



Katy Gallagher MLA

CHIEF MINISTER

Chief Minister's Speech Coversheet

Event: Centre for Economic Development (CEDA)
2nd Annual Regional Conference
- Infrastructure Integration and Economic Development in the
South East Corridor of NSW

Day and Date: Friday, 11 May 2012

Speech length: Keynote Opening Address – *Profile of the Region*
Twenty (20) minutes

Key messages:

1. Profile of the Region
2. Past regional engagement activities
3. Recent realignment of the ACT's regional engagement activities
4. Details and progress on ACT-NSW MoU for Regional Collaboration
5. ACT's regional infrastructure pressure points
6. ACT's future regional engagement priorities

FULL SPEECH OVER PAGE

Speech

- Dr Suzanne Rickard, CEDA State Director
- Delegates

I acknowledge the traditional custodians of the land on which we meet this morning, the Ngunnawal people. I respect their continuing culture and the contribution they make to the life of this city and our region.

It's a pleasure to again have the opportunity to join you. It's been a year of pretty significant activity in terms of the ACT's formal relationships with its regional neighbours. I think the framework is now in place for some very exciting and productive collaboration and engagement.

As I said last month when I addressed my fellow heads of government at COAG, there are other places in Australia that deal with cross-border challenges and opportunities, but there's nowhere that is quite in the position of the ACT – a city-state completely surrounded by another jurisdiction.

Nor is there another cross-border region where so many people criss-cross the borders each day as though they simply didn't exist. 20,000 NSW residents cross into the ACT for work each morning. Six thousands go in the opposite direction. About one in 10

children in ACT schools lives in NSW. About a quarter of those in our hospitals and a third of those on our waiting lists live across the border.

And the to-and-fro isn't limited to the communities that sit just beyond the borders, within an hour's commute - like Queanbeyan, Murrumbateman and Yass. Our tertiary hospitals serve the whole of the south-east – a population of about 600,000 and growing. So do our universities. We are a coherent region for the purposes of tourism and recreation.

Yet when it comes to tax regimes, rates, regulations, even public transport systems, Canberra is the regional service hub for a State of which it is not a part. And because that regional hub role is going to grow in importance over the coming decades, there's every reason to get things right and make the relationship work to our mutual benefit.

There's even *more* reason when we consider that ours is one of the fastest growing regions in the country. In 2010-11 the population of the Australian Capital Region grew by 1.4 per cent — faster than Newcastle, Wollongong, Albury-Wodonga and Wagga Wagga.

The ACT's population reached 365,600 in June last year and the population of the Australian Capital Region reached 613,600.

Projections indicate that the regional population will reach 688,000 by 2021 – a 12.1 per cent increase.

Both the ACT and NSW governments plan for their own population growth and accompanying infrastructure and service delivery requirements. However, because of our unique trans-border existence and our economic and service inter-dependencies, we need to do so in close collaboration.

One area in which I think there's scope for greater strategic collaboration is industry and business development, including investment attraction.

The ACT's business profile is quite different to that of other cities. We don't have a heavy manufacturing industry. We don't have mines. And apart from one egg farm, some wineries, a truffle farm or two and an olive grove or two, we don't have much in the way of an agricultural sector either.

But over the past decade we have seen a significant growth in business numbers – including export businesses – predominantly in the services sector.

Many have grown out of research being conducted at our universities and research institutions, in fields such as clean energy, transport and urban design.

I'd like to think that the proliferation of these businesses won't stop at our borders. I'd like to think that there are opportunities for regional partnerships and collaborations. In fact, the ACT's new Business Development Strategy, launched just two weeks ago, explicitly recognises the relationships and economic flows that are a consequence of Canberra's regional role and the potential for thinking outside our borders.

If any of us needed a reminder of how our economic fates and fortunes are linked, we had one earlier this week, when the Federal Budget was handed down. We're looking at the loss of 1400 public-service jobs this coming year, with a small knock-on effect for the private sector. But we are also looking at unquantified loss of jobs in the out years. I've already sought a meeting with the Prime Minister to clarify these impacts.

We Canberrans often say that if the Federal Government catches cold, the ACT sneezes. But in fact with 20,000 NSW people crossing the border into the ACT for work every day, the virus gets carried back across the border too.

Further afield, a downturn in the ACT economy can have ramifications for tourism revenue in the Alps and up and down the coast. A prolonged downturn can affect the coastal property market, as Canberrans with holiday houses and coastal investments sell up.

I'm not suggesting we face a scenario like that – though there's the potential for some gloom if the Liberals form Government nationally in the next couple of years, since they've already said they'd get rid of 12,000 Canberra jobs – as a starting point.

Still, let's deal with the information at hand. And while this week's Federal Budget was disappointing for the ACT, we'll get through it. In fact, I'm still focused more on opportunities, than on challenges, when I think about our regional future.

Of course, to seize these opportunities properly we need the right mechanisms in place, and as I said earlier, I think we're now pretty much there.

Late last year the NSW Premier Barry O'Farrell and I signed the ACT-NSW MoU for Regional Collaboration, which sets out our shared vision for regional progress and also specifies some areas for immediate work.

The idea is to ensure that administrative borders don't loom so large in our policy thinking, letting us focus on other things.

Importantly, the MoU is predicated on the involvement of the ACT, Southern Inland and Far South Coast RDAs.

RDA ACT and RDA Southern Inland have already signed their own MoU with the aim of better coordinating cross-border initiatives, and I understand this is being re-visited to see that it reflects the broader ACT-NSW MoU signed by the Premier and me.

Because of the hybrid role of the ACT Government, under which we have responsibility for state functions *and* municipal functions, I'm not only the equivalent of a state premier, but also the equivalent of a city mayor. That gives the ACT a fantastic opportunity to develop relationships and mechanisms for getting things done with the local government councils of the region, as well as with the State Government.

We recently became a full member of SEROC, for example. One of the first issues I'd like to pursue through SEROC is the potential for using our collective scale to get greater value for the ratepayer dollars we individually spend on separate service-related contracts and procurement processes.

The buy-in of councils will be crucial to the success of the initiatives coming out of the ACT-NSW MoU, as well as the involvement of the RDAs – which is why I've put in a

request for the ACT RDA to have observer status at SEROC - as RDA Southern Inland already has.

This suite of relationships and understandings - state-to-territory and territory-to-council - will, I think, let us do the work of regional development in a multi-dimensional way, but with shared understandings and shared priorities.

The ACT-NSW MoU identifies three areas where the Premier and I would like to see some swift action:

- We'd like a strategic regional directions statement;
- We want a shared view of planning and infrastructure requirements, expressed through a strategic land use and infrastructure plan - including a mechanism to fairly apportion costs; and
- We've asked for an integrated service planning framework that initially looks at health and education.

In just a few months we've already made significant progress on each priority.

In relation to the first priority – and directly as a consequence of the MoU, the Federal Government, through the Department of Regional Australia, has funded a place-based

strategy for the Greater Capital Region, which is very encouraging, and recognition that we don't have to be in competition for funding of this sort. In fact I think a case can be made for cross-border approaches to all kinds of funding sources in the future.

The second priority of the MoU – land use planning and Infrastructure – is being progressed by the State and Territory planning agencies. It will principally focus on the ACT and the five councils with population centres within a one-hour commute of Canberra. It is these councils that have the greatest interaction with the ACT in relation to education, health and jobs. We're working up a strategic plan for land use planning and infrastructure that:

- takes into account growth projections and gives us a better understanding of the infrastructure and service implications;
- gives guidance on sustainable development, so we can smoothly manage growth;
- develops agreed data sources to better inform planning; and
- lets us negotiate a fair distribution of the costs of infrastructure.

Premier O'Farrell and I hope to be able to release the work plan for achieving all this shortly.

The plan that comes out of all this work will not be prescriptive, nor will it detail preferred sequencing. What it will do is ensure informed discussion across the border.

Finally, in relation to the service delivery priority, the ACT and NSW governments are already working on a coordinated program for infrastructure and service investments and looking closely at transport corridors and networks. A joint Health working group has been set up to develop an Options Paper on Regional Health Services and the ACT is now represented on a number of planning projects being pursued by NSW health authorities.

In relation to education, I understand officials from the two education agencies recently met to scope out a work program.

Good data will deliver good, evidence-based policy. We need a common and agreed information base on regional demographic trends. The ACT Government is reviewing its own methods of data collection and geo-coding. The release of the 2011 census data will also help inform some of this work.

We all know that good infrastructure is a driver of economic growth as well as quality of life.

The ACT publishes an annual Infrastructure Plan that sets out our priorities for the next 10 years. This lets us establish a schedule that links the infrastructure priorities detailed in our annual budget with our longer-term infrastructure objectives.

A big project right now is the Majura Parkway – an important piece of infrastructure not just for Canberra but for the region, linking the Monaro and Federal Highways and creating a crucial new freight corridor. It's a \$288 million road, which we are jointly funding with the Commonwealth.

The NBN roll-out is still in its early stages, but I think it too will become a really significant piece of regional infrastructure down the track – particularly in the delivery of e-health services and economic development.

The Canberra Airport is another critical piece of infrastructure. I know that Stephen Byron, Managing Director of the Airport, is addressing you later this morning, so I'll just stress the *regional* importance of allowing the airport to fulfil its destiny – and therefore the importance of limiting residential development under existing or future flight paths.

A reliable road network is possibly the single greatest piece of infrastructure that can unite or divide the people of a region — as we've had recent proof, with the disruptions caused by landslides on the Clyde and Brown Mountains.

We'll always have such incidents, of course, but I do believe that a collective and collegiate approach to a safe and reliable road network can deliver us better road infrastructure than we currently enjoy. And that will mean greater productivity, greater amenity, less congestion and a lower death and injury toll.

The ACT has been working particularly closely with our immediate neighbours in Queanbeyan in relation to roads and transport more generally – including public transport links – and this work has now been rolled into the MoU workplan.

So you can see that we've been going at a cracking pace since I saw you a year ago – most particularly in the six months since the MoU was signed.

There's some real momentum and some genuine and productive dialogue happening on an array of cross-border issues.

Keeping the channels of communication open is vital. But equally vital I think, in the period ahead, will be learning to speak with a regional voice, learning to articulate regional needs and regional concerns, and to pursue regional opportunities.

Speaking as in excess of half a million people will give us a weight and a forcefulness we cannot muster alone, as individual communities, separated by distance and state boundaries.

Thank you for the opportunity to join you this morning. I'd be happy to take some questions.

ENDS