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**SUBMISSION TO NEW SOUTH WALES DEPARTMENT
OF PLANNING AND ENVIRONMENT**

**DRAFT REGIONAL PLANS: CENTRAL WEST AND
ORANA, RIVERINA-MURRAY**

Charles Sturt University

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Terms of Reference

In May 2016, the New South Wales (NSW) Department of Planning & Environment (DPE) released a series of draft regional plans for NSW. According to DPE:

“Regional plans are being developed to plan for our future population’s needs for housing, jobs, infrastructure and a healthy environment.

The NSW Government is transforming the system of local government to ensure councils can deliver the quality services and infrastructure that communities deserve. This may impact some current council boundaries. Until this process is finalised, planning for regions and districts will continue to be developed based on existing council boundaries.”

Central West and Orana Regional Plan

ToR1: A growing and diverse regional economy.

ToR2: A region with strong freight transport and utility infrastructure networks that support economic growth.

ToR3: A region that protects and enhances its productive agricultural land, natural resources and environmental assets.

ToR4: Strong communities and livable places that cater for the region’s changing population.

Riverina-Murray Regional Plan

ToR1: A growing economy supported by productive agriculture and sustainable use of natural resources.

ToR2: Improved regional transport networks and utility infrastructure to support economic activity.

ToR3: Strong regional cities supported by a network of livable towns and villages that meet the community’s changing needs.

ToR4: A protected environment and a community resilient to natural hazards and climate change.

Summary

As Australia's largest regional university, with campuses and smaller sites across NSW and Victoria, CSU believes regional capitals play a vital role in the national economy. These centres are important communities for the continued economic and social growth and evolution of our nation.

Much of the national policy debate mistakes the lower relative growth rates of regional NSW compared to the capital cities as absolute decline, which whilst true in some smaller rural areas is not the case overall.

Coupled with the view that everything of value occurs in a major metropolitan, there is a risk of entrenching a self-fulfilling prophecy. A request for consideration of investment for regional centres is all too often classified as 'special pleading' when investment in capital cities is seen as economic common sense.

Australia's capital cities such as Sydney are now starting to experience the problems created by traffic congestion encountered some time ago in European cities and seeking to move the entire population to the CBDs of our capitals is not a viable option.

CSU believes the role played by regional economies and centres of business, industry and community needs to be highlighted.

Centrally, CSU is strongly of the position that regional capitals require an integrated policy approach that accounts for the disparate portfolios under which issues may fall.

Our response focusses heavily on the implications of higher education and research across our regions.

This ranges from the important role of higher education in providing the skilled, educated workforce needed for continued economic growth and industry development in rural and regional areas, to addressing ever present social and infrastructure issues created by an ageing population and changing demographics.

As an institution whose core activities require significant infrastructure, as well as the utilisation of state of the art technologies, CSU considers the need for increased investment in regional infrastructure, as well as the challenges this presents, critical to the sustainability of regional NSW.

Charles Sturt University

Charles Sturt University (CSU) is Australia's largest regional university, with more than 39,000 students and approximately 2,000 FTE staff. Established in 1989, the University traces its roots to the formation of the Bathurst Experimental Farm and Wagga Wagga Experimental Farm in the 1890s. In one form or another, research, innovation and education has been integral to the University's character and mission for more than a century.

CSU is a unique multi-campus institution with campuses at Albury-Wodonga, Bathurst, Canberra, Dubbo, Goulburn, Manly, Orange, Parramatta, Port Macquarie and Wagga Wagga, as well as various study centres.

The University's commitment to the development and sustainability of rural and regional Australia is informed by the unique research focus undertaken, and the partnerships it has formed with each of its campus' local communities, local industry, and with the broader regions it serves.

CSU offers a comprehensive suite of research and academic training programs that focus on addressing rural and regional labour market needs, growing regional economies, and preparing students for the jobs of the new economy through rural and regional Australia.

As one of Australia's largest online and distance education providers, CSU has been able to leverage its course profile and special expertise in professional education to deliver nationally available study programs supporting labour market skills development regardless of student location.

Our rural and regional focuses, as well as strength in online and distance education, positions CSU as a leading institution in providing higher education opportunities to first-in-family applicants, mature aged students, as well as those from disadvantaged backgrounds.

The success of the University is demonstrated by its sector-leading performance in work-integrated learning, graduate employment and graduate incomes. Underpinning this success is the close links that the University has forged with industry, both regionally and nationally.

For example, the University is internationally recognised as a leader in work-integrated learning with students spending extended periods in employment with our industry partners as part of their degree learning and applying their knowledge in practice.

Research excellence, with a strong commitment to addressing the complex regional needs through innovation, has long been at the centre of CSU's mission.

As evidenced by the recent Excellence in Research for Australia results (ERA 2015), Charles Sturt University is recognised internationally for competitive research strengths in agricultural science, horticultural production, food and wine sciences, crop and pasture

production, veterinary science, animal production, education, curriculum and pedagogy, environmental science, applied ethics, philosophy, religious studies, criminology, nursing and marketing.

The University's researchers work in consultation and collaboration with end-users, industry, the professions and communities for the public good.

CSU has a proud tradition of delivering high-quality research that creates new knowledge, benefits people's lives, enhances the profitability of regional industries and helps communities grow and flourish. Through its Higher Degree by Research programs, CSU is training the next generation of researchers and professionals who use critical thinking and seek to influence the world for the better.

The recently announced AgriSciences Research and Business Park, to be located on the Wagga Wagga campus exemplifies our industry focus. The AgriSciences Research and Business Park will facilitate industry engagement and collaboration, economic growth, wealth creation, employment and skills development.

Success will be evidenced by the recognition of Wagga Wagga as a world-standard centre for agricultural innovation, research and development, extension, education and training.

Today, CSU continues a 100-year tradition of engagement and leadership with our local communities, of research and innovation in collaboration with industry, expansion in the educational opportunities offered to our diverse student body, and preparing students for employment markets emerging with the evolution of regional and the national economy.

Role of Higher Education in Regional NSW

Australia's higher education sector is one of the nation's major economic drivers. As outlined in the Federal Government's recently released paper titled "Driving Innovation, Fairness and Excellence" the sector is recognised as critical to the future of Australia's industry, businesses and families.

"It is key to enhancing equality and delivering social and economic mobility for generations of Australians. It transforms lives and provides people with the skills and opportunities to engage in a modern economy. It is a key source of innovation for business and industry, central to Australia's successful economic transition and a valuable export"

It is also noted by the Federal Government that supporting regional universities is an important element, and the presence of university campuses in regional Australia and other areas are important equity measures.

In responding to the Department's call for submissions relating to the future of planning needs in NSW, CSU notes that the draft plans for both Orana/Central West and Riverina/Murray need to consider the role of regional universities in a holistic manner.

Indeed, future planning needs to take into consideration the opportunities that universities bring to the regions, including:

- Enhancing access to employment.
- Enhancing skills development and training.
- Leadership role played by universities in advocating on behalf of regions.

At present, CSU generates almost \$1 billion in annual flow-on regional economic output to those locations in which we operate, with a university multiplier effect of \$4.75 for every \$1 of CSU activity.

CSU's out of state student load, currently at a little over 8,000, leads to more than \$60 million in income for our regions annually.

Furthermore, the above figures do not account for the capacity building that investment in CSU leads to. For example, graduates from CSU's dentistry degree have recently set up an additional dental clinic in Orange, where the CSU school is based.

Similarly, CSU pharmacy graduates have established a number of pharmacies across regional NSW. Such entrepreneurial ventures themselves generate economic activity, increase local employment and have resulting social infrastructure benefits to the communities, none of which is captured by those figures presented. This stems from an initial investment in CSU.

However, at both a state and federal level, current funding for regional capitals, and specifically for regional higher education, does not take into account such flow-on.

Instead, it remains focused on the primary purpose/outcome. Rather than viewing investment in higher education for regional capitals, such as CSU, as an investment in regional development, the expansion of regional economies and the evolution of regional social and human capital infrastructure, it merely sees it as an investment in education.

While CSU, and other regional universities, are educational institutions, we play a significant role not properly acknowledged by current funding provision, nor vision for that funding.

Regional Demographics

The changes in demographics CSU has experienced across its footprint, and more broadly throughout Australia, has been marked by its variability – with different consequences and issues for different regions and communities.

Perhaps uniquely, CSU has experienced these demographic trends in both regional coastal areas with significant growth rates, as well as traditional inland agricultural areas, which have seen shrinking populations gravitate away from smaller townships and towards larger population centres.

Our comments on how these demographic trends may impact upon the regions with our footprint are drawn from these experiences.

As throughout Australia, regional NSW is experiencing an ageing population.

As borne out by data from the Australian Bureau of Statistics, this has been driven by a number of factors.

In regional coastal areas, such as Port Macquarie where CSU has its newest campus, this is at least partially the result of the sea change phenomenon, with people relocating from suburban Sydney and other metropolitan areas to Port Macquarie in retirement.

However, in more inland areas this ageing population is also the result of the consistent flow of teenage and working aged individuals to metropolitan areas, as well as large regional centres, in search of both academic and economic opportunities.

Notably, despite this ageing population in regional capitals across NSW, the total population continues to grow strongly.

As the Grattan Institute notes, already concentrated population centres, including Wagga Wagga, Bathurst, Albury, Orange and Dubbo have continued to see consistent population growth.

Such regional capitals continue to urbanise and evolve as new residents transform the social face of the local community.

However, it has been CSU's experience that a significant portion of this growth stems from the decline and even death of numerous rural townships and isolated areas. Where once such rural townships may have had a population in the hundreds, this has dwindled as residents relocate to larger population centres seeking increased economic opportunity, as well as access to better health, education and social services.

These changes have dramatic implications for the changing role of regional cities and centres.

Increasingly, regional centres must be viewed as economic drivers of both the NSW, and more broadly, the Australian economies.

However, such a view must account for the diversification of the economies of regional capitals.

Rather than regional economies driven by only one or two industries, often agriculture, now regional centres have a vast and varied economic base.

This focus must also be balanced by accounting for the rise in retired residents who have additional needs and requirements, quite apart from such an economic-centred view.

Accounting for both elements, the changing role of regional capitals necessitates considerations of the infrastructure, economic, educational and human capital requirements to ensure continued growth.

Disruption, Innovation and Entrepreneurial Eco-system

Any expansion of NSW's trade economy and opportunities for increased exports relies on improved skills and labour markets. Partnerships between universities and industry in research and innovation can help to drive this.

This is especially the case in regional and rural NSW, which on average suffer higher unemployment and lower wages compared to metropolitan centres. Rural and regional universities are key to addressing such needs, and propelling regional and rural employment markets.

In responding to the Department, CSU notes that the plans do not fully address the immediate and longer-term impacts of disruption within the economy. There is little discussion of the need to encourage innovation and the development of entrepreneurial ecosystems as part of its vision for the regions within the University's footprint and across the State more broadly.

From its creation, CSU has sought to focus on education and research in fields and disciplines that provide the intellectual capital amongst graduates required by industry in our regions.

Working in collaboration with industry, we have targeted our course offerings and research training at meeting such shortfalls, and ensuring students are prepared for the job market and have strong outcomes.

Measuring the impact of CSU alone, we are responsible for the employment of more than 2,000 FTE positions, gross regional product of more than \$800 million annually across our sites, and income of just under half a billion dollars.

However, the impact of regional universities and their ability to overcome economic and labour challenges go beyond the straight statistics of institutions' own employment and contribution levels.

Annually, more than 70 per cent of CSU graduates from rural and regional areas remain employed and living in rural and regional areas, with significant flow on economic impact including economic consumption, local rates and taxes, and other activities.

As CSU argued in its submission to the Senate Standing Committee on Rural and Regional Affairs and Transport Inquiry into the Future Role and Contribution of Regional Capitals to Australia, one of the major barriers to expansion of industry, and realisation of economic potential is limited access for industry to human capital with required skills and training.

Rural and regional universities are at the forefront of research and innovation, with strong industry linkages, and outcomes. These have grown rural and regional industry as well as playing an important role in the general economic expansion of regional economies.

Though barriers continue to exist in terms of infrastructure and geography, numerous advantages also exist such as cost and other associated benefits.

However, continued work is required by the NSW and Commonwealth Government's to ensure rural and regional universities remain at the forefront of harnessing opportunities, overcoming challenges, and broadening regional economies hand-in-hand with the private sector and other partners.

CSU's new engineering degree, for example, is designed specifically to address local industry concerns and make use of innovative engagement with the private sector from the earliest possible point.

Given NSW and Commonwealth Government's focus on STEM skills, and the potential for these to drive export industry, CSU engineering combines the basic Bachelor of Engineering degree with a Master of Engineering in a streamlined structure, with all students undertaken alternating six-month placements within industry from 18 months into the program.

These placements, combined with continued online education, ensure graduates gain an understanding of what is required to work as an engineer, and drive innovative portions of the NSW economy, rather than only possessing a theoretical understanding of the subject matter.

Upon graduation these students will already possess an understanding of how to pitch business ideas, undertake and manage engineering projects, and other industry skills.

Given the strong track record of rural and regional universities, such as CSU, and the numerous varied opportunities in our local communities, CSU strongly supports policy outcomes and initiatives that recognise the work already being undertaken in rural and regional Australia, and support using those advantages inherent in a regional setting.

Such policies and outcomes are not about money or funding, but instead an acknowledgment and appreciation of the role played by rural and regional universities and their partners across the country, instead of a uniform view of the sector and its work based on metropolitan experiences.

CSU has also been working in partnership with the Department of Industry, Skills and Regional Development to expand entrepreneurial eco-systems that encourage the growth and development of employment and business opportunities across Orana/Centre West and Riverina/Murray.

CSU actively supports the NSW Government investment in encouraging innovation and entrepreneurial hubs. However any future regional plan must take into consideration the changing nature of the economic drivers within the regions along with new economic infrastructure required to address the needs of the new economy, including jobs, that will emerge from disruptive enterprises and industries.

Climate Change

There can be little question that Australia's changing environment has had, and will continue to have a major impact and effect on regional capitals, from both an economic and liability standpoint.

CSU notes that both regional plans prepared by the Department of Planning and Environment do not place significant importance on the impacts arising from climate change upon communities in the Orana/Central West and Riverina-Murray. Therefore, CSU recommends that the Department incorporate long term planning for the impacts of climate change on all regions across NSW.

As a leading university in the field of agricultural research, CSU has been at the forefront of addressing the devastating effects of prolonged drought, as well as subsequent flooding and other associated natural catastrophes.

These events continue to cause substantial economic pain and community suffering across regional capitals in Australia, where previous fertile and productive land increasingly yields fewer and less predictable crop cycles, and is unable to sustain levels of livestock previously relied upon to support families and communities.

Similarly, the changing timing of climatic temperatures and seasons has had a major impact on crop cycles, not only with traditional agricultural crops, but also in the production of grapes for wine, and other important growth sectors for regional economies in NSW.

Moreover, such changes to water availability also pose a significant threat to the viability of growing regional capitals, and require investment in significant infrastructure.

These potential impacts and consequences of Australia's and NSW's changing environment and climate highlight the necessity of continued investment in environmental research to address the problems, as well as develop solutions that secure the future of NSW's regions and industries, including agriculture.

CSU's Institute for Land, Water and Society is at the forefront of research into the effects of climate change and changing rainfall patterns on regional Australia, and how regional Australia, including regions, may adapt to ensure continued economic prosperity without the environmental cost.

Without such research however, and significant investment to support its work, regions across NSW will be substantially less prepared to adapt and cope with the impact of climate change and the changing environment.

Cross Border Issues

As outlined previously in this submission, CSU's footprint crosses both NSW and Victoria. We have invested heavily in a campus in Albury-Wodonga which provides a broad range of higher education opportunities to communities on both sides of the Murray River.

In 1989, the Charles Sturt University Act brought together the Riverina Murray Institute of Higher Education and the Mitchell College of Advanced Education to form Charles Sturt University. The Albury-Wodonga Campus became one of the three foundation campuses of CSU, along with Bathurst and Wagga Wagga.

In examining the Department's plan for various regions across NSW, it is critical that future planning take into consideration cross border issues, opportunities and challenges.

As an institution that works across borders, CSU believes that government must develop and support a resilient cross border community that incorporates Albury-Wodonga.

Indeed, a greater emphasis must be placed on the issues confronting communities that are located on our borders.

CSU notes that the Office of the NSW Cross Border Commissioner was established to assist businesses, organisations and individuals who live, work and operate in cross-border areas of NSW by helping to connect them to the most appropriate agency to ensure their issue is addressed.

As part of its role, the Office of the NSW Cross Border Commission has developed a Business Plan 2015-2018 with the goal to:

“[M]aximise the opportunities for business and communities in NSW cross-border areas by enabling more effective delivery of NSW Government functions and services, and by ensuring that legislative, regulatory or policy impediments to business, economic and social development are appropriately addressed”.

In looking towards the future, CSU encourages the Department to incorporate into its proposed Regional Plan for Riverina/Murray the ongoing needs of communities that are spread across the border.

We believe that the strategic framework established by the Office of the Cross Border Commission to support the identification, analysis, consideration and resolution of issues which impact on those who live, work and operate across our state borders provides a starting point for the Riverina/Murray Plan.

This includes:

- Identifying key barriers and enablers for economic development in cross-border areas to ensure economic development and business needs are considered in the development of legislation, regulation and policy.
- Enhancing NSW Government regional leadership, senior management and local government networks to consider and resolve appropriate cross-border issues
- Advocating for a common approach to regulation in cross-border areas, including measures to improve cross-border labour mobility.

Conclusion:

Charles Sturt University is pleased to make this submission to the Department of Planning and Environment about the future needs of regions across the State.

This policy process provides a special opportunity to contribute to the assessment and industry, business and community needs in diverse area that extend across the entire State.

Charles Sturt University would be delighted to provide additional information to the Department to support their submissions.