning and management frameworks.⁷⁵⁷

⁷⁵⁵ Commissioner for Sustainability and Environment, Submission No.5, p.5.

⁷⁵⁶ Commissioner for Sustainability and Environment, Submission No.5, p.5.

⁷⁵⁷ Commissioner for Sustainability and Environment, Submission No.5, p.5.

8.122 Regarding this, the submission noted that, as for proposals on biodiversity, 'while these recommendations are ACT focussed', they 'can be applied to regional planning':

Climate change impacts are not limited by jurisdictional boundaries. Much will need to be done across the region to adapt to climate change.⁷⁵⁸

8.123 With this in mind, the Commissioner's submission referenced other recommendations of the 2011 ACT State of the Environment Report, which proposed an approach for regional planning for climate change which entailed a focus on five elements, which were:

- opportunities for renewable energy development;
- water security;
- urban and regional planning;
- transport management; and
- adaptation of ecosystem services to climate change.⁷⁵⁹

8.124 Regarding this, the submission went on to talk about the level of commitment and change that will be required to mount an effective regional response to climate change:

Responding to climate change requires a fundamental change in our planning and decision making processes. It also calls for considered and decisive action. With the effects of climate change already being felt, maintaining the status quo or making only minor changes is unlikely to secure an effective and successful future for the region.

8.125 The submission noted that in 2009 an earlier ACT State of the Environment Report had highlighted that 'ACT, NSW and local governments need to work together with business and communities to progress sustainability and to help build a strong, healthy and resilient Region', and recognised that an adequate response would require 'innovation, commitment and strong action' from these stakeholders.⁷⁶⁰

COMMITTEE COMMENT

ENVIRONMENT AND CONSERVATION

8.126 In the view of the Committee, evidence tendered to it on the environment and conservation painted a mixed picture.

⁷⁵⁸ Commissioner for Sustainability and Environment, Submission No.5, p.5.

⁷⁵⁹ Commissioner for Sustainability and Environment, Submission No.5, p.6.

⁷⁶⁰ Commissioner for Sustainability and Environment, Submission No.5, p.6.

8.127 On the positive side of the equation, there was a general acknowledgement by contributors that environmental matters and concerns inherently extend beyond jurisdictional borders whether they be those of states and territories or local government areas. Also noted were a number of current examples of cooperation between governments responding to this situation. In the Committee's view, these provide grounds for optimism about the potential for collaborative work in this area in the future.

8.128 On the negative side, there was evidence that collaborative arrangements across borders and boundaries needed significant development if they were to make a more concerted contribution to the greater environmental challenges which are present in the region. The Committee considers it a matter for concern, for example, that no regional state of the environment report has been compiled for some years, and that the initiative for state of the environment reports lies with each local council. Moreover, it is clear that under current arrangements a regional report could only be compiled if local councils were to request such a report from the ACT Commissioner for Sustainability and the Environment to coordinate it. It appears imperative that there be a region-wide report if stakeholders in the region are to act in-concert on environmental challenges in the region. This is a necessary, although not a sufficient, condition for meaningful regional action on the environment.

8.129 With this in view, the Committee makes the following recommendation.

Recommendation 19

8.130 The Committee recommends that the ACT Government makes a request of the ACT Commissioner for Sustainability and the Environment to do additional collaborative work with SEROC member councils to improve environmental reporting in the region.

WEEDS

8.131 The importance of creating conditions for cooperative inter-jurisdictional work on the environment was, as noted above, acknowledged by contributors to the inquiry. However, when discussed turned to the management of weeds it became clear that significant progress was needed.

8.132 Local government representatives portrayed a situation in which councils were largely held responsible for weeds management but had often insufficient resources to make genuine progress in this area. Moreover, there was a patch-work of different schedulings for weeds depending on local government area. Further confounding factors were the differing attitudes, commitment and skills on the part of land-holders as the region played host to an increasing component of 'lifestyle' land-holders.

8.133 There was evidence of collaborative programs sponsored by local government, such as the helicopter program put in place by Upper Lachlan Shire Council, but more prevalent was

evidence to the effect that councils struggled to control weeds even on their own land-holdings; that very difficult species to eradicate were re-scheduled to remove them from NSW state weeds registers, and that the cost of control could in certain circumstances be greater than the value of the land on which they were growing.

8.134 In the Committee's view, this raises several important points, both particular and general.

8.135 First, the Committee is aware of the serious implications of weeds for land productivity, and for biodiversity. It is clear that any true commitment to maintaining biodiversity would include meaningful actions to control invasive species, of which weeds are a very prominent and pervasive part. Second, the Committee views the situation on weeds in the region, as reported, as a 'reality check' on the state of coordinated environmental action in the region. If there are gaps of this scale in the management of weeds, the Committee considers it highly likely that these would be replicated in other important aspects of environmental management. Anticipating this should be part of long-term planning on the environment in the region.

COMMUNITY RESILIENCE

8.136 As for the environment and conservation matters considered above, the Committee received evidence which showed, on balance, that the ACT and local governments in the Australian Capital Region were well aware of the need for coordinated and collaborative action to support community resilience and manage risk from natural disasters.

8.137 It appeared, from the evidence tendered to the Committee, that progress on this score was most advanced in relation to bushfire preparedness. This had developed in response to the bushfire emergencies which emerged in the ACT and proximate areas in 2003, and showed what was possible in this realm of activity.

8.138 Among the important points of which contributors advised the Committee were:

- that there would be a higher frequency of natural disasters in the region in the future, as a result of climate change;
- that there was increased cooperation in this area;
- that there were high levels of volunteering in emergency services in regional areas; and
- that different parts of the region shouldered risk for the safety of residents of other parts, underscoring the interconnectedness of risk and management in this sphere in the region.

8.139 In the Committee's view, these points indicate a need for further development of collaborative frameworks in the area of supporting community resilience and protecting against natural disasters.

8.140 In its view, an important need that was identified during the Committee's consideration of this area was the need for enhanced data sharing across the region. This was a response to particular incidents, such as that reported in connection with flooding at Captain's Flat, where

a failure to share information had clearly resulted in greater damage. But it is also a function of the perception, offered by the ACT Commissioner for Sustainability and the Environment, that the developing risks and pressures in this area make it necessary to work toward 'a fundamental change in our planning and decision making processes'.

8.141 In the Committee's view, as for so much of the issues considered in this inquiry the most constructive response must be to work at a systems level across the region so as to gain a wider, more comprehensive picture and commit to collective actions which can address these often difficult questions.

[Signature]

Chair

[Date report adopted by Committee]

Appendix A Witnesses

23 May 2013, Legislative Assembly for the ACT

Bega Valley Shire Council

- Mr Bill Taylor, Mayor, Bega Valley Shire Council
- Mr Peter Tegart, General Manager, Bega Valley Shire Council

Bombala Council

- Mr Robert John Stewart, Mayor
- Ms Ngaire Anne McCrindle, General Manager

Boorowa Council

- Mr Christopher Corcoran, Deputy Mayor
- Mr Anthony James McMahon, Assistant General Manager

Cooma-Monaro Shire Council

- Mr Dean Lynch, Mayor
- Mr John Vucic, General Manager

Eurobodalla Shire Council

- Mr Lindsay Brown, Mayor
- Dr Catherine Dale, General Manager

Goulburn Mulwaree Council

- Mr Geoff Kettle, Mayor
- Mr Christopher Berry, General Manager

Palerang Council

- Mr Pete Harrison, Mayor
- Mr Peter Bascomb, General Manager

Queanbeyan City Council

- Mr Tim Overall, Mayor

Snowy River Shire Council

- Mr Fergus Thomson, Councillor
- Mr Joseph George Vescio, General Manager

Upper Lachlan Shire Council

- Mr Brian McCormack, Representative
- Mr John Keith Bell, General Manger

Yass Valley Council

- Ms Rowena Abbey, Mayor

29 May 2013, Legislative Assembly for the ACT**ACT Government**

- Ms Katy Gallagher, Chief Minister, Minister for Regional Development, Minister for Health and Minister for Higher Education
- Ms Pam Davoren, Deputy Director-General, Chief Minister and Treasury Directorate

22 August 2013, Legislative Assembly for the ACT

- Mr Duncan Edghill, Group Manager, Business Development, ACTEW Water
- Dr Doug Finlayson, Treasurer, Ginninderra Falls Association
- Ms Lynne Harwood, Chief Executive Officer, Communities@Work
- Mr Noel McCann, Director, Planning and Government Relations, Canberra Airport
- Ms Denise McFadyen, Partner, Surveyor's Hill Vineyards
- Mr Robert Neil, ACT Commissioner for Sustainability and the Environment
- Ms Kathryn Scarano, Assistant Director, Planning and Environment, Canberra Airport
- Mr Craig Sloan, Chair, Regional Development Australia ACT
- Mr Mark Sullivan, Managing Director, ACTEW Corporation
- Mr Steve Toms, New South Wales Cross-Border Commissioner
- Mr Robert Van Aalst, Executive Officer, Regional Development Australia ACT
- Dr Chris Watson, President, Ginninderra Falls Association

Appendix B Submissions

- Submission No.1 - Mr Stephen Brown
- Submission No.2 - Goulburn Mulwaree Council
- Submission No.3 - Queanbeyan City Council
- Submission No.4 - Ginninderra Falls Association
- Submission No.5 - Commissioner for Sustainability and Environment
- Submission No.6 - Communities@Work
- Submission No.7 - HCCA
- Submission No.8 - ACTEW
- Submission No.9 - Canberra Airport
- Submission No.10 - RDA ACT
- Submission No.11 - SEROC
- Submission No.12 - Queanbeyan-Monaro Greens
- Submission No.13 - Palerang Council
- Submission No.14 - CIT
- Submission No.15 - Bega Valley Shire Council
- Submission No.15A - Bega Valley Shire Council
- Submission No.16 - ACT Government
- Submission No.17 - NSW Cross-Border Commissioner
- Submission No.18 - Dr Helen Swan

