

The operation, effectiveness, and consequences of the Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities)

Order 2016
March 2017



CENTRAL NSW
COUNCILS



Centroc's Mission is to be recognised as the lead organisation advocating on agreed regional positions and priorities for Central NSW whilst providing a forum for facilitating regional co-operation and sharing of knowledge, expertise and resources; effectively nurturing sustainable investment and infrastructure development.

www.centroc.com.au

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Senate Finance and Public Administration Committees
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To Whom It May Concern

Central NSW Councils (Centroc) represents over 200,000 people covering an area of more than 50, 000 sq kms comprising the Local Government Areas of Bathurst, Blayney, Cabonne, Cowra, Forbes, Hilltops, Lachlan, Lithgow, Oberon, Orange, Parkes, Upper Lachlan, Weddin, and Central Tablelands Water.

It is about the same size as Tasmania with half the population and a similar GDP.

Centroc's vision is to be recognised as vital to the sustainable future of NSW and Australia.

Its mission is to be recognised as the lead organisation advocating on agreed regional positions and priorities for Central NSW whilst providing a forum for facilitating regional cooperation and sharing of knowledge, expertise and resources.

Centroc has two core objectives:

1. Regional Sustainability - Encourage and nurture suitable investment and infrastructure development throughout the region and support members in their action to seek from Governments financial assistance, legislative and/or policy changes and additional resources required by the Region.
2. Regional Cooperation and Resource Sharing – Contribute to measurable improvement in the operational efficiency and effectiveness of Member Councils through facilitation of the sharing of knowledge, expertise and resources and, where appropriate, the aggregation of demand and buying power.

The Centroc Board is made up of the 28 Mayors and General Managers of its member Councils who determine priority for the region. These priorities are then progressed via sponsoring Councils. For more advice on Centroc programming and priorities, please go to our website <http://www.centroc.com.au>.

Thank you for the opportunity to provide feedback to the operation, effectiveness, and consequences of the Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016. We applaud the commitment from the Government for Regional and Rural Australians.

We understand the terms of reference to be:

- a. the process leading to the making of the order;
- b. the policy of relocating corporate Commonwealth entities with agricultural policy or regulatory responsibilities, including:
 - i. the identity of corporate Commonwealth entities that could be affected,
 - ii. the policy's effect on the ability of affected entities to perform their functions, and
 - iii. economic, environmental and capability implications of the policy;



- c. the application of this policy to the Australian Pesticides and Veterinary Medicines Authority, including:
 - i. the plan for relocation;
 - ii. the ability of the Australian Pesticides and Veterinary Medicines Authority to perform its functions from its new location, and any consequent risks to:
 - A. human and animal health;
 - B. productivity and profitability to the agriculture and fisheries sectors;
 - C. chemical industries; and
 - D. Australia's trading reputation;
- d. any other related matters.

Centroc members are more than enthusiastic about outcomes focussed policy for decentralisation adopted by the Federal Government and would very much like to be part of the development and implementation of solutions.

Centroc members provide feedback that any decentralisation being undertaken is too little, not strategic and counter-balanced by "anti" regional efforts, for example, rationalisations of staffing of State agencies where Trade and Investment is a notable example for this region.

The relocation of Government agencies to regional locations is an initiative that should be pursued as it can result in agencies being more synergistically located to their portfolio area and additionally lead to a significant increase in employment opportunities. Communities such as Orange, Lithgow and Bathurst have benefitted in the past from the decentralisation of Government Agencies and can provide advice on lessons learnt. These have not only provided opportunities for local job creation but have also encouraged the relocation of families from metropolitan areas with the flow on benefits to these communities.

Members maintain that it is crucial that such relocations are based on an equitable distribution that leads to improvements across all areas of the nation and does not restrict growth to the larger regional centres. Of note is the stripping from smaller towns in the region of agencies such as the NSW Government's Catchment Management Authority offices from our towns while larger inland centres such as Dubbo benefit from the relocation of the Crown Lands' office. Surely the point of Government Agency relocation is that they relocate from Sydney, Canberra and other metropolitan areas and not from smaller regional centres to larger regional centres.

Centroc would recommend that effort be undertaken in aligning of local, regional, state and federal efforts on decentralisation to enable regional development. In our view, the structures, delegations and resourcing need to be in place for any meaningful population movement to occur. This is why we support Zonal Taxation.

Currently any effort is disparate and ultimately an opportunity lost. There is good reason to move in a more focussed and strategic direction leveraging a place based approach to regional development as outlined in the recent Regional Australia Institute Report, Deal or No Deal:

For every additional 100,000 Australians who choose to live in small cities rather than the capital cities, the RAI estimates that around \$42 billion dollars is be released into the economy over the next 30 years through reduced interest payments on mortgages alone. Released back into the consumption economy, this is would represent a considerable national economic stimulus.

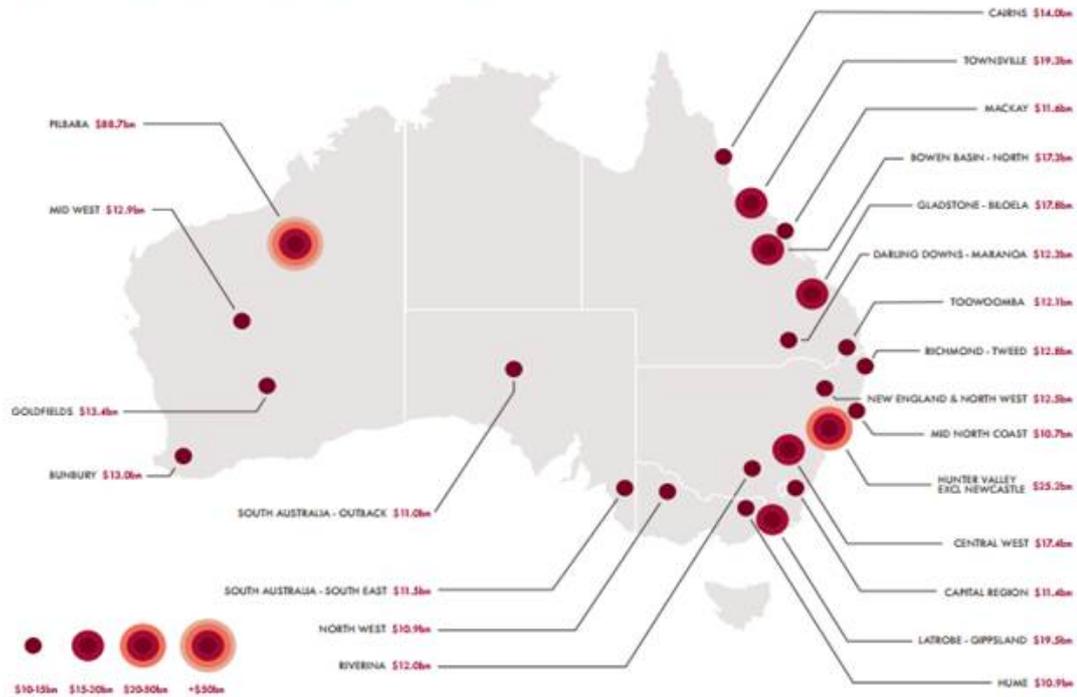
Small city growth can also play a role in reducing congestion problems in Australia's major cities. The avoidable cost of congestion in Australia's capital cities was \$16.1 billion in 2010. This takes into account both the value of private and business time, as well as vehicle operating costs and air pollution costs.

We are very proud of our region, its people, its seasonality and its livability and would be keen to work with the Federal Government on achieving the triple bottom line outcomes identified by the Regional Australia Institute through decentralisation.

Infrastructure Australia, in their 2015 Audit, provided advice that Central NSW will be one of the 7 top contributors to GRP in 2031. ¹

¹ Infrastructure Australia Audit, 2015

Figure 4.1: Projected gross regional product for major regional centres in 2031



Source: Australian Infrastructure Audit, 2015

For more detail regarding Central NSW please go to <http://www.rdacentralwest.org.au/projects-services/invest-central-nsw/>

Our region welcomes the opportunity to be part of any relocation efforts by the Federal Government. We have significant economic drivers in health, education, transport and agriculture that lend themselves to the relocation of targeted government departments and entities. Of note is our settlement pattern and collaboration which lends itself to the region as a whole supporting a variety of opportunities for decentralisation. We welcome the opportunity to discuss this further with you where we see the relocation of government agencies as only part of a wider solution that can add value to the nation and its people.

Yours sincerely,

Cr John Medcalf
Acting Chair
 Central NSW Councils (Centroc)