



Regional Development Precincts

February 2022



National
Farmers
Federation

Leading
Australian
Agriculture

Contents

Foreword	2
Executive Summary	3
Overview	8
Overcoming policy paralysis on regional development	
The Process	21
Developing a selection criteria and picking precincts	
The 20 Regional Development Precincts	26
Recommendations	29
Stakeholder Engagement	32
Limitations of our approach	32
Appendix	33
The 20 precincts In detail	
References	44

The policy contact is Ash Salardini, Chief Economist,
National Farmers' Federation. E.asalardini@nff.org.au



Foreword

The fate of agriculture and regional communities is inextricably linked. For agriculture to thrive, it needs strong regional communities. For regional communities to be strong, they need agriculture to thrive.

For agriculture to reach its ambition of becoming Australia's next \$100 billion industry, our regions must boast the world-class infrastructure agriculture needs and the lion's share of the farm workforce. In many ways, the bolstering of regional centres is well and truly underway – as the COVID-19 pandemic reminds metropolitan Australians of the economic and lifestyle advantages that lie beyond the major cities, and flexible working helps them break free of inner-city life.

However, for this shift to be sustainable, it cannot be left to chance. We need deliberate policy intervention by all levels of government to ensure that the issues of housing affordability, congestion and environmental degradation don't simply follow tree-changers to the regions.

Done well, a regionalisation agenda can unlock new economic and employment opportunities in centres such as Mildura, Mount Gambier and Geraldton – helping them compete with Sydney and Melbourne on economic opportunity, lifestyle and cost of living.

Of equal importance is planning to preserve the unique advantages of regional living, by ensuring housing supply, social and community infrastructure keep pace with population growth. Over time, this will bring critical services, such as health services, closer to people in rural and remote areas and provide greater choice to those communities.

For our farm sector, regionalisation means establishing precincts that are globally recognised centres of high-tech agriculture, food processing and manufacturing – creating thousands of new jobs in the process.

Having the population, infrastructure and skills in our regional communities to keep more of our value chain closer to the farm gate will position Australia to compete in an increasingly competitive global marketplace for agrifood products.

In this paper, the National Farmers' Federation has identified 20 potential precincts where this growth could take place. Starting with a list of over 70 regions, cities and towns – the NFF took an objective, analytical approach to understanding the unique endowments of each location and worked with stakeholders to refine this list to just 20.

We did this to demonstrate to governments that it can be done, and to say once again, that it must be done.

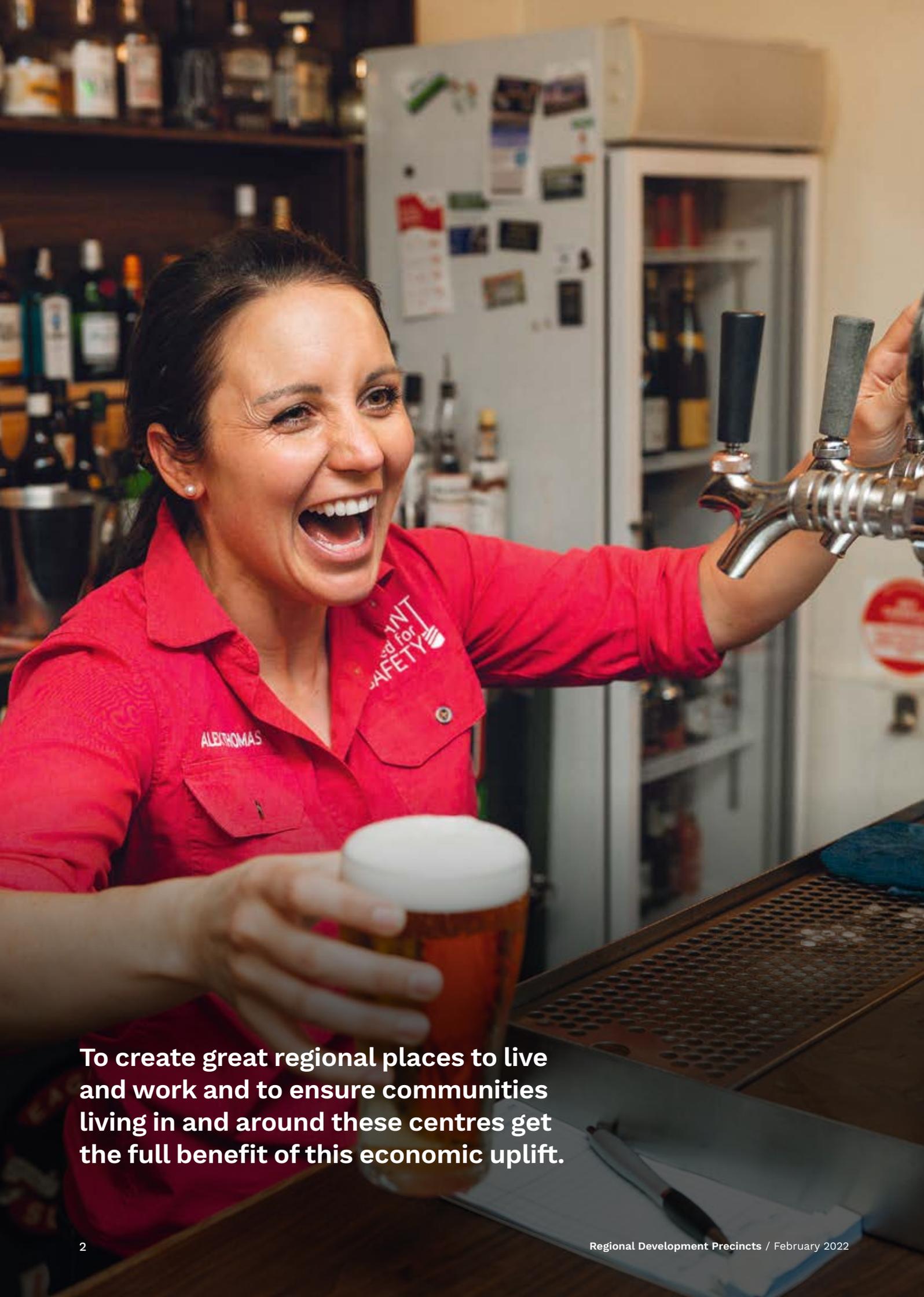
The NFF is calling on the Federal Government to establish a National Cabinet-led process to do just this – identify and establish 20 Regional Development Precincts and put in place the governance and funding to meaningfully shape their success.

The NFF is grateful to the wide range of members, regional organisations and business groups who continue to collaborate with us in support of regionalisation. It's critical we ensure this momentum isn't wasted.



Fiona Simson

President
National Farmers' Federation



To create great regional places to live and work and to ensure communities living in and around these centres get the full benefit of this economic uplift.

Executive Summary

Why Regional Development Precincts and why now?

Mildura and its surrounding region should be a globally recognised centre of high-tech agriculture, food processing and manufacturing, creating thousands of new jobs in the process. There should be the jobs and economic opportunities, and the social amenity to accommodate more than 100,000 people, however, right now there is not. This is but one missed opportunity. The National Farmers' Federation has identified at least 20.

Australia only need look overseas to New Zealand, North America and Europe to see what regionalisation could be. Up to 45% of Australia's GDP comes from just two cities, Sydney and Melbourne, and 64.1% of Australians live in capital cities. By contrast less than 30% of Canadians and New Zealanders live

in big cities, providing a more geographically diverse and robust society and economy.

To be clear, the concept of place-based development and regionalisation is not new. The NFF recognizes there is a genuine desire across all levels of Government to secure a vibrant future for our regional communities. To date what is lacking is the collaboration and commitment to the innovation and investment needed to make it a reality.

This proposal provides a way forward to transform places like Mildura and Mount Gambier into the economic engines that they can be. To create great regional places to live and work and to ensure communities living in and around these centres get the full benefit of this economic uplift.

Why now?

This is a once in a generation opportunity for regional Australia to reach its full economic potential for the good of regional and rural communities, and the health and wealth of Australia. A confluence of challenges and opportunities has put the focus squarely on regional Australia, including:

- the recognition of the significant role regional Australia plays in Australia's economic wellbeing, particularly in a post-pandemic world. During the pandemic, regional industries were the driver of Australia's economic growth;
- a real and sustained appetite by many Australians to move to the regionsⁱ complemented by flexible working arrangements and the digital infrastructure needed to enabled this move;
- economic drivers, such as the need to establish shorter more reliable domestic local supply chains;
- the ability to leverage the net-zero transition for the good of regional and rural communities; and
- government and political will to invest in regional development for the long-haul.

Why Regional Development Precincts?

Simply put, a Regional Development Precinct is a mechanism or framework to drive collaboration and joint investment between all three tiers of government within a particular location to promote economic development that would not otherwise happen without government intervention (place-based development).

Place-based development has been proven to be the most effective form of government intervention to spur economic development in areas with low population and economic activity densities, as compared to non-geographic specific policies that tend to provide outside benefits to our urban centres. A focus on place-based development redresses the public policy focus imbalance regional and rural communities.

It should also be made clear that Regional Development Precincts are not about creating winners and losers. It is about ensuring regional centres provide the economic and social amenities to those who live in those centres and those in surrounding towns and rural communities. It is about ensuring

these surrounding areas can benefit from the amenities and have the physical and digital connectivity to always be close to the economic and social infrastructure that is required for thriving communities, businesses and local economies.

Why the National Farmers' Federation?

It is the role of all pertinent regional and rural stakeholders, including agriculture, to drive to consensus on the need to focus on transformative regionalisation. As an industry based in regional Australia, our success and ability to reach our ambitious goal for \$100 billion of farmgate output by 2030 is reliant on the success and progress of our regional and rural communities. Without the workforce these communities provide, without

the social and economic infrastructure regional centres provide, agriculture cannot be successful.

The NFF represents the agriculture industry, and the lens we view the world from focuses us on agricultural opportunities and challenges – we make no apologies for this. However, the NFF has gone beyond agricultural sector and sought feedback from other industries, regional stakeholders, First Nation stakeholders, and relevant government agencies to ensure that the opportunities and benefits provided go beyond agriculture. Some identified precincts have their primary opportunities outside of agriculture, including mining and manufacturing. The precinct concept will not be successful with a focus solely on agriculture alone nor without agriculture.

Mutual benefit

The intersection of agriculture and regional development

Agriculture is a top three industry in terms of economic output and employment in a significant portion of regions, and the primary economic contributor in many places, such as the Western Australia Wheatbelt. Agriculture provides much huge benefit beyond the farmgate. It provides the foundation of many of our supply and value chains that regional Australia relies on, including food and fibre manufacturing and processing, and food and wine-based tourism, to name a few.

The NFF is unashamed in highlighting our industry's self-interest in wanting effective regionalisation. Agriculture is reliant on the social and economic infrastructure of our regional centres to be globally successful, in terms of getting our goods to national and international markets. Agriculture is also reliant on the smaller rural and regional towns that house our business owners and workers, that look to these regional centres for economic or social amenities, such as access to tertiary hospitals. A successful agriculture industry needs effective regionalisation.

The broader policy context for regional development

The Regional Development Precincts Initiative is not designed to replace existing programs that already -in-place significant policy and institutional support for regional development. Regional Development Precincts will not succeed in a vacuum. They will require appropriate national and state policy settings.

The biggest policy debate of our time could become the greatest challenge to regionalisation or the greatest opportunity to leverage. The **transition to net-zero** brings many significant opportunities and challenges for regional communities, businesses and industries, including agriculture. Government must intervene and invest in our regions to ensure the opportunities outweigh the challenges. The Federal Government's commitment to regional *Australia in its Australia's Long-Term Emissions Reduction Plan*ⁱⁱ is an example of the needed commitment to make regionalisation a success, and ensure that regional communities are left better off from this transition.

Similarly, the **transition to renewables** requires a complete shift in policy and regulatory settings to ensure these industries are not extractive ones, housed in regional areas but with all economic benefits going to big cities or overseas, leaving the bush with only the land-use conflict issues.

The transition to renewables needs institutional support, such as the proposed Australian Local Power Agency, to ensure regional and rural communities are

the primary beneficiaries and not an afterthought.

Regional development is not a new concept, and governments have made significant headway in creating effective economic development initiatives and investments, such as the **Regional Deals** program. The NFF's aim is not to duplicate efforts.

The **Northern Australia Agenda** is another example of such government efforts, that have shown great ambition and have already developed significant policy frameworks and institutional support for regional development in the north of Australia. The NFF believes these programs should be reinvigorated for the development of the North, and that the proposed Precincts Initiative, not duplicate, but rather sit alongside.

Indigenous engagement is a must as a part of the regionalisation process. Over two-thirds of Australia's indigenous population lives in regional and rural areasⁱⁱⁱ, making First Nation's people a pertinent stakeholder in the regional development agenda.

Outback and remote communities can also benefit from place-based development, particularly in providing economic scope with the provision of services^{iv}. There is certainly merit in identifying at least one Regional Development Precinct in a remote environment, however, it is beyond the scope of this paper to identify and select what the region might be and how it would be implemented.

Methodology and selection criteria

The NFF took an opportunities and endowment approach to the initial shortlisting of proposed precincts, and based on the literature review. The selection criteria attempts to account for the following factors and insights:

- The importance of having capable partners at the local, state and national levels;

- The need to identify natural competitive or comparative advantages within a region as opposed creating artificial opportunities;
- Leveraging existing government investment and strategies (top-down approach);
- Ensuring that the opportunities, challenges and development strategies are developed by local

stakeholders, who have the most information at hand on these critical issues (bottom-up approach);

- The need to have a diverse yet complimentary industry base that can develop economies of scale and scope, sharing resources, productivity and innovation gains;
- The ability of government intervention and investment to spur long-term private investment.

To capture the previously mentioned issues, the NFF developed the following criteria and assessment framework:

- **Social, social service and cultural amenities and services (weighting 15%):** Addresses healthcare, housing, social and cultural infrastructure.
- **Economic infrastructure (10%):** Addresses road and rail networks and other traditional infrastructure
- **Local capacity (5%):** Local council economic development capability, regional community leadership capacity.
- **Skills and workforce (15%):** Access to education and skills, labor market efficiency etc.

- **Physical connectivity to national and international markets (20%):** Access and proximity (time) to seaports, airports and intermodal facilities
- **Digital connectivity (15%):** Access and quality of digital services (also skills-based to utilise digital opportunities)
- **Innovation (5%):** R&D spend, science and engineering qualified workforce, knowledge and intensive business services.

The shortlist was further refined down to 20 Regional Development Precincts for consideration for government intervention and investment. This refining process included desktop research and stakeholder feedback, and relied heavily on various Regional Development Australia strategic plans, and similar state-based and local government work for an understanding of regional specific opportunities and challenges. This process focused more heavily on strategic issues, such as aligning precincts with broader government priorities and initiatives, such as investment in the Inland Rail, and the NSW Government Special Activation Precincts.

THE 20 REGIONAL DEVELOPMENT PRECINCTS

1. Roma - QLD Geographic diversity as an inland option	11. Port Lincoln - SA
2. Tenant Creek - NT Depending on progress of Northern Australian Agenda	12. West and North (West Region) - TAS One or more of Burnie / Devonport / Wynyard
3. Toowoomba - QLD	13. Central West (Orana Region) - NSW
4. Latrobe (Gippsland Region) - VIC	14. Greater Geraldton - WA
5. Emerald - QLD Geographic diversity as an inland option	15. Riverina Region - NSW
6. Mildura - VIC	16. Kalgoorlie-Boulder - WA
7. Gladstone - QLD Depending on progress of Northern Australian Agenda	17. New England (North West Region) - NSW
8. Shepparton - VIC	18. Esperance - WA
9. Mount Gambier - SA	19. Northern Rivers Region - NSW Lismore / Ballina / Casino etc.
10. Warrnambool - VIC	20. Merredin - WA Geographic diversity as an inland option

Recommendations

RECOMMENDATION 1

Select the 20 Regional Development Precincts.

The National Farmers Federation recommends State and Federal Government establish a process within the local government sector to select and establish the 20 Regional Development Precincts.

This should be a priority at the National Cabinet's Rural and Regional Committee.

RECOMMENDATION 2

\$375m funds to establish the institutions, governance frameworks and provide the on-ground capacity for each precinct.

\$375 million should be provided over the forward estimates to provide the resources to establish governance and reporting frameworks for each precinct, and build capacity within local stakeholders, particularly local government. This includes resourcing the Regional Australia Institute to coordinate and develop the data and insights required for evidence-based decision-making on regional development.

The intention is the fund be distributed based on opportunity and need. Some proposed precincts have significant regional development capacity and resources due to current and previous state and federal regional development programs and hence would not require the same level of resources as other less equipped precincts.

RECOMMENDATION 3

\$1.1b of new funding over the forward estimates for priority soft and hard infrastructure to get runs on the board.

To ensure these precincts are properly resourced, and to avoid any perceptions that the Precincts Initiative is diverting funds and resources from other regional development priorities, the \$1.1 billion Regional Development Precincts Priority Fund will be instrumental in ensuring this Initiative is a success through effective implementation.

RECOMMENDATION 4

Reinvigoration of existing government regional development programs, including the Northern Australia Agenda and the already-funded Regional Deals.

The Northern Australia Agenda demonstrates great ambition and has already developed significant policy frameworks and institutional support for regional development in the north of Australia. The scale of opportunities within northern Australia, and the level of government intervention required to realise these opportunities are beyond anything a Regional Development Precinct can provide.

As such, this paper recommends the Northern Australia Agenda be reinvigorated to capture these opportunities alongside the Regional Development Precincts Program. The NFF welcomes recent announcements by Minister Littleproud on this reinvigoration.

Overview

Overcoming policy paralysis on regional development

This proposal provides a way forward to transform places like Mildura and Mount Gambier into the economic engines that they can be, create great regional places to live and work, and ensure that communities living in and around these centres get the full benefit of this economic uplift.

A way forward on effective regional development

For too long big thinking and ambition on regionalisation have been stymied by the pursuit to find the ‘right’ policy approach. There has been an inaccurate underlying assumption that there was one path that would yield the elusive outcome of regional development.

Each level of government; regional and rural industries; communities; and First Nations stakeholders have their varying priorities and approaches to regionalisation. The policy and political debate has generally focused on the differences in approaches and conflict between stakeholders in securing the ‘right’ roadmap to regional development. These differences and conflicts have paralysed effective action on regionalisation. Far from ‘picking winners’, this paralysis has created losers across all regional and rural communities.

The acknowledgement of this conflict does not undo or devalue the great economic development work by federal, state and local governments, Regional Development Australia, and organisations like the Regional Australia Institute. Building consensus on a way forward on regional development is the responsibility of every pertinent regional stakeholder.

This paper focuses on the shared interests and significant commonalities of key stakeholders in our regional economies to promote a way past this policy and political impasse. To this end, the NFF is providing a voice to key regional and rural

stakeholders to put forward their vision for place-based regional development, a workable selection criteria for this development activity, and priority regions for government intervention and investment. These voices will be included even when the views do not accord with that of the NFF. Contributions made by other organisations are not necessarily endorsed by the NFF, nor are those contributions an endorsement of the NFF position.

Getting effective action on regionalisation requires that all relevant stakeholders push in the same direction. Compromise will be required by all. This is not a matter of finding the right policy approach (we have plenty of good approaches), it is a matter of stakeholder and political consensus and buy-in on any given approach.

The NFF represents the agriculture industry, and the lens we view the world from focuses us on agricultural opportunities and challenges – we make no apologies for this. However, we have gone beyond the agricultural sector and sought feedback from other industries, regional stakeholders, First Nation stakeholders, and relevant government agencies to ensure that the opportunities and benefits provided go beyond agriculture. Many of the identified precincts have their primary opportunities outside of agriculture, including mining and manufacturing. The precinct concept cannot be successful with a focus on agriculture alone.



“

The research indicates that no consensus exists on how regions can or should be developed, or how this ‘development’ can or should be measured. Indeed there is no consensus on how ‘region/regional’ is defined for development purposes.

HOUSE OF REPRESENTATIVES SELECT COMMITTEE ON REGIONAL DEVELOPMENT AND DECENTRALISATION (2018)

Why now?

This is a once in a generation opportunity for regional Australia to reach its full economic potential for the good of regional and rural communities, and the health and wealth of Australia. A confluence of challenges and opportunities has put the focus squarely on regional Australia:

- The recognition of the significant role regional Australia plays in Australia's economic wellbeing, noting the oversize contribution of regional industries in Australia's post-pandemic economic growth. Regional industries are booming with agriculture forecast to contribute \$73 billion to the economy in 2021^v, and resources and energy exports alone contributed over \$310 billion in the same year^{vi}. This is despite, the full potential of regional industries being not yet realised. This pandemic has shown the folly and substantial risk of concentrating economic activity in a few urban centers^{vii}.
 - A real and sustained appetite by many Australians to move to the regions^{viii} and the flexible working arrangements and digital infrastructure that has enabled this move.
 - The energy transition, including the growth of hydrogen and renewables industries, could be a boon for regional Australia^{ix} if undertaken and implemented purposefully. Models for industry development must ensure that the economic benefits accrue and remain in regional areas.
 - Global supply chain disruptions increasing the appetite of onshoring and shortening value chains of companies operating in Australia^x.
- Regional Australia provides a viable solution to this onshoring, with availability and affordability of commercial and industrial land.
- The opportunities and challenges facing regional Australia resulting from economy wide net-zero targets and the most welcome commitment by Federal Government to put in place the funding and resources for this transition to be a positive one^{xi}.
 - Federal Government initiatives that have laid a solid foundation for successful regionalisation, including Infrastructure Australia's revisions to infrastructure investment assessment frameworks^{xii} that provide robust guidance on the fair assessment of regional infrastructure proposals, that in the NFF's view previously biased decisions towards urban areas. Also welcomed, are policy initiatives, such as the Modern Manufacturing Initiative, that put regional industries at the forefront of the programs, along with existing regional development initiatives and funds.
 - State government programs that have focused on placed-based development, such as the NSW Special Activation Precincts and Western Australian Regional Development Commissions.
 - Bipartisanship on realising the significant opportunities in regional Australia, creating a window for a long-term sustained approach to regional development.

“Mildura should be a globally recognised centre of high-tech agriculture, food processing and manufacturing, creating thousands of new jobs in the process. There should be the jobs and economic opportunities, and the social amenity to be able to accommodate in excess of 100,000 people in the region, however, at present this is an impossibility. This is not just one missed opportunity – the National Farmers’ Federation has identified at least 20.”

The 'Tipping Point' for successful regionalisation

The tipping point for successful place-based regional development is very hard to pinpoint, however, it is very easy to identify regions that have experienced the tipping point into success.

The indicators for success are readily identifiable:

- an economic base that has access to, and services, national and international markets, as well as strong local demand for the region's goods and services;
- a diverse economy that has a wide spectrum of white and blue collar jobs;
- a diverse industrial base, that is not reliant on one industry sector, but can focus on the complimentary industries where the region has a comparative advantage in;
- access to a variety of housing options to cater for a diverse workforce; and
- social amenities that would make the region a great place to live and work (cafes, restaurants, schools, sporting facilities, cultural activities etc.).

A city that has passed the tipping point with respect to regional development is Newcastle in NSW. Newcastle has had a heavy reliance on mining throughout the 20th century, which also spawned a strong manufacturing industry and other heavy industries within Newcastle. However, in 1999 the major mining activities owned by BHP ceased operations, sending the city into a sharp economic decline and double-digit unemployment.

To address this terminal decline, economic development within the Newcastle area focused on the remaining assets the city had, including a respected research university, nationally respected healthcare and health research facilities, a world class seaport, and natural assets that made the area a potential attraction for tourism. It also leveraged its skills base in engineering, left behind by the dwindling heavy industries sector, and refocused attention to new opportunities, such as alternative energy and aerospace.

The regional development agenda of the Newcastle area also focused on livability factors, ensuring that Newcastle would be a great place to live and visit. An example of this is the redevelopment of the Newcastle waterfront into a café and restaurant precinct, to improve the amenity and livability of the city for residents and visitors alike.

Today, Newcastle is a booming economy with a diversified economy, a great place to live and work, where unemployment is significantly below the national average at 3.5%.

Unlocking the potential of our regions

Realising our potential as a nation requires realising the full potential of our regions.

The COVID-19 pandemic has proven the resilience of our regions and we have seen almost historic migration from capital cities.

Regional Australia is in the box seat to lead the industries of the future: decarbonised economy, agriculture and food production, resources, renewable and low carbon technology, defence and advanced manufacturing.

Business is already leading and shaping this innovative advanced economy. Now is the time to put the policies in place to ensure that regions can fully play their part in our economic recovery and future prosperity.

We need to rethink the way we plan and prioritise around our regions and unlock their potential.

The Federal Government can capitalise on these opportunities by bringing forward strategic investments that have a positive multiplier effect. Nation building projects such as inland rail, high speed rail and Snowy 2.0 are vital to unlocking the potential of the bush.

Infrastructure projects that make it easier to ship products more efficiently, are part of the global and domestic supply chain and enable people to come together and share resources, create and innovate, should also be immediately prioritised.

The Business Council believes we should look to places that:

- Have nearby gateway infrastructure such as an airport or major transport routes.
- Are home to one or two existing and successful industries and have the capacity to attract more investment.
- Are strategically important such as Darwin and Cairns.
- Are close to major power grids.
- Have a university and a TAFE that will need to work together to drive the new skills agenda.

- Have quality health services that can support an expanding population. Business Council of Australia.
- Have the capacity to increase the supply of housing and industrial land.
- Have an appetite for more people to take pressure and congestion off the major cities and in doing so create economic activity in their region.

It will be essential that different state and federal, and even local, approaches do not dilute the strategy to activate our regions. A single, best-practice governance model will drive national coordination and ensure each level of government is able to contribute where the most value can be added.

The Government's City Deals framework is a good starting point, with many of the existing City Deals being very successful. The NSW Government has also introduced Special Activation Precincts (SAPs) to bring together planning and investment with a focus on growing jobs and economic activity in an area.

SAPs use a simpler planning approval process to help fast-track projects and accelerate industry and regional growth. The Commonwealth Government should consider embracing the SAP model in their City Deal framework to maximise the benefits for regional locations.

The Business Council of Australia is partnering with the National Farmers Federation on the Regionalisation Agenda. To this end the Business Council has commissioned work to sit alongside that of the National Farmers Federation which takes the lead from our Living on Borrowed Time Discussion Paper to develop a comprehensive range of economic and social performance indicators for Australia's key regions that will help guide future investment and strategic opportunities.

JENNIFER WESTACOTT AO
CEO, Business Council of Australia

This statement is not an endorsement of the NFF's position on regional development, nor does the NFF endorse statements made by individual organisations in this paper.

What is the Regional Development Precincts Initiative?

A governance framework to get action and traction

Regional Development Precincts should be established through agreement between all three tiers of government to promote place-based development, facilitate infrastructure investments; undertake expedited master planning and facilitate further public and private investment in our regional precincts. This will ensure a top-down and bottom-up approach to regional development and achieve the best outcomes for any level of investment or intervention.

The outcomes sought from this initiative require long-term thinking and commitment.

A reporting framework focusing on outcomes not inputs

In the Regionalisation Agenda, the NFF recommends a set of outcome measures to hold National Cabinet to account on regional development. The NFF is seeking a similar approach for each Regional Development Precinct. Short-term and long-term outcome metrics for each Precinct must be identified and reported on, and should include improvements on the level of digital connectivity, supply chain connectiveness, relative household incomes, and regional gross value of product. This creates accountability and an opportunity to assess and recalibrate development initiatives if they are missing the mark.

A portfolio approach to regional development

The Precincts concept is not without risk and requires long-term commitment. However, it brings with it outsized opportunities and benefits. Some precincts will underwhelm in delivering sought

benefits, while others will significantly exceed expected outcomes. To achieve success, we must accept the occasional failure to deliver a significant economic return on the overall portfolio of selected precincts.

Similarly, the NFF hope that this concept is not a one-off, and once economic development initiatives in a precinct reach a self-sustaining equilibrium, the initiative moves on to the identification and selection of the next set precincts.

Picking winners and not making losers

The Precincts Initiative is not about diverting existing regional development funding or decommissioning existing programs. Such approaches will ensure that regional development continues to be defined by conflict, particularly for those regional areas that will feel left behind and neglected.

It is about leveraging untapped economic opportunity in our regions that can be amplified by targeted place-based government interventions.

To this end it is recommended that a \$375 million Regional Development Precincts Fund be set up to establish the 20 precincts, and a further \$1.1 billion be allocated via a competitive process over the forward estimates for priority infrastructure and investment to fast-track action. Resourcing for capacity building, and dedicated funding for priority initiatives and investments will ensure Precincts will deliver an economic dividend for the Government and the Australian economy.

Ultimately, the Precincts Initiative will build the capacity and the evidence-base for regional projects to take their fair share of existing government infrastructure and industry funding and grants, and secure private capital to our regions, and will not be reliant on dedicated regional development funding in the long-term.



Willing and able partners

More than one in three Australians live in our regions. Each one of these Australians rely on a thriving regional capital city for their everyday needs. Be it health, education, transport connections, business services, arts, culture or sporting facilities – regional capitals are the service and business centre of every region across the country.

As has been reported, the COVID-19 pandemic has brought about large-scale change in the way Australians live and work. These changes opened the opportunity for more Australians to call a regional capital city home, arriving to our member cities in droves.

The ability to work remotely has been one driver – the ‘work from anywhere’ movement has challenged the long-held concept that regional Australia cannot host the ‘right jobs’ to attract a growing population. The liveability and affordability of our regions has been the other – those seeking a 10-minute commute to work or play and an affordable quarter acre block have people voting with their feet.

Regional Capitals Australia believes as Australia moves to open its borders to pre-pandemic levels of migration, continuing this momentum to make sure the dual task of meeting the skills needs of regional Australia while not replicating pre-pandemic congestion in the major capitals must be national priority.

We are in strong support of an overarching population policy that acknowledges these objectives and carves a path for our member cities to continue to take a larger share of a growing Australia. We know however that

this must be partnered with strong placed-based policy that aims to create the sorts of places that people will continue to choose to do business and call home.

All regions need the right mix of scalable road, rail, air and digital infrastructure. All regions need access to quality education and health services and the opportunity to participate in and enjoy the arts, culture and sports.

However, the canvas of our regions is diverse with unique endowments and challenges that need to be managed and amplified. The mix of and demand for enablers of a good life will also look different in each region – which is why Regional Capitals Australia has long argued for and now backs the placed-based precincts policy as outlined by the National Farmers’ Federation.

Regional Capitals Australia collectively, as well as our member cities individually, are ready. We are ready and willing to partner with government at all levels, the business sector and our communities to meet the opportunities and challenges of growth. We must do this now, before the flood gates open to a new wave of Australians and the temptation to default to pre-pandemic norms kick in – now is the time to get regional place-based policy and investment right for the benefit of all.

For information contact
Rachael Sweeney, Secretariat RCA email:
rsweeney@collectiveposition.com

CR DANIEL MOLONEY
CEO, Regional Capitals Australia Chair

This statement is not an endorsement of the NFF’s position on regional development, nor does the NFF endorse statements made by individual organisations in this paper.

Why Regional Development Precincts?

Placed-based development, such as Regional Development Precincts, provides the best way forward to capture the opportunities and potential of regional Australia, and has been identified as an effective way to develop economies of scale and scope in lower density environments^{xiii}. The Productivity Commission has noted the benefits of a place-based approach to regional development over macro and subsidy policy approaches^{xiv}.

The common orthodoxy is that regional areas can never reach the productivity growth trajectories of urban areas as they simply do not have the economic or population density. These orthodox view suggests the best regional communities can hope for is some sort of investment based on equity or community service obligation. This assumption is patently false, with many regional areas demonstrating similar growth trajectories to that of urban areas^{xv}.

What is true is that the majority and outsized proportion of benefits of macro policies (government policies that do not have a geographical focus) go to our capital cities and urban centres. Placed-based policies redress the imbalance of benefits.

Another common criticism of placed-based precincts proposals is that it picks winners and losers in our regions, favoring a handful of regional centres at the expense of the rest of regional Australia. This fails to acknowledge how regional areas work from an economic perspective, where smaller regional and rural communities rely on nearby centres for amenity, services and opportunities. Providing these smaller communities with access to well-resourced regional centres actually increases their productivity growth^{xvi}. Furthermore, we are seeking new resources and the use of existing non-regional development funding to progress this ambitious Initiative, not redirecting resources from other regional programs.



Building consensus on a way forward on regional development is the responsibility of every pertinent regional stakeholder.



Place-based development and Outback Australia

Outback regions contain just 2% of our population, yet make up 80% of Australia's landmass. These regions are populated by Australia's most entrepreneurial and productive people with 28% of the population being Indigenous. In the Outback there is one business per 14 people. The national average is one per 32. Outback residents contribute 1.5 times the national average to Australia's GDP.

These regions also generate \$8 billion through livestock and tourism industries, as well as \$172b from mining and gas, contain huge national environmental assets as well as solar energy potential. These are the source of substantial value creation, but when poorly managed also have significant impacts on the rest of the nation – physically (such as dust storms), economically (such as biosecurity), and socially (such as Closing the Gap).

Many policies developed for Australia's more populated centres are not fit-for-purpose for the Outback. There are repeated examples of this. The Outback Alliance endorses the intent of NFF's proposal to overcome policy paralysis on development outside urban areas. We agree that focused investment in a variety of pilot regions could kickstart this process.

While we support the general thrust of NFF's proposal, and recognise that many place-based precincts can and should be selected on primarily economic criteria, we feel strongly that:

- I. Economic criteria alone will not reflect the wider impacts generated from investing in remote communities. We need to understand and use other values in those assessments because of their potential to drive economic outcomes. Criteria should collectively reflect the complexity and diversity of remote Australia.

- II. Many precincts seem to be conceived as town-based investments or aligned with local government boundaries. This is not a meaningful precinct model for much of remote Australia. When conceptualising what a precinct looks like, we must explore all the ways a precinct might be defined. Prioritisation should also consider what social and community infrastructure are in place.
- III. Without a broad selection criteria for precincts we may end up piloting this concept with only one type of community across the whole of Australia. This limits the scope and means the pilot will not cover precincts that resemble many remote communities across Australia.
- IV. Place-based models of investment already exist but usually occur in silos. One example is regional NRM planning.
- V. Program evaluation should be based on whether an investment delivers outcomes prioritised by communities. Communities must be engaged in determining measures of success.

The Outback Alliance supports rapid integrated investment in place-based development precincts outside cities. This should not be delayed by arguments over terminology. We urge proponents and investors to allow for diversity of conceptualisation and criteria for selecting these precincts.

Prepared by Samantha Morris, Kate Forrest, Mark Stafford-Smith and Andrew Drysdale on behalf of the Outback Alliance, November 2021.

The Outback Alliance - a cross-sectoral organisation with a shared vision for the development, welfare and protection of outback Australia.

This statement is not an endorsement of the NFF's position on regional development, nor does the NFF endorse statements made by individual organisations in this paper.

Mutual benefit – the intersection of agriculture and regional development

Governments and the agriculture industry are well aware of the symbiotic relationship between farming and vibrant rural and regional communities and economies.

Agriculture is a top three industry in terms of economic output and employment in a significant portion of regions, and the primary economic contributor in many places, such as the Western Australia wheatbelt. Agriculture provides much more benefit than just at the farmgate. It provides the foundation of many of our supply and value chains that regional Australia relies on, including food and fibre manufacturing and processing and food and wine-based tourism, just to name a few.

The NFF is unashamed in highlighting our industry's self-interest in wanting effective regionalisation. Agriculture is reliant on the social and economic infrastructure of our regional centres to be globally successful, in terms of getting our goods to national and international markets. Agriculture is also reliant on the smaller rural and regional towns that look to these centres for economic or social amenities, such as access to tertiary hospitals.

A 2021 NSW Farmers and Australian Farm Institute paper^{xvii} on regionalisation ably demonstrated this

synergistic relationship, including what agriculture needs from effective regionalisation:

- **Workforce:** the skills and workforce needs in regional industries are changing, particularly in the agri-food sector. The sector needs vibrant and regionally focussed workforce, training and education providers to build the workforce of the future that is up to the needs of growth regional industries, such as agriculture.
- **Digital Connectivity:** Connectivity will be the last productivity barrier for regional industries, such as agriculture, enabling digital and automated agriculture. Effective regionalisation must accelerate the provision of digital connectivity and incentivise technology adoption across rural and regional areas.
- **Physical access to market:** Effective regionalisation must provide the freight infrastructure to ensure agriculture, which exports more than 70% of farmgate produce,
- **Better liveability:** Regionalisation must deliver on liveability for small and large regional and rural towns and centres. This means access to social amenities, and connectivity and access for all regional and rural households to these amenities.

The broader public policy context

The Regional Development Precincts initiative is not pitched to replace existing programs that already have in place significant policy and institutional support for regional development. Regional Development Precincts cannot succeed in a vacuum and require appropriate national and state policy settings to be in place.

Broader state and national policies impacting regional development

The transition to net-zero brings many significant opportunities and challenges for regional communities, businesses and industries, including agriculture. Government must intervene and invest in our regions to ensure that the opportunities outweigh the challenges. The Federal Government's commitment to regional Australia in its *Australia's Long-Term Emissions Reduction Plan*^{xviii} is most welcome, and the Regional Development Precincts initiative should be a central vehicle to implement and coordinate government action on maximising regional benefits through this transition.

Similarly, the **transition to renewables**, including the nascent hydrogen and renewables industries, has been touted as a potential economic and jobs bonanza^{xix}. However, without appropriate policy, regulatory and institutional settings these industries will be extractive ones, housed in regional areas but all economic and jobs benefits going to urban centres or overseas. The Precincts Initiative, along with the proposed Australian Local Power Agency, can ensure the transition to renewables is the much-hyped jobs and economic bonanza for regional Australia.

The real opportunity for our regional economies is to leverage their comparative advantages to feed into the limitless opportunities of international markets. However, **International freight supply chains** act as a significant barrier for our regions to grasp these opportunities. As an example, the cost to get a container of grain from South Australia to Indonesia is the same as that of Canada to Indonesia, despite being some 10,000 km closer^{xx}. All but one Australian container is in the bottom quartile from a productivity and performance perspective globally

according to the World Bank^{xxi}, first and last mile first freight journeys inefficient, and high productivity vehicle road access a significant problem. Successful regional development = requires the significant barriers in our international freight supply chains to be addressed.

In nearly all precincts identified in the is paper, **water availability and security** was a key challenge or barrier to further economic development, and the development of new regional industries. According to the National Hydrogen Strategy, the hydrogen industry could use as much as one-third of that used by mining by 2050, with nine litres of water used for every kilogram of hydrogen created^{xxii}. Any regional development strategy needs an ambitious and holistic water and water supply strategy.

Similarly, **workforce availability** is a key issue in nearly all identified precincts, and policies that deal with skills, workforce, housing affordability and supply, and social amenity must have regional outcomes front of mind.

The Northern Australia Agenda and other development initiatives

The Northern Australia Agenda has shown great ambition and has already developed significant policy frameworks and institutional support for regional development in the north of Australia. The Office of Northern Australia, the Northern Australia Water Resource Assessments being undertaken through the National Water Infrastructure Development Fund; the Northern Australia Infrastructure Facility; and the Cooperative Research Centre for Developing Northern Australia are just a few examples of the significant institutional support provided for regional development in the area.

The opportunities in Northern Australia (and in particular the Northern Territory) do not lend themselves to a criteria-based approach in selecting precincts, and many opportunities could be missed. The scale of opportunities within the Northern Australia, and the level of government intervention required to realise these opportunities are beyond anything a Regional Development Precinct can provide. While the paper has selected Tenant Creek as the precinct for the Northern Territory, this was by no means a consensus position, and there was not enough data to rank opportunities in the territory. Many NT stakeholders put forward Katherine as a suitable precinct.

A 2019 Select Committee inquiry into the effectiveness of the Australian Government's Northern Australia Agenda^{xxiii} noted the policy and institutional supports put in place to capture the economic opportunities in Northern Australia. The Committee also noted the need to reinvigorate and redouble efforts with respect to the Northern Australia Agenda given the new challenges and opportunities posed by COVID-19, a view shared by this paper.

Opportunities in Northern Australia including in places like Townsville, Mackay, Rockhampton, Broome and Karratha (to name a few) would be best served through a reinvigorated Northern Australia Agenda – without it, some of these places would likely have been included in the 20 Regional Development Precincts.

Similarly, this paper argues that the Regional Deals program should also be reinvigorated, noting the resources and effort already expended in these programs.

Regional Development Precincts and Indigenous economic development

Over two-third of Australia's Indigenous population lives in regional and rural areas^{xxiv}. Economic development is a key priority for Indigenous communities and a focal point for public policy. The National Indigenous Australians Agency economic development agenda^{xxv} is very much focussed on linking Indigenous communities,

businesses and entrepreneurs into greater and larger economic opportunities and value chains – a very similar approach to the Regional Development Precincts concept.

First Nations people must be at the table and involved in any regional development dialogue to ensure programs and initiatives leverage the significant economic opportunities within our Indigenous communities, and ensure that pathways are created for indigenous stakeholders to access the opportunities created through regional development. The Indigenous Procurement Policy^{xxvi} is one example of how regional development can provide pathways for Indigenous economic development by creating economic and employment opportunities through government procurement and investment processes.

Similarly, the *Indigenous Digital Inclusion Plan*^{xxvii} seeks a tripartite approach to bridge the digital divide for Indigenous Australians. Noting that digital connectivity is a major barrier in nearly all identified precincts, these two challenges lend themselves to a common solution.

The reinvigoration of the Northern Australia Plan should also be another area of collaboration and shared interest between agricultural and Indigenous stakeholders, noting the significant economic opportunities for both sets of stakeholders.

What about outback and remote Australia?

Outback and remote communities can certainly benefit from place-based development, particularly in providing economic scope with the provision of services^{xxviii}. There is certainly merit in identifying at least one Regional Development Precinct in a remote environment, however, it is beyond the scope of this paper to identify and select what the region might be and how it would be implemented.

Regional Development Precincts and Indigenous Economic Development

Australia's regional agricultural economies present significant opportunities for First Nations communities interested in increasing the productivity of their lands and waters. First Nations hold legal interests in more than 50% of Australia's landmass, yet their participation in agricultural development is currently minimal.

Transformative change in agricultural development is required to overcome this significant deficit. This is particularly relevant to the commitment by the Australian Government to work in partnership with First Nations people and improve their socio-economic outcomes, noting the National Agreement on Closing the Gap. Consequently, the social and economic development of First Nations must be a key determinant in regionalisation strategies and in selecting development precincts.

However, it appears that criteria relating to Indigenous populations has not been used to identify and select regional precincts. Consequently, this severely limits their participation in agricultural development. Key drivers for regional development should be centred on First Nations being able to activate the agricultural potential of their land assets. Drivers must include engaging First Nations in local, regional and national economies to:

- Create wealth and prosperity;
- Improve housing, infrastructure and service delivery within regions;
- Create jobs and enterprises through participation in markets and supply chains;
- Build skills and capability by investing in local leadership, governance and workforce to ensure sustained benefits; and
- Diversify the scope and scale of regional economies specific to the primary production potential of land assets.

To enable these outcomes, the regionalisation agenda must include an Indigenous Engagement Strategy. Its intent would be to provide a framework that enables both First Nations communities to participate in the primary production of their lands, and to build the capacity and expertise of industry peak bodies to engage with First Nations in agricultural development. The recommended allocation of \$375m to establish the institutions, governance frameworks and support on ground capacity will include the allocation of funds to support a robust Indigenous Engagement Strategy.

Another critical gap in the regionalisation process is knowledge about the agricultural potential of First Nations' landholdings.

The Australian National University is preparing a Situational Analysis of the Indigenous agricultural sector for release in mid-2022. It will provide a baseline of the agricultural potential of landholdings and identify the pre-conditions to engage First Nations in agricultural production. This knowledge will form the basis for a long-term strategy that maps pathways for engaging First Nation groups or their organisations in regionalisation processes for agricultural development.

With better knowledge of the agricultural potential of Indigenous land assets and inclusion of key drivers for regionalisation that consider First Nation rights and interests, agricultural policy and regionalisation processes and outcomes will be significantly strengthened.

PROFESSOR PETER YU - Vice President and
MR BRUCE GORRING - Deputy Vice President
First Nations at Australian National University

This statement is not an endorsement of the NFF's position on regional development, nor does the NFF endorse statements made by individual organisations in this paper.

The Process

Developing a selection criteria and picking precincts

The NFF identified seventy-one potential regional precincts for consideration, by loosely focusing on what various state and federal government agencies, such as the Australian Bureau of Statistics, defines as regional hubs and regional centres, generally focusing on precincts with populations between 15,000 and 100,000.

Larger centres, such as Newcastle or the Gold Coast, were excluded as the development capacity and ability to harness competitive advantage and economies of scale are very mature in these regions. The Productivity Commission notes that places like Newcastle, Wollongong, Ballarat and Geelong are seeing jobs growth significantly above the national average, suggesting that economic opportunities are being readily converted. Conversely, only a few precincts proposals with populations below 15,000 made this list as they did not have the requisite economic potential nor the ability to service surrounding regions.

Through stakeholder feedback, it was suggested that some regions have a grouping of towns in close proximity that individually might not meet the population threshold, but collectively have the economic potential to be considered for a Regional Development Precinct. Examples of these grouping of towns include the Greater Renmark and Greater Tununda regions. Regions were highlighted by interviewed stakeholders as having great growth potential despite not meeting the endowments criteria, such as Tenant Creek, and some regions were included to provide greater geographical balance due to the lack of inland options, such as Merredin in Western Australia.

NSW

Albury*
Armidale
Ballina
Bathurst
Broken Hill*
Bowral-Mittagong
Coffs Harbour*
Dubbo
Goulburn
Griffith*
Lismore*
Nelson Bay
Nowra
(Shoalhaven LGA)
Moama
Morisset
(Lake Macquarie LGA)
Orange
Port Macquarie
Tamworth^
Taree (Mid-Coast)
Wagga Wagga
Wentworth

QLD

Bundaberg
Cairns
Emerald
(Central Highlands)
Fraser Coast^
(Maryborough)
Gladstone
Gympie
Kingaroy
Mackay
Mount Isa
Rockhampton^
Roma
Toowoomba
Townsville
Warrick
(Southern Downs)
Yeppoon

NT

Alice Springs
Palmerston
Tenant Creek

VIC

Bacchus Marsh
Ballarat*
Bendigo
Echuca
Gisborne -
Macedon
Greater Geelong*
Greater Shepparton
Horsham
Latrobe*
Milduraw
Morwell
Wangaratta
Warragul-Drouin
(Baw Baw Shire)
Warrnambool*
Wodonga

TAS

Burnie
Devonport
Launceston
Wynyard

WA

Albany
Broome
Bunbury
Busselton
Greater
Geraldton
Kalgoorlie -
Boulder
Karratha
Merredin
Port Hedland

SA

Greater
Tununda Region
Mount Gambier
Greater
Renmark Region
Victor Harbor
Whyalla

*City Council

^Regional Council



Clusters are important for place based development

Recently there has been a growing interest in *Clusters* because of the benefits they bring to many sectors including food and agribusinesses in regions across Australia. *Clusters* are regional groups of interconnected businesses, research institutions and government organisations that work to establish local ecosystems of resources, knowledge and relationships to support the growth of small to large businesses to increase the share of Australian food in the global marketplace.

Arguably, similar on the surface to production groups or extension networks, critically, clusters have an added dimension to help unlock business and regional growth.

Clusters are usually characterised by **cooperation** towards common goals; working together on **shared problems** and opportunities e.g. a burning platform; business **networking**; **teamwork**; linking and aligning the various elements. *Clusters* may be virtual but are most powerful when they include a physical, often, regional dimension, where member companies come together with governments and academics to tackle shared problems and opportunities and learn from each other.

The effectiveness of *clusters* is based not only on economic responses to available opportunities and business complementarities, but also on an unusual level of embeddedness and social

interaction, facilitating regional conversations.

Conventional regional development - and subsequent business growth - is focused on comparative and competitive advantage. However, the critical third dimension of clusters which distinguish them from traditional models, is collaboration. The collaborative advantage is based on the strengths and breadth of social relationships, the application and sharing of these to identify opportunities, drive growth and unlock potential.

There is a strong interconnectedness between the collaborative advantage and comparative advantage. However, it is through the networks, relationships and strategic alliances (i.e. the collaborative advantage) that assist to develop infrastructure, source raw materials and define location to markets that enable participants operating within the cluster to realise business outcomes which would otherwise be impossible or more challenging to do on their own.

The Food and AgriBusiness Growth Centre (FIAL) has been instrumental in the establishment of eight regional clusters focused on food and agribusiness.

DR MIRJANA PRICA
Managing Director,
Food and Agribusiness Growth Centre (FIAL)



This statement is not an endorsement of the NFF's position on regional development, nor does the NFF endorse statements made by individual organisations in this paper.

The process and selection criteria

Based on literature review, the NFF developed selection criteria to narrow the seventy-one potential precinct candidates into a list of between forty to fifty candidates.

The selection criteria took an opportunities approach, looking for precincts with the highest economic potential. This aligns with views from subject matter experts, including the OECD^{xxx}, that suggest moving away from a focus of equity to one of leveraging opportunity is the best way forward for place-based development. From a selection criteria perspective, this would be best achieved by overweighting criteria that demonstrated ability to tap into national and international markets and value chains, including physical proximity to international freight networks, digital connectivity, and the international readiness of local businesses and industries.

Based on the literature review our selection criteria attempts to account for the following factors and insights:

- The importance of having capable partners at the local, state and national levels^{xxxi,1};
- The need to identify natural competitive or comparative advantages within a region as opposed creating artificial opportunities^{xxxii};
- Leveraging existing government investment and strategies (top-down approach)²
- Ensuring that the opportunities, challenges and development strategies are developed by local stakeholders, who have the most information at hand on these critical issues (bottom-up approach)^{xxxiii};
- The need to have a diverse yet complimentary industry base that can develop economies of scale and scope, sharing resources, productivity and innovation gains^{xxxiv};

- The ability of government intervention and investment to spur long-term private investment^{xxxv}.

To capture the above-mentioned issues, the NFF developed the following criteria and assessment framework:

- **Social, social service and cultural endowments (weighting 15%):** Captures endowments such as healthcare, housing, social and cultural infrastructure.
- **Economic infrastructure (10%):** Captures availability road and rail networks etc.
- **Local capacity (5%):** Local council economic development capability, regional community leadership capacity.
- **Skills and workforce (15%):** Access to education and skills, labor market efficiency etc.
- **Physical connectivity to national and international markets (20%):** Access and proximity (time) to seaports, airports and intermodal facilities.
- **Digital connectivity (15%):** access and quality of digital services (also skills-based to utilize digital opportunities).
- **Innovation (5%):** R&D spend, science and engineering qualified workforce, knowledge intensive business services etc.
- **Businesses/industries serving national and international markets (5%):** Businesses within Exporting, importing or wholesale supply chains and markets.
- **Natural resources (10%):** Environmental, agricultural and mining endowments of the region.

¹ The NFF selection criteria has underweighted the criterion of local capacity, as we seek that the Regional Development Precincts Initiative provide resources and funding to build local capacity, particularly with respect to local governments.

² An example of this would be the NSW Government Special Activation Precincts Program: <https://www.planning.nsw.gov.au/Plans-for-your-area/Special-Activation-Precincts>

The short-list

The Regional Australia Institute InSight tool,^{xxxvi} which ranks each region's economic and social endowments, was used as a proxy to score each precinct's performance against the selection criteria.

Centres that are already subject of comprehensive economic development programs, such as the Northern Australia Agenda and Regional Deals, have been highlighted in green, and wont be considered for the finals twenty precincts, though they should be able to access any priority funding that could be attached to a Regional Development Precincts Initiative. The NFF believes that these existing development programs should be reinvigorated, and including precincts that fall under these programs would be duplicative.

New South Wales shortlist

PRECINCT	SA4 REGION
Parkes	Central West
Orange	Central West
Coffs Harbour (City Council)	Coffs Harbor - Grafton
Broken Hill (City Council)	Far West - Orana
Dubbo (Western Plains Region)	Far West - Orana
Albury (City Council)	Hume/Murray
Port Macquarie	Mid North Coast
Armidale	New England - North West
Tamworth (Regional Council)	New England - North West
Lismore (City Council)	Richmond-Tweed
Ballina	Richmond-Tweed
Griffith (City Council)	Riverina
City Of Wagga Wagga	Riverina
Bowral-Mittagong	Southern Highlands - Shoalhaven
Morisset NSW (Lake Macquarie)	Lake Macquarie

Victorian shortlist

PRECINCT	SA4 REGION
Ballarat (City Council)	Ballarat
Greater Geelong (City Council)	Ballarat
Wodonga	Hume/Murray
Warragul-Drouin (Baw Baw Shire)	Latrobe - Gippsland
Latrobe City Council	Latrobe Gippsland
Bacchus Marsh (Moorabool Shire)	Moorabool Shire
Horsham	North-West
Bendigo	Bendigo
Shepparton	
Mildura	North-West
Warrnambool City Council	Warrnambool and SW

Tasmanian shortlist

PRECINCT	SA4 REGION
Launceston	Launceston and North East
Burnie	West and North West
Devonport	West and North West
Wynyard	West and North West

South Australian shortlist

PRECINCT	SA4 REGION
Mount Gambier	South Australia South East
Greater Renmark	South Australia South East
Port Lincoln	South Australia Outback
Greater Tununda	Mid North
Whyalla	South Australia Outback

Western Australian shortlist

PRECINCT	SA4 REGION
Bunbury	Bunbury
Broome	West Australia Outback North
City of Karratha	West Australia Outback North
Greater Geraldton	Western Australia Outback South
Kalgoorlie-Boulder	Western Australia Outback South
Esperance	Western Australia Outback South
Albany	Wheat Belt
Merredin	Wheat Belt

Northern Territory shortlist

PRECINCT	SA4 REGION
Alice Springs	NT Outback
Tennant Creek	NT Outback
Palmerston	Darwin

“

Australia only need look overseas in New Zealand, North America and Europe to see what regionalisation could be. 45% of Australia’s GDP comes from just two cities, and 64.1% of Australian live in big cities. By contrast only 30% of Canadians and New Zealanders live in big cities, providing a more geographically diverse and robust society and economy.

The 20 Regional Development Precincts

The shortlist was further refined down to twenty Regional Development Precincts for consideration for government intervention and investment. This refining process included desktop research and stakeholder feedback, and heavily relied upon various Regional Development Australia strategic plans, and similar state-based work for an understanding of regional specific opportunities and challenges³. The refinement process narrowed our shortlist to the final twenty locations for government investment, based on the following consideration:

- The existence of diverse yet complimentary businesses and industry base that can create agglomeration benefits;
- Leveraging existing strategic investments within or near the region (such as Inland Rail and Renewable Energy Zones);
- A potential comparative or competitive advantage within the region, particularly those that can serve international markets;
- Ruling out options that are in close proximity to urban centres, noting that these regional centres and surrounding areas already benefit from the economic and social amenities that the urban centre provides;
- Ensuring geographical diversity (across state jurisdictions and some inland precincts), and where possible, having no more than one Regional Development Precinct in any Statistical Area Level 4⁴; and
- The potential for government intervention to spur ongoing private investment within the region.

THE 20 REGIONAL DEVELOPMENT PRECINCTS

1. Roma - QLD	11. Port Lincoln - SA
2. Tenant Creek - NT Depending on progress of Northern Australian Agenda	12. West and North (West Region) - TAS One or more of Burnie / Devonport / Wynyard
3. Toowoomba - QLD	13. Central West (Orana Region) - NSW
4. Latrobe (Gippsland Region) - VIC	14. Greater Geraldton - WA
5. Emerald - QLD Geographic diversity as an inland option	15. Riverina Region - NSW
6. Mildura - VIC	16. Kalgoorlie-Boulder - WA
7. Gladstone - QLD Depending on progress of Northern Australian Agenda	17. New England (North West Region) - NSW
8. Shepparton - VIC	18. Esperance - WA
9. Mount Gambier - SA	19. Northern Rivers Region - NSW Lismore / Ballina / Casino etc.
10. Warrnambool - VIC	20. Merredin - WA Geographic diversity as an inland option

³ This includes strategic plans and statements relating to work undertaken by Regional Development Australia, NSW Special Activation Precincts and Regional Jobs Precinct programs, strategies developed by Regional Development Victoria and Western Australia Regional Development Commissions etc.

⁴ Statistical Area Level 4 (SA4) is a data collation grouping by the Australian Bureau of Statistics to represent regional data at a sub-state level. This paper has used the SA4 regions as a proxy for functional economic regions, due to the readily available data on SA4s and significant overlap with FERs

A welder wearing a yellow protective suit, a white helmet with a visor, and brown gloves is working on a metal structure. The welder is using a welding torch, and a bright light is visible at the point of contact. The background is a blurred industrial setting.

Certain precincts expected on the list did not make the final twenty precincts. Based on member and stakeholder feedback, it was felt that most centres in Northern Australia would be best served by a reinvigorated Northern Australia Agenda. This includes centres such as Alice Springs, Palmerston, Broome, Karratha, Townsville, Mackay, and Rockhampton. It was also felt that the Northern Australian centre of Gladstone be recognised in the final list of Regional Development Precincts in the absence of a reinvigorated Northern Australia Agenda, noting that plans for significant rail assets, ports and energy infrastructure will make Gladstone a hub for more than just Northern Queensland.

Similarly, centres who have benefited from the Regional Deals program, such as Launceston and Albury-Wodonga, did not make the list of twenty, though it should be treated as a Regional Development Precinct for the purposes of any potential priority access to funding and resources.

Finally, regional centres with effective access or proximity to urban centres, on the most did not make the list, unless there was a compelling opportunity or challenge to overcome. These regional centres, such as Ballarat and Geelong, already benefit from significant opportunities and productivity uplift by having access to the economic and social infrastructure of urban centres like Melbourne.



Rebalancing the Nation: Toward a National Regionalisation Framework

For the past decade, the Regional Australia Institute (RAI) has been undertaking research, influencing policy and shaping discourse on regional issues. As the nation's thought-leader on regional Australia, the concept of regionalisation is central to our work and will be guiding the direction of the Institute for the next decade.

In November 2021, the RAI's CEO, Liz Ritchie provided a keynote address outlining our strategy for Regionalisation, alongside The Hon Senator McKenzie, Minister for Regionalisation's first major address on this theme. The RAI's vision is to Rebalance the Nation, creating a more balanced, equitable, sustainable and ultimately prosperous nation with better outcomes for all Australians. This will enable our cities to thrive through more manageable and cost-effective growth but importantly, allows our rural and regional communities to reach their potential.

While the RAI has long championed the growth potential of our regional centres and continues to advocate to ensure that they receive the investment and policy focus that they need, we are also cognisant of the need of a longer-term vision for regional Australia. The lack of a single comprehensive national framework for regionalisation means that interventions are often short-term, reliant on political cycles or

designed for quick wins. The RAI is seeking to fill this void through the creation of a National Regionalisation Framework. By creating the Framework, the RAI is leading a shift in mind-set, ensuring a strong and targeted focus on regional Australia. This work will create a legacy, with the potential to shape the nation for future generations. The Framework will draw upon the key themes that have emerged from the RAI's 10 years' of data-driven analysis and research into regional Australia.

Our body of work firmly points towards the conclusion that Australia will be a stronger, more prosperous nation if our regions are stronger. It shows the enormous potential for regional Australia to optimise its growth, bringing significant benefits to the entire nation and increasing opportunity for all Australians.

The RAI's work is backed by the Regional Australia Council 2031, composed of Australia's most influential corporations and our other funding partners. We work with stakeholders and key partners around the country, and value working with the NFF to strengthen regional Australia.

LIZ RITCHIE

CEO, Regional Australia Institute

This statement is not an endorsement of the NFF's position on regional development, nor does the NFF endorse statements made by individual organisations in this paper.

Recommendations

RECOMMENDATION 1

Select the 20 Regional Development Precincts.

The National Farmers Federation recommends that state and Federal Government establish a process to select and establish the twenty Regional Development Precincts. The NFF stands by the twenty precincts it has put forward for selection, which provides a strong basis to start intergovernmental discussions and negotiations.

While we envisage that the precincts program will be initiated by the Federal Government, the need for buy-in and consensus from state and local government necessitates a genuine intergovernmental negotiation process. This should be a priority at the National Cabinet Rural and Regional Committee.

While the Regional Development Precincts could be selected through a competitive process, there are downsides to this approach. A specific problem the Precincts Initiative is trying to address is to provide a platform for regions and precincts with significant opportunity, who may not have the capacity currently to execute ambitious development plans.

While not the preferred method of the NFF, a small number of the Regional Development Precincts could be selected through a competitive grants process, while a separate stream is allocated to pre-selected regions and precincts.

RECOMMENDATION 2

\$375m funds to establish the institutions, governance frameworks and provide the on-ground capacity for each precinct.

\$375 million should be provided over the forward estimates to provide the resources to establish governance and reporting frameworks for each precinct, and build capacity within local stakeholders, particularly local government.

The intention is that the fund be distributed based on opportunity and need. Some proposed precincts have significant regional development capacity and resources due to current and previous state and federal regional development programs and hence would not require the same level of resources as other less equipped precincts. An example of this would be the

proposed Bundaberg Regional Development Precinct that has benefited significantly from the Hinkler Regional Deal.

Equally, some proposed precincts have significant opportunities to capture and may need greater resourcing to fulfill this potential. As an example, South Australian stakeholders we engaged suggested that we focus on a narrow set of precincts on the proviso that these precincts would be 'supercharged' and adequately funded.

As a part of this package, resourcing should be provided to Regional Australia Institute (RAI)

RECOMMENDATION 2

to lead work on coordinating data and insights that will provide the foundation for evidence-based decision-making and investment in regional development. We understand that such data may sit with various state and federal agencies, and would recommend the RAI also be tasked with bringing this data together in a user-friendly manner.

In preparing this paper, the lack of granular and complete data on social and economic metrics

for regional areas was a significant impediment. As the only regionally focused think tank, RAI is the natural organization to lead this.

From a bottom-up perspective, this paper endorses the work of Regional Development Australia (RDA) in developing regionally focused plans and opportunities profiles, and would recommend a closer and more integrated working relationship between local governments and RDAs.

RECOMMENDATION 3

\$1.1 billion of new funding over the forward estimates for priority soft and hard infrastructure to get runs on the board.

The fundamental principle of the Regional Development Precincts Initiative is that it is indeed picking winners but not creating losers. Indeed, a properly resourced precincts will create productivity and economic uplift to towns and communities within the precinct's functional economic region through the provision of economic and social amenities.

To ensure these precincts are properly resourced, and to avoid any perceptions that the Precincts

Initiative is diverting funds and resources from other regional development priorities, the \$1.1 billion Regional Development Precincts Priority Fund will be instrumental in ensuring this Initiative is a success through effective implementation.

In the long run, the capacity building and resourcing of local stakeholders will ensure that regional areas can compete for funding for infrastructure and projects on a similar footing as urban areas, negating the need for a targeted priority fund for regional development.



RECOMMENDATION 4

Reinvigoration of existing government regional development programs, including the Northern Australia Agenda and the already funded Regional Deals.

The Northern Australia Agenda has shown great ambition and has already developed significant policy frameworks and institutional support for regional development in the north of Australia. The opportunities in Northern Australia does not lend themselves to a criteria-based approach in selecting precincts, and many opportunities could be missed. The scale of opportunities within the Northern Australia, and the level of government intervention required to realise these opportunities are beyond anything a Regional Development Precinct can provide.

As such, this paper recommends that the Northern Australia Agenda be reinvigorated to capture these opportunities alongside the Regional Development Precincts Program.

Similarly, this paper argues that the foundations built through the Regional Deals program can sit alongside the Precincts Initiative (and treated as a precinct), noting the resources and effort already expended in these programs.

Stakeholder Engagement

The Following stakeholders were interviewed and provided feedback to this paper. This does not suggest endorsement of the paper, it is NFF's acknowledgement of the time and expertise these stakeholders provided.

Australian Local Government Agency, Regional Capitals Australia, Infrastructure Australia, Business Council of Australia, the Outback Alliance, the Cooperative Research Centre for Future Food Systems, Food Innovation Australia Limited, Mr Chris McDonald, the Department of Water, Agriculture and the Environment, Council of Small Business

Organisations Australia, NSW Farmers' Association, Primary Producers South Australia, AgForce, Tasmanian Graziers and Farmers Association, Victorian Farmers Federation, Western Australian Farmers' Federation, Northern Territory Cattlemen's Association.

Limitations of our approach

- The quantitative analysis to select the Precinct short-list is based on data sets collated by the Regional Australia Institute between 2016-2019, and there is likely more recent data available.
- Some of the metrics we used to rank precincts are proxies for the criteria and might not capture every element of the criteria. As an example, we used metrics around proximity to seaports and airports as a proxy for access to international markets.
- In identifying strategic investments by governments in specific regions, we undertook desktop research. Federal, state and local governments will have a more visibility around strategic regional development initiatives.
- In developing workable selection criteria, and weighting these metrics, value judgements were made. While the NFF believes these judgements were based on robust analysis, these assumptions need to be stress tested and validated.
- The NFF believes in both top-down and bottom-up approaches to assessing the merits of precincts under consideration. Bottom-up approaches requires significant local stakeholder engagement. The NFF did engage with regional stakeholders within and outside the agricultural sector and used Regional Development Australia analysis, to help inform our decision-making. However, it is beyond the resources of the NFF to undertake an exhaustive stakeholder engagement process across the various regions.

Appendix

The 20 Precincts in detail

QUEENSLAND

Queensland is one of the more regionalised states in Australia, with a number of resilient and vibrant regional centres. The challenge for Queensland is the reinvigoration of centres in inland areas, without which, large swathes of regional communities and industries would not have the centres to provide the economic and social amenities needed to be successful. This explains the elevation of Emerald and Roma as candidates for a Regional Development Precinct.

Northern Queensland benefits from the ambitious Federal Government Northern Australia Agenda. This paper calls for the further development of centres, such as Townsville and MacKay, via this existing agenda. Without it, these centres were likely to be included in the final list of Regional Development Precincts.

Similarly, places like Bundaberg would likely have made the final list of 20 but for their inclusion in the Regional Deals program. Another likely challenge will be ensuring the various transport networks are fully integrated and working efficiently to accommodate the ever-growing freight task.

Roma

QLD

REGIONAL GVP

\$9.94 billion (Maranoa Region)

MAJOR INDUSTRIES

Agriculture, manufacturing ancillary agricultural services, energy and resources.

Roma is the service and regional centre for the Darling Downs and Southwest Queensland communities. It is one of the key agricultural regions in the country, producing a significant portion of Australia's cotton, grain and beef cattle.

Roma is well served by transport and logistics, particularly east-west freight links, airport infrastructure, and possesses Australia's largest cattle saleyards for the buying and selling of livestock.

As with many growing regional centres, housing affordability and availability is a significant challenge to the future success

Toowoomba

QLD

REGIONAL GVP

\$8.85 billion (Greater Toowoomba Region)

MAJOR INDUSTRIES

Healthcare, Agriculture, food processing and manufacturing, transport and logistics, heavy industries services.

Toowoomba is already the epitome of successful regionalisation, with a vibrant and diversified economic base. As a land and air transport hub, Toowoomba is central to the success of many inland communities and industries, in terms of getting goods to domestic and international markets.

It has a nascent knowledge economy developing with significant tertiary and vocational training institutions establishing themselves in the region, and the jobs growth in the region is outstripping the supply of workers.

Availability and affordability of housing is a key issue for this region, and one of the impediments in terms of matching supply and demand in the employment market.

QUEENSLAND

Gladstone

QLD

REGIONAL GVP

\$18.0 billion (Central Queensland Region)

MAJOR INDUSTRIES

Mining, manufacturing, construction, agriculture.

Gladstone's potential has been recognised for its regional development potential by the Queensland Government and designated as a State Development Area. It has significant ports and freight infrastructure, and has significant potential to be the gateway to international markets for Central Queensland and beyond.

There is significant complementarity between industries within the region, with the vast majority focused on the production of physical goods with export orientation. This provides significant economies of scale in terms of freight and logistics infrastructure.

Agriculture is a significant contributor to the economy of the Central Queensland region contributing more than 10% to the value-add production of the region and employment.

Emerald

QLD

REGIONAL GVP

\$18.0 billion (Central Queensland Region)

MAJOR INDUSTRIES

Mining, manufacturing, construction, agriculture.

Emerald was chosen as a Regional Development Precinct to provide the much-needed geographical diversity in Queensland, noting the lack of hubs or centres in truly inland areas.

Emerald is a service centre for many industries, including agriculture and mining, and has significant food and fibre processing facilities. From an agricultural perspective, the region around Emerald is a strong cotton, grain and horticultural area with good access to ports and international markets.

The NFF believes there are synergies in developing Emerald and Gladstone in a coordinated manner, noting the need to access international markets and the need to have hubs for inland communities and industries.



SOUTH AUSTRALIA

Mount Gambier

SA

REGIONAL GVP

\$9.0 billion (South Australia South-East Region)

MAJOR INDUSTRIES

Agriculture, manufacturing, tourism.

Mount Gambier has all the ingredients to develop significant value add economy centred on food and fibre production, surrounded by a region with significant agricultural output, a thriving manufacturing base, and several tertiary education institutions. There has also been a migration influx into Mount Gambier, highlighting its potential in attracting the workforce needed for economic expansion.

Mount Gambier has good road freight networks to Melbourne and Adelaide and good airport access, providing good links to national and international markets.

Mount Gambier is an ideal candidate for the type of master planning that a Regional Development Precinct would provide, noting the need to match the potential workforce with suitable job opportunities, the need to provide affordable housing within the region, and the need to improve the freight networks within the region, including the establishment of intermodal facilities and improved road access for high productivity vehicles (noting the export orientation of the region).

Agriculture is a key industry within the region, making up more than 20% of the value-add production within the region. Combined with food processing and manufacturing, the food and fibre supply chain employs nearly a third of all residents within the region.



Port Lincoln

SA

REGIONAL GVP

\$7.2 billion (South Australia Outback Region)

MAJOR INDUSTRIES

Mining, manufacturing, agriculture, energy.

The Eyre Peninsula has the potential to be an extremely robust and resilient local economy, with a very diversified industry base spanning agriculture, mining, manufacturing, aerospace and renewable energy to name a few.

Agriculture accounts for more than 15% of the workforce in the Eyre Peninsula region, including world renowned seafood industry that accounts for 65% of South Australia's seafood output.

The reliability and availability of all forms of economic infrastructure (water, energy, transport) acts as a barrier for the region to reach its growth potential, necessitating coordinated government intervention.

NEW SOUTH WALES

This paper notes that the City of Albury has already been selected for the Regional Deals program as part of the Albury-Wodonga initiative. To avoid duplication of resources and efforts, this paper recognises the progress of the Regional Deals initiative, and believes precincts under the Regional Deals initiative should be treated on an equal footing as Regional Development Precincts for the purposes of access to resources and priority funding.

Without the Regional Deals initiative, Albury-Wodonga would likely have been considered as a Regional Development Precinct.

Central West

NSW

Orana Region Precinct

REGIONAL GVP

\$12.7 billion (Central West Region) and
\$6.3 billion (Far West Orana)

MAJOR INDUSTRIES

Agriculture, food processing, manufacturing, mining, tourism.

The Central West of NSW already benefits from significant strategic investments by state and Federal Government with the investment in Inland Rail and associated infrastructure. **Parkes** has been identified as a national logistics hub, value-add agriculture and renewable energy under the NSW Special Activation Precincts Program. Similarly, **Dubbo** sits at the periphery of the Central West and Orana regions, and acts as a hub and centre for people and businesses located in those regions, and provides airport capacity to much of inland NSW.

The NSW Farmers' Association has also highlighted the potential of the Central West as a food production and agri-production hub, particularly if a reliable sub three-hour journey from major Central West centres to the Western Sydney Airport can be established.

The region has a diversity of industries and businesses that are complimentary including agriculture, manufacturing, mining and tourism. It also has a relatively professional skilled workforce, particularly noting the strong public service infrastructure within the region.

From an agricultural perspective, nearly 15% of the workforce is employed by agriculture and there are significant food processing and manufacturing capabilities within the region. Combined with food and wine based tourism, the region's economic fortunes is very much tied to the fortunes of the agricultural sector.

There is significant local capacity in terms of willing partners in development, including a coordinated local government sector via the CENTROC organisation of councils.

The two major challenges for the region are water security and availability, and east-west freight and passenger transport connections to the markets and economic infrastructure of Sydney, limiting the region's ability to access domestic and international markets effectively and affordably.

NEW SOUTH WALES

Riverina Region

NSW

REGIONAL GVP

\$10.1 billion (Riverina Region)

MAJOR INDUSTRIES

Agriculture, manufacturing, public administration, healthcare.

Wagga Wagga's strategic significance cannot be underestimated. It has significant freight transport infrastructure assets, including significant rail freight assets, significant renewable energy investments, skills and tertiary education institutions, and significant demand as tree-change destination.

Wagga Wagga has been identified by the NSW Government as a Special Activation Precinct for manufacturing, agribusiness and freight.

Agriculture is the second largest contributor to the region's GVP, only behind manufacturing, that also has a significant focus on food and fibre. The region around Wagga has a strong focus on broadacre cropping, livestock and wool production, while other centres, such as Griffith, have a globally competitive horticultural sector.

A major challenge for the region is water security and availability, noting the potential population growth and increased industrial demand for water. As an example, it is projected that the hydrogen industry will need one-third the water mining is currently using by 2050, creating significant challenges for many inland regional areas that have the potential to house the hydrogen industry.



New England Northwest Region

NSW

REGIONAL GVP

\$10.4 billion (New England and Northwest Region)

MAJOR INDUSTRIES

Agriculture, manufacturing, training and education, mining.

The New England North West region of NSW is an agricultural powerhouse, with agriculture contributing approximately \$4 billion to the region's GVP.

The region, with centre including **Tamworth, Armidale** and **Moree**, already hosts a NSW Regional Jobs Precinct a NSW Special Activation Precinct, and has a well-organised local government sector in the form of the Namoi Regional Organisation of Council

It hosts the University of Armidale, has a Federal government Future Drought Fund Resilience Hub at the university, and is also a centre for digital agriculture research and adoption.

Water security and availability, and the lack of digital infrastructure are the biggest impediments to economic growth.

NEW SOUTH WALES

Northern Rivers Region

NSW

REGIONAL GVP

\$9.6 billion (Richmond-Tweed SA4 Region)

MAJOR INDUSTRIES

Food processing, manufacturing, agriculture, construction, tourism

The Northern Rivers region, with centres such as **Lismore**, is a food production powerhouse, with agriculture and food processing and manufacturing accounting for well over 20% of the region's GVP. It is a significant region for dairy and horticultural production. Casino also has meat processing capabilities to service livestock growers.

The region is well serviced by transport links, including airport infrastructure at **Ballina**, and international markets via seaport infrastructure in Brisbane.

The Lismore-Ballina area has been designated as a Regional Jobs Precinct by the NSW Government.

This region is an ideal candidate for a Regional Development Precinct, where the competing interests of a growing agriculture and food sector, tourism sector and increased urban encroachment must be managed through a master planning approach.

TASMANIA

This paper notes the existing Regional Deals partnership initiative for the City of Launceston. To avoid duplication of resources and efforts, this paper recognises the progress of the Regional Deals initiative, and believes precincts under the Regional Deals initiative should be treated on an equal footing as Regional Development Precincts for the purposes of access to resources and priority funding.

Without the Regional Deals initiative, Launceston would likely have been considered as a Regional Development Precinct.

West and Northwest

TAS

REGIONAL GVP

\$5.5 billion

MAJOR INDUSTRIES

Mining, agriculture, manufacturing, knowledge industries.

The West and Northwest of Tasmania has many natural and economic endowments that make it an ideal candidate for a Regional Development Precinct. It has significant seaport and airport infrastructure (Devonport), significant research and development assets within the region, including the University of Tasmania and research and development facilities - including agricultural focused facilities (Burnie), and significant processing and manufacturing capabilities for agriculture and mining.

From an agricultural perspective, the sector contributes nearly 10% of the region's GVP, with a strong focus on dairy, horticulture, forestry and aquaculture.

VICTORIA

This paper notes that the City of Wodonga has already been selected for the Regional Deals program as part of the Albury-Wodonga initiative. To avoid duplication of resources and efforts, this paper recognises the progress of the Regional Deals initiative, and believes precincts under the Regional Deals initiative should be treated on an equal footing as Regional Development Precincts for the purposes of access to resources and priority funding.

Without the Regional Deals initiative, Albury-Wodonga would likely have been considered as a Regional Development Precinct.

Latrobe

VIC

REGIONAL GVP

\$15.5 billion (Gippsland Region)

MAJOR INDUSTRIES

Food production, processing and manufacturing, energy, tourism.

The Latrobe Gippsland region is a food powerhouse, the centre of Australia's dairy production, significant horticultural endeavours, and most importantly, a local value adding process, with significant food processing and capabilities within the region.

Complimentary industries include an under-developed tourism sector, and significant energy resources that can be further utilised.

The region is blessed with tertiary and vocational education institutions that can be the bedrock for a skilled and available workforce.

The biggest challenge is the increasingly restricted nature of freight supply chains from the region to domestic and international markets, particularly noting the freight network that heavily relies on local road networks not equipped to handle high productivity vehicles.

Mildura

VIC

REGIONAL GVP

\$7.6 billion (North-West Victoria Region)

MAJOR INDUSTRIES

Manufacturing, food processing, agriculture, construction, renewable energy.

Mildura is a strategically important inland regional centre for agriculture beyond just Victoria. As one of the few truly inland centres on this list, it provides the services and amenities for communities from Western Victoria, Western NSW and outback South Australia.

It has a diverse yet complimentary industry base with a strong agricultural sector, including high value and value add agriculture, food manufacturing, retail and construction presence. It has good access to airports, access to north-south and east-west freight routes, and is well positioned to capture opportunities from the renewables sector (with the right government setting).

Mildura is also a significant hub for the region's agriculture, forestry and fishing sectors, making up nearly 17% of the region's value-add, and 17% of the region's employment.

The region's economic potential is being hampered by the lack of appropriate economic infrastructure, including freight and digital infrastructure.

VICTORIA

Shepparton

VIC

REGIONAL GVP

\$6.7 billion

MAJOR INDUSTRIES

Agriculture, food processing, manufacturing, freight, logistics, construction, healthcare, social services.

The Greater Shepparton area is at the heart of Australia's food bowl, with a strong focus on horticulture and dairy. Agriculture is the second biggest contributor to the region's economic output, accounting for 11.4% of value add.

It has complimentary processing and manufacturing capabilities with significant food, fibre and packaging businesses located within the region (as well as other manufacturing endeavours). The region has several tertiary education facilities that can shape the future workforce in the region, noting its strong population growth.

There are significant opportunities to further leverage Shepparton's strategic location between Sydney and Melbourne through the development of more dedicated freight and logistics centres.

With the right government intervention, Shepparton can become a robust and diversified economy and regional centre.



Warrnambool

VIC

REGIONAL GVP

\$7.0 billion (Barwon Southwest Region)

MAJOR INDUSTRIES

Agriculture, manufacturing, healthcare, tourism.

Agriculture, forestry and fishing is the heartbeat of the region's economy, with complimentary industries in food manufacturing and value-adding, and tourism. The region sits on east-west transport networks, with ready access to several container and bulk terminals. This is a significant strategic advantage, for an industrial base that is heavily export oriented.

Digital connectivity, particularly within the highly productive farming sector, is a major barrier for further economic advancement in the region. As with other growth regional centres, the availability and affordability of housing will be another key challenge requiring immediate attention, so as not replicate all the downsides that many urban communities are currently contending with.

NORTHERN TERRITORY

NFF members from the Northern Territory engaged for the purposes of developing this discussion paper, highlighted that the significant economic development opportunities in the Northern Territory did not necessarily lend itself to being captured by a place-based approach, and sought that efforts with respect to the Northern Australia Agenda be redoubled.

With respect to Regional Development Precincts, it was suggested that any efforts or resourcing be redirected to existing programs, such as the Barkly Regional Deal, with a focus on Tenant Creek. While this approach to the Northern Territory is distinct from other states and territories, effective regional development does not lend itself to a one-size-fits-all approach.

Tenant Creek

NT

REGIONAL GVP

\$6.2 billion (Outback Northern Territory Region)

MAJOR INDUSTRIES

Mining, public administration and services, construction, agriculture

Please refer to the Barkly Regional Deal for a description of the opportunities and challenges within this region: www.infrastructure.gov.au/territories-regions-cities/regions/regional-deals/barkly

WESTERN AUSTRALIA

Like Queensland, Western Australia benefits from the ambitious Federal Government Northern Australia Agenda. This paper calls for the further development of centres such as Broome and Karratha via this existing agenda. Without it, these centres were likely to be included in the final list of Regional Development Precincts.

Western Australia also posed a challenge with many existing regional centres congregating on the coastline, and in and around Perth. To ensure geographical diversity, this paper considered the importance of selecting centres that service regional and rural communities with limited access to centres and ensuring that inland Western Australia is not ignored. Merredin was selected as a Regional Development Precinct on this basis.

Other complications with our approach to Western Australia includes the use of SA4 region statistics as a proxy for functional economic regions (FERs). SA4 regions were poor proxies for FERs, as such, we have selected more than one Regional Development Precincts in some Western Australian regions, noting these SA4 regions were larger than states, such as NSW and Victoria.

Greater Geraldton

WA

REGIONAL GVP

\$18.8 billion (Outback South Region)

MAJOR INDUSTRIES

Mining, agriculture, tourism.

The Greater Geraldton area is a significant mining and agricultural region. While traditionally an agricultural area, mining has become the dominant industry through significant investments over the past two decades.

Its strong agricultural roots provides an opportunity for economic development, by diversifying the region's economic base to value-add agriculture, and food and fibre based manufacturing. The intersection of mining and agriculture can potentially spawn new industries, such as a local fertiliser manufacturing capability. This would be a significant game-changer for the agricultural sector more broadly, noting the recent international supply chain disruptions with fertilisers and ag-vet chemicals.

WESTERN AUSTRALIA

Kalgoorlie-Boulder

WA

REGIONAL GVP

\$18.8 billion (Outback South Region)

MAJOR INDUSTRIES

Mining, agriculture, tourism.

Kalgoorlie-Boulder is the largest inland centre in Western Australia that supports and services the regions strong mining and agricultural sectors. It provides a strategic inland focus, with access to ports in Fremantle and Esperance, good east-west land freight connectivity, and good access to airport infrastructure.

It is well serviced by vocational education and training institutions, though these are focussed on a limited set of skills and industries.

Maintaining a fit-for-purpose road network for passenger and freight movements over a region with a vast geographic is a challenge, particularly the many feeder roads maintained by local government that feed into arterial roads.

Esperance

WA

REGIONAL GVP

\$18.8 billion (Outback South Region)

MAJOR INDUSTRIES

Mining, agriculture, tourism.

Agriculture and tourism are the drivers of growth for the region surrounding Esperance. Esperance is critical to the success of surrounding regions, providing access to national and international markets via airports and seaports.

There are many challenges facing Esperance and surrounding regions to meet their full economic potential, requiring government intervention. As a centre for a large and sparsely populated region, the quality of freight networks is a critical challenge, noting the dominance of industries that trade in physical goods.

Housing availability and affordability are also significant challenges for sustained and resilient economic growth, noting the fly-in-fly-out nature of the mining industry that Esperance services.



WESTERN AUSTRALIA

Merredin

WA

REGIONAL GVP

\$12 billion (Wheatbelt Region)

MAJOR INDUSTRIES

Agriculture, transport and logistics

Merredin is one of the key centres for Western Australia's Wheatbelt Region, with agriculture contributing one-third of the region's GVP. Broadacre agriculture is a major economic driver for Merredin and its hinterland. Merredin houses research and development hubs for agriculture, is a freight and logistics hub, and a significant service centre for the agricultural supply chain.

Its efficient freight links to the economic infrastructure on the coastline, provides a cost-effective route to national and international markets. The future success of Western Australian agriculture is dependent on centres, such as Merredin, thriving and expanding.

References

- ⁱ Commonwealth Bank of Australia and Regional Australia Institute (2021)
- ⁱⁱ Commonwealth Government (2021), *Australia's Long-Term Emissions Reduction Plan*, at: <https://www.industry.gov.au/data-and-publications/australias-long-term-emissions-reduction-plan>
- ⁱⁱⁱ ABS (2019). Estimates and projections, *Aboriginal and Torres Strait Islander Australians*, 2006 to 2031. ABS cat. no. 3238.0. Canberra: ABS
- ^{iv} Byron (2010), *Place-based approaches to addressing disadvantage*, Australian Institute of Family Studies - Family Matters 2010 No 84, at: <https://aifs.gov.au/sites/default/files/fm84b.pdf>
- ^v Department of Agriculture, Water and the Environment – ABARES – (2021), *Agricultural Overview: September quarter 2021*
- ^{vi} Department of Industry, Science, Energy and Resources (2021), *Commonwealth of Australia Resources and Energy Quarterly* September 2021.
- ^{vii} National Farmers' Federation (2021), *Regionalisation Agenda*, February 2021
- ^{viii} Commonwealth Bank of Australia and Regional Australia Institute (2021)
- ^{ix} Briggs, Dominish and Rutovitz (2020), *45,000 renewables jobs are Australia's for the taking – but how many will go to coal workers?*, The Conversation at: <https://theconversation.com/45-000-renewables-jobs-are-australias-for-the-taking-but-how-many-will-go-to-coal-workers-141531>
- ^x PwC (2021), *Localisation is the new globalization*, accessed 1 November at: <https://www.pwc.com/gx/en/issues/reinventing-the-future/take-on-tomorrow/localisation-globalisation.html>
- ^{xi} Department of Industry, Energy and Resources (2021), *Australia's Long-Term Emissions Reduction Plan*, accessed 1 November 2021, at: <https://www.industry.gov.au/data-and-publications/australias-long-term-emissions-reduction-plan>
- ^{xii} Infrastructure Australia (2021), *2021 Australia Infrastructure Plan*, at url: <https://www.infrastructureaustralia.gov.au/publications/2021-australian-infrastructure-plan>
- ^{xiii} OECD (2021), *OECD Regional Outlook 2016: Productive Regions for Inclusive Societies*, October 2016
- ^{xiv} Productivity Commission (2017), *Transitioning Regional Economies*, December 2017
- ^{xv} Gebre and Gebremedhin (2019), *The mutual benefits of promoting rural-urban interdependence through linked ecosystem services*, *Global Ecology and Conservation* Vol 20 – October
- ^{xvi} OECD (2018), *Rural 3.0 – A framework for rural development*, at: <https://www.oecd.org/cfe/regionaldevelopment/Rural-3.0-Policy-Note.pdf>
- ^{xvii} NSW Farmers & AFI (2021), *Stronger ag sector, stronger regions*, at URL: https://www.farminstitute.org.au/wp-content/uploads/woocomerce_uploads/2021/10/Stronger-ag-sector-stronger-regions_AFI-Sept-2021-un4ftv.pdf
- ^{xviii} Commonwealth Government (2021), *Australia's Long-Term Emissions Reduction Plan*, at: <https://www.industry.gov.au/data-and-publications/australias-long-term-emissions-reduction-plan>
- ^{xix} Briggs, diminish, Rutovitz (2020), *45,000 renewables jobs are Australia's for the taking – but how many will go to coal workers?*, The Conversation, July 3 at: <https://theconversation.com/45-000-renewables-jobs-are-australias-for-the-taking-but-how-many-will-go-to-coal-workers-141531>
- ^{xx} LEK Consulting (2020), *International Comparison of Australia's Freight and Supply Chain Performance – Final Report*, December 2020, at: <https://www.freightaustralia.gov.au/sites/default/files/documents/fp-supplychain-benchmarking-study-grain.pdf>
- ^{xxi} World Bank (2021), *Container Port Performance Index – 2020*, at URL: <https://ihsmarkit.com/Info/0521/container-port-performance-index-2020.html>
- ^{xxii} COAG Energy Council (2019), *Australia's National Hydrogen Strategy*, at: <https://theconversation.com/45-000-renewables-jobs-are-australias-for-the-taking-but-how-many-will-go-to-coal-workers-141531> <https://www.industry.gov.au/sites/default/files/2019-11/australias-national-hydrogen-strategy.pdf>
- ^{xxiii} Commonwealth Government Senate (2021), *Select Committee on the effectiveness of the Australian Government's Northern Australia agenda*, at: <https://parlinfo.aph.gov.au/parlInfo/download/committees/reportsen/024637/toc.pdf/>
- ^{xxiv} ABS (2019). *Estimates and projections, Aboriginal and Torres Strait Islander Australians*, 2006 to 2031. ABS cat. no. 3238.0. Canberra: ABS
- ^{xxv} National Indigenous Agency Economic Development Programs and Policies, at: <https://www.niaa.gov.au/indigenous-affairs/economic-development#resources>
- ^{xxvi} National Indigenous Australians Agency (2020), *Indigenous Procurement Policy*, at: <https://www.niaa.gov.au/sites/default/files/publications/ipp-guide.pdf>
- ^{xxvii} National Indigenous Australians Agency (2021), *Indigenous Digital Inclusion Plan*, at: <https://www.niaa.gov.au/resource-centre/indigenous-affairs/indigenous-digital-inclusion-plan-discussion-paper>
- ^{xxviii} Byron (2010), *Place-based approaches to addressing disadvantage*, Australian Institute of Family Studies - Family Matters 2010 No 84, at: <https://aifs.gov.au/sites/default/files/fm84b.pdf>
- ^{xxix} Productivity Commission (2017), *Transitioning Regional Economies*, December 2017
- ^{xxx} OECD (2012), *Promoting growth in all the regions – Lessons from across the OECD*, March 2012 at: <https://www.oecd.org/site/govrdpc/50138839.pdf>
- ^{xxxi} Barca, McCann, Rodriquez-Pose (2012), *The case for regional development intervention: place-based versus place-neutral approaches*, *Journal of Regional Science* Vol 52. No 1
- ^{xxxii} McDonald (2014), *Developing information to support the implementation of place-based economic development strategies: A case study of regional and rural development policy in the State of Victoria, Australia*
- ^{xxxiii} McDonald (2014)
- ^{xxxiv} OECD (2012)
- ^{xxxv} Neumark and Simpson (2014), *Place-Based Policies Working Paper 20049*, National Bureau of Economic Research at: <https://www.nber.org/papers/w20049>
- ^{xxxvi} Regional Australia InSight Tool: <http://www.regionalaustralia.org.au/home/insight-second-edition/>
- ^{xxxvii} NSW Farmers' Association (2019), *Growing NSW's Food Economy*, at URL: <https://www.nswfarmers.org.au/UploadedFiles/NSWFA/Poily%20Industry/NSWFAFoodEconomy.pdf>

NFF Member Organisations





National
Farmers
Federation

Leading
Australian
Agriculture

14-16 Brisbane Avenue
Barton ACT 2600

Locked Bag 9
Kingston ACT 2604

02 6269 5666
reception@nff.org.au

nff.org.au

 National Farmers Federation
 @NationalFarmers