



Legislative Assembly of New South Wales

# Legislative Assembly Committee on Investment, Industry and Regional Development

Report 1/57 – June 2020

Interim report into support for drought affected communities in NSW



New South Wales Parliamentary Library cataloguing-in-publication data:

**New South Wales. Parliament. Legislative Assembly. Committee on Investment, Industry and Regional Development.**

Interim report into support for drought affected communities in NSW / Legislative Assembly, Committee on Investment, Industry and Regional Development [Sydney, N.S.W.] : the Committee, 2020. 1 online resource (68 pages). (Report / Committee on Investment, Industry and Regional Development ; no. 1/57-June 2020)

Chair: Justin Clancy, MP.

ISBN 9781921012907

1. Drought—Government policy—New South Wales.
2. Drought relief—New South Wales.
3. Drought management—New South Wales.
  - I. Clancy, Justin.
  - II. Title.
  - III. Series: New South Wales. Parliament. Legislative Assembly. Committee on Investment, Industry and Regional Development. Report ; no. 1/57

363.349 29 (DDC22)

# Contents

Membership _____	iii
Chair’s foreword _____	iv
Findings and recommendations _____	vi
<b>Chapter One – Town water security _____</b>	<b>1</b>
The impact of water on the quality of life in regional and rural communities _____	1
The need for a strategic and coordinated approach to inform and engage with local communities _____	2
Financial sustainability of local water utilities _____	3
Smarter water usage _____	5
Uniform water restrictions _____	6
Water Infrastructure _____	7
Guidelines and approval processes for the management of water _____	7
<b>Chapter Two – Current drought support _____</b>	<b>10</b>
Feedback on current support _____	11
The need for a single portal of information _____	13
Co-ordination between levels of government _____	14
<b>Chapter Three – Support for business _____</b>	<b>17</b>
The benefits of buy-regional campaigns and promotion of regional tourism _____	17
Business and industry diversification _____	19
Training and mentoring for businesses _____	20
Fast-tracking of infrastructure projects and local tendering for government projects _____	21
Payroll tax reform _____	23
<b>Chapter Four – Training and education _____</b>	<b>25</b>
The importance of Vocational Education and Training to rural communities _____	25
Role of regional universities _____	27
Support for education costs _____	28
<b>Chapter Five – Mental health concerns _____</b>	<b>30</b>
Empowering local communities _____	30
Providing hope for the future _____	31
Ensuring the availability of mental health services _____	33
Cultural and emotional significance of rivers _____	34
<b>Chapter Six – Other issues _____</b>	<b>36</b>
Twinning of metropolitan and regional councils _____	36
Continuation of drought support _____	38

Appendix One – Conduct of inquiry	40
Appendix Two – Submissions	42
Appendix Three – Witnesses	45
Appendix Four – Extracts from minutes	46

# Membership

<b>Chair</b>	Mr Justin Clancy MP, Member for Albury
<b>Deputy Chair</b>	Mr Peter Sidgreaves MP, Member for Camden
<b>Members</b>	Mr Clayton Barr MP, Member for Cessnock Ms Steph Cooke MP, Member for Cootamundra Mr Phil Donato MP, Member for Orange Mr David Harris MP, Member for Wyong Mr Geoff Provest MP, Member for Tweed
<b>Contact details</b>	Legislative Assembly Committee on Investment, Industry and Regional Development Parliament House 6 Macquarie Street SYDNEY NSW 2000
<b>E-mail</b>	<a href="mailto:investmentindustry@parliament.nsw.gov.au">investmentindustry@parliament.nsw.gov.au</a>
<b>Website</b>	<a href="http://www.parliament.nsw.gov.au/investmentindustryandregionaldev">www.parliament.nsw.gov.au/investmentindustryandregionaldev</a>

## Chair's foreword

I am pleased to present this interim report for the Committee on Investment, Industry and Regional Development's inquiry into support for drought affected communities in New South Wales.

As I write this foreword, I vividly recall speaking with Ross Edwards in Henty during the height of the drought. Ross was preparing what would be his final speech as Chair of the Henty Machinery Field Days. He told me of how he wanted to speak of hope, of the great ingenuity and resourcefulness of Australian farmers. Ross' words continue to resonate with me and was a theme in a number of submissions.

Over several years now our regional communities have been confronted by prolonged drought. We have had welcome rain across large parts of the state in the first half of 2020. We recognize that there are areas that have not had these rains, and that even where there has been rain there are challenges with cash flow, and the understanding that a season is not complete until it's in the silo. The drought is not over and we want to ensure communities still struggling with the impacts of drought that they are not forgotten.

The Committee commenced this inquiry in September 2019 at a time when the impacts of the current drought were being acutely felt across New South Wales. This drought is one of the most severe in our State's history and it was important to the Committee to examine what support our communities need now while experiencing drought and, importantly, what support is needed to recover and prepare for the future.

This interim report is a first step in the Committee's inquiry. Since the commencement of the inquiry particular events have altered the Committee's inquiry process and planned activities. Measures introduced to deal with the coronavirus pandemic prevented the Committee from visiting parts of New South Wales it wanted to. It also presented challenges in speaking firsthand with stakeholders impacted by drought. Despite this interruption it was important to the Committee to report on issues raised to date through submissions and the two virtual hearings conducted in May.

The recommendations and findings in this report are based on issues raised in submissions, evidence obtained at our virtual hearings and information provided from speaking with community members from Orange and Guyra. They aim to address some of the preliminary concerns and issues raised including: the reliability and financial sustainability of town water supplies; eligibility of certain drought assistance programs; and measures to promote resilience and diversity. I take this opportunity to note that in respect of water, this inquiry is limited to discussing the capacity and coordination of town water supplies. Wider issues concerning the management and sharing of water are not within this inquiry's terms of reference.

Of particular concern to the committee and raised in this report is the detrimental impact drought has on mental health. We heard that financial hardship is leading to increased stress, homelessness, family breakdown, anxiety, depression and drug and alcohol abuse. This is an area which the Committee is keen to focus on moving forward.

On behalf of the Committee I extend our gratitude to the individuals and organisations that made submissions, gave evidence at the Committee's virtual hearings and shared their experiences with us. Your contributions have been extremely valuable in helping us understand the issues and formulate our recommendations.

I'd like to thank my colleagues, the Deputy Chair, Mr Peter Sidgreaves MP, Mr Clayton Barr MP, Ms Steph Cooke MP, Mr Phil Donato MP, Mr David Harris MP, and Mr Geoff Provest MP for their dedication to the work of this Committee and their support for this inquiry. It is a privilege to Chair a committee where there is such a sense of bipartisanship and passion for our regional communities.

Finally, I'd like to thank the Committee staff for their work in this initial stage of the Committee's inquiry. I commend the report.

**Justin Clancy MP**

Chair

## Findings and recommendations

### Finding 1 \_\_\_\_\_ 1

The Committee finds that access to reliable town water supplies is fundamental to building the resilience of regional and rural communities against significant drought events and other natural disasters.

### Finding 2 \_\_\_\_\_ 3

The Committee finds that financial sustainability of local water utilities is fundamental to both surviving the drought and building resilience against future events.

### Recommendation 1 \_\_\_\_\_ 3

The Committee recommends that a review be conducted into existing NSW Government support to local water utilities to assess its effectiveness in:

- providing reliable town water supplies to rural and regional communities; and
- in ensuring the long term financial sustainability of local water utilities.

### Recommendation 2 \_\_\_\_\_ 6

The Committee recommends that the NSW Government conduct a review into whether a standardised system of water restrictions should be implemented in New South Wales.

### Finding 3 \_\_\_\_\_ 7

The Committee finds that the guidelines and approval processes for existing water management programs are complex and restrictive.

### Recommendation 3 \_\_\_\_\_ 8

The Committee recommends that a review be conducted into the Integrated Water Cycle Management guidelines and section 60 of the *Local Government Act (NSW)* approval process with a view to removing duplication and improving timeliness.

### Recommendation 4 \_\_\_\_\_ 11

The Committee recommends that with regard to funding programs:

- the NSW Government encourage the Commonwealth Government to consider extending the Farm Household Allowance eligible time period from 4 years to 6 years; and
- the NSW Government encourage the Commonwealth Government to review the timeframes for the delivery of projects under the Drought Communities Program; and
- the Rural Assistance Authority review guidelines to ensure that off-farm income does not unfairly impact on eligibility for assistance.

### Recommendation 5 \_\_\_\_\_ 11

The Committee recommends that the NSW Government encourage the Commonwealth Government to consider allocating additional funds to the Emergency Water Infrastructure Rebate Scheme to extend the program.

Finding 4 \_\_\_\_\_ 13

The Committee finds that a single portal of information that identifies all available drought assistance across levels of government is highly desirable to support rural and regional communities access what is available to them.

Finding 5 \_\_\_\_\_ 14

The Committee acknowledges the work currently being undertaken by the Commonwealth and State Governments to improve coordination between all levels of government in the development of drought recovery and resilience strategies. However, gaps in coordination have been identified during this inquiry and we hope the current collaborative approach is ongoing.

Finding 6 \_\_\_\_\_ 14

The Committee finds that local government is a key resource for the Commonwealth and State Governments to use to deliver drought relief programs.

Recommendation 6 \_\_\_\_\_ 14

The Committee recommends that the NSW Government fund the establishment of resilience officers (drought and recovery) at the regional level.

Finding 7 \_\_\_\_\_ 17

The Committee finds that anecdotally buy-regional campaigns are an effective tool in supporting and promoting regional businesses, especially through periods of drought.

Recommendation 7 \_\_\_\_\_ 17

The Committee recommends that Destination NSW continues its campaign to promote regional NSW as a destination for tourists and events.

Finding 8 \_\_\_\_\_ 20

The Committee finds that the NSW Small Business Commission's Business Connect program has been a positive and welcomed program and support its planned expansion.

Recommendation 8 \_\_\_\_\_ 20

The Committee recommends that the NSW Small Business Commission develop a campaign to promote its resources and support services to regional business communities.

Finding 9 \_\_\_\_\_ 25

The Committee finds that access to adequate Vocational Education and Training (VET) is essential for rural communities to maintain skilled workers in their communities and provide opportunities to diversify.

Recommendation 9 \_\_\_\_\_ 27

The Committee recommends that the NSW Government consider ways to include support for regional universities when preparing drought assistance programs.

Recommendation 10 \_\_\_\_\_ 28

The Committee recommends that the Minister for Transport amend the eligibility requirements for the School Drive Subsidy to include pre-school children who live in an area that is classified as outer regional, remote, or very remote.

Finding 10 \_\_\_\_\_ 36

The Committee finds that friendship relationships between metropolitan and regional councils are a positive initiative that can provide shared benefits for all parties.

# Chapter One – Town water security

- 1.1 The current drought is regarded as one of the most significant economic challenges for rural and regional communities, bringing growth and economic development to a halt. The nature of the drought is unprecedented and communities have either reached, or are fast approaching, their limits of resilience. According to one Council, the key to surviving drought is resilience and the key to resilience is water.<sup>1</sup>
- 1.2 This Chapter examines the impact that the lack of town water has on regional and rural communities and canvasses preliminary thoughts on what measures could assist communities recover and prepare for future drought events.

## The impact of water on the quality of life in regional and rural communities

### Finding 1

**The Committee finds that access to reliable town water supplies is fundamental to building the resilience of regional and rural communities against significant drought events and other natural disasters.**

- 1.3 Over 1.8 million people throughout rural and regional NSW – approximately 30% of the State – rely on local water utilities for their water and sewer services. Despite many town water supply systems being designed to be drought-proof, the severity and rapid onset of this drought saw storage levels throughout the State rapidly plummet, with some water supplies nearly exhausted.<sup>2</sup>
- 1.4 The importance of water to regional and rural communities was emphasised by many inquiry participants:
- water storage is not about more water, it's about having more reliable water which underpins regional growth. The reliability of water supply is a major factor in having the confidence to plan ahead, invest and run a profitable business;
  - water is not only vital for a town's economic viability but is also at the heart of social and cultural life, which is gone when the river runs dry;
  - local rivers and land now subject to drought are of vital cultural importance to first nation communities.<sup>3</sup>
- 1.5 Mr James McTavish, NSW Cross Border Commissioner and NSW Regional Town Water Supply Coordinator, commented on the unprecedented nature of this drought indicating that the impact on communities in New South Wales has

---

<sup>1</sup> Submission 62, Moree Plains Shire Council, p 1

<sup>2</sup> Submission 74, Local Government NSW p 12

<sup>3</sup> Submission 18, Central NSW Joint Organisation, p 7; Submission 42, Western NSW Community Legal Centre, p 8

been enormous, with many parts of the State experiencing issues of water availability and quality that have not been experienced previously.<sup>4</sup>

- 1.6 Some submissions acknowledged the work of the NSW and Commonwealth Governments in providing technical and financial assistance to local water utilities to help meet the cost of emergency capital works, water carting and major water infrastructure solutions, such as new dams.<sup>5</sup> Other submissions, however, expressed the view that current government policies relating to the allocation of water and the use of stormwater and recycled waste water are impediments to building resilience in communities.<sup>6</sup>
- 1.7 Several submissions also commented that healthy local river systems and land are of vital cultural importance to indigenous communities. We were told that first nation people were reluctant to leave their community when there is no water, resulting in high rates of unemployment, general poverty, widespread depression and suicide.<sup>7</sup>

### **The need for a strategic and coordinated approach to inform and engage with local communities**

- 1.8 Local Government NSW (LGNSW) submitted that there needs to be real engagement, collaboration and partnership with local government and their communities by the Commonwealth and State governments and recommended the establishment of a formal mechanism to facilitate local government input.<sup>8</sup>
- 1.9 Narrabri Council reported that shire towns and villages are already under enormous emotional and psychological burden due to ongoing drought conditions and uncertainty about water security increases this burden. Failure by the state and federal government to communicate with councils over planned infrastructure projects further demoralises an already vulnerable community.<sup>9</sup>
- 1.10 Northern Rivers Joint Organisation and RDA Northern Rivers echoed these views by commenting that councils in drought affected areas are increasingly having to bear additional costs and expenses associated with water supply to communities that are under water stress. A whole of government drought response with substantive, allocated and timely access to resources is critical.<sup>10</sup>
- 1.11 According to Charles Sturt University, the current drought has demonstrated that many local assumptions regarding minimum rainfall projections and maximum water storage requirements were severely underestimated. Planning

---

<sup>4</sup> Mr James McTavish, NSW Cross Border Commissioner and NSW Regional Town Water Supply Coordinator, Transcript of evidence, 15 May 2020, p 2

<sup>5</sup> Submission 18, Central NSW Joint Organisation, p 3; Submission 62, Moree Plains Shire Council, p 5; Submission 74, Local Government NSW, p 12

<sup>6</sup> Submission 9, New England Joint Organisation, p 3; Submission 12, Hay Shire Council, p 1; Submission 14, Goulburn Mulwaree Council, p 1

<sup>7</sup> Submission 20, Ms Adrienne Shilling, p 1

<sup>8</sup> Submission 74, Local Government NSW, p 4

<sup>9</sup> Submission 58, Narrabri Shire Council, p 8

<sup>10</sup> Submission 44, RDA Northern Rivers and the Northern Rivers Joint Organisation, p 6

will be required to ensure town water supply capacity through recycling opportunities such as storm water capture projects. However, a coordinated approach to water planning will be required, as one town's waste water recycling and storm water capture initiatives will reduce downstream flows to other cities, towns and communities.<sup>11</sup>

#### 1.12 Other participants in the inquiry called for:

- Commonwealth and State governments to form review panels, which would include representatives from farming groups, Local Government, small business and local communities to examine and analyse all programs and assistance measures provided by government and to make recommendations where these can be improved;
- development of a State preparedness plan in consultation with councils and communities;
- research into the impacts of drought and proven approaches to building resilience and preparedness; and
- a post mortem on lessons learnt from the drought on water management and emergency response to be held within one year and for councils have a seat at the table.<sup>12</sup>

## Financial sustainability of local water utilities

### Finding 2

**The Committee finds that financial sustainability of local water utilities is fundamental to both surviving the drought and building resilience against future events.**

### Recommendation 1

**The Committee recommends that a review be conducted into existing NSW Government support to local water utilities to assess its effectiveness in:**

- **providing reliable town water supplies to rural and regional communities; and**
- **in ensuring the long term financial sustainability of local water utilities.**

#### 1.13 Town water supplies, water quality and water restrictions are managed by council-owned local water utilities. Funding for town water is provided by the NSW Government through a range of programs including the:

- Safe and Secure Water Program;
- Emergency relief for regional town water supplies;

<sup>11</sup> Submission 48, Charles Sturt University, p 4

<sup>12</sup> Submission 18, Central NSW Joint Organisation, p. 7; Submission 74, Local Government NSW, pp 4-6, p 20

- Aboriginal Communities Water and Sewerage Programs;
- Water and Waste Water Backlog Program;
- Water Security for Regions Program; and
- Country Towns Water Supply and Sewerage Program.<sup>13</sup>

- 1.14 We were advised that if communities in regional NSW are to have equitable access to a sustainable water supply of suitable quality, a substantial investment by State and/or the Commonwealth Government in local water supply solutions will be required.<sup>14</sup>
- 1.15 Mr James McTavish, NSW Cross Border Commissioner and NSW Regional Town Water Supply Coordinator informed us that a number of communities have expressed concern about the financial sustainability of their local water utility. Some of these were linked to issues associated with depreciation. For example, the Cobar Water Board, where that depreciation is constraining their ability to invest in infrastructure.
- 1.16 Mr McTavish also indicated that local water utility drought preparedness and resilience of town water supplies has been highly variable.<sup>15</sup>
- 1.17 In their submission, RDA Northern Rivers and the Northern Rivers Joint Organisation said that the depreciation issue on water and sewer assets should be addressed with the State government accepting this responsibility. This would recognise community service obligations to fully fund upgrades for water and sewer for small communities. Financial assistance would enable local water utilities to bring forward their strategic planning and construction programs, provide long term drought mitigation and secure the water supply needs of their communities.<sup>16</sup>
- 1.18 Local Government NSW (LGNSW) also called for the NSW Government to acknowledge that it has a community service obligation to subsidise water and sewerage infrastructure and services in small rural and regional communities. LGNSW also expressed concern about the lack of consistent and timely information in the media on supply levels and drought mitigation measures. This, they argue, increases community anxiety and undermines confidence in local water utilities.<sup>17</sup>
- 1.19 A performance audit was undertaken by the NSW Audit Office in 2015 of the Country Towns Water Supply and Sewerage Program, administered by the then Department of Trade, Regional Infrastructure and Services.<sup>18</sup>

---

<sup>13</sup> NSW Government, Department of Planning, Industry and Environment, [Water & sewerage infrastructure programs](#), viewed 31 May 2020

<sup>14</sup> Submission 74, Local Government NSW, p 6

<sup>15</sup> Mr James McTavish, NSW Cross Border Commissioner and NSW Regional Town Water Supply Coordinator, Transcript of evidence, 15 May 2020, p 3

<sup>16</sup> Submission 44, RDA Northern Rivers and the Northern River Joint Organisation, p 6

<sup>17</sup> Submission 74, Local Government NSW, pp 6 & 11

<sup>18</sup> NSW Auditor-General, [Country towns water supply and sewerage program](#), viewed 31 May 2020

- 1.20 Following a restructure, the Department of Planning, Industry and Environment (DPIE) is now primary regulator and a significant infrastructure funder of local water utilities under the Safe and Secure Water Program and the Aboriginal Communities Water and Sewerage Program.<sup>19</sup>
- 1.21 We are aware that the NSW Auditor-General plans to undertake a performance audit in 2020 of how effectively DPIE has supported the planning and funding of town water infrastructure in regional NSW towns and cities.<sup>20</sup> We look forward to seeing the Auditor-General's report when it is tabled in Parliament.

### Smarter water usage

- 1.22 The need to encourage smarter water usage was raised in several submissions. For example, Cabonne Council commented that the current drought has exposed a deficiency in rural water supply delivery and the need to drought-proof rural towns. The Council called on the government to:
- increase infrastructure spending to expand the capacity of local water supplies;
  - investigate the construction of more water storage facilities;
  - provide funding for effluent re-use and storm water harvesting system; and
  - provide incentives for Local Government, industries and businesses to recycle water.<sup>21</sup>
- 1.23 This view was echoed by the New England Joint Organisation, who submitted that dwindling water resources across the New England North West Region and extremely dry vegetation combined to heighten the risks of the pending fire season. They called for the implementation of innovative fire-fighting strategies which minimise water usage.<sup>22</sup>
- 1.24 The NSW Regional Town Water Supply Coordinator advised that there is a substantial amount of work going on relating to wastewater re-use and water recycling. In regional New South Wales approximately 12 per cent of the total water supply is from a recycled water supply source. The Government would be looking to use wastewater as a resource more efficiently and effectively in future droughts.<sup>23</sup>
- 1.25 The NSW Government is also preparing 12 regional water strategies in partnership with water service providers, local councils, communities, Aboriginal

---

<sup>19</sup> NSW Government, [Water utilities](#), viewed 31 May 2020

<sup>20</sup> Audit Office of NSW, Water security: regional town water Infrastructure, [Regional town water infrastructure](#), viewed 30 May 2020

<sup>21</sup> Submission 33, Cabonne Council, p 4

<sup>22</sup> Submission 9, New England Joint Organisation, p 4

<sup>23</sup> Mr James McTavish, NSW Cross Border Commissioner and NSW Regional Town Water Supply Coordinator, Transcript of evidence, 15 May 2020, pp 3-4

people and other stakeholders across NSW which will align with other programs such as the Safe and Secure Water Program.<sup>24</sup>

1.26 However, several councils called for a total review of existing legislation, strategies and funding program guidelines and application processes. For example:

- Hay Shire Council argued that the current legislation and guidelines make it difficult to reuse water and other waste materials; and<sup>25</sup>
- long delays in the application process had been encountered when dealing with the Natural Resources Access Regulator.

1.27 Other submissions also called for increased funding to:

- investigate water re-use projects and stormwater harvesting;
- training and financial support to encourage local industries and businesses to become less water reliant through the use of water recycling;
- encourage business uptake of more sustainable water use; and
- enable communities to access new and innovative water technology such as hydro panels, particularly indigenous communities, and develop agro forestry systems to regulate water flow.

## Uniform water restrictions

### Recommendation 2

**The Committee recommends that the NSW Government conduct a review into whether a standardised system of water restrictions should be implemented in New South Wales.**

1.28 In New South Wales, the definition and enforcement of water restrictions is set by local governments. Cabonne Council submitted that it leads to inconsistency throughout NSW.<sup>26</sup>

1.29 LGNSW called for a State-wide water restriction regime to be developed so all water authorities have the same number of restriction levels with consistent restrictions applying under each level.

1.30 Victoria has standardised water restriction levels and definitions and there were calls for the NSW Government to implement a similar regime and adopt appropriate enforcement mechanisms..

---

<sup>24</sup> NSW Government, Department of Planning, Industry and Environment, [Regional water strategies](#), viewed 28 May 2020

<sup>25</sup> Submission 12, Hay Shire Council, p 1

<sup>26</sup> Submission 33 Cabonne Council, p 6

- 1.31 We consider that the NSW Government should conduct a review of its current water restriction policy against those used by other jurisdictions to determine the most appropriate regime for New South Wales rural and regional areas.

## Water Infrastructure

- 1.32 Water regulation, planning and management is generally the responsibility of the state, territory and local governments. However, the Commonwealth Government is partnering with state and local governments to identify and build water infrastructure through the \$1.5 billion National Water Infrastructure Development Fund.<sup>27</sup>
- 1.33 We heard that the NSW Government has invested in a range of drought measures, including over \$200 million of new infrastructure such as the Malpas Dam to Guyra pipeline, the reverse osmosis water treatment plant at Bourke, the new bore accessing the Great Artesian Basin in Collarenebri, and new groundwater access for Dubbo. This was on top of infrastructure delivered under the Safe and Secure Water Program, such as the Wentworth to Broken Hill pipeline.<sup>28</sup>
- 1.34 Most of the submissions to this inquiry called for funding to be provided for large scale infrastructure projects such as dams, weirs, pipelines, water storage facilities as well as additional treatment systems to improve water quality in all parts of NSW. There was also a need to bring reliable and safe potable water supplies to all towns and villages that are not currently on reticulated supplies.
- 1.35 Several councils reported that recent infrastructure projects in their areas were proving to be instrumental in their ability to service and drought proof their communities, and these had received wide support.
- 1.36 Moree Plains Shire Council also believes that more needs to be done to build resilience for the future by fast tracking water infrastructure and bringing reliable and safe potable water supplies to all town and villages that are not currently on reticulated supplies. Being prepared for future events will safeguard residents and organisations and provide reassurance and economic confidence throughout the community.<sup>29</sup>

## Guidelines and approval processes for the management of water

### Finding 3

**The Committee finds that the guidelines and approval processes for existing water management programs are complex and restrictive.**

---

<sup>27</sup> Australian Government, National Water Infrastructure Development Fund, [National water infrastructure development fund](#), viewed 29 May 2020

<sup>28</sup> Mr James McTavish, NSW Cross Border Commissioner and NSW Regional Town Water Supply Coordinator, Transcript of evidence, 15 May 2020, pp 2-3

<sup>29</sup> Submission 64, Moree Plains Shire Council, pp 5,9

### Recommendation 3

**The Committee recommends that a review be conducted into the Integrated Water Cycle Management guidelines and section 60 of the *Local Government Act (NSW)* approval process with a view to removing duplication and improving timeliness.**

1.37 LGNSW commented that there are several regulatory and operational hurdles that are not responsive to the pace of the current drought emergency, including:

- red tape associated with the Safe and Secure Water Program;
- limited resources of the Regional Town Water Supply Coordinator; and
- requirements of the Integrated Water Cycle Management (IWCM).<sup>30</sup>

#### **Safe and secure water program**

1.38 The LGNSW submission called on the NSW Government to urgently review the current Safe and Secure Water Program application processes and requirements to identify and remove business-as-usual processes that prevent, delay or frustrate the approval and roll-out of emergency water sourcing projects.<sup>31</sup>

1.39 The Central NSW Joint Organisation also expressed concern about the focus on business-as-usual processes by Department of Planning, Industry and Environment Water with respect to the funding of water infrastructure solutions through the Safe and Secure Water Program. The Council believes that these processes are not responsive to the pace of the current drought emergency. Shovels in the ground were needed for the big-ticket items to drought proof towns into the future, but these extend well beyond an individual Council's remit.<sup>32</sup>

#### **Regional town water supply coordinator resources**

1.40 The NSW Regional Town Water Supply Coordinator told the Committee that since his appointment in January 2019, he has worked with government agencies and stakeholders in more than 100 communities across regional New South Wales to ensure that communities have access to safe and acceptable water.<sup>33</sup>

1.41 LGNSW told the Committee that the appointment of a Regional Town Water Supply Coordinator has been a practical and effective initiative, and feedback from councils has been positive. Among other things, Mr McTavish has been able to address some of the bureaucratic pinch-points in progressing emergency town water supply works. However, LGNSW believes that he has been provided with insufficient resources and called for additional resources to be allocated.<sup>34</sup>

---

<sup>30</sup> Submission 74, Local Government NSW, p 13

<sup>31</sup> Submission 74, Local Government NSW, pp 4-5

<sup>32</sup> Submission 18, Central NSW Joint Organisation, p 6

<sup>33</sup> Mr James McTavish, NSW Cross Border Commissioner and NSW Regional Town Water Supply Coordinator, Transcript of evidence, 15 May 2020, p 2

<sup>34</sup> Submission 74, Local Government NSW, p 14

**Integrated water cycle management**

- 1.42 To be eligible for funding under the Safe and Secure Water Program, or to obtain ministerial approval for works under section 60 of the *Local Government Act* (NSW), (the Act), councils must prepare an Integrated Water Cycle Management Plan in accordance with the NSW Government's IWCM guidelines.
- 1.43 LGNSW told the Committee that, although councils support the principles of IWCM, the "one-size-fits-all" requirements imposed on local water authorities through the guidelines are overly prescriptive and impose significant costs, particularly for small local water utilities.<sup>35</sup>
- 1.44 Under section 60 of the Act, local water utilities are required to obtain ministerial approval for the construction or modification of water or sewage treatment works. The intent of section 60 is to provide robust, safe, cost-effective and soundly based solutions that meet public health and environmental requirements. The Minister may also direct a council to take specific measures to ensure the proper safety, maintenance and working of any water and sewerage plants under section 61 of the Act.
- 1.45 Several submissions stated that the current section 60 application process is costly, time consuming, involves duplication and makes community and regulator engagement difficult. They questioned the need for such a complex approval process and called for it to be simplified.
- 1.46 Namoi Unlimited and its member councils believes that an improved process would enable Local Government to develop solutions to water problems during extreme drought conditions. The current process is costly requiring both council and the NSW Government to undertake independent assessment of the proposed project and there are compliance overlaps.
- 1.47 Under the guidelines, each proposed water or sewerage treatment works project also requires an options study, concept design report and detailed design prepared by suitably qualified and experienced practitioners to be submitted to DPIE for review.<sup>36</sup>
- 1.48 LGNSW identified other problems with the section 60 approval process, including a lack of transparency because there are no documented processes or guidelines, a lack of an appeal process, inconsistent outcomes, and the favouring of traditional solutions over trialling innovative new treatment technologies or approaches.<sup>37</sup>
- 1.49 Along with other stakeholders, both Namoi Unlimited and LGNSW called for an urgent review into section 60 approvals to identify the benefits, risks and opportunities to Councils and the NSW Government of this process.

---

<sup>35</sup> Submission 74, Local Government NSW, p 15.

<sup>36</sup> Submission 16, Namoi Unlimited, pp 18 & 19.

<sup>37</sup> Submission 74, Local Government NSW, pp 14-15.

## Chapter Two – Current drought support

- 2.1 A wide range of support measures are currently available from the Commonwealth and New South Wales Governments to assist farmers, businesses and communities impacted by the drought.
- 2.2 For example, at the Commonwealth level, assistance is available to farmers through the Farm Household Allowance (FHA) program, the Drought Communities Program, Rural Financial Counselling Services and the Emergency Water Rebate (EWIR) scheme.<sup>38</sup>
- 2.3 The FHA program provides assistance to farming families experiencing financial hardship through planning and training for long term financial improvements as well as income support for up to 4 years. The program is designed to help farmers make important decisions to improve their long-term financial situation.<sup>39</sup>
- 2.4 Support for farmers is also available under NSW Government programs such as the Drought Assistance Fund, the Farm Innovation Fund, transport subsidies, fee waivers and concessional loans.<sup>40</sup>
- 2.5 The NSW government has also released a further \$310 million to help farmers and communities in regional NSW. This extended support continues the Drought Transport subsidy, waives Local Land Services rates, continues existing water licences and provides health and wellbeing programs such as the Farmgate Counsellors Program, Aboriginal wellbeing services and Royal Flying Doctor Far West Drought Support programs.<sup>41</sup>
- 2.6 We welcome this assistance to date. However, concern was expressed to the Committee that many people needing support were either ineligible or being dis-incentivised from applying due to restrictive eligibility criteria and the complexity of the application process.
- 2.7 This chapter discusses some areas where inquiry participants felt that current drought support could be improved.

---

<sup>38</sup> Australian Government, Department of Agriculture, Water and the Environment, Assistance Measures, [Assistance measures](#), viewed 9 June 2020

<sup>39</sup> Australian Government, Business, Support for farmers experiencing financial hardship, [Farm Household Allowance Program](#), viewed 9 June 2020

<sup>40</sup> NSW Government, Department of Primary Industry, [Available drought assistance in NSW](#), viewed 9 June 2020

<sup>41</sup> NSW Government, Department of Primary Industry, [2020 drought package](#), viewed 9 June 2020

## Feedback on current support

### Recommendation 4

The Committee recommends that with regard to funding programs:

- the NSW Government encourage the Commonwealth Government to consider extending the Farm Household Allowance eligible time period from 4 years to 6 years; and
- the NSW Government encourage the Commonwealth Government to review the timeframes for the delivery of projects under the Drought Communities Program; and
- the Rural Assistance Authority review guidelines to ensure that off-farm income does not unfairly impact on eligibility for assistance.

### Recommendation 5

The Committee recommends that the NSW Government encourage the Commonwealth Government to consider allocating additional funds to the Emergency Water Infrastructure Rebate Scheme to extend the program.

### Support for farmers

- 2.8 The New England Joint Organisation submitted that while there is support available, there are many families and communities that are slipping through the cracks. They raised particular concerns about the time period applied to the FHA. They cite that the FHA is made available to eligible producers for a four-year period. After this period expires many families are no longer eligible and suggested the FHA be extended to six years.<sup>42</sup>
- 2.9 Namoi Unlimited also raised concerns about the FHA program, calling for it to be decoupled from the *Social Security Act 1991* (CTH) with the aim of simplifying and tailoring the application process and eligibility setting for farm businesses.
- 2.10 They also made several other suggestions for improving support for farmers, such as:
- the agency tasked with delivering programs must capture information to effectively measure their performance. This data should be used as the basis for regular reviews and to guide future changes; and
  - revise the Rural Financial Counselling Service within the FHA to focus on business coaching of recipients, with the addition of a role for a financial advisor; and
  - called for the Emergency Water Infrastructure Rebate Scheme (EWIR) to be extended beyond the current 3 year period.<sup>43</sup>

<sup>42</sup> Submission 9, New England Joint Organisation, p 3

<sup>43</sup> Submission 16, Namoi Unlimited, pp 15, 17

- 2.11 The NSW Government has recently been advised by the Commonwealth Government that the EWIR is now closed to new applicants as available funding has been fully allocated due to unprecedented demand. This means the program will not run until 2021 as intended. We recommend that the NSW Government encourage the Commonwealth Government to consider providing additional funding for this program.<sup>44</sup>
- 2.12 The Western NSW Community Legal Centre also submitted that the drought is putting families and communities in western NSW under enormous amount of financial strain. The maximum Newstart allowances leaves very little to live on and it was very easy to see how debts were accumulating. They called on the government to introduce measures to assist regional and remote areas with daily living expenses.<sup>45</sup>
- 2.13 One of the concerns raised in submissions is the difficulty experienced by farming enterprises in accessing drought support where a member of the family has gone off farm for income to help sustain their business.
- 2.14 Mr Scott Hansen, Director General, Department of Primary Industries, Department of Regional NSW, told the Committee that for NSW Government programs the Rural Assistance Authority [RAA] works with farmers to identify what a typical operating year looks like. This provides a degree of flexibility when determining primary production income:
- In most cases we have gone back four or five years. Most farmers will want to identify 2016 as their typical year, given that was a year of both record livestock prices over the course of the year, as well as record yields in most of our grain growing areas, to be able to use that year as the model to look at the 50 percent on farm-off farm split, rather than just choosing the last financial year, which may well pick up a year in which they have sourced off farm income to supplement the family income.<sup>46</sup>

### Support for councils

- 2.15 Funding is available to eligible councils for local infrastructure projects and other drought activities through the Commonwealth Government's Drought Communities Program.
- 2.16 In their submission, Liverpool Plains Shire Council welcomed this support however indicated there could be improvements. For example, the narrow window for expenditure (less than 6 months) in respect of capital upgrade projects placed pressure on staff and trades to deliver the projects within the timeframes. Additionally, the funding guidelines had a narrow focus of eligible projects excluding water and infrastructure related projects.<sup>47</sup>

---

<sup>44</sup> NSW Government, Rural Assistance Authority, [Emergency Water Infrastructure Scheme](#), viewed 9 June 2020

<sup>45</sup> Submission no. 42, Western NSW Community Legal Centre, p 8-9

<sup>46</sup> Mr Scott Hansen, Director General, Department of Primary Industries, Department of Regional NSW, Transcript of Evidence, 15 May 2020, p 3

<sup>47</sup> Submission 59, Liverpool Plains Shire Council, p 5

### Support from financial institutions and other organisations

- 2.17 Liverpool Plains Shire Council told the Committee that support from financial institutions to the community is mixed. Where support from financial institutions and government had been lacking, community and religious organisations fill the void. For example, the Quirindi Branch of the Country Women's Association distributed over \$300,000 in donations and drought assistance packages to members of the community.<sup>48</sup>
- 2.18 We were also told by Cabonne Council that, although welcome, the provision of drought aid from community groups and charities was a source of concern to businesses in regional and rural areas. Aid was haphazard and did not always reach areas of greatest need. When sourced from non-local providers, this impacted on the bottom line and long term viability of local businesses.
- 2.19 The Council suggested that the appointment of regional drought coordinators was the most effective means of ensuring that drought support is delivered where and when it is needed.<sup>49</sup>

### Decision paralysis

- 2.20 We were concerned to hear that farmers impacted by the drought often suffered from decision paralysis due to stress. Mr Scott Hansen, Director General, Department of Regional NSW, provided that being able to talk to someone from within their own district and neighbourhood with similar experiences was an effective means of helping farmers cope with problems. He said that this is where the rural resilience and mental health work has been desperately needed over the last couple of years to give farmers the opportunity to take a break or to have some form of intervention to help them with that decision-making process.<sup>50</sup>
- 2.21 We examine this and other health issues in Chapter Five of this report.

## The need for a single portal of information

### Finding 4

**The Committee finds that a single portal of information that identifies all available drought assistance across levels of government is highly desirable to support rural and regional communities access what is available to them.**

- 2.22 Forbes Council referred to a minefield of assistance that prevents persons in need of accessing help. They acknowledged the amount of assistance available but indicated accessing it can be confusing.<sup>51</sup>
- 2.23 Many inquiry participants agreed that information about available support is difficult to locate. It was also noted that numerous surveys about the

<sup>48</sup> Submission 59, Liverpool Plains Shire Council, p 3

<sup>49</sup> Submission 33, Cabonne Council, pp 5-6

<sup>50</sup> Mr Scott Hansen, Director General, Department of Primary Industries, Department of Regional NSW, Transcript of Evidence, 15 May 2020, pp 6-7

<sup>51</sup> Submission 32, Forbes Council, p 3

effectiveness of available information had been undertaken but there did not appear to be any follow up or tangible outcomes.

- 2.24 The NSW Government's DroughtHub website is designed as a portal to provide information on available support. It was generally felt to be a useful resource by stakeholders. However, calls were made for it to be reviewed as it fails to acknowledge technological challenges to rural areas, including internet connectivity and comparatively low levels of computer literacy.
- 2.25 With funding from the Commonwealth Government the National Farmers Federation administers the FarmHub portal. Through this portal farmers can access information about government and non-government assistance across jurisdictions. It also connects farmers to services and programs that provide advice and training on managing hardship as a result of the drought.<sup>52</sup>
- 2.26 We support the work of the National Farmers Federation in administering the FarmHub portal. We encourage the NSW Government to support and promote the portal on its DroughtHub website.

## Co-ordination between levels of government

### Finding 5

**The Committee acknowledges the work currently being undertaken by the Commonwealth and State Governments to improve coordination between all levels of government in the development of drought recovery and resilience strategies. However, gaps in coordination have been identified during this inquiry and we hope the current collaborative approach is ongoing.**

### Finding 6

**The Committee finds that local government is a key resource for the Commonwealth and State Governments to use to deliver drought relief programs.**

### Recommendation 6

**The Committee recommends that the NSW Government fund the establishment of resilience officers (drought and recovery) at the regional level.**

- 2.27 Concern was expressed in submissions about the lack of a targeted and integrated approach to drought response across the three levels of government. Stakeholders commented that, without a coordinated approach, efforts will be piecemeal, inconsistent, poorly targeted and not responsive to the differing needs of drought affected communities.
- 2.28 In October 2019 the National Farmers Federation (NFF) called on the Commonwealth, state, territory and local governments to work with stakeholders to develop a national drought strategy. According to the NFF, drought policy cannot be considered in isolation from broader policies that

---

<sup>52</sup> National Farmers Federation,, [About FarmHub](#), viewed 9 June 2020.

impact on the ability of farmers and rural communities to build profitable and sustainable farming businesses and, in turn, resilient rural communities.<sup>53</sup>

- 2.29 The Central NSW Joint Association told the Committee that the impacts of drought are long-term and require a whole of government approach to drought assistance and recovery packages for primary producers, their families, plus the business communities in regional areas. They added that local government should work with the state and Commonwealth governments to improve current approaches and understanding of local drought conditions and where best to target assistance.<sup>54</sup>
- 2.30 Other submissions also noted that there is a general lack of direct interaction between local government and state and Commonwealth government personnel. Stakeholders considered that this is a significant impediment to drought recovery.
- 2.31 For example, Liverpool Plains Shire Council told the Committee that State Government support to councils has been negligible, and there is a lack of consultation about government programs, activities and projects. They added that the lack of working relationships with Commonwealth or state assigned drought officers is considered a significant impediment to the drought response and recovery efforts.<sup>55</sup>
- 2.32 Other submissions also commented that changes to government programs often occurred without prior consultation with councils and called for the appointment of a drought/disaster response officer in every shire to provide a conduit between Commonwealth and state projects and local businesses.

#### **Current government approaches to coordination**

- 2.33 The National Drought Agreement was signed by the Council of Australian Governments in December 2018. This Agreement sets out a joint approach to drought preparedness and recovery.<sup>56</sup>
- 2.34 The National Drought and North Queensland Flood Response and Recovery Agency (the Agency) was also established in December 2019. Led by Co-ordinator-General, the Hon Shane J. Stone AC QC, the Agency works with communities, all levels of government, charities and agricultural organisations to support farmers and other rural and regional Australians living through the immediate and longer term effects of drought and flood.
- 2.35 An Australian Government Drought Response, Resilience and Preparedness Plan has been developed, which outlines a three-part plan for drought ranging from

---

<sup>53</sup> National Farmers Federation, [National drought policy](#), viewed 28 May 2020..

<sup>54</sup> Submission 18, Central NSW Joint Organisation, p 9.

<sup>55</sup> Submission 59, Liverpool Plains Shire Council, p 5.

<sup>56</sup> Australian Government, Department of Agriculture, Water and the Environment, [Drought response, resilience and preparedness](#), viewed 28 May 2020.

immediate assistance for farmers and regional communities, to investing in ways to build long term resilience and preparedness for the next drought.<sup>57</sup>

- 2.36 Additionally, on 10 December 2019 the Agriculture Ministers Forum (AGMIN) held a special meeting concerning drought. At that meeting, the Ministers agreed to create a working group chaired by Mr Stone. The working group includes the National Farmer's Federation and it will work to identify opportunities for integrating Commonwealth, State and Territory drought and recovery programs to improve access for affected producers and communities.
- 2.37 AGMIN met again on 21 February 2020 to endorse an interim report on the Australia wide implementation of the National Drought Agreement and agreed that the Commonwealth Department of Agriculture, Water and Environment would lead the development of the Agreement Framework in collaboration with state and territory governments. The interim report was endorsed by the Council of Australian Governments on 13 March 2020.<sup>58</sup>
- 2.38 The NSW Government has established an Office of Drought Response and more recently, the Department of Regional NSW. The role of these bodies is to enable a more coordinated approach to support regional communities suffering from the drought.
- 2.39 The NSW Government has also introduced a NSW Drought Strategy to provide whole-of-government coordinated service delivery to rural communities. The strategy is designed to complement Commonwealth government assistance measures and is aligned with the Intergovernmental Agreement on Drought Program Reform.<sup>59</sup>

---

<sup>57</sup> Australian Government, National Drought and North Queensland Flood Response and Recovery Agency, [About](#), viewed 9 June 2020

<sup>58</sup> Australian Government, Department of Agriculture, Water and the Environment, [Agriculture Ministers' Forum](#), viewed 9 June 2020

<sup>59</sup> NSW Government, Department of Primary Industries, *Drought in NSW*, <https://NSW.droughtstrategy.gov.au/>, viewed 28 May 2020

## Chapter Three – Support for business

- 3.1 The impact of drought on rural and regional communities is widespread. It is not only primary producers that are negatively impacted; it is entire local economies made up of the local newsagency, pharmacy, trades, services, hotels, gift shops, restaurants, and cafes just to mention a few. This chapter looks at ways to support businesses that may not have agriculture as their focus but are equally impacted by drought.
- 3.2 The chapter discusses the benefits of campaigns promoting regional products and the importance of tourism. It also considers measures to support business diversification, mentoring and training to promote recovery and resilience.
- 3.3 Expediting infrastructure projects as a means to generate employment is also discussed as well as local tendering of infrastructure projects and payroll tax reform.

### **The benefits of buy-regional campaigns and promotion of regional tourism**

#### **Finding 7**

**The Committee finds that anecdotally buy-regional campaigns are an effective tool in supporting and promoting regional businesses, especially through periods of drought.**

#### **Recommendation 7**

**The Committee recommends that Destination NSW continues its campaign to promote regional NSW as a destination for tourists and events.**

- 3.4 One of the impacts of drought on regional economies is reduced cash flow within the community and the negative impacts this lack of disposable income has on small businesses. The loss of sales leads to reduced incomes, closures, and unemployment.
- 3.5 In efforts to support regional small businesses we heard of initiatives focused on the promotion of buying regionally or locally, such as the Buy From the Bush campaign.<sup>60</sup>
- 3.6 In October 2019, the NSW Government launched the Buy Regional campaign in the lead up to the festive season.<sup>61</sup> Buy Regional is an online hub designed to connect city shoppers with rural sellers. We heard that to date the hub has had

---

<sup>60</sup> Private discussion with Guyra community members, 24 April 2020; Submission 9, New England Joint Organisation, p 2

<sup>61</sup> Submission 25, NSW Government, p 10

over half a million views and over 450 businesses have taken advantage of the platform.<sup>62</sup>

- 3.7 We are encouraged by these positive initiatives to support regional businesses. While we note that these campaigns were created during the peak of the drought, we support their ongoing promotion. We consider their ongoing support and promotion particularly important given the additional impact on regional businesses from the bushfires during the summer of 2019/20 and the recent coronavirus pandemic.
- 3.8 Promoting regional tourism was also raised as a way of supporting regional communities cope and recover from periods of drought. Namoi Unlimited suggested a regional tourism campaign titled “Don’t drive by just because its dry”. Cabonne Council also supported the implementation and funding of campaigns encouraging people to visit regional areas.<sup>63</sup>
- 3.9 The Australian Hotels Association indicated that while tourism is a significant contributor to the national economy, regional tourism is underperforming. They commented:

Despite the fact that 44 cents in every tourism dollar is spent in regional areas, for domestic travellers the rate of regional dispersal has remained static for more than a decade, while there has been a steady decline in international; visitor numbers, with only 34% visiting a regional area.<sup>64</sup>

- 3.10 They submit that encouraging tourists to visit regional NSW would stimulate drought affected communities and provide a range of short- and long-term benefits.<sup>65</sup>

#### **CASE STUDY – Hotelier, Far West and Orana**

*The most important factor in supporting a community through the drought is to get some spending into their local economy. Out of town visitors whether for work or tourism/leisure are really appreciated at these times and help pump some extra money into the local economy.*

**Source: Submission 38, Australian Hotels Association**

- 3.11 The positive impact of holding events in regional areas should also not be underestimated. Festivals and sporting competitions can provide an incentive for people to visit regional areas.<sup>66</sup>

<sup>62</sup> Mr Chris Hanger, Deputy Secretary, Public Works Advisory and Regional Development, Department of Regional NSW, 15 May 2020, p 7;

<sup>63</sup> Submission 16, Namoi Unlimited, p 11; Submission 33, Cabonne Council, p 4

<sup>64</sup> Submission 38, Australian Hotels Association, pp 7-8

<sup>65</sup> Submission 38, Australian Hotels Association, p 8

<sup>66</sup> Submission 33, Cabonne Council, p 4; Mr David Aber, Interim Executive Officer, New England Joint Organisation, Transcript of evidence, 5 May 2020, p 7; Mr Bryn Griffiths, Associate Director, Communications and Events, University of New England, Transcript of evidence, 5 May 2020, p 8

- 3.12 One focus of the NSW Government is on investing in activities and experiences for people to do and have in regional areas. Mr Chris Hanger, Deputy Secretary, Public Works Advisory and Regional Development, commented that these might include an iconic walk in the Snowy Mountains or mountain bike trails. Activities and experiences which mean people spend more time in those locations.<sup>67</sup>
- 3.13 We recognise that the promotion of regional tourism has been challenging given travel restrictions in place in response to the coronavirus pandemic. However, we consider tourism a key area that can support drought affected communities recover. We note that restrictions are now lifted and campaigns have commenced to promote tourism to regional NSW. We recommend Destination NSW continue to promote regional NSW as a destination for tourists and events.

### **Business and industry diversification**

- 3.14 The impacts of drought are experienced more severely by rural and regional communities solely dependent on agriculture. One way of negating this risk is to encourage diversification in the local economy.
- 3.15 Lockhart Shire Council suggested that government grant programs be established aimed at encouraging drought proof industries in regional communities, including companies demonstrating the latest technology.<sup>68</sup>
- 3.16 Clarence Valley Council submitted that there should be a focus on long term strategies such as investment in liveability assets. Investment in assets like libraries, galleries and parks can attract new businesses to regional areas and help to maintain and grow populations.<sup>69</sup>
- 3.17 We were told that the impact of the loss of employment opportunities in agricultural roles would not be as significant if alternative employment was available in other industries.<sup>70</sup> The Western NSW Community Legal Centre submitted that money needs to be urgently invested in job growth and that non-agricultural, drought-proof industries be established.<sup>71</sup>
- 3.18 We heard that diversification in regional areas is an issue that the NSW Government has developed research and strategies for. Mr Hanger indicated that they have analysed economic regions in NSW and looked at the driver industries within those economies.

---

<sup>67</sup> Mr Chris Hanger, Deputy Secretary, Public Works Advisory and Regional Development, Department of Regional NSW, Transcript of evidence, 15 May 2020, p 10

<sup>68</sup> Submission 13, Lockhart Shire Council, p 1

<sup>69</sup> Submission 22, Clarence Valley Council, p 2

<sup>70</sup> Submission 42, Western NSW Community Legal Centre, p 3

<sup>71</sup> Submission 42, Western NSW Community Legal Centre, p 4

We have developed strategies for each one of those economies to understand not only what are those industries but what is required to strengthen those industries, and that is both in the hard and the soft infrastructure.<sup>72</sup>

- 3.19 In terms of the infrastructure to strengthen these industries, Mr Hanger indicated the Government is investing in areas such as water security, digital connectivity, and skills.<sup>73</sup>

We do want to see diverse economies. We also want to build off the very strong industries we know that are there, and I think we are doing that quite well. Particularly the investments into key enabling infrastructure to support that.<sup>74</sup>

## Training and mentoring for businesses

### Finding 8

**The Committee finds that the NSW Small Business Commission's Business Connect program has been a positive and welcomed program and support its planned expansion.**

### Recommendation 8

**The Committee recommends that the NSW Small Business Commission develop a campaign to promote its resources and support services to regional business communities.**

- 3.20 Drought can have a significant impact on the regional business community. The NSW Business Chamber submitted that 84% of their regional business members indicated they were impacted by the drought. The Chamber also commented that the complex nature of the drought means that a high degree of agility is needed to respond to the changing environment.<sup>75</sup>
- 3.21 To assist small business respond to the impacts of drought some inquiry participants suggested that funding for business training and mentoring could be provided to drought affected communities. Such training and mentoring could include training in business diversification opportunities and website development to allow small businesses expand their products into wider markets.<sup>76</sup>
- 3.22 Another inquiry participant suggested that more businesses would survive and thrive with better strategic planning. They suggested funding be provided to small and medium businesses to engage consultants to assist them with strategic planning.<sup>77</sup>

<sup>72</sup> Mr Chris Hanger, Deputy Secretary, Public Works Advisory and Regional Development, Department of Regional NSW, Transcript of evidence, 15 May 2020, p 10

<sup>73</sup> Mr Chris Hanger, Deputy Secretary, Public Works Advisory and Regional Development, Department of Regional NSW, Transcript of evidence, 15 May 2020, p 10

<sup>74</sup> Mr Chris Hanger, Deputy Secretary, Public Works Advisory and Regional Development, Department of Regional NSW, Transcript of evidence, 15 May 2020, p 10

<sup>75</sup> Submission 46, NSW Business Chamber, p 1

<sup>76</sup> Submission 9, New England Joint Organisation, p 1

<sup>77</sup> Submission 75, Put Orange First, p 2

- 3.23 We heard about business owners facing hardship and difficult decisions. Some owners do not want to let staff go so they pay themselves less and less. Government policies that encourage growth and entrepreneurial flair were suggested.<sup>78</sup>
- 3.24 Another option for consideration was greater access to Business Enterprise Centres. Tenterfield Shire Council submitted that most councils would benefit from their communities having access to an externally funded Business Enterprise Centre which could support local Chambers of Commerce.
- 3.25 We were informed by the NSW Government of the work of the NSW Small Business Commission in providing support for small businesses:
- The NSW SBC is working on a targeted program of activities for small businesses in highly drought-impacted towns to increase their business resilience skills, increase their financial and online business skills, and help them take advantage of increased government and charitable spending.<sup>79</sup>
- 3.26 The NSW Small Business Commission's Business Connect program is run 'to assist businesses upskill, reskill, plan and make decisions.'<sup>80</sup> We were informed that small businesses and local business leaders have called on this program to be expanded. At present the large number of businesses across regions are only being serviced by a small number of advisers working out of regional centres.<sup>81</sup>
- 3.27 We support the expansion of the Business Connect program by the NSW Small Business Commission and would like to see this underway as a matter of priority. Given the multiple challenges small businesses face currently from the drought, bushfires and impacts of the coronavirus pandemic, it is important that they can gain access to support and advice as soon as possible.
- 3.28 We recommend that the NSW Small Business Commission commence a campaign concentrated on promoting its services to rural and regional NSW. This would be particularly worthwhile in conjunction with any expansion of the Business Connect program.

### **Fast-tracking of infrastructure projects and local tendering for government projects**

- 3.29 To stimulate jobs within drought affected communities many suggested that planned government infrastructure projects be expedited. This would have the benefit of providing employment within the community and the potential to upskill the local community.<sup>82</sup>
- 3.30 Western NSW Community Legal Centre supported the development of infrastructure in the Western NSW region and importantly the employment of

---

<sup>78</sup> Submission 75, Put Orange First, p 1

<sup>79</sup> Submission 25, NSW Government, p 11

<sup>80</sup> Submission 25, NSW Government, p 11

<sup>81</sup> Submission 25, NSW Government, p 11

<sup>82</sup> Submission 9, New England Joint Organisation, p 1; Submission 33, Cabonne Council, p 2; Submission 21, Australian Small Business and Family Enterprise Ombudsman, p 1

local people to build it. Clarence Valley Council similarly commented that investment in long term infrastructure like the Council road and bridge maintenance backlog could generate short term employment and yield long term gains.<sup>83</sup>

- 3.31 Namoi Unlimited also supported increased funding under the Fixing Local Roads' program to prioritise works that can support employment of displaced agricultural workers.<sup>84</sup>
- 3.32 The NSW Business Chamber and Hunter Business Chamber echoed these views. The NSW Business Chamber indicated that many of their regional members had expressed concern at the pace of infrastructure delivery.<sup>85</sup>
- 3.33 As part of its Drought Stimulus Package the NSW Government has indicated its support for 'shovel-ready infrastructure projects with the objective of delivering economic stimulus for local economies.'<sup>86</sup> The first tranche of projects identified include:
- \$1 million for Deniliquin Ute Muster site
  - \$2.4 million for Broken Hill airport
  - \$3.9 million for Inland Rail Ready Industrial Precinct, Gilgandra.<sup>87</sup>
- 3.34 Another suggestion proposed to help with generating employment during drought conditions was the potential to favour local businesses in any tendering process for government contracts.
- 3.35 To support local employment and combat population loss, Cabonne Council suggested that where possible, government infrastructure contracts be awarded to firms based in drought-affected regions as opposed to firms from interstate or overseas.<sup>88</sup>
- 3.36 Namoi Unlimited proposed that local councils be enabled to establish local and regional purchasing panels for local projects and fund project procurement resources to collaborate between State projects and local businesses.<sup>89</sup>
- 3.37 This issue was raised at the public hearing with Government representatives. Mr Chris Hanger, Deputy Secretary, Public Works Advisory and Regional Development, indicated that they cannot mandate the use of local contractors.<sup>90</sup>

---

<sup>83</sup> Submission 22, Clarence Valley Council, p 1

<sup>84</sup> Submission 16, Namoi Unlimited, p 11

<sup>85</sup> Submission 44, NSW Business Chamber, p 4; Submission 70, Hunter Business Chamber, p 7

<sup>86</sup> Submission 25, NSW Government, p 10

<sup>87</sup> Submission 25, NSW Government, p 10

<sup>88</sup> Submission 33, Cabonne Council, p 2

<sup>89</sup> Submission 16, Namoi Unlimited, p 11

<sup>90</sup> Mr Chris Hanger, Deputy Secretary, Public Works Advisory and Regional Development, Department of Regional NSW, Transcript of evidence, 15 May 2020, p 6

- 3.38 Mr Hanger advised that the majority of projects in the infrastructure space are delivered by local councils and they are subject to procurement guidelines requiring, amongst other things, a need to show value for money.<sup>91</sup>
- 3.39 However, while they cannot mandate the use of local contractors, they do look at the infrastructure spend of projects in order to provide smaller-scale projects that are easier for local contractors to deliver:
- Although we cannot mandate local procurement, the package design and very much the way we think about program design is targeted to supporting that as best as possible.<sup>92</sup>

### Payroll tax reform

- 3.40 Payroll tax relief was mentioned in a number of submissions as a means to stimulate recovery for rural and regional economies.<sup>93</sup>
- 3.41 Cotton Australia submitted that while immediate support to non-farm businesses should be provided, other measures to stimulate recovery should be implemented such as payroll relief.<sup>94</sup>
- 3.42 Cabonne Council also supported a reduction in payroll taxes for regional areas. They emphasised that reduced revenue for farms, retail and ancillary businesses is placing pressure on businesses with the threat of closures increasing. Payroll tax reform is one possible action, amongst others, to support rural and regional businesses.
- 3.43 The Australian Hotels Association similarly advocated for payroll tax reform. They referred to and supported the recommendations of the report into zonal taxation prepared by a previous iteration of this Committee.
- 3.44 The Committee's 2018 report into zonal taxation recommended a zonal approach to taxation using two zones: a metropolitan zone covering Greater Sydney and a regional zone covering the remainder of the state.<sup>95</sup>
- 3.45 The Committee recommended that concessions and exemptions for payroll tax and commercial and industrial property stamp duty apply in the regional zone. It was argued that this zonal approach to taxation would support and encourage regional economic growth.<sup>96</sup>

---

<sup>91</sup> Mr Chris Hanger, Deputy Secretary, Public Works Advisory and Regional Development, Department of Regional NSW, Transcript of evidence, 15 May 2020, pp 6-7

<sup>92</sup> Mr Chris Hanger, Deputy Secretary, Public Works Advisory and Regional Development, Department of Regional NSW, Transcript of evidence, 15 May 2020, p 7

<sup>93</sup> Submission 26, Cotton Australia; Submission 38, Australian Hotels Association; Submission 44, NSW Business Chamber; Submission 70, Hunter Business Chamber

<sup>94</sup> Submission 26, Cotton Australia, p 1

<sup>95</sup> Legislative Assembly Committee on Investment, Industry and Regional Development, Inquiry into zonal taxation, Report No 3/56, May 2018, p 1

<sup>96</sup> Legislative Assembly Committee on Investment, Industry and Regional Development, Inquiry into zonal taxation, Report No 3/56, May 2018, p 1

- 3.46 The Australian Hotels Association submitted that the case for taxation reform as outlined in the Committee's 2018 report is more compelling now given the impacts of drought.<sup>97</sup>
- 3.47 We note the recent Government action in relation to payroll tax namely raising the payroll tax threshold from \$900 000 to \$1 million for the financial year commencing on 1 July 2020. Additionally, in response to the coronavirus pandemic, businesses may choose to defer their payroll tax payments until October 2020.<sup>98</sup>
- 3.48 While these initiatives are welcomed we do support broader payroll tax reform and recommend the NSW Government revisit the findings and recommendations of the Committee's 2018 report into zonal taxation.

---

<sup>97</sup> Submission 38, Australian Hotels Association, p 6

<sup>98</sup> Revenue NSW, [Covid-19 tax relief measures](#), viewed on 2 June 2020

## Chapter Four – Training and education

- 4.1 This chapter discusses the importance of maintaining skilled workers in rural and regional communities and the need to promote and provide opportunities to obtain new skills.
- 4.2 The important role regional universities play in rural and regional communities is also emphasised. Not only do universities have an education function, but they are often one of the largest employers in a regional centre and a significant contributor to the life of a town.
- 4.3 The costs for families on maintaining their children’s education is also discussed. The drought imposes significant financial hardship on individuals and families leading many to have to make difficult decisions to cover the costs of education.

### The importance of Vocational Education and Training to rural communities

#### Finding 9

**The Committee finds that access to adequate Vocational Education and Training (VET) is essential for rural communities to maintain skilled workers in their communities and provide opportunities to diversify.**

- 4.4 Prolonged drought conditions can result in a loss of key trades, skills, and businesses from our regional communities.<sup>99</sup> Some individuals and families move from smaller towns to larger centres in search of secure employment.<sup>100</sup>
- 4.5 Drought conditions can also result in underemployment. Displaced workers or landholders are unable to find new employment because there is limited work available, or they lack the necessary skills and qualifications to fill vacancies.<sup>101</sup>
- 4.6 While we heard that skill shortages in regional areas are a long-term concern, drought acts to worsen the impact of these shortages. We consider it essential that rural communities have adequate access to Vocational Education and Training (VET) to maintain current skills and promote the attainment of new skills.
- 4.7 Inquiry participants stressed the need to prioritise re-opening traditional course offerings at TAFE campuses in drought affected areas. Liverpool Plains Shire Council noted a loss of apprentices in building, mechanical and fabrication areas

<sup>99</sup> Submission 35, Bland Shire Council, p 2

<sup>100</sup> Submission 35, Bland Shire Council, p 2; Submission 33, Cabonne Council, p 2; Submission 9, New England Joint Organisation, p 1; Submission 47, Federation Council, p 5; Mr David Aber, Interim Executive Officer, New England Joint Organisation, Transcript of evidence, 5 May 2020, p 2.

<sup>101</sup> Submission 42, Western NSW Community Legal Centre, p 2; Submission 9, New England Joint Organisation, p 1

and considered that prioritising these could also address ongoing regional skill shortages.<sup>102</sup>

- 4.8 Bland Shire Council echoed these views and indicated that a decrease in courses offered to regional areas by VET providers has led to local apprentices needing to travel out of town to supplement their work-based learning. This adds additional cost and the potential for permanent relocation of young workers. Broadening the range of TAFE NSW subjects available through online or connected learning environments was one suggestion to address this.<sup>103</sup>
- 4.9 The ability of VET to build resilience in rural communities affected by drought was also raised by inquiry participants.
- 4.10 The Namoi Joint Organisation of Councils suggested that Smart and Skilled funding be utilised to coordinate community-based activities with local and regional registered providers to upskill locals for casual employment.<sup>104</sup>
- 4.11 Skill attainment by displaced workers and landholders was also discussed by the New England Joint Organisation. They highlighted that many people who find themselves out of work during times of drought are highly skilled but require a formal qualification before they can obtain off-farm employment. They suggested initiatives to streamline skills attainment be considered.<sup>105</sup>
- 4.12 As part of the NSW Drought Assistance Package, the NSW Government is subsidising skills training for farmers and regional businesses to support off farm income and diversification of business practices.<sup>106</sup>
- 4.13 Training Services NSW has committed \$5 million through Smart and Skilled to train eligible farmers and regional business owners. The NSW Government advised in their submission that as of October 2019, over 800 people have accessed the program and courses including remote aircraft systems, managing chemicals, civil construction, truck licensing, farm management, welding and maintaining machinery.<sup>107</sup>
- 4.14 The NSW Government also advised that Training Service NSW is working with Local Government Areas to coordinate Drought Skill Day events to provide information on drought support, employment opportunities and training requirements for casual employment.<sup>108</sup>
- 4.15 We are encouraged by these initiatives from the NSW Government to assist with skill acquisition in drought affected communities. However, we stress the importance of VET in rural communities and support adequate funding on an ongoing basis.

---

<sup>102</sup> Submission 59, Liverpool Plains Shire Council, p2

<sup>103</sup> Submission 35, Bland Shire Council, p 2

<sup>104</sup> Submission 16, Namoi Unlimited, p 11

<sup>105</sup> Submission 9, New England Joint Organisation, p 1

<sup>106</sup> Submission 25, NSW Government, p 18

<sup>107</sup> Submission 25, NSW Government, p 18

<sup>108</sup> Submission 25, NSW Government, p 19

## Role of regional universities

### Recommendation 9

**The Committee recommends that the NSW Government consider ways to include support for regional universities when preparing drought assistance programs.**

- 4.16 Universities based in regional locations provide more than just an education function. They are significant economic contributors to the community through employment and events; and play an active role in the civic life of their communities.<sup>109</sup>
- 4.17 We heard about the range of support regional universities can provide a community. Mr Bryn Griffiths from the University of New England (UNE) told the Committee:
- We are a \$340 million business. We are the New England's region largest employer and we support a constellation of other businesses on the campus, including agricultural research businesses, with the New South Wales Department of Primary Industries also situated on campus. We further support building and construction industries, caterers, child care and food retailers. Within the community we are also the major provider of sporting facilities, clubs and host of major sporting events, as mentioned, in addition to providing the only cinema in Armidale CBD. An example of our regular impact is that in just one week of conferences in 2019 we drew an estimated \$500, 000 into the local economy.<sup>110</sup>
- 4.18 Regional based universities also have reach beyond their main campuses, providing education and events to smaller centres. In addition to their campuses in Tamworth, Taree and Sydney, UNE has study centres in Gunnedah, Glen Innes, and Tenterfield. UNE also contribute to the Country Universities Centre campuses across Australia. These study centres provide students with access to group learning sessions, events, and technology.<sup>111</sup>
- 4.19 Regional universities also provide a significant contribution to social and sporting events. We heard that UNE can have approximately 280, 000 people use their facilities in a year through the hosting of major community events and sporting competitions for clubs in the region.<sup>112</sup>
- 4.20 Despite the important role universities play in regional communities they can struggle to access funding opportunities. This is often due to universities not fitting the criteria for drought assistance.<sup>113</sup> This can create challenges for centres which have education as one of their main industries. In the case of Armidale and UNE, Mr Griffith's explained:

---

<sup>109</sup> Mr Bryn Griffiths, Associate Director, Communications and Events, University of New England, Transcript of evidence, 5 May 2020, p 9; Mr Chris Hanger, Deputy Secretary, Public Works Advisory and Regional Development, Department of Regional NSW, Transcript of evidence, 15 May 2020, p 13

<sup>110</sup> Mr Griffiths, Transcript of evidence, p 9

<sup>111</sup> Mr Griffiths, Transcript of evidence, p 9

<sup>112</sup> Mr Griffiths, Transcript of evidence, p 10

<sup>113</sup> Mr Griffiths, Transcript of evidence, p 10

This town struggles to activate funding or to access many funding opportunities because the one that has the most ability to activate stimulus, being the university, is knocked out of that criteria.<sup>114</sup>

- 4.21 Mr Griffiths indicated that universities could activate stimulus very quickly for the benefit of both the university and the community. For example, with support the UNE could locate some of their teaching schools or administration in the CBD which would help stimulate the town.<sup>115</sup>
- 4.22 In addition, UNE has 4,000 hectares of land which is home to thousands of animals, agricultural and environmental research projects, and primary produce work. It is essentially a working farm which needs farmhands. Assistance could stimulate many of these projects.<sup>116</sup>
- 4.23 Regional universities play a vital role in supporting regional communities. Ways to support and work with regional universities should be included in the preparation of drought assistance packages.

### Support for education costs

- 4.24 Prolonged drought conditions place individuals and families under immense financial strain. Individuals and families struggling with the loss and security of an income are required to make difficult decisions to cover the costs of providing an education for their children.
- 4.25 Families are increasing the overdraft, borrowing from family members, and working off farm or extra jobs to ensure their children are educated.<sup>117</sup>
- 4.26 Some are also considering separating their families and moving into town to set up a second home. Many are also not participating in extracurricular activities such as sport and music lessons.<sup>118</sup>
- 4.27 It is important that children can maintain their education with minimal disruption, and we support measures to assist families meet the costs of education.

### Pre-school children eligible for School Drive Subsidy

#### Recommendation 10

**The Committee recommends that the Minister for Transport amend the eligibility requirements for the School Drive Subsidy to include pre-school children who live in an area that is classified as outer regional, remote, or very remote.**

<sup>114</sup> Mr Griffiths, Transcript of evidence, p 10

<sup>115</sup> Mr Griffiths, Transcript of evidence, p 13

<sup>116</sup> Mr Griffiths, Transcript of evidence, p 13

<sup>117</sup> Submission 57, Isolated Children's Parents' Association of New South Wales Inc, p 3

<sup>118</sup> Submission 57, Isolated Children's Parents' Association of New South Wales Inc, p 3

- 4.28 The School Drive Subsidy is available to NSW residents in areas where there is no public transport. The subsidy is for driving eligible students all or part of the way to school.<sup>119</sup>
- 4.29 The subsidy is available to a number of students that include: students from kindergarten to year 6; secondary school students; and TAFE students. It specifically precludes preschool children.<sup>120</sup>
- 4.30 The Isolated Children's Parent's Association submitted that families with preschool aged children cannot afford to drive their children to preschool.<sup>121</sup> This leads to many children starting school without exposure to an early education setting.

#### **CASE STUDY – Broken Hill School of The Air**

Broken Hill School of The Air (SOTA) Preschool hosts a two-day Preschool Classroom once a term to enable children the opportunity of face to face sessions. These face to face sessions are valuable as they identify any issues that may require early intervention. For many families this can be a round trip of over 1000kms and involves overnight accommodation. There has been a notable decline in families attending due to the drought and costs involved (up to half of those enrolled).

Source: Submission 57, Isolated Children's Parents' Association of NSW Inc

- 4.31 We support expanding the School Drive Subsidy for preschool children. Early learning can provide a number of benefits to children and we are concerned that some children may not be able to experience preschool due to the costs associated with long distance travel. Expanding the subsidy to preschool children will go some way to assist families with meeting the costs of their children's education.

---

<sup>119</sup> Transport for NSW, [School Drive Subsidy](#), viewed 29 May 2020

<sup>120</sup> Transport for NSW, [School Drive Subsidy](#), viewed 29 May 2020. The subsidy is also available to: non-Australian residents and students temporarily in Australia; boarding school students and weekday boarders attending day school; and distance education students attending mini-schools.

<sup>121</sup> Submission 57, Isolated Children's Parents' Association of New South Wales Inc, p 1

## Chapter Five – Mental health concerns

- 5.1 The drought is having a detrimental impact on mental health, which is being compounded by the recent bushfire season and coronavirus pandemic. Financial hardship and social isolation are anecdotally leading to increased stress, homelessness, family breakdown, anxiety, depression, drug and alcohol abuse, and in some cases, suicide.<sup>122</sup> Those who work tirelessly to buffer their local communities from the mental and emotional impacts of the drought are under increasing stress themselves, and at risk of burnout.<sup>123</sup> However, there is still evidence that communities can be remarkably resilient in the face of ongoing adversity.<sup>124</sup>
- 5.2 We are concerned by the extent of the cascading mental health impacts in drought affected communities, particularly as there is evidence that mental wellbeing and a sense of confidence and hope is linked to the economic recovery of towns, and vice-versa.<sup>125</sup>
- 5.3 This chapter will focus on the importance of empowering local communities in the mental health response, including by providing communities with real hope for the future. It will address the need to provide better access to mental health services. The importance of river flows to the wellbeing of the local community, particularly Aboriginal communities, is also discussed.
- 5.4 This chapter provides a preliminary view of the mental health concerns raised thus far in the inquiry. We note the current inquiry by the Senate Standing Committee on Rural and Regional Affairs and Transport into the Federal Government's response to the drought, and the adequacy and appropriateness of policies and measures to support farmers, regional communities and the Australian economy.<sup>126</sup> The National Mental Health Commission made a submission to that inquiry and we are following the outcome of that inquiry with interest.

### Empowering local communities

- 5.5 Like many other aspects of the drought response, we recognise that local communities are often best positioned to understand the nature and scope of the mental health challenges facing their community, and the best ways to respond. With appropriate support from government, local communities should

---

<sup>122</sup> Mr Bryn Griffiths, Associate Director, Communication and Events, University of New England, Transcript of evidence, 5 May 2020, p 10; Submission 34, Singleton Council, p 7; Submission 35, Bland Shire Council, p 1; Submission 58, Narrabri Shire Council, p 1; Submission 74, Local Government NSW, p 17

<sup>123</sup> Submission 62, Moree Plains Shire Council, p 5

<sup>124</sup> Mr Bryn Griffiths, Transcript of evidence, 5 May 2020, p 10

<sup>125</sup> Mr Scott Hansen, Director General, Department of Primary Industries, Department of Regional New South Wales, Transcript of evidence, 15 May 2020, p 6; Submission 42, Western NSW Community Legal Centre, p 9

<sup>126</sup> Senate Standing Committee on Rural and Regional Affairs and Transport, [Inquiry into the Federal Government's response to the drought, and the adequacy and appropriateness of policies and measures to support farmers, regional communities and the Australian economy.](#)

be empowered to respond to the mental health situation as it exists on the ground.

- 5.6 We heard that local communities want to be part of the community response to the drought, and failure to include the community in decision making can compound distress.<sup>127</sup> In speaking directly with community members, we also heard about the importance of government making an extra effort to engage directly with communities, rather than expecting them to approach services.<sup>128</sup> Furthermore, events and services facilitated by the local community are likely to have the best 'buy in' from that community.<sup>129</sup>
- 5.7 Having the flexibility to tailor solutions to the unique circumstances faced by a local community is important because it can lead to better outcomes. Local ownership of the mental health response is also critical to restoring the sense of community connectedness that is fundamental to wellbeing<sup>130</sup> and so central to rural life in Australia.
- 5.8 We were impressed by the range of solutions proposed by local communities. For example, Moree Plains Shire Council presented an extensive list of potential initiatives focused on community wellbeing and self-care, including expanded funding for an 'active kids' program, a similar program for adults, one-stop shops for drought support (including links to mental health services), free laundry services, and waiving library late fees.<sup>131</sup>
- 5.9 Local Government NSW also reinforced the important role local governments could play in promoting community wellbeing by fostering social engagement through functions and events.<sup>132</sup>

## Providing hope for the future

- 5.10 One of the key themes emerging from our initial consultations and hearings was the importance of providing communities with hope for the future.
- 5.11 The Salvation Army highlighted that the need for hope was the 'overwhelming' theme that emerged in their own consultations.<sup>133</sup>
- 5.12 This was also evident in consultations undertaken by the Western NSW Community Legal Centre, which described the 'devastating impact' of the drought on 'mental health, mood and community morale'. It highlighted that when people have no money to spend, shops close, and the community retreats, leading to a 'social hibernation of sorts' which exacerbates mental health difficulties.<sup>134</sup>

---

<sup>127</sup> Submission 58, Narrabri Shire Council, p 8

<sup>128</sup> Private discussion with Guyra community members, 24 April 2020

<sup>129</sup> Submission 43, The Salvation Army, p 8

<sup>130</sup> Submission 43, The Salvation Army, p. 8

<sup>131</sup> Submission 62, Moree Plains Shire Council, pp 7, 9 - 10

<sup>132</sup> Submission 74, Local Government NSW, p 17

<sup>133</sup> Submission 43, The Salvation Army, p 5

<sup>134</sup> Submission 42, Western NSW Community Legal Centre, p 10

**CASE STUDY – Joe Bellgardt, owner-operator of Joe’s Quality Meats, Coonamble**

From Joe’s shop-front on the main street, Joe described what used to be a vibrant and bustling town centre. However, as the drought continues, local people have less and less disposable income to spend and more and more shops are going out of business and being boarded-up. There is now little to no casual employment available in town, no employment opportunities, traineeships or apprenticeships available for young people, business owners are just “hanging out for rain” and Joe estimates that 70% of the town’s population is already dependent on social welfare.

Source: Submission 42, Western NSW Community Legal Centre, p 4

- 5.13 Mr David Aber, Interim Executive Officer of the New England Joint Organisation, also told us about the importance of inspiring hope in drought affected communities:
- It just struck me as one of the things that we need to give is hope, particularly through our businesses... I think one of the things that we tend to do with so much reporting about what the problems are, what we need to do is start thinking about them coming into these areas and start talking about how we can give these people hope for the future.<sup>135</sup>
- 5.14 He emphasised that media coverage is often dominated by negative stories about the effects of the drought, and more recently the bushfires, on people's lives and livelihoods. Mr Aber suggests that local organisations and the government have an important role in offering a positive antidote to this coverage by providing individuals and communities with hope and a clear path to the future.
- 5.15 Moree Plains Shire Council wrote of the urgent need for a 'morale boost' in local communities, noting that normal social activities had been suspended, exacerbating the sense of isolation experienced by many. It noted that some community members were in such financial hardship that they even lacked the money for fuel to attend local events.<sup>136</sup> The call for a morale boost and more community events was echoed by the Country Mayors Association.<sup>137</sup>
- 5.16 In response to the need for hope, the Salvation Army advocated for a clear 'road to recovery' strategy for drought affected communities.<sup>138</sup>
- 5.17 We welcome these views, and acknowledge that there is a clear link between a lack of economic prospects and the prevalence of mental health issues within a community.

<sup>135</sup> Mr David Aber, Transcript of evidence, 5 May 2020, p 5

<sup>136</sup> Submission 62, Moree Plains Shire Council, p 5

<sup>137</sup> Submission 68, Country Mayors Association, p 2

<sup>138</sup> Submission 43, The Salvation Army, p 5

## Ensuring the availability of mental health services

- 5.18 Historically, rural communities have found it difficult to attract and retain appropriately qualified health professionals, including GPs and psychologists. In many communities, this has resulted in longer wait times and a lack of services. These existing difficulties have been compounded by the increased mental health burden on communities related to the drought.<sup>139</sup>
- 5.19 There is clear evidence of the detrimental impact of drought on mental health. For example, we heard that research on the Millennium Drought has revealed that affected farmers who experienced diminished production were 8.5 times more likely to suffer from a mental illness.<sup>140</sup>
- 5.20 Importantly, however, the mental health impacts of drought extend to other individuals in communities, not just farmers.<sup>141</sup>
- 5.21 We are also conscious that the stress and mental health impacts of the drought place an increased burden on families generally, including children. Singleton Council highlighted that drought affected families are experiencing increasing social isolation as a result of financial hardship, and children lack peer support.<sup>142</sup> This was echoed by the Isolated Children's Parents' Association of NSW, which highlighted that families in financial hardship were keeping children home from boarding school, and not driving their children to preschool, because they could not afford the petrol costs or the time away from home.<sup>143</sup>
- 5.22 Many Councils and community organisations called for better access to professional mental health services to address local need, with several submitters pointing to a shortage of GPs<sup>144</sup> and school counsellors.<sup>145</sup> Local Government NSW advocated for more mental health support services generally, highlighting the need for more social workers and counsellors to provide support in schools and preschools.<sup>146</sup>
- 5.23 Although technology provides an opportunity to deliver specialist services to remote communities more easily, the Salvation Army noted that their financial counselling experience suggests that this cannot always replace face to face services, especially in 'intake and assessment'.<sup>147</sup>
- 5.24 However, the Salvation Army also acknowledges that telehealth services may assist in overcoming the stigma which prevents some people, especially in small communities, from seeking help. Noting the recent shift to telehealth services

---

<sup>139</sup> Submission 43, The Salvation Army, p 6

<sup>140</sup> Submission 43, The Salvation Army, p 6

<sup>141</sup> See Submission 58, Narrabri Shire Council, p 8

<sup>142</sup> Submission 34, Singleton Council, p 7

<sup>143</sup> Submission 57, Isolated Children's Parents' Association of NSW, p 2

<sup>144</sup> Submission 60, Wentworth Shire Council, p 2; Submission 62, Moree Plains Shire Council, pp 3, 5; Submission 68, Country Mayors Association, p 2

<sup>145</sup> Submission 35, Bland Shire Council, p 1

<sup>146</sup> Submission 74, Local Government NSW, p 17

<sup>147</sup> Submission 43, The Salvation Army, p 7

in light of the coronavirus pandemic, we welcome any further insight into the role that technology has been playing in the delivery of mental health services in drought affected communities.

- 5.25 While ensuring that there is greater availability of mental health services in affected communities is key, we acknowledge that the longstanding difficulties associated with recruitment and retention in rural areas underscores the need to also find solutions to mental health issues within local communities. Some suggestions received in this inquiry include general wellbeing measures such as social activities or even upskilling community members as mental health workers.

### **Cultural and emotional significance of rivers**

- 5.26 We were also informed about the link between the state of a river and the mental health of the local community.<sup>148</sup> Rivers are vital to local communities generally as a source of recreation and wellbeing, but especially to Aboriginal communities as a site for passing on and sharing cultural knowledge.<sup>149</sup>
- 5.27 In Bourke, the local river – the Darling River – has this dual significance. In Summer it serves the local community as a vital source of fun and recreation, where families and friends gather and children play. When the river dries up, this source of social cohesion is lost. Although the pool is a much-loved alternative, it is also more expensive, which is out of reach for many families experiencing financial hardship – especially in times of drought.<sup>150</sup>

### **Importance of rivers to Aboriginal communities**

- 5.28 We also received evidence of the vital importance of rivers to the health and wellbeing of Aboriginal communities, in relation to access to water for drinking and bathing, and also for cultural purposes. In this context, the concept of ‘cultural flows’ – the legal entitlement of Aboriginal communities to river water for social, cultural and other purposes – was also discussed.

### *Access to water*

- 5.29 We are particularly concerned by evidence which quoted 2019 comments from an Aboriginal local in Wilcannia, Mr Brendan Adams.<sup>151</sup> Mr Adams stated that the local Aboriginal community was living in ‘third world conditions’, and the dry state of the river and seeming inadequacy of local bore water meant that bottled water was being used not only for drinking but also to bathe local babies. He then spoke of the high rates of trauma, depression and suicide, and the reduced life expectancy of Wilcannia locals, which he said was now 38 years old.

---

<sup>148</sup> Submission 31, Water for Rivers, p 3

<sup>149</sup> Submission 42, Western NSW Community Legal Centre, p 8; Submission 30, David Smith, p 2; Submission 31, Water for Rivers, p 3; Submission 20, Adrienne Shilling, p 2

<sup>150</sup> Submission 42, Western NSW Community Legal Centre, p 8

<sup>151</sup> Submission 20, Adrienne Shilling, p 2

- 5.30 Another submission also referred to detrimental health impacts associated with using water derived from the Darling/Barwon to bathe.<sup>152</sup>
- 5.31 Access to safe and clean drinking water and sanitation is a human right.<sup>153</sup> The Committee is troubled by this evidence about the adequacy of bore water alternatives in towns such as Wilcannia, given that a potential lack of access to water may further compromise the dignity and wellbeing of individuals and communities. The Committee notes that the adequacy of town water supplies is covered in further detail in chapter one.

### *Cultural flows*

- 5.32 We also received submissions about the powerful cultural attachment of Aboriginal communities to rivers and the concept of ‘cultural flows’ – a legal and beneficial entitlement of Aboriginal communities to river water for spiritual, social, cultural and other purposes.<sup>154</sup> It was suggested that cultural flows should be considered separately to environmental flows.<sup>155</sup>
- 5.33 An example of the unique attachment to rivers is evident in Bourke, where the local Aboriginal community has enduring ties to the Darling River. It is a place where there is hunting, gathering and fishing, sacred ceremonies and dreamtime storytelling.<sup>156</sup> Mr Jamie Moore of the Marangunka Justice Reinvestment Project emphasised that these strong ties to the local area – which have survived for 40,000 years – make it very difficult for members of the local Aboriginal community to leave Bourke, regardless of the local economic situation.<sup>157</sup>
- 5.34 In their submission, Water for Rivers also highlighted towns such as Wilcannia, where the Darling River is the ‘lifeblood’ of the local Aboriginal community and the dry state of the river was responsible for the depletion of local traditional food stocks. The submission also noted that the Murray-Darling Basin Plan requires that the social, spiritual and cultural importance of the river system to traditional owners be considered. According to Water for Rivers, the Plan also recognises that the views of Aboriginal communities should be considered in relation to cultural flows specifically.<sup>158</sup>

---

<sup>152</sup> Submission 31, Water for Rivers, p 3

<sup>153</sup> [Resolution 6/292: The human right to water and sanitation](#), United Nations, August 2010

<sup>154</sup> Submission 31, Water for Rivers, p 4

<sup>155</sup> Submission 20, Adrienne Shilling, p 3

<sup>156</sup> Submission 42, Western NSW Community Legal Centre, p 9

<sup>157</sup> Submission 42, Western NSW Community Legal Centre, p 9

<sup>158</sup> Submission 31, Water for Rivers, pp 4 - 5

## Chapter Six – Other issues

- 6.1 This chapter looks at other suggestions and issues raised during the inquiry to date.
- 6.2 It highlights the positive impact that formal relationships between urban and rural councils can have to all parties involved. It also discusses the need to provide continued support to drought affected communities well after drought conditions ease.

### Twining of metropolitan and regional councils

#### Finding 10

**The Committee finds that friendship relationships between metropolitan and regional councils are a positive initiative that can provide shared benefits for all parties.**

- 6.3 The impacts of drought are felt primarily in regional communities that rely on agriculture and water-reliant industries to sustain local economies.<sup>159</sup> As highlighted by Northern Beaches Council, the ability of urban councils to have a significant impact on drought is limited as national and state wide responses are required.<sup>160</sup>
- 6.4 One way that urban councils can provide support is through building relationships with regional communities that can provide positive benefits to everyone involved.<sup>161</sup>
- 6.5 Northern Beaches Council has Sister City or Friendship relationships with two regional towns managed by Brewarrina and Gunnedah Shire Councils. These relationships provide shared benefits for all parties and opportunities to provide support during times of severe drought and hardship.<sup>162</sup>

---

<sup>159</sup> Submission 25, NSW Government, p 1

<sup>160</sup> Submission 24, Northern Beaches Council, p1

<sup>161</sup> Submission 24, Northern Beaches Council, p 1

<sup>162</sup> Submission 24, Northern Beaches Council, p 1

### **CASE STUDY – Northern Beaches Council Sister City relationship with Brewarrina and Gunnedah Shire Councils**

The Northern Beaches Council strongly encourages the NSW Government and other urban councils to consider a program of linking city and coastal councils with rural councils. Some examples of the mutual benefits experienced by Northern Beaches Council and their sister cities include:

- An annual Youth Exchange program giving young people from the Brewarrina region a week experiencing the city and beaches and young people in the Northern Beaches gaining exposure to the bush, rural and indigenous life.
- Staff exchanges, staffing assistance during flood, sports exchanges and donations of sporting goods and library books.
- The annual Bush to Beach Program sees up to 40 indigenous children from the Brewarrina region visit the Northern Beaches during the summer providing relief from hot temperatures.
- Through Councillor initiatives funds have been allocated to Gunnedah and Brewarrina for a Community Scholarship Fund and Youth Centre programs.
- Provision of party clothing for rural High School formals, a drought relief fundraising skate day and a Council sponsored 'Bush to Beach Drought Relief Rugby Gala Day'.

The Northern Beaches Council is also currently considering how to further support suicide prevention strategies in Brewarrina.

- 6.6 Liverpool Plains Shire Council similarly submitted that their Sister City relationship with Blacktown City Council has been effective and pragmatic during the current drought. One example of the type of support provided by Blacktown City Council was the supply of a potable water tanker.<sup>163</sup>
- 6.7 Liverpool Plains Shire Council expressed that without this partnership the local community would have suffered greater hardship.<sup>164</sup>
- 6.8 Namoi Unlimited also raised the model of Sister City relationships to facilitate relationships between local government and primary and secondary schools. Such relationships could be used for excursions and respite.<sup>165</sup>

<sup>163</sup> Submission 59, Liverpool Plains Shire Council, p 3

<sup>164</sup> Submission 59, Liverpool Plains Shire Council, p 3

<sup>165</sup> Submission 16, Namoi Unlimited, p 16

- 6.9 We are encouraged by the examples provided of the positive impact Sister City relationships can have on everyone involved. Such relationships can provide urban communities with a deeper understanding of the experiences and issues facing regional NSW and provide opportunities for practical support.

### Continuation of drought support

- 6.10 Severe drought can have a significant long-term impact on regional communities. The recovery process of restocking and rebuilding may take years. In their submission The Salvation Army cited the NSW Government's Drought Recovery Guide which indicated:

... the two year period after the drought breaks... is when many farmers are going to be in severe financial difficulties... borrowings during the drought are at their highest level and stock numbers are at their lowest; expenses are at their maximum and income at its minimum.<sup>166</sup>

- 6.11 Examples of some of the types of recovery that will have to occur once an area is no longer drought declared include:

- restocking at premium prices
- investment in soil to return it to a state viable for planting
- idle dairy plants requiring a recommissioning process to become operational
- replacement of water tanks showing signs of rust; and
- jobs put off through the drought due to disposal and removal costs.<sup>167</sup>

- 6.12 The Salvation Army submitted that it is vital for recovery that government assistance continues after a drought breaks.<sup>168</sup>

- 6.13 Cabonne Council also commented on the importance of continued Government assistance after an area is no longer drought declared. They commented that most farms will not harvest a crop until the season following an easing of conditions. It will also take time for graziers to restock. They recommended that assistance packages continue for 12 months after an area is no longer drought declared.<sup>169</sup>

- 6.14 The extension of drought relief programs was also supported by Moree Plains Shire Council. They submitted that drought recovery requires a combination of continuing suitable drought programs and developing specific recovery programs.<sup>170</sup>

- 6.15 We note the delivery of \$1 billion from the NSW Government to the Farm Innovation Fund which is designed to be a perpetual fund that supports farmers

<sup>166</sup> Submission 43, The Salvation Army, p14

<sup>167</sup> Submission 43, The Salvation Army, p 14

<sup>168</sup> Submission 43, The Salvation Army, p 14

<sup>169</sup> Submission 33, Cabonne Council, p 3

<sup>170</sup> Submission 62, Moree Plains Shire Council, p 12

to prepare for drought as well as manage its impacts. Farmers can borrow on a long term, low interest loan, up to a maximum of \$1 million to build permanent on-farm infrastructure. The fund is available during non-drought periods which can assist with preparedness for future drought events.

- 6.16 The ability for drought affected communities to promptly return to prosperity once drought conditions have eased is unrealistic. We acknowledge the time and cost it takes for agricultural and other businesses to return to productivity after prolonged drought conditions. We consider the period of time after drought conditions have eased to be just as crucial as during the drought.
- 6.17 We are encouraged by the support shown to date for providing long term assistance, particularly to farmers through the Farm Innovation Fund. We also support the continuation of drought relief programs aimed at businesses and communities and recommend they continue long term until there are indicators regional economies have improved.

## Appendix One – Conduct of inquiry

### Terms of reference

On Wednesday 25 September 2019 the Committee resolved to inquiry into and report on support for drought affected communities in New South Wales, including:

- a) population loss and loss of key trades, skills and businesses, and community services such as schools and medical services;
- b) business debt finances and responses of financial companies to the impact of drought;
- c) direct and indirect impacts of drought on businesses and industries;
- d) transition and recovery from drought when drought conditions begin to improve;
- e) preparedness for future drought events;
- f) assessment of current Government programs;
- g) temporary relief from state taxes, charges and levies for drought affected businesses
- h) capacity and coordination of town water supplies and further water recycling opportunities;
- i) particular impacts on Indigenous communities; and
- j) any other related matter.

### Call for submissions

The Committee called for submissions through a media release and wrote to key stakeholders inviting them to make a submission. Information about the inquiry was posted on the Legislative Assembly's Facebook page and Twitter feed.

Submissions closed on 27 November 2019. Seventy five submissions were received from the community, local councils, universities, professional organisations and associations, NGO's and government departments.

A list of submissions is at Appendix Two. Submissions are available on the Committee [webpage](#).

### Site visit and liaison

#### Visit to Orange – 2 and 3 December 2019

In December 2019 the Committee travelled to Orange and met with stakeholders in the region to discuss the impacts of drought on the Orange community. At the time of the visit, Orange was experiencing severe drought conditions and urban water restrictions were in place.

The Committee held the following meetings and visits:

- Meeting with Mayor Reg Kidd and Deputy Mayor Sam Romano, Orange City Council
- Site visit of MSM Milling at Manildra
- Meeting with Orange Business Chamber and member businesses. The following people were present at the meeting:
  - Ash Brown, President of Orange Business Chamber
  - Amanda Spalding, Amanda Spalding Consulting
  - Rob Campbell, Worrells
  - Daniel McGregor, Wealth Train

- Bob Holland, Proprietor and Editor Orange City Life
- Darryl Curran, Ecoscape
- Rob Drage, Rob Drage Consulting and Games and More
- Jack Evans, Jack Evans Workwear
- Richard Hattersley, Businessman

#### **Video conference with community members from Guyra – 24 April 2020**

On 24 April the Committee conducted a video conference with the following members of the Guyra community:

- Chris Heitbrink, Centre Coordinator, The Hub at Guyra
- Dot Vickory OAM, President, the Hub at Guyra
- Sam White, Partner at Bald Blair Angus
- Kirsty White, Partner at Bald Blair Angus
- Leonie Hawkins, President of the Guyra Evening Branch of the Country Women's Association
- Bronwyn Gills, Brisk Retail Trading

#### **Hearings**

The Committee held two hearings in May 2020 conducted both by video conference. Witnesses included representatives from local council, the university sector and government.

Appendix Three contains a list of witnesses who appeared at the hearings. Transcript of evidence taken at the hearings are on the Committee [webpage](#).

#### **Interim report**

In April 2020 the Committee decided to prepare an interim report covering preliminary thoughts on issues and evidence received to date.

## Appendix Two – Submissions

<b>No.</b>	<b>Author</b>
1	Mr Grant Mistler
2	Mrs Jane l'Ons
3	Mr Luiz Fernando Pereira Bispo
4	Ms Heather Morris
5	Miss Sherree Molles
6	Mrs Susie Rae
7	Confidential
8	Tenterfield Shire Council
9	New England Joint Organisation
10	Mr Andrew Rawsthorne
11	Confidential
12	Hay Shire Council
13	Lockhart Shire Council
14	Goulburn Mulwaree Council
15	The Hon. John Barilaro MP
16	Namoi Unlimited
17	Ms Abigail Humphreys
18	Central NSW Joint Organisation
19	Confidential
20	Ms Adrienne Shilling
20a	Ms Adrienne Shilling
21	Australian Small Business and Family Enterprise Ombudsman
22	Clarence Valley Council
23	Ms Jodie Pall
24	Northern Beaches Council
25	NSW Government
26	Cotton Australia
27	Gunnedah Shire Council
28	Confidential
29	Confidential
30	Mr David Smith
31	Water for Rivers

<b>No.</b>	<b>Author</b>
32	Forbes Shire Council
33	Cabonne Council
34	Singleton Council
35	Bland Shire Council
36	Confidential
37	Ms Elena Garcia
38	Australian Hotels Association NSW
39	Mr Gill Boehringer
40	Zero Mass Water
41	Cootamundra-Gundagai Regional Council
42	Western NSW Community Legal Centre
43	The Salvation Army, Australia
44	RDA Northern Rivers and Northern Rivers Joint Organisation
45	Parkes Shire Council
46	NSW Business Chamber
47	Federation Council
48	Charles Sturt University
49	Ms Cate Faehrmann
50	Australian Banking Association
51	Mr Peter Layton
52	Bega Valley Shire Council
53	Ms Prudence Wawn
54	Coffs Harbour City Council
55	Wollondilly Shire Council
56	Name suppressed
57	Isolated Children's Parents' Association of NSW Inc
58	Narrabri Shire Council
59	Liverpool Plains Shire Council
60	Wentworth Shire Council
61	Richmond Valley Council
62	Moree Plains Shire Council
63	The Australian National University
64	Country Women's Association of New South Wales
65	ClubsNSW
66	Confidential

<b>No.</b>	<b>Author</b>
67	Confidential
68	Country Mayors Association
69	St Vincent de Paul Society NSW
70	Hunter Business Chamber
71	Confidential
72	Robert B. Campbell
73	Jocelyn Christensen
74	Local Government NSW
75	Put Orange First

## Appendix Three – Witnesses

**5 May 2020**

**Virtual hearing via Video Conference room (Jubilee Room), Parliament House, Sydney, NSW**

<b>Witness</b>	<b>Position and Organisation</b>
Mayor Michael Pearce	Chairperson, New England Joint Organisation
Mr Scott Phillips	Acting General Manager, Uralla Shire Council New England Joint Organisation
Mr David Aber	Interim Executive Officer, New England Joint Organisation
Mr Bryn Griffiths	Associate Director, Communications and Events, University of New England

**15 May 2020**

**Virtual hearing via Video Conference room (Jubilee Room), Parliament House, Sydney, NSW**

<b>Witness</b>	<b>Position and Organisation</b>
Mr James McTavish	NSW Cross Border Commissioner and NSW Regional Town Water Supply Coordinator
Mr Scott Hansen	Director General, Department of Primary Industries, Department of Regional NSW
Mr Christopher Hanger	Deputy Secretary, Public Works Advisory and Regional Development, Department of Regional NSW

## Appendix Four – Extracts from minutes

### **MINUTES OF MEETING No 2**

12.15pm, Wednesday 7 August 2019

Room 1254

#### **Members present**

Mr Justin Clancy, Mr David Harris, Mr Phil Donato, Mr Clayton Barr

#### **Apologies**

Ms Steph Cooke, Mr Geoff Provest, Mr Peter Sidgreaves

#### **Officers in attendance**

Elaine Schofield, Emma Wood, Cheryl Samuels

#### **1. Minutes**

Resolved on the motion of Mr Harris, seconded Mr Donato: That the minutes of the meeting 19 June be confirmed.

#### **2. Potential inquiry topics**

The Committee discussed a list of potential inquiry topics circulated.

The Committee agreed that the Secretariat will prepare briefing notes on the following areas:

- \*\*\*
- the impact of drought on regional economies
- \*\*\*

#### **3. Next meeting**

The next meeting adjourned at 12.24 pm until a date to be determined.

### **MINUTES OF MEETING No 3**

1.30 pm, Wednesday 18 September 2019

Parkes Room

#### **Members present**

Mr Justin Clancy, Mr Clayton Barr, Mr David Harris, Mr Geoff Provest, Mr Peter Sidgreaves

#### **Apologies**

Ms Steph Cooke, Mr Phil Donato

#### **Officers in attendance**

Elaine Schofield, Emma Wood, Cheryl Samuels, Mohini Mehta

**1. Minutes**

Resolved on the motion of Mr Harris, seconded Mr Sidgreaves: That the minutes of the meeting of 7 August 2019 be confirmed.

**2. Potential inquiry topics**

The Committee discussed three briefing notes on potential inquiry topics including:

- the impact of drought on regional economies
- \*\*\*, and
- \*\*\*

The Committee agreed to commence an inquiry into the impact of drought on regional New South Wales, with particular reference to small business, local economies and communities.

Draft terms of reference will be prepared and circulated for discussion at the next Committee meeting.

**3. Next meeting**

The meeting adjourned at 1.41 pm until a date to be determined.

**MINUTES OF MEETING No 4**

1.35pm, Wednesday 25 September 2019

Jubilee room

**Members present**

Mr Justin Clancy, Ms Steph Cooke, Mr Phil Donato, Mr Geoff Provest, Mr Peter Sidgreaves

**Apologies**

Mr Clayton Barr, Mr David Harris

**Officers in attendance**

Elaine Schofield, Emma Wood, Cheryl Samuels, Mohini Mehta

**1. Minutes**

Resolved, on the motion of Mr Sidgreaves, seconded Mr Provest: That the minutes of the meeting of 18 September 2019 be confirmed.

**2. Proposed inquiry into support for drought affected communities in New South Wales**

**2.1 Terms of reference**

The Committee discussed the draft terms of reference.

Resolved on the motion of Mr Provest, seconded Mr Sidgreaves: That the Committee conduct an inquiry into the impacts of drought on regional NSW and identify potential government action with particular reference to regional businesses, economies and communities including:

- a) population loss and loss of key trades, skills and businesses, and community services such as schools and medical services;
- b) business debt finance and responses of financial companies to the impact of drought;
- c) direct and indirect impacts of drought on businesses and industries;
- d) transition and recovery from drought when drought conditions begin to improve;
- e) preparedness for future drought events;
- f) assessment of current Government programs;
- g) temporary relief from state taxes, charges and levies for drought affected businesses;
- h) capacity and coordination of town water supplies and further recycling opportunities;  
and
- i) any other related matter.

### **2.2 Call for submissions**

The Committee discussed the proposed list of stakeholders.

Resolved, on the motion of Mr Sidgreaves, seconded Mr Donato: That the Committee call for submissions to be received by 29 November 2019 and write to relevant stakeholders.

### **3. Next meeting**

The meeting adjourned at 1.47 pm until a date to be determined.

## **MINUTES OF MEETING No 4**

1.32pm, Wednesday 20 November 2019

McKell Room

### **Members present**

Mr Clayton Barr, Mr Justin Clancy, Ms Steph Cooke, Mr Phil Donato, Mr David Harris,  
Mr Geoff Provest

### **Apologies**

Mr Peter Sidgreaves

### **Officers in attendance**

Emma Wood, Cheryl Samuels

### **1. Minutes**

Resolved, on the motion of Mr Donato, seconded Ms Cooke: That the minutes of the meeting of 25 September 2019 be confirmed.

### **2. Inquiry – support for drought affected communities in New South Wales**

#### **2.1 Correspondence**

The Committee noted correspondence from Mr Mark Scott AO, Secretary, Department of Education dated 1 November 2019.

#### **2.2 Publication of submissions**

Resolved, on the motion of Mr Harris, seconded by Ms Cooke: That the Committee publish submissions numbered 1-6, 8-10 and 12-15 in full and that submissions numbered 7 and 11 remain confidential to the Committee and not be published.

### **2.3 Regional site visits and public hearings**

Resolved, on the motion of Mr Harris, seconded Mr Donato: That, subject to funding approval from the Speaker, the Committee undertake a regional site visit to Orange on 2 and 3 December 2019.

The proposed itinerary for the regional visit to Orange was discussed and the Committee agreed to invite the Mayor and General Manager of Orange City Council to meet with the Committee during the visit.

The Committee discussed undertaking two further site visits in conjunction with public hearings in the new year.

### **2.4 Terms of reference**

Resolved, on the motion of Mr Harris, seconded Mr Donato: That the terms of reference for the Committee's current inquiry into support for drought affected communities in NSW be amended by inserting after (h):

- (i) the impact of drought on aboriginal communities.

### **3. \*\*\***

### **4. Next meeting**

The meeting adjourned at 1.55pm until a date to be determined

## **MINUTES OF MEETING No 6**

1.30pm, Tuesday 4 February 2020

Room 1254

### **Members present**

Mr Justin Clancy, Ms Steph Cooke, Mr Phil Donato, Mr David Harris, Mr Geoff Provest, Mr Peter Sidgreaves

### **Apologies**

Mr Clayton Barr

### **Officers in attendance**

Elaine Schofield, Emma Wood, Cheryl Samuels

### **1. Minutes**

Resolved, on the motion of Mr Provest, seconded Donato: That the minutes of the meeting of 20 November 2019 be confirmed.

### **2. Inquiry – support for drought affected communities in New South Wales**

## **2.1 Correspondence**

The Committee noted correspondence from Mr Rupert Steel dated 27 November 2019 and 23 December 2019.

## **2.2 Acceptance of further submissions**

The Committee noted the following submissions received since the Committee last met:

- Submission 71
- Submission 72
- Submission 73

## **2.3 Publication of submissions**

Resolved, on the motion of Mr Harris, seconded by Mr Provest that:

- submissions numbered 16-18, 20-20a, 21-27, 30, 32-35, 38, 40-44, 46-55, 57-65, 68-70, 72-73 be published in full
- submissions numbered 19, 28-29, 36, 66-67 and 71 remain confidential to the Committee and not be published
- submission 31 be published with redactions to paragraph 6 and 9
- submission 37 be published with redactions to paragraphs 4 and 7
- submission 39 be published but the appendix commencing from page 6 remain confidential to the Committee
- submission 45 be published but the \*\*\* remain confidential to the Committee, and
- submission 56 be published with name suppressed.

## **2.4 Inquiry Timeline**

Resolved, on the motion of Mr Sidgreaves, seconded Mr Provest: That, subject to funding approval from the Speaker, the Committee undertake and conduct the following regional site visits and public hearings:

- Armidale on 16 and 17 March 2020
- Canberra and Yass on 28 and 29 April 2020

It was further agreed that the Committee would conduct a public hearing in Sydney on 15 May 2020.

## **3. General Business**

Resolved, on the motion of Mr Harris: That the Committee thank Mr Donato and the secretariat for organising the Committee's visit to Orange in December 2019.

## **4. Next meeting**

The meeting adjourned at 1.50 pm until a date to be determined.

## **MINUTES OF MEETING No 7**

11.30am, Monday 30 March 2020

Via teleconference

### **Members present**

Mr Clayton Barr, Mr Justin Clancy, Mr Phil Donato, Mr David Harris, Mr Peter Sidgreaves

### **Apologies**

Ms Steph Cooke, Mr Geoff Provest

### **Officers in attendance**

Elaine Schofield, Emma Wood, Cheryl Samuels, Mohini Mehta

## **1. Minutes**

Resolved, on the motion of Mr Harris, seconded Mr Donato: That the minutes of the meeting of 4 February 2020 be confirmed.

## **2. Inquiry – support for drought affected communities in New South Wales**

### **2.1 Acceptance and publication of further submissions**

Resolved, on the motion of Mr Barr, seconded Mr Donato: That submissions 74 and 75 be published in full on the Committee's website.

### **2.2 Inquiry activities**

The Committee noted the prior agreement to postpone the Armidale visit.

The Committee discussed the planned visit and hearing in Yass and the Sydney public hearing.

Resolved, on the motion of Mr Sidgreaves, seconded by Mr Barr, that the Committee postpone the regional visit to Yass and the Sydney public hearing to a date to be determined.

The Committee discussed options for evidence gathering by remote or other means including:

- teleconference or videoconference with the Guyra Hub, followed by Armidale and Yass;
- publishing of an interim report based on preliminary findings from submissions and research.

## **3. Next meeting**

The meeting adjourned at 11.52 am until a date to be determined.

### **MINUTES OF MEETING No 8**

1.30 pm, Friday 24 April 2020

Videoconference

### **Members present**

Mr Justin Clancy, Mr Peter Sidgreaves, Mr Clayton Barr, Ms Steph Cooke, Mr Phil Donato, Mr David Harris, Mr Geoff Provest,

### **Apologies**

Nil

### **Officers in attendance**

Clara Hawker, Emma Wood, Cheryl Samuels, Jacqueline Linnane, Jennifer Gallagher, Mohini Mehta

**1. Minutes**

Resolved, on the motion of Mr Sidgreaves, seconded Mr Donato: That the minutes of the meeting of 30 March 2020 be confirmed.

**2. Inquiry – support for drought affected communities in New South Wales**

**2.1 Meeting with representatives of the Guyra community**

The Committee met privately with the following representatives of the Guyra community:

Ms Chris Hietbrink, Centre Coordinator of the Guyra Hub

Ms Dot Vickery OAM, President of the Guyra Hub

Ms Leonie Hawkins, President of the Guyra Evening Branch of the Country Women's Association

Mr Sam White, partner of Bald Blair Angus

Mrs Kirsty White, partner of Bald Blair Angus and member of Northern Tablelands Local Land Services Ladies in Livestock

Ms Bronwyn Gills, proprietor of Brisk Trading.

**3. Next meeting**

The meeting adjourned at 3.05 pm until 5 May 2020 at 8.50 am.

**MINUTES OF MEETING No 9**

8.50 am, Tuesday 5 May 2020

Jubilee Room and videoconference

**Members present**

Mr Justin Clancy, Mr Peter Sidgreaves, Mr Clayton Barr, Ms Steph Cooke, Mr Phil Donato, Mr David Harris, Mr Geoff Provest

**Apologies**

Nil

**Officers in attendance**

Elaine Schofield, Emma Wood, Cheryl Samuels, Jacqueline Linnane, Jennifer Gallagher, Mohini Mehta

**1. Minutes**

Resolved, on the motion of Mr Harris, seconded Mr Donato: That the minutes of the meeting of 24 April 2020 be confirmed.

**2. Inquiry – support for drought affected communities in New South Wales**

**2.1 Correspondence**

The Committee noted the following correspondence received:

- Email from Chris Hietbrink, Guyra Community Hub, dated 24 April 2020
- Email from Sam White, Bald Blair Angus, dated 24 April 2020

## **2.2 Media orders for public hearing**

Resolved, on the motion of Mr Sidgreaves seconded Mr Donato: That the Committee authorises the audio-visual recording, photography and broadcasting of the public hearing on 5 May 2020, in accordance with the Legislative Assembly's guidelines for the coverage of proceedings for committees administered by the Legislative Assembly.

## **2.3 Answers to questions taken on notice and additional questions**

Resolved, on the motion of Mr Barr, seconded Mr Donato: That witnesses be requested to return answers to questions taken on notice and additional questions within 3 days of the date on which the questions are forwarded to witnesses.

Resolved, on the motion of Mr Donato, seconded Mr Barr: That the procedure for additional questions be as follows:

- Members to submit any additional questions to the secretariat within two days of the date on which the transcript is forwarded to the members.
- The secretariat will circulate all additional questions received to Committee members.
- Members may express concern or objection to any additional questions within one working day of distribution of the questions from the secretariat. Any objections that cannot be resolved will be deferred until a deliberative meeting of the Committee.

## **2.4 Public hearing – support for drought affected communities in New South Wales**

Witnesses were admitted by videoconference.

The public were admitted via the Parliament's webcast. The Chair opened the public hearing at 9.15 am and made a short opening statement.

### **New England Joint Organisation**

Mayor Michael Pearce, Chairperson of the New England Joint Organisation and Mayor of Uralla Shire Council was sworn and examined.

Mr Scott Phillips, Acting General Manager, Uralla Shire Council was affirmed and examined.

Mr David Aber, Interim Executive Officer, New England Joint Organisation was sworn and examined.

The Committee questioned the witnesses. Evidence concluded and the witnesses withdrew.

### **University of New England**

Mr Bryn Griffiths, Acting Associate Director, Communications and Events, University of New England, was affirmed and examined.

The Committee questioned the witness. Evidence concluded and the witness withdrew.

The public hearing concluded at 10.46 am.

### **Post-hearing deliberative meeting**

#### **1. Inquiry – support for drought affected communities in New South Wales (cont.)**

##### **2.5 Publication orders**

Resolved, on the motion of Mr Harris, seconded Mr Sidgreaves: That the corrected transcript of public evidence given today be authorised for publication and uploaded on the Committee's website.

##### **2.6 Preparation of Interim Report**

The Chair invited members consider and to advise him and the secretariat of their potential key issues and recommendations for inclusion in the report.

#### **2. Next meeting**

The meeting adjourned at 10.50 am until 15 May 2020 at 11.30 am.

### **MINUTES OF MEETING No 10**

11.30 am, Friday 15 May 2020

Jubilee Room and videoconference

#### **Members present**

Mr Justin Clancy, Mr Peter Sidgreaves, Mr Clayton Barr, Ms Steph Cooke , Mr David Harris

#### **Apologies**

Mr Phil Donato, Mr Geoff Provest

#### **Officers in attendance**

Elaine Schofield, Emma Wood, Cheryl Samuels, Jacqueline Linnane, Jennifer Gallagher, Mohini Mehta

#### **1. Minutes**

Resolved, on the motion of Mr Harris, seconded Mr Barr: That the minutes of the meeting of 5 May 2020 be confirmed.

#### **2. Inquiry – support for drought affected communities in New South Wales**

##### **2.1 Responses received to questions taken on notice**

Resolved, on the motion of Mr Sidgreaves, seconded Mr Barr: That the Committee publish the response received from the University of New England to a question taken on notice at the 5 May public hearing.

##### **2.2 Media orders for public hearing**

Resolved, on the motion of Mr Barr, seconded Mr Sidgreaves: That the Committee authorises the audio-visual recording, photography and broadcasting of the public hearing on 15 May 2020, in accordance with the Legislative Assembly's guidelines for the coverage of proceedings for committees administered by the Legislative Assembly.

### **2.3 Answers to questions taken on notice and additional questions**

Resolved, on the motion of Mr Harris, seconded Mr Barr: That witnesses be requested to return answers to questions taken on notice and additional questions within 3 days of the date on which the questions are forwarded to witnesses.

Resolved, on the motion of Mr Barr, seconded Mr Harris: That the procedure for additional questions be as follows:

- Members to submit any additional questions to the secretariat within two days of the date on which the transcript is forwarded to the members.
- The secretariat will circulate all additional questions received to Committee members.
- Members may express concern or objection to any additional questions within one working day of distribution of the questions from the secretariat. Any objections that cannot be resolved will be deferred until a deliberative meeting of the Committee.

### **2.4 Public hearing – support for drought affected communities in New South Wales**

Witnesses were admitted by videoconference.

The public were admitted via the Parliament's webcast. The Chair opened the public hearing at 11.45 am and made a short opening statement.

Mr James McTavish, NSW Cross-Border Commissioner and NSW Regional Town Water Supply Coordinator was sworn and examined.

Mr Scott Hansen, Director General, Department of Primary Industries, Department of Regional NSW was sworn and examined.

Mr Chris Hanger, Deputy Secretary, Public Works Advisory and Regional Development, Department of Regional NSW was affirmed and examined.

The Committee questioned the witnesses. Evidence concluded and the witnesses withdrew.

### **Post-hearing deliberative meeting**

#### **3. Inquiry – support for drought affected communities in New South Wales (cont.)**

##### **2.5 Publication orders**

Resolved, on the motion of Mr Sidgreaves, seconded Mr Barr That the corrected transcript of public evidence given today be authorised for publication and uploaded on the Committee's website.

#### **4. General Business**

Nil

#### **5. Next meeting**

The meeting adjourned at 1.05 pm until a date and time to be determined.

**UNCONFIRMED MINUTES OF MEETING No 11**

9.38 am, Thursday 18 June 2020

Jubilee Room

**Members present**

Mr Justin Clancy (Chair), Mr Peter Sidgreaves (Deputy Chair), Mr Phil Donato, Mr Clayton Barr, Ms Steph Cooke, Mr David Harris, Mr Geoff Provest,

**Apologies**

Nil

**Officers in attendance**

Elaine Schofield, Emma Wood, Cheryl Samuels, Mohini Mehta

**1. Minutes**

Resolved, on the motion of Mr Harris, seconded Mr Sidgreaves: That the minutes of the meeting of 15 May 2020 be confirmed.

**2. Inquiry – support for drought affected communities in New South Wales – consideration of the draft report**

By agreement, the draft report was considered in globo.

Resolved, on the motion of Mr Barr, seconded Mr Provest: That the draft report be the report of the Committee, and that it be signed by the Chair and presented to the House.

Resolved, on the motion of Mr Barr, seconded Mr Provest: That the Chair and committee staff be permitted to correct stylistic, typographical and grammatical errors.

Resolved, on the motion of Mr Barr, seconded Mr Provest: That, once tabled, the report be posted on the Committee's website.

**3. Next meeting**

The meeting adjourned at 9.45 am until a date and time to be determined.