

Mr Chris Gulaptis MP
Parliamentary Secretary for the North Coast
11 Prince St
GRAFTON NSW 2460

27 May 2016

Dear Mr Gulaptis

RE: DRAFT NORTH COAST REGIONAL PLAN

RDA Northern Rivers welcomes the opportunity to provide comment on the Draft North Coast Regional Plan (Plan).

RDA Northern Rivers (RDA-NR) represents the northern half of the area covered by the Plan and we acknowledge the importance of a strong and prosperous wider North Coast to our regional economy. RDA-NR is supportive of the five goals contained within the Plan and we believe it provides a strong basis from which to drive economic development within the region.

RDA-NR has a strong focus on regional economic development and this submission is structured to address those elements of the Plan which fit within that context. RDA-NR is supportive of initiatives that provides a comprehensive and detailed evidence base for decision making within the region.

RDA-NR believes that strong focus should be placed upon measures that are aimed at diversifying the regional economy of the Northern Rivers. Currently the Northern Rivers economy is heavily skewed toward Government employment sectors as evidenced by statistics produced by the National Institute of Economic Industry Research (NIEIR) which show that the key contributors to the Northern Rivers economy are:

- Health Care and Social Assistance (\$1,240 million or 13.8%)
- Education and Training (\$799 million or 8.9%)

In comparison, at a NSW level these industries account for 7.7% (Health Care and Social Assistance) and 5.9% (Education and Training) respectively. The exposure of these sectors, and therefore the Northern Rivers economy, to fluctuations in funding through various political cycles is something that could be mitigated by additional private sector investment and wider industry diversification.

With respect to the individual actions proposed in the Plan we provide the following comments:

GOAL 1

Action 1.2.1 – Investigate complementary activities in rural zones

RDA-NR is supportive of this action as it believes that the introduction of a structured approach to the development of complementary activities provides an ability to further expand the Agricultural sector through the provision of secondary income sources for land owners. The initiative also provides diversity within the economy as additional enterprises within the Tourism, Retail and Accommodation sectors inevitably grow.

Action 1.5.1 – Facilitate investment in the resources and energy sector

Past experience in the Northern Rivers has provided clear evidence that support for the CSG industry is minimal and community resistance is significant. RDA Northern Rivers does not support the development of the CSG industry in the Northern Rivers.

However, RDA-NR would be supportive of the inclusion of renewable energy within this action as we believe that significant investment appetite exists in this region. This is evidenced by the recent \$3 million capital raising undertaken by local energy retailer Enova Energy which has a 100% green energy mandate.

GOAL 2

Action 2.1.1 – Establish governance arrangements for the delivery of investment and infrastructure in the regional cities

RDA-NR welcomes the development of a systematic approach to the delivery of infrastructure and investment however it believes that the NSW Government should consider widening the focus from the three identified Regional Cities. In particular, RDA-NR supports the inclusion of Lismore as a North Coast Regional City.

Work undertaken by Lismore City Council, and included in their submission to this consultation, demonstrates that Lismore and its surrounds effectively acts as sub-region with the analysis showing significant levels of interaction between Lismore and the areas surrounding Casino, Kyogle and Ballina. This catchment consists of a population base of more than 100,000 people, and represents more than 40,000 jobs, which have far greater reliance on Lismore as a service base than Tweed. When these metrics are considered RDA-NR believes that consideration should be given to designation of Lismore as a Regional City.

RDA Northern Rivers acknowledges that infrastructure investment is important in areas of high population demand to ensure industry efficiencies are maximised and lifestyle considerations for residents are addressed. However, RDA-NR believes that investment in infrastructure can also play a strong enabling role in the economic development of other less populated areas. Enabling infrastructure, whether it relieves existing constraints or creates additional amenity, can create an environment where existing industry participants are able to expand or new participants invest, thereby driving economic expansion.

RDA-NR believes that the NSW Government should give consideration to the strategic delivery of enabling infrastructure on the wider North Coast in addition to, demand driven, infrastructure where population growth is at its highest.

Action 2.1.2 - Prepare a Regional Cities Action Plan

RDA-NR supports the development of a Regional Cities Action Plan and the evidenced-based approach being proposed. However, as stated earlier in the submission the fact that only one Regional City is identified in the Northern Rivers is likely to limit the potential of the Northern Rivers economy.

Lismore plays a unique role within the Northern Rivers region and strong on-going support for the development of the city through a Regional City Action Plan will be an essential tool to ensure that the service levels for a large proportion of the Northern Rivers is maintained. As stated earlier in this submission Lismore plays a key role for a large population base within the Northern Rivers and it is the location of many services and associated jobs.

RDA- NR supports Lismore City Council's position that Lismore needs to be given the status which ensures that the support and funding necessary to improve or augment its role with the Regional Centres and Towns it interacts with is maintained.

The distance between the two proposed northern Regional Cities in the Plan (Coffs Harbour and Tweed) is approximately 300 kms, with both cities located on the coast. RDA-NR believes that the case is strong for an inland Regional City within the region to service the expected growth in the Agricultural and Tourism sectors in particular. Whilst the coastal cities are a critical part of the regional economy and will continue to be attractive areas for investment, it is, in our view, important to keep a level of focus on the inland areas within the region.

Action 2.2.1 – Collaborate with relevant authorities to understand the implications of growth in the South East Queensland on the Far North Coast

This action is a critical activity given the large population that sits on the northern border of the region which presents both opportunity and threat to the Northern Rivers. The recognition and removal of any barriers to trade and investment resulting from cross border issues is an initiative that is fully supported by RDA-NR.

RDA – NR notes that the State Parliament is currently undertaking an inquiry into zonal taxation with a specific focus of payroll tax, stamp duty and land tax. RDA – NR believes that these issues are particularly relevant in a North Coast context given the potential for investment leakage to Queensland in cases where these taxes are less competitive in NSW. It is also understood that Workers Compensation requirements are more onerous in NSW than Qld and therefore provides opportunity for further investment leakage.

Any initiative that seeks to provide a more competitive investment proposition for businesses looking to locate in the Northern Rivers would be fully supported by RDA-NR.

Action 2.2.3 – Identify residential, commercial and industrial uses in urban growth areas by developing local growth management strategies

RDA-NR is supportive of any initiative designed to facilitate the efficient delivery of additional employment land particularly where existing infrastructure can be leveraged. However, RDA-NR believes that the attraction of investment to those areas is also a key activity that should be considered.

RDA-NR is supportive of the local growth management strategies outlined in the Plan provided they include a demand assessment which clearly identifies the need for employment land being created and articulates how investment will be attracted.

Goal 4

Action 4.1.1 – Facilitate the nature based, events and cultural tourism sectors on the North Coast
Tourism as an industry currently makes up almost 10% of the Jobs in the Northern Rivers and makes up almost 9% of the Northern Rivers economy when direct and indirect effects are taken into account. Therefore this sector is a key area of focus for RDA-NR.

RDA-NR is supportive of the activities proposed, in particular the development of the Casino to Murwillumbah rail corridor. RDA-NR believes that this corridor is a significantly underutilised asset that if developed as a Rail Trail could provide a significant economic development opportunity for the region.

RDA-NR also believes that there is significant potential in the Agri-Tourism market and would be supportive of any initiatives that the NSW government may develop to support this market.

Action 4.2.1 Support health services precincts by attracting complementary uses in these precincts
Healthcare and Social assistance makes up a large proportion of the Northern Rivers economy (13.9% based on analysis undertaken by NIEIR). In addition, the jobs within this sector tend to be high income roles with 32.5% of workers in this sector earning above \$1,000 per week compared to 28% for the Northern Rivers as a whole.

Given the size of these sectors and the associated skillsets in the region, RDA-NR supports this action as an important initiative that will leverage the existing industry resources and encourage the attraction of additional service providers to the region.

Action 4.3.2 - Work with education providers and councils to create education precincts that support campuses

Students who attend regional universities are far more likely to remain in regional areas than those regional students who travel to metropolitan universities to complete their education. So regional universities not only provide the opportunity for regional populations to obtain a tertiary education but they will play an increasingly important role in supplying the professional skills needed to develop future industries and opportunities in the Northern Rivers.

RDA-NR is supportive of any initiative that encourages strengthening of links between the educational sector and industry. It is the view of RDA-NR that increased focus on applied research, aimed at delivering practical results for industry, is a key enabler for innovation. In turn it is our view that this increased innovation will help deliver increased economic growth and a consequent increase in skilled local jobs within the region.

Goal 5

Action 5.1.1 Protect the travel time and safety improvements from the upgrade program

The key benefits of grade separated arterial road networks are travel time savings which factor into reduced freight and logistics costs for industry as well as improved safety outcomes for motorists.

Given the clear travel time improvements that have occurred over the past 15 years as a result of upgrades along the Pacific Highway, RDA-NR believes that it is important to protect those travel time savings as a high priority and therefore supports this action.

Action 5.1.2 - Designate highway service centres long the Pacific Highway

RDA-NR acknowledges that an efficient highway network needs 'on-highway' service centres to secure the economic efficiencies that are derived from decreased travel times and increased safety.

However, the effect on local towns and businesses near proposed service centres should be considered when locating proposed service centres. RDA-NR believes that an economic impact analysis should be incorporated into the process of assessing service centre locations. This will allow the positive and negative effects on local economies to be clearly understood and communicated to the community.

Action 5.1.3 - Identify freight transport facilities along the Pacific Highway

RDA-NR understands the value of an efficient freight transport system to the local, regional and nation economies. Studies have demonstrated that up to 40% of business input costs are related to freight and logistics costs so any efficiencies that can be obtained from the optimal location of freight transport facilities should be pursued.

Further, RDA Northern Rivers believes that consideration should be given to freight hubs at inland locations to ensure that the cost base of the entire supply chain is optimised. One example is the intermodal facility planned at Casino in the Richmond Valley Council LGA.

Action 5.2.1 – Develop aviation precincts with compatible and complementary uses

RDA-NR supports the proposal to focus the development of commercial passenger traffic on the four identified airports in the Draft Plan. This will ensure that resources are concentrated on those areas where the existing infrastructure can be more easily leverage to cater for expansion of commercial air-traffic.

RDA-NR also supports the development of other airports in the region to provide an environment which could encourage the location of value-added and service industries.

RDA-NR supports the development of aviation precincts with compatible and complimentary business uses. Proximity to an airport can often create significant cost efficiencies for a business particularly when long distance transport of high value freight is a key consideration.

Action 5.3.1 - Identify connectivity improvements for key State roads on the North Coast

The proposed development of corridor strategies to align road safety, traffic efficiency and asset management with policy on freight access should deliver:

- Travel time savings
- Increased productivity outcomes for industry
- More efficient movement of passenger traffic from regional centres to surrounding areas
- Cost reductions within the health and social assistance systems
- More efficient management of cost over the lifecycle of the asset base

RDA-NR believes that given these potential demonstrable benefits consideration could be given to partnerships with the private sector to deliver these outcomes.

The transport of freight makes up a significant part of the market price for consumer goods and is the enabler of almost all economic activity. Therefore, improving connectivity and freight routes would deliver enormous economic benefit to the North Coast region and more broadly for the State and National economies and RDA is fully supportive of this initiative.

RDA-NR acknowledges the significant benefit that an upgraded Pacific Highway will provide but believes that attention should be given to understanding the potential benefits that could flow from upgrades to the east-west and inland routes along the North Coast. RDA-NR would support corridor studies that include east-west routes within the region in addition to inland North-South routes such as Summerland Way and Mt Lindesay Rd.

In addition, the proposed development of asset management frameworks will, in our view, provide a level of sustainability to ensure that levels of service are maintained over the life cycle of the assets at an optimal level of cost.

Action 5.3.3 - Identify and protect future rail corridors on the North Coast

The development of high speed rail can provide significant opportunity but also presents risks to the Northern Rivers. Particularly, given that one of the key elements underpinning the economic case for high speed rail is the provision of a small number of stops between the major population centres (in order to transport the largest number of people in the quickest possible time). If high speed rail were to be developed which ran through the Northern Rivers but effectively bypassed the region this would be a significant barrier to economic development within this region.

Whilst high speed rail can have secondary benefits through the removal of traffic from existing road networks RDA-NR would seek more detail on the benefits and costs associated with any high speed rail initiative before providing support.

Conclusion

RDA – Northern Rivers congratulates the State Government on putting together the Draft North Coast Regional Plan and we appreciate the opportunity to provide input prior to finalisation of the document.

If you require clarification on any of the items in this submission please do not hesitate to contact our CEO, Mr Alex Smith, on (02) 6622 4011.

Yours sincerely,



Hon. Don Page
Chair
RDA Northern Rivers